

**IT Competence Group S.E.
Waalre**

Annual report 2012

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FINANCIAL REPORT

To Our Shareholders

2012 - We are proud of what we have achieved, but we will not settle for these achievements as we seek permanent improvement of our performance. Of critical importance are the changes that have been, and are being, made to enable the business to provide the profitable returns that it should – and can – provide for shareholders.

The summary of activities for the IT Competence Group for the financial year ended 31 December 2012 is as follows:

On April 04, 2012, the Frankfurt Stock Exchange announced the planned rule changes for the Open Market (Regulated Unofficial Market) and the schedule for closing the First Quotation Board. Due to the closure of the regulated unofficial market segment First Quotation Board on December 15, 2012, a change of the market segment became necessary. In June 2012, the Management Board provided application for inclusion of the Shares for trading on the 'regulated unofficial market at the Frankfurt Stock Exchange segment Entry Standard. On 30 June 2012, the shares were included in stock exchange trading for the first time.

The last year has been a really tough one for everyone at IT Competence Group. I very much appreciate the exceptional hard work so many have had to put in and applaud the enthusiasm and drive to succeed. I would also particularly like to thank our clients for their loyalty to us throughout the year, and we look forward to continuing to provide services to them in the years to come.

net on AG, the subsidiary of IT Competence Group, was awarded the Citrix "Best Networking Product Partner" prize. Citrix Summit is the premier

training conference designed exclusively for Citrix valued partners.

We are a it consulting firm: our people are our most important asset. Achieving our vision depends on having excellent people delivering excellent service to our clients. I am grateful to all of our partners and staff for their commitment and hard work during what has been a tough year for the Group. The feedback that I have heard from our clients is that our teams have maintained a consistent level of excellent service throughout this period.

For the fiscal year 2013 management expects to achieve:

- 2013 revenues above € 18m
- 2013 EBIT above € 0.6m

We thank you for the brought confidence.

Waalre, May 31, 2013

Robert Käß Managing Director

FISCAL YEAR 2012 at a glance

Total Revenues	2012	€ 16.7m
		+ 21.0%
Gross Margin	2012	€ 11.0m
	2011	€ 8.9m
EBIT	2012	€ 0.1m
	2011	€ -1.9m
Result after Tax	2012	€ -0.1m
	2011	€ -2,1m
TOTAL assets	2012	€ 6.5m
	2011	€ 6.6m

Management

IT Competence Group SE is organised as a SE company under Dutch law with a two-tier board structure. The company's management consists of a Management Board ("Raad van Bestuur") and a Supervisory Board ("Raad van Commissarissen").

Board of Directors

Robert Käß

Robert Käß joined the Management Board of Navigator Equity Solutions SE in November 2008. He is also one of the founding partners of the consulting company The ACON Group SE. He founded AdVal Capital Management AG in 1998, a Munich-based consulting company specialised in the field of finance. In his capacity as CEO of AdVal he invested in several technology companies and advised six companies on their way to IPO. He started his career as a management consultant with KPMG. Robert Käß holds a Master in Business Administration from LMU in Munich.

Supervisory Board

Dr Florian Pfingsten

Dr Pfingsten is well-versed in the fields of Investment Banking, Corporate Finance and Consulting. In the course of his previous career, he gained wide practical experience and was responsible for numerous SME transactions in Germany and the foreign countries of Europe. Following his professional apprenticeship at Deutsche Bank, Munich in Germany, his studies of Business Administration at LMU Munich and his graduation in the field of Shareholder Value with a Ph.D. scholarship by the Alfred-Haniel-Foundation, Dr. Pfingsten started his

career as an Investment Manager and Corporate Finance Analyst at Nomura International Plc in London where he was responsible for the identification and execution of venture capital investments in the technology sector. Before going into business for himself and the subsequent co-foundation of the consulting company Ascendo in 2002, he worked at Bowman Capital in London also as an Investment Manager. Dr Pfingsten has Supervisory Board mandates as well as several Management Board positions at a number of small and medium-sized companies.

The Company

IT Competence Group SE acts as a holding company for growth-oriented IT service companies. It combines a maximum of entrepreneurial freedom for its subsidiaries with the advantages of a publicly listed group to support them in gaining a leading position in their respective markets. Currently, the Group's operational business is based in Germany. In line with a buy and build strategy, the holding focuses on the acquisition, development and administration of the individual companies.

The strategic objective of IT Competence Group SE is to offer its customers ideal solutions for their information technology requirements and to offer comprehensive support in the planning and implementation of the latest technologies.

In a complex and constantly changing market environment we possess the necessary technical and personnel know-how enabling us to offer our clients all required services from a single source.

Therefore, we trust especially in the advancement and cooperation of strong independent subsidiary companies under the umbrella of the Holding in order to

realise extensive synergies for our customers. The services of IT Competence Group SE unburden our clients from worrying about IT problems and allow them to focus on optimising their core business.

Within the group we aim at a continuous advancement of each individual subsidiary company, fostered by continued cooperation with the existent management and a financial participation of the management in the company.

Our subsidiaries include:

Human Internet CONSULT AG is a subsidiary of IT Competence Group SE since October 31, 2006. Human Internet CONSULT AG is an IT consultancy with its registered office in Murr/Ludwigsburg. The company with offices in Berlin, Munich, Hamburg, Ludwigsburg and Frankfurt is active throughout Germany mainly in the areas of IT processes, IT organisation, IP convergence and IT security.

BEAM IT CONSULT GmbH is a subsidiary of IT Competence Group SE since June 2007. BEAM is a young IT service company with its registered office in Ludwigsburg. After a strategic repositioning, the company's focus is now on business and process management consulting.

net on AG is a subsidiary of IT Competence Group SE since June 2011. The net on AG is an IT-service provider. With dedicated resources, net on AG offers a comprehensive range of IT solution packages. The company is equipped to fully manage the technology infrastructure or provide any level of support to augment the existing staff.

HIC Systems GmbH is a subsidiary of IT Competence Group SE since June 2009.

The company is active throughout Germany mainly in the areas of datacenter solutions, security management, project management and phone solutions for the workplace.

Shareholder Structure

By the end of the fiscal year 2012, the number of shares outstanding was 1,875,000 thereof Navigator Equity Solutions SE, the main shareholder, holds 75.7% of the shares.

Annual Shareholders' Meeting

The Annual General Meeting of IT Competence Group SE for the fiscal year 2012 took place in Waalre, the Netherlands, on August 02, 2012. In total 1.23% of the share capital was represented at the meeting. All items of the agenda were approved unanimously.

Development of Earnings, Asset and Financial Situation

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

Earnings situation

Revenue Development

In the fiscal year 2012, IT Competence Group generated total (net) revenues of 16.7m euros (2012: 13.8m euros). This represents an increase of 21.0%.

The Group's total operating costs in the fiscal year 2012 amounted to 10.9m euros (2011: 10.7m euros) a slightly increase of 1.8%.

Earnings Development

In the fiscal year 2012, IT Competence Group generated a gross profit of 11.0m euros (2011: 8.9m euros). The gross margin was higher from 64.4% to 65.9%.

The Group's operating result (EBIT) amounted to 0.06m euros (2011: -1.9m euros). This was primarily attributable to higher revenues at reduced costs, even though personnel expenses grew significantly (2012: 8.1m euros, 2011: 7.3m euros). The order situation required an increase in personnel. The cost-cutting and realignment measures implemented in 2012 were sufficient to bring the Company back on track.

Pre-tax earnings amounted to -0.1m euros (2011: -2.10m euros). After deduction of income tax amounting to -0.0m euros (2011: 0.06m euros), the income for the period amounted to -0.1m euros (2011: -2.1m euros).

Asset Situation

Balance Sheet

As of December 31, 2012, the IT Competence Group balance sheet total amounted to 6.5m euros (December 31, 2011: 6.6m euros).

The group's total fixed assets decreased to 3.9m euros (2011: 4.1m euros). Current assets increased from 2.2m euros at the end of 2011 to 2.6m euros. This is especially due to an increase of € 0.4m in Receivables and Cash and Cash equivalents.

Total equity was nearly unchanged at -0.50m euros (2011: -0.50 euros). Current liabilities stayed at the same level of 4.3m, consisting of trade payables amounting to 1.3m euros (2011: 1.1m euros), other liabilities of 2.6m euros (2011: 2.8m euros) and current tax liability of 0.4m euros (2011: 0.4m euros).

Employees

As of December 31, 2012, the number of employees at IT Competence Group amounted to 115 (2011: 123). This comprises 63 employees at Human Internet CONSULT AG, 2 employees at Beam IT Consult GmbH, 29 employees at net on AG, 18 employees at HIC Systems GmbH and 2 employees at net on PM GmbH.

We expect employee numbers at IT Competence Group SE to be significantly up in 2013 as its subsidiaries plan to expand its staff.

IT Competence Group's future business development will always be influenced by both elements of chance and risk. Our risk management serves to recognise, observe and communicate both chance and risk. This ensures the punctual delivery of information to the relevant decision makers so that the development of suitable measures to both utilise chance and contain risk can be implemented.

Apart from the general risks that exist in the business environment, due to the nature of its industry, IT Competence Group is also subjected to other risks. These have been summarised below:

Cyclical Risks

Customers' demand in the IT market is always dependent on the customers' own business and financial situation and hence also on the general economic development. Currently, the global and German economy is recovering successfully from a deep recession and is expected to generate good growth also for the foreseeable future. This is also reflected in a positive forecast for the development of the IT services market in the coming years. However, there is no guarantee that the current growth is sustainable and there are still a number of significant risks for the future economic development, especially in Europe and Germany. Thus, if the general economic environment should start to deteriorate, this will also have negative effects on the development of the IT services market as well as on the financial and asset situation of the Group.

Competition

The IT services market is highly fragmented and characterised by intense competition. Competition

for the Group companies arises from a small number of bigger players in the market as well as from a large number of small competitors. Such competition is even boosted by former employees of Group companies going into business for themselves. As in every other market, strong competition is always putting pressure on pricing and margins in the market, thus also affecting the Group's profitability. If the Group companies are not able to prevail in this highly competitive environment there may be adverse effects on the Group's financial and asset situation.

Personnel Risks

The IT business is rapidly changing and evolving new technologies. Thus it is necessary that the technical staff of the Group companies always stays on top of these developments and continuously expands its skills to remain state-of-the-art. If the Group companies do not provide for this risk by organising sufficient education and training programs they might lose their competitive capacity, resulting in respectively adverse effects on the Group's financial and asset situation. Currently, the Group's management has no reason to believe that any of the above mentioned risks represents an acute threat to the Group's continuation.

Legal Risks

Amendments to laws and/or regulations may have a positive or a negative effect on a company's market activities.

Internal Control and Management Statement

Waalre, May 31, 2013

The Management Board:

Robert Kaess

With due observance of the limitations that are inevitably inherent in any risk management and internal control system, our internal risk management and control systems provide reasonable assurance that our financial reports are free of material misstatement and that these systems were adequate and effective in 2012. There are no indications that they will not be adequate and effective in the current year. The phrase “reasonable assurance” is taken to mean the level of assurance that would be provided by a director acting with due care under the given circumstances. The set of procedures involving the internal risk management and control systems, and the related findings, recommendations and measures have been discussed with the Supervisory Board and the independent external auditor.

In addition, we declare, based on Article 5.25c Wet op het financieel toezicht (Wft), that to the best of our knowledge and in accordance with the applicable reporting principles:

- the consolidated financial statements of 2012 give a true and fair view of the assets, liabilities, the financial position and the profit and loss of IT Competence Group SE and its consolidated operations; and
- the management report includes a true and fair review of the position as per 31 December 2012 and of the development and performance during 2012 of IT Competence Group SE and its related participations of which the data have been included in the financial statements, together with a description of the relevant risks of which the IT Competence Group is being confronted.

FINANCIAL STATEMENTS

1 CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2012

(after appropriation of result)

ASSETS

	December 31, 2012		December 31, 2011	
	€	€	€	€
FIXED ASSETS				
Intangible fixed assets	(1)	3,722,723		3,914,587
Tangible fixed assets	(2)	<u>175,402</u>		<u>199,174</u>
		3,898,125		4,113,761
CURRENT ASSETS				
<i>Inventories</i>				
Work in progress		55,976		199,239
<i>Trade and other receivables</i> (3)				
Trade debtors		1,870,772		1,715,270
Taxes and social securities		92,691		189,232
Other receivables, prepayments and accrued income		<u>80,518</u>		<u>149,512</u>
		2,043,981		2,054,014
<i>Cash and cash equivalents</i>		517,763		243,181
		<u>6,515,845</u>		<u>6,610,195</u>

		EQUITY AND LIABILITIES			
		December 31, 2012		December 31, 2011	
		€	€	€	€
GROUP EQUITY	(4)		-584,383		-518,866
SUBORDINATED LOANS	(5)		2,740,000		1,300,000
GUARANTEE CAPITAL			<u>2,155,617</u>		<u>781,134</u>
LONG-TERM LIABILITIES	(6)				
Convertible loans			-	750,000	
Loans from group companies		<u>50,000</u>		<u>690,000</u>	
			50,000		1,440,000
CURRENT LIABILITIES	(7)				
Trade creditors		1,292,128		1,109,572	
Group companies		1,024,411		1,008,564	
Loans from associates		753,372		777,409	
Taxes and social securities		368,690		353,377	
Liabilities, accruals and deferred income		<u>871,627</u>		<u>1,140,139</u>	
			4,310,228		4,389,061
			<u><u>6,515,845</u></u>		<u><u>6,610,195</u></u>

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2012

		2012		2011	
		€	€	€	€
Nett turnover	(8)	16,725,920		13,831,240	
Changes in inventories of finished goods and work in progress		-143,263		108,158	
Cost price		5,556,406		5,088,903	
Gross margin			11,026,251		8,850,495
Wages and salaries	(9)	6,924,160		6,323,567	
Social security charges	(10)	1,204,493		1,019,459	
Amortisation and depreciation	(11)	283,717		375,021	
Other operating expenses	(12)	2,566,878		3,006,463	
			10,979,248		10,724,510
Operating result			47,003		-1,874,015
Interest and similar income	(13)	5,401		12,075	
Interest and similar expenses	(14)	-102,277		-279,877	
Financial income and expenses			-96,876		-267,802
Result before tax			-49,873		-2,141,817
Taxation on result of ordinary activities	(15)		-29,653		58,717
			-79,526		-2,083,100
Share in result of participating interests	(16)		1,950		-
Result after tax			-77,576		-2,083,100

3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Activities

IT Competence Group SE is a company domiciled in The Netherlands. The address of the Company's registered office is Laan van Diepenvoorde 3, 5582 LA Waalre. The Group is a publicly listed holding company focusing on fast growing IT service companies with business activities in IT consulting and outsourcing solutions.

As per January 1, 2011 IT Competence SE has a permanent establishment in Germany, the address of the Company's office is Schlossdomäne Monrepos 6, 71634 Ludwigsburg.

The parent company of IT Competence Group SE is Navigator Equity Solutions SE, which holds 81.61% of the outstanding shares.

Group structure

Group structure

In the financial statements of IT Competence Group S.E. the financial information is consolidated of IT Competence Group S.E. and her following group companies:

LIST OF PARTICIPATING INTERESTS

Name, statutory registered office	Share in issued share capital
	%
Human Internet CONSULT AG Ludwigsburg	100.00
Neton AG München	100.00
BEAM IT CONSULT gmbH Ludwigsburg	100.00

Cash flow statement

The Company has used the exemption from disclosing a cash flow statement based on Dutch GAAP 360 paragraph 104.

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by IT Competence Group S.E. or where central management is conducted has been consolidated in the financial statements of IT Competence Group S.E. The consolidated financial statements have been prepared in accordance with the accounting principles of IT Competence Group S.E.

With regard to the company profit and loss account, the company applies the exemption of article 2:402 BW.

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

Financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences (the acquisition date) until the date that control ceases. At acquisition date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participations sold during the year are recognised until the moment of disposal.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Valuation of assets and liabilities and determination of the result takes place under historical costs convention. Unless presented otherwise at the relevant principle for specific balance sheet item, assets and liabilities are presented at nominal value.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by IT Competence Group S.E. Participating interests with a negative net asset value are valued at € 1. In the case that the company fully or partly guarantees for the debts of the respective participating interest, a provision is recognised. If the company fully or partly guarantees the liabilities of the participations concerned, or has the effective obligation respectively to enable the participation to pay it's (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the participations are taken into account.

Inventories

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

Trade and other receivables

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivables.

Subordinated loans

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

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the accounting principles mentioned before. Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Nett turnover

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated in the same period.

Amortisation and depreciation

Amortization on (in)tangible fixed assets using a fixed rate on the acquisition costs of conversion. The depreciation on (in)tangible fixed assets is calculated by using a fixed rate on the acquisition cost or cost of conversion.

Gains and losses on disposal of (in)tangible fixed assets are recorded under amortization/depreciation, gains only to the extent that the gain is not capitalised deducted from replacement investments.

Financial income and expenses

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

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2012

Fixed assets

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>1. Intangible fixed assets</i>		
Goodwill	<u>3,722,723</u>	<u>3,914,587</u>
		<u>Goodwill</u>
		€
<i>Book value as per January 1, 2012</i>		
Purchase price		4,927,338
Accumulated amortization		<u>-1,000,751</u>
		<u>3,926,587</u>
<i>Changes</i>		
Amortization		<u>-203,864</u>
<i>Book value as per December 31, 2012</i>		
Purchase price		4,927,338
Accumulated amortization		<u>-1,204,615</u>
		<u>3,722,723</u>

Of the goodwill € 3.598.489 (2011: € 3.789.559) relates to the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 19 years.

€ 114.164 (2011: 107.128) relates to the acquisition of the shares of the 100% subsidiaries of Neton AG. The remaining life is 23 years. € 10.070 relates to other intangible fixed assets.

The business model of ITC is to acquire, restructure, integrate and develop companies in the IT industry. The aim is to keep all business acquired by ITC within the group and support them in the long run. Due to the long term approach Management of ITC decided to depreciate the goodwill of the acquired companies over the period of 25 years.

Amortisation rates

	%
Goodwill	4

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
2. Tangible fixed assets		
Plant and equipments	80,880	96,232
Furniture	94,522	102,942
	<u>175,402</u>	<u>199,174</u>

Depreciation rates

	%
Plant and equipments	10-50
Fixtures and furniture	5-50

Current assets

3. Trade and other receivables

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
Trade debtors		
Trade debtors	<u>1,870,772</u>	<u>1,715,270</u>

Taxes and social securities

Corporate income tax	53,494	112,533
Valued added tax	39,197	14,067
Company tax	-	62,632
	<u>92,691</u>	<u>189,232</u>

Other receivables, prepayments and accrued income

Prepayments and accrued income	<u>80,518</u>	<u>149,512</u>
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4. Group Equity

Please refer to the notes to the non-consolidated balance sheet on page 30 of this report for an explanation of the shareholder's equity

5. Subordinated loans

Loan Navigator Equity Solutions SE	<u>2,740,000</u>	<u>1,300,000</u>
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A loan of € 2.740.000 is subordinated to all existing and future liabilities of the company. An interest rate equal to the 6-month Euro Interbank Offered Rate (Euribor) is calculated. To the extent that the Company realizes commercial profit, the Company is obliged to pay a profit depending interest, which will be determined as follows:

- € 0 - € 500,000, 0.5%
- € 500,000 - € 1,000,000, 1.0%
- € 1,000,000 and more, 2.0%

The loan will be repaid within a maximum period of 5 years (31 December 2016). The following items are pledged as guarantee on first demand: trade debtors, stocks in the participation of Neton AG, stocks in the participation of Beam IT GmbH and a second pledge of Human Internet Consult AG.

6 Long-term liabilities

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Convertible loans</i>		
Convertible loan Navigator Equity Solutions SE	<u>-</u>	<u>750,000</u>

The convertible loan was issued in November 2006, bears an interest of 8% and is completely subscribed by Navigator Equity Solutions SE. Each individual bond had an issue price of € 1 (2,660,000 bonds) and an exchange ratio of 1 : 1 (one bond = one share). After the share split, which took place in July 2007 an amount of 580,000 of the convertible loan has been repaid to Navigator Equity Solutions SE.

The loan has been converted into a subordinated loan of € 2,740,000 with effective date of 1 January 2012.

Loans from group companies

Navigator Equity Solutions SE	<u>50,000</u>	<u>690,000</u>
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The loan of € 690,000 of Navigator Equity Solutions SE has been converted into a subordinated loan of € 2,740,000 with effective date of 1 January 2012.

On 30 March 2012 Navigator Equity Solutions SE issued a loan of € 50,000. The interest rate amounts to 6.0% per annum. The loan has to be repaid on or before 31 December 2015.

7 Current liabilities

Trade creditors

Trade creditors	<u>1,292,128</u>	<u>1,109,572</u>
-----------------	------------------	------------------

Group companies

Navigator Equity Solutions SE	<u>1,024,411</u>	<u>1,008,564</u>
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Loans from associates

Associates	<u>753,372</u>	<u>777,409</u>
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Taxes and social securities

Valued added tax	25,020	901
Pay-roll tax	<u>343,670</u>	<u>352,476</u>
	<u>368,690</u>	<u>353,377</u>

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Liabilities, accruals and deferred income</i>		
Accrued liabilities	<u>871,627</u>	<u>1,140,139</u>

Off balance sheet commitments

Lease obligations

Lease obligations entered into with third parties in respect of cars yearly amounts to € 382,000 (2011: €346,000). These obligations end between 2013 and 2016.

5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2012

8. Nett turnover

The net turnover for 2012 of the legal entity and its subsidiaries and/or groupcompanies has increased with 20.9%.

Employee expenses

	2012	2011
	€	€
<i>9. Wages and salaries</i>		
Gross wages	<u>6,924,160</u>	<u>6,323,567</u>
<i>10. Social security charges</i>		
Social security premiums	<u>1,204,493</u>	<u>1,019,459</u>

Staff

During the 2012 financial year, the average number of employees in the Group, converted into full-time equivalents, amounted to 115 (2011: 123).

Director's total remuneration approximated EUR 90k in 2012 and EUR 120k in 2011.

11. Amortisation and depreciation

Intangible fixed assets	203,864	195,534
Tangible fixed assets	79,853	179,487
	<u>283,717</u>	<u>375,021</u>

12. Other operating expenses

Other personnel expenses	183	171
Accommodation expenses	513,742	589,222
Car expenses	727,226	697,689
Selling and distribution expenses	404,893	585,112
General expenses	920,834	1,134,269
	<u>2,566,878</u>	<u>3,006,463</u>

Financial income and expenses

13. Interest and similar income

Interest bank	249	3,149
Interest receivable associates	5,152	8,926
	<u>5,401</u>	<u>12,075</u>

	<u>2012</u>	<u>2011</u>
	€	€
14. Interest and similar expenses		
Bankcharges	4,635	13,468
Interest payable associates	48,373	54,632
Other	7,218	20,243
Interest loan Navigator Equity Solutions SE	42,051	191,534
	<u>102,277</u>	<u>279,877</u>
15 Taxation on result of ordinary activities		
Corporate income tax	29,653	-59,077
Corporate income tax prior periods	-	360
	<u>29,653</u>	<u>-58,717</u>
16. Share in result of participating interests		
Result Thin IT	<u>1,950</u>	<u>-</u>

6 COMPANY BALANCE SHEET AS OF DECEMBER 31, 2012
(after appropriation of result)

ASSETS

	December 31, 2012		December 31, 2011	
	€	€	€	€
FIXED ASSETS				
Intangible fixed assets (17)		3,598,489		3,789,559
Financial fixed assets (18)				
Subsidiaries	929,698		955,288	
Receivable group companies	<u>582,004</u>		<u>-</u>	
		1,511,702		955,288
CURRENT ASSETS				
Trade and other receivables (19)				
Trade debtors	1,000		1,000	
Taxes and social securities	-		62,632	
Other receivables, prepayments and accrued income	<u>9,010</u>		<u>8,340</u>	
		10,010		71,972
Cash and cash equivalents		67,164		25,885
		<u>5,187,365</u>		<u>4,842,704</u>

		EQUITY AND LIABILITIES			
		December 31, 2012		December 31, 2011	
		€	€	€	€
SHAREHOLDERS' EQUITY	(20)				
Issued capital		1,875,000		1,875,000	
Treasury shares		-136,792		-136,792	
Other reserves		-1,324,489		-1,413,642	
			413,719		324,566
SUBORDINATED LOANS	(21)		2,740,000		1,300,000
GUARANTEE CAPITAL			3,153,719		1,624,566
LONG-TERM LIABILITIES	(22)				
Convertible loans		-		750,000	
Loans from group companies		824,013		1,243,000	
			824,013		1,993,000
CURRENT LIABILITIES	(23)				
Trade creditors		79,088		64,714	
Group companies		1,024,411		1,140,822	
Taxes and social securities		25,020		901	
Liabilities, accruals and deferred income		81,114		18,701	
			1,209,633		1,225,138
			<u>5,187,365</u>		<u>4,842,704</u>

7 COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2012

	<u>2012</u>	<u>2011</u>
	€	€
Share in result of participating interests after taxes	384,132	-756,983
Other income and expenses after taxes	<u>-294,979</u>	<u>-631,683</u>
Result after taxes	<u>89,153</u>	<u>-1,388,666</u>

8 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2012

Fixed assets

17. Intangible fixed assets

	Goodwill
	€
<i>Book value as per January 1, 2012</i>	
Purchase price	4,776,755
Accumulated amortization	<u>-987,196</u>
	<u>3,789,559</u>
<i>Changes</i>	
Amortization	<u>-191,070</u>
<i>Book value as per December 31, 2012</i>	
Purchase price	4,776,755
Accumulated amortization	<u>-1,178,266</u>
	<u>3,598,489</u>

Of the goodwill € 3.598.489 (2011: € 3.789.559) regards the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 19 years.

The business model of ITC is to acquire, restructure, integrate and develop companies in the IT industry. The aim is to keep all business acquired by ITC within the group and support them in the long run. Due to the long term approach Management of ITC decided to depreciate the goodwill of the acquired companies over the period of 25 years.

Amortisation rates

	%
Goodwill	4

18. *Financial fixed assets*

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Subsidiaries</i>		
Human Internet CONSULT AG	929,696	955,285
BEAM IT CONSULT GmbH	1	1
Neton AG	1	1
Sopitus 5 GmbH	-	1
	<u>929,698</u>	<u>955,288</u>

This relates to a 100% participation in BEAM IT CONSULT GmbH and a 100% participation in net on AG.

The subsidiaries are valued at net asset value amounting to a negative equity of respectively € 236.635 and € 908.803. However the subsidiaries are not valued less than € 1. As a consequence the net appropriated result 2012 from BEAM IT CONSULT GmbH amounts to € -26.635 and from net on AG amounts to € 436.174.

	<u>2012</u>	<u>2011</u>
	€	€
<i>Human Internet CONSULT AG</i>		
Book value as per January 1	955,285	1,270,393
Share in result	-25,589	-315,108
Book value as per December 31	<u>929,696</u>	<u>955,285</u>

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Receivable group companies</i>		
Neton AG	510,492	-
Human Internet CONSULT Systems GmbH	23,800	-
Human Internet CONSULT AG	47,712	-
	<u>582,004</u>	<u>-</u>

Current assets

19. *Trade and other receivables*

Trade debtors

Trade debtors	<u>1,000</u>	<u>1,000</u>
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Taxes and social securities

Company tax	<u>-</u>	<u>62,632</u>
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	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Prepayments and accrued income</i>		
Prepayments and accrued income	<u>9,010</u>	<u>8,340</u>
20. Shareholders' equity		
<i>Issued capital</i>		
Subscribed and paid up 1,875,000 ordinary shares at par value € 1.00	<u>1,875,000</u>	<u>1,875,000</u>
The statutory share capital amounts to € 9.375.000		
	<u>2012</u>	<u>2011</u>
	€	€
<i>Treasury shares</i>		
Book value as per January 1	-136,792	-178,125
Other changes	-	41,333
Book value as per December 31	<u>-136,792</u>	<u>-136,792</u>

At December 31, 2012 the Group held 136,791 of the Company's shares.

	<u>2012</u>	<u>2011</u>
	€	€
<i>Other reserves</i>		
Book value as per January 1	-1,413,642	-48,732
Appropriation of the nett result	89,153	-1,388,666
	<u>-1,324,489</u>	<u>-1,437,398</u>
Other changes	-	23,756
Book value as per December 31	<u>-1,324,489</u>	<u>-1,413,642</u>

In 2011 IT Competence Group SE changed its accounting policies from IFRS to Dutch GAAP. Due to this change of accounting policies the comparative figures of 2010 have been adopted. The cumulative effect of the change of accounting policy amounting € 535.168 has been recognised in the opening balance under other charges. The effect of changing the accounting policies recognised in the profit and loss account amounts € 152.104.

The other charges 2011 amounting € 23.756 is the result on the shares sold to Mr. M. Solibieda as well as an adjustment in previous years.

The variance between the consolidated equity and the company's equity is similar to the negative equity of the 100% participations in BEAM IT CONSULT GmbH and net on AG amounting to respectively € 236.635 (2011: € 200.556) and € 920.303 (2011: € 1.199.874) less an impairment of the receivables of the participations concerned amounting € 147.338 (2011: € 556.972).

The difference between the consolidated result and the company only result of € 166.229 (2011: € 694.434) can be explained by not recognised losses of participations in group companies with a negative equity.

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
21. Subordinated loans		
Loan Navigator Equity Solutions SE	<u>2,740,000</u>	<u>1,300,000</u>

A loan of € 2.740.000 is subordinated to all existing and future liabilities of the company. An interest rate equal to the 6-month Euro Interbank Offered Rate (Euribor) is calculated. To the extent that the Company realizes commercial profit, the Company is obliged to pay a profit depending interest, which will be determined as follows:

- € 0 - € 500,000, 0.5%
- € 500,000 - € 1,000,000, 1.0%
- € 1,000,000 and more, 2.0%

The loan will be repaid within a maximum period of 5 years (31 December 2016). The following items are pledged as guarantee on first demand: trade debtors, stocks in the participation of Neton AG, stocks in the participation of Beam IT GmbH and a second pledge of Human Internet Consult AG.

22. Long-term liabilities

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Convertible loans</i>		
Convertible loan Navigator Equity Solutions SE	-	<u>750,000</u>

The convertible loan was issued in November 2006, bears an interest of 8% and is completely subscribed by Navigator Equity Solutions SE. Each individual bond had an issue price of € 1 (2,660,000 bonds) and an exchange ratio of 1 : 1 (one bond = one share). After the share split, which took place in July 2007 an amount of 580,000 of the convertible loan has been repaid to Navigator Equity Solutions SE.

The loan has been converted into a subordinated loan of € 2,740,000 with effective date of 1 January 2012.

Loans from group companies

Human Internet CONSULT AG	774,013	553,000
Navigator Equity Solutions SE	<u>50,000</u>	<u>690,000</u>
	<u>824,013</u>	<u>1,243,000</u>

The loan of € 690,000 of Navigator Equity Solutions SE has been converted into a subordinated loan of € 2,740,000 with effective date of 1 January 2012.

On 30 March 2012 Navigator Equity Solutions SE issued a loan of € 50,000. The interest rate amounts to 6.0% per annum. The loan has to be repaid on or before 31 December 2015.

	<u>2012</u>	<u>2011</u>
	€	€
<i>Navigator Equity Solutions SE</i>		
Book value as per January 1	690,000	170,000
Conversion to subordinated loan	-690,000	-
Issued loan	<u>50,000</u>	<u>520,000</u>
Long-term part as per December 31	<u>50,000</u>	<u>690,000</u>

An interest rate of 5%-8% has been calculated.

23 Current liabilities

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Trade creditors</i>		
Trade creditors	<u>79,088</u>	<u>64,714</u>
<i>Group companies</i>		
Human Internet CONSULT AG	-	144,792
Navigator Equity Solutions SE	<u>1,024,411</u>	<u>996,030</u>
	<u>1,024,411</u>	<u>1,140,822</u>
<i>Taxes and social securities</i>		
Valued added tax	<u>25,020</u>	<u>901</u>
<i>Accrued liabilities</i>		
Auditor's fee	16,114	16,000
Consultancy charges	<u>65,000</u>	<u>2,701</u>
	<u>81,114</u>	<u>18,701</u>

4 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2012

	<u>2012</u>	<u>2011</u>
	€	€
24. Cost price		
Cost of sales	<u>68,815</u>	<u>-</u>

Staff

During the 2012 financial year, the average number of employees in the Group , converted into full-time equivalents, amounted to 1 (2011: 1).

25. **Share in result of participating interests**

Share in result of Human Internet CONSULT AG	-25,589	-315,108
Share in result of BEAM IT Consult GmbH	-26,453	-5,701
Share in result of Neton AG	<u>436,174</u>	<u>-436,174</u>
	<u>384,132</u>	<u>-756,983</u>

Signing of the financial statements

Waalre, June 3, 2013

R. Kaess

OTHER INFORMATION

1 INDEPENDENT AUDITOR'S REPORT

To: The management of IT Competence Group SE

Report on the financial statements

We have audited the accompanying financial statements 2012 IT Competence Group SE, Waalre, which comprise the consolidated and company balance sheet as at December 31, 2012, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code . Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of IT Competence Group SE as at December 31, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Waalre, June 3, 2013

Stroeken Rossieau B.V.



F.A.A. Stroeken RA

2 STATUTORY APPROPRIATION OF PROFIT

Based on article 15 of the statutes the result is at disposal of the General Shareholders Meeting which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Article 15 of the company's Articles of Association:

1. Following the prior approval of the supervisory board, the management board is authorised to reserve such a portion of the profit as it deems necessary, with due observance of the obligation to retain statutory reserves, or any reserves prescribed by these articles.

2. Any profit remaining following the reserves retained to in the foregoing paragraph is placed at the disposal of the general meeting. A resolution to distribute profits in cash shall be adopted by the general meeting of shareholders by more than half of the votes cast. A resolution to distribute profits in kind shall be adopted by the general meeting of shareholders with a majority of at least ninety-five percent (95%) of the votes cast, provided that at least fifty percent (50%) of the issued share capital is represented at the general meeting of shareholders.

3. Other than by adoption of the annual accounts, the general meeting is authorised to cancel the reserves, either wholly or in part, at the proposal of the management board, which proposal is approved by the supervisory board. A deficit may only be offset against the reserves prescribed by law to the extent that this is allowed by law.

4. The company may only pay out to shareholders and other entitled parties any profit subject to distribution to the extent that its equity capital exceeds the amount of the paid and called-up portion of the capital plus the reserves that must be retained by law or in accordance with the articles of association.

5. In calculation the profit distribution, shares that the company holds in its own capital do not count and no profit is distributed in respect of them except if and to the extent that the shares in question are encumbered with a right of usufruct established by the company at the time they were acquired. These shares do not confer any right to a share in the balance left after winding-up either.

3 APPROPRIATION OF THE RESULT FOR THE 2011 FINANCIAL YEAR

The annual account for 2011 was adopted by the General Shareholders Meeting held on August 2, 2012. The General Shareholders Meeting has determined the appropriation of the result as it was proposed.

4 APPROPRIATION OF THE PROFIT FOR 2012

The board of directors proposes to add the profit for 2012 of € 89,153 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Shareholders Meeting.