

AHT COOLING SYSTEMS NORDIC ApS

A.P. Møllers Allé 43 B

2791 Dragør

CVR No. 36432780

Annual Report 2022/23

8. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2023

Martin Wood Pedersen
Chairman

AHT COOLING SYSTEMS NORDIC ApS

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AHT COOLING SYSTEMS NORDIC ApS

Statement by the Executive Board

Today, Management has considered and adopted the Annual Report of AHT COOLING SYSTEMS NORDIC ApS for the financial year 1 April 2022 - 31 March 2023.

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 assets, liabilities and financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 30 June 2023

Executive Board

Martin Wood Pedersen
Manager

Edward Maurits G Cool
Manager

Independent Auditors' Report

To the shareholder of AHT COOLING SYSTEMS NORDIC ApS

Opinion

We have audited the financial statements of AHT COOLING SYSTEMS NORDIC ApS for the financial year 1 April 2022 - 31 March 2023, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2023 and of the results of its operations for the financial year 1 April 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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

Independent Auditors' Report

Company's internal control.

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on the Management commentary

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 30 June 2023

**DELOITTE STATS-AUTORISERET
REVISIONSPARTNERSELSKAB**

CVR-no. 33963556

Ulrik Winkler Jakobsen
State Authorised Public Accountant
mne47242

AHT COOLING SYSTEMS NORDIC ApS

Company details

Company	AHT COOLING SYSTEMS NORDIC ApS A.P. Møllers Allé 43 B 2791 Dragør
CVR No.	36432780
Date of formation	24 October 2014
Registered office	Dragør
Financial year	1 April 2022 - 31 March 2023
Executive Board	Martin Wood Pedersen Edward Maurits G Cool
Auditors	DELOITTE STATS AUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6 2300 København S CVR-no.: 33963556

Management's Review

The Company's principal activities

The main activities is selling and servicing of plug-in coolers and freezers for the commercial sector.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 April 2022 - 31 March 2023 shows a result of DKK 1.789.315 and the Balance Sheet at 31 March 2023 a balance sheet total of DKK 17.366.379 and an equity of DKK 6.400.030.

The development and result for the year are considered satisfactory in these circumstances.

Subsequent events

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

Accounting Policies

Accounting policies

Reporting Class

The annual report of AHT COOLING SYSTEMS NORDIC ApS for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statements, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepayments

Prepayments are recognised in assets comprises prepaid costc regarding subsequent financial year.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Other liabilities are measured at net realisable value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet but appear only in the notes.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

All leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Income Statement

	Note	2022/23 kr.	2021/22 kr.
Gross profit		7.414.188	6.864.720
Staff costs	1	-4.919.280	-4.581.907
Profit from ordinary operating activities		2.494.908	2.282.813
Financial income		206.024	81.429
Finance expences		-377.029	-165.107
Profit/Loss from ordinary activities before tax		2.323.903	2.199.135
Tax expense on ordinary activities	2	-534.588	-504.375
Profit/loss		1.789.315	1.694.760
Proposed distribution of results			
Retained earnings		1.789.315	1.694.760
Distribution of profit		1.789.315	1.694.760

AHT COOLING SYSTEMS NORDIC ApS

Balance Sheet as of 31 March

	Note	2023 kr.	2022 kr.
Assets			
Manufactured goods and goods for resale		664.994	596.208
Prepayments for goods		314.488	1.011.896
Inventories		979.482	1.608.104
Short-term trade receivables		14.078.768	19.685.558
Short-term receivables from group enterprises		109.593	341.051
Other short-term receivables		29.784	27.000
Prepayments		497.732	83.617
Receivables		14.715.877	20.137.226
Cash and cash equivalents		1.671.020	459.520
Current assets		17.366.379	22.204.850
Assets		17.366.379	22.204.850

Balance Sheet as of 31 March

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		6.350.030	4.560.714
Equity		6.400.030	4.610.714
Prepayments received from customers		84.778	96.178
Trade payables		594.482	500.226
Payables to group enterprises		4.719.544	10.184.214
Tax payables		391.386	434.021
Other payables		5.176.159	6.379.497
Short-term liabilities other than provisions		10.966.349	17.594.136
Liabilities other than provisions within the business		10.966.349	17.594.136
Liabilities and equity		17.366.379	22.204.850
Contingent liabilities	3		
Collaterals and assets pledged as security	4		
Related parties	5		

Notes

	2022/23	2021/22
1. Staff costs		
Wages and salaries	3.982.477	3.736.923
Post-employment benefit expense	204.007	175.389
Social security contributions	446.161	360.716
Other employee expense	286.635	308.879
	4.919.280	4.581.907
Average number of employees	6	5
2. Tax expense		
Årets selskabsskat	539.386	504.375
Reg. af skat tidligere år	-4.798	0
	534.588	504.375

3. Contingent liabilities

The Company has a rental obligation that can be terminated with 6 months notice after 31/1-2024 and a lease obligation related to cars. The bearing commitment amounts to t.DKK 1.188.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

5. Related parties

The company's immediate parent undertaking is AHT Cooling Systems GmbH, a company incorporated in Austria whose registered address is A-8786, Rottenmann, Werksgasse 57, Austria.

The ultimate controlling party is Daikin Industries Limited, a company incorporated in Japan. This is the largest group in which the results of the Company is consolidated and those financial statements can be obtained from the registered address Umeda Center Building, 2-4-12 Nakazaki Nishi, Kita-ku, Osaka, Japan.

The smallest group in which the results of the company are consolidated is that headed by Daikin Europe N.V., a company incorporated in Belgium. The registered address from where the financial statements can be obtained is Zandvoordestraat 300, B8400, Oostende, Belgium.