Omron Electronics A/S

Theilgaards Torv 3, 1.
DK-4600 Køge

CVR no. 13 43 80 48

Annual report for the period 1 April 2023 – 31 March 2024

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

19 September 2024

Keith Thomas
Chairman of the annual general meeting

Contents

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 2023 – 31 March 2024.

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 2024 and of the results of the Company's operations for the financial year 1 April 2023 – 31 March 2024.

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, 19 September 2024
Executive Board:

Samuel William Tilley
General Manager

Board of Directors:

Preben Eggers Olsen Chairman	Vincent Spencer King	Samuel William Tilley

Independent auditor's report

To the shareholder of Omron Electronics A/S

Opinion

We have audited the financial statements of Omron Electronics A/S for the financial year 1 April 2023 – 31 March 2024 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 2024 and of the results of the Company's operations for the financial year 1 April 2023 – 31 March 2024 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 financial statement 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.

Independent auditor's report

We also

- 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.

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, 19 September 2024
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Flemming Larsen
State Authorised
Public Accountant
mne27790

Management's review

Company details

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

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

Board of Directors

Preben Eggers Olsen, Chairman
Vincent Spencer King
Samuel William Tilley

Executive Board

Samuel William Tilley, General Manager

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København s

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 2023/24 was a challenging year but satisfactory year for Omron Electronics A/S.

The business faced a variety of supply chain challenges from prior year impacting the current year such as component scarcity, logistical problems and customer overstocking.

Future developments

In 2024/25 Omron Corporation announced a global restructure to meet the future needs, its agility and corporate strategy. For the organisation it is staff redundancy to reduce headcount. The restructure has concluded but will be fully complete with finalisation of costs in Q3. The Danish organisation has met and exceeded its Corporate savings requirements set by Omron Corporation.

The financial year 2024/25 is expected to be in line with FY19 (YE 31 March 2020) in terms of business performance as the business undertakes the restructure.

Events after the balance sheet date

We began 2024/25 with the significant announcement that Omron Corporation was undertaking a global restructure to meet the future needs and its corporate strategy.

Financial statements 1 April – 31 March

Income statement

DKK	Note	2023/24	2022/23
Gross profit		36,773,896	37,133,234
Staff costs	2	-30,512,361	-28,427,881
Depreciation, amortisation and impairment losses		-287,198	-216,433
Other operating costs		-11,643	0
Profit before financial income and expenses		5,962,694	8,488,920
Other financial expenses		-47,281	-193,718
Profit before tax		5,915,413	8,295,202
Tax on profit for the year		-1,401,112	-1,968,508
Profit for the year		4,514,301	6,326,694

Proposed profit appropriation

Proposed dividends for the year		0	6,460,000
Retained earnings		4,514,301	-133,306
		4,514,301	6,326,694

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2024	31/3 2023
ASSETS			
Fixed assets			
Property, plant and equipment	3		
Fixtures and fittings, tools and equipment		633,817	817,031
Leasehold improvements		251,959	337,309
Property, plant and equipment under construction		69,787	0
		955,563	1,154,340
Investments			
Other receivables		548,672	535,719
Total fixed assets		1,504,235	1,690,059
Current assets			
Inventories			
Finished goods and goods for resale		301,943	636,448
Receivables			
Trade receivables		22,987,876	30,930,786
Receivables from group entities		887,644	412,567
Other receivables		690,753	655,770
		24,566,273	31,999,123
Cash at bank and in hand		2,975,366	13,174,998
Total current assets		27,843,582	45,810,569
TOTAL ASSETS		29,347,817	47,500,628

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2024	31/3 2023
EQUITY AND LIABILITIES			
Equity			
Contributed capital		10,000,000	10,000,000
Retained earnings		5,093,147	578,846
Proposed dividends for the financial year		0	6,460,000
Total equity		15,093,147	17,038,846
Provisions			
Provisions for deferred tax		25,247	25,271
Total provisions		25,247	25,271
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		684,826	62,000
Payables to group entities		8,808,922	22,456,839
Corporation tax		468,148	1,125,646
Other payables		4,267,527	6,792,026
		14,229,423	30,436,511
Total liabilities other than provisions		14,229,423	30,436,511
TOTAL EQUITY AND LIABILITIES		29,347,817	47,500,628

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 2023	10,000,000	578,846	6,460,000	17,038,846
Ordinary dividends paid	0	0	-6,460,000	-6,460,000
Transferred over the profit appropriation	0	4,514,301	0	4,514,301
Equity at 31 March 2024	10,000,000	5,093,147	0	15,093,147

Financial statements 1 April – 31 March

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1 Accounting policies

The annual report of Omron Electronics A/S for 2023/24 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.

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 ® 2020.

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 external costs

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

Financial statements 1 April – 31 March

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1 Accounting policies (continued)

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.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity.

Other financial expenses

Other financial expenses comprise interest and transactions denominated in foreign currencies.

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.

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.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

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

All leases are operating leases. Payments relating to operating leases and other leases are considered 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.

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 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.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

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.

Liabilities other than provisions

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.

Other liabilities are measured at amortised cost.

2 Staff costs

DKK	2023/24	2022/23
Wages and salaries	27,770,223	26,252,560
Pensions	2,382,541	1,794,784
Other social security costs	359,597	380,537
	30,512,361	28,427,881
Average number of full-time employees	33	33

Financial statements 1 April – 31 March

Notes

3 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 April 2023	3,266,161	1,468,583	0	4,734,744
Additions for the year	18,634	0	69,787	88,421
Cost at 31 March 2024	3,284,795	1,468,583	69,787	4,823,165
Depreciation and impairment losses at 1 April 2023	-2,449,130	-1,131,274	0	-3,580,404
Depreciation for the year	-201,848	-85,350	0	-287,198
Depreciation and impairment losses at 31 March 2024	-2,650,978	-1,216,624	0	-3,867,602
Carrying amount at 31 March 2024	633,817	251,959	69,787	955,563

4 Contractual obligations, contingencies, etc.

Lease obligations

The Company has entered into operating leases at the following amounts:
The remaining term of the leases is maximum 81 months with a total lease obligation of DKK 4,023,308 (2022/23: DKK 2,358,451).

5 Related party disclosures

Omron Electronics A/S' related parties comprise the following:

Control

Omron Europe B.V., Wegalaan 67-69, 2132 JD, Hoofddorp, Holland, holds the majority of the contributed capital in the Company.

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.

The consolidated financial statements of Omron Europe B.V. can be obtained by contacting this
https://www.omron.com/global/en/integrated_report/