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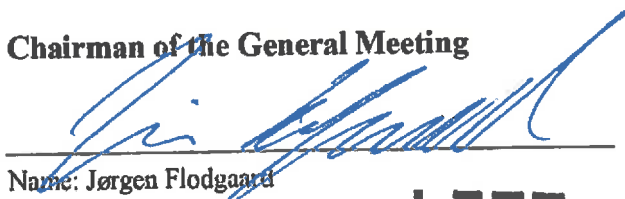
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Halton A/S
Central Business Registration No
11744281
Husby Alle 17 1. tv.
2630 Taastrup

Annual report 2015

The Annual General Meeting adopted the annual report on 25.05.2016

Chairman of the General Meeting



Name: Jørgen Flodgaard

LETT

Jørgen Flodgaard
Partner

Member of Deloitte Touche Tohmatsu Limited

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Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	10
Balance sheet at 31.12.2015	11
Statement of changes in equity for 2015	13
Notes	14

Entity details

Entity

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

Central Business Registration No: 11744281

Founded: 25.11.1987

Registered in: Taastrup

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Heikki Juhani Rinne, Chairman

Jørgen Flodgaard Olesen

Janne Matias Pukkila

Executive Board

Janne Matias Pukkila, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus 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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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, 09.05.2016

Executive Board

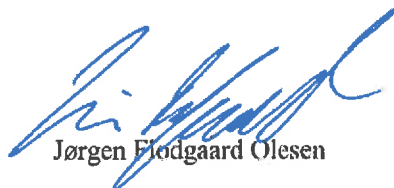


Janne Matias Pukkila
CEO

Board of Directors



Heikki Juhani Rinne
Chairman



Jørgen Flodgaard Olesen



Janne Matias Pukkila

Independent auditor's reports

To the owners of Halton A/S

Report on the financial statements

We have audited the financial statements of Halton A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 audit opinion.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Aarhus, 09.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Henrik Buch

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

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

Development in activities and finances

The company have realized a profit of DKK 611k. In 2014 the loss was DKK 7k.

The profit for 2015 is regarded as satisfactory.

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.

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 for 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 one 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.

Accounting policies

Production costs

Production: 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 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 expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary 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 financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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.

Income taxes

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.

Accounting policies

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

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 write-downs for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

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

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, returns, loss on contract work in progress, decided and published restructurings, 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.

Accounting policies

Operating leases

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

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Gross profit		8.026.429	8.813.576
Distribution costs	1	(6.050.246)	(7.616.126)
Administrative costs		<u>(1.143.893)</u>	<u>(1.126.624)</u>
Operating profit/loss		832.290	70.826
Other financial income		39	146
Other financial expenses		<u>(5.618)</u>	<u>(526)</u>
Profit/loss from ordinary activities before tax		826.711	70.446
Tax on profit/loss from ordinary activities	2	<u>(216.206)</u>	<u>(77.395)</u>
Profit/loss for the year		<u>610.505</u>	<u>(6.949)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>610.505</u>	<u>(6.949)</u>
		<u>610.505</u>	<u>(6.949)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Land and buildings		1.956.492	2.013.422
Other fixtures and fittings, tools and equipment		12.125	30.117
Leasehold improvements		23.984	24.659
Property, plant and equipment	3	<u>1.992.601</u>	<u>2.068.198</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>2.017.308</u>	<u>2.092.905</u>
Trade receivables		4.163.611	4.429.800
Receivables from group enterprises		303.938	187.697
Other short-term receivables		3.112.387	73.655
Receivables		<u>7.579.936</u>	<u>4.691.152</u>
Cash		<u>1.096.281</u>	<u>1.305.820</u>
Current assets		<u>8.676.217</u>	<u>5.996.972</u>
Assets		<u>10.693.525</u>	<u>8.089.877</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	4	500.000	500.000
Retained earnings		2.540.221	1.929.716
Equity		<u>3.040.221</u>	<u>2.429.716</u>
Provisions for deferred tax		292.866	294.305
Other provisions		0	110.000
Provisions		<u>292.866</u>	<u>404.305</u>
Prepayments received from customers		69.768	69.768
Non-current liabilities other than provisions		<u>69.768</u>	<u>69.768</u>
Trade payables		220.916	532.841
Debt to group enterprises		4.472.572	1.691.665
Income tax payable		197.170	29.525
Other payables		2.400.012	2.932.057
Current liabilities other than provisions		<u>7.290.670</u>	<u>5.186.088</u>
Liabilities other than provisions		<u>7.360.438</u>	<u>5.255.856</u>
Equity and liabilities		<u>10.693.525</u>	<u>8.089.877</u>
Unrecognised rental and lease commitments	5		
Assets charged and collateral	6		
Consolidation	7		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	500.000	1.929.716	2.429.716
Profit/loss for the year	0	610.505	610.505
Equity end of year	500.000	2.540.221	3.040.221

Notes

	<u>2015</u> DKK	<u>2014</u> DKK	
1. Staff costs			
Wages and salaries	4.444.063	5.623.261	
Pension costs	327.838	590.067	
Other social security costs	59.969	155.756	
Other staff costs	405.041	50.952	
	<u>5.236.911</u>	<u>6.420.036</u>	
	<u>2015</u> DKK	<u>2014</u> DKK	
2. Tax on ordinary profit/loss for the year			
Current tax	217.645	60.417	
Change in deferred tax for the year	(1.439)	11.786	
Adjustment relating to previous years	0	6.394	
Effect of changed tax rates	0	(1.202)	
	<u>216.206</u>	<u>77.395</u>	
	<u>Land and buildings DKK</u>	<u>Other fix- tures and fittings, tools and equipment DKK</u>	<u>Leasehold improve- ments DKK</u>
3. Property, plant and equipment			
Cost beginning of year	3.151.423	137.445	33.782
Cost end of year	<u>3.151.423</u>	<u>137.445</u>	<u>33.782</u>
Depreciation and impairment losses beginning of the year	(1.138.001)	(107.328)	(9.123)
Depreciation for the year	(56.930)	(17.992)	(675)
Depreciation and impairment losses end of the year	<u>(1.194.931)</u>	<u>(125.320)</u>	<u>(9.798)</u>
Carrying amount end of year	<u>1.956.492</u>	<u>12.125</u>	<u>23.984</u>

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
4. Contributed capital			
Ordinary Shares	2	100.000,00	200.000
Ordinary Shares	300	1.000,00	300.000
	<u>302</u>		<u>500.000</u>

	<u>2015 DKK</u>	<u>2014 DKK</u>
5. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>565.211</u>	<u>745.319</u>

6. Assets charged and collateral

There are no mortgage.

7. Consolidation

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

OY Halton Group Ltd, Finland