

**IT Competence Group S.E.
Waalre**

Annual report 2014

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FINANCIAL REPORT

DIRECTOR'S REPORT

To our Shareholders

2014 - A year of steady progress and achievement.

Across our markets we have seen a full range of conditions in 2014, ranging from tough and challenging, to robust, stable and growing. Our vision is clear. IT Competence Group wants to be the most trusted partner for our customers by consistently delivering excellence - bringing together the knowledge, expertise and skills of our people from across our network.

More generally, we continue to face challenging market conditions. While the world IT market is growing and underlying demographic trends remain favourable to long-term growth, many of the drivers of demand and supply in the sector are under pressure. But our commercial expertise and global scale, including a strong presence in Germany, helped maximise the value of our marketed brands in our main service areas.

In April 2015, we completed the acquisition of a stake in proMX GmbH and we created a new organisation with a clear vision, a strong identity and a culture hungry for success. Our company now holds a majority in shares in proMX GmbH. We welcome the new members of proMX on our IT Competence Group team.

proMX is situated in Nürnberg (Germany) and its focus is business software applications. The company has won several awards in the past especially it was awarded as Microsoft's "Partner of the Year" in Germany and also as Microsoft's "Dynamics Online Software Advisory" in Europe, the Middle East and Africa. With this new stake we expand our portfolio on software products and software development to complete our service offer. Beside the services in the fields of Microsoft Dynamics CRM and the relevant solutions, proMX offers an own software product called "proRM Business solutions", which is a compatible extension to MS Dynamics CRM for sales, resources and project management tasks.

Revenue from the sale of our IT services generates cash flow, which helps us fund business investment. It also enables us to meet our debt service obligations. This involves balancing the interests of our business, financial creditors and shareholders.

For the fiscal year 2015 management expects to achieve:

- o 2015 revenues between € 23m and € 25m
- o 2015 EBIT above € 1.0m

Before closing, and on behalf of the Board, I want to thank the employees of IT Competence Group. Their outstanding efforts helped us achieve so much in 2014 returning to growth. I and my fellow Supervisory Directors remain strongly convinced of the potential for your company. We believe that IT Competence Group SE has the right strategy, a strong customer base, an improved customer proposition and the right skills for it to achieve its true potential.

Looking back, it has been a year of steady progress and achievement. We now look to 2015 with confidence based on the existing programmes in which we are engaged and the depth of order backlog we have secured.

Waalre, June 10, 2015

Robert Käß

Managing Director

Fiscal year 2014 at a glance

Total Revenues
2014 € 20.8m
2013 € 21.6m

Gross Margin
2014 € 13.5m
2013 € 13.3m

EBIT
2014 € 0.3m
2013 € 1.0m

Result after Tax
2014 € 0.1m
2013 € 0.6m

TOTAL assets
2014 € 7.1m
2013 € 8.1m

Management

IT Competence Group SE is organised as a SE company under Dutch law with a two-tier board structure. The company's management consists of a Management Board ("Raad van Bestuur") and a Supervisory Board ("Raad van Commissarissen").

o Board of Directors

Robert Käb

Robert Käb joined the Management Board of Navigator Equity Solutions SE in November 2008. He is also one of the founding partners of the consulting company The ACON Group SE. He founded AdVal Capital Management AG in 1998, a Munich-based consulting company specialised in the field of finance. In his capacity as CEO of AdVal he invested in several technology companies and advised six companies on their way to IPO. He started his career as a management consultant with KPMG. Robert Käb holds a Master in Business Administration from LMU in Munich.

o Supervisory Board

Dr. Jens Bodenkamp

Dr Bodenkamp is currently active as a Business Angel. Previously he was Managing Director of the ETF Group Deutschland GmbH, a wholly-owned subsidiary of the globally active venture capital firm ETF Group based in Lugano, Switzerland, responsible for the German language market segment. Previously Dr Bodenkamp directed Intel Corporation's broadband programme in Europe, responsible for strategy, strategic alliances, marketing and targeted investments in the broadband space.

Erich Hoffmann

Mr. Erich Richard Hoffmann is the Founder of ContTect GmbH. He currently serves as a Consulting Engineer and has also successfully supported a number of start-up companies since 2000. In the past Mr. Hoffmann designed test equipment for several applications and introduced inspection systems for CD, CD-R, MO, LD, LCD and MD formats plus physical optical disc checkers.

The Company

IT Competence Group SE acts as a holding company for growth-oriented IT service companies. It combines a maximum of entrepreneurial freedom for its subsidiaries with the advantages of a publicly listed group to support them in gaining a leading position in their respective markets. Currently, the Group's operational business is based in Germany.

In line with a buy and build strategy, the holding focuses on the acquisition, development and administration of the individual companies.

The strategic objective of IT Competence Group SE is to offer its customers ideal solutions for their information technology requirements and to offer comprehensive support in the planning and implementation of the latest technologies.

In a complex and constantly changing market environment we possess the necessary technical and personnel know-how enabling us to offer our clients all required services from a single source.

Therefore, we trust especially in the advancement and cooperation of strong independent subsidiary companies under the umbrella of the Holding in order to realise extensive synergies for our customers. The services of IT Competence Group SE unburden our clients from worrying about IT problems and allow them to focus on optimising their core business.

Within the group we aim at a continuous advancement of each individual subsidiary company, fostered by continued cooperation with the existent management and a financial participation of the management in the company.

Our subsidiaries include:

Human Internet CONSULT AG is a subsidiary of IT Competence Group SE since October 31, 2006. Human Internet CONSULT AG is an IT consultancy with its registered office in Murr/Ludwigsburg. The company with offices in Berlin, Munich, Hamburg, Ludwigsburg and Frankfurt is active throughout Germany mainly in the areas of IT processes, IT organisation, IP convergence and IT security.

DeskSite GmbH is a subsidiary of IT Competence Group SE since June 2007. DeskSite is a young IT service company with its registered office in Ludwigsburg. After a strategic repositioning, the company's focus is now on business and process management consulting.

net on AG is a subsidiary of IT Competence Group SE since June 2011. The net on AG is an IT-service provider. With dedicated resources, net on AG offers a comprehensive range of IT solution packages. The company is equipped to fully manage the technology infrastructure or provide any level of support to augment the existing staff.

HIC Systems GmbH is a subsidiary of IT Competence Group SE since June 2009. The company is active throughout Germany mainly in the areas of datacenter solutions, security management, project management and phone solutions for the workplace.

In April 2015, we completed the acquisition of a stake in proMX GmbH, our company now holds a majority in shares in proMX GmbH. proMX is situated in Nürnberg (Germany) and its focus is business software applications.

Shareholder structure

By the end of the fiscal year 2014, the number of shares outstanding was 1,875,000 thereof Navigator Equity Solutions SE, the main shareholder, holds 77.00% of the shares.

Annual Shareholders' Meeting

The Annual General Meeting of IT Competence Group SE for the fiscal year 2014 took place in Waalre, the Netherlands, on July 16, 2014. In total 13.02% of the share capital was represented at the meeting. All items of the agenda were approved unanimously.

Development of Earnings, Asset and Financial Situation

The consolidated financial statement have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

Earnings situation

o Revenue Development

In the fiscal year 2014, IT Competence Group generated total (net) revenues of 20.8m euros (2013: 21.6m euros). This represents a slightly decrease.

The Group's total operating costs in the fiscal year 2014 amounted to 13.2m euros (2013: 12.3m euros) an increase of 7.3%.

o Earnings Development

In the fiscal year 2014, IT Competence Group generated a gross profit of 13.5m euros (2013: 13.3m euros). The gross margin was higher from 61.6% to 65.0%.

The Group's operating result (EBIT) amounted to 0.3m euros (2013: 1.00m euros). This was primarily attributable to slightly lower revenues. The personnel expenses were nearly unchanged (2014: 9.8m euros, 2013: 9.4m euros). The order situation required an soft increase in personnel.

Pre-tax earnings amounted to 0.2m euros (2013: 0.8m euros). After deduction of income tax amounting to -0.1m euros (2013: -0.2m euros), the income for the period amounted to 0.1m euros (2013: 0.6m euros).

Asset Situation

o Balance Sheet

As of December 31, 2014, the IT Competence Group balance sheet total amounted to 7.1m euros (December 31, 2013: 8.1m euros).

The group's total fixed assets slightly decreased to 3.5m euros (2013: 3.7m euros). Current assets decreased to 3.6m euros (2013: 4.4m euros). Cash and Cash equivalents decreased from 2.6m euros in 2013 to 1.6m euros at the end of 2014.

The equity capital increased to 3.1m euros (2013: 2.9m euros). Current liabilities decreased from 5.2m euros to 4.0m euros, consisting of trade payables amounting to 1.1m euros (2013: 2.4m euros), other liabilities of 2.5m euros (2013: 2.4m euros) and current tax liability of 0.4m euros (2013: 0.4m euros).

Employees

As of December 31, 2014, the number of employees at IT Competence Group amounted to 143 (2013: 145). This comprises 81 employees at Human Internet CONSULT AG, 51 employees at net on AG, 5 employees at net on PM GmbH and 6 employees at IT Competence Group SE.

We expect employee numbers at IT Competence Group SE to be significantly up in 2015 as its subsidiaries plan to expand its staff and as proMX GmbH is in 2015 member of the Group.

Risk Report

IT Competence Group's future business development will always be influenced by both elements of chance and risk. Our risk management serves to recognise, observe and communicate both chance and risk. This ensures the punctual delivery of information to the relevant decision makers so that the development of suitable measures to both utilise chance and contain risk can be implemented.

Apart from the general risks that exist in the business environment, due to the nature of its industry, IT Competence Group is also subjected to other risks. These have been summarised below:

Cyclical Risks

Customers' demand in the IT market is always dependent on the customers' own business and financial situation and hence also on the general economic development. Currently, the global and German economy is recovering successfully from a deep recession and is expected to generate good growth also for the foreseeable future. This is also reflected in a positive forecast for the development of the IT services market in the coming years. However, there is no guarantee that the current growth is sustainable and there are still a number of significant risks for the future economic development, especially in Europe and Germany. Thus, if the general economic environment should start to deteriorate, this will also have negative effects on the development of the IT services market as well as on the financial and asset situation of the Group.

Competition

The IT services market is highly fragmented and characterised by intense competition. Competition for the Group companies arises from a small number of bigger players in the market as well as from a large number of small competitors. Such competition is even boosted by former employees of Group companies going into business for themselves. As in every other market, strong competition is always putting pressure on pricing and margins in the market, thus also affecting the Group's profitability. If the Group companies are not able to prevail in this highly competitive environment there may be adverse effects on the Group's financial and asset situation.

Personnel Risks

The IT business is rapidly changing and evolving new technologies. Thus it is necessary that the technical staff of the Group companies always stays on top of these developments and continuously expands its skills to remain state-of-the-art. If the Group companies do not provide for this risk by organising sufficient education and training programs they might lose their competitive capacity, resulting in respectively adverse effects on the Group's financial and asset situation. Currently, the Group's management has no reason to believe that any of the above mentioned risks represents an acute threat to the Group's continuation.

Legal Risks

Amendments to laws and/or regulations may have a positive or a negative effect on a company's market activities.

Internal Control and Management Statement

With due observance of the limitations that are inevitably inherent in any risk management and internal control system, our internal risk management and control systems provide reasonable assurance that our financial reports are free of material misstatement and that these systems were adequate and effective in 2014. There are no indications that they will not be adequate and effective in the current year. The phrase "reasonable assurance" is taken to mean the level of assurance that would be provided by a director acting with due care under the given circumstances. The set of procedures involving the internal risk management and control systems, and the related findings, recommendations and measures have been discussed with the Supervisory Board and the independent external auditor.

In addition, we declare, based on Article 5.25c Wet op het financieel toezicht (Wft), that to the best of our knowledge and in accordance with the applicable reporting principles:

- o the consolidated financial statements of 2014 give a true and fair view of the assets, liabilities, the financial position and the profit and loss of IT Competence Group SE and its consolidated operations; and
- o the management report includes a true and fair review of the position as per 31 December 2014 and of the development and performance during 2014 of IT Competence Group SE and its related participations of which the data have been included in the financial statements, together with a description of the relevant risks of which the IT Competence Group is being confronted.

Waalre, June 10, 2015

R. Käß

FINANCIAL STATEMENTS

1 CONSOLIDATED BALANCE SHEET AS PER DECEMBER 31, 2014

(after appropriation of result)

	December 31, 2014		December 31, 2013	
	€	€	€	€
ASSETS				
FIXED ASSETS				
Intangible fixed assets	(1)	3,334,993		3,535,308
Tangible fixed assets	(2)	<u>121,624</u>		<u>150,220</u>
		3,456,617		3,685,528
CURRENT ASSETS				
Work in progress				
Work in progress		-		156,476
Receivables, prepayments and accrued income				
	(3)			
Trade receivables		1,521,720		1,562,425
Other receivables, deferred assets		<u>435,729</u>		<u>57,720</u>
		1,957,449		1,620,145
Cash and cash equivalents				
		1,647,375		2,588,936
		<u>7,061,441</u>		<u>8,051,085</u>

	December 31, 2014		December 31, 2013	
	€	€	€	€
LIABILITIES				
GROUP CAPITAL	(4)	264,312		75,772
SUBORDINATED LOANS	(5)	2,790,000		2,790,000
CURRENT LIABILITIES	(6)			
Bank overdraft		-		50
Trade creditors		1,116,059		2,436,825
Group companies		1,052,796		1,024,225
Taxes and social securities		370,763		380,492
Liabilities, accruals and deferred income		1,467,511		1,343,721
		4,007,129		5,185,313

7,061,441

8,051,085

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2014

	2014		2013	
	€	€	€	€
Nett turnover (7)	20,778,528		21,594,804	
Movement of inventories of finished goods and work in progress	-156,476		100,500	
Cost price	7,112,681		8,403,865	
Gross margin		13,509,371		13,291,439
		13,509,371		13,291,439
Employee expenses (8)	9,792,689		9,417,633	
Amortisation and depreciation (9)	266,819		276,275	
Other operating expenses	3,118,569		2,627,117	
		13,178,077		12,321,025
Operating result		331,294		970,414
Interest and similar income (10)	801		58,159	
Interest and similar expenses (11)	-90,833		-191,004	
Financial income and expenses		-90,032		-132,845
Result from general operations before tax		241,262		837,569
Taxation on result of ordinary activities (12)		-99,221		-197,414
Result after tax		142,041		640,155

3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Activities

IT Competence Group SE is a company domiciled in The Netherlands. The address of the Company's registered office is Laan van Diepenvoorde 3, 5582 LA Waalre. The Group is a publicly listed holding company focusing on fast growing IT service companies with business activities in IT consulting and outsourcing solutions.

As per January 1, 2011 IT Competence SE has a permanent establishment in Germany, the address of the Company's office is Schlossdomäne Monrepos 6, 71634 Ludwigsburg.

The parent company of IT Competence Group SE is Navigator Equity Solutions SE, which holds 77.00% of the outstanding shares.

Basis of preparation

Certain comparative figures have been reclassified to conform to current year's presentation.

Group structure

In the financial statements of IT Competence Group S.E. the financial information is consolidated of IT Competence Group S.E. and her following group companies:

LIST OF PARTICIPATING INTERESTS

Name, statutory registered office	Share in issued capital
	%
Human Internet CONSULT AG Ludwigsburg	100.00
net on AG München	100.00
DeskSite GmbH Ludwigsburg	100.00
Sinwell AG München	100.00

Cash flow statement

The Company has used the exemption from disclosing a cash flow statement based on Dutch GAAP 360 paragraph 104.

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by IT Competence Group S.E. or where central management is conducted has been consolidated in the financial statements of IT Competence Group S.E. The consolidated financial statements have been prepared in accordance with the accounting principles of IT Competence Group S.E.

With regard to the company profit and loss account, the company applies the exemption of article 2:402 BW.

The financial data of IT Competence Group S.E. has been processed into the consolidated annual account according to the exemption of article 2:402 BW. A brief profit and loss account is provided for a single annual account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated annual account, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated annual account.

Financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences (the acquisition date) until the date that control ceases. At acquisition date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participating interests sold during the year are recognised until the moment of disposal.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

The consolidated financial statement have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under historical costs convention. Unless presented otherwise at the relevant principle for specific balance sheet item, assets and liabilities are presented at nominal value.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. The exchange differences resulting from the conversion as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by IT Competence Group S.E. Participating interests with a negative net asset value are valued at € 1. In the case that the company fully or partly guarantees for the debts of the respective participating interest, a provision is recognised. If the company fully or partly guarantees the liabilities of the participations concerned, or has the effective obligation respectively to enable the participation to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the participations are taken into account.

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Work in progress

Construction contracts commissioned by third parties comprises the balance of project costs realised, and if applicable, recognised losses and instalments already invoiced. Construction contracts are separately presented in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities. Expenditure relating to project costs for work not yet performed is recognised under inventories.

Trade and other receivables

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Subordinated loans

These loans are subordinated to all existing and future liabilities of the company and are presented at nominal value.

Long-term and short-term liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortised cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the accounting principles mentioned before.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Nett turnover

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated in the same period.

The progress made on the contract is determined based on the contract costs incurred as at the balance sheet date in proportion to the total estimated contract costs. If the result of the contract cannot (yet) be estimated reliably, the revenue is recognised in the income statement for the amount of the contract costs incurred from which it is likely that they can be recovered; the contract costs are then recognised in the income statement for the period in which they were incurred.

Amortisation and depreciation

Amortization on (in)tangible fixed assets using a fixed rate on the acquisition costs of conversion.

The depreciation on (in)tangible fixed assets is calculated by using a fixed rate on the acquisition cost or cost of conversion.

Gains and losses on disposal of (in)tangible fixed assets are recorded under amortization/depreciation, gains only to the extent that the gain is not capitalised deducted from replacement investments.

Financial income and expenses

Financial income and expenses comprise interest income and expenses of loans for the current reporting period.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the annual account and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2014

Fixed assets

	12/31/2014	12/31/2013
	€	€
1. Intangible fixed assets		
Goodwill	3,320,585	3,516,619
Client lists and other intangible fixed assets	14,408	18,689
	<u>3,334,993</u>	<u>3,535,308</u>
	Goodwill	Client lists and other intangible fixed assets
	€	€
<i>Book value as of January 1, 2014</i>		
Purchase price	4,909,438	133,945
Cumulative depreciation	-1,392,819	-115,256
	<u>3,516,619</u>	<u>18,689</u>
<i>Movement</i>		
Investments	-	4,509
Amortization	-196,034	-8,790
	<u>-196,034</u>	<u>-4,281</u>
<i>Book value as of December 31, 2014</i>		
Purchase price	4,909,438	138,454
Cumulative depreciation	-1,588,853	-124,046
	<u>3,320,585</u>	<u>14,408</u>
	<u>3,334,993</u>	<u>3,535,308</u>

The goodwill of € 3,216,349 (2013: € 3,407,419) relates to the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 17 years.

€ 104.236 (2013: € 109.200) relates to the acquisition of the shares of the 100% subsidiaries of net on AG. The remaining life is 21 years. € 14,408 relates to other intangible fixed assets.

The business model of IT Competence Group S.E. (ITC) is to acquire, restructure, integrate and develop companies in the IT industry. The aim is to keep all business acquired by ITC within the group and support them in the long run. Due to the long term approach Management of ITC decided to depreciate the goodwill of the acquired companies over the period of 25 years.

Amortisation rates

	%
Goodwill	4
Client lists and other intangible fixed assets	25

	12/31/2014	12/31/2013
	€	€
<i>2. Tangible fixed assets</i>		
Plant and machinery	46,388	55,956
Other tangible fixed assets	75,236	94,264
	<u>121,624</u>	<u>150,220</u>

	Plant and machinery	Other tangible fixed assets	Total
	€	€	€
<i>Book value as of January 1, 2014</i>			
Purchase price	78,876	149,724	228,600
Cumulative depreciation and impairment	-22,920	-55,460	-78,380
	<u>55,956</u>	<u>94,264</u>	<u>150,220</u>
<i>Movement</i>			
Investments	7,066	26,333	33,399
Depreciation	-16,634	-45,361	-61,995
	<u>-9,568</u>	<u>-19,028</u>	<u>-28,596</u>
<i>Book value as of December 31, 2014</i>			
Purchase price	85,942	176,057	261,999
Cumulative depreciation	-39,554	-100,821	-140,375
Book value as of December 31, 2014	<u>46,388</u>	<u>75,236</u>	<u>121,624</u>

Depreciation rates

	%
Plant and machinery	10-50
Other tangible fixed assets	5-50

Current assets

3. Receivables, prepayments and accrued income

	12/31/2014	12/31/2013
	€	€
<i>Trade receivables</i>		
Trade debtors	<u>1,521,720</u>	<u>1,562,425</u>

	<u>12/31/2014</u>	<u>12/31/2013</u>
	€	€
<i>Other receivables, deferred assets</i>		
Other receivables, deferred assets	<u>435,729</u>	<u>57,720</u>

4. Group capital

Please refer to the notes to the non-consolidated balance sheet on page 28 of this report for an explanation of the shareholder's equity.

5. Subordinated loans

Loan Navigator Equity Solutions SE	<u>2,790,000</u>	<u>2,790,000</u>
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A loan of € 2,790,000 is subordinated to all existing and future liabilities of the company. An interest rate equal to the 6-month Euro Interbank Offered Rate (Euribor) is calculated. To the extent that the Company realizes commercial profit, the Company is obliged to pay a profit depending interest, which will be determined as follows:

- € 0 - € 500,000, 0.5%
- € 500,000 - € 1,000,000, 1.0%
- € 1,000,000 and more, 2.0%

The loan will be repaid within a maximum period of 5 years (31 December 2016). The following items are pledged as guarantee on first demand: trade debtors, stocks in the participation of net on AG, stocks in the participation of DeskSite GmbH and a second pledge of Human Internet Consult AG.

6. Current liabilities

	<u>12/31/2014</u>	<u>12/31/2013</u>
	€	€
<i>Trade creditors</i>		
Creditors	<u>1,116,059</u>	<u>2,436,825</u>
<i>Group companies</i>		
Navigator Equity Solutions SE	<u>1,052,796</u>	<u>1,024,225</u>
<i>Taxes and social securities</i>		
Corporate Income tax	75,266	143,389
Valued added tax	210,999	73,839
Pay-roll tax	84,498	163,264
	<u>370,763</u>	<u>380,492</u>
<i>Other liabilities, accruals and deferred income</i>		
Other short term loans	406,500	389,000
Prepayments	319,406	175,999
Other Accruals and deffered income	741,605	778,722
	<u>1,467,511</u>	<u>1,343,721</u>

Off balance sheet commitments

Lease obligations

The company and its group companies have liabilities arising from rental and lease commitments , which amount to :

Less than 1 year : € 485 K
Between 1 and 5 years : € 694 K
More than 5 years : € 0

5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2014

7. Nett turnover

The net turnover for 2014 of the legal entity and its subsidiaries and/or groupcompanies has decreased with 3.8%.

	2014	2013
	€	€
8. Employee expenses		
Wages and salaries	8,341,879	8,052,752
Social security charges	1,420,348	1,335,113
Pension costs	30,462	29,768
	<u>9,792,689</u>	<u>9,417,633</u>

Staff

During the 2014 financial year, the average number of employees in the Group, converted into full-time equivalents, amounted to 143 (2013: 145).

Management's total remuneration approximated EUR 90k in 2014 and EUR 90k in 2013.

9. Amortisation and depreciation

Intangible fixed assets	204,824	207,286
Tangible fixed assets	61,995	68,989
	<u>266,819</u>	<u>276,275</u>

Financial income and expenses

10. Interest and similar income

Other interests and income	801	17,849
Interest receivable group	-	40,310
	<u>801</u>	<u>58,159</u>

11. Interest and similar expenses

Other interest and expenses	-67,955	-126,933
Interest payable group	-22,878	-64,071
	<u>-90,833</u>	<u>-191,004</u>

12. Taxation on result of ordinary activities

Corporate income tax	<u>-99,221</u>	<u>-197,414</u>
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6 COMPANY BALANCE SHEET AS OF DECEMBER 31, 2014

(after appropriation of result)

	December 31, 2014		December 31, 2013	
	€	€	€	€
ASSETS				
FIXED ASSETS				
Intangible fixed assets (13)		3,216,349		3,407,419
Tangible fixed assets (14)		2,278		1,126
Financial fixed assets (15)				
Participations in group companies	1,382,398		1,186,732	
Receivables from group companies	<u>887,923</u>		<u>629,490</u>	
		2,270,321		1,816,222
CURRENT ASSETS				
Receivables, prepayments and accrued income (16)				
Other receivables, deferred assets		-		2,280
Cash and cash equivalents		65,927		43,390
		<u>5,554,875</u>		<u>5,270,437</u>

	December 31, 2014		December 31, 2013	
	€	€	€	€
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY (17)				
Issued share capital	1,875,000		1,875,000	
Share premium reserve	20,160		-	
Treasury shares	-90,455		-116,792	
Other reserves	-945,171		-1,113,919	
		859,534		644,289
SUBORDINATED LOANS (18)		2,790,000		2,790,000
GUARANTEE CAPITAL		3,649,534		3,434,289
LONG-TERM LIABILITIES (19)				
Loans from group companies		752,889		735,389
CURRENT LIABILITIES (20)				
Trade creditors	33,659		502	
Group companies	1,052,796		1,024,225	
Taxes and social securities	40,497		17,874	
Liabilities, accruals and deferred income	25,500		58,158	
		1,152,452		1,100,759
		<u>5,554,875</u>		<u>5,270,437</u>

7 COMPANY PROFIT AND LOSS ACCOUNT 2014

	<u>2014</u>	<u>2013</u>
	€	€
Share in result of participating interests after taxes	195,666	354,376
Other income and expenses after taxation	-26,918	-143,806
Resultaat na belastingen	<u>168,748</u>	<u>210,570</u>

8 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2014

Fixed assets

13. Intangible fixed assets

	<u>Goodwill</u>
	€
<i>Book value as of January 1, 2014</i>	
Purchase price	4,776,755
Cumulative depreciation	<u>-1,369,336</u>
	<u>3,407,419</u>
<i>Movement</i>	
Amortization	<u>-191,070</u>
<i>Book value as of December 31, 2014</i>	
Purchase price	4,776,755
Cumulative depreciation	<u>-1,560,406</u>
	<u>3,216,349</u>

The goodwill of € 3,216,349 (2013: € 3,407,419) regards the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 17 years.

The business model of IT Competence Group S.E. (ITC) is to acquire, restructure, integrate and develop companies in the IT industry. The aim is to keep all business acquired by ITC within the group and support them in the long run. Due to the long term approach Management of ITC decided to depreciate the goodwill of the acquired companies over the period of 25 years.

Amortisation rates

	%
Goodwill	4

14. *Tangible fixed assets*

	Other tangible fixed assets
	€
<i>Book value as of January 1, 2014</i>	
Purchase price	1,267
Cumulative depreciation and impairment	-141
	<u>1,126</u>
<i>Movement</i>	
Investments	1,620
Depreciation	-468
	<u>1,152</u>
<i>Book value as of December 31, 2014</i>	
Purchase price	2,887
Cumulative depreciation	-609
Book value as of December 31, 2014	<u>2,278</u>
<i>Depreciation rates</i>	
	%
Other tangible fixed assets	5-50

15. *Financial fixed assets*

	12/31/2014	12/31/2013
	€	€
<i>Participations in group companies</i>		
Human Internet CONSULT AG	1,382,395	1,186,729
DeskSite GmbH	1	1
net on AG	1	1
Sinwell AG	1	1
	<u>1,382,398</u>	<u>1,186,732</u>
	2014	2013
	€	€
<i>Human Internet CONSULT AG</i>		
Book value as of January 1	1,186,729	929,696
Share in result	195,666	257,033
Book value as of December 31	<u>1,382,395</u>	<u>1,186,729</u>

At balance sheet date DeskSite GmbH, net on AG and Sinwell AG have negative equities that have not been provided for.

	<u>12/31/2014</u>	<u>12/31/2013</u>
	€	€
<i>Receivables from group companies</i>		
DeskSite GmbH	143,248	139,687
net on AG	533,701	428,521
Human Internet CONSULT AG	140,253	35,176
Sinwell AG	70,721	26,106
	<u>887,923</u>	<u>629,490</u>
Current assets		
16. <i>Receivables, prepayments and accrued income</i>		
<i>Other receivables, deferred assets</i>		
Prepayments and accrued income	-	<u>2,280</u>
17. Shareholders' equity		
<i>Issued share capital</i>		
Subscribed and paid up 1,875,000 ordinary shares at par value € 1.00	<u>1,875,000</u>	<u>1,875,000</u>
The statutory share capital amounts to € 9,375,000		
	<u>2014</u>	<u>2013</u>
	€	€
<i>Share premium reserve</i>		
Book value as of January 1	-	-
Movement	20,160	-
Book value as of December 31	<u>20,160</u>	<u>-</u>
<i>Treasury shares</i>		
Treasury shares		
Book value as of January 1	-116,792	-136,792
Movement	26,337	20,000
Book value as of December 31	<u>-90,455</u>	<u>-116,792</u>

At December 31, 2014 the Group held 90,455 of the Company's shares.

	<u>2014</u>	<u>2013</u>
	€	€
<i>Other reserves</i>		
Book value as of January 1	-1,113,919	-1,324,489
Allocation of financial year nett result	168,748	210,570
Book value as of December 31	<u>-945,171</u>	<u>-1,113,919</u>

The variance between the consolidated equity and the company's equity is similar to the negative equity of the 100% participations in DeskSite GmbH, net on AG and Sinwell AG amounting to respectively € 186,687 (2013: € 233,590), € 324,046 (2013: € 329,549) and € 84,488 (2013 : € 5,375), less the valuation in the company balance sheet at balance sheet date at € 1 each.

The difference between the consolidated result and the company only result of € 26,707 (2013: € 429,585) can be explained by the movement of not recognised losses of participations in group companies with a negative equity.

	<u>12/31/2014</u>	<u>12/31/2013</u>
	€	€
18. Subordinated loans		
Loan Navigator Equity Solutions SE	<u>2,790,000</u>	<u>2,790,000</u>

A loan of € 2,790,000 is subordinated to all existing and future liabilities of the company. An interest rate equal to the 6-month Euro Interbank Offered Rate (Euribor) is calculated. To the extent that the Company realizes commercial profit, the Company is obliged to pay a profit depending interest, which will be determined as follows:

- € 0 - € 500,000, 0.5%
- € 500,000 - € 1,000,000, 1.0%
- € 1,000,000 and more, 2.0%

The loan will be repaid within a maximum period of 5 years (31 December 2016). The following items are pledged as guarantee on first demand: trade debtors, stocks in the participation of Neton AG, stocks in the participation of DeskSite GmbH and a second pledge of Human Internet Consult AG.

19. **Long-term liabilities**

	<u>12/31/2014</u>	<u>12/31/2013</u>
	€	€
<i>Loans from group companies</i>		
Human Internet CONSULT AG	<u>752,889</u>	<u>735,389</u>

The interest charge on the payable to Human Internet CONSULT AG is 4 %. Repayment is due 31 December 2016.

20. **Current liabilities**

Trade creditors

Creditors	<u>33,659</u>	<u>502</u>
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Group companies

Navigator Equity Solutions SE	<u>1,052,796</u>	<u>1,024,225</u>
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Other liabilities, accruals and deferred income

Other Accruals and deferred income	<u>25,500</u>	<u>58,158</u>
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9 NOTES TO THE COMPANY PROFIT AND LOSS ACCOUNT 2014

21. **Nett turnover**

The revenues increased in 2014 compared to 2013 with 32.4 %.

	2014	2013
	€	€
22. Employee expenses		
Wages and salaries	264,617	271,469
Social security charges	56,731	58,096
Pension costs	676	703
	<u>322,024</u>	<u>330,268</u>

Staff

During the 2014 financial year, the average number of employees, converted into full-time equivalents, amounted to 6 (2013: 1).

Management's total remuneration approximated EUR 90k in 2014 and EUR 90k in 2013.

23. *Interest and similar income*

Interest receivable group	<u>23,327</u>	<u>23,819</u>
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24. *Interest and similar expenses*

Other interest and expenses	-5,693	-28,287
Interest payable group	<u>-40,378</u>	<u>-28,836</u>
	<u>-46,071</u>	<u>-57,123</u>

25. **Share in result of participating interests**

Share in result of Human Internet CONSULT AG	195,666	257,036
Share in result of DeskSite GmbH	-	147,339
Share in result of Sinwell AG	-	-49,999
	<u>195,666</u>	<u>354,376</u>

Signing of the financial statements

Waalre, June 10, 2015

Managing director :
Robert Käß

Members Supervisory board :
Dr Jens Bodenkamp

Erich Hoffmann

IT Competence Group S.E.
Waalre

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: The management of IT Competence Group SE

Report on the financial statements

We have audited the accompanying financial statements 2014 of IT Competence Group SE, Waalre, which comprise the consolidated and company balance sheet as at December 31, 2014, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code . Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

IT Competence Group S.E.
Waalre

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of IT Competence Group SE as at December 31, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Waalre, 10 June 2015

Stroeken Rossieau B.V.

Signed by : F.A.A. Stroeken RA

2 STATUTORY APPROPRIATION OF PROFIT

Based on article 15 of the statutes the result is at disposal of the General Shareholders Meeting which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Article 15 of the company's Articles of Association:

1. Following the prior approval of the supervisory board, the management board is authorised to reserve such a portion of the profit as it deems necessary, with due observance of the obligation to retain statutory reserves, or any reserves prescribed by these articles.
2. Any profit remaining following the reserves retained to in the foregoing paragraph is placed at the disposal of the general meeting. A resolution to distribute profits in cash shall be adopted by the general meeting of shareholders by more than half of the votes cast. A resolution to distribute profits in kind shall be adopted by the general meeting of shareholders with a majority of at least ninety-five percent (95%) of the votes cast, provided that at least fifty percent (50%) of the issued share capital is represented at the general meeting of shareholders.
3. Other than by adoption of the annual accounts, the general meeting is authorised to cancel the reserves, either wholly or in part, at the proposal of the management board, which proposal is approved by the supervisory board. A deficit may only be offset against the reserves prescribed by law to the extent that this is allowed by law.
4. The company may only pay out to shareholders and other entitled parties any profit subject to distribution to the extent that its equity capital exceeds the amount of the paid and called-up portion of the capital plus the reserves that must be retained by law or in accordance with the articles of association.
5. In calculation the profit distribution, shares that the company holds in its own capital do not count and no profit is distributed in respect of them except if and to the extent that the shares in question are encumbered with a right of usufruct established by the company at the time they were acquired. These shares do not confer any right to a share in the balance left after winding-up either.

3 APPROPRIATION OF THE RESULT FOR THE 2013 FINANCIAL YEAR

The annual account for 2013 was adopted by the General Shareholders Meeting held on July 16, 2014. The General Shareholders Meeting has determined the appropriation of the result as it was proposed.

4 APPROPRIATION OF THE PROFIT FOR 2014

The board of directors proposes to add the profit for 2014 of € 168,748 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Meeting.