

**IT Competence Group SE**

**Interim Financial Report for the 2<sup>nd</sup> Quarter and 1<sup>st</sup> half of 2015**

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## To Our Shareholders

IT Competence Group SE: ITCG achieves good quarterly results - outlook confirmed.

I am pleased to introduce IT Competence Group's (ITCG) Half-Year Report 2015. The Group has produced another strong performance, delivering value to our customers, benefits to the communities in which we operate and good returns for our shareholders. This was another solid performance, delivering 4.2% organic sales growth. All the subsidiaries delivered in line with expectations and won some important new contracts for the future.

We have continued to perform well against our key markets and report good results in spite of some end market weakness. We expect these trends to continue in the second half and for 2015 to be another year of growth. Despite negative one-offs, we have achieved an excellent performance in the first six months. We can still confirm our operating profit outlook for 2015.

This performance has been driven by a consistent focus on the long term and on the needs of our customers. We build sustainable businesses and we know that the IT service we provide to our customers is central to this goal.

The acquisition of proMX GmbH (situated in Nuremberg/Germany), announced at the end of q1 2015, supports our strategy, brings excellent technology, an expanded footprint and additional content on our high growth IT services.

At the annual Microsoft Worldwide Partner Conference, proMX GmbH updated its status and supplemented the titles collection. In July we announced that our new subsidiary proMX GmbH was

awarded as "Microsoft Dynamics Reseller 2015" and also with the "Inner Circle Award". We are very proud of the award and it motivates us to continue developing high-quality IT services.

In July, the Group endorsed a new organizational structure that better reflects the current business needs and supports the restructuring of the Group. To open up additional growth and development prospects, a new structure was implemented for the two subsidiaries Human Internet Consult AG and net on AG. Both companies now have the same operational Board Members to concentrate on the management and development of the companies.

The execution of our strategy is central to the Group's continued success and reflects the dedication and quality of our people and their focus on meeting the distinct needs of our customers across the business. This has been one of the key factors enabling us to outperform in the markets in which we compete, delivering value for our customers and sustainable returns for our shareholders.

Although some markets remain challenging, 2015 is expected to be a year of further growth. Beyond 2015, we are well positioned to outperform in our large markets.

La Waalre, August 28, 2015

Robert Käß

Managing Director

## KEY FIGURES 1<sup>st</sup> HY 2015 at a glance

Total Revenues (incl. work in progress)

HY 2015	€ 10.78m
	+ 4.2%

Gross Profit

HY 2015	€ 7.2m
HY 2014	€ 6.8m

EBIT

HY 2015	€ 0.22m
HY 2014	€ 0.15m

Result after Tax

HY 2015	€ 0.11m
HY 2014	€ 0.05m

TOTAL assets

HY 2015	€ 7.5m
2014	€ 7.1m

## Market and Sector Development

In January 2015, a research company conducted its cloud survey of the latest cloud computing trends, with a focus on infrastructure-as-a-service. The survey asked IT professionals about their adoption of cloud infrastructure and related technologies.

-88 percent of enterprises are using public cloud while 63 percent are using private cloud,

-55 percent of enterprises report that a significant portion of their existing application portfolios are not in cloud, but are built with cloud-friendly architectures, and

-62 percent of enterprises report that central IT makes the majority of cloud spending decisions.

Cloud computing adoption continues to be a given with 93 percent of respondents reporting that they are adopting cloud. Eighty-eight percent of respondents are

using public cloud and 63 percent using private cloud, with 58 percent using both. While cloud adoption is growing quickly, most enterprises run less than 20 percent of their workloads in the cloud. However, they report plenty of headroom to move additional applications to the cloud.

The early public cloud market was largely driven by small technology-focused companies and forward-looking business units within larger enterprises. More recently, as enterprises have become increasingly comfortable with cloud technologies, central IT teams are seeking to take a more significant role in cloud purchasing decisions.

The survey shows that cloud adoption is growing and most enterprises are leveraging multiple cloud environments that combine both public and private cloud options. As a result, central IT teams are stepping in to offer cloud infrastructure services to their organizations while ensuring governance and control over costs. So all in all good news for our Group!

## 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").

### *Board of Directors*

Robert Käß

Robert Käß 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 Käß holds a Master in Business Administration from LMU in Munich.

### *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. Prior to that he gained substantial experience in a range of technical and senior executive positions with Intel in the United States and Germany, and in 1995 assumed responsibility for Intel's European investment strategy. Dr Bodenkamp has served on the Boards of several companies, and holds a PhD in physics as well as a patent.

#### Erich Hofmann

Erich Hoffmann works as a consulting engineer and has also successfully supported a number of start-up companies since the year 2000. Mr. Hoffmann is founder of ContTect GmbH, a producer of testing systems that was merged with a British competitor to aeco N.V. in the course of it listing on the Neuer Markt (Frankfurt) in July 2000. As a Member of the Management Board, Mr. Hoffmann was responsible for the

technology department. Prior to this, he held the position of a managing director at Dr. Schenk GmbH, a producer of testing systems, where he was in charge of the "systems engineering" department. Mr. Hoffmann started his career as an engineer at Deutsche Telekom. He graduated in electronic engineering at FH Munich.

### **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 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.

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.

proMX GmbH (Nuremberg) is a subsidiary of IT Competence Group SE since April 2015. The subsidiary is a supplier of ERP and CRM solutions. It makes project management easy and the customers happier.

## Shareholder Structure

By the end of the 1<sup>st</sup> HY 2015, the number of shares outstanding was 1,875,000 thereof Navigator Equity Solutions SE, the main shareholder, holds 75.7% of the shares.

## Annual Shareholders' Meeting

The Annual General Meeting of IT Competence Group SE for the fiscal year 2015 took place in Waalre, the Netherlands, on July 14, 2015. In total 7.23% share capital was represented at the meeting. All items of the agenda were approved unanimously.

## Development of Earnings, Financial and Asset Situation

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

### *Earnings situation*

#### *Revenue Development*

In the first half year of 2015, IT Competence Group generated total (net) revenues of 10.8m euros (1<sup>st</sup> HY 2014: 10.3m euros). This represents an increase of 4.2%. The Group's total operating costs in the first six months of 2015 amounted to 6.9m euros (1<sup>st</sup> HY 2014: 6.5m euros) an increase of 5.4%.

#### *Earnings Development*

In the first half year of 2015, IT Competence Group generated a gross profit of 7.2m euros (1<sup>st</sup> HY 2014: 6.8m euros). The gross margin was equal compared with the previous year and amounted to 66.9%.

The Group's operating result (EBIT) amounted to 0.22m euros (1<sup>st</sup> HY 2014: 0.15m euros). This was primarily attributable to higher revenues in the first half of 2015. (

Pre-tax earnings amounted to 0.2m euros (1<sup>st</sup> HY 2014: 0.1m euros). After deduction

of income tax amounting to 0.07m euros (1<sup>st</sup> HY 2014: -0.05m euros), the income for the period amounted to 0.11m euros (1<sup>st</sup> HY 2014: 0.04m euros).

### *Asset Situation*

#### *Balance Sheet*

As of June 30, 2015, the IT Competence Group balance sheet total amounted to 7.5m euros (End of 2014: 7.1m euros). The group's total fixed assets increased to 3.7m euros (2014: 3.5m euros). Current assets increased from 3.6m euros at the end of December, 2014, to 3.8m euros. This results from an increase of € 1.3m in trade receivables.

Total equity has slightly changed to 0.5m euros. Current liabilities increased from 4.0m euros to 4.2m euros, consisting of trade payables amounting to 1.1m euros (2014: 1.1m euros), other liabilities of 1.7m euros (2014: 1.5m euros) and taxes and social securities of 0.3m euros (2014: 0.4m euros).

### **Employees**

As of June 30, 2015, the number of employees at IT Competence Group amounted to 174 (2014: 143). This comprises 88 employees at Human Internet CONSULT AG, 53 employees at net on AG, 26 employees at proMX GmbH and 7 employees at IT Competence Group SE.

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

### **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 the first six months of 2015. 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, pursuant to section 5:25d of the Wet op het financieel toezicht (Wft), that to the best of our knowledge and in accordance with the applicable reporting principles:

- the condensed consolidated interim financial statements as of June 30, 2015, 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
- the management report includes a true and fair review of the position as per June 30, 2015, and of the development and performance during the first six months of the fiscal year 2015 of IT Competence Group SE and its related participations of which the data have been included in the financial statements, together with a true and fair presentation of the expected future developments.

La Waalre, August 28, 2015

The Management Board: Robert Kaess



## Financial Information

**Consolidated profit & loss account for the 1<sup>st</sup> half year 2015 (Dutch GAAP – unaudited)  
(in € thousands)**

	<u>1<sup>st</sup> HY</u> <u>2015</u>	<u>1<sup>st</sup> HY</u> <u>2014</u>
Total Revenues	10,656	10,121
Changes in inventories of finished goods and work in progress	125	227
<b>Total income</b>	<b>10,781</b>	<b>10,348</b>
Cost price	-3,566	-3,556
<b>Gross profit</b>	<b>7,215</b>	<b>6,792</b>
Wages, salaries and social security charges	-5,094	-4,876
Other operating expenses	-1,764	-1,629
<b>Total cost</b>	<b>-6,858</b>	<b>-6,505</b>
<b>Result before Amortisation (EBITDA)</b>	<b>357</b>	<b>287</b>
Amortisation and Depreciation	-135	-134
<b>Operating result (EBIT)</b>	<b>222</b>	<b>153</b>
Financial income and expenses	-39	-58
<b>Result before tax</b>	<b>183</b>	95
Taxation on result of ordinary activities	-69	-48
<b>Result after tax / Net income</b>	<b>114</b>	<b>47</b>
Minority interest	-5	-
<b>Result after tax</b>	<b>109</b>	<b>47</b>

**Consolidated balance sheet as of June 30, 2015** (Dutch GAAP – unaudited)  
(in € thousands)

<u>ASSETS</u>	<u>1<sup>st</sup> HY</u> <u>2015</u>	<u>2014</u>
<b>Current Assets</b>		
Cash and cash equivalents	546	1,647
Trade debtors/receivables	2,874	1,521
Other current assets	415	0,435
<b>Total Current Assets</b>	<b>3,835</b>	<b>3,603</b>
<b>Non-Current Assets</b>		
Intangible fixed assets	3,514	3,334
Tangible fixed assets	139	121
Financial assets	-	-
<b>Total Non-Current Assets</b>	<b>3,653</b>	<b>3,455</b>
<b>Total Assets</b>	<b>7,488</b>	<b>7,058</b>

<u>EQUITY &amp; LIABILITIES</u>	<u>1<sup>st</sup> HY</u> <u>2015</u>	<u>2014</u>
<b>Guarantee Capital</b>	<b>3,299</b>	<b>3,649</b>
<b>Long-Term Liabilities</b>	-	-
<b>Current Liabilities</b>		
Bank overdraft	-	-
Trade creditors	1,069	1,116
Group companies and loans from associates	1,061	1,052
Other liabilities	2,059	1,467
<b>Total Current Liabilities</b>	<b>4,189</b>	<b>3,635</b>
<b>Total Equity and Liabilities</b>	<b>7,488</b>	<b>7,284</b>

## 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 78,97% of the outstanding shares.

#### 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

<u>Name, statutory registered office</u>	<u>Share in issued share capital</u>
Human Internet CONSULT AG, Ludwigsburg	100,00 %
neton AG, München	100,00 %
Desksite GmbH, Ludwigsburg	100,00 %
Sinnwell AG, München	100,00 %
proMX GmbH, Nürnberg (since 01 April 2015)	50,01 %

#### 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.

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

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 capitalized, to which amortization is charged based on the estimated useful life. The results of participations sold during the year are recognized until the moment of disposal.

## **1 GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statement has 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 translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

## **2 PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES**

### **Intangible fixed assets**

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments in value. Amortization 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 amortization method are reassessed at the end of each financial year.

## **Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated 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 and 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 recognized.

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.

## **Inventories**

The valuation of work in progress includes the cost of raw materials and consumables, direct labour and other production costs, and a proportion of production overheads. Profit on work in progress is recognized in proportion to the amount of work performed (percentage of completion method). Insofar as specific project finance has been concluded for work in progress, interest charges are attributed to the cost price of this work. A provision is recognized for expected losses on contracts, which occurs when total contract cost exceed total contract revenue.

## **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.

## **Subordinated loans**

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

### **3 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.

#### **Net turnover**

Revenues from services are recognized 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.

#### **Amortization and depreciation**

Amortization and (in) tangible fixed assets using a fixed rate and 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 and disposal of (in)tangible fixed assets are recorded under amortization/ depreciation, gains only to the extent that the gain is not capitalized deducted from replacement Investments.

#### **Financial income and expenses**

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

#### **Taxation**

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 financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

#### 4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF June 30, 2013

##### Fixed assets

	06/30/2015	12/31/2014
1. <i>Intangible fixed asset</i>		
Goodwill	3,513,885	3,334,993
<hr/>		
<i>book value as per December 31, 2014</i>		
Purchase price		4,909,438
Accumulated amortization		-1,588,853
		<u>3,320,585</u>
<i>Changes</i>		
<i>Purchase (ProMX)</i>		272,698
Amortization		-101,426
		<u>171,272</u>
<i>Book value as per June 30, 2015</i>		
Purchase price		5,182,136
Accumulated amortization		-1,690,279
		<u>3,491,857</u>

Of the goodwill € 3.120.814 (2014: € 3.216.349) relates to the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 16,5 years.

€ 101.754 (2014: 104.236) relates to the acquisition of the shares of the 100% subsidiaries of net on AG. The remaining life is 20,5 years.

€ 269.289 (2014: 0) relates to the acquisition of the shares of the 50,01 % subsidiaries of proMX GmbH. The remaining life is 19,75 years.

The business model of 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 20 to 25 years.

<i>Amortisation rates</i>	%
Goodwill	4-5

	06/30/2015	12/31/2014
<i>2. Tangible fixed assets</i>		
Plant and machinery	52,355	46,388
Other tangible fixed assets	108,648	75,236
	<u>161,003</u>	<u>121,624</u>

<i>Depreciation rates</i>		
Plant and equipments		10-50 %
Fixtures and furniture		5-50 %

#### **Current assets**

##### *3. Trade and other receivables*

	06/30/2015	12/31/2014
<i>Trade debtors</i>		
Trade debtors	2,874,349	1,521,720
<i>Taxes and social securities</i>		
Corporate income tax	0,00	0,00
Valued added tax	0,00	0,00
Company tax	<u>0,00</u>	<u>0,00</u>
<i>Other receivables, prepayments and accrued income</i>		
Prepayments and accrued income	<u>452,990</u>	<u>435,729</u>

#### **4. Group Equity**

##### *Issued capital*

Subscribed and paid up 1,875,000 ordinary shares at par value € 1.00	1,875,000	1,875,00
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The statutory share capital amounts to C 9.375.000

	06/30/2015	12/31/ 2014
<i>Treasury shares</i>		
Book value as per January 1	-45,455	-90,455
Other changes		
Book value as end of period	<u>-45,455</u>	<u>-90,455</u>



At June 30 2015 the group held 45,455 of the company shares.

	30/06/2015	31/12/2014
<i>Other reserves</i>		
Book value as per January 1	-945,748	-1,113,919
Appropriation of the net result	47,000	168,748
	-1,066,919	-945,748
Other changes	272,698	
Book value as per end of the period	-1,066,919	-945,748

### 5. Subordinated loans

Loan Navigator Equity Solutions SE	_____	_____
2,790,000	2,790,000	

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).

**6. Long-term liabilities**

	<u>06/30/2015</u>	<u>12/31/2014</u>
<i>Loans from group companies</i>		
Navigator Equity Solutions SE	<u>0,00</u>	<u>0,00</u>

**7. Current liabilities***Trade creditors*

Trade creditors	<u>1,209,234</u>	<u>33,659</u>
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*Group companies*

Navigator Equity Solutions SE	<u>1,052,796</u>	<u>1,052,796</u>
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*Loans from associates*

Associates	<u>892,051</u>	<u>752,889</u>
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*Taxes and social securities*

Corporate income tax	138,466	75,266
Valued added tax	<u>37,921</u>	<u>210,999</u>
Pay-roll tax	<u>21,079</u>	<u>84,498</u>
	<u>197,460</u>	<u>370,763</u>

	6/30/2015	12/31/2014
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*Liabilities, accruals and deferred income*

Accrued liabilities

1,491,392	1,467,511
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**Off balance sheet commitments**

*Lease obligations*

Lease obligations entered into with third parties in respect of cars yearly amounts to € 1,179,000. These obligations end between 2015 and 2018.

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

### 8 Nett turnover

The net turnover for 2014 of the legal entity and its subsidiaries and/or group companies has increased with 5,4%.

### Employee expenses

	06/30/2015	6/30/2014
<hr/>		
9. <i>Wages and salaries</i>		
Gross wages	4,315,169	4,168,181
<hr/>		
10. <i>Social security charges</i>		
Social security premiums	779,396	707,648
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#### Staff

During the 2013 financial year, the average number of employees in the Group, converted into fulltime equivalents, amounted to 149 (2013: 145).

Director's total remuneration approximated EUR 45k in 2013 and EUR 45k in 2012.

### 11. Amortisation and depreciation

Intangible fixed assets	108,648	98,018
Tangible fixed assets	52,355	35,549
	<hr/>	<hr/>
	161,003	133,567
	<hr/> <hr/>	

### 12. Other operating expenses

Travel expenses	210,464	212,131
Other operating expenses	702,931	673,676
Car expenses	623,564	547,059
marketing expenses	38,055	73,055
General expenses	183,983	123,055
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	1,758,997	1,628,976
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### Additional Information

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