PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

PKF
Accountants &
business advisers

Annual report 2014/15

Company reg. no. 21 73 02 97

PremiTech A/S

c/o CapaSystems A/S

Roskildevej 342 C

DK-2630 Taastrup

The annual report has been submitted and approved by the general meeting on the 25 August 2015.

Kjeld Henriksen
Chairman of the meeting

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Notes:

- *To ensure the greatest possible applicability of this document, British English terminology has been used.*
- *Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.*

Management's report

The board of directors and the managing director have today presented the annual report of PremiTech A/S for the financial year 1 April 2014 to 31 March 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2015 and of the company's results of its activities in the financial year 1 April 2014 to 31 March 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting

Taastrup, 25 August 2015

Managing Director

Nicolai Stumpe

Board of directors

Søren Leth Truelsen	Nicolai Stumpe	Kjeld Winther Henriksen

The independent auditor's reports

To the shareholder of PremiTech A/S

Report on the annual accounts

We have audited the annual accounts of PremiTech A/S for the financial year 1 April 2014 to 31 March 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2015 and of the results of the company's operations for the financial year 1 April 2014 to 31 March 2015 in accordance with the Danish Financial Statements Act.

The independent auditor's reports

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Glostrup, 25 August 2015

PKF Munkebo Vindelev
State Authorised Public Accountants

H. Munkebo Christiansen
State Authorised Public Accountant

Company data

The company	PremiTech A/S c/o CapaSystems A/S Roskildevej 342 C DK-2630 Taastrup	
	Web site:	www.premitech.com
	Company reg. no.:	21 73 02 97
	Established:	27 May 1999
	Domicile:	City of Høje-Taastrup
	Financial year:	1 April - 31 March 16th financial year
Board of directors	Søren Leth Truelsen Nicolai Stumpe Kjeld Winther Henriksen	
Managing Director	Nicolai Stumpe	
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab, Hovedvejen 56, DK-2600 Glostrup	
Bankers	Danske Bank, Munkeengen 32, DK-3400 Hillerød	
Lawyer	Advodan, Glostrup Torv 8-10, DK-2600 Glostrup	
Parent company	CapaSystems A/S	
Subsidiary	PremiTech Inc., New Jersey, USA	

Financial highlights

DKK in thousands.	2014/15	2013/14	2012/13	2011/12	2010/11
Profit and loss account:					
Gross profit	11.387	3.913	7.492	10.206	14.677
Results from operating activities	8.643	1.948	4.624	6.447	11.238
Net financials	-44	-86	-24	-79	-211
Results for the year	6.589	1.490	3.465	4.743	7.937
Balance sheet:					
Balance sheet sum	34.417	25.336	23.732	19.658	13.892
Equity	26.724	20.268	18.756	15.278	10.576

The financial highlights for 2013/14 comprise the period 1 July 2013 - 31 March 2014.

Management's review

The significant activities of the enterprise

The company's main activity is to operate an IT company that is primarily engaged in the sale of consulting hours and total solutions.

Development in activities and financial affairs

The gross profit for the year is DKK 11,4m against DKK 3,9m last year. The result from ordinary activities after tax is DKK 6,6m against DKK 1,5m last year. It should however be taken into consideration, that the financial year 2013/14 has only covered 9 months. The management considers the result satisfactory.

Events subsequent to the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for PremiTech A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Exchange rate adjustments of current accounts with foreign group enterprises, which are considered an addition or a deduction in the equity of independent group enterprises, are recognised directly in the equity. Likewise, capital profits and losses on loans and derived financial instruments for hedging independent foreign group enterprises are recognised in the equity.

THE PROFIT AND LOSS ACCOUNT

Gross profit

The gross profit comprises the net turnover, direct costs, and other external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Multi-annual service contracts are considered to be binding for the customer at the time of conclusion. The part of the contract amount relating to the first year of the agreement is recognized by 100 % at the time of conclusion. The part relating to the remaining contract period is recognized by 82 %. The remaining 18 % is distributed equally over the remaining contract period.

Direct costs include costs for external consultancy.

Other external costs comprise costs for sales, advertisement, administration, premises, and loss on debtors.

Accounting policies used

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on amortisation of and write-down relating to intangible and tangible fixed assets respectively.

Net financial

Net financials comprise interest income and interest costs, realised and unrealised capital profits and losses concerning transactions in foreign currency. Net financials are recognised with the amounts concerning the financial year.

Results from equity investment in group enterprise

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the group enterprise is recognised in the profit and loss account at a proportional share of the group enterprise's results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation of the parent company and the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

THE BALANCE SHEET

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical utilisation, sufficient resources, and a potential, future market can be demonstrated, and provided that it is the intention to produce, market, or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Capitalised development costs are measured at cost with deduction of accrued amortisation or at the recoverable value, if this is lower.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the realisation of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprise with negative equity is recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the acquisition value with deduction of amortisation of consolidated goodwill and distributed dividend, the net revaluation of equity investment in group enterprise is transferred to the reserves under the equity for net revaluation as per the equity method.

Accounting policies used

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprise are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, PremiTech A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 24.5% to 22%, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22% will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22%.

Accounting policies used

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities concerning investment property are measured at fair value. Value adjustments are recognised in the profit and loss account in the item "Value adjustments concerning property".

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account

All amounts in DKK.

Note		1/4 2014 - 31/3 2015	1/7 2013 - 31/3 2014
	Gross profit	**11.386.698**	**3.913.161**
1	Staff costs	-232.046	-451.199
	Amortisation and writedown relating to intangible fixed assets	-2.511.357	-1.513.579
	Results before net financials	**8.643.295**	**1.948.383**
5	Income from equity investment in group enterprise	-35.828	-25.173
	Other financial income	187.696	69.225
	Other financial costs	-195.605	-129.915
	Results before tax	**8.599.558**	**1.862.520**
2	Tax on ordinary results	-2.011.050	-372.543
	Results for the year	**6.588.508**	**1.489.977**
	Proposed disposal of the results:		
	Disposed to results brought forward	6.588.508	1.489.977
	Disposals in total	**6.588.508**	**1.489.977**

Balance sheet 31 March

All amounts in DKK.

Assets

Note		2015	2014
	Fixed assets		
3	Completed development projects, including patents and similar rights arising from development projects	5.956.263	6.001.361
4	Development projects in progress	3.328.149	2.466.259
	Intangible fixed assets in total	9.284.412	8.467.620
	Fixed assets in total	**9.284.412**	**8.467.620**
	Current assets		
	Trade debtors	9.430.708	6.069.075
	Amounts owed by group enterprises	15.593.449	10.746.159
	Other debtors	0	466
	Accrued income and deferred expenses	11.236	52.935
	Debtors in total	25.035.393	16.868.635
	Cash funds	97.514	0
	Current assets in total	**25.132.907**	**16.868.635**
	Assets in total	**34.417.319**	**25.336.255**

Balance sheet 31 March

All amounts in DKK.

Liabilities

Note		2015	2014
	Equity		
6	Contributed capital	2.113.172	2.113.172
7	Results brought forward	24.611.025	18.155.076
	Equity in total	**26.724.197**	**20.268.248**
	Provisions		
8	Provisions for deferred tax	1.887.983	1.623.783
	Provisions in total	**1.887.983**	**1.623.783**
	Liabilities		
9	Other debts	767.358	332.151
	Long-term liabilities in total	767.358	332.151
9	Short-term part of long-term liabilities	385.303	58.193
	Bank debts	0	975.754
	Trade creditors	711.263	673.285
	Debt to group enterprises	1.827.205	0
	Other debts	2.083.920	1.404.841
	Accrued expenses and deferred income	30.090	0
	Short-term liabilities in total	5.037.781	3.112.073
	Liabilities in total	**5.805.139**	**3.444.224**
	Liabilities in total	**34.417.319**	**25.336.255**

10 Mortgage and securities

Notes

All amounts in DKK.

		1/4 2014 - 31/3 2015	1/7 2013 - 31/3 2014
1.	**Staff costs**		
	Salaries and wages	191.861	316.620
	Pension costs	8.021	36.164
	Other costs for social security	0	9.000
	Other staff costs	32.164	89.415
		232.046	**451.199**

Salaries and wages DKK 3.215.438, pension costs DKK 276.316 and employee costs DKK 68.441 are in the figures above reduced by the total proportion of staff costs relating to development projects DKK 3.328.149 (see note 4).

		1/4 2014 - 31/3 2015	1/7 2013 - 31/3 2014
2.	**Tax on ordinary results**		
	Tax of the results for the year	1.746.850	-1.339
	Adjustment for the year of deferred tax	264.200	373.882
		2.011.050	**372.543**

		31/3 2015	31/3 2014
3.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost opening balance	10.090.525	6.554.767
	Additions during the year	2.466.259	3.535.758
	Cost closing balance	**12.556.784**	**10.090.525**
	Amortisation and writedown opening balance	-4.089.164	-2.575.585
	Amortisation and writedown for the year	-2.511.357	-1.513.579
	Amortisation and writedown closing balance	**-6.600.521**	**-4.089.164**
	Book value closing balance	**5.956.263**	**6.001.361**

All amounts in DKK.

		31/3 2015	31/3 2014
4.	**Development projects in progress**		
	Cost opening balance	2.466.259	3.535.758
	Additions during the year	3.328.149	2.466.259
	Disposals during the year	-2.466.259	-3.535.758
	Cost closing balance	**3.328.149**	**2.466.259**
	Book value closing balance	**3.328.149**	**2.466.259**
5.	**Equity investment in group enterprise**		
	Acquisition sum, opening balance opening balance	33.416.211	35.191.069
	Translation by use of the exchange rate valid on balance sheet date	9.429.088	-1.774.858
	Cost closing balance	**42.845.299**	**33.416.211**
	Revaluations, opening balance opening balance	-33.854.853	-35.626.499
	Translation by use of the exchange rate valid on balance sheet date	-9.561.647	1.796.819
	Results for the year	-35.828	-25.173
	Revaluation closing balance	**-43.452.328**	**-33.854.853**
	Offsetting against debtors	607.029	438.642
	Set off against debtors and provisions for liabilities	**607.029**	**438.642**
	Book value closing balance	**0**	**0**

Group enterprise:

	Domicile	**Share of ownership**
PremiTech Inc.	New Jersey, USA	100 %

Notes

All amounts in DKK.

		31/3 2015	31/3 2014
6.	**Contributed capital**		
	Contributed capital opening balance	2.113.172	2.113.172
		2.113.172	**2.113.172**

The share capital is divided into classes consisting of A-shares, nominal value of DKK 1.145.691 and B-shares, nominal value of DKK 967.181. B-shares hold particular rights.

7.	**Results brought forward**		
	Results brought forward opening balance	18.155.076	16.643.138
	Profit or loss for the year brought forward	6.588.508	1.489.977
	Exchange rate adjustment, subsidiary	-132.559	21.961
		24.611.025	**18.155.076**

8.	**Provisions for deferred tax**		
	Provisions for deferred tax opening balance	1.623.783	1.251.240
	Deferred tax of the results for the year	264.200	372.543
		1.887.983	**1.623.783**
	The following items are subject to deferred tax:		
	Intangible fixed assets	2.042.571	1.963.330
	Tangible fixed assets	-154.588	-190.024
	Losses brought forward from previous years	0	-149.523
		1.887.983	**1.623.783**

In the period 2014-2016, the corporate tax rate will be reduced gradually from 24.5% to 22%, which will affect the extent of deferred tax liabilities and deferred tax assets. In the accounts, changes in the tax rates are treated as a change in financial estimates.

All amounts in DKK.

9. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 31 Mar 2015	Debt in total 31 Mar 2014
Maintenance	385.303	0	1.152.661	390.344
	385.303	**0**	**1.152.661**	**390.344**

10. Mortgage and securities

For bank debts, DKK 0, the company has provided security in company assets representing a nominal value of DKK 2.000.000. This security comprises the below assets, stating the book values:

Receivable from sales and services DKK 9.431.708