

Ziehl-Abegg Danmark ApS

Pakhusgården 40, 5000 Odense C

Company reg. no. 31 26 29 92

Annual report

1 January - 31 December 2018

The annual report have been submitted and approved by the general meeting on the 2 April 2019.



Peter Fenkl
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Ziehl-Abegg Danmark ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

The annual report is recommended for approval by the general meeting.

Odense, 8 February 2019

Managing Director



Carsten Schousboe Sundman

Board of directors



Peter Finkl
Chairman



Achim Curd Rägle



Carsten Schousboe Sundman

Independent auditor's report

To the shareholder of Ziehl-Abegg Danmark ApS

Opinion

We have audited the annual accounts of Ziehl-Abegg Danmark ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company'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 annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Copenhagen, 8 February 2019

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36


Kim Kjellberg
State Authorised Public Accountant
mne29452

Company data

The company

Ziehl-Abegg Danmark ApS
Pakhusgården 40
5000 Odense C

Company reg. no. 31 26 29 92
Established: 11 February 2008
Domicile: Odense
Financial year: 1 January - 31 December

Board of directors

Peter Fendl, Am Waldmorgen 27, 63512 Hainburg, Tyskland /
Germany, Chairman
Achim Curd Rägler, Panoramastr. 30, 74638 Waldenburg, Tyskland /
Germany
Carsten Schousboe Sundman, Chr. Richardts Vej 7, 5230 Odense M

Managing Director

Carsten Schousboe Sundman

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Nordea Bank Danmark A/S, Vestre Stationsvej 7, 5100 Odense C

Parent company

Ziehl-Abegg SE

Accounting policies used

The annual report for Ziehl-Abegg Danmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises and option for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	<i>Useful life</i>	<i>Residual value</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>	<i>0 %</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Accounting policies used

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	12.413.534	11.532.582
2 Staff costs	-3.962.158	-3.713.734
3 Depreciation and writedown relating to tangible fixed assets	-22.205	-31.315
Operating profit	8.429.171	7.787.533
Other financial income	0	-2.999
Other financial costs	-257.403	-93.333
Results before tax	8.171.768	7.691.201
4 Tax on ordinary results	-1.803.716	-1.698.186
Results for the year	6.368.052	5.993.015
Proposed distribution of the results:		
Dividend for the financial year	4.500.000	3.400.000
Allocated to results brought forward	1.868.052	2.593.015
Distribution in total	6.368.052	5.993.015

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Fixed assets			
5	Other plants, operating assets, and fixtures and furniture	<u>19.722</u>	<u>41.927</u>
	Tangible fixed assets in total	<u>19.722</u>	<u>41.927</u>
	Fixed assets in total	<u>19.722</u>	<u>41.927</u>
Current assets			
	Manufactured goods and trade goods	<u>2.402.919</u>	<u>1.489.513</u>
	Inventories in total	<u>2.402.919</u>	<u>1.489.513</u>
	Trade debtors	17.647.379	16.234.386
	Deferred tax assets	117.057	75.611
	Other debtors	47.312	47.312
	Accrued income and deferred expenses	<u>20.094</u>	<u>17.474</u>
	Debtors in total	<u>17.831.842</u>	<u>16.374.783</u>
	Available funds	<u>942.808</u>	<u>900.526</u>
	Current assets in total	<u>21.177.569</u>	<u>18.764.822</u>
	Assets in total	<u>21.197.291</u>	<u>18.806.749</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
6	Contributed capital	125.000	125.000
7	Results brought forward	6.743.774	4.875.723
8	Proposed dividend for the financial year	4.500.000	3.400.000
	Equity in total	<u>11.368.774</u>	<u>8.400.723</u>
Liabilities			
	Trade creditors	83.843	38.982
	Debt to group enterprises	6.283.724	5.858.696
	Corporate tax	1.485.162	290.786
	Other debts	1.975.788	4.217.562
	Short-term liabilities in total	<u>9.828.517</u>	<u>10.406.026</u>
	Liabilities in total	<u>9.828.517</u>	<u>10.406.026</u>
	Equity and liabilities in total	<u>21.197.291</u>	<u>18.806.749</u>

1 The significant activities of the enterprise**9 Contingencies****10 Related parties**

Notes

All amounts in DKK.

1. The significant activities of the enterprise

The activity of the company is to do business in the market for technology of ventilation, including fans, monitors and electric motors.

	2018	2017
	<hr/>	<hr/>
2. Staff costs		
Salaries and wages	3.447.756	3.277.737
Pension costs	385.740	351.192
Other costs for social security	18.176	17.040
Other staff costs	110.486	67.765
	<hr/>	<hr/>
	3.962.158	3.713.734
	<hr/>	<hr/>
Average number of employees	5	5
	<hr/>	<hr/>
3. Depreciation and writedown relating to tangible fixed assets		
Depreciation on plants, operating assets, fixtures and furniture	22.205	31.315
	<hr/>	<hr/>
	22.205	31.315
	<hr/>	<hr/>
4. Tax on ordinary results		
Tax of the results for the year, parent company	1.845.162	1.732.786
Adjustment for the year of deferred tax	-41.446	-34.600
	<hr/>	<hr/>
	1.803.716	1.698.186
	<hr/>	<hr/>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2018	356.704	356.704
	<hr/>	<hr/>
Cost 31 December 2018	356.704	356.704
	<hr/>	<hr/>
Amortisation and writedown 1 January 2018	-314.777	-283.463
Depreciation for the year	-22.205	-31.314
	<hr/>	<hr/>
Amortisation and writedown 31 December 2018	-336.982	-314.777
	<hr/>	<hr/>
Book value 31 December 2018	19.722	41.927
	<hr/>	<hr/>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
6. Contributed capital		
Contributed capital 1 January 2018	125.000	125.000
	<u>125.000</u>	<u>125.000</u>
7. Results brought forward		
Results brought forward 1 January 2018	4.875.722	2.282.708
Profit or loss for the year brought forward	1.868.052	2.593.015
	<u>6.743.774</u>	<u>4.875.723</u>
8. Proposed dividend for the financial year		
Dividend 1 January 2018	3.400.000	0
Distributed dividend	-3.400.000	0
Dividend for the financial year	4.500.000	3.400.000
	<u>4.500.000</u>	<u>3.400.000</u>
9. Contingencies		
Contingent liabilities		
Leasing liabilities		
The company has entered into operational leasing contracts and leasehold of premises with an outstanding period of 3-38 months. The total outstanding leasing payment is TDKK 434.		

Notes

All amounts in DKK.

10. Related parties

Controlling interest

Ziehl-Abegg SE

Majority shareholder

Heinz-Ziehl-Strasse

74653 Künzelsau

Germany / Tyskland

Transactions

During the year the company has traded with the parent company. This has been on arm's length terms.

Consolidated annual accounts

The consolidated annual accounts for Ziehl-Abegg SE may be ordered by contacting the company.