BEIERHOLM
VI SKABER BALANCE

SafeEx ApS

Gasværksvej 48, 9000 Aalborg
CVR no. 34 69 94 02

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 29.05.24

René Lundgren Larsen
Dirigent

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Company information etc.

The company

SafeEx ApS
Gasværksvej 48
9000 Aalborg
Registered office: Aalborg
CVR no.: 34 69 94 02
Financial year: 01.01 - 31.12

Executive Board

René Lundgren Larsen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

SafeEx Holding ApS, Aalborg

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for SafeEx ApS.

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 assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

I 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.

Aalborg, May 29, 2024

Executive Board

René Lundgren Larsen

To the capital owner of SafeEx ApS

Opinion

We have audited the financial statements of SafeEx ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, it is 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 the 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 the management's review.

Management's responsibilities 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.

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 scepticism 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.

Aalborg, May 29, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Nic. Nielsen
State Authorized Public Accountant
MNE-no. mne33689

Primary activities

The company's principal activity is delivery of software as a service ("SaaS") for digital inspection of industrial installation. The secondary supporting activities are development, sale, services and support of the core software platform. The company's activities are primarily performed within the oil and gas sector. Related industries with risk potential critical installations have been explored and matured over recent years as well.

The SafeEx digital platform enhances efficiency, security, and documentation of all industrial inspections. The platform provides management with easy and comprehensive insight into the maintenance and security status of critical assets subject to the relevant management's responsibility. The SafeEx SaaS solution is relevant for a wide range of process industries focused with digitization, cost optimization, sustainability and safety.

SafeEx Management will increasingly focus on branding the company's products towards the energy sector while remaining active in the company's root market in which a residual potential remains high. Furthermore SafeEx is workning on Environmental, social, and governance (ESG).

Development in activities and financial affairs

The gross profit for the period 01.01.23 - 31.12.23 totals DKK 11,258,004 against DKK 8,676,666.

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 539,734 against DKK 1,473,958 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 5,523,290.

Management considers net profit for the year as expected and are satisfied that the 2023 result is positive. Management has positive expectations for its SaaS product and the future market potential.

Subsequent events

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

Income statement

Note		2023 DKK	2022 DKK
	Gross profit	**11,732,821**	**8,676,666**
1	Staff costs	-7,286,626	-5,120,708
	Profit before depreciation, amortisation, write-downs and impairment losses	**4,446,195**	**3,555,958**
	Amortisation and impairments losses of intangible assets	-2,424,682	-2,122,685
	Operating profit	**2,021,513**	**1,433,273**
2	Financial income	108,416	249,601
	Financial expenses	-657,775	-592,940
	Profit before tax	**1,472,154**	**1,089,934**
	Tax on profit for the year	-932,420	384,024
	Profit for the year	**539,734**	**1,473,958**

Proposed appropriation account

Retained earnings	539,734	1,473,958
Total	**539,734**	**1,473,958**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Completed development projects	7,783,824	6,455,026
3	**Total intangible assets**	**7,783,824**	**6,455,026**
4	Deposits	99,443	94,708
	Total investments	**99,443**	**94,708**
	Total non-current assets	**7,883,267**	**6,549,734**
	Manufactured goods and goods for resale	119,447	96,000
	Total inventories	**119,447**	**96,000**
	Trade receivables	4,756,661	4,023,555
	Receivables from group enterprises	1,799,330	1,483,795
	Receivables from associates	1,015	0
	Income tax receivable	0	633,160
	Other receivables	71,592	20,832
	Prepayments	26,495	9,667
	Total receivables	**6,655,093**	**6,171,009**
	Cash	**369,252**	**52,917**
	Total current assets	**7,143,792**	**6,319,926**
	Total assets	**15,027,059**	**12,869,660**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Contributed capital	80,000	80,000
	Reserve for development costs	6,071,383	5,034,920
	Retained earnings	-628,093	-131,364
	Total equity	**5,523,290**	**4,983,556**
	Provisions for deferred tax	853,885	1,041,850
	Total provisions	**853,885**	**1,041,850**
5	Payables to other credit institutions	4,764,478	0
5	Other payables	351,583	352,024
	Total long-term payables	**5,116,061**	**352,024**
5	Short-term part of long-term payables	167,283	248,148
	Payables to other credit institutions	737,504	3,623,479
	Trade payables	491,875	868,384
	Other payables	611,030	845,623
	Deferred income	1,526,131	906,596
	Total short-term payables	**3,533,823**	**6,492,230**
	Total payables	**8,649,884**	**6,844,254**
	Total equity and liabilities	**15,027,059**	**12,869,660**

6 Contingent liabilities
7 Charges and security

Statement of changes in equity

Figures in DKK	Contributed capital	Reserve for development costs	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22			
Balance as at 01.01.22	80,000	4,445,774	-1,016,176
Other changes in equity	0	589,146	-589,146
Net profit/loss for the year	0	0	1,473,958
Balance as at 31.12.22	80,000	5,034,920	-131,364
Statement of changes in equity for 01.01.23 - 31.12.23			
Balance as at 01.01.23	80,000	5,034,920	-131,364
Other changes in equity	0	1,036,463	-1,036,463
Net profit/loss for the year	0	0	539,734
Balance as at 31.12.23	80,000	6,071,383	-628,093

	2023 DKK	2022 DKK

1. Staff costs

Wages and salaries	6,416,109	4,481,326
Pensions	764,195	544,413
Other social security costs	106,322	94,969
Total	7,286,626	5,120,708
Average number of employees during the year	9	9

2. Financial income

Interest, group enterprises	15,532	14,658
Other financial income	92,884	234,943
Total	108,416	249,601

3. Intangible assets

Figures in DKK	Completed development projects
Cost as at 01.01.23	14,833,508
Additions during the year	3,753,480
Cost as at 31.12.23	18,586,988
Amortisation and impairment losses as at 01.01.23	-8,373,544
Amortisation during the year	-2,429,620
Amortisation and impairment losses as at 31.12.23	-10,803,164
Carrying amount as at 31.12.23	7,783,824
Carrying amount of assets held under finance leases as at 31.12.23	0

As mentioned in the managements review, the company's primary activity is to develop, optimize and extend the existing product range.

The SafeEx digital platform enhances efficiency, security, and documentation of all industrial inspections. The platform provides management with easy and comprehensive insight into the maintenance and security status of critical assets subject to the relevant management's responsibility. The SafeEx SaaS solution is relevant for a wide range of process industries focused with digitization, cost optimization, sustainability and safety.

The management is of the opinion that there continues to be a lucrative market for the sale of the company's SaaS solution, and it is the management's continued intention to support the development projects by allocating the necessary resources for completing the development of the projects as well as for production, marketing and sales etc. On this basis, the management is of the opinion that the value of the development projects still exists at the balance sheet date.

4. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	94,708
Additions during the year	4,735
Cost as at 31.12.23	99,443
Carrying amount as at 31.12.23	99,443

5. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Payables to credit institutions	167,283	553,326	4,931,761	0
Other payables	0	0	351,583	600,172
Total	167,283	553,326	5,283,344	600,172

6. Contingent liabilities

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is DKK 0 at the balance sheet date. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

7. Charges and security

As security for debt to credit institutions of DKK thousand 2,169, a company charge has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories, trade receivables as well as fuels and other ancillary mate. The total carrying amount of the comprised assets is DKK thousand 12,660.

8. 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.

The accounting policies have been applied consistently with previous years.

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 Danish kroner (DKK).

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 acquired in foreign currencies are translated using historical exchange rates.

8. Accounting policies - continued -

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, work performed for own account and capitalised, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). 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.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

8. Accounting policies - continued -

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise selling costs, cost of premises and administrative expenses.

Staff costs

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

Amortisation and impairment losses

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Completed development projects	5	0

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

Intangible assets 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.

8. Accounting policies - continued -

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.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Amortisation and impairment losses' section.

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

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

8. Accounting policies - continued -

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

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

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

8. Accounting policies - continued -

Prepayments

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

Cash

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

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

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.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

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.

8. Accounting policies - continued -

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

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.