

Vincotech (Denmark) ApS

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

CVR No. 30989740

Annual Report 2018

11. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 11 April 2019

Joachim Fietz
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Vincotech (Denmark) ApS for the financial year 1 January 2018 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

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.

Herlev, 11 April 2019

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 2018 - 31 December 2018
Executive Board	Joachim Fietz, Manager
Parent Company	Mitsubitshi 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 2018 - 31 December 2018 shows a result of DKK 58.408 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 950.939 and an equity of DKK 636.737.

Accounting Policies

Reporting Class

The Annual Report of Vincotech (Denmark) ApS for 2018 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 expenses

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

Accounting Policies

Balance Sheet

Other investments

Other securities and investments are measured at amortised cost which usually corresponds to the nominal value.

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.

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.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2018 DKK	2017 DKK
Gross profit		1.558.858	1.382.937
Employee benefits expense	1	-1.479.315	-1.312.598
Profit from ordinary operating activities		79.543	70.339
Other finance expenses		-1.357	-257
Profit from ordinary activities before tax		78.186	70.082
Tax expense on ordinary activities		-19.778	-16.808
Profit		58.408	53.274
Proposed distribution of profit			
Retained earnings		58.408	53.274
Distribution of profit		58.408	53.274

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Balance Sheet as of 31 December

	Note	2018 DKK	2017 DKK
Assets			
Deposits, investments		14.924	14.924
Investments		14.924	14.924
Fixed assets		14.924	14.924
Short-term receivables from group enterprises		625.991	279.936
Other short-term receivables		44.033	30.129
Deferred income		7.575	0
Receivables		677.599	310.065
Cash and cash equivalents		258.416	544.991
Current assets		936.015	855.056
Assets		950.939	869.980

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Balance Sheet as of 31 December

	Note	2018 DKK	2017 DKK
Liabilities and equity			
Contributed capital		125.000	125.000
Retained earnings		511.737	453.329
Equity		636.737	578.329
Trade payables		33.083	52.770
Tax payables		10.052	4.957
Other payables		271.067	233.924
Short-term liabilities other than provisions		314.202	291.651
Liabilities other than provisions within the business		314.202	291.651
Liabilities and equity		950.939	869.980
Contingent liabilities	2		
Collaterals and assets pledged as security	3		

Notes

	2018	2017
1. Employee benefits expense		
Wages and salaries	1.357.285	1.188.917
Post-employment benefit expense	116.345	118.079
Social security contributions	5.685	5.602
	<u>1.479.315</u>	<u>1.312.598</u>
Average number of employees	<u>1</u>	<u>1</u>

2. Contingent liabilities

The company is liable for lease commitments for DKK 203.000.

3. Collaterals and assets pledges as security

No securities or mortgages exist at the balance sheet date.