Seluxit ApS

Hjulmagervej 32B, 9000 Aalborg

CVR no. 29 38 82 37

Annual report 2016/17

Approved at the annual general meeting of shareholders on 17 November 2017

Chairman:

Morten P. Frederiksen

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Morten Pagh Frederiksen

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Seluxit ApS for the financial year 1 July 2016 - 30 June 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 of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 - 30 June 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Aalborg, 17 November 2017
Executive Board:

Daniel Christian Lux	Morten Pagh Frederiksen

Board of Directors:

Bent Tram Chairman	Daniel Christian Lux	Morten Pagh Frederiksen
Tonny Walter Frederiksen		

Independent auditor's report

To the shareholders of Seluxit ApS

Opinion

We have audited the financial statements of Seluxit ApS for the financial year 1 July 2016 - 30 June 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 - 30 June 2017 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 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.

Independent auditor's report

- 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 conclusion is 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 note 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 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, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on our procedures, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 17 November 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren V. Nejmann	Thomas Kallehauge
State Authorised Public Accountant	State Authorised Public Accountant

Management's review

Company details

Name	Seluxit ApS
Address, Postal code, City	Hjulmagervej 32B, 9000 Aalborg
CVR no.	29 38 82 37
Established	16 January 2006
Registered office	Aalborg
Financial year	1 July 2016 - 30 June 2017
Board of Directors	Bent Tram, Chairman Daniel Christian Lux Morten Pagh Frederiksen Tonny Walter Frederiksen
Executive Board	Daniel Christian Lux Morten Pagh Frederiksen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark

Management's review

Management commentary

Business review

The Company's business main activity is developing IT solutions that help to monitor and save energy.

Financial review

The income statement for 2016/17 shows a profit of DKK 1,357,679 against a profit of DKK 1,084,110 last year, and the balance sheet at 30 June 2017 shows equity of DKK 4,058,584.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 July 2016 - 30 June 2017

Income statement

Note	DKK	2016/17	2015/16
	Gross margin	6,403,760	6,668,264
2	Staff costs	-4,070,645	-4,860,387
	Amortisation of intangible assets and property, plant and equipment	-491,345	-336,192
	Profit before net financials	1,841,770	1,471,685
	Financial income	0	451
3	Financial expenses	-96,649	-80,829
	Profit before tax	1,745,121	1,391,307
4	Tax for the year	-387,442	-307,197
	Profit for the year	1,357,679	1,084,110

Recommended appropriation of profit		
Proposed dividend recognised under equity	800,000	800,000
Reserve for development costs	1,382,509	0
Retained earnings/accumulated loss	-824,830	284,110
	1,357,679	1,084,110

Financial statements 1 July 2016 - 30 June 2017

Balance sheet

Note	DKK	2016/17	2015/16
	ASSETS		
	Fixed assets		
5	**Intangible assets**		
	Completed development projects	1,166,185	873,601
	Development projects in progress and prepayments for intangible assets	1,233,089	0
		2,399,274	873,601
6	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	180,987	160,170
	Leasehold improvements	42,708	47,128
		223,695	207,298
	Total fixed assets	2,622,969	1,080,899
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	62,509	90,360
		62,509	90,360
	Receivables		
	Trade receivables	2,167,916	234,926
	Work in progress for third parties	610,223	2,479,249
	Other receivables	78,127	220,654
		2,856,266	2,934,829
	Cash	2,565,519	2,727,608
	Total non-fixed assets	5,484,294	5,752,797
	TOTAL ASSETS	8,107,263	6,833,696

Financial statements 1 July 2016 - 30 June 2017

Balance sheet

Note	DKK	2016/17	2015/16
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Reserve for development costs	1,382,509	0
	Retained earnings	1,751,075	2,575,905
	Dividend proposed for the year	800,000	800,000
	Total equity	4,058,584	3,500,905
	Provisions		
	Deferred tax	528,117	200,297
	Total provisions	528,117	200,297
	Liabilities other than provisions		
7	**Non-current liabilities other than provisions**		
	Payables to associates	154,008	142,608
		154,008	142,608
	Current liabilities other than provisions		
	Bank debt	16,935	64,722
	Prepayments received from customers	167,325	0
	Trade payables	421,883	7,604
	Payables to group entities	1,550,245	1,403,084
	Joint taxation contribution payable	330,024	767,522
	Other payables	880,142	746,954
		3,366,554	2,989,886
	Total liabilities other than provisions	3,520,562	3,132,494
	TOTAL EQUITY AND LIABILITIES	8,107,263	6,833,696

1 Accounting policies
8 Contractual obligations and contingencies, etc.

Financial statements 1 July 2016 - 30 June 2017

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Dividend proposed for the year	Total
Equity at 1 July 201	125,000	0	2,575,905	800,000	3,500,905
Transfer through appropriation of profit	0	1,382,509	-824,830	800,000	1,357,679
Dividend distributed	0	0	0	-800,000	-800,000
Equity at 30 June 2(	125,000	1,382,509	1,751,075	800,000	4,058,584

The Company's share capital has remained DKK 125,000 over the past 5 years. The share capital consists of 125,000 shares. Alle shares rank equally.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies

The annual report of Seluxit ApS for 2016/17 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes in accounting policies

Effective 1 July 2016, the Company has adopted act no. 738 of 1 June 2015. This implies the following changes in the recognition and measurement:

1. In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.
2. An amount corresponding to development costs recognised are in future tied up in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve, which cannot be used to distribute dividend or cover losses. If the development costs recognised are sold or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced by a transfer directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs must be reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, the reserve for development costs must be re-established. The reserve for development costs is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the balance sheet as development costs.

None of the above changes affects the income statement or the balance sheet for 2016/17 or the comparative figures.

Apart from the above changes in accounting policy and new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Income from construction contracts where the purchaser has significantly influenced the construction of the asset is recognised as revenue as the production activities are carried on, implying that revenue corresponds to the market value of the contract work performed (production method). This method is used where the total income and expenses and the degree of completion of the contract can be made up reliably.

Where the income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3-5 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10-15 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Development projects are capitalised if they are clearly defined and identifiable and the following recognition criteria can be satisfied:

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be made up reliably, the market value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of each contract in progress less prepayments is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceeds the market value.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

	DKK	2016/17	2015/16
2	**Staff costs**		
	Wages/salaries	3,791,857	4,531,073
	Pensions	170,719	231,334
	Other social security costs	61,034	39,394
	Other staff costs	47,035	58,586
		4,070,645	4,860,387
	Average number of full-time employees	12	11
3	**Financial expenses**		
	Interest expenses, group entities	58,278	51,698
	Interest expenses, associates	11,400	10,560
	Other financial expenses	26,971	18,571
		96,649	80,829
4	**Tax for the year**		
	Estimated tax charge for the year	59,622	270,402
	Deferred tax adjustments in the year	327,820	36,795
		387,442	307,197

5 **Intangible assets**

DKK	Completed development projects	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 July 2016	1,737,118	0	1,737,118
Additions in the year	674,199	1,233,089	1,907,288
Cost at 30 June 2017	2,411,317	1,233,089	3,644,406
Impairment losses and amortisation at 1 July 2016	863,517	0	863,517
Amortisation/depreciation in the year	381,615	0	381,615
Impairment losses and amortisation at 30 June 2017	1,245,132	0	1,245,132
Carrying amount at 30 June 2017	1,166,185	1,233,089	2,399,274

Completed development projects

Completed development projects include the Company's software system with a carrying amount of DKK 1,166,185. The software is supporting a substantial part of the business base.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

6 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 July 2016	464,158	49,800	513,958
Additions in the year	126,127	0	126,127
Disposals in the year	-63,733	0	-63,733
Cost at 30 June 2017	526,552	49,800	576,352
Impairment losses and depreciation at 1 July 2016	303,988	2,672	306,660
Amortisation/depreciation in the year	105,310	4,420	109,730
Reversal of amortisation/depreciation and impairment of disposals	-63,733	0	-63,733
Impairment losses and depreciation at 30 June 2017	345,565	7,092	352,657
Carrying amount at 30 June 2017	180,987	42,708	223,695

7 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Von And ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Other financial obligations

Rent liabilities include a rent obligation totalling t.DKK 318 in interminable rent agreements with remaining contract terms of 18 months. Furthermore, the Company has liabilities under operating leases for cars, totalling t.DKK 130, with remaining contract terms of 19 months.