

Vincotech (Denmark) ApS

c/o Azets Insight A/S
Lyskær 3 CD
2730 Herlev

CVR No. 30989740

Annual Report 2016

9. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 31 May 2017

Joachim Fietz
Chairman

Contents

Management's Statement 3

Company Information..... 4

Management's Review 5

Accounting Policies 6

Income Statement 9

Balance Sheet 10

Notes 12

Vincotech (Denmark) ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Vincotech (Denmark) ApS for the financial year 1 January 2016 - 31 December 2016.

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 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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

The conditions for not conducting an audit of the Financial Statement have been met.

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

Herlev, 30 May 2017

Executive Board

Joachim Fietz
Manager

Vincotech (Denmark) ApS

Company details

Company	Vincotech (Denmark) ApS c/o Azets Insight A/S Lyskær 3 CD 2730 Herlev
Telephone	70273130
Telefax	70273730
CVR No.	30989740
Date of formation	1 November 2007
Registered office	Herlev
Financial year	1 January 2016 - 31 December 2016
Executive Board	Joachim Fietz, Manager
Parent Company	Mitsubishi Electric Corporation 2-7-3 Marunouchi, Chiyoda-ku 100-8310-Tokyo Japan

Management's Review

The Company's principal activities

The Company's principal activities consist in providing power modules and other technologies used in industrial, automotive and GPS applications.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2016 - 31 December 2016 shows a result of DKK 45.760 and the Balance Sheet at 31 December 2016 a balance sheet total of DKK 807.254 and an equity of DKK 525.055.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Vincotech (Denmark) ApS for 2016 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 remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

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 amortised cost. 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 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 Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Revenue

Income from delivery of services is recognised as revenue. The revenue is based on a Service Level Agreement with Vincotech (Germany) GmbH.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss 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.

Accounting Policies

Balance Sheet

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

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.

Financial liabilities

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

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.

Other liabilities

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

Vincotech (Denmark) ApS

Income Statement

	Note	2016 DKK	2015 DKK
Revenue		1.612.104	1.815.068
Other external expenses		-416.071	-443.157
Employee benefits expense	1	-1.132.607	-1.299.877
Profit from ordinary operating activities		63.426	72.034
Finance income		0	82
Finance expences		-682	-1.266
Profit from ordinary activities before tax		62.744	70.850
Tax expense on ordinary activities		-16.984	-27.096
Profit		45.760	43.754
Proposed distribution of profit			
Retained earnings		45.760	43.754
		45.760	43.754

Vincotech (Denmark) ApS

Balance Sheet as of 31. December

	Note	2016 DKK	2015 DKK
Assets			
Deposits, investments		14.924	14.924
Investments		<u>14.924</u>	<u>14.924</u>
Fixed assets			
		<u>14.924</u>	<u>14.924</u>
Short-term receivables from group enterprises		386.983	407.277
Other short-term receivables		31.476	30.667
Receivables		<u>418.459</u>	<u>437.944</u>
Cash and cash equivalents		<u>373.871</u>	<u>307.324</u>
Current assets		<u>792.330</u>	<u>745.268</u>
Assets		<u>807.254</u>	<u>760.192</u>

Balance Sheet as of 31. December

	Note	2016 DKK	2015 DKK
Liabilities and equity			
Contributed capital		125.000	125.000
Retained earnings		400.055	354.295
Equity		525.055	479.295
Trade payables		71.890	37.037
Tax payables		9.289	36.768
Other payables		201.020	207.092
Short-term liabilities other than provisions		282.199	280.897
Liabilities other than provisions within the business		282.199	280.897
Liabilities and equity		807.254	760.192
Contingent liabilities	2		

Notes

	2016	2015
1. Employee benefits expense		
Wages and salaries	1.022.986	1.174.296
Post-employment benefit expense	105.300	117.000
Social security contributions	4.321	8.581
	<u>1.132.607</u>	<u>1.299.877</u>
Average number of employees	<u>1</u>	<u>1</u>

2. Contingent liabilities

The company is liable for lease commitments for DKK 127.707.

Payable within one year DKK 76.624. Payable within 1-5 years DKK 51.083.