

Seluxit ApS

Hjulgagervej 32B, 9000 Aalborg

CVR no. 29 38 82 37



Annual report 2015/16

Approved at the annual general meeting of shareholders on 7 October 2016

Chairman:


.....
Morten Pagh Frederiksen



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Seluxit ApS for the financial year 1 July 2015 - 30 June 2016.

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 Company's financial position at 30 June 2016 and of the results of the Company's operations for the financial year 1 July 2015 - 30 June 2016.

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, 7 October 2016
Executive Board:


.....
Daniel Christian Lux
.....
Morten Pagh Frederiksen

Board of Directors:


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

Independent auditors' report

To the shareholders of Seluxit ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Seluxit ApS for the financial year 1 July 2015 - 30 June 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of its operations for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aalborg, 7 October 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren V. Nejmann
State Authorised Public Accountant



Thomas Kallehauge
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 2015 - 30 June 2016
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, P.O. Box 710, 9100 Aalborg, Denmark

Management's review

Operating review

The Company's 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 2015/16 shows a profit of DKK 1,084,110 against a profit of DKK 1,647,581 last year, and the balance sheet at 30 June 2016 shows equity of DKK 3,500,905.

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

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Financial statements for the period 1 July 2015 - 30 June 2016

Income statement

Note	DKK	2015/16	2014/15
	Gross profit	6,668,264	5,512,444
2	Staff costs	-4,860,387	-3,075,777
	Amortisation of intangible assets and property, plant and equipment	-336,192	-236,832
	Operating profit	1,471,685	2,199,835
	Financial income	451	4,123
3	Financial expenses	-80,829	-47,892
	Profit before tax	1,391,307	2,156,066
4	Tax for the year	-307,197	-508,485
	Profit for the year	<u>1,084,110</u>	<u>1,647,581</u>
	Proposed profit appropriation		
	Proposed dividend recognised under equity	800,000	800,000
	Retained earnings	284,110	847,581
		<u>1,084,110</u>	<u>1,647,581</u>

Financial statements for the period 1 July 2015 - 30 June 2016

Balance sheet

Note	DKK	2015/16	2014/15
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Completed development projects	873,601	677,098
		<u>873,601</u>	<u>677,098</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	160,170	240,255
	Leasehold improvements	47,128	0
		<u>207,298</u>	<u>240,255</u>
	Total non-current assets	<u>1,080,899</u>	<u>917,353</u>
	Current assets		
	Inventories		
	Raw materials and consumables	90,360	138,020
		<u>90,360</u>	<u>138,020</u>
	Receivables		
	Trade receivables	234,926	1,994,775
	Work in progress for third parties	2,479,249	1,556,960
	Receivables from group entities	0	37,500
	Other receivables	220,654	125,597
		<u>2,934,829</u>	<u>3,714,832</u>
	Cash	<u>2,727,608</u>	<u>497,693</u>
	Total current assets	<u>5,752,797</u>	<u>4,350,545</u>
	TOTAL ASSETS	<u>6,833,696</u>	<u>5,267,898</u>

Financial statements for the period 1 July 2015 - 30 June 2016

Balance sheet

Note	DKK	<u>2015/16</u>	<u>2014/15</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	2,575,905	2,291,795
	Dividend proposed for the year	800,000	800,000
	Total equity	<u>3,500,905</u>	<u>3,216,795</u>
	Provisions		
	Deferred tax	200,297	163,502
	Total provisions	<u>200,297</u>	<u>163,502</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Payables to associates	142,608	132,048
		<u>142,608</u>	<u>132,048</u>
	Current liabilities other than provisions		
	Bank debt	64,722	45,237
	Trade payables	7,604	77,316
	Payables to group entities	1,403,084	665,097
	Income taxes payable	767,522	485,034
	Other payables	746,954	482,869
		<u>2,989,886</u>	<u>1,755,553</u>
	Total liabilities other than provisions	<u>3,132,494</u>	<u>1,887,601</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>6,833,696</u></u>	<u><u>5,267,898</u></u>

1 Accounting policies

8 Contractual obligations and contingencies, etc.

Financial statements for the period 1 July 2015 - 30 June 2016

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 July 2015	125,000	2,291,795	800,000	3,216,795
Profit/loss for the year	0	284,110	800,000	1,084,110
Dividend distributed	0	0	-800,000	-800,000
Equity at 30 June 2016	125,000	2,575,905	800,000	3,500,905

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 for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies

The annual report of Seluxit ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Public grants

Public grants given to cover expenses are recognised in the income statement once it is probable that all criteria for being given the grant are satisfied. Grants which must be repaid under certain circumstances are recognised only in so far as they are not expected to be repaid.

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 profit

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'.

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

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 of intangible assets and property, plant and equipment

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

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

Completed development projects	3-5 years
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The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	10-15 years
Other fixtures and fittings, tools and equipment	5 years

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 and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

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 are evidenced, 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.

Impairment of non-current 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.

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.

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

Work in progress for third parties

Ongoing service supplies and work in progress for third parties are measured at the market value of the work performed less advances received. The market value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual work in progress.

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.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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 for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

DKK	2015/16	2014/15
2 Staff costs		
Wages/salaries	4,531,073	2,961,985
Pensions	231,334	28,350
Other social security costs	39,394	44,442
Other staff costs	58,586	41,000
	4,860,387	3,075,777
 3 Financial expenses		
Interest expenses, group entities	51,698	26,655
Interest expenses, associates	10,560	9,782
Other financial expenses	18,571	11,455
	80,829	47,892
 4 Tax for the year		
Estimated tax charge for the year	270,402	497,120
Deferred tax adjustments in the year	36,795	11,365
	307,197	508,485
 5 Intangible assets		
DKK		Completed development projects
Cost at 1 July 2015		1,287,180
Additions in the year		449,938
Cost at 30 June 2016		1,737,118
Impairment losses and amortisation at 1 July 2015		610,082
Amortisation/depreciation in the year		253,435
Impairment losses and amortisation at 30 June 2016		863,517
Carrying amount at 30 June 2016		873,601

Financial statements for the period 1 July 2015 - 30 June 2016

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 2015	464,158	0	464,158
Additions in the year	0	49,800	49,800
Cost at 30 June 2016	464,158	49,800	513,958
Impairment losses and depreciation at 1 July 2015	223,903	0	223,903
Amortisation/depreciation in the year	80,085	2,672	82,757
Impairment losses and depreciation at 30 June 2016	303,988	2,672	306,660
Carrying amount at 30 June 2016	160,170	47,128	207,298

7 Long-term liabilities

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 520 in interminable rent agreements with remaining contract terms of 30 months. Furthermore, the Company has liabilities under operating leases for cars, totalling t.DKK 212, with remaining contract terms of 31 months.