ITAS A/S

CVR No. 31 07 41 85

Annual report
for the year ended 31 December 2014

Approved at the annual general meeting of shareholders on 7 May 2015

Chairman:

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Søren Bruun

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Contents

Company details

Name	ITAS A/S
Address, Postal code, City	Klosterport 4 A, 2., 8000 Aarhus C
CVR No.	31 07 41 85
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Niels Buus, Chairman Mark Fitzhugh Thomas Fabricius Jacob Jakobsen
Executive Board	Jacob Jakobsen
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8000 Aarhus C, Denmark

Operating review

The Company's business review

The Company is engaged in developing and selling wired and wireless communication and related activities.

Financial review

The Company reported a loss of DKK 1,281 thousand, which is considered unsatisfactory. Equity amounted to DKK 2,909 thousand.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The Company depends on a few major orders which will result in fluctuations results, but the Company expects to report a profit for 2015.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of ITAS A/S for the financial year 1 January - 31 December 2014.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Aarhus, 7 May 2015

Executive Board:

Jacob Jakobsen

Board of Directors:

Niels Buus Chairman	Mark Fitzhugh	Thomas Fabricius

Jacob Jakobsen

Independent auditors' report

To the shareholders of ITAS A/S

Independent auditors' report on the financial statements

We have audited the financial statements of ITAS A/S for the financial year 1 January - 31 December 2014, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. 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 auditors' judgement, including an 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 Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as 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.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of its operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 7 May 2015
Ernst & Young
Godkendt Revisionspartnerselskab

Mads Meldgaard
state authorised public accountant

Income statement for the year ended 31 December

Notes		2014 DKK	2013 DKK
	Gross profit	**6,011,725**	**1,731,260**
	Amortisation/depreciation of intangible assets and property, plant and equipment	-2,927,473	-3,195,058
	Operating profit/loss	**3,084,252**	**-1,463,798**
	Financial income	371	1,528
2	Financial expenses	-192,632	-278,813
	Profit/loss before tax	**2,891,991**	**-1,741,083**
3	Tax for the year	-612,825	459,951
	Profit/loss for the year	**2,279,166**	**-1,281,132**
	Recommended appropriation of the profit/loss for the year		
	Retained earnings	2,279,166	-1,281,132
		2,279,166	**-1,281,132**

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Balance sheet at 31 December

Notes		2014 DKK	2013 DKK
	Assets		
	Fixed assets		
	Completed development projects	3,557,348	4,118,118
4	**Intangible assets**	**3,557,348**	**4,118,118**
	Total fixed assets	**3,557,348**	**4,118,118**
	Current assets		
	Raw materials and consumables	1,273,032	1,704,655
	Inventories	**1,273,032**	**1,704,655**
	Trade receivables	2,145,461	1,720,019
	Income taxes receivable	0	645,055
	Prepayments	35,775	32,278
	Other receivables	387,387	785,990
	Receivables	**2,568,623**	**3,183,342**
	Cash	**1,651,047**	**1,420,428**
	Total current assets	**5,492,702**	**6,308,425**
	Total assets	**9,050,050**	**10,426,543**

Balance sheet at 31 December

Notes		2014 DKK	2013 DKK
	Equity and liabilities		
	Equity		
	Share capital	500,000	500,000
	Retained earnings/Accumulated loss	4,688,557	2,409,391
	Total equity	**5,188,557**	**2,909,391**
	Provisions		
	Provisions for deferred tax	690,760	825,000
	Total provisions	**690,760**	**825,000**
	Liabilities		
	Trade payables	6,178	63,663
	Payables to group entities	2,653,404	4,157,659
	Deferred income	0	1,720,000
	Other payables	511,151	750,830
	Short-term liabilities	**3,170,733**	**6,692,152**
	Total liabilities	**3,170,733**	**6,692,152**
	Total equity and liabilities	**9,050,050**	**10,426,543**

Statement of changes in equity

(DKK)	Share capital	Retained earnings	Total
Equity at 1/1 2014	500,000	2,409,391	2,909,391
Profit/loss for the year, cf. appropriation of profit/loss		2,279,166	2,279,166
Equity at 31/12 2014	**500,000**	**4,688,557**	**5,188,557**

1. Accounting policies

The annual report of ITAS A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Financial income and expenses include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Development costs comprise costs, including wages and salaries, directly and indirectly related to the Company's development activities, and which comply with the criteria for recognition.

Capitalised development costs are measured at cost less accumulated amortisation or at recoverable amount if this is lower.

1. Accounting policies - continued

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually four years.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and direct production overheads. Indirect production overheads and borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

	2014 DKK	2013 DKK
2. Financial expenses		
Interest expenses, group entities	164,940	197,469
Other financial expenses	27,692	81,344
	192,632	278,813

	2014 DKK	2013 DKK
3. Tax for the year		
Estimated tax charge for the year	782,970	-425,251
Deferred tax adjustments in the year	-170,145	-34,700
	612,825	-459,951

4. Intangible assets

(DKK)	Completed development projects
Cost	
Balance at 1/1 2014	19,786,592
Additions in the year	2,366,703
Cost at 31/12 2014	22,153,295
Amortisation and impairment losses	
Balance at 1/1 2014	15,668,474
Amortisation in the year	2,927,473
Amortisation and impairment losses at 31/12 2014	18,595,947
Carrying amount at 31/12 2014	3,557,348

5. Contingent liabilities and other financial obligations

The Company is jointly taxed with its parent company, Jacob Jakobsen Gruppen ApS, which acts as administrative company, and has joint and several liability together with other jointly taxed group entities for corporation taxes for the income year 2013 and onwards as well as for withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

6. Related parties

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Chora Gruppen A/S	Aarhus