



Crayon Group Holding AS

Consolidated Annual Report



2015

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Crayon’s mission is to ensure our customers maximize their return on investment (ROI) from investments in complex technology and software spend. With operations in 21 countries we have direct access to over 75% of the worldwide IT market place and our unique people, tools and systems help customers successfully navigate a complex and potentially hazardous IT landscape.

2015 saw many significant achievements across our capabilities, service offerings, IP and global business. Our worldwide business footprint increased further with the opening of a number of new markets, including the important entry into the North American market. We launched material IP platforms to further enhance the depth and breadth of service provision to our customers and provide significant differentiation in the market and continued to strengthen both our Software Asset Management (SAM) and Cloud capabilities.

With increasing complex IT environments maximizing customer ROI on IT investments is not achieved by merely selling software licenses to end users. Customers need expert help to assess their current IT estate and decision making support regarding their future state environment. Further, customers require assistance with deployment and compliance requirements of the technology and software procured. Only such an end-to-end process ensures that customers capitalize on their technology investments, and maximize the ROI.

Since the foundation of Crayon in 2002, the backbone of the business has always been Software Asset Management (SAM). Similar to a tax advisor supporting its clients through the complex world of taxes, a SAM specialist supports clients though the potentially hazardous IT landscape via expert advisory, optimization and compliance engagements. SAM creates ‘customer stickiness’ positioning

Crayon as a true trusted advisor who knows the needs, history and pain points of its customers.

As you will see our business continues to grow strongly and our SAM First...Cloud First strategy is resonating positively with customers and prospective customers alike helping us drive additional market share across our global organisation.

As the international IT market continues to accelerate its adoption of consumption based Cloud technology and device proliferation multiplies, the challenges for the contemporary IT function have never been greater. Crayon’s deep SAM heritage positions us perfectly to take maximum advantage from this paradigm shift in the technology market driven by mobility and Cloud and we look forward to an exciting 2016.

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The global technology market is in the middle of a fundamental paradigm shift away from traditional on premise technology estates and annuity based software licensing into an era where the majority, if not all of an enterprise's IT will be delivered from a Cloud or hybrid Cloud environment. This consumption based Cloud computing is not just moving the financial impact of tech investments from CAPEX to OPEX, it provides an opportunity for technology to deliver greater competitive advantage and agility than ever before. However, the impact on the processes, procedures, tool sets and skills required by the contemporary IT function to manage and optimize this dynamic are truly profound.

In addition to the above, the proliferation of devices connectable to the Enterprise ERP is also exploding due to the irresistible demands for more flexible working and device access from the modern workforce. Over 26 billion so called smart devices are predicted to be present within the global tech market by 2020* dwarfing current levels. This will present, in our view, a compelling licensing event for the software publishers further increasing the complexity of the volume IT licensing and management environment.

Crayon's deep history and heritage within software asset management (SAM), our unique team of over 500 technical consultants across our international organisation positions us uniquely to help customers not just manage the twin challenges presented by the Cloud and device proliferation but to allow our customers to navigate easily a complex and hazardous IT landscape.

Our SAM First...Cloud First Strategy describes our fundamental belief that SAM provides the only true foundation for all intelligent IT decisions and projects, including

'Our SAM First...Cloud First Strategy describes our fundamental belief that SAM provides the only true foundation for all intelligent IT decisions and projects, including Cloud optimization.'



HIGHLIGHTS

The impact of accelerating market adoption of consumption based Cloud computing, combined with other material IT market dynamics are driving a fundamental re-engineering of the processes, procedures, tool sets and skills requirements needed to optimize complex technology investments.

- Subsidurisation of IT Procurement across the enterprise
- End Point Device Proliferation
- Explosion of Smart Devices Connectable to the ERP - 26 Billion Predicted by 2020
- New Cloud based licensing frameworks
- Increased publisher audit activity
- Difficulties in retaining skilled IT staff within the enterprise

Crayon's unique SAM First...Cloud First Strategy offers the ideal foundation for all intelligent IT decision making.

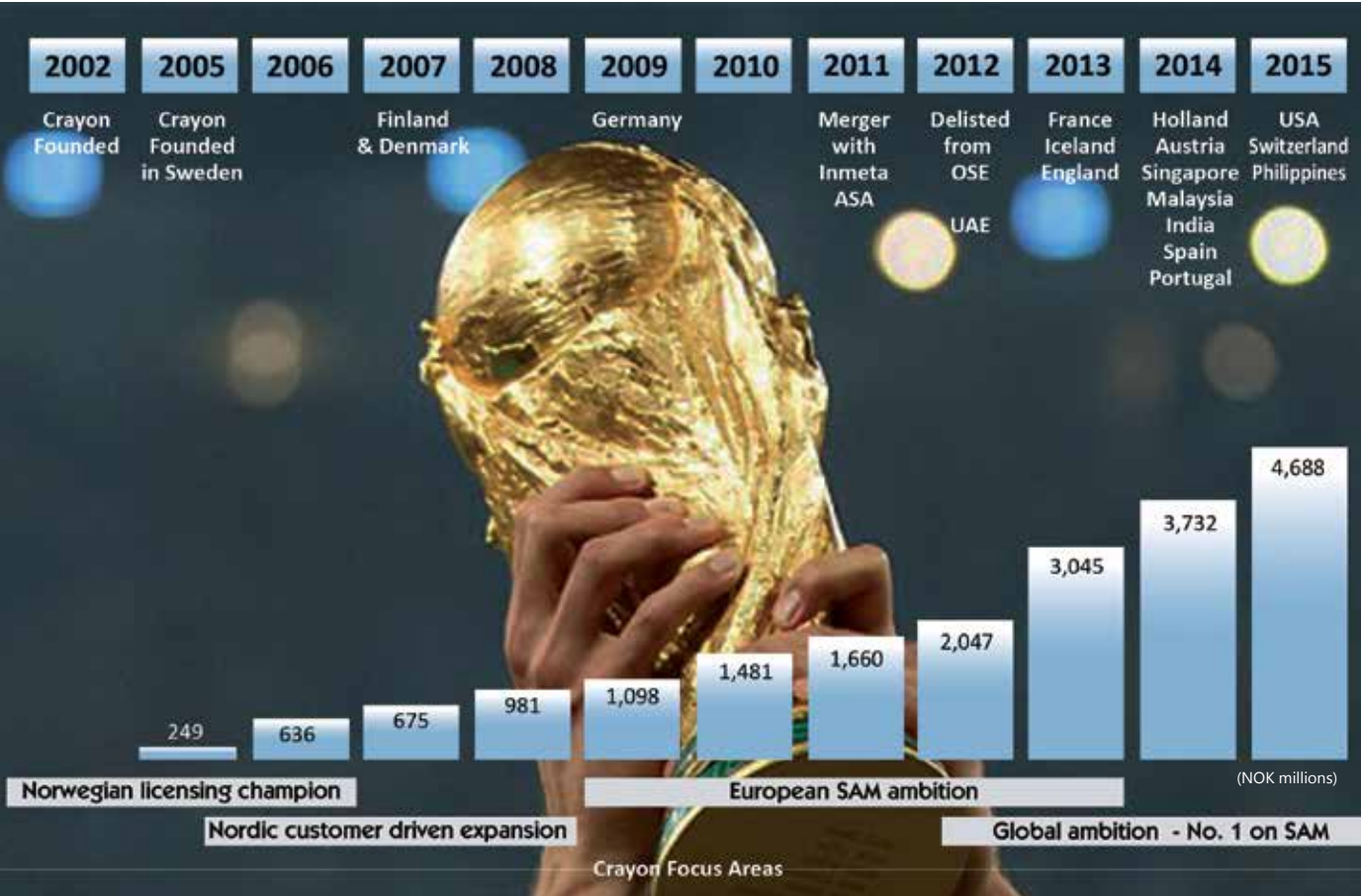
Cloud optimization. Crayon not only helps our customers devise and plan their IT strategies based on solid data fundamentals but through our unique IP, tools and people we can assist them deploy and consume the technology they invest in and to implement management structures, procedures and processes to appropriately control their technology estate in order to maximize the ROI on their investments.

Our strategy is therefore to continue to develop our team and enhance our world leading SAM and Cloud capabilities. As now, we will ensure our IP platforms, such as Cloud-iQ and SAM-iQ are optimized for today and future proofed for the Cloud and hybrid environments of tomorrow in order to provide a unique premium IT optimization service for our customers. We will continue to build strong and enduring relationships with the leading technology publishers and global Cloud platform providers to ensure Crayon remain The Global Software Experts and trusted partner of choice for all our clients, strategic partners and vendors.

*Source: Gartner 2015

Leveraging Global Operations Across the Business Platforms

Operating income development and selected key historical highlights



“Without continual growth and progress, such words as improvement, achievement and success have no meaning”

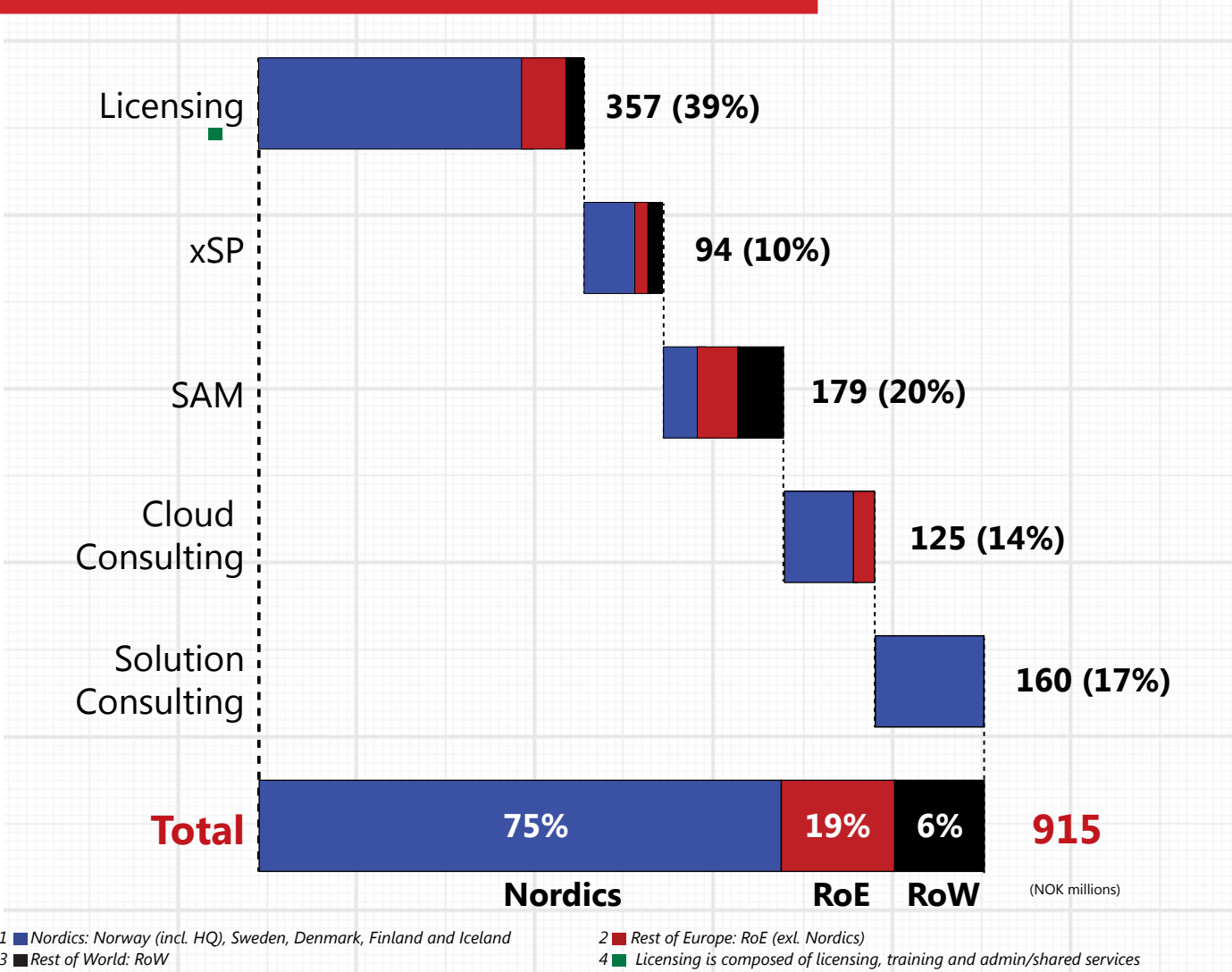
Benjamin Franklin

Summary – Financial Highlights 2015

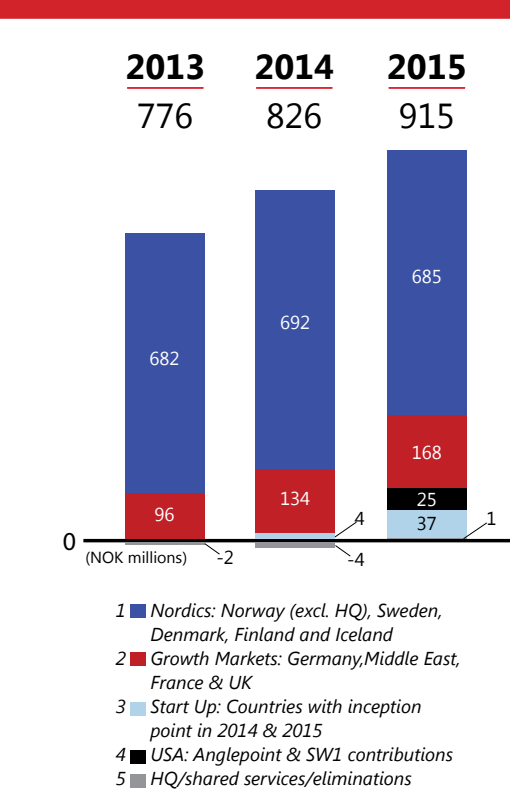
2015 marked a solid financial year for Crayon with significant Year over Year (“YoY”) growth at the revenue and gross profit levels. Revenue grew 26% YoY from NOK 3.7 billion in 2014 to NOK 4.7 billion in 2015. Gross profit grew more than 10% YoY from NOK 826 million in 2014 to NOK 915 million in 2015. The key gross profit drivers were newly established markets growing triple digit, but also Growth Markets (France, Germany, UK and Middle East) demonstrated a solid 25% YoY gross profit in FY 2015. The Nordics, comprised of Norway (excl. HQ), Sweden, Denmark, Finland, and Iceland, continued to contribute the most at the absolute level, with gross profit of NOK 685 million, 75% of the total gross profit in 2015. In 2015, the Growth Markets contributed NOK 168 million in gross profit (18% of total gross profit), and other gross profit sources were the Start-up countries

with inception points in 2014 and 2015 contributing NOK 37 million (4% of total gross profit), in addition to the US acquisitions contributing NOK 25 million (3% of total gross profit). 2015 was influenced by investments in geographic expansion, new services incl. IP and capabilities. EBITDA decreased YoY from NOK 142 million in 2014 to NOK 114 million in 2015 mainly due to significant investments mentioned above, as well as a market shift from CAPEX to OPEX based licensing as a result of the ongoing Cloud transition. EBITDA growth continued to be strong in the Nordics with NOK 177 million 2015 EBITDA signifying 8% YoY growth, which also showcases the value from the investments done in terms of new services and capabilities. France achieved positive full year EBITDA for the first time after three years of operations, which is in line with the average profitability vintage curve for the Group, and signifies the future EBITDA embedded in the geographical expansions.

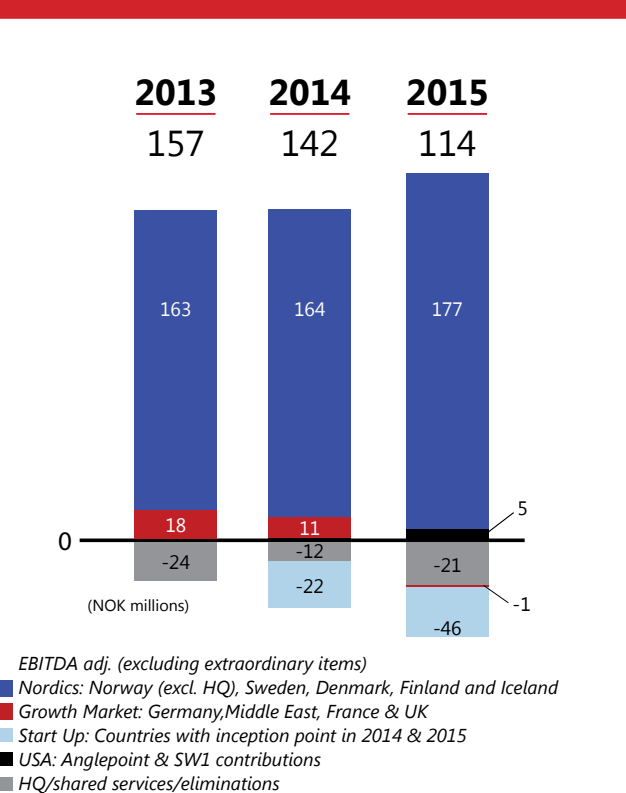
Gross profit breakdown by business area and market cluster



Gross profit development



EBITDA (1) development



Winning Strategy for long term Advantage within the Cloud Centric, Mobile First IT world



Dear Friends of the Company,

2015 marked another significant year for Crayon. We continued to manifest our position as "the global leader on Software Asset Management (SAM)", accelerating growth across our Business Areas and strengthening our SAM and Cloud Intellectual Property through key strategic initiatives and alliances.

During this past year, I have been so proud to see our organization advance on both financial, operational, and strategic priorities, but more importantly; we have done it together as one team. In this new fiscal year, it is our commitment to increase the clear momentum that we now enjoy.

2015 highlights:

- * Posted record revenues of NOK 4,688 million, translating to a revenue growth of 26% compared to the previous year.
- * Welcomed around 150 new employees to the group. Out of Crayon's 900 employees, 60% of our customer facing representatives are SAM, Cloud and technical specialists.

- * Strengthened our global position by entering US, Switzerland and the Philippines. Crayon is now present in 21 markets around the world, covering more than 75% of the global software and related services market.
- * Launched new Intellectual Property (IP) and scalable business concepts, providing customers with additional value and bespoke SAM & Cloud services
- * Expanded managed service offerings and increased the share of recurring business to more than 30% of the Company's total gross profit
- * Global agreements with MS, IBM and Amazon for Cloud distribution

Cloud Transition

Information technology is one of the most dynamic, fast-changing and competitive industries in the world, characterized by relentless cycles of innovation, consolidation and commoditization.

According to household global IT analyst firms, the global software market was worth around \$350 billion in 2015 (\$500 billion when including related outsourced services such as hosted applications, data center hosting & co-location), with a Cloud penetration of approximately 10%.

However, Cloud is growing rapidly and forecasted to represent more than 25% of the total software and services market by 2020. Key driving forces behind this trend are economies of scale and big bets made by dominant players such as Microsoft, Amazon and IBM.

To cut a long story short, there is a massive, non-reversible, technology migration trend from owned

infrastructure/on-premise to Cloud computing and managed services (XaaS). As a trusted advisor to our customers, our choice is clear: Crayon needs to pursue a model of high-value Cloud expertise and related services. During 2015 we demonstrated our commitment to this model by making significant investment in Cloud resources, capabilities, tools & IP (including several acquisitions). In Q4 2015 we launched 'Cloud-iQ', our Cloud provisioning platform with billing, reporting and management capabilities targeted towards helping our channel customers (hosters, SIs and ISVs) optimize their Cloud business offerings and drive significant acceleration within that market for Crayon.



The Cloud transition has also medium to longer term implications for Crayon; Firstly, as software licensing is becoming increasingly complex due to hybrid environments and consumption based cost models, our SAM services will be increasingly valuable and important to our customers. Secondly, our addressable market

will grow significantly as boundaries in the IT spending stack are rapidly blurring between software, hardware and services. Lastly, software distribution is gradually changing from direct to indirect models (i.e., where customers buy through distributors). Crayon is among the largest indirect licensing providers globally with more than 2,500 distribution partners, and thus, is uniquely positioned to capitalize on this transformation.

SAM First

SAM is the strategic foundation for our business; Crayon's SAM capabilities are what distinguishes us from the rest of the market and our deep SAM heritage and skill sets provide the ideal foundation to all intelligent IT decision making and as such offer a truly unique value proposition to our customers. We simply call it "SAM First".

During 2015 we continued to invest heavily in our global SAM practice. We onboarded more than 100 new specialists & consultants, institutionalized our capabilities through a universal service catalogue and training programs, built new IP and launched new business concepts. In September 2015, we completed the strategic acquisition of the leading US based SAM experts Anglepoint, and with that added deep consulting experience forged within a multitude of disciplines including IP Protection, Big Data and Software Suite Development.

To elaborate on our investments in SAM tools and IP; Q4 2015 marked an important milestone for the Company with the launch of 'Elevate', a SAM tool that will revolutionize license optimization by making SAM expertise more available, and support companies to minimize risk and reduce software spend. The combination of 'Elevate' and our existing IP, such as 'Catch' (license inventory tool) and 'SAM-iQ' (capability and certification tool), provides us with a strong, scalable foundation for our SAM business.

As our software and volume licensing business represents a significant share of total revenues and is a critical component of

our end-to-end service offerings. Not only has it given us access to thousands of customers and partners around the world but it has been the main vehicle for Crayon's position as "the Software Expert" earned over time by constantly demonstrating our deep complex licensing knowledge across a broad vendor base and it has given us a fantastic platform for upselling to our own portfolio of recurring services.

Accelerating Our Momentum

In 2015, Crayon Group revenue grew to NOK 4,688 million, a 26% increase compared to NOK 3,732 million in the previous year. In fact, the Company has delivered double-digit organic revenue growth for the last nine consecutive years, and we expect to continue to deliver this level of performance into the future.

Although the overall profitability declined in 2015 (EBITDA amounted to NOK 114 million in 2015, down from NOK 142 million the previous year), this result was largely due to investments in geographical expansion required to support our customers and longer term growth objectives of the company. During the last two years Crayon has established operations in twelve new markets and therefore incurred significant start-up costs. These developing markets are following the country vintage curve for our more mature operations, and we are confident about the momentum and longer term profitability outlook in these regions. Not to forget, in 2015 the mature Nordic markets delivered a YoY EBITDA increase of +8% to NOK 177 million!

As we continue on our journey, all of us at Crayon are thankful for your ongoing confidence in the business. I feel extraordinarily privileged to work for this great company, fostered on a strong founder mentality, can-do attitude, and with such a talented group of committed people. Our employees truly do outstanding work every single day.

Our direction is clear. We remain confident in our strategy, and we have made significant progress throughout 2015. 2016 will be the year to build on our momentum!

Strengthening our SAM and Cloud Intellectual Property through key Strategic Initiatives and Alliances



SAM-iQ:

Crayon's deep SAM heritage and extensive expertise positions the business as a world leader in the field and the launch of the SAM-iQ platform at the end of 2015 further reinforces this unique position in the global IT market.

Increasingly the feedback from our customers has been that the practical requirements of establishing, and more importantly maintaining a world class enterprise wide SAM/ITAM environment are becoming overwhelming. This is due to multiple concurrent impacts on the IT function including the challenges of managing completely new processes and procedures driven by the dominant movement to consumption based Cloud computing and device proliferation. The divestment of IT procurement practice across almost every functional discipline within the enterprise is also impacting traditional management and control practices whilst many CIOs are experiencing a squeeze on their available skilled technical resources.

SAM-iQ is a global first; a subscription based SAM as a Service (SAMaaS) offer based on a per user per month agreement structure that is specifically designed to provide a best practice framework for the establishment and maintenance of a world class enterprise wide SAM environment. SAM-iQ is a comprehensive proprietary platform providing customers with detailed workflow management support, reporting and dashboarding and access to a huge online library of ready to use documents and procedures. In addition the unique 'services module' attached to all subscriptions provides access to Crayon's world leading SAM consulting teams who ensure that the power of the SAM-iQ platform is fully leveraged by every customer.

Cloud-iQ:

As discussed previously Crayon believe that SAM is the ideal platform for all intelligent IT decision making, including Cloud migration related projects but once a customer has made the decision to move all or part of their IT estate to the Cloud they need help in a multitude of areas, including product access and provisioning along with consumption control and deployment optimization. Cloud-iQ is Crayon's sister platform to SAM-iQ and is designed to provide an holistic Cloud management solution, allowing customers access to thousands of Cloud technology products and services which they can procure and provision in real time via the Cloud-iQ platform. Cloud-iQ also provides a comprehensive

reporting and management suite of functions and is integrated with the publisher reporting console to ensure customers are always totally in control of their deployed Cloud technology across their estate.

A hugely powerful proprietary platform, Cloud-iQ was launched in Q4 2015 and currently offers comprehensive access to all Microsoft Cloud Suite technology, including access to the full catalogue of Microsoft Azure products. The process of adding other key partner technologies into Cloud-iQ is already well advanced with IBM's Softlayer offer due to go live on the platform in the first half of 2016 and we expect ultimately for Cloud-iQ to offer a true one stop shop to all the leading Cloud platform technology providers along with exclusive Cloud optimization, support and consumption management services from Crayon.

Anglepoint:

In September 2015 Crayon announced the acquisition of a majority stake in Anglepoint Group Inc. as part of a strategic investment in the privately held firm. Silicon Valley based Anglepoint are a professional services firm specializing in industry leading Software Asset Management (SAM), Data Analytics, and broad IP/IT Compliance and operates from locations in the U.S.A, UK and Singapore.

Anglepoint has accelerated our business roll out in the North American market and brings a unique perspective on IT Asset Management founded on a long



and successful history of working alongside both software and hardware vendors along with end-user organisations to bring deep licensing expertise and process optimization to organisations throughout the IT ecosystem.

With unique IP platforms, including a targeted suite of analytic and tooling capabilities, along with a high skill set professional team Anglepoint materially accelerates Crayon's SAM services delivery capabilities and differentiation across our worldwide business. Of particular note is their new Elevate platform which is designed to enhance a customer's license optimization and lifecycle management processes and take their software asset management eco-system to levels unreachable with traditional SAM tools.

Elevate isn't a standard SAM tool. It is a delivery mechanism that combines validated, actionable data with industry leading licensing expertise in order to bring our complex technology expertise closer to the everyday business needs of the contemporary enterprise. It ensures our licensing optimization recommendations transparently consider the long term business plans and goals of our customers allowing them to execute with minimized risks and increased opportunities to drive an overall improvement in technology ROI. Crayon expects to rapidly deploy Elevate and other Anglepoint IP to our customers across the world as we travel through 2016 and we are excited about the opportunity this presents for our global business.

Building Value for Shareholders



Henning Vold

Chairman

Henning Vold joined Norvestor in 2001 as an Investment Manager and was promoted to Partner in 2008. He has worked on investments within many of Norvestor's core industries, notably within the business and consumer services sectors. Mr. Vold is currently the chairman of Apsis, Cegal, Crayon and Abax. Previous board positions include ELIXIA, Intelcom, eTRAVELi, Confrimit and Retriever. Prior to joining Norvestor, Henning spent 12 years as an officer in the Norwegian army, five years at Cap Gemini / Gemini Consulting and was the CEO of the internet business incubator Modem Bad. Henning also spent a year working full time as a CFO and CTO in the former portfolio company, X.hlp Technologies. He holds a MBA from the University of Colorado, Boulder and has also graduated as an officer from the Norwegian War Academy.



Jens Rugseth

Board Member

Jens Rugseth has been a serial founder of a number of companies in the IT sector over the past 25 years. Mr Rugseth has also been chief executive for some of the largest IT companies in Norway, including ARK ASA, Cinet AS and Skrivervik Data AS. Mr Rugseth studied business economics at the Norwegian School of Management.



Rune Syversen

Board Member

Rune Syversen is a co-founder of Crayon and has been its chief executive since 2002. Prior to leading the establishment of Crayon, he held a number of senior positions in the Telenor Group in Norway and Sweden as well as establishing several companies involved with IT and financing. Mr Syversen studied at the Norwegian School of Management.



Eivind Roland

Board Member

Eivind Roald is Executive Vice President & Chief Commercial Officer at SAS, with global responsibility for branding, sales, marketing, product development and revenue management, including the responsibility for EuroBonus. Prior to SAS he was Managing Director at HP Norway for six years and has held several positions in Accenture as Partner. Mr. Roald started his career in the Management Consulting company Railo International, and holds a Bachelor's degree in Management from Norwegian School of Management.

*“Never doubt that
a small group of
thoughtful, committed
people can change the
world; indeed, it's the
only thing that
ever has”*

Margaret Mead



Waseem Shad

Board Member

Waseem Shad is an Investment manager in Norvestor Equity, focusing on IT and tech investments for Norvestor. He has previously worked with Abax, Wema and Panorama for Norvestor, and has also been CFO in Crayon Group post-acquisition and delisting in 2012. Prior experience includes DNB Bank ASA, Telenor ASA, Telenor Pakistan (Pvt.) Limited, Skatteetaten (the Norwegian IRS), Coop Norge SA and ICA Norge AS. Mr. Shad holds a BA in Business and Economics from the Norwegian School of Management and a M.Sc. in International Accounting and Finance from Cass Business School (London City University), London.



Camilla Bertelsen

Employee representative

Camilla Bertelsen has worked as a consultant within Information Management in Inmeta since 2013. She has over 20 years of work experience combined with former employers Platon and Avenir/Edb. Ms. Bertelsen primary line of business is banking and finance. She is head of professional development for the BI department within Inmeta and speaker in this field. Ms. Bertelsen studied applied mathematics at University of Oslo.



Øyvind Aasbø

Board Member

Øyvind Aasbø is an independent investor and a former partner at Norvestor. Øyvind has extensive experience from board memberships including IT and telecom, and has significant operational experience from management positions over the past 30 years. Mr. Aasbø holds a M.Sc. in Engineering from the Norwegian Institute of Technology and a Business Degree from the Norwegian School of Management.



Susann Hauglie

Employee representative

Susann Hauglie has been with Crayon since 2007 and has worked as a Key Account Manager with responsibility for Higher Education and Research institutions in Crayons Norwegian market. Mrs. Hauglie studied marketing and Public Relations at the Norwegian School of Marketing. She has 15 years of experience from the IT industry in Norway with specialization in software advisory, both from the distributor channel where she worked as a Business Unit Manager Software for Techdata Norway and from the reseller channel. Mrs. Hauglie's current position in Crayon is Alliance Manager.

Report from the Board of Directors 2015

The world is increasingly being globalized, and the same applies to Crayon's clients, strategic partners and vendors. In 2015, Crayon continued to invest in geographic expansion centered on Software Asset Management (SAM) and Cloud first, providing its customers and key strategic vendors global reach with local execution concentrated around value adding products and services. Crayon is now present in 21 countries, and covers more than 75% of the world's addressable software market.

Highlights

On the geographical dimension, Crayon entered USA, Switzerland and the Philippines during 2015 while ramping up newly established markets such as Spain, Portugal and Austria. The entry into the US was important for Crayon, as this is the largest IT and software market in the world yet having market characteristics focusing on transactional support only. Crayon believes that in order for clients to achieve the full potential of its technology investments they need a trusted advisor supporting them end-to-end. The response from multiple clients and key vendors in the US has been notable since inception, testimonialized with several customer wins.

Driven by amongst others consumerization of IT (e.g., bring your own device and internet of things), major investments by large players (e.g., Microsoft, IBM, Amazon) and industry demand reaching critical scale due to for instance scale advantages in data centers, increased flexibility and no aging infrastructure, the industry transformation and Cloud transition continued at an accelerating speed in 2015. In order to both capitalize on these trends and being sufficiently equipped to act as trusted advisor for existing and future clients, in today's and tomorrow's world, Crayon during 2015 invested significantly in new SAM and Cloud capabilities, both organically and through acquisitions.

In September 2015, Crayon made a strategic investment in SAM and ITAM experts Anglepoint which catalyzed Crayon's global no. 1 SAM position, and gave a strong foothold in the important US market. Anglepoint has grown rapidly since its launch in 2009 on the back of industry leading licensing and SAM expertise, complimented by a targeted suite of analytic and tooling capabilities, positioning it as a perfect partner to Crayon's extensive existing global capabilities in SAM, Cloud, and Licensing. Further, the recent strategic investment in Oslo based Puzzelpart - a leading Office 365 and SharePoint experts, and Copenhagen based Infrahouse - a leading infrastructure and Cloud consulting company in Denmark, solidifies the company's Cloud positioning.

Furthermore, Crayon is also investing in intellectual property (IP) adding additional value and bespoke services to its customers. Q4 2015 marked another milestone for the company, with the launch of the "Cloud-iQ" portal and "Elevate" SAM tool. Cloud-iQ is Crayon's scalable Cloud provisioning platform, offering best in class self-provisioning, billing and reporting capabilities targeted towards hosters, system integrators and independent service vendors (ISVs). The Elevate SAM tool supports clients in license optimization by making licensing expertise more available, in addition to helping companies to minimize risk and reduce software spend.

Given the accelerating complexity in software technology, fueled by hybrid environments with a combination of Cloud and on premise solutions in addition to increasing importance of technology as a business critical enabler, the need for SAM is higher than ever. In 2015, SAM gross profit continued to grow with close to 30% year over year (YoY). 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 approximately 55% of the total SAM gross profit.

Financial summary

Driven by the ongoing Cloud transition, the financial contribution within licensing is adversely affected in the short term as customers move from CAPEX to OPEX based licensing programs, resulting in profits being spread out in time. Full year 2015 gross profit for business area licensing was NOK 345 million compared to NOK 325 million in FY 2014, representing a YoY growth of 6%. The Group experienced strong positive growth from new countries within licensing, while established licensing markets in the Nordics had a negative growth of 2% YoY in 2015, signifying the ongoing transition. The Board believes the company is well positioned to capitalize on the industry transformation going forward, harvesting on the SAM and Cloud investments done. Traditional licensing players are experiencing declining profits from pure transactional activities, as both software vendors and end-customers are demanding additional value-added capabilities from their trusted Cloud licensing partners (e.g. advisory). Compared to many traditional licensing players, Crayon is uniquely positioned to capitalize on the Cloud transition with about 60% of its customer facing employees (excl. admin personnel) being advisors and consultants, which supports customers in activities that are in demand, e.g., Cloud readiness assessment, Cloud enablement & deployment and cost/consumption monitoring of the Cloud solutions implemented. This makes Crayon one of the global leaders within Cloud activities

that are in demand.

Amid the investments done and transition to the Cloud, established Nordic markets continue to represent a strong financial foundation for Crayon, with a full year 2015 EBITDA of NOK 177 million compared to FY 2014 EBITDA of NOK 164 million. After three years of operations in France, a financial milestone was achieved as the entity delivered a positive full year EBITDA. This achievement is in line with the average profitability vintage curve Crayon has experienced in other markets, and signifies the future embedded EBITDA of the geographical investments done.

When factoring the above, the Group posted another solid financial result in 2015, with sales of close to NOK 4.7 billion compared to NOK 3.7 billion in FY 2014. EBITDA² in 2015 was NOK 114 million compared to NOK 142 million in FY 2014. The decrease in EBITDA was mainly due to significant investments in geographic expansion and investments in new services and capabilities. Furthermore, the shift from CAPEX based licensing to OPEX based licensing affected the Group results negatively short-term.

The company has grown significantly over the past few of years, e.g. revenue has grown from approximately NOK 2.0 billion in 2012 to NOK 4.7 billion in 2015, and employees from c. 500 in 2012 to c. 900 in 2015. In addition, during the last couple of years Crayon has started operations in 12 new countries. Furthermore, the Information technology industry Crayon is part of is one of the most dynamic, fast changing and competitive industries in the world, characterized by relentless cycles of innovation and commoditization. Subsequently, the Board continuously strives to find the right balance in terms of protecting the core, and maintaining short-term profitability, while investing for the future. In order to achieve this, the company needs to continue its efforts on institutionalization and drive operational excellence across its operating entities, whilst being agile enough to keep pace with the dynamic industry itself. In 2015, among other initiatives, Crayon institutionalized its capabilities further through a universal service catalogue and training programs.



Nature of business and location

Crayon Group Holding AS is the holding and parent company of the Crayon Group, with headquarters 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, both through the direct and indirect channel, i.e. where Crayon's customers are hosters, system integrators and ISVs rather than end users. 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 including Cloud deployment and enablement, primarily to large and medium-sized businesses. Hence, Crayon is offering a complete end-to-end service to its clients.

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 Deutschland GmbH, Crayon Middle East, Crayon France SAS, Crayon UK Ltd., Inmeta Consulting AS, Esito AS, MAP License AS, Fast Compliance Ltd., Crayon B.V., Crayon Austria GmbH, Crayon Software Experts Spain SL, Crayon Software Licensing Unipessoal LDA, Crayon Software Experts Malaysia Sdn. Bhd., Crayon Pte. Ltd., Crayon Software Experts India Pvt. Ltd., Kryptos Networks Pvt. Ltd., Kryptos Networks Pte. Ltd., Crayon Cloud Consulting GmbH, Crayon Schweiz AG, Crayon DMCC, Crayon Software Experts Philippines Inc., Atria Solutions Sdn. Bhd., Atria Technologies Pte. Ltd., Puzzelpart AS, Crayon Software Experts Holding LLC, Crayon Software Experts LLC, Anglepoint Group Inc., and Software Wholesale International Inc.

Financial Results

Income Statement

In the year under review, the Group posted sales of NOK 4,688 million, and gross profit grew more than 10% from NOK 826 million in 2014 to NOK 915 million in 2015. The primary gross profit growth drivers were the newly established markets growing triple digit, but also the prioritized growth markets (France, Germany, UK and Middle East) demonstrated a solid 25% YoY gross profit in FY 2015. From a business area perspective, XSP¹ was the fastest growing Business Area with a gross profit growth of 57% YoY, followed by SAM with a 29% YoY growth.

EBITDA² in 2015 was NOK 113.7 million, down from NOK 141.8 million in 2014. The Group made significant investments in growth, capabilities and service offerings centered around SAM and Cloud during the reporting period, which adversely impacted EBITDA over the short term. Furthermore, the shift from CAPEX based licensing to OPEX based licensing affected the Group results negatively short-term. Newly established markets with establishment during the period 2014-2015 contributed with a negative EBITDA of NOK 46.0 million compared to NOK -21.5 million in FY 2014. In addition, HQ investments (excl. extraordinary items) in strategic personnel to develop and roll out new capabilities and service offerings incl. IP, e.g. "Cloud IQ", contributed with a negative 2015 EBITDA of NOK 21.3 million compared to NOK -11.7 million in FY 2014. The Group has performed in line with the business development plans.

Driven by increased investing activities in 2015, the Group experienced an increase in extraordinary items from NOK 4.0 million in 2014 to NOK 16.3 million in 2015. The Group also posted an increase in depreciation and amortization in 2015, up from NOK 70.4 million in 2014 to NOK 118.4 million in 2015 primarily driven by an impairment write-down of goodwill assets of NOK 40.0 million in addition to amortization of identifiable intangible assets arising from the Anglepoint transaction and translation effects from amortization arising from foreign operations. Other financial income increased from NOK 0.01 million in 2014 to NOK 31.7 million in 2015, mainly driven by the accounting gain of the sale of Crayon Software Experts LLC and Atria Solutions Sdn. Bhd shares.

The overall result before tax in 2015 was a net loss of NOK 44.5 million (after write down of goodwill of NOK 40 million) compared to a loss of NOK 5.5 in 2014.

¹ Crayon's offering towards hosters, system integrators and ISVs

² Adjusted for extraordinary items related to primarily acquisition of businesses

Balance and cashflow

The Group's cash flow from operating activities came in at NOK 45.5 million in 2015 compared to NOK 163.8 million in 2014. The total CAPEX in 2015 was NOK 34.6 million driven by investments in IT and capitalization of research and development. At the end of the year, the Group's cash and cash equivalents totaled NOK 236.3 million in 2015 compared to NOK 296.9 million in 2014. The negative cash reduction of NOK 60.6 million in 2015 compared to 2014 is mainly driven by higher investments in start-ups, M&A activity and build-up of trade working capital. The trade working capital increase experienced in 2015 compared to 2014, is primarily driven by increased operations in countries with longer payment cycles, increased service related revenue and increased direct billing to end customers. The Board continuously monitors the cash generation of the company, and will continue its efforts to maximize the cash position.

Intangible assets increased from NOK 1,020 million in 2014 to NOK 1,127 million in 2015 mainly due to the goodwill and identifiable intangible assets arising from the Anglepoint acquisition. 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, FAST Ltd. and Anglepoint Group, Inc. Impairment tests have been carried out, and a total write down of goodwill of NOK 40.0 million was done in 2015.

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. In light of the ongoing industry transformation, and the significant investments done by the company, the Board is satisfied with the overall financial result and cash position in 2015. The Board deems the Group's liquidity and financing to be satisfactory.

Based on the Annual Financial Statements and the Group's 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 2015, the Group employed 862 staff, which was an increase of 166 since the start of the year. The Group is satisfied with the working environment, and continuously strives to further improve the working environment. Absence related to sickness in the Group amounted to 3.5 percent in 2015. No material personal injuries or damage to material was registered in 2015. 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 IT industry in general is characterized by a low female employee percentage. Hence, the Group works systematically to improve the share of female employees at all levels. The Board of Directors comprises of six men, and two women. 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 and UN global compact 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"). Driven by increased operations across the globe, the Board has increased attention and focus on good business conduct including implementation of a revised anti-corruption policy.

External environment

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

Research and development

The company continue to develop its own software solutions within the SAM and Cloud 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. Crayon Group does not accept any form of harassment, 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, market, financial reporting, interest rates, foreign currency, credit 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, 2015, 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. Further, larger transactions involving currency risk are hedged by the means of forward contracts.

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 most of its products in EUR, SEK, DKK and USD. The inventory is minimal, but the exchange rate on the company's key currency pairs, e.g., NOK/EUR, NOK/SEK, NOK/DKK and NOK/USD, can have an impact on the financials 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 2015, while the remaining borrowings use floating interest. The interest rate risk 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. 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, 2015, 3 month NIBOR was 1.11%. The initial loan amount was mainly used for refinancing existing credit facilities in addition to provide additional financial flexibility. As of 31.12.2015 the tap issue was unused. Incurrence tests are attached to the bond.

Further, as of December 31, 2015, the Group had a credit facility of MNOK 100. The credit facility is used for working capital and other short-term financing purposes. Quarterly covenant tests are attached to the credit facility.

Group outlook

The Group's main focus will continue to be on the sale of SAM services, software licenses and associated consultancy services to clients in the Nordic region, along with the rest of Europe and, increasingly, the rest of the world. Key focus in 2016 will be to capitalize on the investments done in terms of capabilities, IP and new markets in addition to protecting its strong position in the Nordics. The Group focuses on organic growth in combination with strategic acquisitions. Based on the company's performance in 2015 and other implemented measures, together with the company's general position, the Board expects the company to continue on a continued upward trend in 2016. The Board will continue to focus on balancing profitability and growth, in addition to best position Crayon for the upcoming refinancing in 2017.

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 gain for the year came in at NOK 2.2 million. The parent company posted a loss of NOK 9.0 million. The allocation of the net gain for the year is shown in the financial statements.

Oslo, April 28, 2016

 Henning Vold (Chairman)	 Rune Syversen (Board Member)	 Øyvind Aasbø (Board Member)
 Waseem Shad (Board Member)	 Eivind Roald (Board Member)	 Jens Rugseth (Board Member)
 Susann Hauglie (Employee rep)	 Camilla Bertelsen (Employee rep)	 Torgrim Takle (CEO)

Crayon Group Holding AS

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, 2015 (Annual Report 2015).

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, 2015.

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 2015 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, 2015.
- * The Director's Report gives the Group and the parent company a true picture of:
 - o The development, result and position of the Group and parent company
 - o The principal risks and uncertainties faced by the Group and the company

Oslo, April 28, 2016

 Henning Vold (Chairman)	 Rune Syversen (Board Member)	 Øyvind Aasbø (Board Member)
 Waseem Shad (Board Member)	 Eivind Roald (Board Member)	 Jens Rugseth (Board Member)
 Susann Hauglie (Employee rep)	 Camilla Bertelsen (Employee rep)	 Torgrim Takle (CEO)

Consolidated Statement of Profit and Loss 1.1 - 31.12

(In thousands of NOK)	Note	2015	2014
OPERATING INCOME AND EXPENSES			
Operating revenue	2	4,687,943	3,731,813
Total operating income		4,687,943	3,731,813
Operating expenses			
Materials and supplies		3,773,034	2,905,529
Payroll and related cost	4	668,332	586,340
Depreciation and amortization	5	118,443	70,393
Other operating expenses	4, 16, 9, 18	149,113	102,105
Total operating expenses		4,708,921	3,664,367
OPERATING PROFIT		(20,978)	67,446
FINANCIAL INCOME AND EXPENSES			
Other interest income		18,400	22,374
Other financial income		31,737	88
Total financial income	17	50,137	22,462
Financial expenses			
Other interest expenses		62,796	64,628
Other financial expenses		10,864	30,812
Total financial expenses	17	73,660	95,440
NET FINANCIAL INCOME AND EXPENSES		(23,522)	(72,977)
ORDINARY RESULT BEFORE TAX		(44,501)	(5,531)
Income tax expense on ordinary result	15	(11,581)	4,882
NET INCOME	8	(32,920)	(10,416)
Allocation of net income			
Owners of Crayon Group Holding AS		(25,453)	(5,987)
Minority interest		(7,467)	(4,429)
Extended result		(32,920)	(10,416)
Conversion differences		35,079	1,004
TOTAL COMPREHENSIVE INCOME		2,159	(9,412)
Allocation of comprehensive income			
Owners of Crayon Group Holding AS		10,564	(4,983)
Minority interest		(8,404)	(4,429)
TOTAL COMPREHENSIVE INCOME ALLOCATED		2,159	(9,412)

Consolidated Balance Sheet as of 31.12

(In thousands of NOK)	Note	2015	2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Research and development	5	36,103	10,475
Technology and software	5	62,552	33,725
Concessions, licenses and patents	5	158,723	188,137
Goodwill	5, 6	862,203	780,202
Software licences	5	7,421	7,420
Total intangible assets	5	1,127,001	1,019,959
Tangible assets			
Property & equipment	5, 11	19,691	23,106
Total tangible assets		19,691	23,106
Financial assets			
Investments in associates		-	538
Other receivables		3,535	2,815
Total financial assets		3,535	3,353
TOTAL NON-CURRENT ASSETS		1,150,228	1,046,419
CURRENT ASSETS			
Inventory	3	21,424	18,475
Accounts receivable	9, 11	962,359	651,019
Income tax receivables	15	2,662	-
Other receivables		35,103	44,909
Total receivables		1,021,548	714,403
Bank deposits, cash in hand etc.	10	236,293	296,938
TOTAL CURRENT ASSETS		1,257,842	1,011,341
TOTAL ASSETS		2,408,070	2,057,760

Consolidated Balance Sheet as of 31.12

(In thousands of NOK)	Note	2015	2014
EQUITY			
Paid-in equity			
Share capital	7, 8	52,476	52,476
Own shares	7, 8	(43)	(216)
Share premium reserve		262,163	262,303
Total paid-in equity		314,595	314,563
Retained earnings			
Other equity		68,194	57,435
Total retained earnings		68,194	57,435
Total equity attributable to parent company shareholders		382,790	371,999
Minority interest		(11,060)	(2,650)
TOTAL EQUITY		371,730	369,349
LIABILITIES			
LONG-TERM LIABILITIES			
Bond loan	11,12,13	650,000	650,000
Financial liabilities	11,12,13	29,956	13,243
Deferred tax liabilities	15	41,365	47,977
Other long-term liabilities		37,425	3,552
TOTAL LONG-TERM LIABILITIES		758,746	714,772
CURRENT LIABILITIES			
Trade creditors	13	905,795	675,440
Income taxes payable	15	-	5,474
Public duties payable		180,776	149,803
Other current liabilities		191,024	142,921
TOTAL CURRENT LIABILITIES		1,277,595	973,638
TOTAL LIABILITIES		2,036,341	1,688,411
TOTAL EQUITY AND LIABILITIES		2,408,070	2,057,760

Oslo, April 28, 2016


Henning Vold (Chairman)


Rune Syversen (Board Member)


Øyvind Aasbø (Board Member)


Waseem Shad (Board Member)


Eivind Roald (Board Member)


Jens Rugseth (Board Member)


Susann Hauglie (Employee rep)


Camilla Bertelsen (Employee rep)


Torggrim Takle (CEO)

Consolidated Cash Flow Statement

(In thousands of NOK)		01.01-31.12 2015	01.01-31.12 2014
Cash flow from operating activities			
Net income before tax		(44,501)	(5,531)
Taxes paid	15	(21,436)	(14,575)
Depreciation and amortization	5	118,443	70,393
Net interest to credit institutions	13	44,395	42,254
Changes in inventory, accounts receivable/payable		(97,113)	69,257
Changes in other current assets		45,725	2,033
Net cash flow from operating activities		45,513	163,832
Cash flow from investing activities			
Acquisition of tangible assets	5	(34,639)	(19,153)
Acquisition of subsidiaries	6	(64,698)	(27,412)
Divestments	5	1,197	6,646
Purchase of own shares	8	(115)	(89)
Net cash flow from investing activities		(98,254)	(40,008)
Cash flow (used in) provided by financing activities			
Net interest paid to credit institutions	13, 17	(43,888)	(87,786)
Change in subsidiaries	6	19,298	(82)
Proceeds from issuance of interest-bearing debt	12	-	650,000
Repayment of interest-bearing debt		(607)	(624,442)
Change in other long-term debt		6,072	396
Net cash (used in) provided by financing activities		(19,125)	(61,914)
Net increase (decrease) in cash and cash equivalents		(71,866)	61,910
Cash and cash equivalents at beginning of period		296,938	225,329
Currency translation on cash and cash equivalents		11,221	9,700
Cash and cash equivalents at end of period		236,293	296,938

Condensed Consolidated Statements of Changes in Shareholders' Equity

(In thousands of NOK)

Year to date period ending 31 December	Share capital	Own shares	Share premium reserve	Other Equity	Minority share	Total equity
Equity as of 01.01.2014	52,476	(202)	262,378	7,477	4,924	327,053
Share repurchase (net)		(15)	(75)			(90)
Net income as of 31.12.2014				(5,988)	(4,429)	(10,416)
Acquisitions and divestments				2,593	658	3,251
Reclassification minority-majority				3,803	(3,803)	-
Currency translation				1,004		1,004
Equity as of 31.12.2014	52,476	(216)	262,303	8,890	(2,650)	320,802
FX translation on PPA and goodwill				48,546		48,546
Restated equity as of 31.12.2014	52,476	(216)	262,303	57,435	(2,650)	369,349
Equity as of 01.01.2015	52,476	(216)	262,303	57,435	(2,650)	369,349
Opening balance adjustments		163	(194)	(22)	(6)	(59)
Restated equity as of 01.01.2015	52,476	(53)	262,109	57,413	(2,656)	369,289
Share repurchase (net)		10	54	11		75
Other				207		207
Net income as of 31.12.2015				(25,453)	(7,467)	(32,920)
Currency translation				36,016	(937)	35,079
Equity as of 31.12.2015	52,476	(43)	262,163	68,194	(11,060)	371,730

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 April 28, 2016.

1.1 FUNDAMENTAL PRINCIPLES

Consolidated Financial Statements for Crayon Group Holding AS for the financial year 2015 have been prepared in accordance with International Standards for Financial Reporting (IFRS) and interpretations determined by the International Accounting Standards Board (IASB), effective from 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 occur, 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 CRITICAL ACCOUNTING ESTIMATES

The most important estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to impairment assessment of goodwill and other intangible assets. Goodwill has an indefinite useful life and is tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The assessment of impairment for 2015 is based on management assumptions using conservative estimates with regard to future cash flows and discount rates.

1.3 NEW AND CHANGED ACCOUNTING STANDARDS

No new standards have been adopted for the first time for the financial year beginning on or after 1 January 2015 having a material impact on the Group.

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 2015. These standards are not mandatory for the fiscal year 2015.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, 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 for 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 P&L. 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.

IFRS 16, 'Leases' changes the accounting principles for leasing contracts and will require lessees to recognize most lease liabilities in the balance sheet together with corresponding assets. Expenses will be recognized as depreciation of the asset and interest expense of the liability rather than being classified as on operating expense. The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. The Group is assessing the impact of IFRS 16.

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.

1.4 CONSOLIDATION PRINCIPLES

The Consolidated Financial Statements include Crayon Group Holding AS and its subsidiaries ICE Distribution hf and Crayon Group AS.

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

Inmeta Consulting AS	Crayon OY	Crayon Software Licensing Unipessoal LDA
Crayon AS	Crayon Software Experts Spain SL	Fast Compliance Ltd
Map License AS	Crayon UK Ltd	Crayon Software Experts Philippines Inc
Crayon A/S	Crayon Middle East UAE (branch)	Atria Solutions Sdn Bhd
Ellekær 9 A/S	Crayon Iceland ehf.	Atria Technologies Pte Ltd
Crayon AB	Crayon Software Experts Holding LLC	Crayon Software Experts India Pvt Ltd
Crayon DMCC		

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

Crayon Pte Ltd (90%)	Crayon France SAS (75%)	Anglepoint Group Inc (74%)
Crayon Schweiz AG (87,5%)	Crayon Austria GmbH (75%)	Software Wholesale International Inc (74%)
Crayon Software Experts Malaysia Sdn Bhd (85%)	Crayon Deutschland GmbH (74,2%)	Crayon Global Services GmbH (74%)
Crayon BV (80%)	Crayon Cloud Consulting GmbH (74,2%)	Esito AS (51%)
Kryptos Networks Pte Ltd (80%)	Crayon Software Experts LLC (74%)	Puzzlepart AS (50,1%)
Kryptos Networks Pvt Ltd (80%)		

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 accounts.

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.

1.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and bank deposits. The cash flow statement is prepared using the indirect method.

1.6 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 not, 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.

1.7 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.

1.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost, minus accumulated depreciation and impairments. When assets are sold or disposed, the carrying value is reversed. 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 making the asset 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.

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

1.9 FINANCIAL ASSETS

Loans and receivables are non-derivate 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.

1.10 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 is reviewed annually. Intangible assets with an indefinite useful economic life are not depreciated, but are tested annually for impairment.

1.11 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, minus any accumulated depreciation. Goodwill is tested annually for impairment, 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.

1.12 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.

1.13 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 minus accumulated depreciation and amortization. Capitalized development costs are depreciated linearly over the estimated useful life.

1.14 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 rates 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.

1.15 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 P&L. Transactions directly related to an equity transaction are recognized directly in equity net of tax.

1.16 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 said 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 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 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 when earned.

1.17 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.

1.18 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.

1.19 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.

1.20 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.

1.21 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, internal profit on sales between the various segments is eliminated.

1.22 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.

1.23 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.

1.24 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 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's 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.

1.25 ASSET MANAGEMENT

The Group has adequate capitalization to secure freedom of action. Covenants are attached to the Group's loans. As of December 31, 2015, the Group had a credit facility 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

(In thousands of NOK)

Revenue per market cluster	2015	2014
Nordics	3,547,206	3,255,789
Growth Markets	660,403	446,432
Start-ups	474,815	56,946
USA acquisitions	39,126	
HQ & eliminations	(33,606)	(27,355)
Total	4,687,943	3,731,813

Gross profit per market cluster	2015	2014
Nordics	685,071	691,966
Growth Markets	167,501	133,912
Start-ups	36,505	3,939
USA acquisitions	25,326	
HQ & eliminations	504	(3,534)
Total	914,908	826,284

Gross margin (%) per market cluster	2015	2014
Nordics	19.3 %	21.3 %
Growth Markets	25.4 %	30.0 %
Start-ups	7.7 %	6.9 %
USA acquisitions	64.7 %	
HQ & eliminations	nmf.*	nmf.*
Total	19.5 %	22.1 %

EBITDA per market cluster	2015	2014
Nordics	176,836	163,880
Growth Markets	(1,116)	11,136
Start-ups	(45,957)	(21,509)
USA acquisitions	5,247	
HQ & eliminations	(21,262)	(11,709)
Total	113,748	141,798

EBITDA margin (%) per market cluster	2015	2014
Nordics	5.0 %	5.0 %
Growth Markets	-0.2 %	2.5 %
Start-ups	-9.7 %	-37.8 %
USA acquisitions	13.4 %	
HQ & eliminations	nmf.*	nmf.*
Total	2.4 %	3.8 %

Revenue per Business Area	2015	2014
Licensing	2,907,231	2,331,398
xSP	1,247,703	886,157
SAM	202,008	157,675
Consulting	352,039	381,428
Admin & shared services	(21,038)	(24,845)
Total	4,687,943	3,731,813

Gross profit per Business Area	2015	2014
Licensing	345,421	325,156
xSP	94,222	59,862
SAM	178,907	138,964
Consulting	285,041	302,546
Admin & shared services	11,318	(245)
Total	914,908	826,284

Gross margin (%) per Business Area	2015	2014
Licensing	11.9 %	13.9 %
xSP	7.6 %	6.8 %
SAM	88.6 %	88.1 %
Consulting	81.0 %	79.3 %
Admin & shared services	nmf.*	nmf.*
Total	19.5 %	22.1 %

EBITDA per Business Area	2015	2014
Licensing	127,580	151,859
xSP	53,027	34,164
SAM	2,971	34,453
Consulting	42,178	13,719
Admin & shared services	(112,009)	(92,397)
Total	113,748	141,798

EBITDA margin (%) per Business Area	2015	2014
Licensing	4.4 %	6.5 %
xSP	4.2 %	3.9 %
SAM	1.5 %	21.9 %
Consulting	12.0 %	3.6 %
Admin & shared services	nmf.*	nmf.*
Total	2.4 %	3.8 %

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 one-off 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 geographical market clusters and functional divisions. The geographical market clusters are composed of operating countries with similar maturity. "Nordics" is composed of Norway, Sweden, Denmark, Finland and Iceland. "Growth Markets" is composed of Germany, Middle East, France and UK. "Start-ups" is composed of markets with inception point during 2014-2015 timeframe (i.e. India, Singapore, Malaysia, Philippines, Austria, Netherlands, Spain, Portugal, US and Switzerland), while "USA acquisitions" represents the post-closing financial contributions from the Anglepoint and SWI acquisitions in the US. "HQ & eliminations" includes corporate administration costs (excl. one-off items), unallocated global shared cost and eliminations. The operational units that form a natural reporting segment are the Licensing, xSP, SAM and Consulting units. "Admin & shared services" includes administrative costs, corporate administration costs, unallocated global shared cost and eliminations. 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 hosters, system integrators and ISVs, 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.

*Nmf. means not meaningful

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

(In thousands of NOK)

Payroll expenses	2015	2014
Wages and salaries	545,327	471,881
Social security	78,395	66,784
Pension expenses	30,242	28,849
Other benefits	14,368	18,825
Payroll expenses	668,332	586,340

Average number of employees	807	700
Women	26.7 %	27.0 %

Compensation to the members of the Board amounted to NOK 100k and is equal to that paid and reported in 2014.

Compensation to the executive management in 2015 is detailed below. The Group CEO is entitled to 6 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.

(In thousands of NOK)

2015	Salary	Bonus	Pension	Total
Chairman of Crayon AS	3,037	-	70	3,107
CEO of Crayon Group Holding	1,903	1,168	70	3,104
CEO of Crayon Group	3,092	100	70	3,262
Total	8,013	1,268	211	9,510

2014	Salary	Bonus	Pension	Total
Chairman of Crayon AS	3,031	1,500	68	4,599
CEO of Crayon Group Holding	1,510	135	68	1,713
CEO of Crayon Group	2,972	1,250	68	4,209
Total	7,513	2,885	204	10,602

The above mentioned functions represent the Group's executive leadership.

Auditor

Fees for audit and audit-related services in the Group are expensed at NOK 1 940k (without tax) in 2015 (2014: NOK 1 598k) and compensation for financial assistance is expensed at NOK 816k (without tax) (2014: NOK 438k).

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

(In thousands of NOK)

Fixed assets 2015	IT systems and equipment	Office furnishings, fixtures and cars	Total
Acquisition cost 01.01.2015	38,486	14,725	53,211
Additions	19,542	7,639	27,181
Additions from acquisitions	1,213	3,137	4,349
Reclassifications**	(31,744)	-	(31,744)
Disposals	(113)	(985)	(1,098)
Acquisition cost 31.12.2015	27,384	24,516	51,900
Accumulated depreciation 01.01.2015	20,849	9,256	30,105
Reclassifications**	(16,011)	-	(16,011)
Depreciation/impairment 2015	12,952	5,162	18,114
Accumulated depreciation 31.12.2015	17,790	14,418	32,208
Net value per 31.12.2015	9,593	10,098	19,691
Depreciation period	1-5 years	1-5 years	
Depreciation method	Linear	Linear	

Intangible assets 2015	Software licenses	Goodwill	Research and development
Acquisition cost 01.01.2015	7,420	780,202	30,613
Reclassifications**			31,744
Additions	1	96,410	14,772
Additions from acquisitions	-	-	802
FX translation*	-	25,576	-
Acquisition cost 31.12.2015	7,421	902,189	77,931
Amortization 01.01.2015	-	-	20,148
Reclassifications**	-	-	16,011
Amortization	-	-	5,669
Impairment****	-	39,986	-
Accumulated amortization and impairment 31.12.2015	-	39,986	41,828
Net value 31.12.2015	7,421	862,203	36,103
Amortization period	None	None	1-10 years
Amortization method	None	None	Linear

Intangible assets 2015	Concessions, licenses and patents	Technology and software	Total
Acquisition cost 01.01.2015	344,896	40,040	1,203,171
Reclassifications**	-	-	31,744
Additions	17,443	28,324	156,950
Additions from acquisitions	-	-	802
FX translation*	3,772	4,548	33,896
Acquisition cost 31.12.2015	366,111	72,912	1,426,564
Amortization 01.01.2015	156,759	6,315	183,222
Reclassifications**			16,011
Amortization	50,629	4,045	60,343
Impairment	-	-	39,986
Accumulated amortization 31.12.2015	207,388	10,360	299,562
Net value 31.12.2015	158,723	62,552	1,127,001
Amortization period	1-10 years	1-10 years	
Amortization method	Linear	Linear	

Fixed assets 2014***	IT systems and equipment	Office furnishings, fixtures and cars	Total
Acquisition cost 01.01.2014	33,267	13,064	46,331
Additions purchased assets	12,856	3,271	16,126
Disposals/retirements	(7,637)	(1,610)	(9,247)
Acquisition cost 31.12.2014	38,486	14,725	53,211
Accumulated depreciation 01.01.2014	14,781	7,578	22,359
Depreciation	12,886	3,288	16,174
Disposals/retirements	(6,818)	(1,610)	(8,428)
Accumulated depreciation 31.12.2014	20,849	9,256	30,105
Net value 31.12.2014	17,637	5,469	23,106
Depreciation period	1-5 years	1-5 years	
Depreciation method	Linear	Linear	

Intangible assets 2014	Software licenses	Goodwill	Research and development
Acquisition cost 01.01.2014	7,420	727,453	35,664
Additions	-	18,132	5,303
Disposals/retirements			(10,344)
Acquisition cost 31.12.2014	7,420	745,585	30,623
Amortization 01.01.2014	-	-	26,517
Amortization	-	-	3,965
Disposals/retirements	-	-	(10,334)
Accumulated amortization 31.12.2014	-	-	20,148
Net value 31.12.2014	7,420	745,585	10,475
FX translation*	-	34,617	-
Net value 31.12.2014 restated	7,420	780,202	10,475
Amortization period	None	None	1-10 years
Amortization method	None	None	Linear

Intangible assets 2014	Concessions, licenses and patents	Technology and software	Total
Acquisition cost 01.01.2014	334,854	31,589	1,136,980
Additions	-	-	23,425
Disposals	-	-	(10,344)
Acquisition cost 31.12.2014	334,854	31,589	1,150,071
Amortization 01.01.2014	109,664	3,156	139,337
Amortization	47,095	3,159	54,219
Disposals/retirements	-	-	(10,334)
Accumulated amortization 31.12.2014	156,759	6,315	183,212
Net value 31.12.2014	178,095	25,274	966,849
FX translation*	10,042	8,451	53,110
Net value 31.12.2014 restated	188,137	33,725	1,019,969
Amortization period	1-10 years	1-10 years	
Amortization 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.

Goodwill impairments of NOK 40.0m relate to following CGUs: Consulting Norway (NOK 21.3m), Consulting Sweden (NOK 10.1m), ICE Distribution (NOK 3.3m), Crayon South-East Asia (NOK 5.2m).

Goodwill split by CGU	2015	5 year sales CAGR assumption	2014	4 year sales CAGR assumption
Licensing Norway (Inmeta Crayon PPA)	267,967	5%	267,967	5%
Consulting Norway (Inmeta Crayon PPA)	149,713	6%	171,055	5%
Puzzlepart	5,927	11%	-	N/A
Licensing Sweden (Inmeta Crayon PPA)	52,991	5%	52,991	6%
Consulting Sweden (Inmeta Crayon PPA)	7,604	23%	17,741	7%
Crayon Denmark (Inmeta Crayon PPA and Again PPA)	89,859	6%	75,034	11%
Crayon Finland (Inmeta Crayon PPA)	47,623	5%	47,623	9%
Crayon Germany (Inmeta Crayon PPA)	15,948	17%	15,948	27%
Cloud Consulting (Germany)	2,282	19%	-	N/A
Fast (Fast PPA)	114,285	14%	75,778	24%
Kryptos (India)	18,604	7%	18,132	48%
ICE Dist (Iceland)	-	N/A	3,316	12%
Anglepoint (Anglepoint PPA)	79,895	19%	-	N/A
Crayon US (SWI)	9,118	20%	-	N/A
Crayon SEA (Atria)	-	N/A	-	N/A
Other	387	N/A	-	N/A
Total	862,203		745,585	

Group pre-tax WACC of 12.6% has been applied for impairment testing of all CGUs in 2015 with the exception of Kryptos (applied a market risk premium of 3.3%, i.e. applied WACC of 15.5%)

In 2014 Group post-tax WACC of 8.7% was applied for impairment testing of all CGUs.

* According to IAS 21 47, any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate. 2014 balances have been restated to 2014 end rate.

** IT development costs reclassified from IT systems and equipment to Research & development in 2015.

*** 2014 figures have been reclassified between fixed asset categories, including acquisition cost and accumulated depreciation. No impact on total amounts.

NOTE 6 - Acquisition Of Business 2015

All balance sheet values are stated at NOK end rate 31.12.2015

Atria Technologies Pte Ltd

In July 2015, Crayon Group AS bought 100% of the shares in Atria Technologies Pte Ltd.

(In thousands of NOK)

Acquisition analysis

100% of the shares Atria Technologies Pte Ltd

Purchase consideration	4,319
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Total	4,319
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Book Values

Assets	7,422
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Liabilities	8,709
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Equity	(1,287)
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Existing goodwill	-
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Value to distribution	(1,287)
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Customer relations	-
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Technology and software	-
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Deferred tax on unrealized gains	-
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Net identifiable unrealized gains	-
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Goodwill (CGU: Crayon SEA)	5,605
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In 2015, Atria Technologies Pte Ltd contributed with NOK 1.0m in EBITDA (NOK 30.3m revenue) in the consolidated profit & loss.

The company contributed with EBITDA NOK 1.8m (NOK 32.3m revenue) from January 1st proforma adjusted.

Atria Solutions Sdn Bhd

In July 2015, Crayon Group AS bought 100% of the shares in Atria Solutions Sdn Bhd

(In thousands of NOK)

Acquisition analysis

100% of the shares Atria Solutions Sdn Bhd

Purchase consideration	2,867
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Total	2,867
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Book Values

Assets	4,221
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Liabilities	964
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Equity	3,258
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Existing goodwill	-
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Value to distribution	3,258
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Customer relations	-
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Technology and software	-
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Net identifiable unrealized gains	-
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Goodwill (CGU: Crayon SEA)	(391)
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In 2015, Atria Solutions Sdn Bhd contributed with NOK 0.4m in EBITDA (NOK 3.7m revenue) in the consolidated profit & loss.

The company contributed with EBITDA NOK 0.4m (NOK 3.8m revenue) from January 1st proforma adjusted.

Software Wholesale International Inc.

In July 2015, Crayon Group AS purchased 100% of the shares in Software Wholesale International Inc through the 74% owned US subsidiary Crayon Software Experts LLC.

(In thousands of NOK)

Acquisition analysis

100% of the shares of Software Wholesale International Inc.

Purchase consideration	8,702
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Total	8,702
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Book Values

Assets	5,360
--------	-------

Liabilities	(5,776)
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Equity	(416)
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Existing goodwill	-
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Value to distribution	(416)
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Customer relations	-
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Technology and software	-
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Deferred tax on unrealized gains	-
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Net identifiable unrealized gains	-
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Goodwill (CGU: Crayon US)	9,118
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In 2015, Software Wholesale International Inc. contributed with MNOK -0.05 in EBITDA (NOK 14.8m revenue) in the consolidated income statement.

The company contributed with EBITDA NOK 1.6m (NOK 70.8m revenue) from January 1st proforma adjusted.

Anglepoint Group Inc.

In September 2015, Crayon Group AS purchased 100% of the shares in Anglepoint Group Inc. through the 74% owned US subsidiary Crayon Software Experts LLC.

(In thousands of NOK)

Acquisition analysis

100% of the shares Anglepoint Group Inc.

Purchase consideration	113,916
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Total	113,916
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Book Values

Assets	21,646
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Liabilities	14,042
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Equity	7,604
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Existing goodwill	-
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Value to distribution	7,604
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Customer relations	17,094
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Technology and software	30,158
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Litigation and claims	(221)
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Deferred tax on unrealized gains	(20,614)
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Net identifiable unrealized gains	26,418
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Goodwill (CGU: Anglepoint)	79,895
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In 2015, Anglepoint Group Inc. contributed with NOK 5.3m in EBITDA (NOK 24.3m revenue) in the consolidated profit & loss.

The company contributed with NOK 20.7m in EBITDA (NOK 87.5m revenue) from January 1st proforma adjusted.

Puzzlepart AS

In December 2015, Crayon Group AS bought 50,1% of the shares in Puzzlepart AS.

(In thousands of NOK)

Acquisition analysis

50.1% of the shares Puzzlepart AS

Purchase consideration	7,515
Total	7,515

Book Values

Assets	3,543
Liabilities	1,954
Equity	1,588
Existing goodwill	-
Value to distribution	1,588

Customer relations	-
Technology and software	-
Deferred tax on unrealized gains	-
Net identifiable unrealized gains	-

Goodwill (CGU: Puzzlepart)	5,927
-----------------------------------	--------------

In 2015, Puzzlepart AS contributed with NOK -0.3m in EBITDA (NOK 1.3m revenue) in the consolidated profit & loss.

The company contributed with NOK 0.9m in EBITDA (NOK 21.5m revenue) from January 1st proforma adjusted.

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 42,992 of its own shares to facilitate employee share purchases.

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 2016, but no longer than July 31, 2016.

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

Shareholder's name	Shareholding
Norvestor Holding I AS	59.5 %
Sevens AS	8.0 %
Rugz II AS	6.5 %
Frank Mortensen Holding AS	5.2 %

The company's trustees have shares in the company:

Officer	Number of shares
Rune Syversen, Sevens AS	4,192,576
Jens Rugseth, Rugz II AS	3,384,992

NOTE 8 - Earnings per Share (NOK)

The Group's earnings per share are calculated as:	2015	2014
Operating result after tax (in thousands of NOK)	(32,920)	(10,416)
Outstanding common shares (in thousands)	52,476	52,476
Earnings per share	(0.63)	(0.20)
Own shares (in thousands)	43	216
Average shares outstanding minus own shares (in thousands)	52,433	52,260
Net earnings per shares outstanding	(0.63)	(0.20)
Number of outstanding shares per 01.01	52 475 667	52 475 667
Number of outstanding shares per 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.

Receivables outstanding	2015
Not due	69,23%
Due for more than 30 days	18,25%
Due for more than 60 days	6,09%
Due for more than 90 days	7,12%
Due for more than 120 days	-0,71%

The ageing split includes intercompany receivables.

(In thousands of NOK)

Bad debt provision in balance sheet	2015
Opening balance 01.01	(1,359)
Additions from acquisitions	(178)
Currency effect	(195)
Net provisions 2015	(442)
Closing balance 31.12	(2,174)

Income statement effect of bad debt	2015
Realized losses	214
Net reversal of provisions	(290)
Provisions for bad debts	517
Net accounting losses on receivables	442

The Group has historically had low losses on receivables. In 2015, the Group continued the intensified efforts to collect outstanding receivables, and has this area well under control.

NOTE 10 - Cash

For 2015, NOK 14 069k of the total bank deposits is restricted cash. For 2014 it was NOK 14 470k. The amounts consist in full of Employee Taxes Withheld.

NOTE 11 - Collateral And Guarantees

(In thousands of NOK)

Mortgages	2015	2014
Bond loan	650,000	650,000
Currency swap	29,956	13,243
Debts secured by mortgages	679,956	663,243
Pledged assets		
Accounts receivable	2 000 000	2 000 000
Property, plant and equipment	2 000 000	2 000 000
Inventories	-	-
Total assets pledged	2 000 000	2 000 000

The book values of pledged assets are as specified in the balance sheet.

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

(In thousands)

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

(In thousands of NOK)

Maturity	Payment
	Bond issue 2014/2014
2014	-
2015	-
2016	-
2017	650,000
Total	650,000
Bond principal	650,000
Currency swap	29,956
Total financial long-term liabilities	679,956

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, 2015, 3 month NIBOR was 1.11%.

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 30m. Approximately 50% of the bond principal is interest hedged, and the effective interest rate for the bond as of December 31, 2015 was approximately 6.3%.

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 AS 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, 2015, the Group was within the limits of the covenants.

NOTE 13 - Financial Risk

Currency risk

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, 2015, 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. Further, larger transactions involving currency risk are hedged by the means of forward contracts.

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 most of its products in EUR, SEK, DKK and USD. The inventory is minimal, but the exchange rate on the company's key currency pairs, e.g., NOK/EUR, NOK/SEK, NOK/DKK and NOK/USD, can have an impact on the financials 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

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 2015, while the remaining borrowings use floating interest. As a consequence of a higher interest on the company's fixed interest products compared to the floating rate, the company per 31.12.2015 has as a future liability until due date of the fixed interest products amounting to NOK 4 131k. The interest rate risk is considered to be at an acceptable level.

Liquidity risk

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 also has significant liquidity reserves available through credit facilities with its primary bank, as a result of which liquidity risk is deemed to be low.

Credit risk

The Group has historically had low losses on receivables. The Group has not experienced materially greater losses on receivables in 2015 than in previous years, however given increased operations of the Group in new markets outside the core Nordic region, which also entails different credit risk environments, the Group has intensified its efforts to collect outstanding receivables. The Group deems credit risk to be at an acceptable level.

Sensitivity

The Group has identified currency risk (foreign exchange risk, primarily with respect to EUR, SEK, DKK, GBP and USD) and floating interest rate risk as the two important financial risk factors it is exposed to. Table A below outlines how fluctuations in currency risks will affect the Group's EBITDA, while table B outlines how fluctuations in interest rate risks will affect the Group's net financial income and expenses.

Table A

(In thousands of NOK)

Currency	2015 EBITDA*	NOK appreciates 10%	NOK depreciates 10%	2014 EBITDA*	NOK appreciates 10%	NOK depreciates 10%
SEK	37,689	(3,769)	3,769	26,854	(2,685)	2,685
DKK	18,667	(1,867)	1,867	17,043	(1,704)	1,704
GBP	16,703	(1,670)	1,670	16,092	(1,609)	1,609
EUR	2,386	(239)	239	16,254	(1,625)	1,625
USD	(9,906)	991	(991)	(3,373)	337	(337)
Effect of sensitivity		(6,554)	6,554		(7,287)	7,287

*Cf. Note 2

Table B

(In thousands of NOK)

Interest rate risk	Effect on net financial income and expenses*	
	+100bps	-100bps
NIBOR	(2,432)	2,432
STIBOR	(318)	318
CIBOR	(235)	235
LIBOR	(265)	265
EURIBOR	(219)	219
Effect of sensitivity	(3,468)	3,468

*Compared to interest levels as of 31.12.2015

NOTE 14 - Related Parties

A related party is defined as being either a member of the same group, having significant influence over the entity, or being a member of the key management personnel. 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 2015.

NOTE 15 - Tax

Net income tax expense consists of the following:

(In thousands of NOK)

Income tax expense	2015	2014
Income tax on net profit	2,124	3,438
Deferred taxes	(13,704)	1,443
Total	(11,581)	4,882

The income tax expense differs from the amounts computed when applying the Norwegian statutory tax rate to income before income taxes as a result of the following:

(In thousands of NOK)

Reconciliation of tax charge	2015	2014
Income before income tax expense	(44,501)	(5,534)
Norwegian statutory rate	27%	27%
Provision for income taxes at statutory rate	(12,015)	(1,494)

Increase (decrease) in income taxes from:

Effect of tax rates other than statutory tax rate in Norway	2,115	(2,579)
Changes in unrecognized deferred tax assets	5,168	7,983
Other permanent items	(6,848)	971
Total income tax expense	(11,581)	4,882

The tax effects of the Company's temporary differences are as follows:

(In thousands of NOK)

Basis for recognized deferred tax liabilities	2015	2014
Current assets	(375)	(375)
Fixed assets	187,733	173,437
Long-term debt	(3,387)	(1,636)
Tax losses carried forward	(18,515)	(10,637)
Deferred tax liabilities	165,460	160,789
Deferred tax	41,365	47,977
Tax rate in Norway	25%	27%

Deferred taxes on purchase price allocations in countries other than Norway are calculated at the time of acquisition based on local tax rates:

Acquisition	Country	Tax rate
Fast Compliance Ltd.	UK	24%
Again A/S	Denmark	25%
Anglepoint Group Inc.	USA	44%

2014 DTL has been restated by NOK 4,6m due to FX translation effect on PPA

NOTE 16 - Acquisition Costs

In 2015, the company had one-off costs primarily related to the acquisition and sale of businesses of NOK 16 283k. These costs are included in other operating expenses.

NOTE 17 - Financial Income And Expenses

(In thousands of NOK)

Financial income	2015	2014
Interest income from bank deposits	15,716	20,186
Interest income from accounts receivable	2,685	2,188
Total other interest income	18,400	22,374

Gain on sale of shares	31,598	-
Other financial income	139	88
Total other financial income	31,737	88

Total financial income	50,137	22,462
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Financial expenses

Interest expense credit institutions	20,457	34,551
Interest shareholder loan	378	10,236
Interest bond loan	41,961	19,841
Total other interest expenses	62,796	64,628

Net foreign currency loss	8,709	17,146
Write-down of financial assets (reversal)	(1,456)	-
Other financial expenses	3,611	13,666
Total other financial expenses	10,864	30,812

Total financial expenses	73,660	95,440
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NOTE 18 - Operating Leases

Total leasing cost for 2015 was NOK 25 734k, split on Buildings 21 781k, Cars 3 603k and Other 350k. The Company has operating lease commitments expiring at various dates through 2025. Future minimum payments related to non-cancellable operating leases were as follows:

(In thousands of NOK)	December 31, 2015
2016	28,063
2017	24,811
2018	20,951
2019	16,046
2020	15,660
thereafter	20,713
Total	126,244

The future minimum payments under the Company's operating leases are for the following types of property:

Buildings	117,453
Cars	8,366
Office Equipment	424
Total	126,244

Financial Statements 2015 for **Crayon Group Holding AS**

Business Registration Number 99760234 MVA

Crayon Group Holding AS

Statement of Profit and Loss 1.1 - 31.12

(In thousands of NOK)

	Note	2015	2014
OPERATING INCOME AND EXPENSES			
Payroll expenses	1, 2	580	480
Other operating expenses	2	1,416	1,578
Total operating expenses		1,996	2,058
OPERATING PROFIT		(1,996)	(2,058)
FINANCIAL INCOME AND EXPENSES			
Income from subsidiaries and other group entities	3	55,691	84,887
Interest income from group entities		68	-
Other interest income		12,407	6,457
Other financial income		17,477	9,671
Impairment financial fixed assets	3	2,894	-
Other interest expenses		54,356	47,477
Other financial expenses		37,210	29,331
NET FINANCIAL INCOME AND EXPENSES		(8,817)	24,207
ORDINARY RESULT BEFORE TAX		(10,813)	22,149
Income tax expense on ordinary result	4	(1,768)	2,349
NET INCOME		(9,045)	19,800
Brought forward			
To other equity	5	-	19,800
Loss brought forward		9,045	-
Net brought forward		(9,045)	19,800

Balance Sheet as of 31.12

(In thousands of NOK)

	Note	2015	2014
NON-CURRENT ASSETS			
Intangible assets			
Deferred tax asset	4	4,629	2,861
Total intangible assets		4,629	2,861
Financial assets			
Investments in subsidiaries	3	784,154	787,047
Total financial assets		784,154	787,047
		-	-
TOTAL NON-CURRENT ASSETS		788,782	789,908
CURRENT ASSETS			
Debtors		-	-
Other receivables	1	140,984	166,481
Total debtors		140,984	166,481
Bank deposits, cash in hand etc.		115,380	71,251
TOTAL CURRENT ASSETS		256,364	237,732
TOTAL ASSETS		1,045,146	1,027,641
EQUITY AND LIABILITIES			
Paid-in equity			
Share capital	5, 6	52,476	52,476
Own shares	5, 6	(43)	(216)
Share premium reserve	5	262,357	262,303
Total paid-in equity		314,790	314,563
Retained earnings			
Other equity	5	30,130	39,327
Total retained earnings		30,130	39,327
TOTAL EQUITY		344,920	353,890

LIABILITIES

Other long-term liabilities			
Bonds	7,8	650,000	650,000
Financial liabilities	7	29,956	13,243
Total other long-term liabilities		679,956	663,243

CURRENT LIABILITIES

Liabilities to financial institutions		8,377	1
Trade creditors		454	-
Tax payable	4	-	1,369
Other short term liabilities		11,439	9,138
TOTAL CURRENT LIABILITIES		20,270	10,508

TOTAL LIABILITIES		700,226	673,751
TOTAL EQUITY AND LIABILITIES		1,045,146	1,027,641

Oslo, April 28, 2016


Henning Vold (Chairman)


Rune Syversen (Board Member)


Øyvind Aasbø (Board Member)


Waseem Shad (Board Member)


Eivind Roald (Board Member)


Jens Rugseth (Board Member)


Susann Hauglie (Employee rep)


Camilla Bertelsen (Employee rep)


Torgir Takle (CEO)

Cash Flow Statement

(In thousands of NOK)

	01.01-31.12	01.01-31.12
	2015	2014
Cash flow from operating activities		
Profit before tax	(10,813)	22,149
Taxes paid	(1,369)	-
Depreciation and amortisation	2,894	-
Net interest to credit institutions	42,855	41,020
Changes in invent., rec./payables	454	-
<u>Changes in other current balance assets</u>	<u>44,701</u>	<u>(25,556)</u>
Net cash provided by operating activities	78,723	37,613
Cash flow from investing activities		
Acquisition of tangible fixed assets	-	-
Acquisition of subsidiary	-	(3,145)
Divestments	-	-
<u>Purchase of own shares</u>	<u>(115)</u>	<u>-89</u>
Net cash used in investing activities	(115)	(3,234)
Cash flow (used in) provided by financing activities		
Net interest paid to credit institutions	(42,855)	(41,020)
Change in subsidiaries	-	-
Proceeds from issuance of interest bearing debt	-	663,243
Repayment of interest bearing debt		(610,386)
<u>Change in other long term debt</u>	<u>8,376</u>	<u>-</u>
Net cash (used in) provided by financing activities	(34,479)	11,837
Net increase (decrease) in cash and cash equivalents	44,129	46,217
Cash and cash equivalents at beginning of period	71,251	25,034
<u>Currency translation on cash and cash equivalents</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents end of period	115,380	71,251

Accounting principles

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

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 25%. 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):

(In thousands of NOK)	2015	2014
Receivables		
Received group contribution	55,691	84,887
Other receivables	78,901	75,062
Total receivables	134,592	159,950

Liabilities

Total liabilities	-	-
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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)	2015	2014
Purchases of services:		
Purchases from Crayon Group AS	580	480
Total purchases	580	480
Sales of services		
Sales of services	-	-
Total sales of services	-	-

NOTE 2 – Other operating expenses

The company has no employees. Compensation to the members of the Board amounted to NOK 100 000 in 2015.

The company has paid remuneration to the auditor in the following amounts:

(In thousands of NOK)	2015	2014
Expensed auditor's fees	235	95
Other services related to auditing	196	332
Total	431	427

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:

(In thousands of NOK)	Registered office	Historical cost	Book value	Ownership interest and voting rights	Net profit/loss	Company's equity
Company						
Crayon Group AS	Oslo	783,903	783,903	100%	53,595	501,504
ICE Distribution hf	Reykjavik	3,145	251*	100%	(2,578)	(206)

* Impairment shares in ICE Distribution hf in 2015 equals NOK 2 893 825.

Crayon Group Holding AS has received the following group contributions in 2015:

(In thousands of NOK)	
Crayon AS	42,865
Inmeta Consulting AS	12,526
Map License	300
Total	55,691

Group accounts have been made for Crayon Group Holding AS. Accounts are available from:

Crayon Group Holding AS
Sandakerveien 114 A
0484 OSLO

NOTE 4 – Tax

(In thousands of NOK)	2015	2014
Tax payable on profit for the year	-	1,369
Change in deferred tax	1,768	980
Total taxes for the year	1,768	2,349

Specification of the tax base:

Profit before income tax	(10,813)	22,149
+ Permanent differences	(52,797)	(84,907)
+ Changes in temporary differences	-	-
+ Received group contributions	55,691	66,387
+ Limited deduction for interest on related parties	-	5,070
- Use of losses carry-forward	7,919	(3,629)
= Tax base	-	5,070

Specification of tax expenses:

Tax payable on profit for the year	-	1,369
= Total tax payable	-	-
+/- Changes in tax rate	370	-
+/- Change in deferred tax/tax assets	(2,138)	980
= Income tax expense	(1,768)	2,349

Tax payable in the balance sheet consists of:

Total tax payable	-	1,369
= Tax payable in the balance sheet	-	1,369

Deferred tax/deferred tax assets

	2015	2014
- Tax losses carried forward not previously recognized	(18,515)	(10,596)
= Basis for deferred tax	(18,515)	(10,596)
Deferred tax	-	-
Negative basis for deferred tax	18,515	10,596
= Basis for deferred tax asset	18,515	10,596
Deferred tax asset	-	-
Tax rate 31.12 (%)	25%	27%

Deferred tax assets can be set off against future income.

NOTE 5 – Equity

(In thousands of NOK)	Share capital	Treasury shares	Premium fund	Other equity	Total equity
Per 01.01.	52,476	(216)	262,303	39,327	353,890
Purchase of shares	-	173	54	(152)	76
+ net profit 2015	-	-	-	(9,045)	(9,045)
	-	-	-	-	-
Per 31.12.	52,476	(43)	262,357	30,130	344,920

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 42 993 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 2016, but no longer than July 31, 2016.

The company's 9 major shareholders, who own more than 1% of the share capital, are:

Name of shareholder	Ownership interest
Norvestor Holding I AS	59.5%
Sevens AS	8.0%
Rugz II AS	6.5%
Frank Mortensen Holding ApS	5.2%
Armada Mezzanine Fund III Ky	2.5 %
AG7 Holding ApS	2.0 %
Steet AS	1.8 %
GoodCharma AS	1.5 %
Tomas Bylund	1.1 %

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

	Number of shares
Rune Syversen, Sevens AS	4,192,576
Jens Rugseth, Rugz II AS	3,384,992

NOTE 7 – Liabilities to credit institutions/guarantees

(In thousands of NOK)

Liabilities that fall due more than 5 years after the end of the financial year	2015	2014
Liabilities to credit institutions	-	-
Other long-term debt	-	-

Debts secured by mortgages	2015	2014
Liabilities to credit institutions		-
Bond loan	650,000	650,000
Currency swap	29,956	13,243
Total	679,956	663,243

Approximately 50% of the principal amount of the loan was interest hedged in 2015, while the remaining borrowings use floating interest. As a consequence of a higher interest on the company's fixed interest products compared to the floating rate, the company per 31.12.2015 has as a future liability until due date of the fixed interest products amounting to NOK 4 131k.

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.

**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 2015, 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 2015, 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 2015, 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 2015, 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 and the statements on Corporate Governance and Corporate Social Responsibility

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 and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit 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, 3 May 2016

BDO AS



Tommy Benum

State Authorised Public Accountant (Norway)

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