

Intrasoft International Scandinavia A/S

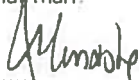
Bregnerødvej 127, 3460 Birkerød

CVR no. 30 71 59 93

Annual report 2015

Approved at the annual general meeting of shareholders on 20 June 2016

Chairman:

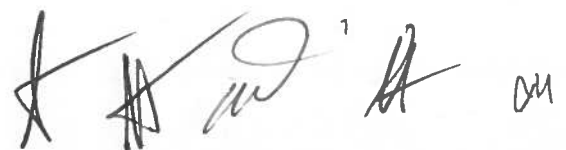


.....
Albert Menashe



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report	3
Management's review	4
Company details	4
Operating review	5
Financial statements for the period 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10



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 Intrasoft International Scandinavia A/S for the financial year 1 January - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

We recommend that the annual report be approved at the annual general meeting.

Birkerød, 20 June 2016

Executive Board:



Albert Menashe

Board of Directors:



Athanassios Kotsis
Chairman



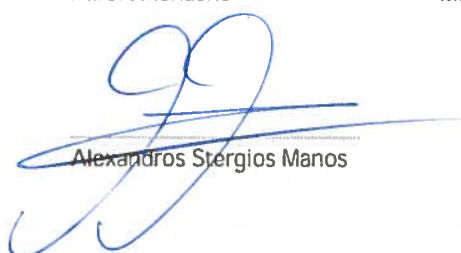
Albert Menashe



Manolis Terrovitis



Spyridon Pomonis



Alexandros Stergios Manos



Independent auditors' report

To the shareholders of Intrasoft International Scandinavia A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Intrasoft International Scandinavia A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 and for such internal control that Management 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 under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company'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 Company'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 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 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 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.

Copenhagen, 20 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Alex Petersen
State Authorised Public Accountant



Management's review

Company details

Name Intrasoft International Scandinavia A/S
Address, Postal code, City Bregnerødvej 127, 3460 Birkerød

CVR No. 30 71 59 93
Registered office Birkerød
Financial year 1 January - 31 December

Board of Directors Athanassios Kotsis, Chairman
Albert Menashe
Manolis Terrovitis
Spyridon Pomonis
Alexandros Stergios Manos

Executive Board Albert Menashe

Auditors Ernst & Young Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg,
Denmark

Bankers Danske Bank



Management's review

Operating review

The Company's business review

Provision of solutions and services to the public revenue (tax and customs) segment globally remains a key focus area for the Intrasoft International S.A. group. Intrasoft International Scandinavia plays an important role in this regard by being responsible for the development, maintenance and ongoing enhancement of the Company's internationally acclaimed ESKORT Compliance and Enforcement Solution, which is used as the basis of a number of the group's projects internationally.

Financial review

The income statement for 2015 shows a loss of DKK 2,843,254 against a loss of DKK 5,325,000 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 598,446.

The Company has lost more than 50% of the share capital. The management will explain the loss on the annual general meeting and propose measures to restore the share capital.

The Company has received a capital increase of DKK 3,879,810 in 2015.

Post balance sheet events

No events have occurred after the financial year end which could significantly affect the company's financial position.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Gross profit	11,224,822	9,719,467
2	Staff costs	-9,431,476	-9,553,230
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,843,851	-4,615,532
	Operating profit/loss	-2,050,505	-4,449,295
	Financial income	41,182	48,383
3	Financial expenses	-833,931	-924,088
	Profit/loss before tax	-2,843,254	-5,325,000
	Tax for the year	0	0
	Profit/loss for the year	-2,843,254	-5,325,000
	Proposed profit appropriation/distribution of loss	-2,843,254	-5,325,000
	Retained earnings/accumulated loss	-2,843,254	-5,325,000

6


am

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
	Intangible assets		
	Completed development projects	3,302,740	4,827,090
	Acquired intangible assets	821,500	1,314,400
	Goodwill	3,029,864	4,847,974
		<u>7,154,104</u>	<u>10,989,464</u>
	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	27,843	0
		<u>27,843</u>	<u>0</u>
	Investments		
	Other receivables	120,000	225,000
		<u>120,000</u>	<u>225,000</u>
	Total non-current assets	<u>7,301,947</u>	<u>11,214,464</u>
	Current assets		
	Receivables		
	Trade receivables	4,790,798	1,997,079
4	Work in progress for third parties	1,417,125	3,454,017
	Receivables from group entities	1,180,963	429,270
	Other receivables	79,508	111,055
	Deferred income	160,198	162,130
		<u>7,628,592</u>	<u>6,153,551</u>
	Cash	339,148	1,203,209
	Total current assets	<u>7,967,740</u>	<u>7,356,760</u>
	TOTAL ASSETS	<u>15,269,687</u>	<u>18,571,224</u>

DM

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	2,301,000	2,001,000
	Share premium account	47,453,400	43,873,590
	Retained earnings	-50,352,846	-47,509,592
	Total equity	-598,446	-1,635,002
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Payables to group entities	8,044,670	11,924,480
		8,044,670	11,924,480
	Current liabilities other than provisions		
4	Work in progress for third parties	3,383,417	3,394,738
	Trade payables	1,247,065	1,941,802
	Payables to group entities	1,736,810	1,347,195
	Other payables	1,456,171	1,598,011
		7,823,463	8,281,746
	Total liabilities other than provisions	15,868,133	20,206,226
	TOTAL EQUITY AND LIABILITIES	15,269,687	18,571,224
1	Accounting policies		
7	Contractual obligations and contingencies, etc.		
8	Related parties		

8


01

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2015	2,001,000	43,873,590	-47,509,592	-1,635,002
Capital increase	300,000	3,579,810	0	3,879,810
Profit/loss for the year	0	0	-2,843,254	-2,843,254
Equity at 31 December 2015	2,301,000	47,453,400	-50,352,846	-598,446

The company has lost more than 50% of the share capital. The management will explain the loss on the annual general meeting and propose measures to restore the share capital.

The ultimate parent company has issued a letter of support in which the ultimate parent company confirm that it will support the company financially to ensure that the company can discharge its obligations as they fall due.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Intrasoft International Scandinavia A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Revenue

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.

Income from contract work is recognised as revenue as the production is carried out, meaning that the revenue corresponds to the market value of contracts completed in the year.

Gross profit

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

External expenses

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.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Completed development projects	7 years
Acquired IP rights	5-10 years
Goodwill	10 years

Amortisation on intangibles exceeds 5 year, as these relate to acquisition and development of activities.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses and realised and unrealised exchange gains and losses on foreign currency transactions.

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.

Balance sheet

Intangible assets

development costs are expensed in the income statement as incurred.

Development projects that are clearly defined and identifiable and in respect of which the technological feasibility, sufficient resources and a potential future market or development potential in the enterprise can be demonstrated, and where the intention is to produce, market or use the product or the process, are recognised as intangible assets provided that it is sufficiently certain that future earnings will be adequate to cover the production, sales and administrative expenses and the aggregate development costs. Other development costs are expensed in the income statement as incurred.

Development costs are measured at direct costs and a portion of the costs that can be related indirectly to the individual development projects.

Acquired intangible assets are tested for impairment whenever there is an indication that an asset might be impaired. Furthermore, development projects in progress are tested for impairment on an annual basis. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount) of the asset or group of assets.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Items of property, plant and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount) of the asset or group of assets.



AM

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress for third parties

Work-in-progress are measured by reference to the stage of completion. The stage of completion is calculated on the basis of the direct and indirect costs incurred relative to the expected total expenses.

The value of the individual contracts, less prepayments, is classified under 'Receivables' if the amounts are positive and under 'Payables' if the amounts are negative.

Write-downs for losses are made up as the total expected loss on the contract irrespective of the stage of completion.

Prepayments

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

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed 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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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 a set off against deferred tax liabilities.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Handwritten signatures in blue ink, including a large stylized signature, a signature with a date stamp '13', and another signature.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
2 Staff costs		
Wages/salaries	8,367,401	8,405,997
Pensions	770,164	802,855
Other social security costs	115,717	82,855
Other staff costs	178,194	261,523
	9,431,476	9,553,230
3 Financial expenses		
Interest expenses, group entities	734,036	850,726
Other financial expenses	99,895	73,362
	833,931	924,088
4 Work in progress for third parties		
Work in progress at sales price	18,895,811	14,655,252
On-account invoicing, work in progress	-20,862,103	-14,595,973
	-1,966,292	59,279

Work in progress is classified in the balance sheet at DKK 1,417,125 (2014: DKK 3,454,017) as net receivables and DKK 3,383,417 (2014: DKK 3,394,738) as net liabilities.

5 Share capital

The share capital consists of the following:

23,010 shares of DKK 100.00 each	2,301,000	2,001,000
	2,301,000	2,001,000

Analysis of changes in the share capital over the past 5 years:

DKK	2015	2014	2013	2012	2011
Opening balance	2,001,000	2,001,000	2,001,000	1,900,000	1,900,000
Capital increase	300,000	0	0	101,000	0
	2,301,000	2,001,000	2,001,000	2,001,000	1,900,000

6 Long-term liabilities

None of the long-term liabilities falls due for payment after more than 5 years after the balance sheet date.

7 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	144,219	268,595

Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Related parties

Intrasoft International Scandinavia A/S' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Intrasoft International S.A. (Direct parent)	2b rue Nicola Bove, L 1253, Luxembourg	2b rue Nicola Bove, L 1253, Luxembourg
Intracom Holdings S.A. (Ultimate parent)	19th km Markopoulou ave. Peania, Athens, Greece	19th km Markopoulou ave. Peania, Athens, Greece

 15

24