

Cubisol A/S

Smakkedalen 6

2820 Gentofte

CVR no. 29 91 99 09

Annual Report 2015

(9th financial year)

The Annual Report was adopted at the Annual General Meeting of the Company on 7/4 2016

Henrik Hyldahn
Chairman of the general meeting

RSM

Contents

	Page
Management's Statement and Auditors' Report	
Management's Statement on the Annual Report	2
Independent Auditor's Report	3
Company Information	
Company Information	4
Financial Statements	
Accounting Policies	5
Income Statement 1 January - 31 December	8
Balance Sheet at 31 December	9
Notes to the Financial Statements	11

Management's Statement on the Annual Report

The Supervisory and Executive Boards have today considered and approved the Annual Report of Cubisol A/S for the financial year 1 January - 31 December 2015.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the Company's operations for the year 1 January - 31 December 2015.

We recommend that the Annual Report be adopted by the Annual General Meeting of shareholders.

Copenhagen, 31 March 2016

Executive Board

Henrik Hyldahn
CEO

Supervisory Board

Theo Egon Reichert

Henrik Hyldahn

Søren Borup Nørgaard

Independent Auditor's Report

To the Shareholder of Cubisol A/S

We have audited the Financial Statements of Cubisol A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the Management determines is necessary to enable the preparation of 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 the financial statements 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 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 of financial statements 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 entity'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 Financial Statements.

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 financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Aarhus, 31 March 2016

RSM plus P/S

statsautoriserede revisorer
CVR no. 34 71 30 22

Lars Thruesen
Registered Public Accountant

Company Information**The Company**

Cubisol A/S
Smakkedalen 6
2820 Gentofte
CVR no.: 29 91 99 09
Financial year: 1 January - 31 December
Municipality of reg. office: Gentofte

Main activity

The Company's main activity is delivering IT services and hosting to companies in Denmark and abroad.

Supervisory Board

Theo Egon Reichert,
Henrik Hyldahn,
Søren Borup Nørgaard

Executive Board

Henrik Hyldahn, CEO

Auditors

RSM plus P/S
statsautoriserede revisorer
Jens Baggesens Vej 90N
8200 Aarhus N

Bank

Nordea Erhvervsfilial København
Vesterbrogade 8
0900 København C.

General meeting

The Annual General Meeting is held on 7 April 2016 at the Company's address

Accounting Policies

The Annual Report of Cubisol A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to companies of reporting class B supplemented by selected rules applying to reporting class C.

The accounting policies are unchanged from last year.

The Annual Report for 2015 is presented in USD.

Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. Similarly all expenses including depreciation, amortisation and impairment losses are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the accumulated amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before presentation of the Annual Report, and which confirm or invalidate circumstances existing at the balance sheet date.

Income Statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act the Company's revenue is not stated.

Gross profit is an aggregate of revenue, changes in inventories of finished goods, work in progress and goods for resale, as well as other operating income, reduced by cost of raw materials and consumables used and other external expenses.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that delivery and transfer of risk to the buyer have taken place before the end of the year. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables used to generate revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs

Staff costs comprise wages and salaries as well as payroll expenses.

Accounting Policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and financial expenses are recognised in the income statement with the amounts related to the financial year. Financial income and financial expenses include interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as surcharges and allowances under the tax prepayment scheme.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and costs directly related to acquisition until the date when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful lives of the assets, which are:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0 %

Gains or losses on sale of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments recognised under assets comprise costs incurred in relation to subsequent financial years.

Dividend

Proposed dividend is disclosed as a separate item under equity. Dividend is recognised as a liability at the date when adopted at the annual general meeting.

Corporation tax and deferred tax

Current tax liabilities and receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities, based on the planned use of the asset or settlement of the liability, respectively.

Accounting Policies

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at at the estimated value of the utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax is measured in accordance with the tax rules and at the tax rates at the balance sheet date when the deferred tax is expected to be transformed to a current tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes in tax rates are recognised in the income statement. For the current year a tax rate of 23,5% is used.

Debts

Other debts are measured at amortised cost.

Translation policies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of transaction. Foreign exchange differences arising between the transaction date rate and the rate at the date of payment are recognised in the income statement as financial income and expenses.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are measured at the exchange rate at the balance sheet date. Any differences between the exchange rate at the balance sheet date and the transaction date rate are recognised in income statements as financial income and expenses.

Income Statement 1 January - 31 December

	Note	2015 USD	2014 USD
Gross profit		1.788.309	2.628.839
Staff costs	1	<u>-1.626.034</u>	<u>-1.913.111</u>
Amortisation profit/loss before depreciation, amortisation and impairment		162.275	715.728
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-8.433</u>	<u>-8.714</u>
Profit/loss before net financials		153.842	707.014
Financial income	2	296.452	304.920
Financial expenses	3	<u>-207.850</u>	<u>-259.859</u>
Profit/loss before tax		242.444	752.075
Tax on profit/loss for the year	4	<u>-57.978</u>	<u>-183.676</u>
Net profit/loss for the year		<u>184.466</u>	<u>568.399</u>
Proposed distribution of profit			
Proposed dividend for the year		0	0
Retained earnings		<u>184.466</u>	<u>568.399</u>
		<u>184.466</u>	<u>568.399</u>

Balance Sheet at 31 December

	Note	2015 USD	2014 USD
ASSETS			
FIXED ASSETS			
Property, plant and equipment	5		
Other fixtures and fittings, tools and equipment		<u>13.082</u>	<u>8.542</u>
		<u>13.082</u>	<u>8.542</u>
Total fixed assets		<u>13.082</u>	<u>8.542</u>
CURRENT ASSETS			
Receivables			
Trade receivables		48.592	23.912
Receivables from group enterprises		2.399.598	1.988.311
Other receivables		24.365	76.209
Deferred tax asset		42.581	37.673
Prepayments		<u>6.385</u>	<u>3.029</u>
		<u>2.521.521</u>	<u>2.129.134</u>
Cash		<u>520.177</u>	<u>597.380</u>
Total current assets		<u>3.041.698</u>	<u>2.726.514</u>
TOTAL ASSETS		<u><u>3.054.780</u></u>	<u><u>2.735.056</u></u>

Balance Sheet at 31 December

	Note	2015 USD	2014 USD
LIABILITIES AND EQUITY			
EQUITY			
	6		
Share capital		183.146	183.146
Retained earnings		<u>2.164.821</u>	<u>1.980.355</u>
Total equity		<u>2.347.967</u>	<u>2.163.501</u>
LIABILITIES OTHER THAN PROVISIONS			
Short-term liabilities			
Trade payables		227.265	213.785
Corporation tax		48.122	169.848
Other payables		<u>431.426</u>	<u>187.922</u>
		<u>706.813</u>	<u>571.555</u>
Total liabilities other than provisions		<u>706.813</u>	<u>571.555</u>
TOTAL EQUITY AND LIABILITIES		<u>3.054.780</u>	<u>2.735.056</u>
Contingencies assets, etc., liabilities and other financial obligations	7		
Related parties and ownership	8		

Notes to the Financial Statements

	2015	2014
	USD	USD
1 Staff costs		
Wages and salaries	1.559.431	1.824.633
Pensions	59.240	82.834
Other social security costs	7.363	5.644
	<u>1.626.034</u>	<u>1.913.111</u>
Average number of employees	<u>7</u>	<u>8</u>
2 Financial income		
Interest received from subsidiaries	96.822	93.092
Exchange gains	199.630	211.828
	<u>296.452</u>	<u>304.920</u>
3 Financial expenses		
Other financial expenses	2.643	4.065
Exchange loss	197.357	255.794
Percentage surcharge, corporation tax	7.850	0
	<u>207.850</u>	<u>259.859</u>
4 Tax on profit/loss for the year		
Tax for the year	62.886	184.551
Deferred tax for the year	-4.908	-875
	<u>57.978</u>	<u>183.676</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2015	920.416
Additions for the year	12.972
Disposals for the year	<u>-6.564</u>
Cost at 31 December 2015	<u>926.824</u>
Revaluations at 1 January 2015	<u>0</u>
Revaluations at 31 December 2015	<u>0</u>
Impairment losses and depreciation at 1 January 2015	911.873
Depreciation for the year	8.433
Impairment and depreciation of sold assets for the year	<u>-6.564</u>
Impairment losses and depreciation at 31 December 2015	<u>913.742</u>
Carrying amount at 31 December 2015	<u><u>13.082</u></u>

6 Equity

	Share capital	Retained earnings	Total
Equity at 1 January 2015	183.146	1.980.355	2.163.501
Net profit/loss for the year	<u>0</u>	<u>184.466</u>	<u>184.466</u>
Equity at 31 December 2015	<u><u>183.146</u></u>	<u><u>2.164.821</u></u>	<u><u>2.347.967</u></u>

The share capital consists of 1.000 shares of a nominal value of USD 183,15. No shares carry special rights.

There have been no changes in the share capital during the last 5 years.

7 Contingencies assets, etc., liabilities and other financial obligations

The Company has entered into a tenancy agreement with six months' notice, equivalent to a total of USD 12 thousand.

Notes to the Financial Statements**8 Related parties and ownership**

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

EMS Seven Seas AS, Strandveien 37, 1366 Lysaker, 0219 Bærum, Norway.