

Omron Electronics A/S

Theilgaards Torv 3, 1.
4600 Køge

CVR no. 13 43 80 48

Annual report for the period 1 April 2019 – 31 March 2020

The annual report was presented and approved at
the Company's annual general meeting on

10 September 2020

chairman



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Omron Electronics A/S
Annual report 2019/20
CVR no. 13 43 80 48

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Omron Electronics A/S for the financial year 1 April 2019 – 31 March 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 – 31 March 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Køge, 10 September 2020

Executive Board:



Per Pilegaard
General Manager

Board of Directors:



Preben Olsen
Chairman



Vincent Spencer King



Per Pilegaard

Independent auditor's report

To the shareholders of Omron Electronics A/S

Opinion

We have audited the financial statements of Omron Electronics A/S for the financial year 1 April 2019 – 31 March 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 – 31 March 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Copenhagen, 10 September 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56



Flemming Larsen
State Authorised
Public Accountant
mne27790

Omron Electronics A/S
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Management's review

Company details

Omron Electronics A/S
Theilgaards Torv 3, 1.
4600 Køge

CVR no.: 13 43 80 48
Registered office: Køge
Financial year: 1 April – 31 March

Board of Directors

Preben Olsen, Chairman
Vincent Spencer King
Per Pilegaard

Executive Board

Per Pilegaard, General Manager

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Management's review

Operating review

Principal activities

The Company's activities consist of sale, delivery and marketing of sensors, vision systems, control components together with PLC, software, networks and drives for automation.

Development in activities and financial position

The financial year 2019/20 has been an acceptable year for Omron Electronics A/S.

We increased our market share within the robotics industry and continued our strategy to grow on the F&B, Pharma and Wind Turbine markets.

The financial year 2020/21 is expected to be affected by COVID-19, with a slow but stabile comeback in the market.

Events after the balance sheet date

The outbreak of the coronavirus/COVID-19 escalated at the beginning of 2020, and on 11 March 2020 WHO declared the outbreak a global pandemic. The outbreak has resulted in the introduction of a number of precautions affecting the planning and conduct of daily operations, just as the Group's suppliers and customers may be affected. The financial impact thereof cannot be determined at present.

No other significant events have occurred after the balance sheet date of importance to the annual report.

Financial statements 1 April – 31 March

Income statement

DKK	Note	2019/20	2018/19
Gross profit		30,963,434	32,209,799
Staff costs	2	-26,658,139	-26,708,536
Depreciation, amortisation and impairment losses	3	-218,218	-673,775
Operating profit		4,087,077	4,827,488
Financial income		0	1,125
Financial expenses	4	-171,814	-333,515
Profit before tax		3,915,263	4,495,098
Tax on profit for the year	5	-975,517	-1,143,195
Profit for the year		<u>2,939,746</u>	<u>3,351,903</u>
Proposed profit appropriation			
Proposed dividends for the year		2,900,000	3,300,000
Retained earnings		<u>39,746</u>	<u>51,903</u>
		<u>2,939,746</u>	<u>3,351,903</u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2020	31/3 2019
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		128,203	203,883
Leasehold improvements		<u>10,762</u>	<u>133,790</u>
		<u>138,965</u>	<u>337,673</u>
Investments			
Other receivables		<u>510,843</u>	<u>504,830</u>
Total fixed assets		<u>649,808</u>	<u>842,503</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>451,330</u>	<u>28,918</u>
Receivables			
Trade receivables		22,871,765	22,729,758
Receivables from group entities		200,651	214,098
Other receivables		524,658	695,088
Deferred tax asset		<u>65,753</u>	<u>71,098</u>
		<u>23,662,827</u>	<u>23,710,042</u>
Cash at bank and in hand		<u>13,173,060</u>	<u>11,823,839</u>
Total current assets		<u>37,287,217</u>	<u>35,562,799</u>
TOTAL ASSETS		<u><u>37,937,025</u></u>	<u><u>36,405,302</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2020	31/3 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital	7	10,000,000	10,000,000
Retained earnings		492,600	452,854
Proposed dividends for the financial year		<u>2,900,000</u>	<u>3,300,000</u>
Total equity		<u>13,392,600</u>	<u>13,752,854</u>
Liabilities			
Non-current liabilities			
Other payables	8	<u>1,393,426</u>	<u>0</u>
Current liabilities			
Trade payables		828,837	357,501
Payables to group entities		15,787,132	13,213,378
Corporation tax		428,361	653,103
Other payables		6,106,669	8,414,906
Deposits		<u>0</u>	<u>13,560</u>
		<u>23,150,999</u>	<u>22,652,448</u>
Total liabilities		<u>24,544,425</u>	<u>22,652,448</u>
TOTAL EQUITY AND LIABILITIES		<u><u>37,937,025</u></u>	<u><u>36,405,302</u></u>

Financial statements 1 April – 31 March

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 April 2019	10,000,000	452,854	3,300,000	13,752,854
Ordinary dividends paid	0	0	-3,300,000	-3,300,000
Transferred over the profit appropriation	0	39,746	2,900,000	2,939,746
Equity at 31 March 2020	10,000,000	492,600	2,900,000	13,392,600

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Omron Electronics A/S for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods, comprising the sale of goods for resale, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms © 2010.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Cars, tools and equipment	5 years
Fixtures and fittings	3 years
Computer equipment	2 years
Leasehold improvements	8 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Investments

Other receivables are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

DKK	<u>2019/20</u>	<u>2018/19</u>
2 Staff costs		
Wages and salaries	24,576,611	24,714,486
Pensions	1,771,170	1,716,954
Other social security costs	<u>310,358</u>	<u>277,096</u>
	<u>26,658,139</u>	<u>26,708,536</u>
Average number of full-time employees	<u>36</u>	<u>38</u>
3 Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	218,218	727,103
Loss from sale of property, plant and equipment	<u>0</u>	<u>-53,328</u>
	<u>218,218</u>	<u>673,775</u>
4 Financial expenses		
Other financial costs	89,641	63,752
Exchange adjustments costs	<u>82,173</u>	<u>269,763</u>
	<u>171,814</u>	<u>333,515</u>
5 Tax on profit for the year		
Current tax for the year	970,361	1,180,103
Deferred tax for the year	5,345	-36,686
Adjustment of tax concerning previous years	<u>-189</u>	<u>-222</u>
	<u>975,517</u>	<u>1,143,195</u>

Financial statements 1 April – 31 March

Notes

6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 April 2019	2,449,463	1,041,835	3,491,298
Additions for the year	19,510	0	19,510
Cost at 31 March 2020	2,468,973	1,041,835	3,510,808
Depreciation and impairment losses at 1 April 2019	-2,245,580	-908,045	-3,153,625
Depreciation for the year	-95,190	-123,028	-218,218
Depreciation and impairment losses at 31 March 2020	-2,340,770	-1,031,073	-3,371,843
Carrying amount at 31 March 2020	128,203	10,762	138,965

7 Equity

The contributed capital consists of 1 share of a nominal value of DKK 10.000.000.

8 Non-current liabilities

0-1 years	6,106,669	8,414,906
1-5 years	1,393,426	0
	7,500,095	8,414,906

9 Contractual obligations, contingencies, etc.

Operating lease obligations

Liabilities under rental or lease agreements until maturity in total	2,832,368	3,081,426
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10 Related party disclosures

Control

Omron Electronics A/S is part of the consolidated financial statements of Omron Europe B.V., Wegalaan 67-69, 2132 JD, Hoofddorp, Holland, registered office, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.