Nidec Industrial Automation Denmark A/S

Hollufgårds Allé 9, DK-5220 Odense SØ

Annual Report for 1 April 2019 - 31 March 2020

CVR No 73 58 80 14

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24/8 2020

Christina Bruun Geertsen
Chairman of the General Meeting

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Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nidec Industrial Automation Denmark A/S for the financial year 1 April 2019 - 31 March 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2020 of the Company and of the results of the Company operations for 2019/20.

In our opinion, 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.

Odense, 24 August 2020

Executive Board

Nicolas Jean-Marie Tanguy
Executive Officer

Board of Directors

Guillaume Michel Dominique Yves Legras	Claus Bergø Rasmussen	Britta Siewertsen Lund Andersen

Independent Auditor's Report

To the Shareholder of Nidec Industrial Automation Denmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Nidec Industrial Automation Denmark A/S for the financial year 1 April 2019 - 31 March 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

ment, 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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:

- Identify and assess the risks of material misstatement of the 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.

Hellerup, 24 August 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Steffen Kaj Pedersen
statsautoriseret revisor
mne34357

Company Information

The Company	Nidec Industrial Automation Denmark A/S Hollufgårds Allé 9 DK-5220 Odense SØ Telephone: + 45 63141463 E-mail: info.dk@mail.nidec.com Website: nidecautomation.com CVR No: 73 58 80 14 Financial period: 1 April - 31 March Municipality of reg. office: Odense
Board of Directors	Guillaume Michel Dominique Yves Legras Claus Bergø Rasmussen Britta Siewertsen Lund Andersen
Executive Board	Nicolas Jean-Marie Tanguy
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Key activities

The Company is primarily engaged in the sale of rotating machines and related products.

Development in the year

The income statement of the Company for 2019/20 shows a profit of DKK 1,432,938, and at 31 March 2020 the balance sheet of the Company shows equity of DKK 10,154,283.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 March 2020 of the Company and the results of the activities of the Company for the financial year for 2019/20 have not been affected by any unusual events.

Subsequent events

No events affecting the assessment of the Annual Report have occured after the balance sheet date except for COVID-19, as accounted for in note 1.

Income Statement 1 April - 31 March

	Note	2019/20 DKK	2018/19 DKK
Gross profit/loss		**10.218.723**	**9.439.089**
Staff expenses	2	-7.813.357	-8.237.278
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-499.411	-405.125
Profit/loss before financial income and expenses		**1.905.955**	**796.686**
Financial income		0	-48.904
Financial expenses		-62.624	-1.407
Profit/loss before tax		**1.843.331**	**746.375**
Tax on profit/loss for the year	3	-410.393	-166.735
Net profit/loss for the year		**1.432.938**	**579.640**

Distribution of profit

Proposed distribution of profit

Retained earnings	1.432.938	579.640
	1.432.938	**579.640**

Balance Sheet 31 March

Assets

	Note	2019/20	2018/19
		DKK	DKK
Goodwill		556.193	926.988
Intangible assets	4	**556.193**	**926.988**
Other fixtures and fittings, tools and equipment		208.716	67.935
Property, plant and equipment	5	**208.716**	**67.935**
Deposits		142.493	138.900
Fixed asset investments	6	**142.493**	**138.900**
Fixed assets		**907.402**	**1.133.823**
Inventories		**1.755.282**	**2.134.899**
Trade receivables		9.372.751	6.874.558
Receivables from group enterprises		109.932	37.353
Deferred tax asset	7	158.217	129.353
Corporation tax		288.506	0
Prepayments		252.256	143.095
Receivables		**10.181.662**	**7.184.359**
Cash at bank and in hand		**8.465.568**	**9.412.937**
Currents assets		**20.402.512**	**18.732.195**
Assets		**21.309.914**	**19.866.018**

Balance Sheet 31 March

Liabilities and equity

	Note	2019/20	2018/19
		DKK	DKK
Share capital		800.000	800.000
Retained earnings		9.354.283	7.921.345
Equity	8	**10.154.283**	**8.721.345**
Other payables		460.718	0
Long-term debt	9	**460.718**	**0**
Trade payables		453.750	301.587
Payables to group enterprises		5.710.247	5.629.070
Corporation tax		0	18.619
Other payables	9	4.530.916	5.195.397
Short-term debt		**10.694.913**	**11.144.673**
Debt		**11.155.631**	**11.144.673**
Liabilities and equity		**21.309.914**	**19.866.018**
Subsequent events	1		
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Notes to the Financial Statements

1 Subsequent events

The outbreak of Covid-19 and the actions taken by governments across the world to mitigate the effects, will have a great impact on the global economy. Management considers the implications of Covid-19 as a subsequent event occurred after the balance sheet date (31 March 2020), which is therefore a non-adjusting event to the Company.

This means that the valuation of the Company's assets at 31 March 2020 is based on assumptions which may differ from Management expectations at the time of adoption of the Annual Report. Currently, it is not possible to assess the effect of Covid-19 on the 2020 Financial Statements.

The Company is expecting a negative impact on revenue in 2020 caused by Covid-19, however Management considers the cash resources reciding in the Company to be reasonable and sufficient.

2 Staff expenses

	2019/20	2018/19
	DKK	DKK
Wages and salaries	7.159.651	7.587.622
Pensions	597.591	575.669
Other social security expenses	56.115	73.987
	7.813.357	**8.237.278**
Average number of employees	**9**	**9**

3 Tax on profit/loss for the year

	2019/20	2018/19
Current tax for the year	439.257	229.421
Deferred tax for the year	-28.864	-62.686
	410.393	**166.735**

Notes to the Financial Statements

4 Intangible assets

	Goodwill
	DKK
Cost at 1 April	2.595.565
Cost at 31 March	2.595.565
Impairment losses and amortisation at 1 April	1.668.577
Amortisation for the year	370.795
Impairment losses and amortisation at 31 March	2.039.372
Carrying amount at 31 March	**556.193**
Amortised over	7 years

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 April	223.842
Additions for the year	269.396
Cost at 31 March	493.238
Revaluations at 1 April	0
Impairment losses and depreciation at 1 April	155.907
Depreciation for the year	128.615
Impairment losses and depreciation at 31 March	284.522
Carrying amount at 31 March	**208.716**
Depreciated over	3-5 years

Notes to the Financial Statements

6 Fixed asset investments

	Deposits
	DKK
Cost at 1 April	142.493
Cost at 31 March	142.493
Carrying amount at 31 March	**142.493**

7 Deferred tax asset

Deferred tax (asset) relates to property, plant and equipment, inventories and receivables.

8 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 April	800.000	7.921.345	8.721.345
Net profit/loss for the year	0	1.432.938	1.432.938
Equity at 31 March	**800.000**	**9.354.283**	**10.154.283**

The share capital consists of 800 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019/20	2018/19
	DKK	DKK
Other payables		
Between 1 and 5 years	460.718	0
Long-term part	460.718	0
Other short-term payables	4.530.916	5.195.397
	4.991.634	**5.195.397**

10 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental Obligations	692.760	1.059.671
Other Obligations	80.264	126.224

Notes to the Financial Statements

11 Related parties

Controlling interest

Nidec Leroy-Somer Holding, France, holds the majority of the share capital in the Company.

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Nidec Leroy-Somer Holding
Boulevard Marcellin Leroy
CS10015
16915 Angoûleme Cedex 9
France
Consolidated Financial Statements

Name	Place of registered office
Nidec Leroy-Somer Holding	Boulevard Marcellin Leroy, CS10015 16915 Angoûleme Cedex 9 France

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Nidec Industrial Automation Denmark A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

12 Accounting Policies (continued)

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 7 years.

Notes to the Financial Statements

12 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Notes to the Financial Statements

12 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the

Notes to the Financial Statements

12 Accounting Policies (continued)

loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.