KeepFocus A/S

Vejlsøvej 51, DK-8600 Silkeborg

Annual Report for 1 January - 31 December 2017

CVR No 20 96 20 89

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16/5 2018

Andreas Göppel
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of KeepFocus A/S for the financial year 1 January - 31 December 2017.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

Silkeborg, 16 May 2018

Executive Board

Jakob Løchte

Board of Directors

Andreas Göppel Chairman	Jan Christoph Maiwaldt	Lars Kolind

Independent Auditor's Report

To the Shareholder of KeepFocus A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of KeepFocus A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in 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 misstate-

ment, 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 judgement 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.

Aarhus, 16 May 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen	Christian Roding
State Authorised Public Accountent	State Authorised Public Accountent
mne16675	mne33714

Company Information

The Company	KeepFocus A/S Vejlsøvej 51 DK-8600 Silkeborg CVR No: 20 96 20 89 Financial period: 1 January - 31 December Municipality of reg. office: Silkeborg
Board of Directors	Andreas Göppel, Chairman Jan Christoph Maiwaldt Lars Kolind
Executive Board	Jakob Løchte
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Management's Review

The Financial Statements of KeepFocus A/S for 2017 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

After the takeover from noventic group in December 2016, 2017 was a year of further investment and consolidation for KeepFocus(KF). The year was used to further penetrate the multidwelling market, open more doors and position KF in this very conservative market as the company that opened up for the free market forces and free choice of supplier throughout the multidwelling billing value chain and free choice of contract period.

After KF's successful disruptive approach and penetration of the multidwelling market in 2016 and 2017, it was in 2017 also time to put further focus on delivery of agreements with customers. This was done by the end of 2017 with:
•A new management style headed by Jakob Løchte
•Increased focus on installation and service
•Increased focus on delivery of reliable, secure and validated data to building administrators in DK
•Increased focus on KF's unique user interfaces

Like our competitors KF also experienced a very slow tender bidding process, which had a negative impact on KF's cashflow. This is expected to continue in 2018.
KF therefore needs to ensure that we in parallel have ongoing good business in place. This business should come from:
–Ongoing EMS business for general building operation, optimization and administration
–Extension of the present BS business in KF pipeline with customers where we are already in
–New renovation business with different departments within present BS customers and consultants

Main activities within KF IT Development in 2017:
•Boarding of new head of department to secure the datahub platform for the Danish market according to the personal data law and scalability for the European market
•Finalize key strategic development projects to support differentiation to competition with digitalization and writing of algorithm for supporting key processes at installation, fault finding for doing service within after sales, user interfaces for changing people's behaviour to use of resources etc.

Development has been progressing well and increased the value of KF.

Development in the year

The income statement of the Company for 2017 shows a loss of DKK 8,885,650, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 352,160.

Management's Review

Capital resources

The Company holds a total of 800 shares with a norminal value of DKK 800, corresponding to 0.13% of the total capital.

A capital increase of a nominal amount of DKK 614,000 at a share premium of DKK 3,886,006, in total DKK 4,500,006, has been implemented. Simultaneously, a capital reduction of a nominal amount of DKK 614,000 has been implemented in the financial year.
To ensure the continued operation, the Company's Parent Company has made a loan commitment running up to 1 June 2019. We refer to note 1 for a further description.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2017	2016
		DKK	DKK
Gross profit/loss		**5,996,906**	**10,473,607**
Staff expenses	2	-13,264,315	-9,100,649
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-1,532,192	-1,207,971
Profit/loss before financial income and expenses		**-8,799,601**	**164,987**
Financial expenses	4	-85,500	-4,362
Profit/loss before tax		**-8,885,101**	**160,625**
Tax on profit/loss for the year	5	-549	-35,971
Net profit/loss for the year		**-8,885,650**	**124,654**

Distribution of profit

Proposed distribution of profit

Retained earnings	-8,885,650	124,654
	-8,885,650	**124,654**

Balance Sheet 31 December

Assets

	Note	2017	2016
		DKK	DKK
Acquired patents		0	0
Development projects in progress		4,140,900	3,129,281
Intangible assets	6	**4,140,900**	**3,129,281**
Other fixtures and fittings, tools and equipment		398,094	46,033
Property, plant and equipment		**398,094**	**46,033**
Deposits		150,000	52,371
Fixed asset investments		**150,000**	**52,371**
Fixed assets		**4,688,994**	**3,227,685**
Inventories		**1,421,580**	**482,985**
Trade receivables		2,489,810	3,543,552
Other receivables		12,706	470,125
Deferred tax asset		544,280	544,829
Prepayments		1,607	7,237
Receivables		**3,048,403**	**4,565,743**
Cash at bank and in hand		**4,611,518**	**874,308**
Currents assets		**9,081,501**	**5,923,036**
Assets		**13,770,495**	**9,150,721**

Balance Sheet 31 December

Liabilities and equity

	Note	2017	2016
		DKK	DKK
Share capital		614,800	614,800
Reserve for development costs		3,292,902	1,436,253
Retained earnings		-3,555,542	2,686,750
Equity	7	**352,160**	**4,737,803**
Other provisions		793,340	0
Provisions		**793,340**	**0**
Prepayments received from customers		949,750	1,524,406
Trade payables		1,070,345	599,282
Payables to group enterprises		7,408,525	0
Other payables		3,196,375	2,289,230
Short-term debt		**12,624,995**	**4,412,918**
Debt		**12,624,995**	**4,412,918**
Liabilities and equity		**13,770,495**	**9,150,721**
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	614,800	0	1,436,253	2,686,751	4,737,804
Cash capital increase	614,000	3,886,006	0	0	4,500,006
Cash capital reduction	-614,000	0	0	614,000	0
Development costs for the year	0	0	1,856,649	-1,856,649	0
Net profit/loss for the year	0	0	0	-8,885,650	-8,885,650
Transfer from share premium account	0	-3,886,006	0	3,886,006	0
Equity at 31 December	**614,800**	**0**	**3,292,902**	**-3,555,542**	**352,160**

Notes to the Financial Statements

1 Going concern

The Company's Parent Company, KeepFocus Europa GmbH & Co. KG, has provided an unlimited loan commitment and, thus, the Company has been guaranteed the necessary liquidity for the year ahead.

2 Staff expenses

	2017	2016
	DKK	DKK
Wages and salaries	14,034,943	9,538,201
Pensions	829,749	600,167
Other social security expenses	148,760	116,724
Other staff expenses	724,863	686,907
	15,738,315	**10,941,999**
Transfer to production wages	-2,474,000	-1,841,350
	13,264,315	**9,100,649**
Average number of employees	**23**	**19**

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	2017	2016
Amortisation of intangible assets	1,462,381	1,161,194
Depreciation of property, plant and equipment	69,811	46,777
	1,532,192	**1,207,971**

4 Financial expenses

	2017	2016
Interest paid to group enterprises	58,525	0
Other financial expenses	21,461	1,042
Exchange loss	5,514	3,320
	85,500	**4,362**

Notes to the Financial Statements

5 Tax on profit/loss for the year

Current tax for the year	0	0
Deferred tax for the year	549	35,971
	549	**35,971**

6 Intangible assets

	Acquired patents	Development projects in progress
	DKK	DKK
Cost at 1 January	587,163	9,417,033
Additions for the year	0	2,474,000
Cost at 31 December	587,163	11,891,033
Impairment losses and amortisation at 1 January	587,163	6,287,752
Amortisation for the year	0	1,462,381
Impairment losses and amortisation at 31 December	587,163	7,750,133
Carrying amount at 31 December	**0**	**4,140,900**

Development projects relate to the development of new versions of the Company’s existing software products relating to Projects for Energy Visualization for Tenants. The projects are expected to be completed in 2018 or early 2019, and the marketing may thus be initiated at an earlier point in time. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The software is expected to be sold in the present market to the Company’s existing customers. Prior to the initiation of the projects, the Company inquired of its customers as to the need for an updated visualization programs, which was well received.

Notes to the Financial Statements

7 Equity

The share capital consists of 614,800 shares of a nominal value of DKK 1. No shares carry any special rights.

On 11 December 2015, the Company acquired 800 treasury shares, corresponding to 0.13%. The total payment for the shares amounted to DKK 1,200 which has been transferred from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

The Company holds a total of 800 shares with a nominal value of DKK 800 corresponding to 0.13% of the total capital.

The share capital has developed as follows:

	2017	2016	2015	2014	2013
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	614,800	614,800	614,800	573,600	573,600
Capital increase	614,000	0	0	41,200	0
Capital decrease	-614,000	0	0	0	0
Share capital at 31 December	**614,800**	**614,800**	**614,800**	**614,800**	**573,600**

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
Within 1 year	662,204	125,264
Between 1 and 5 years	1,191,667	0
	1,853,871	**125,264**

9 Related parties

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

KeepFocus Europa GmbH & Co. KG, Heidenkampsweg 40, DE-20097 Hamburg, Germany

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of KeepFocus A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

10 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

10 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment

Notes to the Financial Statements

10 Accounting Policies (continued)

losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 4 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5-10 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Notes to the Financial Statements

10 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

10 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.