



## MJK Automation ApS

Blokken 9, st.  
3460 Birkerød  
CVR No. 14382933

## Annual report 2022

The Annual General Meeting adopted the annual report on 14.07.2023

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**Arnout Hendrik Spiegelberg**  
Chairman of the General Meeting

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# Entity details

## Entity

MJK Automation ApS

Blokken 9, st.

3460 Birkerød

Business Registration No.: 14382933

Registered office: Rudersdal

Financial year: 01.01.2022 - 31.12.2022

Phone number: +45 45 56 06 56

Fax: 45 56 06 46

## Board of Directors

Sean Donnelly

Arnout Hendrik Spiegelenberg

Jeanette Jørgensen

## Executive Board

Arnout Hendrik Spiegelenberg

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of MJK Automation ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Birkerød, 14.07.2023

## Executive Board

**Arnout Hendrik Spiegelenberg**

## Board of Directors

**Sean Donnelly**

**Arnout Hendrik Spiegelenberg**

**Jeanette Jørgensen**

# Independent auditor's report

## To the shareholder of MJK Automation ApS

### Opinion

We have audited the financial statements of MJK Automation ApS for the financial year 01.01.2022 - 31.12.2022, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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 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 commentary.

Copenhagen, 14.07.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Henrik Hartmann Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34143

# Management commentary

## Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	29,667	35,491	43,914	51,942	36,352
Operating profit/loss	(1,108)	5,746	12,312	21,887	5,432
Net financials	283	(98)	(58)	(274)	(32)
Profit/loss for the year	(1,315)	4,604	10,411	16,013	4,430
Total assets	88,415	97,250	82,217	70,544	52,768
Investments in property, plant and equipment	1,556	810	887	889	905
Equity	57,531	58,846	62,617	52,206	36,193
<b>Ratios</b>					
Return on equity (%)	(2.26)	7.58	18.13	36.23	13.19
Equity ratio (%)	65.07	60.51	76.16	74.00	68.59

## Financial highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets



### Primary activities

The Company is responsible for production, marketing, sales and servicing of MJK products and solutions for the handling of liquids to the Danish and international markets.

### Development in activities and finances

The Company's gross profit has decreased by 16% (DKK 5.824k) and the operating profit has decreased by 119% (DKK 6.854k) compared to 2021.

Management considers the profit for the year to be unsatisfactory compared to 2021.

### Profit/loss for the year in relation to expected developments

The result for the year was DKK -1.315k (2021: DKK 4,604k).

### Uncertainty relating to recognition and measurement

No material uncertainties are involved in the recognition or measurement of the Company's assets and liabilities.

### Unusual circumstances affecting recognition and measurement

No unusual circumstances have been found to exist in the financial statements for 2022.

### Outlook

The Company expects order intake in 2023 to be at same level as order intake in 2022.

### Environmental performance

The Company participates in the Xylem Group's extensive environmental, safety and health program.

### Events after the balance sheet date

In Xylem's efforts to constantly improve its efficiency and customer service, the Company has decided to merge the two sales companies MJK and Xylem Water Solutions Denmark. This means that the Company improves the coordination of its activities and jointly offer the entire portfolio of MJK's high-quality measuring and monitoring instruments with Xylem's other water treatment and transport solutions.

Simultaneously, the Company is moving the production of high-quality measuring and monitoring instruments from Birkerød to the European Factory in Weilheim, Germany, to ensure even higher delivery reliability than before.

It is the plan to merge the Companies on 1 July 2023 with Xylem Water Solutions Denmark ApS as surviving entity. The merger of the Companies will have accounting effect from 01.01.2023.

Apart from this, no events have occurred after the balance sheet date, which would change the evaluation of the annual report.

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>29,666,528</b>	<b>35,491,017</b>
Staff costs	1	(29,987,888)	(28,783,499)
Depreciation, amortisation and impairment losses	2	(787,059)	(961,286)
<b>Operating profit/loss</b>		<b>(1,108,419)</b>	<b>5,746,232</b>
Other financial income		333,967	0
Other financial expenses		(51,339)	(97,913)
<b>Profit/loss before tax</b>		<b>(825,791)</b>	<b>5,648,319</b>
Tax on profit/loss for the year	3	(489,658)	(1,044,223)
<b>Profit/loss for the year</b>	4	<b>(1,315,449)</b>	<b>4,604,096</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Acquired licences		97,022	135,821
<b>Intangible assets</b>	5	<b>97,022</b>	<b>135,821</b>
Other fixtures and fittings, tools and equipment		2,099,291	1,104,725
Leasehold improvements		316,198	470,865
<b>Property, plant and equipment</b>	6	<b>2,415,489</b>	<b>1,575,590</b>
Deposits		1,229,030	1,154,143
Deferred tax	8	412,792	257,675
<b>Financial assets</b>	7	<b>1,641,822</b>	<b>1,411,818</b>
<b>Fixed assets</b>		<b>4,154,333</b>	<b>3,123,229</b>
Raw materials and consumables		6,309,618	8,362,259
Work in progress		1,014,751	1,442,959
Manufactured goods and goods for resale		4,086,984	3,155,773
<b>Inventories</b>		<b>11,411,353</b>	<b>12,960,991</b>
Trade receivables		3,459,052	2,339,406
Receivables from group enterprises		68,967,746	78,519,185
Other receivables		0	51,031
Prepayments	9	422,615	255,945
<b>Receivables</b>		<b>72,849,413</b>	<b>81,165,567</b>
<b>Current assets</b>		<b>84,260,766</b>	<b>94,126,558</b>
<b>Assets</b>		<b>88,415,099</b>	<b>97,249,787</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		500,000	500,000
Retained earnings		57,030,829	58,346,278
<b>Equity</b>		<b>57,530,829</b>	<b>58,846,278</b>
Other payables		0	2,484,852
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>2,484,852</b>
Prepayments received from customers		394,095	528,410
Trade payables		3,821,515	4,782,115
Payables to group enterprises		18,704,780	20,734,217
Tax payable		0	1,347,572
Other payables		7,963,880	8,526,343
<b>Current liabilities other than provisions</b>		<b>30,884,270</b>	<b>35,918,657</b>
<b>Liabilities other than provisions</b>		<b>30,884,270</b>	<b>38,403,509</b>
<b>Equity and liabilities</b>		<b>88,415,099</b>	<b>97,249,787</b>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Related parties with controlling interest	12		
Group relations	13		

# Statement of changes in equity for 2022

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500,000	58,346,278	58,846,278
Profit/loss for the year	0	(1,315,449)	(1,315,449)
<b>Equity end of year</b>	<b>500,000</b>	<b>57,030,829</b>	<b>57,530,829</b>

# Notes

## 1 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	27,163,837	26,206,185
Pension costs	2,331,714	2,146,159
Other social security costs	492,337	431,155
	<b>29,987,888</b>	<b>28,783,499</b>
Average number of full-time employees	51	54

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act.

## 2 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	38,799	34,316
Depreciation of property, plant and equipment	748,260	926,970
	<b>787,059</b>	<b>961,286</b>

## 3 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	0	1,347,573
Change in deferred tax	(155,117)	(86,563)
Adjustment concerning previous years	644,775	(216,787)
	<b>489,658</b>	<b>1,044,223</b>

## 4 Proposed distribution of profit and loss

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	(1,315,449)	4,604,096
	<b>(1,315,449)</b>	<b>4,604,096</b>

## 5 Intangible assets

	<b>Acquired licences DKK</b>
Cost beginning of year	193,986
<b>Cost end of year</b>	<b>193,986</b>
Amortisation and impairment losses beginning of year	(58,165)
Amortisation for the year	(38,799)
<b>Amortisation and impairment losses end of year</b>	<b>(96,964)</b>
<b>Carrying amount end of year</b>	<b>97,022</b>

Intangible assets consist of acquired software licenses.

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	4,944,806	1,897,790
Additions	1,504,728	51,010
<b>Cost end of year</b>	<b>6,449,534</b>	<b>1,948,800</b>
Depreciation and impairment losses beginning of year	(3,840,081)	(1,426,925)
Depreciation for the year	(585,433)	(205,677)
<b>Depreciation and impairment losses end of year</b>	<b>(4,425,514)</b>	<b>(1,632,602)</b>
<b>Carrying amount end of year</b>	<b>2,024,020</b>	<b>316,198</b>

## 7 Financial assets

	<b>Deposits DKK</b>	<b>Deferred tax DKK</b>
Cost beginning of year	1,154,143	257,675
Additions	74,887	155,117
<b>Cost end of year</b>	<b>1,229,030</b>	<b>412,792</b>
<b>Carrying amount end of year</b>	<b>1,229,030</b>	<b>412,792</b>

## 8 Deferred tax

	<b>2022 DKK</b>	<b>2021 DKK</b>
<b>Changes during the year</b>		
Beginning of year	257,675	171,112
Recognised in the income statement	155,117	86,563
<b>End of year</b>	<b>412,792</b>	<b>257,675</b>

**Deferred tax assets**

Deferred tax relates to property, plant & equipment and receivables.

**9 Prepayments**

Prepayments consist of prepaid expenses.

**10 Unrecognised rental and lease commitments**

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	718,009	2,648,451

**11 Contingent liabilities**

The Company participates in a Danish joint taxation arrangement where Xylem Denmark Holdings ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company 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.

**12 Related parties with controlling interest**

The following related parties have a controlling interest in MJK Automation ApS:

Xylem Denmark Holdings ApS, Blokken 9, 3450 Birkerød, owns 100%

Xylem Industries Sàrl, 11 Breedewues, L-1249 Senningerberg, Luxembourg. Owned by:

Xylem International Sàrl, 11 Breedewues, L-1249 Senningerberg, Luxembourg, 100% ownership, owned by:

Xylem Global Sàrl, 11 Breedewues, L-1249 Senningerberg, Luxembourg, 100% ownership, owned by:

Xylem Delaware Inc., Wilmington, DE 19899, USA, 100% ownership, owned by:

Xylem Inc., 1 International Drive, Rye Brook, NY 10573, USA, 100% Ownership.

**13 Group relations**

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

Xylem Inc. 1 International Drive, Rye Brook, NY 10573, USA

The consolidated financial statements are available from:

[www.xyleminc.com](http://www.xyleminc.com)



# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of sales and other external expenses.

### Revenue

Revenue 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 Company's ordinary activities, including expenses for premises, marketing costs, IT-costs and corporate costs, etc.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for the Company's 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, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

**Other financial income**

Other financial income comprises interest income and currency gains.

**Other financial expenses**

Other financial expenses comprise interest expenses and currency losses.

**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.

The Company is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise acquired software licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation and are amortised over the estimated useful life.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

### **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 costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance, depreciation of and impairment losses relating to machinery and equipment used in the manufacturing process, and costs of factory administration. Finance costs are not included in 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.

**Prepayments**

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

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**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.

**Cash flow statement**

Pursuant to section 86(4) of the Danish Financial Statements Act, the financial statements do not include a cash flow statement as reference is made to the consolidated financial statements of Xylem Inc., USA, in which Xylem Water Solutions Denmark ApS is included.