

Cubisol A/S

Borupvang 3, 2750 Ballerup
CVR no. 29 91 99 09

Annual report for 2017

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 29.01.18

Kaare Rubak
Dirigent

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The English part of this parallel document in Danish and English is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language version shall prevail.

The company

Cubisol A/S
c/o World Trade Center
Borupvang 3
2750 Ballerup
Danmark
Tel.: 39 97 04 80
Fax: 39 97 01 01
Registered office: Ballerup
CVR no.: 29 91 99 09
Founded: 14. september 2006
Financial year: 01.01 - 31.12
12. regnskabsår

Executive Board

Kaare Rubak

Board Of Directors

Ole Anton Gulsvik, chairman
Søren Borup Nørgaard, member
Stefan Heierli, member

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Nordea Erhvervsfilial København

Parent company

EMS Seven Seas AS, Strandveien 37, 1366 Lysaker, 0219 Bærum, Norge

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.17 - 31.12.17 for Cubisol A/S.

The annual report is presented in accordance with Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.17 and of the results of the the company's activities for the financial year 01.01.17 - 31.12.17.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Ballerup, January 29, 2018

The Executive Board

Kaare Rubak

The Board Of Directors

Ole Anton Gulsvik
Chairman

Søren Borup Nørgaard

Stefan Heierli

To the capital owner of Cubisol A/S**AUDITORS'S REPORT ON THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of Cubisol A/S for the financial year 01.01.17 - 31.12.17, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.17 and of the results of the company's operations for the financial year 01.01.17 - 31.12.17 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Supplementary information regarding matters in the financial statements

Without this having affected our opinion, we point out that the operating activities are being discontinued and that the annual report has been prepared with this in mind. The recognition and measurement of the company's assets and liabilities have been changed to net realisable values, and the classification and presentation have also been adjusted. We agree with the management's choice of accounting policies and refer to the description in the accounting policies.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

VIOLATION OF OTHER REGULATION

The company has violated the "Law no. 262 as of March 16th 2016" about reporting of real owners. As a consequence, the company may be subject to fines.

Aarhus, January 29, 2018

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lars Thruesen
Registered Public Accountant
MNE-no. 18213

Niels Christian Boll
State Authorized Public Accountant
MNE-no. 26753

Primary activities

The company's activities comprise of delivering IT services and hosting to companies in Denmark and abroad.

Development in activities and financial affairs

The income statement for the period 01.01.17 - 31.12.17 shows a profit of USD 274,655 against USD 57,181 for the period 01.01.16 - 31.12.16. The balance sheet shows equity of USD 1,027,922.

The management considers the net profit for the year to be satisfactory.

Outlook

The owners of Cubisol A/S and the overall consolidated group have decided to solvently liquidate Cubisol A/S after the approval of this annual report. All activities and contracts have been terminated or transferred to other companies in the consolidated group. This decision has been made because the overall consolidated group want to concentrate on fewer business fields.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note	2017 USD	2016 USD	
	1.186.955	630.754	
	Gross profit		
1	Staff costs	-838.053	-576.975
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	348.902	53.779
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-7.795	-6.804
	Profit/loss before net financials	341.107	46.975
2	Financial income	265.835	157.175
3	Financial expenses	-255.142	-111.157
	Profit/loss before tax	351.800	92.993
4	Tax on profit or loss for the year	-77.145	-35.812
	Profit/loss for the year	274.655	57.181
Proposed appropriation account			
	Extraordinary dividend for the financial year	600.000	0
	Proposed dividend for the financial year	800.000	1.051.881
	Retained earnings	-1.125.345	-994.700
	Total	274.655	57.181

Balance sheet

ASSETS		31.12.17	31.12.16
Note		USD	USD
	Other fixtures and fittings, tools and equipment	0	12.353
5	Total property, plant and equipment	0	12.353
	Total non-current assets	0	12.353
	Work in progress	0	878.519
	Total inventories	0	878.519
	Trade receivables	1.933	33.072
	Receivables from group enterprises	49.106	1.366.097
	Deferred tax asset	0	21.217
	Income tax receivable	0	25.820
	Other receivables	13.787	19.741
	Prepayments	64	0
	Total receivables	64.890	1.465.947
	Cash	1.624.175	1.059.961
	Total current assets	1.689.065	3.404.427
	Total assets	1.689.065	3.416.780

EQUITY AND LIABILITIES		31.12.17	31.12.16
		USD	USD
Note			
	Contributed capital	183.146	183.146
	Retained earnings	44.776	1.170.121
	Proposed dividend for the financial year	800.000	1.051.881
	Total equity	1.027.922	2.405.148
	Trade payables	9.968	77.445
	Payables to group enterprises	354.071	713.874
	Income taxes	31.918	0
	Other payables	265.186	220.313
	Total short-term payables	661.143	1.011.632
	Total payables	661.143	1.011.632
	Total equity and liabilities	1.689.065	3.416.780

- 6 Contingent liabilities
- 7 Charges and security
- 8 Related parties

Statement of changes in equity

Figures in USD	Share capital	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.17 - 31.12.17				
Balance pr. 01.01.17	183.146	1.170.121	1.051.881	2.405.148
Extraordinary dividend paid	0	-600.000	0	-600.000
Dividend paid	0	0	-1.051.881	-1.051.881
Net profit/loss for the year	0	-525.345	800.000	274.655
Balance as at 31.12.17	183.146	44.776	800.000	1.027.922

	2017 USD	2016 USD
1. Staff costs		
Wages and salaries	784.543	526.788
Pensions	42.740	39.597
Other social security costs	6.167	6.487
Other staff costs	4.603	4.103
Total	838.053	576.975
Average number of employees during the year	6	7

2. Financial income

Interest, group enterprises	0	25.199
Other interest income	1.968	0
Foreign currency translation adjustments	263.867	131.976
Other financial income	265.835	131.976
Total	265.835	157.175

3. Financial expenses

Other interest expenses	4.311	7.692
Foreign currency translation adjustments	250.831	103.465
Total	255.142	111.157

	2017 USD	2016 USD
4. Tax on profit or loss for the year		
Current tax for the year	55.928	14.448
Adjustment of deferred tax for the year	21.217	21.364
Total	77.145	35.812

5. Property, plant and equipment

Figures in USD	Other fixtures and fittings, tools and equipment
Cost pr. 01.01.17	932.898
Additions during the year	8.539
Disposals during the year	-941.437
Cost as at 31.12.17	0
Depreciation and impairment losses pr. 01.01.17	-920.545
Depreciation during the year	-7.795
Depreciation of and impairment losses on disposed assets for the year	928.340
Depreciation and impairment losses as at 31.12.17	0
Carrying amount as at 31.12.17	0

6. Contingent liabilities

	31.12.17 USD	31.12.16 USD
Total contingent liabilities	1.265	13.000

The company has entered into a tenancy agreement with one month's notice, equivalent to a total of USD 1.265.

7. Charges and security

The company has not provided any other security over assets.

8. Related parties

Controlling influence:	Basis of influence
EMS Seven Seas AS, Strandveien 37, 1366 Lysaker, 0219 Bærum, Norge	100% ownership

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

At the general meeting for this annual report, it will be decided that the company will step into solvent liquidation under the rules of the Danish Companies Act (*Selskabsloven*). The accounting policies have been applied consistently with previous years, but the rules on recognition, measurement and classification have been applied taking into account that the the company's assets and liabilities are expected to be realised as a result of the liquidation.

9. Accounting policies - continued -

The comparative figures have not been restated. The remaining figures in the balance are receivables and payables at exchange rate 100 which will be received/paid in the liquidation period.

Change in accounting policies

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in USD. The exchange rate is 6,21 as at 31.12.17 and 7,05 as at 31.12.16.

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets

9. Accounting policies - continued -

acquired in foreign currencies are translated using historical exchange rates.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

9. Accounting policies - continued -

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Other plant, fixtures and fittings, tools and equipment	3	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

9. Accounting policies - continued -

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Inventories

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

9. Accounting policies - continued -

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.