

AHT COOLING SYSTEMS NORDIC ApS

A.P. Møllers Allé 9 B

2791 Dragør

CVR No. 36432780

Annual Report 2019/20

5. financial year

The annual report was presented and adopted at the annual general meeting of the Company on 21 October 2020

Koji Takahashi
Chairman of the General meeting

AHT COOLING SYSTEMS NORDIC ApS

Contents

Statement by the Executive Board	3
Independent Auditors' Report	4
Company information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Notes	14

AHT COOLING SYSTEMS NORDIC ApS

Statement by the Executive Board

Today, The Executive Board has considered and adopted the Annual Report of AHT COOLING SYSTEMS NORDIC ApS for the financial year 1 January 2019 - 31 March 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is in our opinion that the financial statements give a true and fair view of the Company's financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1. januar 2019 - 31 March 2020.

Further, in our opinion, the management's review gives 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, 21 October 2020

Executive Board

Koji Takahashi
Manager

Independent Auditors' Report

To the shareholders of AHT COOLING SYSTEMS NORDIC ApS

Opinion

We have audited the financial statements of AHT COOLING SYSTEMS NORDIC ApS for the financial year 01.01.2019 - 31.03.2020, which comprise the 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 Entity's financial position at 31.03.2020 and of the results of its operations for the financial year 01.01.2019 - 31.03.2020 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 Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity 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 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain 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 one 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 Entity's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

Independent Auditors' Report

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 Entity'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 Entity to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures in the notes, 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.

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.

In connection with our audit 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 audit 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 misstatements of the management commentary.

Copenhagen, 21 October 2020

**DELOITTE STATS-AUTORISERET
REVISIONSPARTNERSELSKAB**
CVR-no. 33963556

Flemming Larsen
State Authorised Public Accountant
mne27790

AHT COOLING SYSTEMS NORDIC ApS

Company details

Company	AHT COOLING SYSTEMS NORDIC ApS A.P. Møllers Allé 9 B 2791 Dragør
CVR No.	36432780
Date of formation	24 October 2014
Registered office	Dragør
Financial year	1. januar 2019 - 31. marts 2020
Executive Board	Koji Takahashi, Manager
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 financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 March 2020 shows a result of DKK 870.940 and the Balance Sheet at 31 March 2020 a balance sheet total of DKK 15.050.605 and an equity of DKK 1.799.110.

Subsequent events

The COVID-19 pandemic has not had any noticeable impact on our overall turnover. There have been single installations that were postponed at the beginning of the pandemic, but they have been obtained now. We expect to reach the budget for the coming year.

Accounting Policies

Accounting policies

Reporting Class

The Annual Report of AHT COOLING SYSTEMS NORDIC ApS for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

Change in financial year

The company has changed the financial year and the accounting period covers the period 01.01.2019 - 31.03.2020 (15 months). The comparison figures are 12 months.

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 princip.

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.

Income statement

Gross profit/loss

Gross profit or loss comprises revenue, other operating income, cost of consumables and external expenses.

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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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

Accounting Policies

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

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Depreciation, amortisation and impairment losses

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect 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 tax prepayment 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 realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable 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 amortised 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 costs 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 balance-sheet 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 crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal 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	2019/20 kr.	2018 kr.
Gross profit		5.575.172	2.492.338
Staff costs	1	-4.646.524	-2.858.524
Profit from ordinary operating activities		928.648	-366.186
Financial income		518.331	362.051
Finance expences	2	-335.197	-220.634
Profit/Loss from ordinary activities before tax		1.111.782	-224.769
Tax on profit for the year	3	-240.842	49.361
Profit/loss		870.940	-175.408
Proposed distribution of results			
Retained earnings		870.940	-175.408
Distribution of profit		870.940	-175.408

AHT COOLING SYSTEMS NORDIC ApS

Balance Sheet as of 31 March

	Note	2020 kr.	2018 kr.
Assets			
Short-term trade receivables		12.045.069	2.588.705
Short-term receivables from group enterprises		121.625	36.864
Current deferred tax	4	0	105.175
Short-term tax receivables		7.467	36.000
Other short-term receivables		47.072	46.028
Prepayments		388.572	52.102
Receivables		12.609.805	2.864.874
Cash and cash equivalents		2.440.800	3.326.465
Current assets		15.050.605	6.191.339
Assets		15.050.605	6.191.339

Balance Sheet as of 31 March

	Note	2020 kr.	2018 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		1.749.110	878.172
Equity		1.799.110	928.172
Other payables		144.718	0
Long-term liabilities other than provisions		144.718	0
Prepayments received from customers		0	46.254
Trade payables		655.622	230.149
Payables to group enterprises		7.955.072	2.750.845
Tax payables		77.667	0
Other payables		4.418.416	2.234.263
Deferred income, liabilities		0	1.656
Short-term liabilities other than provisions		13.106.777	5.263.167
Liabilities other than provisions within the business		13.251.495	5.263.167
Liabilities and equity		15.050.605	6.191.339
Contingent liabilities	5		
Collaterals and assets pledged as security	6		
Related parties	7		

Notes

	2019/20	2018
1. Staff costs		
Wages and salaries	4.193.522	2.547.231
Post-employment benefit expense	36.875	16.887
Social security contributions	190.858	139.837
Other employee expense	225.269	154.569
	<u>4.646.524</u>	<u>2.858.524</u>
Average number of employees	<u>4</u>	<u>3</u>
2. Financial expenses		
Other financial expenses	335.197	220.634
	<u>335.197</u>	<u>220.634</u>
3. Tax expense		
Tax on profit for the year	135.667	0
Deferred tax adjustment	105.175	-49.361
	<u>240.842</u>	<u>-49.361</u>
4. Current deferred tax		
Current deferred tax	0	105.175
Balance at the end of the year	<u>0</u>	<u>105.175</u>

5. Contingent liabilities

The Company has a rental obligation that can be terminated with 6 months notice and a lease obligation related to cars. The bearing commitment amounts to t.DKK 505.

6. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

7. 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, 4-12-12 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.