

**Emerson Automation
Solutions Final Control
Denmark A/S**

Generatorvej 8 A, 2.

2860 Søborg

Business Registration No

73697115

**Annual report 01.10.2017
- 30.09.2018**

The Annual General Meeting adopted the annual report on 15.03.2019

Chairman of the General Meeting

Name: Alain Ghislain Masson

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Entity details

Entity

Emerson Automation Solutions Final Control Denmark A/S
Generatorvej 8 A, 2.
2860 Søborg

Central Business Registration No (CVR): 73697115

Founded: 02.04.1984

Registered in: Gladsaxe

Financial year: 01.10.2017 - 30.09.2018

Board of Directors

Lars Peter Larsson

Lars Åke Edman

Hans Jakob Nørr

Executive Board

Alain Ghislain Masson

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Emerson Automation Solutions Final Control Denmark A/S for the financial year 01.10.2017 - 30.09.2018.

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 Entity's financial position at 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 15.03.2019

Executive Board

Alain Ghislain Masson

Board of Directors

Lars Peter Larsson

Lars Åke Edman

Hans Jakob Nørr

Independent auditor's extended review report

To the shareholders of Emerson Automation Solutions Final Control Denmark A/S

Conclusion

We have performed an extended review of the financial statements of Emerson Automation Solutions Final Control Denmark A/S for the financial year 01.10.2017 - 30.09.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 commentary.

Copenhagen, 15.03.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Jan Larsen
State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The Entity's primary activities are marketing and sale of valves etc. from the Emerson Group.

The entire cost of sales of Emerson Automation Solutions Final Control Denmark A/S' relates to transactions with entities of the Emerson Group.

The company's activity has been sold to another group entity in 2017.

Development in activities and finances

In the financial year 2017/18, the Entity generated a loss of DKK 129 thousand, which is considered unsatisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Gross profit/loss		(324.369)	4.322.712
Staff costs	1	322.460	(2.671.388)
Depreciation, amortisation and impairment losses	2	<u>0</u>	<u>(4.030)</u>
Operating profit/loss		(1.909)	1.647.294
Other financial income	3	15.456	(1.519)
Other financial expenses	4	<u>(186.507)</u>	<u>(118.950)</u>
Profit/loss before tax		(172.960)	1.526.825
Tax on profit/loss for the year	5	<u>43.884</u>	<u>(343.874)</u>
Profit/loss for the year		<u>(129.076)</u>	<u>1.182.951</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(129.076)</u>	<u>1.182.951</u>
		<u>(129.076)</u>	<u>1.182.951</u>

Balance sheet at 30.09.2018

<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Manufactured goods and goods for resale	0	11.813
Inventories	0	11.813
Trade receivables	21.764	4.754.358
Deferred tax	211.496	170.818
Other receivables	276	175.959
Prepayments	0	29.158
Receivables	233.536	5.130.293
Cash	4.959.799	4.194.619
Current assets	5.193.335	9.336.725
Assets	5.193.335	9.336.725

Balance sheet at 30.09.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital	6	701.000	701.000
Retained earnings		<u>2.941.061</u>	<u>3.070.137</u>
Equity		<u>3.642.061</u>	<u>3.771.137</u>
Trade payables		0	119.879
Payables to group enterprises		470.921	1.828.375
Income tax payable		1.039.757	1.042.963
Other payables		<u>40.596</u>	<u>2.574.371</u>
Current liabilities other than provisions		<u>1.551.274</u>	<u>5.565.588</u>
Liabilities other than provisions		<u>1.551.274</u>	<u>5.565.588</u>
Equity and liabilities		<u>5.193.335</u>	<u>9.336.725</u>
Contingent liabilities	7		
Group relations	8		

Statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	701.000	3.070.137	3.771.137
Profit/loss for the year	<u>0</u>	<u>(129.076)</u>	<u>(129.076)</u>
Equity end of year	<u>701.000</u>	<u>2.941.061</u>	<u>3.642.061</u>

Notes

	2017/18	2016/17
	DKK	DKK
1. Staff costs		
Wages and salaries	(316.310)	2.522.832
Pension costs	0	122.230
Other social security costs	(6.150)	26.326
	(322.460)	2.671.388
Average number of employees	0	6
	2017/18	2016/17
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	0	4.030
	0	4.030
	2017/18	2016/17
	DKK	DKK
3. Other financial income		
Other financial income	15.456	(1.519)
	15.456	(1.519)
	2017/18	2016/17
	DKK	DKK
4. Other financial expenses		
Other financial expenses	186.507	118.950
	186.507	118.950
	2017/18	2016/17
	DKK	DKK
5. Tax on profit/loss for the year		
Current tax	(40.678)	491.853
Change in deferred tax	0	(147.979)
Adjustment concerning previous years	(3.206)	0
	(43.884)	343.874

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
6. Contributed capital			
Ordinary	701	1000	701.000
	701		701.000

7. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Demcos Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Emerson Electric Co. USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Emerson Electric Co, USA

The foreign consolidated financial statements can be obtained at.

<http://www.emerson.com/en-us/investors/annual-reports>

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.