

Carrier Refrigeration Denmark A/S

Industrivej 19, 8260 Viby J

CVR No. 83 69 37 11

Annual Report for 2015/16

The Annual Report was presented and adopted at the Annual General Meeting of the Company on ⁶5-2017.

Chairman

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned below the text 'Chairman'.

Contents

	Page
Management's Statement on the Annual Report	1
Independent Auditor's Report	2
Company Information	4
Financial Highlights	6
Review	7
Accounting policies	8
Income Statement 1 December 2015 - 30 November 2016	14
Balance Sheet at 30 November 2016	15
Cash Flow Statement 1 December 2015 - 30 November 2016	17
Notes to the Annual Report	18

Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Carrier Refrigeration Denmark A/S for the financial year 1 December 2015 - 30 November 2016.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion the Annual Report gives a true and fair view of the financial position as of 30 November 2016, and the results of operations and cash flows of the Company for 2015/16.

The management review contains in our opinion a true account of the matters dealt with in the review.

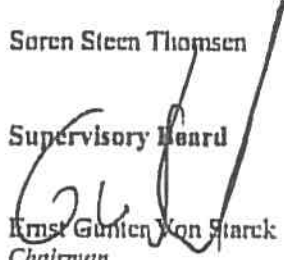
We recommend that the Annual Report be adopted at the Annual General Meeting.

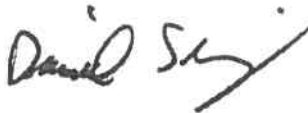
Viby, 16/5 2017

Executive Board

Soren Steen Thomsen

Supervisory Board


Ernst Günther von Starck
Chairman



Daniel Schmedding



Soren Steen Thomsen

Independent Auditor's Report

To the Shareholders of Carrier Refrigeration Denmark A/S

Report on the Financial Statements

We have audited the Financial Statements of Carrier Refrigeration Denmark A/S for the financial year 1 December 2015 — 30 November 2016, which comprise income statement, balance sheet, cash flow statement, notes and summary of significant accounting policies. 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 evaluating 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.

The audit has not resulted in any qualification.

Opinion

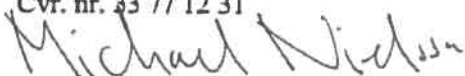
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 November 2016 and of the results of the Company operations and cash flows for the financial year 1 December 2015 - 30 November 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Aarhus, 14/5 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerskab
Cvr. nr. 33 77 12 31



Michael Nielsson
State Authorized Public Accountant

Company Information

The Company	<p>Carrier Refrigeration Denmark A/S Industrivej 19 DK-8260 Viby J</p> <p>Telephone +45 8655 0255 E-mail: info@carrier-ref.dk Website: www.carrier.dk CVR No.: 83 69 37 11</p> <p>Financial period: 1 December - 30 November</p> <p>Municipality of reg. office: Aarhus</p>
Shareholder	<p>The share capital, DKK 1.000,000, is 100% owned by Carrier Transicold Scandinavia A/S, Industrivej 30, DK-6330 Padborg.</p>
Ultimate parent company	<p>United Technologies Corporation, One Financial Plaza, Hartford, Connecticut 06103, USA.</p> <p>The consolidated financial report, of which the Company is part, can be obtained on inquiry to the above company or on the web-site www.utc.com.</p>
Supervisory Board	<p>Ernst Gunther Von Starck, Chairman Daniel Schmedding Søren Steen Thomsen</p>
Executive Board	<p>Søren Steen Thomsen</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C</p>

Company Information

Lawyer

Plesner
Amerika Plads 37
DK-2100 København Ø

Bankers

Nordea Bank DK A/S
Østjylland Erhvervsafdeling
Rådhusstorvet 13-19
DK-8700 Horsens

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	1/12 2015 - 30/11 2016	1/12 2014 - 30/11 2015	1/12 2013 - 30/11 2014	1/12 2012 - 30/11 2013	1/12 2011 - 30/11 2012
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Key figures					
Profit/loss					
Profit/loss before financial income and expenses	1 325	5 938	2 485	-4 287	2 116
Financial income and expenses	- 123	- 156	- 205	- 128	- 277
Net financials	1 202	5 782	2 280	-4 416	1 839
Net profit/loss for the year	902	4 434	1 120	-4 816	1 358
Balance sheet					
Balance sheet total	60 308	81 449	69 546	66 483	69 723
Equity	13 041	12 139	-9 295	-10 415	-5 599
Cash flows					
<i>Cash flows</i>					
Cash flows from:					
- operating activities	14 033	14 071	-5 180	-11 473	6 540
- investing activities	- 273	-5 788	1 210	- 11	- 188
- including investment in intangible assets	0	-5 349	0	0	0
- including investment in property, plant and equipment	- 223	- 230	1 210	-67	-401
- financing activities	-18 253	3 153	1 463	12 721	-10 311
Change in cash and cash equivalents for the year	-4 493	11 436	-2 507	1 236	-3 959
Number of employees	53	55	48	53	59
Ratios					
Return on assets	2,2%	7,3%	3,6%	0,0%	3,0%
Solvency ratio	21,6%	14,9%	-13,4%	-15,7%	-8,0%
Return on equity	7,2%	311,8%	0,0%	0,0%	0,0%

For definitions, see under accounting policies.

Review

Main activities

The Company's main activities are sale and installation of refrigeration cabinets and systems to the Danish market. In addition the Company provides service on cabinets and systems delivered by the Company.

Carrier Refrigeration Denmark A/S is part of the worldwide group United Technologies Corporation (UTC) whose refrigeration division is known under the brand name Carrier.

Development in the year

Profit/Loss for the year

During the period 1 December 2014 - 30 November 2015 gross profit amounted to DKK 28.522k and during the period 1 December 2015 - 30 November 2016 decreased to DKK 22.366.

The result for the financial year 2015/16 is in line with the expectations as at the publication of last year's financial report.

Primarily caused by lower activity and increased price pressure profit before tax decreased from DKK 5.782k in 2014/15 to DKK 1.202k in 2015/16.

Net profit after tax DKK 902k.

Management considers the profit/loss for the year satisfactory.

Special risks

The Company is not exposed to special risks apart from those which are normal within the industry.

Expectations for the coming year

Management expects similar activities and a positive result for 2016/17.

Accounting policies

Basis of Preparation

The Annual Report of Carrier Refrigeration Denmark A/S for the period 1 December 2015 - 30 November 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to middle size enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015/16 is in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The current tax is calculated using the current tax percentage of 22%.

The current tax receivable is recognised in the balance sheet as a receivable if too much has been paid, but current tax liabilities are recognised as short-term liabilities if they have not been paid.

Deferred tax is recognised in the balance sheet as the tax of temporary differences. The deferred tax is calculated using the tax rate which, based on the tax legislation at year end, is valid at the date when it is expected to be realised.

Deferred tax assets are recognised at the value at which they are expected to be realised.

The Company is jointly taxed with the parent company Carrier Transicold Scandinavia A/S and the Danish affiliated companies hereof.

The tax effect of the joint taxation is allocated to each company in proportion to its taxable income (full allocation).

Income Statement

Gross profit

Gross profit is made up of revenue and other operating income less cost of sales.

Accounting policies

Revenue

Revenue from the sale of goods and service is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Ongoing work in progress is recognized as the completion whereby revenue equals the selling price of the work performed (Production Method). This method applies when the total income and expenses of the contract and completion at the balance sheet date can be measured reliably and it is probable that the economic benefits, including payments will flow to the company.

Cost of sales

Production costs include the costs incurred to obtain revenue for the year. This includes salaries, depreciation and amortization of tangible fixed assets and other direct costs.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation on property, plant and equipment, etc.

Administrative expenses

Administrative expenses include costs for management, administrative staff, office expenses, amortization of intangible and tangible fixed assets etc.

Financial income and expenses

Financial income and expenses comprise interest and realised and unrealised exchange adjustments.

Balance Sheet

Goodwill

Acquired goodwill is measured at cost less accumulated depreciation and amortization. The depreciation, which is stated as cost less impairment distributed linearly over the estimated useful life determined on the basis of management experience within the individual business areas. Depreciation over a period exceeding 5 years occurs when the acquisition time of an expected earnings-related effects beyond.

Trademarks and similar rights are measured at cost less accumulated depreciation and recoverable amount if this is lower.

Trademarks and similar rights are amortized over the remaining patent term or a shorter economic life.

Equipment

Equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Interest is not recognised.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
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Assets costing less than DKK 12,900 are expensed in the year of acquisition.

Depreciation is recognised in the income statement under cost of sales, distribution expenses and administrative expenses, respectively.

Profit and loss in connection with current replacement of property, plant and equipment is recognised under other operating income/other operating expenses.

Impairment of fixed assets

The carrying amounts of intangibles, property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis.

Accounting policies

Inventories

Inventories are measured at the lower of cost under FIFO method and the net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale and consumables equals landed cost.

Obsolete goods are written down.

Work in progress

Work in progress is measured at cost. Cost comprises direct materials and wages. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable 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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of as much as 2 years. Provisions are measured and recognised based on experience with guarantee work.

Debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Accounting policies

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" less bank debts .

The cash flow statement cannot be immediately derived from the published financial records.

Explanation of financial ratios

$$\text{Return on assets} = \frac{\text{Profit before financials} \times 100}{\text{Total assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

Income Statement 1 December - 30 November

	<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
		DKK	DKK
Gross profit/loss	5	22 365 648	28 521 566
Distribution expenses	5	-11 924 578	-12 366 238
Administrative expenses	5	-9 116 159	-10 300 873
Other operating income		0	83 590
Profit/loss before financial income and expenses		1 324 911	5 938 045
Financial income		796	0
Financial expenses	1	-123 997	-155 588
Profit/loss before tax		1 201 710	5 782 457
Tax	2	-299 817	-1 348 393
Net profit/loss for the year		901 893	4 434 064

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	0
Retained earnings	901 893	4 434 064
	<u>901 893</u>	<u>4 434 064</u>

Balance Sheet 30 November

Assets

	Note	2016 DKK	2015 DKK
Trademarks and similar rights		2 058 992	2 923 957
Goodwill		7 808 329	9 415 432
Intangible assets	3	9 867 321	12 339 389
Other fixtures and fittings, tools and equipment		314 834	262 658
Property, plant and equipment	4	314 834	262 658
Deposits		649 519	600 000
Financial assets	6	649 519	600 000
Fixed assets		10 831 674	13 202 047
Inventories (goods for resale)		5 510 626	12 541 995
Trade receivables		23 632 408	38 626 304
Ongoing work in progress		14 417 897	6 534 197
Receivables from group enterprises		188 442	526 376
Other receivables		31 107	14 720
Prepayments		447 250	261 861
Receivables		38 717 104	45 963 457
Cash at bank and in hand		5 248 687	9 741 532
Current assets		49 476 418	68 246 984
Assets		60 308 092	81 449 031

Balance Sheet 30 November

Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		1 000 000	1 000 000
Retained earnings		12 040 842	11 138 949
Equity	7	13 040 842	12 138 949
Deferred tax		1 064 740	751 168
Other provisions		2 340 269	1 988 326
Provisions		3 405 009	2 739 494
Trade payables		9 368 020	13 758 318
Payables to group enterprises		7 935 022	10 188 347
Loan with group enterprises		17 000 000	33 000 000
Corporation tax	2	0	1 001 440
Other payables		8 655 728	7 911 728
Prepayments		903 471	710 756
Short-term debt		43 862 241	66 570 588
Debt		43 862 241	66 570 588
Liabilities and equity		60 308 092	81 449 031
Contingent assets, liabilities and other financial obligations	8		
Staff	9		
Related parties and ownership	10		

Cash Flow Statement

	Note	2015/16 DKK '000	2014/15 DKK '000
Net profit/loss for the year before financial income and expenses		1 325	5 938
Amortisation and depreciation	5	2 643	2 532
Change in inventories		7 031	-4 753
Change in receivables incl. contract work		7 247	5 847
Change in provisions, trade payables and other payables		-3 102	5 253
Cash flows from operating activities before financial income and expenses		15 144	14 817
Financial expenses		-123	-156
Cash flows from ordinary activities		15 021	14 661
Corporation tax paid / received		- 988	- 590
Cash flows from operating activities		14 033	14 071
Purchase of intangible assets		0	-5 349
Purchase of property, plant and equipment		- 223	- 231
Deposits		- 50	- 208
Cash flows from investing activities		- 273	-5 788
Change in payables to group enterprises		-18 253	-13 847
Capital increase		0	17 000
Cash flows from financing activities		-18 253	3 153
Change in cash and cash equivalents		-4 493	11 436
Cash at 1 December		9 742	-1 694
Cash 30 November		5 249	9 742
Cash are specified as follows:			
Cash at bank and in hand		5 249	9 742
Cash at 30 November		5,249	9,742

Notes to the Annual Report

	2015/16	2014/15
	DKK	DKK
1 Financial expenses		
Interest paid to group enterprises	38 927	129 051
Other financial expenses	85 071	26 538
	<u>123 997</u>	<u>155 588</u>
2 Tax		
	Corporation tax	Provision for deferred tax
		Tax according to income statement
Provision 1 December	1 001 440	751 168
Tax paid to parent company relating to 2013/14	- 90 417	0
Tax paid to parent company relating to 2014/15	- 897 266	0
Adjustment previous years	- 13 757	25 727
Tax on profit/loss for the year	0	287 845
	<u>0</u>	<u>1 064 740</u>
		<u>299 817</u>
3 Intangible assets		
	Trademarks and similar rights	Goodwill
	DKK	DKK
Cost at 1 December	7 897 500	26 076 085
Cost at 30 November	7 897 500	26 076 085
Impairment losses at 1 December	0	8 008 000
Impairment losses at 30 November	0	8 008 000
Amortisation at 1 December	4 973 543	8 652 653
Amortisation for the year	864 965	1 607 103
Amortisation at 30 November	5 838 508	10 259 756
Carrying amount at 30 November	<u>2 058 992</u>	<u>7 808 329</u>

Notes to the Annual Report

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 December	937 216
Additions for the year	223 018
Cost at 30 November	<u>1 160 234</u>
Impairment losses and depreciation at 1 December	674 558
Depreciation for the year	170 842
Impairment losses and depreciation at 30 November	<u>845 400</u>
Carrying amount at 30 November	<u>314 834</u>

5 Depreciation and amortization intangible and tangible fixed assets

	2015/16	2014/15
	DKK	DKK
Depreciation and amortization of intangible and tangible fixed assets is expensed under the following headings:		
Consumption of goods (gross profit/loss)	151 642	81 558
Administrative expenses	2 491 268	2 449 992
	<u>2 642 910</u>	<u>2 531 551</u>

6 Financial assets

Cost at 1 December	600.000	392.500
Additions for the year	49.519	207.500
Cost at 30 November	<u>649 519</u>	<u>600 000</u>
Carrying amount at 30 November	<u>649 519</u>	<u>600 000</u>

Notes to the Annual Report

7 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 December	1 000 000	11 138 949	12 138 949
Net profit/loss for the year	0	901 893	901 893
Egenkapital 30. november <i>Equity at 30 November</i>	1 000 000	12 040 842	13 040 842

The share capital consists of 4.000 shares of a nominal value of DKK 250. No shares carry any special rights.

The share capital has been increased with 500,000 DKK on 8 July 2015.

8 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations amount to DKK 3.351 k of which DKK 1.288 k is due within 1 year.

The company has one signed lease which are non-callable until January 1 2020 and another signed lease which are non-callable until June 1 2017. The total rent obligation is DKK 1.737 k of which DKK 862 k is payable in 2016/17.

The company has issued guarantees in relation to completed projects of DKK 342,638 and a guarantee in relation to the remaining purchased price for prior years investments of DKK 1,081,600.

Joint taxation

The Company is jointly taxed with other associated group companies and the Company is liable for the total joint taxation income.

Notes to the Annual Report

	2015/16	2014/15
	DKK	DKK
9 Staff		
Wages and salaries	33 658 793	31 162 006
Pensions	2 409 595	2 332 842
Other social security expenses	340 259	375 804
	<u>36 408 647</u>	<u>33 870 652</u>
Wages and salaries, pensions and other social security expenses are recognised in the following items:		
Cost of sales	25 752 151	23 253 835
Distribution expenses	5 405 500	5 863 699
Administrative expenses	5 250 996	4 753 118
	<u>36 408 647</u>	<u>33 870 652</u>
Average number of employees	<u>53</u>	<u>55</u>

10 Related parties and ownership

	<u>Basis</u>
Controlling Interest	
Carrier Transicold Scandinavia A/S, Industrivej 30, DK-6330 Padborg	Controlling shareholder
United Technologies Holding SA, Paris, France	Parent company of Carrier Transicold Scandinavia A/S
United Technologies Corporation, One Financial Plaza, Hartford, Connecticut 06103, USA	Ultimate parent company
Other related parties	
Ernst Gunter Von Starck Oddelená 2398/9, 169 00 Praha 6, Czech	Chairman of the Supervisory Board
Daniel Schmedding Heckenrosenphal 1, 50858 Köln, Germany	Member of the Supervisory Board
Søren Steen Thomsen P.S. Krøyers Vej 17 8270 Højbjerg, Denmark	Member of the Executive and Supervisory Boards

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions. Transactions have been made at market conditions.