

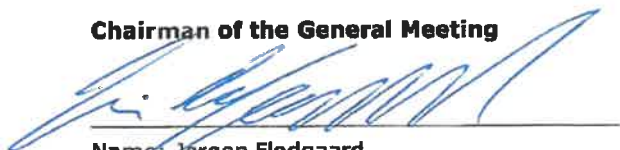
Halton A/S
Husby Alle 17, 1. tv.
2630 Taastrup
Business Registration No
11744281

Annual report 2018

The Annual General Meeting adopted the annual report on

10 April 2018

Chairman of the General Meeting



Name: Jørgen Flodgaard

DLA PIPER

Jørgen Flodgaard
Partner, Advokat/Lawyer (L)

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Member of Deloitte Touche Tohmatsu Limited

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Entity details

Entity

Halton A/S
Husby Alle 17, 1. tv.
2630 Taastrup

Central Business Registration No (CVR): 11744281

Founded: 25.11.1987

Registered in: Høje Taastrup

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Kai Olavi Konola, Chairman
Jørgen Flodgaard Olesen
Janne Matias Pukkila

Executive Board

Janne Matias Pukkila, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Halton A/S for the financial year 01.01.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Høje Taastrup, 01.03.2019

Executive Board



Janne Matias Pukkila

CEO

Board of Directors



Kai Olavi Konola

Chairman



Jørgen Flodgaard Olesen



Janne Matias Pukkila

Independent auditor's extended review report

To the shareholders of Halton A/S

Conclusion

We have performed an extended review of the financial statements of Halton A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 commentary.

København, 01.03.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR)

33963556



Anne Elmélund Sørensen

State Authorised Public Accountant

Identification No (MNE) mne34115



Casper Young Roed Guldmann

State Authorised Public Accountant

Identification No (MNE) mne41366

Management commentary

Primary activities

The company's primary activities is to purchase and sell ventilations equipment in Denmark.

Development in activities and finances

The company has realized a profit of DKK 1.110 k. In 2017 the company incurred a loss of DKK 106 k.

The profit of 2018 is as expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		6.474.127	7.822.190
Distribution costs	1	(4.007.296)	(6.164.056)
Administrative expenses		<u>(1.004.853)</u>	<u>(1.752.760)</u>
Operating profit/loss		1.461.978	(94.626)
Other financial expenses		<u>(14.667)</u>	<u>(14.003)</u>
Profit/loss before tax		1.447.311	(108.629)
Tax on profit/loss for the year		<u>(336.915)</u>	<u>2.969</u>
Profit/loss for the year		1.110.396	(105.660)
Proposed distribution of profit/loss			
Retained earnings		<u>1.110.396</u>	<u>(105.660)</u>
		1.110.396	(105.660)

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK</u>	<u>2017</u> <u>DKK</u>
Land and buildings		1.785.702	1.842.632
Other fixtures and fittings, tools and equipment		0	0
Leasehold Improvements		<u>21.958</u>	<u>22.633</u>
Property, plant and equipment		<u>1.807.660</u>	<u>1.865.265</u>
Other receivables		<u>24.707</u>	<u>24.707</u>
Fixed asset investments		<u>24.707</u>	<u>24.707</u>
Fixed assets		<u>1.832.367</u>	<u>1.889.972</u>
Trade receivables		2.784.172	4.320.474
Contract work in progress		0	114.580
Receivables from group enterprises		2.616.347	406.358
Other receivables		0	2.440.490
Income tax receivable		<u>0</u>	<u>58.000</u>
Receivables		<u>5.400.519</u>	<u>7.339.902</u>
Cash		<u>1.921.512</u>	<u>835.055</u>
Current assets		<u>7.322.031</u>	<u>8.174.957</u>
Assets		<u>9.154.398</u>	<u>10.064.929</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		4.911.080	3.800.684
Equity		5.411.080	4.300.684
Deferred tax		283.000	269.834
Other provisions		0	291.000
Provisions		283.000	560.834
Prepayments received from customers		137.813	137.813
Non-current liabilities other than provisions		137.813	137.813
Trade payables		380.937	645.831
Payables to group enterprises		242.257	2.108.171
Income tax payable		207.749	0
Other payables		2.491.562	2.311.596
Current liabilities other than provisions		3.322.505	5.065.598
Liabilities other than provisions		3.460.318	5.203.411
Equity and liabilities		9.154.398	10.064.929
Unrecognised rental and lease commitments	2		
Assets charged and collateral	3		
Related parties with controlling interest	4		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	3.800.684	4.300.684
Profit/loss for the year	0	1.110.396	1.110.396
Equity end of year	500.000	4.911.080	5.411.080

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	2.750.288	4.436.947
Pension costs	276.799	427.834
Other social security costs	24.072	38.194
Other staff costs	494.492	414.707
	3.545.651	5.317.682

Average number of employees	6	8
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	2018	2017
	DKK	DKK
2. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	457.897	563.609

3. Assets charged and collateral

There are no mortgage.

4. Related parties with controlling interest

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

OY Halton Group Ltd, Finland

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as

Accounting policies

amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	50 years

Accounting policies

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at cost of cost incurred.

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.