



Crayon Group Holding AS

Consolidated Annual Report

2014



Crayon Group Holding AS

REPORT FROM THE BOARD OF DIRECTORS 2014

In 2014, Crayon continued to consolidate its position as one of the world's leading license management & Software Asset Management (SAM) companies, signified by for instance winning Microsoft's prestigious "Global LSP partner of the year 2014" award. During the year, the Group also successfully constructed a scalable delivery model spanning across different countries and business areas, and continued its focus on operational excellence. This significantly boosted the business' global competitiveness.

The world is becoming increasingly global. The same applies to both Crayon's customers and key vendors. In order to build global clout, achieve global pricing capabilities and follow the customers wherever they are located, Crayon has made significant investments. 2014 was no exception, as Crayon continued to position the Group for further growth and geographic expansion through establishments in Spain, Portugal, Saudi Arabia, India, Malaysia, and Singapore. The company also prepared the way for establishments in the USA, in addition to continue to build and roll out its strategy in its newly established markets in Europe (UK, Netherlands, Austria and Iceland). Even though the newly established markets represents a small share of the business total, the underlying recruitment growth (close to 80 FTEs) signifies that the company is set for future success with a highly dedicated and talented personnel pool.

SAM continues to be the company's stronghold and core offering, with a gross profit growth of close to 30%. Further, the company's strategic focus towards partnering with clients in a Managed Service model has been well received by its customers, and today recurring SAM agreements represents more than 50% of the total SAM gross profit. With the rise of cloud and hybrid environments, SAM is becoming increasingly valuable for customers, and the company is well positioned to capitalize on the growth within SAM as one of the leading global SAM players.

Furthermore, driven by the accelerating megatrends cloud and mobility within the enterprise world, the company has made significant investments to position itself for the influx of new cloud based licensing services by establishing and growing cloud deployment capabilities and support capacity. Amongst others, Crayon qualified to become a Microsoft Cloud Solution Provider, which underlines the company's position within the field of enterprise cloud.

The Group posted another solid financial result in 2014, with sales in excess of NOK 3.7 billion (up 23 percent on 2013). EBITDA of NOK 142 million was NOK 15.5 million lower than in 2013 mainly due to significant investments in geographic expansion and growth in new services. In July 2014, the company successfully raised a MNOK 650 bond, which mainly was used for refinancing existing credit facilities in addition to provide financial flexibility to continue to pursue the company's global ambition to assist its clients globally within the core areas of licensing and SAM.

Nature of business and location

Crayon Group Holding AS is the holding and parent company of the Crayon Group, headquartered in Oslo, Norway.

The Crayon Group focuses on two primary business areas: Licensing and Consultancy. Licensing sells to and supports large and medium-sized clients with their procurement and utilization of software licenses. SAM represents the core business area for Licensing. SAM is a business process designed to optimize clients' licensing costs, reduce risk attached to ownership of software, and secure compliance. The Group's clients are characterized by complex licensing arrangements where Crayon, as a trusted advisor, assists in securing optimally structured commercial agreements that comply

with relevant framework conditions. Consultancy provides IT consultancy services, primarily to large and medium-sized businesses.

The Crayon Group adopts a defined growth strategy based on a focus on profitable organic growth and strategic acquisitions in order to reinforce existing business areas.

At the reporting date, the Group comprised of Crayon Group Holding AS and the subsidiaries Crayon Group AS, Crayon AS, Crayon AB, Crayon A/S, Ellekær 9 A/S, Crayon OY, Crayon Iceland ehf, ICE Distribution hf, Crayon Global Services GmbH, Crayon GmbH, Crayon Middle East, Crayon France SAS, Crayon Ltd., Inmeta Consulting AS, Esito AS, MAP License AS, Fast Ltd, Crayon B.V., Crayon Austria, Crayon Spain, Crayon Portugal, Crayon Malaysia, Crayon Pte. Ltd., Crayon India and Kryptos Networks Pvt Ltd.

Financial results

In the year under review, the Group posted sales of NOK 3,732 million, EBITDA adjusted for non-recurring expenses of NOK 141.8 million, and a net loss before tax of NOK 5.5 million. The Group made significant investments in growth during the reporting period, which adversely impacted EBITDA over the short term. Significant investments were made in the organization and in further internationalization of the Group during the year. The Group has performed in line with the business development plans.

Key figures (MNOK)	2014	2013	2012
Operating income	3,731.8	3,045.3	2,046.7
Gross profit	826.3	776.3	593.9
EBITDA*	141.8	157.3	101.9

*Adjusted for non-recurring expenses

The Group's cash flow from operating activities came in at NOK 163.8 million (116 percent of EBITDA). A significant portion of the Group's balance sheet comprises of goodwill arising from the acquisition of the Inmeta Crayon Group, A Gain A/S and FAST Ltd. Impairment tests have been carried out where the risk of impairment losses was deemed to be low.

To continue to grow its presence in India, the Group acquired 80% of the shares of Kryptos Networks Pvt Ltd. in February 2014. Kryptos has fuelled the company's entrance to India via a solid commercial base, highly skilled and dedicated staff in addition to deep vendor relationships.

In July 2014, Crayon Group Holding AS successfully issued a NOK 650 million bond issue (initial loan amount) with a potential tap issue of up to NOK 350m, with maturity in July 2017. The bond is to be repaid in full at the maturity date. Interest is set quarterly at 3 month NIBOR + 500bps. As of December 31, 2014, 3 month NIBOR was 1.63%. The proceeds from the initial loan amount were used for refinancing and for general corporate purposes. The proceeds from any tap issue shall be used for permitted acquisitions and for general corporate purposes of the Group. The bond was listed on Oslo Stock Exchange on December 22, 2014, and a complete listing prospectus is available at the Group's online web portal.

In the opinion of the Board, the annual financial statements provide a true and fair view of the Group's financial position at the end of the year. The Board is satisfied with the growth in profitability and the Group's robust cash flow. The Board deems the Group's liquidity and financing to be satisfactory. At the end of the year, the Group's cash and cash equivalents totaled NOK 296.9 million. Based on the annual financial statements and the Group's improving performance, the Board has established a basis for the Group to continue as a going concern.

Organization, personnel and working environment

As of end of year 2014, the Group employed 700 staff, which was up 90 on the start of the year. The Group continuously strives to improve the already good working environment. Sickness absence in the Group amounted to 4.0 percent in 2014. No material personal injuries or damage to material was registered in 2014. Each year employees are offered the opportunity to attend first-aid courses, which includes training in how to use defibrillators. The company's management have implemented an HSE course, and have drawn up an associated plan to maintain compliance with HSE issues. Employee representatives serve on the company's board. At the end of the year, 27 percent of the Group's employees were women. The Board of Directors comprises of seven men. One of the company's objectives is to offer equal salary levels and career opportunities regardless of gender.

The purpose of the Norwegian Anti-Discrimination Act is to promote equality, safeguard equal opportunities and rights, and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, orientation, religion or belief. The Group endeavors to promote the objectives of the Act in its operations including with regard to recruitment, wages and working conditions, promotion, development opportunities and protection against harassment. The Group strives to be a workplace where there is no discrimination on grounds of disability.

Corporate governance

The board has adopted general policies for corporate governance to safeguard the interests of the company's owners, employees and other stakeholders. These principles and associated rules and practices are intended to create increased predictability and transparency, and thus reduce uncertainties connected with the business. These principles and rules are reviewed annually by the board. The company's internal rules of governance accord with guidelines in the Norwegian Code of Practice for Corporate Governance dated 30 October 2014 ("the Code").

External environment

The company's activities do not cause any pollution or emissions that harm the external environment.

Research and development

The company continues to develop its own software solutions within the SAM area. Research and development that is expected to generate revenue at a later date is capitalized in the balance sheet.

Equity and shareholder issues

At the reporting date, the company's share capital amounted to NOK 52 475 535, allocated to 52 475 535 shares, each with a nominal value of NOK 1.

Ethics

The Crayon Group's business concept is based on improving clients' competitiveness through value-increasing services and solutions.

All Crayon Group employees shall display respect and integrity in dealings with their business contacts, colleagues or others with whom they come in contact with through their work. The Crayon Group does not accept any form of bullying, discrimination or other conduct that could be deemed to be threatening or demeaning.

The Crayon Group aims to provide an attractive workplace with good working conditions, a safe working environment, and to promote diversity, equal gender distribution and inclusive recruitment.

The Crayon Group's employees shall assume responsibility for the market and the society that the company serves by conducting operations to a high ethical standard and in accordance with

applicable legislation. The company shall be aware of the impact of technology on society and the environment.

Risk management

The Board is keen to secure systematic and concerted management of risk in all parts of the business, and regards this as critical for long-term value creation. Growth opportunities shall always be weighed against associated risks. The Board of Directors regularly reviews the Crayon Group's risk profile. This includes risk relating to profitability, HSE, security, financial reporting, interest rates, foreign currency and liquidity.

Foreign currency

The company is exposed to currency fluctuations due to the international nature of its operations. Major transactions in foreign currency are hedged according to policy.

As of December 31, 2014, the Group had swapped approximately 28% of its bond principal into the following currencies; GBP, EUR, SEK and DKK. There is no currency hedging related to these currency swaps because the Group has income in GBP, EUR, SEK and DKK. Hence, a natural hedge is achieved as the bond principal swapped into non-NOK currencies reflects the underlying cash generation by the Group.

Other than the above, the Group does not have any financial instruments in foreign currency beyond the ordinary trade creditors arising from ordinary operation.

The Group buys some of its products in EUR, SEK, DKK and USD. The inventory is minimal, but the exchange rate on NOK/EUR, NOK/SEK, NOK/DKK and NOK/USD can have an impact on the gross margin as the exchange rate may appreciate or depreciate in value. To counteract this, significant orders are secured by means of confirmed orders.

Interest

The company's borrowings are linked to NIBOR, STIBOR, CIBOR, LIBOR and EURIBOR, which means that the company is exposed to interest rate fluctuations. Approximately 50% of the principal amount of the loan was interest hedged in 2014. The Group still has some interest rate risk, but this is considered to be at an acceptable level.

Liquidity

Management of liquidity risk is accorded high priority as part of measures to secure financial flexibility. The cash flow from operating activities, which is impacted by a number of factors including changes in working capital, is managed at operational level by the individual companies. The Finance Department monitors liquidity flows in its short-term and long-term reporting. The Group has significant liquid assets, as a result of which liquidity risk is deemed to be low.

The Group has adequate capitalization to secure freedom of action. Covenants are attached to the Group's loans. As of December 31, 2014, the Group had credit facilities of MNOK 100. The credit facility is used for working capital and other short-term financing purposes.

Group outlook

The Group's main focus will continue to be on the sale of SAM services, software licenses and associated consultancy services to the major client market in the Nordic region, along with the rest of Europe and, increasingly, the rest of the world. The Group focuses on organic growth in combination with strategic acquisitions. The Group's financial position enables it to consider acquisition opportunities that could contribute to long-term industrial growth. The Crayon Group has identified significant opportunities for long-term growth in the company's markets. Based on the company's performance in 2014 and other implemented measures, together with the company's general position, the Board expects the company to continue on an upward trend in 2015.

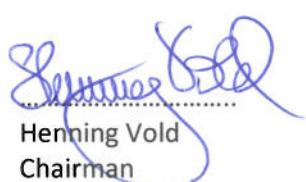
The company satisfies the conditions necessary to continue as a going concern, and the annual financial statements have been prepared on this basis. There have been no events since the end of the reporting period that materially impact the presentation or interpretation of the financial statements.

Allocation of loss for the year

The consolidated accounting loss for the year came in at NOK 9.4 million. The parent company posted a profit of NOK 19.8 million.

The allocation of the net loss for the year is shown in the financial statements.

Oslo, April 30, 2015



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Henning Vold
Chairman



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Rune Syversen
Board Member



.....
Øyvind Aasbø
Board Member



.....
Waseem Shad
Board Member



.....
Eivind Roald
Board Member



.....
Andre Lopez
Employee representative



.....
Harald Oldeide
Employee representative



.....
Jens Rugseth
CEO

Statement by the Board and CEO

The Board and CEO have today considered and approved the Director's Report and financial statements for CRAYON GROUP HOLDING AS Group and parent company as of December 31, 2014 (Annual Report 2014).

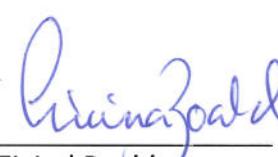
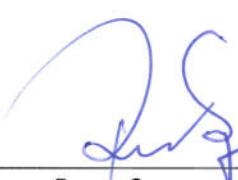
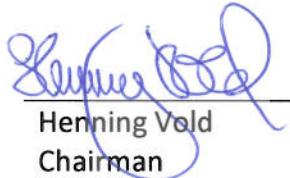
Consolidated financial statements have been prepared in accordance with the EU-approved IFRS and interpretations, and Norwegian disclosure arising from accounting law to be applied as of December 31, 2014.

Financial statements in the parent company have been prepared in accordance with the Accounting Act (Norway) and generally accepted accounting principles.

To the best of our knowledge:

- The financial statements for 2014 for the parent company and Group have been prepared in accordance with applicable accounting standards
- The information in the financial statements gives a true picture of the assets, liabilities, financial position and overall results as of December 31, 2014.
- The Director's Report gives the Group and the parent company a true picture of:
 - The development, result and position of the Group and parent company
 - The principal risks and uncertainties faced by the Group and the company

Oslo, April 30, 2015



Henning Vold
Chairman

Øyvind Aasbø
Board Member

Rune Syversen
Board Member

Eivind Roald
Board Member



Waseem Shad
Board Member

Juan Andre Lopez
Board Member

Harald Oldeide
Board Member

Jens Rugseth
CEO

Crayon Group Holding AS
Consolidated Income Statement 1.1 - 31.12

(NOK 1 000)	Note	2014	2013
OPERATING INCOME AND EXPENSES			
Operating income	2	3 731 813	3 045 316
Total operating income		3 731 813	3 045 316
Operating expenses			
Raw materials and consumables		2 905 529	2 269 004
Payroll and related cost	4	586 340	524 010
Depreciation and amortization	5	70 393	65 959
Write-down	5		5 643
Other operating expenses	4, 16	102 105	99 458
Total operating expenses		3 664 367	2 964 074
OPERATING PROFIT		67 446	81 241
FINANCIAL INCOME AND EXPENSES			
Other interest income		22 373	13 771
Other financial income		56 893	58 072
Total financial income	17	79 266	71 843
Financial expenses			
Other interest expenses		64 627	54 730
Other financial expenses		87 619	70 946
Total financial expenses	17	152 246	125 676
NET FINANCIAL INCOME AND EXPENSES		-72 980	-53 833
ORDINARY RESULT BEFORE TAX		-5 534	27 408
Income tax expense on ordinary result	15	4 882	1 131
NET INCOME	7	-10 416	26 277
Extended result		-10 416	26 277
Conversion differences		1 004	6 913
TOTAL COMPREHENSIVE INCOME	7	-9 412	33 190
Allocation of comprehensive income			
Owners of Crayon Group Holding AS		-4 983	32 557
Minority share of profit		-4 429	633
TOTAL COMPREHENSIVE INCOME ALLOCATED		-9 412	33 190

Crayon Group Holding AS
Consolidated Balance Sheet as of 31.12

(NOK 1 000)	Note	2014	2013
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Research and development	5	10 475	9 147
Technology and software	5	25 274	28 433
Concessions, licenses and patents	5	178 095	225 190
Goodwill	5	745 585	727 453
Software licences	5	7 420	7 420
Total intangible assets	5	966 848	997 642
Tangible assets			
Operating equipment, fixtures	5	23 106	23 973
Total tangible assets		23 106	23 973
Financial assets			
Investments in associates		538	121
Other receivables		2 815	2 016
Total financial assets		3 353	2 137
TOTAL NON-CURRENT ASSETS		993 309	1 023 753
CURRENT ASSETS			
Inventory	3	18 475	16 511
Accounts receivable	9	651 019	603 032
Other receivables		44 906	27 992
Total receivables		714 400	647 535
Cash and cash equivalents	10	296 938	225 329
TOTAL CURRENT ASSETS		1 011 338	872 864
TOTAL ASSETS		2 004 647	1 896 617

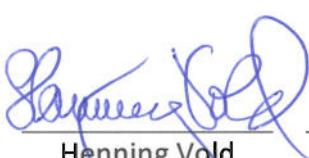
Crayon Group Holding AS
Consolidated Balance Sheet as of 31.12

(NOK 1 000)	Note	2014	2013
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	7	52 476	52 476
Own shares	7	-216	-202
Share premium reserve	7	262 303	262 378
Total paid-in equity		314 562	314 651
 Retained earnings			
Other equity	7	8 889	7 477
Total retained earnings		8 889	7 477
 Total equity attributable to parent company shareholders			
Minority interest	7	-2 650	4 924
TOTAL EQUITY		320 801	327 053

Crayon Group Holding AS
Consolidated Balance Sheet as of 31.12

(NOK 1 000)	Note	2014	2013
LIABILITIES			
LONG-TERM LIABILITIES			
Contractual obligations			
Deferred tax	15	43 413	57 021
Total contractual obligations		43 413	57 021
Other long-term liabilities			
Financial liabilities	11,12,13	663 243	322 849
Other long-term liabilities		3 552	351 011
Total other long-term liabilities		666 795	673 860
TOTAL LONG-TERM LIABILITIES		710 207	730 880
CURRENT LIABILITIES			
Trade creditors	13	675 440	551 617
Income taxes payable	15	5 474	1 434
Public duties payable		149 803	139 668
Other current liabilities		142 921	145 965
TOTAL CURRENT LIABILITIES		973 638	838 684
TOTAL LIABILITIES		1 683 846	1 569 564
TOTAL EQUITY AND LIABILITIES		2 004 647	1 896 617

Oslo, April 30, 2015



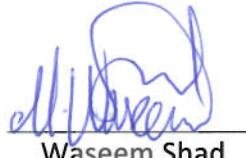
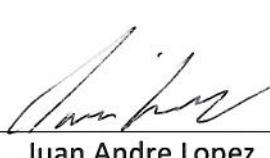



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CEO

Crayon Group Holding AS

Condensed Consolidated Statement of Changes in Shareholder's Equity

	Share capital	Own shares	Share premium reserve	Funds	Total equity
Equity 2014					
Equity as of 01.01.2013	52 476	-201	262 378	-18 494	296 158
Acquisition of minority interest				-2 295	-2 295
Net income as of 31.12.2013				26 277	26 277
Currency translation				6 913	6 913
Equity as of 31.12.2013	52 476	-201	262 378	12 401	327 053
Minority share of equity as of 31.12.13					4 924
 Equity as of 01.01.2014	52 476	-201	262 378	12 401	327 053
Repurchase of own shares		-15	-75		-90
Net income as of 31.12.2014				-10 416	-10 416
Acquisitions and divestments				3 249	3 249
Currency translation				1 004	1 004
Equity as of 31.12.2014	52 476	-216	262 303	6 238	320 801
Minority share of equity as of 31.12.2014					-2 650

Crayon Group Holding AS
Consolidated Cash Flow Statement

(NOK 1 000)	01.01-31.12	01.01-31.12
	2014	2013
Cash flow from operating activities		
Ordinary result before tax	-5 534	27 408
Taxes paid	-14 575	-21 032
Depreciation and amortization	70 393	71 602
Net interest to credit institutions	42 254	40 959
Changes in inventory, accounts receivable/payable	69 257	-45 149
Changes in other current assets	2 036	89 704
Net cash flow from (used in) operating activities	163 832	163 493
Cash flow from investing activities		
Acquisition of assets	-19 153	-18 295
Acquisition of subsidiaries	-27 412	-121 870
Divestments	6 646	0
Purchase of own shares	-89	0
Net cash flow from (used in) investing activities	-40 008	-140 165
Cash flow from financing activities		
Net interest paid to credit institutions	-87 786	-21 325
Change in subsidiaries	-82	-1 140
Proceeds from issuance of interest-bearing debt	650 000	122 202
Repayment of interest-bearing debt	-624 442	-100 909
Change in other long-term debt	396	0
Net cash flow from (used in) financing activities	-61 914	-1 172
Net increase (decrease) in cash and cash equivalents	61 910	22 156
Cash and cash equivalents at beginning of period	225 329	203 173
Currency translation	9 700	0
Cash and cash equivalents at end of period	296 938	225 329

NOTE 1 – ACCOUNTING PRINCIPLES

Crayon Group Holding AS is a private limited company registered in Norway. The company's headquarters are located in Sandakerveien 114A, 0484 Oslo, Norway.

The financial statements were presented by the Board on April 30, 2015.

1.1 FUNDAMENTAL PRINCIPLES

Consolidated financial statements for Crayon Group Holding AS for the financial year 2014 have been prepared in accordance with international standards for financial reporting (IFRS) and interpretations determined by the International Accounting Standards Board (IASB), effective January 1, 2005 and approved by the European Union (EU).

The consolidated financial statements are based on the principles of historical cost accounting, except for financial instruments, which are stated in the balance sheet at fair value. The consolidated financial statements are prepared using uniform accounting principles for similar transactions and occurrences, under ordinarily equal conditions.

Assets/liabilities relating to the circular flow of goods and items due for payment within 1 year after the balance sheet date are classified as current assets/current liabilities. Other items are non-current.

Preparation of the financial statements in accordance with IFRS requires management to make assessments and estimates, and to make assumptions that affect the application of the accounting principles and recognized amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and other reasonable factors, considering the circumstances. These calculations form the basis for assessment of the book value of assets and liabilities that are not clearly apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are continuously reviewed. Changes in accounting estimates are recognized in the period when the changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

1.2 NEW AND CHANGED ACCOUNTING STANDARDS

The following standards have been adopted by the Group for the first time for the financial year beginning on or after January 1, 2014:

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the consolidated financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 with the issue of IFRS 13.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39, novation of derivatives to central counterparties would result in discontinuance of hedge accounting.

The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the consolidated financial statements as a result.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy where such a liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The Group is not currently subjected to significant levies. The impact on the Group is not, therefore, material.

Crayon Group Holding AS has come to the conclusion that these annual amendments do not have any effect on the financial statement.

IFRS standards and IFRIC interpretations that have been published but not adopted

Below is a list of new standards, changes to standards and interpretations that have been published, which the Group has chosen not to adopt in the financial statements for 2014. These standards are not mandatory for the fiscal year 2014.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, and have not been applied in the preparation of these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except the following:

IFRS 9, 'Financial instruments'; addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through income statement. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss, with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Group has yet to assess the full impact of IFRS 9.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of goods or services and thus has the ability to direct the use and obtain the benefits from the said goods or services. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

The Group has not come to any conclusion as to whether or not the new standards, changes to the existing standards or the interpretation will have any effect, but the changes are not expected to have any substantial impact on the consolidated accounts.

1.3 CONSOLIDATION PRINCIPLES

The consolidated financial statements include Crayon Group Holding AS and its subsidiary ICE Distribution hf and Crayon Group AS.

The following subsidiaries are 100% owned by Crayon Group AS:

Crayon AS	Crayon AB	Crayon OY
Crayon A/S	MAP License AS	Crayon Global Services GmbH
Inmeta Consulting AS	Ellekær 9 A/S	Crayon Middle East
Crayon Ltd	Crayon Iceland	

Crayon Group AS also owns the following companies (% indicates ownership):

Esito AS (51%)	Crayon GmbH (74.2%)	Crayon Austria (75%)
Crayon France (75%)	Crayon Portugal (80%)	Crayon B.V. (80%)
Crayon Spain (80%)	Kryptos Networks Pvt Ltd (80%)	Crayon Malaysia (85%)
Crayon Pte Ltd (90%)	Crayon India (98.3%)	

Business acquisitions are accounted for using the acquisition method. Remuneration provided is measured at fair value of the transferred assets, liabilities incurred and issued equity instruments. Included in the remuneration is also fair value of all the assets or liabilities as a result of agreed conditions. Expenses related to the business acquisitions are recorded in the financial statements as they incur. Identifiable assets and liabilities are recorded in the financial statements at fair value at the time of acquisition. Non-controlling ownership interests in the acquired entity are measured from time to time either at fair value or at their share of the acquired entity's net assets.

If the sum of the remuneration, book value of non-controlling owners and fair value at the time of acquisition of the previous owner's interests exceeds the fair value of identifiable net assets of the acquired entity, the difference is booked as goodwill in the balance sheet. If the sum is less than the entity's net assets, the difference is immediately recognized in the profit and loss account.

Intercompany transactions, balances and unrealized gains and losses between Group companies are eliminated. Financial statements of subsidiaries are restated when necessary in order to achieve compliance with the Group principles.

1.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits. Cash flow analysis is prepared using the indirect method.

1.5 TRADE AND OTHER RECEIVABLES

Trade receivables arise from the sale of licenses or services that are within the normal operating cycle. If settlement is expected within a year or less, the receivables are classified as current assets. If this is not the case, the receivables are classified as non-current assets.

Trade receivables are measured at fair value at initial recognition in the balance sheet. On subsequent measurement, trade receivables are valued at amortized cost using the effective interest rate minus provision for occurred losses.

1.6 INVENTORIES

Inventories are stated at the lower of acquisition cost and net selling price. Net selling price is the estimated selling price in the ordinary course of business minus estimated cost of completion, marketing and distribution. Cost of acquisition is assigned using the average method and includes expenditure incurred in acquiring the inventories and costs of bringing goods to their present location and condition.

1.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost, net of accumulated depreciation and impairments. When assets are sold or disposed, the carrying value is reversed in the accounts, and any gain or loss is recognized in the income statement.

Acquisition cost of property, plant and equipment is the purchase price and expenses directly related to putting the asset in condition ready for use. Expenses incurred after the asset is put to use, such as ongoing maintenance, are recognized in the income statement, while other expenses that are expected to generate future economic benefits are recognized in the balance sheet.

Property, plant and equipment are depreciated linearly over the expected useful life.

Incurred development costs are capitalized until the product is fully developed, then depreciated over the expected useful life.

1.8 FINANCIAL ASSETS

Loans and receivables are non-derivative financial assets with fixed payments not traded in an active market. They are classified as current assets, except for maturities greater than 12 months after the balance sheet date, in which case they are classified as non-current assets.

1.9 INTANGIBLE ASSETS

Intangible assets are recognized in the balance sheet if it is likely that the expected future economic benefits attributable to the asset will accrue to the company and the asset's acquisition cost can be measured reliably.

Intangible assets with limited useful life are measured at their acquisition cost, minus accumulated depreciation and impairments. Depreciation is booked linearly over the estimated useful life. Depreciation period and method are reviewed annually. Intangible assets with an indefinite useful economic life are not depreciated, but are tested annually for impairment at the balance sheet date.

1.10 GOODWILL

The difference between acquisition cost by purchase and fair value of net identifiable assets at the time of acquisition is classified as goodwill.

Goodwill is recognized in the balance sheet at acquisition cost, net of any accumulated depreciation. Goodwill is tested annually for impairment at the balance sheet date, and is capitalized at acquisition cost with deduction of impairment. Impairment of goodwill cannot be reversed. Impairment of goodwill will be allocated to current cash-generating units. Allocation is made to those cash-generating units expected to benefit from the acquisition.

1.11 CONTRACTUAL CUSTOMER RELATIONSHIPS

Contractual customer relationships acquired in business combinations are recognized in the balance sheet at fair value at the time of acquisition. The contractual customer relationships have limited useful life and are stated at acquisition cost minus accumulated depreciation. Linear depreciation is carried over expected useful life.

1.12 RESEARCH AND DEVELOPMENT

Expenses related to research activities are expensed as incurred. Expenses related to development activities are capitalized if the product or process is technically and commercially feasible, and the Group has adequate resources to complete the development.

Expenses capitalized include material cost, direct wage costs and a share of directly attributable overhead costs. Capitalized development costs are stated at acquisition cost net of accumulated depreciation and amortization. Capitalized development costs are depreciated linearly over the estimated useful life.

1.13 PROVISIONS

A provision is recognized when the Group has an obligation as a result of a past incident, and it is likely that there will be a financial settlement as a result of this obligation, and the amount can be measured reliably. If the effect is significant, the provision is calculated by discounting future cash flows using a pre-tax discount rate that reflects market assessments of time value of money and, if relevant, risks specific to the obligation.

A provision for warranties is recognized when the underlying products or services are provided. The provision is based on historical information about warranties and a weighting of possible outcomes against their associated probabilities. A provision for unprofitable contracts is recognized when the Group's expected revenues from a contract are lower than the expected costs that are assumed to be incurred to meet obligations under the contract.

1.14 EQUITY

For repurchases of own shares, the purchase price, including directly attributable costs, such as changes in equity, is recorded. Own shares are presented as a reduction of equity. Gains or losses on transactions in own shares are not recognized in the income statement. Transactions directly related to an equity transaction are recognized directly in equity net of tax.

1.15 REVENUE RECOGNITION PRINCIPLES

Revenues are recognized when it is likely that transactions will generate future economic benefits that will accrue to the company, and the amount can be estimated reliably. Revenues are presented net of VAT and discounts. Income from the sale of services is recognized when the service is delivered.

Income from the sale of rights to use of license is recognized at the time of delivery. For the sale of licenses where the customer has signed a multiyear agreement, and where the customer pays an annual fee, the annual fee is recognized in the relevant period. In addition, the company assists its customers in entering into framework agreements with software providers for the purchase of a certain number of licenses. Crayon Group Holdings' deliveries are related to assisting its customers entering into license agreements with software providers.

The income is considered earned when the agreement is signed, as the company is deemed to have delivered its service. Income related to the period is allocated over the contract period, as a result of the customer's right to change supplier during the period. Income for the year represents one year's income for the contracts where Crayon Group Holding has been continued as a supplier. Income for one year is considered to be earned when the customer has decided to use the company for a new one-year period. The company bills the customer and receives payment from the customer, while the software vendor bills and receives payment from the company. The company hence has a risk of delinquency by the customer, whilst having a financial commitment to the supplier. The gross amount billed to the customer is therefore recognized as revenue in the financial statements and the purchase from the supplier appears as cost of sales.

Interest income is recognized as it accrues.

1.16 FOREIGN CURRENCY

Transactions in foreign currency

Transactions in foreign currency are converted at the exchange rate on the transaction date. Monetary items in a foreign currency are converted to NOK using the exchange rate at the balance sheet date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into NOK using the exchange rate on the transaction date. Non-monetary items measured at fair value expressed in a foreign currency are converted at the exchange rate determined at the balance sheet date. Changes in exchange rates are recognized in the accounting period.

Activities abroad

Assets and liabilities in foreign companies whose functional currency differs from the presentation currency are converted to NOK using the exchange rate at the balance sheet date. Income and expenses from foreign companies are converted to NOK using the weighted average rate of exchange (if the average is not a reasonable estimate of the cumulative effects of using the transaction rate, the transaction rate is used). Foreign exchange differences are recognized in equity.

1.17 EMPLOYEE BENEFITS

Pensions

All of the Group companies have pension schemes that satisfy the provisions of the Act on mandatory occupational pensions, for all employees.

Share-based payment

There are no options or agreements on share-based payments to employees or Board Members.

1.18 GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the company will fulfill the conditions attached to the grants, and that the grants will be received. Grants are charged to the cost that the grant is intended to cover. Investment grants are capitalized and recognized in a systematic manner over their useful life. Investment grants are recognized as a deduction from the asset's carrying amount.

1.19 INCOME TAX

Tax expenses consist of taxes payable and changes in deferred tax. Deferred tax/deferred tax assets

are calculated on all differences between accounting and tax value of assets and liabilities, with the exception of temporary differences relating to goodwill not deductible for tax purposes. Deferred tax assets are recognized when it is likely that the company will have sufficient taxable profit in future periods to utilize the tax benefit. Deferred tax and deferred tax assets are measured based on expected future tax rates of the companies in the Group for which temporary differences have arisen. Deferred tax and deferred tax assets are recognized at their nominal value and are classified as financial assets (long-term liabilities) in the balance sheet. Tax payable and changes in deferred tax are recognized directly in equity to the extent that the tax records relate to items recognized directly in equity.

1.20 SEGMENTS

Operating segments are reported in the same manner as internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources to and assessing performance of operating segments, is defined as the corporate management. In the segment reporting by geography, internal profit on sales between the various segments is eliminated.

1.21 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are not recognized in the financial statements unless the probability of liability is high.

Contingent assets are not recognized in the financial statements unless there is a certain probability that the benefit will accrue in the Group.

1.22 EVENTS AFTER THE REPORTING DATE

Information regarding the company's financial position received after the balance sheet date is recognized in the financial statements. If the information will affect the company's future financial position significantly, it is disclosed.

1.23 USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The management has used estimates and assumptions that affect assets, liabilities, revenues and expenses, and information about potential liabilities. Future events may cause these estimates to change. Estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period the change occurs. If the changes are also related to future periods, the effect is distributed over current and future periods.

Estimates and discretionary assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The accounting estimates will therefore, by definition, rarely be in full compliance with the final outcome. The Group's most significant accounting estimates are related to depreciation of tangible and intangible assets, and amortization of goodwill and intangible assets. Economic life and associated depreciation rates of tangible assets shall be determined individually for each asset. Expected life of Group assets and equipment is normally between 3 and 5 years. The Group recorded goodwill is tested annually for impairment and possible reversal of previous write-downs. These calculations require the use of estimates and assumptions concerning future development in respectively incomes and expenses.

Goodwill in Crayon Group Holding AS is related to its subsidiaries.

1.24 ASSET MANAGEMENT

The Group has adequate capitalization to secure freedom of action. Covenants are attached to the Group's loans. As of December 31, 2014, the Group had credit facilities of MNOK 100. The credit facility is used for working capital and other short-term financing purposes. The Group's interest-bearing debt is shown in detail in note 12.

NOTE 2 – SEGMENT INFORMATION

Revenue per country (figures are in NOK 1 000)	2014	2013
Norway	1 525 152	1 399 798
Sweden	537 056	518 850
Denmark	674 387	545 922
Finland	490 465	397 018
Germany	236 146	110 568
Middle East	73 168	11 453
France	76 947	16 763
England	58 349	44 944
Netherlands	2 098	0
Singapore	247	0
Austria	21 493	0
India	31 562	0
Malaysia	1 046	0
Iceland	3 698	0
Total	3 731 813	3 045 316

EBITDA per country (figures are in NOK 1 000)	2014	2013
Norway	92 344	111 175
Sweden	26 854	22 039
Denmark	17 043	12 149
Finland	22 797	18 785
Germany	6 954	5 976
Middle East	-3 373	-1 023
France	-6 413	-4 113
England	16 092	17 098
Netherlands	-2 482	0
Singapore	-4 232	0
Austria	-5 870	0
India	-5 644	0
Malaysia	-1 624	0
Iceland	1 627	0
Portugal	-359	0
Admin & shared services	-12 479	-24 895
Total	141 798	157 141

Revenue per Business Area (figures are in NOK 1 000)	2014	2013
Licensing	2 331 398	1 750 877
xSP	886 157	624 856
SAM	157 675	117 579
Consulting	381 428	552 840
Admin & shared services	-24 845	-836
Total	3 731 813	3 045 316

Gross profit per Business Area (figures are in NOK 1 000)	2014	2013
Licensing	325 156	283 990
xSP	59 862	46 148
SAM	138 964	108 985
Consulting	302 546	345 336
Admin & shared services	-245	-8 147
Total	826 284	776 312

Gross profit %	2014	2013
Licensing	13.9%	16.2%
xSP	6.8%	7.4%
SAM	88.1%	92.7%
Consulting	79.3%	62.5%
Admin & shared services	N/A	N/A
Total	22.1%	25.5%

EBITDA per Business Area (figures are in NOK 1 000)	2014	2013
Licensing	151 859	N/A
xSP	34 164	N/A
SAM	34 453	N/A
Consulting	13 719	N/A
Admin & shared services	-92 397	N/A
Total	141 798	N/A

EBITDA %	2014	2013
Licensing	6.5%	N/A
xSP	3.9%	N/A
SAM	21.9%	N/A
Consulting	3.6%	N/A
Admin & shared services	N/A	N/A
Total	3.8%	N/A

Gross profit means operating income less direct cost, i.e. raw material and consumables.

EBIT or "operating profit" means total operating income less total operating expenses. EBITDA, when used by the company, means EBIT adjusted for extraordinary items (note 16), impairment of non-current assets and depreciation & amortization. EBITDA may not be comparable to other similarly titled measures from other companies. The company has included EBITDA as a supplemental disclosure because management believes it provides useful information regarding the company's ability to service its debt and to fund capital expenditures, and provides investors with a helpful measure for comparing its operating performance with that of other companies.

The Group reports regularly in the geographical and functional divisions. The geographical units represent where the company is located. The operational units that form a natural reporting segment are the licensing, including xSP, SAM and consulting units. "Admin & shared services" includes corporate administration costs and unallocated global shared cost. For segment reporting by operating unit, "Admin & shared services" also includes intercompany transactions. Depreciation and amortization, interest expense, other financial expense (net), income tax expense and other comprehensive income are not included in the measure of segment performance.

Licensing is Crayon's license offering from its partners (e.g. Microsoft, Adobe, Symantec, Citrix, VMware, Oracle, IBM and others). The emphasis is towards standard software, which customers use consistently year after year, and which plays a key role in their technological platforms and critical commercial processes. XSP is Crayon's service offering towards hosts, which includes license advisory/optimization, software license sale and access to Crayon's reporting portal. Software Asset Management (SAM) services include processes and tools for enabling clients to build in-house SAM capabilities, license spend optimization and support for clients in vendor audits. Consulting services relate to deployment and application services. Crayon offers IT infrastructure services (planning and analysis support related to larger IT upgrade projects) and tailored software or application development.

NOTE 3 – INVENTORY

The Group only has finished goods in stock. The inventory consists of software programs, CDs and documentation. The inventory is valued at the lower of cost and estimated selling price after deducting selling costs.

NOTE 4 – WAGES AND EMPLOYEE BENEFIT EXPENSES, MANAGEMENT REMUNERATION AND AUDITOR'S FEE

Payroll expenses (figures are in NOK 1 000)	2014	2013
Wages and salaries	471 881	413 138
Social security	66 784	59 587
Pension expenses	28 849	25 372
Other benefits	18 825	25 913
Payroll expenses	586 340	524 010
Average number of employees	700	616
Women	27.0%	18.0%

Compensation to the members of the Board is equivalent to that paid and reported in 2014. There is no agreement on bonus payments to the CEO as of December 31, 2014. The CEO is entitled to 12 months' salary in the event of termination initiated by the company. None of the Board Members or the CEO have executive loans or guarantees in the company.

Auditor

Fees for audit and audit-related services in the Group are expensed at KNOK 1 598 (without tax) in 2014 (2013: KNOK 1 199) and compensation for financial assistance is expensed at KNOK 438 (without tax) (2013: KNOK 893).

Pensions

The Group has agreed to a mandatory service pension for all companies. These are defined contribution schemes. The Group obligations are limited to the annual contributions to the scheme.

NOTE 5 – ASSETS

Fixed assets 2014 (figures are in NOK 1 000)	Machines	Inventory	Total
Acquisition cost as of 31.12.2013	33 214	27 660	60 874
Additions purchased assets	4 305	8 994	13 299
Disposals	-819	0	-819
Acquisition cost as of 31.12.2014	36 700	36 654	73 354
Depreciation from merger	-	-	-
Depreciation/impairment as of 01.01.2014	23 184	13 637	36 821
Depreciation/impairment 2014	4 660	8 768	13 428
Accumulated depreciation as of 31.12.2014	27 844	22 405	50 249
Net value as of 31.12.2014	8 856	14 250	23 106
Depreciation period	1-5 years	1-5 years	
Depreciation method	Linear	Linear	
Intangible assets 2014 (figures are in NOK 1 000)	Software licenses	Goodwill	Research and development
Acquisition cost per 01.01.2014	7 420	727 453	25 320
Additions	0	18 132	5 293
Disposals	0	0	0
Acquisition cost as of 31.12.2014	7 420	745 585	30 613
Depreciation per 01.01.2014	-	-	16 173
Depreciation	-	-	3 965
Impairment	-	-	0
Accumulated depreciation as of 31.12.2014	-	-	20 138
Net value as of 31.12.2014	7 420	745 585	10 475
Depreciation period	None	None	1-10 years
Depreciation method	None	None	Linear

Intangible assets 2014 (figures are in NOK 1 000)	Concessions, licenses and patents	Technology and software	Total
Acquisition cost as of 01.01.2014	334 854	31 589	1 126 636
Additions	0	0	23 425
Disposals	0	0	0
Acquisition cost as of 31.12.2014	334 854	31 589	1 150 061
Depreciation as of 01.01.2014	109 664	3 156	128 993
Depreciation	47 095	3 159	54 219
Impairment	-	-	-
Accumulated depreciation as of 31.12.2014	156 759	6 315	183 212
Net value as of 31.12.2014	178 095	25 274	966 848
Depreciation period	1-10 years	1-10 years	
Depreciation method	Linear	Linear	

Intangible assets with an indefinite useful life and goodwill are not amortized, but are annually tested for impairment. Tangible and intangible assets are tested for impairment when there are indications that future earnings cannot justify the carrying amount. The difference between the carrying amount and recoverable amount is recognized as impairment. The recoverable amount is the higher of fair value less costs to sell and value in use. When assessing impairment, assets are grouped at the lowest levels where it is possible to distinguish independent cash flows (cash generating units). Possible reversal of previous impairment of non-financial assets (excluding goodwill) is evaluated on each reporting date.

Fixed assets 2013 (figures are in NOK 1 000)	Machines	Inventory	Total
Acquisition cost as of 31.12.2012	32 902	15 659	48 561
Additions from consolidation	0	0	0
Additions from merger	423	0	423
Additions purchased assets	6 766	12 201	18 967
Disposals	-20	-12	-33
Acquisition cost as of 31.12.2013	40 072	27 847	67 919
Depreciation from merger	-	-	-
Depreciation/impairment per 01.01.2013	25 591	8 719	34 311
Depreciation/impairment 2013	4 703	4 933	9 635
Impairment	-	-	-
Accumulated depreciation as of 31.12.2013	30 294	13 652	43 946
Net value as of 31.12.2013	9 778	14 195	23 973
Depreciation period	1-5 years	1-5 years	
Depreciation method	Linear	Linear	

Intangible assets 2013 (figures are in NOK 1 000)	Software licenses	Goodwill	Research and development
Acquisition cost as of 01.01.2013	7 420	668 207	34 584
Additions from consolidation	0	59 245	0
Additions from merger	0	0	0
Additions	0	0	1 608
Disposals	0	0	0
Acquisition cost as of 31.12.2013	7 420	727 453	36 192
Depreciation as of 01.01.2013	-	-	17 410
Depreciation	-	-	3 992
Impairment	-	-	5 643
Accumulated depreciation as of 31.12.2013	-	-	27 045
Net value as of 31.12.2013	7 420	727 453	9 147
Depreciation period	None	None	1-10 years
Depreciation method	None	None	Linear

Intangible assets 2013 (figures are in NOK 1 000)	Concessions, licenses and patents	Technology and software	Total
Acquisition cost as of 01.01.2013	286 444	0	996 655
Additions from consolidation	48 410	31 589	139 244
Additions from merger	0	0	0
Additions	0	0	1 608
Disposals	0	0	0
Acquisition cost as of 31.12.2013	334 854	31 589	1 137 507
Additions from merger	-	-	-
Additions merged companies	-	-	-
Depreciation as of 01.01.2013	60 488	-	77 898
Depreciation	49 176	3 156	56 324
Impairment	-	-	5 643
Accumulated depreciation as of 31.12.2013	109 664	3 156	139 865
Net value as of 31.12.2013	225 190	28 433	997 642
Depreciation period	1-10 years	1-10 years	
Depreciation method	Linear	Linear	

NOTE 6 – ACQUISITION OF BUSINESS 2014

Kryptos Networks Pvt. Ltd

In February 2014, Crayon Group AS bought 80% of the shares in Kryptos Networks Pvt Ltd.

Acquisition analysis

	Amount in NOK 1 000
80% of the shares Kryptos Networks Pvt Ltd	
Cash	20 236
Total	20 236
Book value of equity	2 104
Book value of existing goodwill	0
Value to distribution	2 104
Customer relations	0
Technology and software	0
Deferred tax on unrealized gains	0
Net identifiable unrealized gains	0
Goodwill	18 132

In 2014, Kryptos Networks Pvt Ltd contributed with MNOK -2.54 in EBITDA in the consolidated income statement.

NOTE 7 – EQUITY

The company has 52 475 535 shares at a nominal value of NOK 1. The total share capital amounts to NOK 52 475 535.

The company owns 48 125 of its own shares to facilitate management of the share purchase plan for employees.

The company's share capital is divided into the following classes of shares:

Class of shares	Number of shares	Total nominal value	Statutory provisions on voting
A-shares	49 351 112	49 351 112	One share – one vote
B-shares	3 124 423	3 124 423	One share – one vote
Total	52 475 535	52 475 535	

The following rights can lead to the issue of new shares: the Board of Directors has authorization to increase the share capital by up to NOK 5 247 554. The authorization is valid until the annual general meeting in 2015, but no longer than July 31, 2015.

The company's four major shareholders, who own more than 5% of the share capital, are:

Shareholder's name	Shareholding
Norvestor Holding I AS	59.50%
Sevens AS	7.80%
Rugz II AS	7.80%
Frank Mortensen Holding AS	5.10%

The company's trustees have shares in the company:

Officer	Number of shares
Rune Syversen, Sevencs AS	4 192 576
Jens Rugseth, Rugz II AS	4 184 992

NOTE 8 – EARNINGS NOK PER SHARE

The Group's earnings per share are calculated as:	2014	2013
Operating result after tax	-10 417	26 277
Outstanding common shares	52 476	52 476
Earnings per share	-199	501
Own shares	48 125	33 625
Average shares outstanding minus treasury shares	4 351	18 851
Net earnings per shares outstanding	-2 394	1 394
Number of outstanding shares as of 01.01	52 475 667	52 475 667
Number of outstanding shares as of 31.12	52 475 667	52 475 667

NOTE 9 – ACCOUNTS RECEIVABLE

Accounts receivable relate to the sale of licenses or services that are within the normal operating cycle. If the settlement is expected within one year or less, the receivable is classified under current assets. If exceeding more than one year, the receivable is classified under fixed assets.

Accounting for bad debts in 2014 (figures are in NOK 1 000):	Group
Realized losses	420
Received on written-off receivables	-83
Reversed provisions as of 31.12.2013	-538
Provisions for bad debts as of 31.12.2014	954
This year's accounting losses on receivables	753

The Group has historically had low losses on receivables. In 2014, the Group continued the intensified efforts to collect outstanding receivables, and has this area well under control.

NOTE 10 – CASH

Of the total bank deposits, KNOK 14 496 is restricted cash.

NOTE 11 – COLLATERAL AND GUARANTEES

Mortgages (figures are in NOK 1 000)	2014	2013
Debts secured by mortgages	663 243	250 476
Pledged assets		
Accounts receivable	2 000 000	870 000
Property, plant and equipment	2 000 000	870 000
Inventories	0	620 000
Total assets pledged	2 000 000	2 360 000

As security for the Crayon Group Holding AS' bond, FRN Crayon Group Holding AS Senior Secured Callable Bond Issue 2014/2017 (ISIN: NO0010714595), where Nordic Trustee ASA is functioning as a bond trustee, and the company's Super Senior Revolving Credit Facility, Crayon Group Holding AS has provided a first priority assignment agreement with respect to the top account in the cash pool agreement to which it is a party. Furthermore, Crayon Group Holding AS and the guarantors listed below have each provided a first priority assignment over Intra-Group Loans to which it is a creditor, in addition to providing security up to NOK 2 billion with a first priority pledge related to the company's shares (share pledge), operating equipment (machinery and plant) and accounts receivable to Nordic Trustee ASA and Nordea Bank Finland PLC.

List of guarantors

- Crayon Group Holding AS
- Crayon Group AS
- Crayon AS
- Inmeta Consulting AS
- Crayon A/S
- Crayon AB
- Crayon Oy
- Crayon Limited

Crayon Group has provided guarantees for the following creditors (figures are in 1 000):

Guarantee for	Creditor	Amount	Currency
Purchase of goods	Citrix Syst. Int GmbH	500	USD
Purchase of goods	Adobe	1 000	USD
Purchase of goods	Microsoft	20 000	USD

NOTE 12 – LONG-TERM DEBT

Maturity	Payment (figures are in NOK 1 000)
	Bond issue 2014/2014
2014	0
2015	0
2016	0
2017	663 243
Total	663 243

In July 2014, Crayon Group Holding AS issued a NOK 650 million bond issue (initial loan amount) with a potential tap issue of up to NOK 350m, with maturity in July 2017. The bond is to be repaid in full at the maturity date. Interest is set quarterly at 3 month NIBOR + 500bps. As of December 31, 2014, 3 month NIBOR was 1.63%.

Crayon Group Holding AS has swapped approximately 28% of the bond principal into the following currencies; GBP, EUR, SEK and DKK. The outstanding bond principal (NOK) has been hedged against the aforementioned currencies reflecting the underlying cash flow of the company. The bond principal is booked as the actual value representing future liabilities based on the exchange rates at the balance sheet date. Given the development of these currencies vs NOK, the total obligation to be repaid at maturity in NOK has increased by NOK 3 243m. Approximately 50% of the bond principal is interest hedged, and the effective interest rate for the bond as of December 31, 2014 was approximately 6.5%.

The proceeds from the initial loan amount were used for refinancing and for general corporate purposes. The proceeds from any tap issue shall be used for permitted acquisitions and for general corporate purposes of the Group. The bond was listed on Oslo Stock Exchange on December 22, 2014, and a complete listing prospectus is available at the Group's online web portal.

Crayon Group Holding Group has also established a super senior revolving credit facility of MNOK 100 with Nordea Bank ASA (as agent). The credit facility is used for working capital and other short-term financing purposes.

Both the bond and the credit facility have covenants related to financial charges and leverage ratio. As of December 31, 2014, the Group was within the limits of the covenants.

NOTE 13 – FINANCIAL RISK

Currency risk

As of December 31, 2014, the Group had swapped approximately 28% of its bond principal into the following currencies; GBP, EUR, SEK and DKK. Also refer to note 12. There is no currency hedging related to these currency swaps because the Group has income in GBP, EUR, SEK and DKK. Hence, a natural hedge is achieved as the bond principal swapped into non-NOK currencies reflects the underlying cash generation by the Group.

Other than the above, the Group does not have any financial instruments in foreign currency beyond the ordinary trade creditors arising from ordinary operation.

The Group buys some of its products in EUR, SEK, DKK and USD. The inventory is minimal, but the exchange rate on NOK/EUR, NOK/SEK, NOK/DKK and NOK/USD can have an impact on the gross margin as the exchange rate may appreciate or depreciate in value. To counteract this, significant orders are secured by means of confirmed orders.

Interest rate risk

Approximately 50% of the principal amount of the loan was interest hedged in 2014. The Group still has some interest rate risk, but this is considered to be at an acceptable level.

NOTE 14 – RELATED PARTIES

Two parties are related if one party can affect the other party's decisions. Relationships between related parties must be regarded as normal in business activities. Related parties are, however, in a position to make transactions with the company that would not be made between unrelated parties. A company's result and financial position could, in principle, be affected by the relationship even though, in reality, there have been no transactions with related parties. The existence of a relationship may be sufficient to affect the perception of the company's other transactions.

Crayon Group Holding AS has not engaged individuals or companies that fall under this definition in 2014.

NOTE 15 – TAX

Income tax expense (figures are in NOK 1 000)	2014	2013
Income tax on net profit	3 438	12 611
Change in deferred tax	1 443	-11 480
Total	4 881	1 131
Reconciliation of tax charge		
Operating result before tax	-5 534	27 408
Permanent differences	1 103	-16 519
Unrecognized deferred tax	7 983	-1 556
Correction due to change in tax rate	0	-4 304
Tax base	3 552	5 030
Specification basis for deferred taxes		
Current assets	-375	-366
Fixed assets	173 437	230 257
Long-term debt	-1 636	-3 156
Tax losses carried forward	-10 637	-15 546
Net deferred tax (+) / deferred tax assets (-)	160 789	211 189
Deferred tax	43 413	57 021
Tax rate	27%	27%

NOTE 16 – ONE-TIME COSTS

In 2014, the company had one-time costs related to the acquisition and sale of businesses of NOK 3 958.

NOTE 17 – FINANCIAL INCOME AND EXPENSES

Financial income	2014	2013
Interest income from bank deposits	20 185	12 060
Interest income from accounts receivable	2 188	1 717
Total other interest income	22 373	13 772
Foreign currency gains	56 806	50 975
Other financial income	87	7 097
Total other financial income	56 893	58 072
Total financial income	79 266	71 843
Financial expenses		
Interest expense credit institutions	34 550	31 532
Interest shareholder loan	10 236	23 199
Interest bond loan	19 841	0
Total interest expenses	64 627	54 730
Foreign currency loss	73 953	62 931
Other financial expenses	13 666	8 015
Total other financial expenses	87 619	70 946
Total financial expenses	152 246	125 676

Financial Statements 2014

for

Crayon Group Holding AS

Business Registration Number 997602234 MVA



Crayon Group Holding AS

Income statement 1.1 – 31.12

	Note	2014	2013
(All figures in NOK)			
OPERATING INCOME AND EXPENSES			
Operating income			
Total operating income		0	0
Operating expenses			
Employee benefits	1	480 000	160 000
Other operating expenses	1,2	1 578 442	3 310 926
Total operating expenses		2 058 442	3 470 926
OPERATING LOSS		(2 058 442)	(3 470 926)
FINANCIAL INCOME AND EXPENSES			
Financial income			
Income from subsidiaries	3	84 887 207	39 803 557
Other interest income		6 457 080	288 398
Other financial income		9 670 960	10 952 936
Total financial income		101 015 247	51 044 891
Financial expenses			
Other interest expenses		47 476 876	39 686 873
Other financial expenses		29 331 055	22 140 570
Total financial expenses		76 807 931	61 827 444
NET FINANCIAL INCOME AND EXPENSES		24 207 317	(10 782 553)
ORDINARY RESULT BEFORE TAX		22 148 875	(14 253 478)
Income tax expense on ordinary result	4	2 348 650	(3 840 759)
NET INCOME		19 800 225	(10 412 719)
Allocation of net income			
Transferred to other equity	5	19 800 225	(10 412 719)
TOTAL NET INCOME ALLOCATED		19 800 225	(10 412 719)

Crayon Group Holding AS

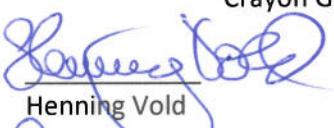
Balance sheet as of 31.12

	Note	31.12.2014	31.12.2013
(All figures in NOK)			
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax assets	4	2 861 008	3 840 759
Total intangible assets		2 861 008	3 840 759
Financial non-current assets			
Investments in subsidiaries	3	787 047 432	783 902 806
Total financial assets		787 047 432	783 902 806
TOTAL NON-CURRENT ASSETS		789 908 440	787 743 565
CURRENT ASSETS			
Receivables			
Intercompany receivables	1	159 949 546	135 601 019
Other short-term receivables		6 531 844	938 060
Total receivables		166 481 389	136 539 079
Cash and cash equivalents		71 250 674	25 034 128
TOTAL CURRENT ASSETS		237 732 064	161 573 207
TOTAL ASSETS		1 027 640 504	949 316 772

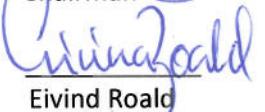
Crayon Group Holding AS
Balance sheet as of 31.12

	Note	31.12.2014	31.12.2013
(All figures in NOK)			
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	5,6	52 475 535	52 475 535
Own shares	5,6	(216 244)	(201 744)
Share premium reserve	5	262 303 267	262 377 767
Total paid-in equity		314 562 558	314 651 558
Retained earnings			
Other equity	5	39 327 089	19 526 865
Total retained earnings		39 327 089	19 526 865
TOTAL EQUITY		353 889 647	334 178 423
LIABILITIES			
LONG-TERM LIABILITIES			
Bonds	7,8	663 243 216	0
Liabilities to financial institutions	7	0	250 476 098
Other long-term liabilities	1	0	359 909 959
TOTAL LONG-TERM LIABILITIES		663 243 216	610 386 058
CURRENT LIABILITIES			
Income taxes payable	4	1 368 900	0
Other current liabilities		9 138 741	4 752 292
TOTAL CURRENT LIABILITIES		10 507 641	4 752 292
TOTAL LIABILITIES		673 750 857	615 138 349
TOTAL EQUITY AND LIABILITIES		1 027 640 504	949 316 772

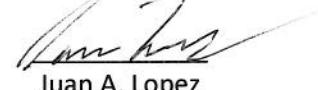
Crayon Group Holding AS, Oslo April 30, 2015



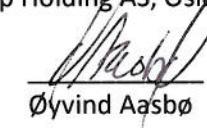
Henning Vold
Chairman



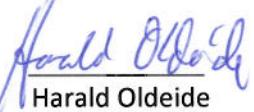
Eivind Roald
Board Member



Juan A. Lopez
Board Member



Øyvind Aasbø
Board Member



Harald Oldeide
Board Member



Jens Rugseth
CEO



Rune Syversen
Board Member



Waseem Shad
Board Member

Accounting principles

The financial statements have been prepared in accordance with the Accounting Act (Norway) and generally accepted accounting principles.

Current assets and liabilities

Current assets and liabilities are comprised of items receivable/due within one year and items related to the circular flow of goods. Current assets are valued at the lower of cost and market value.

Tangible assets

Fixed assets are comprised of assets intended for long-term ownership and use. Fixed assets are valued at cost. Fixed assets are recorded in the balance sheet and depreciated over the estimated useful economic life. Fixed assets are written down to recoverable amount when decreases in value are expected to be permanent. Impairment losses recognized are reversed when the basis for the impairment loss is no longer evident.

Shares and subsidiaries

Shareholdings are valued at cost. If actual value is below cost value and this continues over time, the shareholdings will be depreciated. Shares in subsidiaries are also valued at cost. A specification of investments is shown in a separate note to the accounts.

Foreign currency

Transactions in foreign currency are converted at the exchange rate applicable on the transaction date. Monetary items in a foreign currency are converted to NOK using the exchange rate applicable on the balance sheet date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into NOK using the exchange rate applicable on the transaction date. Non-monetary items measured at fair value expressed in a foreign currency are converted at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Cash flow

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash in hand, bank deposits and other short-term, highly liquid investments.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at nominal value, minus a provision for bad debt. Provision for bad debt is determined on the basis of an individual assessment of receivables. In addition, a general provision for bad debt is made for the remaining receivables. Other receivables are valued using the same principle.

Taxes

The income tax expense is comprised of both tax payable (27%) for the period, which will be due in the next financial year, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between booked net income and taxable net income, including year-end loss carry-forwards, calculated at 27%. Temporary differences, both positive and negative, which will be reversed, or are likely to be reversed, in the same period, are recorded net.

Note 1 – Transactions with related parties

Accounts receivable and payable to Group companies (included in the accounting entries):

(NOK)	2014	2013
Receivables		
Received group contribution 2014	84 887 207	39 803 557
Other receivables	75 062 339	95 797 462
Total receivables	159 949 546	135 601 019
Liabilities		
Total liabilities	0	0

Liabilities not recognized in the balance sheet

The company has not given any mortgage, security or other guarantee to related parties.

Transactions with related parties (included in the accounting entries):

(NOK)	2014	2013
Purchases of services:		
Purchases from Crayon Group AS	480 000	480 000
Total purchases	480 000	480 000
Sales of services		
Sales of services	0	0
Total sales of services	0	0

Note 2 – Other operating expenses

The company has no employees. No wages or other remuneration have been paid to the Board. The company has paid remuneration to the auditor in the following amounts:

(NOK)	2014	2013
Expensed auditor's fees	95 000	60 000
Other services related to auditing	332 000	511 000
Total	427 000	571 000

Fees are quoted excluding VAT.

Note 3 - Subsidiaries

The company is the parent company to Crayon Group AS. Shares are valued at cost. The company owns shares in:

(NOK) Company	Historical cost	Ownership interest	Voting rights	Net profit/loss	Company's equity
Crayon Group AS	783 902 806	100 %	100 %	43 947 528	447 909 740
ICE Distribution hf	250 800	100 %	100 %	-163 443	222 288

Crayon Group Holding AS has received the following group contributions in 2014:

(NOK)	
Crayon AS	60 217 962
Inmeta Consulting AS	24 669 245
Total	84 887 207

Note 4 - Tax

(NOK)	2014	2013
Tax payable on profit for the year	1 368 899	0
Change in deferred tax	979 751	-3 840 759
Total taxes for the year	2 348 650	-3 840 759

Specification of the tax base:

Profit before income tax	22 148 875	-14 253 478
+ Permanent differences	-84 907 373	-39 775 115
+ Changes in temporary differences	0	0
+ Received group contributions	66 387 207	39 803 557
+ Limited deduction for interest on related parties	5 070 000	0
- Use of losses carry-forward	-3 628 709	0
= Tax base	-5 070 000	-14 225 036

Specification of tax expenses:

Tax payable on profit for the year	1 368 900	0
= Total tax payable	0	0
+/- Change in deferred tax/tax assets	979 750	-3 840 759
= Income tax expense	2 348 650	-3 840 759
Tax rate 31.12 (%)	27	28

Tax payable in the balance sheet consists of:

Total tax payable	1 368 900	0
= Tax payable in the balance sheet	1 368 900	0

Deferred tax/deferred tax assets

	2014	2013
- Tax losses carried forward not previously recognized	-10 596 327	-14 225 036
= Basis for deferred tax	-10 596 327	-14 225 036
Deferred tax	0	0
Negative basis for deferred tax	10 596 327	14 225 036
= Basis for deferred tax asset	10 596 327	14 225 036
Deferred tax asset	2 861 008	3 840 759

Deferred tax assets can be set off against future income.

Note 5 - Equity

	Share capital	Treasury shares	Premium fund	Other equity
Per 01.01.	52 475 535	-201 744	262 377 767	19 526 865
Purchase of shares + net profit 2014		-14 500	-74 500	19 800 225
Per 31.12.	52 475 535	-216 244	262 303 267	39 327 089

Note 6 – Share capital

The company has 52 475 535 shares at a nominal value of NOK 1. The total share capital amounts to NOK 52 475 535.

The company owns 48 125 of its own shares to facilitate management of the share purchase plan for employees.

The company's share capital is divided into the following classes of shares

Class of share	Number of shares	Total nominal value	Statutory provisions on voting
A-shares	49 346 333	49 346 333	One share – one vote
B-shares	3 129 202	3 129 202	One share – one vote
Total	52 475 535	52 475 535	

The following rights can lead to the issue of new shares: the Board of Directors has authorization to increase the share capital by up to NOK 5 247 554. The authorization is valid until the annual general meeting in 2015, but no longer than July 31, 2015.

The company's four major shareholders, who own more than 5% of the share capital, are:

Name of shareholder	Ownership interest
Norvestor Holding I AS	59.5%
Sevens AS	7.8%
Rugz II AS	7.8%
Frank Mortensen Holding ApS	5.1%

The company's trustees (Board Members, general manager) hold ownership interests and rights to shares:

	Number of shares
Jens Rugseth, Rugz II AS	4 082 987
Rune Syversen, Sevens AS	4 082 987

Note 7 – Liabilities to credit institutions/guarantees

Liabilities that fall due more than 5 years after the end of the financial year **2014**

Liabilities to credit institutions	0
Other long-term debt	0

Debts secured by mortgages **2014** **2013**

Liabilities to credit institutions	0	250 476 098
Bond loan	663 243 216	0
Total	663 243 216	250 476 098

The company has provided security with a first priority pledge in the company's shares, operating equipment and accounts receivable with up to NOK 2 000 000 000 to Nordic Trustee ASA. The guarantee is provided in connection with the company's bond loan, which is listed on the Oslo Stock Exchange.

Note 8 – Issuance of bond loan

In July 2014, Crayon Group Holding AS issued a NOK 650 million bond issue (initial loan amount) with a potential ongoing tap issue of up to NOK 350m, with maturity in July 2017. The bond is to be repaid in full at the maturity date. Interest is set quarterly at 3 month NIBOR + 500bps.

The proceeds from the initial loan amount were used for refinancing and for general corporate purposes. The proceeds from any ongoing tap issue shall be used for permitted acquisitions and for general corporate purposes of the Group. The bond was listed on Oslo Stock Exchange on December 22, 2014, and a complete listing prospectus is available at the Group's online web portal.

Crayon Group Holding AS
Cash Flow Statement

(Figures are in NOK)

	01.01-31.12	01.01-31.12
	2014	2013
Cash flow from operating activities		
Ordinary result before tax	22 148 875	-14 253 478
Taxes paid	0	-3 184 839
Depreciation and amortization	0	0
Net interest to credit institutions	0	0
Changes in inventory, accounts receivable/payable	0	-840 735
Changes in other current assets	-25 555 861	-14 763 343
Net cash flow from (used in) operating activities	-3 406 985	-33 042 394
Cash flow from investing activities		
Acquisition of tangible assets	0	0
Acquisition of subsidiaries	-3 144 626	25 619
Divestments	0	0
Purchase of own shares	-89 000	0
Net cash flow from (used in) investing activities	-3 233 626	25 619
Cash flow from financing activities		
Net interest paid to credit institutions	0	0
Change in subsidiaries	0	0
Proceeds from issuance of interest-bearing debt	663 243 216	6 575 992
Repayment of interest-bearing debt	-610 386 058	0
Change in other long-term debt	0	0
Net cash flow from (used in) financing activities	52 857 158	6 575 992
Net increase (decrease) in cash and cash equivalents	46 216 547	-26 440 783
Cash and cash equivalents at beginning of period	25 034 128	51 474 912
Currency translation		
Cash and cash equivalents at end of period	71 250 674	25 034 128

To the Annual Shareholders' Meeting of
Crayon Group Holding AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Crayon Group Holding AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2014, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine 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 these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require 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 and fair presentation of the financial statements 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 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 audit opinion.

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for Crayon Group Holding AS as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group Crayon Group Holding AS as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements



Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Sandvika, April 30th 2015

BDO AS

Jørgen Fredriksen

State Authorised Public Accountant (Norway)

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