

Keel Solution Aps

Bredgade 19 E

1260 København K

CVR No. 31253284

Annual Report 2016

9. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 7 April 2017

Søren Lund
Chairman

Keel Solution Aps

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Management's Statement

Today, Management has considered and adopted the Annual Report of Keel Solution Aps for the financial year 1 January 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 7 April 2017

Executive Board

Christian Grahn
Man. Director

Elshad Yunusov
Manager

Independent Auditor's Report

To the shareholders of Keel Solution Aps

Opinion

We have audited the financial statements of Keel Solution Aps for the financial year 01-01-2016 - 31-12-2016, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31-12-2016 and of the results of its operations for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

Independent Auditor's Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Søborg, 7 April 2017

City Revision A/S
godkendte revisorer
CVR-no. 37048755

Søren Lund
Registered Public Accountant

Keel Solution Aps

Company details

Company	Keel Solution Aps Bredgade 19 E 1260 København K
CVR No.	31253284
Date of formation	31 January 2008
Financial year	1 January 2016 - 31 December 2016
Executive Board	Christian Grahn, Man. Director Elshad Yunusov, Manager
Shareholders in excess of 5% of outstanding shares	Cortexco Ltd 27,5% A shares,voting rights equal to 46,2185% Elshad Yunusov 27,5% A shares, voting rights equal to 46,2185%. Go Tagit ApS 15,0% B shares, voting rights equal to 2,521% Ruben Mikkelsen ApS 15,0% B shares, voting rights equal to 2,521% Yaroslav Zhrebetsky 10,0% B shares, voting rights equal to 1,6817%
Auditors	City Revision A/S godkendte revisorer Søborg Hovedgade 94b 2860 Søborg CVR-no.: 37048755
Bank	Nordea Bank Strandgade P.O. Box 850 0900 København K

Keel Solution Aps

Company details

Group chart

Subsidiaries 100 % owned

Name	Registered office
Keel Solution LLC	Ukraine
Keel Solution North America LLC	USA
Keel Solution Asia Pte	Singapore
Keel Pte Ltd	Singapore
Stellar Staff Pte	Singapore
Novo IP Pte Ltd	Singapore
Novort Pte LtdAssociates	Singapore

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Management's Review

Main activity

Keel Solution's main services are related to providing the Energy Sector with services within Asset Data Management. These services are a combination of on-site visual inspections on complex technical assets and high-end data processing and IT services. Currently Keel Solution is servicing companies within the Oil and Gas Industry, and the Wind Energy Sector.

Anything to report of unusual matters

The proprietary software developed by Keel Solution ApS over the last years, has now been renamed and rebranded under the names of *Azenzus*, *ActivE-Drawings*, *Equipment Inspector*, *Procedure Inspector*, *Data Collector* and *Hose Inspector* and as of January 1st. 2017 has been marketed and sold by the Polish company Covizmo Sp. z o.o. The Intellectual Property rights of the above-mentioned software is the asset of Keel Solution ApS., however Keel Solution is looking to divest the software part of its operation.

Development activities and financial matters

2016 was a challenging year for Keel Solution and brought about many changes. The continued decline in the Oil and Gas market forced the company to make major initiatives to dramatically cut costs, causing the number of staff members to be reduced by 30% and the company structure to be scaled down and simplified. This resulted in cost savings up to 50% from January to December and made it possible for the Management to turn the operation around. Even though 2016 resulted in a loss, the amount of the loss was lower than previously expected, which is acceptable considering the developments in the Oil and Gas market.

In Keel Solution, we foresee moderate economic growth in 2017 compared to 2016 for two reasons: We have successfully moved into a different industry sector, the Wind Energy, and the fact that we have cut costs and implemented tighter cost controls. By diversifying into the Wind Energy Sector, Keel Solution is diversifying its customer portfolio and further supporting its revenue generating abilities and as a result, will increase the profitability of the company in the long run.

Notifications after year-end 31st of December 2016

The shareholders of Keel Solution ApS decided to raise the equity by 1,5 mill. DKK on the 30th. of January 2017 to cover the losses in 2016 and strengthen the financial position of the company. The share capital was raised from 2 million to 3,5 million DKK. The increase was paid in cash.

Apart from the above mentioned, no extra ordinary events have occurred which have affected Keel Solution ApS after year-end.

Keel Solution Aps

Accounting Policies

Reporting Class

The financial statement for Keel Solution ApS is calculated in accordance with Danish legislation for financial accounts (Årsregnskabsloven §110).

The financial statements are prepared in accordance with Class B accounts and the same accounting principles have been used as last fiscal year.

Due to the size of the Keel Solution Group, a consolidated Financial Statement for the Group has not been made as per "Årsregnskabsloven §110".

Presentation of accounts

Net sales activities

Net sales activities of services are accounted for at the day of billing.

Revenue expenses include sales and marketing expenses as well as expenses for card, phones, lawyers, office costs, audit and bookkeeping and other expenses related to sales and administration.

Staff expenses

Staff expenses include salaries, ATP and other personnel expenses.

Financial receipts and expenses

Financial receipts and expenses include interest receipts and expenses, realized capital gains and losses through the drawing and sale of bonds and shares, unrealized capital gains and losses through bonds and shares and accounts receivable and debts in foreign currencies. Unrealized capital gains in bonds and shares are transferred via the provision of assets appreciation of reserves under equity.

The year's tax result

The expected tax calculated from the year's taxable income is stated in the presentation of the accounts, as are changes due to deferral of tax. The company follows the procedure of paying taxes through instalments. Additions, deductions and rebates concerning the payment of taxes are included in the financial receipts and expenses

Balances

Tangible and intangible assets

Tangible and intangible assets are stated at the lower of cost or market, their cost price being the purchasing price less the accumulated depreciation. Depreciation is deducted over the expected lifetime of the asset.

Contract work in progress is measured at cost price of the work performed, calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated contract expenses. If the cost price is measured at the lower end of expenses the net realizable value is used.

Accounting Policies

Tangible and intangible assets' expected lifetime

Leasehold improvements	7 years	0% scapvalue
Furniture and Fixtures	4-5 years	0% scrapvalue
Tools & Equipment	5 years	10% scrapvalue
Vehicles	3 years	10% scrapvalue
Software	3 years	0% scrapvalue

Financial assets

Shares in the Ukrainian subsidiary is measured at cost price. The shares in the US and Asian subsidiaries are measured using the equity method. The reason for the different measurement methods is the different nature of the companies. The Ukrainian entity is a cost centre in a highly regulated financial environment, whereas the US and Asian entities are profit centres in a financial environment similar in nature to the one in Denmark.

Accounts receivables

Accounts receivables are calculated to amortized value equal to the nominal value less a provision for bad debt to account for expected losses.

Accruals

Accruals are calculated and included in the assets; since the expenses are related to next year's expenses.

Other obligations

Other obligations are measured for the purpose of calculating and amortizing value equal to the nominal value per December 31st. 2016.

Foreign currency

Transactions in foreign currency are calculated in Danish kroners in accordance with the currency exchange rate at the transaction day. Realized and unrealized profits and losses from currency exchange rate differences are included in the Financial Statement under Financial Revenue and Expenses.

The Annual Report of Keel Solution Aps for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Income Statement

	Note	2016 kr.	2015 kr.
Gross result		7.000.839	5.068.205
Employee benefits expense	1	-3.670.622	-10.687.370
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-3.872.179	-238.854
Profit from ordinary operating activities		-541.962	-5.858.019
Income from investments in group enterprises and associates		-634.576	0
Finance expences	2	40.525	-756.688
Profit from ordinary activities before tax		-1.136.013	-6.614.707
Tax expense on ordinary activities	3	119.069	1.413.538
Profit		-1.016.944	-5.201.169

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Assets			
Development projects in progress		7.524	330.326
Intangible assets		7.524	330.326
Fixtures, fittings, tools and equipment		152.184	180.359
Property, plant and equipment		152.184	180.359
Long-term investments in group enterprises		944.716	499.721
Long-term investments in associates		113.328	502.832
Non-current deferred tax assets		1.477.543	1.358.474
Investments		2.535.587	2.361.027
Fixed assets		2.695.295	2.871.712
Short-term trade receivables		8.287.792	4.616.643
Other short-term receivables		8.238	1.536.890
Deferred income		287.086	229.607
Receivables		8.583.116	6.383.140
Cash and cash equivalents		1.224.411	8.456
Current assets		9.807.527	6.391.596
Assets		12.502.822	9.263.308

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital		2.000.000	128.000
Retained earnings		1.319.167	2.340.489
Equity	4	3.319.167	2.468.489
Debt to banks		0	2.322.685
Trade payables		1.046.209	778.304
Tax payables		1.740.961	2.389.032
Other payables		6.396.485	1.304.798
Short-term liabilities other than provisions		9.183.655	6.794.819
Liabilities other than provisions within the business		9.183.655	6.794.819
Liabilities and equity		12.502.822	9.263.308
Contingent liabilities	5		
Collaterals and assets pledges as security	6		

Notes

	2016	2015
1. Employee benefits expense		
Wages and salaries	3.670.622	10.687.370
	3.670.622	10.687.370
2. Finance expenses		
Other finance expenses	-40.525	756.688
	-40.525	756.688
3. Tax expense		
Deffered Tax	-119.069	-1.413.538
	-119.069	-1.413.538

4. Statement of changes in equity

	Contributed capital	Retained earnings		I alt
Equity, beginning balance	128.000	2.343.888	-3.400	2.468.488
		-1.016.944	-4.377	-1.021.321
	1.872.000			1.872.000
	2.000.000	1.326.944	-7.777	3.319.167

The share capital has changed in 2016

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date. except leasecontract concerning 6 month of a value of DKK 87.725

6. Collaterals and securities

No securities or mortgages exist at the balance sheet date.