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CVR no. 20 22 26 70

FRONIUS DANMARK APS

**C/O LEAD ADVOKATPARTNERSELSKAB,
FREDERIKSHOLMS KANAL 20 ST., 1220 KØBENHAVN K**

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 6 February 2019**

Elisabeth Eva Mag. Engelbrechtsmüll

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 32 30 75 74

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COMPANY DETAILS**Company**

Fronius Danmark ApS
c/o LEAD Advokatpartnerselskab
Frederiksholms Kanal 20 st.
1220 Copenhagen K

CVR No.: 32 30 75 74
Established: 17 January 2014
Registered Office: Copenhagen K
Financial Year: 1 January - 31 December

Board of Executives

Elisabeth Eva Mag. Engelbrechtsmüller-Straubs

Auditor

BDO Statsautoriseret revisionsaktieselskab
Kolding Åpark 8A, 7. sal
6000 Kolding

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Fronius Danmark ApS for the financial year 1 January - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.

The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen K, 17 January 2019

Board of Executives

Elisabeth Eva
Mag.Engelbrechtsmüller-Straubs

ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

To the Shareholder of Fronius Danmark ApS

We have compiled the Financial Statements of Fronius Danmark ApS for the financial year 1 January - 31 December 2018 based on the Company's accounting records and other information provided by Management.

The Financial Statements comprise a summary of income statement, balance sheet, notes and significant accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Accountants Act and FSR - Danish auditors' Ethical rules applying to auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Kolding, 17 January 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Holm
State Authorised Public Accountant
MNE no. mne35808

MANAGEMENT'S REVIEW

Principal activities

The company's activities consists in being agency for the distribution of Fronius International solar energy products in Denmark.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
GROSS PROFIT		895.742	1.137.666
Staff costs.....	1	-826.041	-1.072.532
Depreciation, amortisation and impairment.....		-18.654	-16.447
OPERATING PROFIT		51.047	48.687
Other financial expenses.....		-444	-383
PROFIT BEFORE TAX		50.603	48.304
Tax on profit/loss for the year.....	2	-11.178	-11.579
PROFIT FOR THE YEAR		39.425	36.725
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		39.425	36.725
TOTAL		39.425	36.725

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Other plants, machinery, tools and equipment.....		25.751	8.425
Tangible fixed assets.....	3	25.751	8.425
FIXED ASSETS.....		25.751	8.425
Receivables from group enterprises.....		231.285	117.606
Other receivables.....		31.705	69.896
Receivables corporation tax.....		0	504
Prepayments.....		50.279	71.692
Receivables.....		313.269	259.698
Cash and cash equivalents.....		209.072	334.281
CURRENT ASSETS.....		522.341	593.979
ASSETS.....		548.092	602.404

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 DKK	2017 DKK
Share capital.....		230.000	230.000
Retained profit.....		123.541	84.115
EQUITY.....	4	353.541	314.115
Provision for deferred tax.....		13.888	13.842
PROVISION FOR LIABILITIES.....		13.888	13.842
Trade payables.....		14.330	34.906
Payables to group enterprises.....		13.505	39.102
Corporation tax.....		7.132	0
Other liabilities.....		145.696	200.439
Current liabilities.....		180.663	274.447
LIABILITIES.....		180.663	274.447
EQUITY AND LIABILITIES.....		548.092	602.404

NOTES

	2018 DKK	2017 DKK	Note
Staff costs			1
Average number of employees 2 (2017: 2)			
Wages and salaries.....	785.578	949.067	
Pensions.....	7.154	72.438	
Other staff costs.....	33.309	51.027	
	826.041	1.072.532	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	11.132	1.496	
Adjustment of deferred tax.....	46	10.083	
	11.178	11.579	
Tangible fixed assets			3
		Other plants, machinery, tools and equipment	
Cost at 1 January 2018.....		40.838	
Additions.....		24.300	
Cost at 31 December 2018.....		65.138	
Depreciation and impairment losses at 1 January 2018.....		32.413	
Depreciation for the year.....		6.974	
Depreciation and impairment losses at 31 December 2018.....		39.387	
Carrying amount at 31 December 2018.....		25.751	
Equity			4
	Share capital	Retained profit	Total
Equity at 1 January 2018.....	230.000	84.116	314.116
Proposed distribution of profit.....		39.425	39.425
Equity at 31 December 2018.....	230.000	123.541	353.541

The share capital has not been changed since the date of establishment.

ACCOUNTING POLICIES

The Annual Report of Fronius Danmark ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of services is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external costs include costs relating to distribution, sale, advertising, administration, premises, operating lease expenses and similar expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

Other plants, fixtures and equipment..... 3-5 years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.