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Visionsvej 51
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SAFEEX APS
STIGSBORGVEJ 60, 9400 NØRRESUNDBY
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2018

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 10 May 2019**

René Lundgren Larsen

CVR NO. 34 69 94 02

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Executives.....	4
Independent Auditor's Report.....	5-7
Management's Review	
Management's Review.....	8-9
Financial Statements 1 January - 31 December	
Income Statement.....	10
Balance Sheet.....	11
Notes.....	12-14
Accounting Policies.....	15-17

COMPANY DETAILS

Company	SafeEx ApS Stigsborgvej 60 9400 Nørresundby CVR No.: 34 69 94 02 Established: 7 September 2012 Registered Office: Aalborg Financial Year: 1 January - 31 December
Board of Executives	René Lundgren Larsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Visionsvej 51 9000 Aalborg
Bank	Spar Nord Bank A/S Danmarksgade 48 9900 Frederikshavn

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of SafeEx ApS for the financial year 1 January - 31 December 2018.

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

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.

I recommend the Annual Report be approved at the Annual General Meeting.

Nørresundby, 25 March 2019

Board of Executives

René Lundgren Larsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SafeEx ApS

Opinion

We have audited the Financial Statements of SafeEx ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. 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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to Going Concern

We refer to the note "Uncertainty with respect to going concern" in the financial statements, which describes that it is a condition for the company to continue as a going concern that Management's positive expectations are realised as expected in 2019 and that the company obtains the required financing of its operations in the coming year. It is Management's assessment that this will be obtained and the financial statements are therefore presented on the assumption of going concern. Our opinion is not modified in relation to this matter.

Emphasis of matter in the financial statements

We draw attention to the note "Information on uncertainty with respect to recognition and measurement" in the financial statements, which describes the uncertainty related to the recognised intangible fixed assets of DKK ('000) 3,535. Our opinion is not modified in relation to this matter.

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 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.

INDEPENDENT AUDITOR'S REPORT

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 ISAs 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 ISAs 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.

Statement on 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.

INDEPENDENT AUDITOR'S REPORT

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 Act. We did not identify any material misstatement of Management's Review.

Aalborg, 25 March 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Georg Aaen
State Authorised Public Accountant
MNE no. mne26734

MANAGEMENT'S REVIEW

Principal activities

The company's principal activities are development and sale of software systems within maintenance, supervision of installations, training and support of SafeEx solutions. The company's activities are primarily performed within the Oil and Gas sector.

SafeEx software enhances the security, increases the efficiency, and provides Management with the full overview of its entities. Given a repayment period of less than a year, the software is considered very lucrative.

Uncertainty with respect to recognition and measurement

The company has recognised intangible fixed assets, including development assets of a total amount of DKK ('000) 3,535. The carrying amount is based on an expectation for sufficient positive income in the company in the coming years and is based on Management's positive expectations for the development in the sector in the coming years. This is subject to some uncertainty.

Development in activities and financial position

As the conditions required to assess the company's assets and liabilities, the financial position and the results of the year's operations are disclosed in the balance sheet and the income statement, as well as in the notes, reference is made hereto.

The results for the year are satisfactory. The company's Management took a number of initiatives in 2018 which are expected to lead to positive results in future. The annual report shows that the Management's initiatives are having a positive effect, however, it is still Management's expectations that the company's future results will be even higher.

Significant events after the end of the financial year

No events of significant importance for the company's financial position have occurred after the end of the financial year.

Future expectations

The main part of the company's activities are within the offshore/oil sector and the gas industry which have seen a considerable slowdown and decline in the activities for a number of years because of low oil prices.

To spread this risk the company changed its strategy to aim its work also at other industries where references have already been obtained regarding petrochemical, wind and food processing plant.

Furthermore, the SafeEx software aimed at the oil and gas industry is to be regarded as a material tool for reduction of the customers' costs, which at the moment and for many years will be a huge focus area within the industry.

The slowdown of the activities within the oil and gas sector has decreased because of increasing oil prices. The sector is already now far more positive than seen for a long time and the company's Management expects a positive increase in the activities in future.

The demand is high and higher positive results are expected for 2019 and the following years. The annual report for 2018 is therefore presented on the fundamental principle of going concern.

If the slowdown/decline continues - contrary to expectations - in 2019 and so that Management's positive expectations are not realised as expected, this may have negative consequences for the company, including a considerable negative impact on equity. It is therefore a condition for the company's continued operations that Management's positive expectations are realised as expected.

MANAGEMENT'S REVIEW

Future expectations (continued)

It is Management's assessment that the necessary credit facilities will be obtained which is a condition for the company to continue as a going concern. Moreover, the company is in a positive dialogue with the Danish Business Development Finance for commitments for loans and two investors. Both investors will contribute with huge experience within the sector, competences and the right network in the sector.

Based on the above, the financial statements for 2018 are prepared on the assumption that the company is going concern.

The expectations for a positive development are huge in general in the industry. The effect hereof is expected to really show in 2020.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
GROSS PROFIT		3.942.683	-722.889
Staff costs.....	1	-2.464.723	-2.168.770
Depreciation, amortisation and impairment.....		-787.430	-531.710
OPERATING PROFIT		690.530	-3.423.369
Result of equity investments in subsidiaries.....		0	507
Other financial income.....		22.485	8.000
Other financial expenses.....	2	-234.334	-247.775
PROFIT BEFORE TAX		478.681	-3.662.637
Tax on profit/loss for the year.....	3	15.363	469.095
PROFIT FOR THE YEAR		494.044	-3.193.542
PROPOSED DISTRIBUTION OF DIVIDEND			
Allocation to reserve for net revaluation according to the equity value method.....		0	-8.773
Retained earnings.....		494.044	-3.184.769
TOTAL		494.044	-3.193.542

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Development projects completed.....		3.534.561	2.961.813
Intangible fixed assets acquired.....		0	0
Intangible fixed assets	4	3.534.561	2.961.813
Rent deposit and other receivables.....		108.536	108.536
Fixed asset investments	5	108.536	108.536
FIXED ASSETS		3.643.097	3.070.349
Finished goods and goods for resale.....		62.526	74.237
Inventories		62.526	74.237
Trade receivables.....	6	5.838.246	548.580
Other receivables.....		52.889	116.627
Receivable, corporation tax.....		15.363	384.371
Prepayments and accrued income.....		11.853	50.082
Receivables		5.918.351	1.099.660
Cash and cash equivalents		1.653	62.006
CURRENT ASSETS		5.982.530	1.235.903
ASSETS		9.625.627	4.306.252
EQUITY AND LIABILITIES			
Share capital.....		80.000	80.000
Reserve for development costs.....		2.756.957	2.310.214
Retained earnings.....		-958.048	-1.005.349
EQUITY	7	1.878.909	1.384.865
Bank debt.....		1.494.893	863.500
Trade payables.....		706.114	357.461
Debt, group enterprises.....		648.471	738.915
Payables to owners and management.....		143.664	0
Other liabilities.....		2.079.600	494.863
Accruals and deferred income.....		2.673.976	466.648
Current liabilities		7.746.718	2.921.387
LIABILITIES		7.746.718	2.921.387
EQUITY AND LIABILITIES		9.625.627	4.306.252
Contingencies etc.	8		
Charges and securities	9		
Uncertainty with respect to going concern	10		
Information on uncertainty with respect to recognition and measurement	11		

NOTES

	2018 DKK	2017 DKK	Note
Staff costs			1
Average number of employees 6 (2017: 8)			
Wages and salaries.....	3.356.328	3.282.349	
Pensions.....	201.416	226.545	
Social security costs.....	65.286	43.915	
Other staff costs.....	191.246	140.343	
Capitalised development costs.....	-1.349.553	-1.524.382	
	2.464.723	2.168.770	
Other financial expenses			2
Interest expenses, Group enterprises.....	9.780	27.147	
Other financial expenses.....	224.554	220.628	
	234.334	247.775	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	-15.363	-384.371	
Adjustment of deferred tax.....	0	-84.724	
	-15.363	-469.095	
Intangible fixed assets			4
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2018.....	3.597.106	625.000	
Additions.....	1.360.178	0	
Disposals.....	0	0	
Cost at 31 December 2018.....	4.957.284	625.000	
Amortisation at 1 January 2018.....	635.293	625.000	
Amortisation of the year.....	787.430	0	
Amortisation at 31 December 2017.....	1.422.723	625.000	
Carrying amount at 31 December 2018.....	3.534.561	0	

The company's development activities include software systems within maintenance, supervision of installations, training, and support of SafeEx solutions. The company's activities are carried out primarily within the oil and gas industry. SafeEx software enhances the security, increases the efficiency, and provides Management with the full overview of its entities.

NOTES

					Note
Fixed asset investments					5
				Rent deposit and other receivables	
Cost at 1 January 2018.....				108.536	
Additions.....				0	
Disposals.....				0	
Cost at 31 December 2018.....				108.536	
Carrying amount at 31 December 2018.....				108.536	
Trade receivables					6
A share of trade receivables of DKK ('000) 3,260 is due for payment after 31 December 2019.					
Equity					7
		Reserve for development costs	Retained earnings	Total	
	Share capital				
Equity at 1 January 2018.....	80.000	2.310.214	-1.005.349	1.384.865	
Proposed distribution of profit.....			494.044	494.044	
Transferred to reserve for development costs.....		446.743	-446.743		
Equity at 31 December 2018.....	80.000	2.756.957	-958.048	1.878.909	
Contingencies etc.					8
Contingent liabilities					
The company has entered into a tenancy contract with a remaining term of 16 months. The total liability is DKK ('000) 418.					
As regards the company's activities, the company is subject to common warranties within the sector, service obligations and current support obligations on the delivered products/services. Liabilities for such support obligations are not recognised in the balance sheet.					
Joint liabilities					
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable Group for tax on the Group's joint taxable income and for possible withholding taxes such as dividend, etc.					
Tax payable on the Group's joint taxable income is stated in the annual report of Offshore & Marine Contacts ApS, which serves as management company for the joint taxation.					

NOTES

Note

Charges and securities

9

The company has issued a guarantee of payment relating to the parent company's engagement with the parent company's bank of a total amount of DKK ('000) 3,577 at 31 December 2018. The parent company has negative equity.

As security for bank debt of DKK ('000) 1,495, the company has issued a company charge of a nominal amount of DKK ('000) 1,500. The company charge includes the following assets, the carrying amount of which at the balance sheet date is (DKK '000):

Trade receivables.....	5.838
Finished goods and goods for resale.....	63

Uncertainty with respect to going concern

10

The main part of the company's activities are within the offshore/oil sector and the gas industry which have seen a considerable slowdown and decline in the activities for a number of years because of low oil prices.

To spread this risk the company changed its strategy to aim its work also at other industries where references have already been obtained regarding petrochemical, wind and food processing plant.

Furthermore, the SafeEx software aimed at the oil and gas industry is to be regarded as a material tool for reduction of the customers' costs, which at the moment and for many years will be a huge focus area within the industry.

The slowdown of the activities within the oil and gas sector has decreased because of increasing oil prices. The sector is already now far more positive than seen for a long time and the company's Management expects a positive increase in the activities in future.

The demand is high and higher positive results are expected for 2019 and the following years. The annual report for 2018 is therefore presented on the fundamental principle of going concern.

If the slowdown/decline continues - contrary to expectations - in 2019 and so that Management's positive expectations are not realised as expected, this may have negative consequences for the company, including a considerable negative impact on equity. It is therefore a condition for the company's continued operations that Management's positive expectations are realised as expected.

It is Management's assessment that the necessary credit facilities will be obtained which is a condition for the company to continue as a going concern. Moreover, the company is in a positive dialogue with the Danish Business Development Finance for commitments for loans and two investors. Both investors will contribute with huge experience within the sector, competences and the right network in the sector.

Based on the above, the financial statements for 2018 are prepared on the assumption that the company is going concern.

Information on uncertainty with respect to recognition and measurement

11

The company has recognised intangible fixed assets, including development assets of a total amount of DKK ('000) 3,535. The carrying amount is based on an expectation for sufficient positive income in the company in the coming years and is based on Management's positive expectations for the development in the sector in the coming years. This is subject to some uncertainty.

ACCOUNTING POLICIES

The Annual Report of SafeEx ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the parent company.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Acquired intellectual property rights in the form of software and similar rights are measured cost with deduction of accumulated amortisation. Software is amortised on a straight-line basis over the estimated useful life which is estimated to 5 years.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation and recoverable amount.

ACCOUNTING POLICIES

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is 5 years.

An amount corresponding to the recognised development costs is tied up on a special reserve under equity, called "Reserve for development costs". The reserve is reduced by depreciation and reduction of deferred tax.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Fixed asset investments

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Acquired enterprises are recognised under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. At calculation of the fair value of investment properties a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Net revaluation of investments in subsidiaries is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company has a legal or actual liability to cover the subsidiary's deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed assets together with fixed assets, which are not measured at fair value, are assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

A share of the company's revenue is over a multi-year repayment agreement with the customers. This has not been discounted in view of the materiality hereof.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax on account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

The amortised cost of current liabilities corresponds usually to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.