

**SPX Denmark Holdings ApS
Central Business Registration No
34699909
Østmarken 7
2860 Søborg**

Annual report 2015

The Annual General Meeting adopted the annual report on 24.06.2016

Chairman of the General Meeting

Name: Ulrik Friis

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Accounting policies	4
Income statement for 2015	6
Balance sheet at 31.12.2015	7
Statement of changes in equity for 2015	9
Notes	10

Entity details

Entity

SPX Denmark Holdings ApS
Østmarken 7
2860 Søborg

Central Business Registration No: 34699909

Registered in: Gladsaxe

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Michael Vembye
Jeremy Wade Smeltser
Stephen Athan Tsoris

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of SPX Denmark Holdings ApS 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 recommend the annual report for adoption at the Annual General Meeting.

Søborg, 24.06.2016

Executive Board

Michael Vembye

Jeremy Wade Smeltser

Stephen Athan Tsoris

Independent auditor's reports

To the owners of SPX Denmark Holdings ApS

Report on the financial statements

We have audited the financial statements of SPX Denmark Holdings ApS 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.

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.

Copenhagen, 24.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Max Damborg

State Authorised Public Accountant

CVR-nr. 33963556

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.

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

Consolidated financial statements

Referring to 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

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.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

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.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other external expenses		<u>(337)</u>	<u>(272)</u>
Operating profit/loss		(337)	(272)
Other financial expenses		<u>(6)</u>	<u>(21.607)</u>
Profit/loss from ordinary activities before tax		(343)	(21.879)
Tax on profit/loss from ordinary activities	2	<u>81</u>	<u>4.048</u>
Profit/loss for the year		<u>(262)</u>	<u>(17.831)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(262)</u>	<u>(17.831)</u>
		<u>(262)</u>	<u>(17.831)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Investments in group enterprises		1.083.392	1.083.392
Fixed asset investments	3	<u>1.083.392</u>	<u>1.083.392</u>
Fixed assets		<u>1.083.392</u>	<u>1.083.392</u>
Income tax receivable	4	4.129	4.048
Receivables		<u>4.129</u>	<u>4.048</u>
Current assets		<u>4.129</u>	<u>4.048</u>
Assets		<u>1.087.521</u>	<u>1.087.440</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		1.490	1.490
Share premium		1.408.590	1.408.590
Retained earnings		<u>(323.769)</u>	<u>(323.507)</u>
Equity		<u>1.086.311</u>	<u>1.086.573</u>
Bank loans		867	807
Trade payables		223	0
Other payables		<u>120</u>	<u>60</u>
Current liabilities other than provisions		<u>1.210</u>	<u>867</u>
Liabilities other than provisions		<u>1.210</u>	<u>867</u>
Equity and liabilities		<u>1.087.521</u>	<u>1.087.440</u>
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	5		
Consolidation	6		
Main activity	7		

Statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.490	1.408.590	(323.507)	1.086.573
Profit/loss for the year	0	0	(262)	(262)
Equity end of year	1.490	1.408.590	(323.769)	1.086.311

Notes

1. Uncertainty relating to recognition and measurement

As regards investments in subsidiaries, Management evaluates that there may be an indication of impairment. Consequently, Management has carried out an impairment test in that respect, which supports the book value.

	2015 DKK'000	2014 DKK'000
2. Tax on ordinary profit/loss for the year		
Current tax	(81)	(4.048)
	(81)	(4.048)
		Investments in group enterprises DKK'000
3. Fixed asset investments		
Cost beginning of year		1.360.000
Cost end of year		1.360.000
Impairment losses beginning of year		(276.608)
Impairment losses end of year		(276.608)
Carrying amount end of year		1.083.392

	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Subsidiaries:					
SPX Flow Technology Danmark A/S	Silkeborg	A/S	100,00	317.294	(1.491)

4. Short-term income tax receivable

Income tax receivable is reimbursed by the jointly taxed companies of the Danish joint taxation arrangement.

Notes

5. Contingent liabilities

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions 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 07.09.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

6. Consolidation

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

SPX Flow, 13320 Ballantyne Corporate Place, Charlotte, NC 28277, USA

7. Main activity

The object of the Company is to act as holding company and through its subsidiaries to carry on manufacturing, production, commercial and contracting business, technical and commercial consultancy, investment in enterprises and other related business.