

Tyco Holding VIII (Denmark) ApS.

Annual report financial year 2017/2018
As per 30th September 2018

Approved on the company's annual
General Meeting, 25 February 2019

Peter Schieser

Director

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Management's Statement

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of Tyco Holding VIII (Denmark) ApS for the financial year 1 October 2017 – 30 September 2018.

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 at 30 September 2018 of the Company and of the results of the Company operations for 2017/18.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup,

Executive Board

.....
Peter Schieser

Board of Directors

.....
Peter Schieser

Independent Auditor's Report

To the Shareholders of Tyco Holding VIII (Denmark) ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2018, and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Tyco Holding VIII (Denmark) ApS for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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.
- 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 conclusions are 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 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.

Aarhus,

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Nielsson
State Authorised Public Accountant
mne 15151

Henrik Trangeled Kristensen
State Authorised Public Accountant
mne 23333

Company Information

The company	Tyco Holding VIII (Denmark) ApS. c/o Lundgrens Advokatpartnerselskab Tuborg Boulevard 12 2900 Hellerup Denmark	
	Phone	+45 4820 1374
	Fax	+45 7022 6511
	CVR no.	24 25 91 02
	Financial year	01. October - 30. September
	Municipality	Gentofte
Executive Board	Peter Schieser	
Board of Directors	Peter Schieser	
Auditor	PwC Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C	

Accounting policies

Basis of preparation

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The annual report has been presented applying the accounting policies consistently with last year.

Consolidated financial statements

With reference to section 112 of the Danish financial statements act, no consolidated financial statements are prepared.

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 average rate of exchange. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognized in the income statement as financial income or financial expenses.

Income Statement

Administration costs

Costs are recorded to the income statement in the period in which they incur. Costs relating to future periods will be deferred in the balance sheet and recognized appropriately.

Financial income and expenses

Financial income and expenses comprise of interest income and expenses, realized and unrealized exchange rate gains and losses regarding receivable and payables denominated in foreign currencies.

Tax on profit/(loss) for the year

Tax for the year consists of current tax and changes in deferred tax for the year.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognized at cost. Investments are periodically reviewed for impairment indicators. If an impairment is required the Company records a provision for impairment against the investment value. Dividend income and adjustments to investments in group enterprises are recorded at the rate on transaction date.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Cash

Cash and cash equivalent transactions with external parties are recorded in the financial statement on the date from which funds deposited in the bank are available, or on a value date basis.

Accounting policies

Payables

Payable amounts represent goods and services received and are recorded in the period in which they were received. Accrued liabilities are recorded when obligations are measurable and likely to occur.

Income taxes

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

The company is jointly taxed with other Danish Group-companies. The current tax is allocated among the jointly taxed companies proportionally to their taxable income (Full allocation with a refund concerning tax losses).

Income Statement
for the period from
1. Oct. 2017 until 30.Sep. 2018

	Note	2017/18 DKK	2016/17 DKK
Administration costs		-97,203	-66,071
Other expense		-2,416,975	0
Operating profit/(loss)		-2,514,178	-66,071
Income from sale of subsidiary		366,988,644	0
Impairment of net worth of subsidiary		0	-496
Financial income	2	20,730,477	537,202
Financial expense	3	-907,376	-4,134,123
Profit/(loss) before tax		384,297,567	-3,663,488
Tax on result for the year	4	-4,339,682	811,006
Profit/(loss) for the year		379,957,885	-2,852,482
Proposed distribution of profit/loss			
Transferred to/from retained earnings		379,957,885	-2,852,482

Balance sheet at 30. Sep. 2018

Assets

	Note	2017/18 DKK	2016/17 DKK
Non-current Assets			
<i>Financial assets</i>			
Investment in subsidiaries	5	0	11,006,142
Total Non-current Assets		0	11,006,142
Current Assets			
<i>Receivables</i>			
Receivables from group companies		209,000,017	0
Tax receivable		0	805,967
<i>Liquid Assets</i>			
Cash and banks		256,922,819	69,867,230
Total Current Assets		465,922,836	70,673,197
Total Assets		465,922,836	81,679,339

Balance sheet at 30. Sep. 2018

Liabilities and Equity

	Note	2017/18 DKK	2016/17 DKK
Equity			
Share capital	6	26,561,796	26,561,796
Retained earnings	6	434,936,234	52,752,147
Total Equity		461,498,030	79,313,943
Short-term Liabilities			
Tax payable		4,339,682	0
Amounts owing to group companies		0	2,286,825
Other payables		85,124	78,571
Total Short-term Liabilities		4,424,806	2,365,396
Total Liabilities		4,424,806	2,365,396
Total Liabilities and Equity		465,922,836	81,679,339
Related parties	7		
Contingent liabilities	8		

Notes to the annual accounts

Note 1

The objective of the company is to act as a holding company.

Note 2

	2017/2018	2016/2017
<i>Financial Income</i>		
Interest - External	3,804,854	239,936
Interest - Group companies	6,403,942	296,119
FX gain	10,521,681	1,147
	<u>20,730,477</u>	<u>537,202</u>

Note 3

<i>Financial Expense</i>		
Interest - External	-1,500	-133
Interest - Group companies	0	-4,458
FX loss	-905,876	-4,129,532
	<u>-907,376</u>	<u>-4,134,123</u>

Note 4

<i>Corporation tax</i>		
Charge to the profit and loss account	-4,339,682	-805,967
Tax adjustment relating to previous years	0	-5,039
	<u>-4,339,682</u>	<u>-811,006</u>

Note 5

Investments in subsidiaries

DKK	2017/2018	2016/2017
Cost at 1 October	28,268,638	28,268,638
Sale of investment	-11,006,142	0
Cost at 30 September	17,262,496	26,268,638
Value adjustments at 1 October	-17,262,496	-17,262,496
Value adjustments at 30 September	-17,262,496	11,006,142
Carrying amount at 30 September	0	11,006,142

Note 6

Equity

DKK	Share capital	Retained Earnings	Total
Equity at 1 October	26,561,796	52,752,147	79,313,943
Contribution		2,226,202	2,226,202
Net profit/(loss) for the year		379,957,885	379,957,885
Equity at 30 September	26,561,796	434,936,234	461,498,030

Changes in share capital in the past five financial years

DKK	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Share capital at October 1	26,561,796	26,561,796	26,561,796	26,561,796	26,561,796
Share capital at September 30	26,561,796	26,561,796	26,561,796	26,561,796	26,561,796

Note 7

Related parties and ownership

Controlling interest and ownership

Basis

Tyco International Holding S.a.r.l.

Controlling shareholder

Consolidated accounts

The statutory accounts of the company is part of the consolidated accounts of the ultimate parent company:

Johnson Controls International Plc., Ireland

The consolidated accounts may be obtained on written request at:

Tyco Holding VIII (Denmark) ApS.

Note 8

Contingent Liabilities

The Company was until the financial year 2016 a part of a Danish joint taxation with Water Holding (Denmark) ApS as an administration company. Water Holding (Denmark) ApS has been liquidated. According to the joint taxation provision of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

As from financial year 2016 the Company is part of a Danish joint taxation group with Johnson Controls Denmark ApS as an administration company. According to the joint taxation provision of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2016 for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.