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

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 07.06.2018

**Chairman of the General Meeting**

Name: Jørgen Flodgaard

### **DLA PIPER**

Jørgen Flodgaard  
Partner, Advokat/Lawyer (L)

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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: 01.01.2017 - 31.12.2017

### Board of Directors

Kai Olavi Konola, 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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 28.05.2018

### Executive Board

  
Janne Matias Pukkila

CEO

### Board of Directors



Kai Olavi Konola  
Chairman



Jørgen Flodgaard Olesen



Janne Matias Pukkila

## Independent auditor's reports

### To the shareholders of HALTON A/S

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of HALTON A/S for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, 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. 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.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

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

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.

#### Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

#### 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.

## Independent auditor's reports

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 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 of the management commentary.


Aarhus, 28.05.2018

### Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR)

33963556



Henrik Buch

State Authorised Public Accountant

Identification No (MNE) mne19714



Casper Young Roed Guldmann

State Authorised Public Accountant

Identification No (MNE) mne41366

## 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 has realized a loss of DKK 106 k. In 2016 the profit was DKK 1.336k.

The loss for 2017 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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
<b>Gross profit</b>		<b>7.822.190</b>	<b>9.929.157</b>
Distribution costs	1	(6.164.057)	(7.073.209)
Administrative expenses		<u>(1.752.759)</u>	<u>(1.067.916)</u>
<b>Operating profit/loss</b>		<b>(94.626)</b>	<b>1.788.032</b>
Other financial income		0	5.946
Other financial expenses		<u>(14.003)</u>	<u>(1.640)</u>
<b>Profit/loss before tax</b>		<b>(108.629)</b>	<b>1.792.338</b>
Tax on profit/loss for the year		<u>2.969</u>	<u>(426.215)</u>
<b>Profit/loss for the year</b>		<b><u>(105.660)</u></b>	<b><u>1.366.123</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(105.660)</u>	<u>1.366.123</u>
		<b><u>(105.660)</u></b>	<b><u>1.366.123</u></b>



## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Land and buildings		1.842.632	1.899.562
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		22.633	23.308
<b>Property, plant and equipment</b>		<b>1.865.265</b>	<b>1.922.870</b>
Other receivables		24.707	24.707
<b>Fixed asset investments</b>		<b>24.707</b>	<b>24.707</b>
<b>Fixed assets</b>		<b>1.889.972</b>	<b>1.947.577</b>
Trade receivables		4.320.473	5.164.938
Contract work in progress		114.580	0
Receivables from group enterprises		406.358	697.207
Other receivables		2.440.490	3.952.000
Income tax receivable		58.000	0
<b>Receivables</b>		<b>7.339.901</b>	<b>9.814.145</b>
<b>Cash</b>		<b>835.055</b>	<b>1.179.973</b>
<b>Current assets</b>		<b>8.174.956</b>	<b>10.994.118</b>
<b>Assets</b>		<b>10.064.928</b>	<b>12.941.695</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		3.800.684	3.906.344
<b>Equity</b>		<b>4.300.684</b>	<b>4.406.344</b>
Deferred tax		269.834	285.834
Other provisions		291.000	0
<b>Provisions</b>		<b>560.834</b>	<b>285.834</b>
Prepayments received from customers		137.813	0
<b>Non-current liabilities other than provisions</b>		<b>137.813</b>	<b>0</b>
Trade payables		645.830	339.078
Payables to group enterprises		2.108.171	4.510.611
Income tax payable		0	383.639
Other payables		2.311.596	3.016.189
<b>Current liabilities other than provisions</b>		<b>5.065.597</b>	<b>8.249.517</b>
<b>Liabilities other than provisions</b>		<b>5.203.410</b>	<b>8.249.517</b>
<b>Equity and liabilities</b>		<b>10.064.928</b>	<b>12.941.695</b>
Unrecognised rental and lease commitments	2		
Assets charged and collateral	3		
Related parties with controlling interest	4		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	3.906.344	4.406.344
Profit/loss for the year	0	(105.660)	(105.660)
<b>Equity end of year</b>	<b>500.000</b>	<b>3.800.684</b>	<b>4.300.684</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	4.436.948	5.205.081
Pension costs	427.834	482.837
Other social security costs	38.194	38.677
Other staff costs	414.707	554.290
	<b>5.317.683</b>	<b>6.280.885</b>
 Average number of employees	 <b>8</b>	 <b>10</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>563.609</b>	<b>960.946</b>

### 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.

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.

### 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.

#### 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,

## Accounting policies

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 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 operating income

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

### 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.

### 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.

## Accounting policies

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.

### Contract work in progress

Contract work in progress is recognised at the cost of cost incurred.

### Income tax payable or receivable

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.

### 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 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 likely 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.

## **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.