

**VULSUB HOLDING III
(DENMARK) ApS**

Generatorvej 8 A, 2.

2860 Søborg

Business Registration No

21490032

**Annual report 01.10.2017
- 30.09.2018**

The Annual General Meeting adopted the annual report on 15.03.2019

Chairman of the General Meeting

Name: Alain Ghislain Masson

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Entity details

Entity

VULSUB HOLDING III (DENMARK) ApS
Generatorvej 8 A, 2.
2860 Søborg

Central Business Registration No (CVR): 21490032

Founded: 01.01.1999

Registered in: Gladsaxe

Financial year: 01.10.2017 - 30.09.2018

Board of Directors

Lars Peter Larsson
Hans Jakob Nørr

Executive Board

Alain Ghislain Masson

Lawyer

21490032

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of VULSUB HOLDING III (DENMARK) ApS for the financial year 01.10.2017 - 30.09.2018.

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 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 15.03.2019

Executive Board

Alain Ghislain Masson

Board of Directors

Lars Peter Larsson

Hans Jakob Nørr

Independent auditor's extended review report

To the shareholders of VULSUB HOLDING III (DENMARK) ApS

Conclusion

We have performed an extended review of the financial statements of VULSUB HOLDING III (DENMARK) ApS for the financial year 01.10.2017 - 30.09.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.03.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Jan Larsen

State Authorised Public Accountant

Identification No (MNE) mne16541

Management commentary

Primary activities

The object of the Company is to act as holding company for Emerson Automation Solutions Final Control Denmark A/S.

The subsidiary has divested its activity during the financial year. The decision was taken in continuation of change of the ultimate owner.

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Development in activities and finances

Profit for the year amounts to DKK 942 thousand. The profit is considered satisfactory.

Events after the balance sheet date

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

Income statement for 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Gross loss		(127.469)	(93.338)
Income from investments in group enterprises		1.050.900	(16.813.089)
Other financial income	1	0	9.428
Other financial expenses	2	(9.740)	(5.112)
Profit/loss before tax		913.691	(16.902.111)
Tax on profit/loss for the year	3	28.000	20.500
Profit/loss for the year		941.691	(16.881.611)
Proposed distribution of profit/loss			
Retained earnings		941.691	(16.881.611)
		941.691	(16.881.611)

Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Investments in group enterprises		<u>3.642.000</u>	<u>2.591.100</u>
Fixed asset investments	4	<u>3.642.000</u>	<u>2.591.100</u>
Fixed assets		<u>3.642.000</u>	<u>2.591.100</u>
Receivables from group enterprises		320.690	452.159
Income tax receivable		528.000	264.000
Joint taxation contribution receivable		<u>880.681</u>	<u>571.610</u>
Receivables		<u>1.729.371</u>	<u>1.287.769</u>
Current assets		<u>1.729.371</u>	<u>1.287.769</u>
Assets		<u>5.371.371</u>	<u>3.878.869</u>

Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital		18.647.369	18.647.369
Retained earnings		<u>(14.456.478)</u>	<u>(15.398.169)</u>
Equity		<u>4.190.891</u>	<u>3.249.200</u>
Income tax payable		1.084.169	533.358
Other payables		<u>96.311</u>	<u>96.311</u>
Current liabilities other than provisions		<u>1.180.480</u>	<u>629.669</u>
Liabilities other than provisions		<u>1.180.480</u>	<u>629.669</u>
Equity and liabilities		<u>5.371.371</u>	<u>3.878.869</u>
Contingent liabilities	5		
Group relations	6		

Statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	18.647.369	(15.398.169)	3.249.200
Profit/loss for the year	0	941.691	941.691
Equity end of year	18.647.369	(14.456.478)	4.190.891

Notes

	2017/18	2016/17
	DKK	DKK
1. Other financial income		
Interest regarding tax paid on account	0	9.428
	0	9.428
2. Other financial expenses		
Other interest expenses	9.740	5.112
	9.740	5.112
3. Tax on profit/loss for the year		
Current tax	(28.000)	(20.500)
	(28.000)	(20.500)
4. Fixed asset investments		Invest-
Cost beginning of year		ments in
Cost end of year		group
		enterprises
		DKK
		<u>19.404.189</u>
		19.404.189
Impairment losses beginning of year		(16.813.089)
Reversal of impairment losses		<u>1.050.900</u>
Impairment losses end of year		(15.762.189)
Carrying amount end of year		3.642.000

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
Investments in group enterprises comprise:					
Emerson Automation Solutions Final Control Denmark A/S	Søborg	A/S	100,0	3.642.061	(129.076)

5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Damcos Holdings A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

6. Group relations

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

Emerson Electric Co., USA

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

Emerson Electric Co., USA

[Click here to enter text.](#)

The foreign consolidated financial statements can be obtained at <http://www.emerson.com/en-us/investors/annual-reports>

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 enterprises with addition of certain provisions for reporting class C.

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

Income statement

Gross profit or loss

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for administration etc..

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange 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.

Tax on profit/loss for the year

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.

Balance sheet

Investments in group enterprises

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.