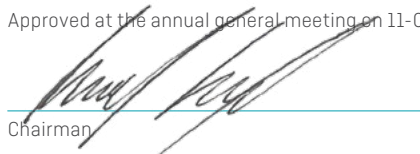


Annual report



Approved at the annual general meeting on 11-03-2024


Chairman

Kamstrup A/S
Industrivej 28, Stilling
DK-8660 Skanderborg
CVR-no. 21 24 81 18

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Statement from the Chairman

2023 marks a profitable year for Kamstrup. All our employees contributed to record-high revenue and earnings in a volatile year characterised by high manufacturing needs in the beginning of the year due to spill-over effects from 2022 and adjusting capacity and the level of production in the second half of the year to reflect more balanced conditions. All the while navigating inflation and supply chain disruptions, our Kamstrup colleagues around the globe have done a great job delivering more smart metering solutions and services than ever before to our customers.

2023 also marked the year where we launched our new strategy. We have set the ambitions high, and we aim to solidify and build on our market positions in both core and new markets while making it simple for our customers to do business with us.

We have announced the new CEO who will lead Kamstrup in executing the strategy over the coming years. Søren Kvorning will soon be in place. And on that note, the Board and I would like to extend a sincere thank you to interim CEO Henrik Rom and the rest of the Kamstrup Management Team, who, together with our employees, have made an outstanding effort moving Kamstrup forward in this period.

I want to thank all our Kamstrup colleagues, our customers, and all our partners for a great 2023. We are optimistic about the future to come – ensuring clean water and energy to a maximum number of people.

Michael Løve,
Chairman of the Board



Statement from the CEO

Coming out of a component shortage crisis on top of a global pandemic, we entered the year 2023 with a significant order backlog that instigated the satisfying result for the year. We delivered a revenue of DKK 3.6 billion and an EBT of DKK 514 million. The results are based on a strong effort throughout the organisation to push through volatile times and create even better offerings and service for our customers. In close collaboration with our customers around the world, we have developed solutions that supports a sustainable future. In the past years, we have also experienced how planning, servicing, and closer alignment with customers is becoming increasingly critical as the component shortage began affecting our supply chains.

We have today taken steps towards strengthening production capacity and delivery performance to ensure improved lead times, and an improved level of service, while managing to deliver on our substantial order backlog. Together with the strong financial result for 2023, we believe this has equipped us well and given us a high level of resilience to the challenges ahead.

Therefore, we remain optimistic despite dark clouds in the horizon. Geopolitical challenges will not overshadow the basic need for sustainable solutions that are built around some of the most fundamental and key knowledge we have at hand – data on energy and water consumption. This is what we deliver and why we keep a high level of investment in new technology and capacity. This is also why we intend to remain a preferred partner among utilities in the years to come.

Together with our trusted partners, customers, and great employees, we look forward to realising this potential and commitment to ensure clean water and energy through intelligence.

Henrik Rom,
Interim CEO

Smart water solution helped with leak detection and exceeded the expectations

“The big a-ha moment for me was when I realized the technology behind the Kamstrup meter and the benefit that it’s going to provide to the utility and to the community. I need my meter to talk to me, to tell me when, why, where, and how, and I need my meter to be able to provide me with information that our customers need.”

MARLA ST. LEON, BUSINESS AND CUSTOMER SERVICE ASSISTANT MANAGER, EL PASO WATER



200,000+
meters total to
be installed

24,000
meters installed
as of December
2023

Kamstrup
named as sole
source provider
for 10 years

EL PASO WATER, TEXAS, US

El Paso Water in Texas needed help to solve their water issues. Impressed by the Kamstrup water meters that exceeded all their criteria, El Paso Water declared Kamstrup its sole source provider for the next 10 years. But to their surprise, many other benefits followed: Operational savings and enhanced productivity, not to mention benefits related to employee satisfaction and safety. Likewise, they have begun to realize the expansive benefits of reliable, robust and accurate data.

Statement by the board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Kamstrup A/S for the financial year 1 January – 31 December 2023.

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

It is our opinion that the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's financial position as of 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair view of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

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

Stilling, 11 March 2024

Executive Board:



Henrik Rom
CEO

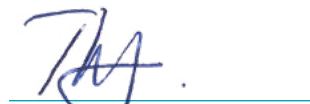
Board of Directors:



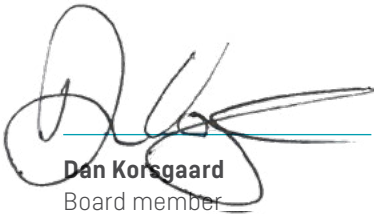
Michael Løve
Chairman



Flemming Rasmussen
Vice-chairman



Thor Jørgensen
Board member



Dan Korsgaard
Board member



Erik Larsen
Board member



Humphrey Lau
Board member



Tina Amdisen
Employee representative



Anja Borg
Employee representative



Jimmy Sihm
Employee representative

Independent auditor's report

To the shareholders of Kamstrup A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Kamstrup A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2023 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 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.

Aarhus, 11 March 2024

EY Godkendt revisionspartnerselskab

CVR-no. 30 70 02 28



Claus Hammer-Pedersen

State Authorized Public Accountant
MNE21334



Michael Dahl Christiansen

State Authorized Public Accountant
MNE34515

Company details

Kamstrup A/S

Industrivej 28, Stilling
DK-8660 Skanderborg

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F: +45 89 93 10 01

W: kamstrup.com

E: info@kamstrup.com

CVR-no. 21 24 81 18

Established on 28 August 1931 (founded in 1946).

Registered office in Skanderborg.

Board of Directors

Michael Løve, chairman

Flemming Rasmussen, vice-chairman

Thor Jørgensen

Erik Larsen

Dan Korsgaard

Humphrey Lau

Tina Amdisen

Anja Borg

Jimmy Sihm

Executive Board

Henrik Rom, CEO

Auditors

EY Godkendt revisionspartnerselskab

Værkmestergade 25

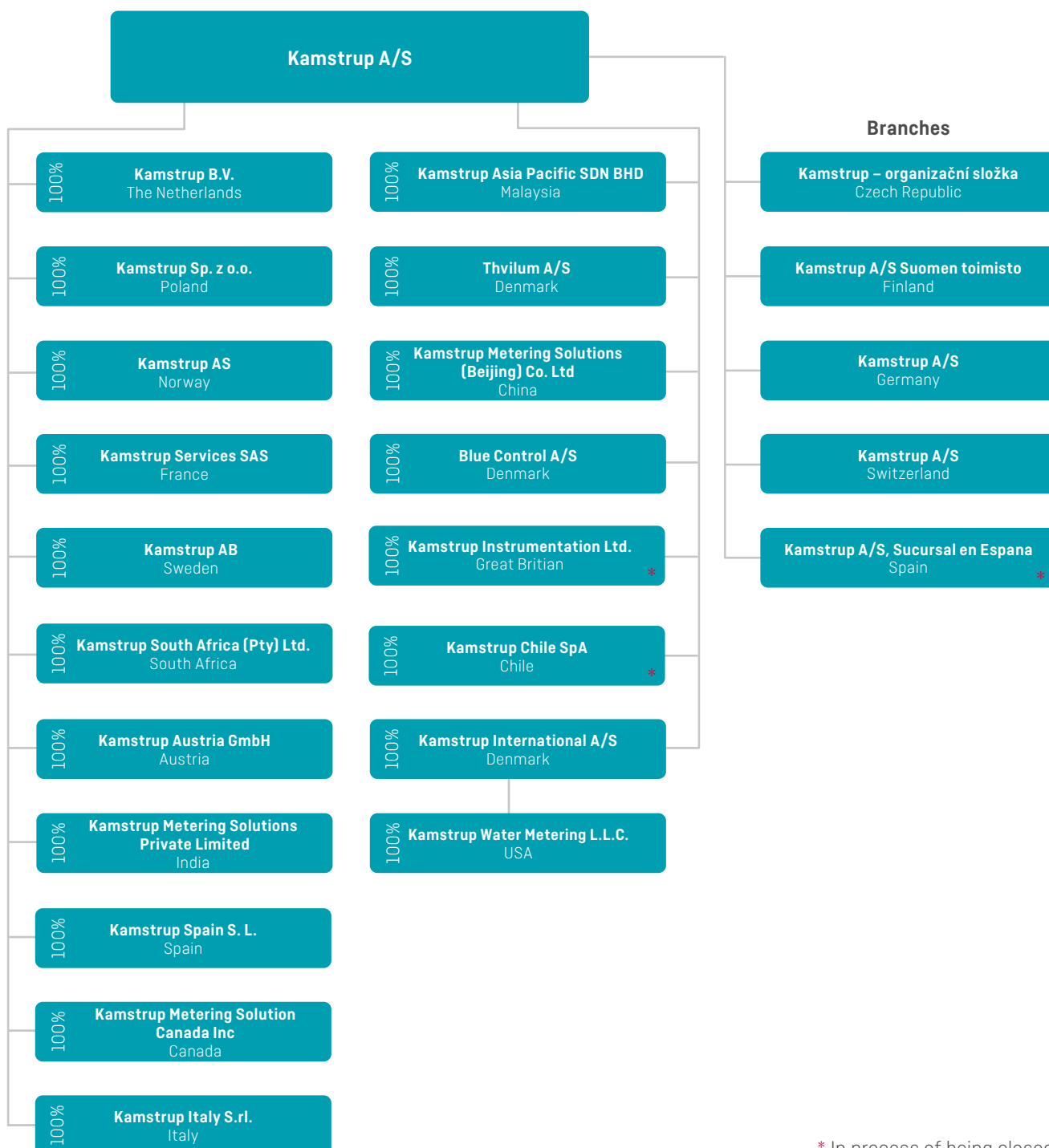
DK-8100 Aarhus C

CVR-no. 30 70 02 28

Annual general meeting

The annual general meeting is to be held on 11 March 2024.

Group chart



* In process of being closed

Financial highlights of the Group

mDKK	2023	2022	2021	2020	2019
Key figures					
Revenue	3.603,9	2.799,9	2.371,2	2.283,0	2.396,9
Operating profit	531,9	314,2	215,7	174,3	207,6
Financial income and expenses	-17,9	-6,5	-3,2	-9,4	-5,8
Profit before tax	514,0	308,1	213,1	166,5	206,6
Profit for the year	402,9	238,2	183,5	142,5	168,1
Non-current assets	947,9	843,8	926,9	1.018,3	1.054,7
Current assets	1.558,7	1.346,8	907,6	808,4	783,4
Total assets	2.506,6	2.190,6	1.834,5	1.826,8	1.838,1
Share capital	14,0	14,0	14,0	14,0	14,0
Equity	1.396,8	1.098,3	1.007,3	995,8	1.014,0
Provisions	225,6	305,5	284,8	302,7	309,4
Current liabilities	884,2	763,5	515,3	429,0	454,1
Liabilities	884,2	786,9	542,4	528,3	514,7
Investments in property, plant and equipment	197,3	56,8	60,4	110,0	197,0
Cash flows from operating and investing activities	176,2	-55,2	46,4	370,9	292,6
Financial ratios					
Operating margin	15	11	9	8	9
Return on investment	35	26	22	17	18
Current ratio	176	176	176	188	173
Solvency ratio	56	50	55	55	55
Return on equity	32	23	18	14	18
Average number of employees	1.672	1.484	1.445	1.442	1.438

The financial ratios are computed as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on investment	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}^*}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity} \times 100}{\text{Total liabilities, year end}}$
Return on equity	$\frac{\text{Profit for the year after tax} \times 100}{\text{Average equity}}$

***Invested capital:** Operating intangible assets and property, plant and equipment as well as net working capital.

Management's review

Principal activities

The Kamstrup Group develops, produces, and sells solutions and services for intelligent metering and optimization of energy and water consumption. This includes smart energy and water meters, reading systems, data analysis tools and services to utilities and other users all over the world.

The headquarters are in Denmark, south of Aarhus, the second largest city of Denmark. The headquarters include the technology development, sales, marketing, service, production facilities and administration. In addition to product development in Denmark, Kamstrup also has product development in Spain and Ukraine. Kamstrup's core products are manufactured in the highly automated factories in Denmark and in the United States.

Globally, Kamstrup has set up subsidiaries, branches, and representation offices in more than 20 countries. Moreover, Kamstrup's solutions are sold and marketed through a network of partners and distributors in more than 90 countries.

Development in activities and financial position

Annual result

Revenue for 2023 was DKK 3,604 million compared to DKK 2,800 million in 2022. Earnings before tax 2023 ended at DKK 514 million compared to DKK 308 million in 2022. Revenue for 2023 thus ends within the expected range of DKK 3.5 – 4.0 billion, whereas earnings before tax slightly exceed expected range of DKK 350 – 450 million. 2023 financial result was impacted by multiple factors, of which selected highlights are described below.

Driven by the component shortage in 2022, Kamstrup entered 2023 with an order book above normal levels resulting in the first half of 2023 delivering extraordinarily high revenue. While the initial months reflected a positive post-COVID impact, the latter half of the year saw a flattening as the year 2023 also presented challenges for Kamstrup and the industry. The global economy continued to recover from the aftermath of the COVID-19 pandemic, impacting our operations both directly through cost inflation and indirectly through our customers and supplier behavior. In 2022, selected customers placed their orders earlier to counter COVID-related disruptions and as a result carried excess inventory into 2023, coupled with increased costs attributed to inflation and elevated interest rates which combined postponed ordering in large parts of the year.

In response to a year full of uncertainties, we are pleased to see that efforts in 2023 resulted in record-high manufacturing throughput, improvement on our robust delivery performance to our customers, and getting back on a satisfying level to maintain a balanced approach to capacity and cost in sync with industry activity levels.

At Kamstrup a large part of the revenue is being reinvested into Research & Development on an ongoing basis and in 2023 this remained a cornerstone for resource allocations. Our people remain the main asset of Kamstrup, and in 2023 our number of employees grew by more than 10%.

In 2023, Kamstrup completed setup of a new factory in the US, a site with is fully operational in February 2024. This milestone marks our largest capacity expansion outside Denmark and confirms our commitment to building the North American market.

Overall, the business performance and associated results for 2023 are satisfying, particularly considering the global economic instability.

Markets and outlook for 2024

The persisting economic uncertainty, which is a significant factor in our 2023 financial performance, is also expected to influence 2024. Nevertheless, we anticipate a gradual return to normality in terms of customer purchasing patterns, component delivery times, and economic fundamentals.

Entering 2024, we see an order book covering a satisfying ratio of our annual sales expectations. Coupled with the expected stabilization of inflation and interest rates alongside customers reducing stock levels from previous forward buying. This means that we expect our revenue of 2024 to be at the same level as in 2023.

Aligned with our newly formulated strategy towards 2028, Kamstrup commits to sustained organic investment in innovative products and services. In 2024, we will also intensify our focus on partnerships and direct/indirect investments in companies that fit into our ambitions. Kamstrup will exercise careful consideration in evaluating inorganic opportunities, that can help benefit our core business and customer focus.

We project the total revenue for 2024 to range between DKK 3.5 and 3.9 billion, with earnings before tax expected at DKK 300 – 450 million. However, it's crucial to note a significant risk associated with the prevailing uncertainty in the overall geopolitical and economic situation, thus influencing industrial development.

Risks

Kamstrup's business performance is dependent on the geopolitical situation, and economic and industrial stability. These factors might have an impact on our cost levels and profoundly influence our customers' confidence in ordering products and services.

Kamstrup's sensitivity to financial risks is limited. The need for interest rate and currency hedging instruments is assessed regularly and the instruments are only applied based on commercial needs to hedge future cash flows.

The risk of losses related to debtors is, in general, minimized by means of credit lines and by obtaining credit information and credit insurance in selected markets.

Kamstrup continues to enjoy an AAA credit rating by D&B being highest possible rating.

Knowledge resources

Kamstrup has a dedicated workforce of skilled and highly motivated professionals. The recruitment of people with the right skillset remains critical for Kamstrup's sustained growth, both within Denmark and globally. As we expand internationally, our organizational footprint is experiencing substantial growth, not only in Denmark but also beyond. This expansion leads to a more diverse workforce, both in terms of expertise and physical location.

Diversity, Equity & Inclusion

Kamstrup puts an effort in being a diverse and inclusive workplace where employees are valued, equally treated, and supported in succeeding within their individual tasks and visions. Investing in the health of our employees and creating a sound working environment, where our employees feel engaged, motivated, respected, and included – is essential for Kamstrup's culture, performance, and growth journey. Kamstrup seeks to be an inclusive workplace with respect for our employees in terms of nationality, gender, sexual orientation, age, ethnicity, religion, political orientation as well as people with special needs.

We believe that a diverse work force supports the creation of an innovative high-tech workplace leading to better cooperation and enabling us to better understand and serve our customers.

Gender distribution in Management

Kamstrup has signed the Gender Diversity Pledge from DI [Danish Industry Association]. This includes commitment to 16 principles enhancing gender diversity and to set own objectives to contribute to increased gender diversity in 2030. Kamstrup actively seeks to increase the share of the women in Kamstrup and in the Board of Directors. To mitigate the gender diversity gap and increase the share of women. Kamstrup focus on this within the recruitment process as well as inspire young women to engage in STEM (Science, Technology, Engineering & Mathematics) education by visiting schools and inspire for a career within the field of STEM

Board of Directors

The Board of Directors consists of 9 members in total divided into 6 members appointed at the annual general meeting and 3 employee representatives.

- The appointed members consist of six men.
- The employee representatives consist of two women and one man.

The gender gap in the board of directors has not changed since last year. Kamstrup's objective is to obtain a representation of at least one woman, appointed at the annual general meeting, of the Board of Directors by 2025. The appointment of employee representatives happens every fourth year and therefore are there not any changes in the increase of women during this reporting period.

Kamstrup Management Team

Kamstrup's Management Team consists of 17 managers of which 2 are women. In 2023 the share of women in the Kamstrup Management Team increased from 11% to 12%. Thus, there have not been an increase in female members but rather, there have been a reduction of male members in the team due to organizational changes. Our objective is to increase the share of women in the Kamstrup Management Team by 2025 by at least 1 more female member.

	2023	2022	2021
Board of Directors appointed members			
Number of members	6	6	6
Share of women	0%	0%	0%
Target	17%		
Target to be reach by	2025		
Board of Director incl. employee representatives			
Number of members	9	9	9
Share of women	22%	22%	25%
Kamstrup Management Team¹			
Number of members	17	18	17
Share of women	12%	11%	12%
Target	17%		
Target to be reach by	2025		
Employees in managing positions²			
Number of members	210	184	184
Share of women	18%	17%	16%
Target	20%		
Target to be reach by	2025		
All employees			
Number of members	1672	1575	1500
Share of women	28%	28%	30%
Target	30%		
Target to be reach by	2025		

¹ Kamstrup Management Team (KMT) consists of 17 members, including Vice Presidents, Senior Vice Presidents and CEO. The count of Kamstrup Management Team is headcount based on KMT members per 31.12.23. The KMT is the first level of management and includes members of the Executive board and persons who organisationaly are at the same level.

² Employees in managing positions consist of 210 people and is headcount. Managing positions are defined as employees having minimum 1 FTE in reference and include persons with managerial responsibility, who refer directly to the first level of management.

Cyber Security

Cyber security in general, EU and US Cyber security Legislation in particular, is a key focus area for Kamstrup. Recent increase in cyberattacks on critical infrastructure in Europe following the war in Ukraine has further emphasized the importance of this area. Kamstrup is continuously focusing on mitigating and preventing risks posing a threat to our customers and Kamstrup's activities.

Kamstrup will remain Cyber Security Compliant by implementing international standards following guidelines from Center for Cyber Security (FE), Energy CERT's, and Senior Management ambitions.

Kamstrup are continuously monitoring requirements for standards and requirements including but not limited to ISO 27001, IEC 62443, NIS2 and CIS 18 standards.

Data ethics

Kamstrup has a Data Ethics Policy. The overall objective of this Policy is to encourage and motivate all employees in the Kamstrup Group to handle data with the appropriate care and respect. The policy covers areas as; Security, handle data confidentially and responsibly, conduct data protection impact assessments, relevant valuable data for customers and focus and awareness when processing data.

Kamstrup protects data privacy by handling customer and employee data in a secure manner, which is demonstrated through the ISO 27001 certification, as well as the ISAE3000 declaration.

Kamstrup continuously improves the protection of information security assets corresponding to the changing risk landscape. The ISO 27001 certification demonstrates the continuous effort and dedication to ensure confidentiality and information integrity throughout the lifecycle of valuable information.

Sustainability Report

The Sustainability Report reflect Kamstrup related risks, opportunities and impacts within sustainable development and include both, how our solutions impact and contribute to society as well as our footprint within Environmental Social Governance (ESG) within the company and its supply chains.

The report covers actions and goals towards a more sustainable business and addresses the requirements outlined by the Danish Financial Statements Act § 99a on reporting of Corporate Social Responsibility (CSR).

The purpose of Kamstrup's Sustainability report is to transparently communicate on topics which are material to our stakeholders and to Kamstrup itself, reporting on sustainable progress for the financial year 2023, and addressing future priorities.

Our reporting commitments consists of UN Global Compact ten principles including our support to the Sustainable Development Goals (SDGs) and Science Based Targets initiative (SBTi). Moreover, these commitments are reflected in our sustainability performance within EcoVadis rating schemes, achieving silver medal in 2023, within ESG performance and documentation.

The preparation for EU Corporate Sustainability Reporting Directive (CSRD) and herein the European Sustainability Reporting Standards (ESRS) covering ESG has begun across the organization. Kamstrup ESG project has been initiated with the target of being compliant with the directive and the standards for financial year 2025, with the output of an integrated financial ESG report in Q1 2026.

The Kamstrup Sustainability strategy was launched in May 2023 at a kick-off for all employees. The strategy covers three strategic targets and ESG compliance foundation:

- PLANET: Footprint reduction towards net zero (2050)
- PEOPLE: Best work environment in industry (2030)
- PRODUCT SOLUTIONS: All solutions & services enable the green transition and sustainable living (2030)

Above three strategic targets are supported by ESG data, processes, and documentation:

- STAYING COMPLIANT: ESG legislation & customer requirements (2025)

The Sustainability report covers the following areas:

- About Kamstrup – our business model, management systems and policies
- Enterprise risk management
- PEOPLE: A great place to work incl. Health & Safety, People development, Diversity, Equality & Inclusion Diversity incl. the underrepresented gender management and the Board of Directors
- PLANET: Climate, Environmental impacts and Circular design thinking
- PARTNERSHIPS: Supplier management and Enabling change together (Good corporate citizenship)

The Sustainability report is public available at kamstrup.com/sustainability2023

Delivery of a complete smart meter solution in challenging rural and urban areas

“During our evaluations, it was clear to us that Kamstrup’s RF-mesh solution would be able to meet our exceptionally high quality and data security standards when it comes to smart metering. And our customers have the right to be provided with the best solution”

URS ACKERMANN, PROJECT PORTFOLIO MANAGER,
BKW ENERGIE AG



404'000
OMNIPOWER
RF-Mesh
meters

Roll-out in
challenging
topographical
conditions



BKW ENERGIE AG, SWITZERLAND

In May 2023, Kamstrup has been awarded a contract by BKW Energie AG, the largest utility company in Switzerland. The order includes 404,000 OMNIPOWER® meters with the corresponding OMNICON® Radio Mesh Network and OMNISOFT® VisionAir software. The solution includes everything from integration, communication, and hosting to support and services. The project was kicked off in June 2023 with the first meters to be delivered in 2024 and the remaining meters through 2028.

Income statement

DKK'000	Note	Consolidated		Parent company	
		2023	2022	2023	2022
Revenue	1	3.603.873	2.799.887	2.987.542	2.232.324
Production costs	2, 3	-2.146.726	-1.712.754	-1.980.159	-1.586.657
Gross profit		1.457.147	1.087.133	1.007.383	645.666
Sales and distribution costs	2, 3	-548.486	-492.732	-280.788	-250.291
Administrative expenses	2, 3, 4	-376.786	-280.248	-363.990	-273.345
Operating profit		531.875	314.153	362.605	122.030
Other operating income		37	451	103.253	95.048
Profit before net financials		531.912	314.605	465.858	217.078
Profit in subsidiaries	11	0	0	51.766	81.390
Financial income	5	5.070	9.533	13.657	6.300
Financial expenses	6	-22.996	-16.014	-27.439	-9.435
Profit before tax		513.986	308.124	503.842	295.332
Tax on profit for the year	7	-111.104	-69.891	-100.960	-57.099
Profit for the year	8	402.882	238.233	402.882	238.233

Balance sheet – Assets

DKK'000	Note	Consolidated		Parent company	
		2023	2022	2023	2022
ASSETS					
Non-current assets					
Intangible assets					
	9				
Completed development projects		123.785	176.108	123.785	175.781
Development projects in progress		176.191	105.610	176.191	105.610
Goodwill		10.784	14.635	0	0
Software		7.921	17.301	7.903	17.301
Prepayments for intangible assets		12.103	10.123	12.103	10.123
		330.784	323.778	319.982	308.816
Property, plant and equipment					
	10				
Land and buildings		267.480	269.868	266.562	269.021
Plant and machinery		132.888	145.125	123.983	139.251
Fixtures and fittings, other plant and equipment		23.369	27.230	12.675	19.219
Assets in the course of construction		189.067	73.352	75.733	73.215
		612.804	515.576	478.953	500.705
Investments					
	11				
Investments in subsidiaries		0	0	170.009	175.495
Deposits		4.359	4.444	515	501
		4.359	4.444	170.524	175.996
Total non-current assets		947.947	843.797	969.459	985.516
Current assets					
Inventories					
Raw materials and consumables		703.302	652.162	608.907	578.255
Work in progress		1.208	6.067	904	3.375
Finished goods		43.786	38.605	26.636	29.442
		748.296	696.834	636.447	611.071
Receivables					
Trade receivables		413.796	432.579	132.944	167.345
Selling price of system deliveries	12	96.433	13.366	18.361	4.903
Receivables from subsidiaries		0	0	568.291	260.396
Deferred tax asset	13	15.292	15.118	0	0
Corporation tax receivable	16	38.554	49.881	0	0
Other receivables		65.412	33.709	30.679	20.299
		629.487	544.653	750.275	452.942
Cash at bank and in hand		180.882	105.355	38.428	26.527
Total current assets		1.558.665	1.346.842	1.425.150	1.090.540
TOTAL ASSETS		2.506.612	2.190.639	2.394.609	2.076.056

Balance sheet – Equity and liabilities

DKK'000	Note	Consolidated		Parent company	
		2023	2022	2023	2022
EQUITY AND LIABILITIES					
Equity					
Share capital		14.000	14.000	14.000	14.000
Reserve for development costs		0	0	233.982	219.741
Reserve for hedging		0	-2	0	-2
Translation reserve		-5.739	-1.287	0	360
Retained earnings		1.288.509	985.627	1.048.788	764.239
Proposed dividends		100.000	100.000	100.000	100.000
Total equity		1.396.770	1.098.338	1.396.770	1.098.338
Provisions					
Deferred tax	13	56.882	119.181	74.294	119.017
Other provisions	14	168.722	186.270	98.668	119.895
Total provisions		225.604	305.450	172.962	238.912
Liabilities					
Non-current liabilities					
Mortgage credit institutions	15	0	23.382	0	23.382
		0	23.382	0	23.382
Current liabilities					
Mortgage credit institutions	15	0	3.772	0	3.772
Credit institutions		878	152	0	0
Selling price of systems deliveries	12	35.526	53.512	18.408	25.902
Prepayments from customers		61.783	45.454	27.340	24.992
Trade payables		265.559	269.039	231.607	253.502
Payables to subsidiaries		0	0	66.077	31.938
Payables to group enterprises		253.705	227.927	277.851	266.135
Corporation tax payable	16	52.632	21.626	44.856	15.899
Other payables		214.155	141.986	158.738	93.284
		884.238	763.468	824.877	715.424
Total liabilities other than provisions		884.238	786.850	824.877	738.806
TOTAL EQUITY AND LIABILITIES					
		2.506.612	2.190.639	2.394.609	2.076.056
Contractual obligations and contingent liabilities etc.	17				
Cash flows from operations before changes in working capital	18				
Changes in working capital	19				
Interest rate risk and the use of financial derivative instruments	20				
Related parties	21				
Events after the end of the financial year	22				

Equity statement

DKK'000	Consolidated					In total
	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	
Equity at 1 January 2022	14.000	-248	4.202	847.394	142.000	1.007.348
Distributed dividends	0	0	0	0	-142.000	-142.000
Transferred via profit appropriation	0	0	0	138.233	100.000	238.233
Exchange rate adjustment – foreign subsidiaries	0	0	-5.489	0	0	-5.489
Value adjustment of hedging instruments	0	315	0	0	0	315
Tax recognised in equity	0	-69	0	0	0	-69
Equity at 1 January 2023	14.000	-2	-1.287	985.627	100.000	1.098.338
Distributed dividends	0	0	0	0	-100.000	-100.000
Transferred via profit appropriation	0	0	0	302.882	100.000	402.882
Exchange rate adjustment – foreign subsidiaries	0	0	-4.452	0	0	-4.452
Value adjustment of hedging instruments	0	2	0	0	0	2
Equity at 31 December 2023	14.000	0	-5.739	1.288.509	100.000	1.396.770

Equity statement – continued

DKK'000	Parent company						In total
	Share capital	Reserve for development costs	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	
Equity at 1 January 2022	14.000	261.640	-248	360	589.596	142.000	1.007.348
Distributed dividends	0	0	0	0	0	-142.000	-142.000
Transferred via profit appropriation	0	-41.899	0	0	180.132	100.000	238.233
Exchange rate adjustment – foreign subsidiaries	0	0	0	0	-5.489	0	-5.489
Value adjustment of hedging instruments	0	0	315	0	0	0	315
Tax recognised in equity	0	0	-69	0	0	0	-69
Equity at 1 January 2023	14.000	219.741	-2	360	764.239	100.000	1.098.338
Distributed dividends	0	0	0	0	0	-100.000	-100.000
Transferred via profit appropriation	0	14.241	0	-360	289.001	100.000	402.882
Exchange rate adjustment – foreign subsidiaries	0	0	0	0	-4.452	0	-4.452
Value adjustment of hedging instruments	0	0	2	0	0	0	2
Equity at 31 December 2023	14.000	233.982	0	0	1.048.788	100.000	1.396.770

The share capital comprises 28,000 shares of DKK 500 each. All shares carry the same voting rights. The share capital is unchanged in the last 5 years.

Digitalising small business clients in the Netherlands to save drinking water

“ Saving drinking water is a major challenge for us, and we believe insights of drinking water usage contribute to this saving. That was why we chose to implement smart water meters. Kamstrup could meet all our demands: Long battery life, hourly values of water usage, narrowband IoT, and high security standard for connectivity”

OLF PRAAMSTRA, PROJECT MANAGER, VITENS N.V.



25,000
flowIQ® 2200 &
3200 meters

23 mio. m³
NRW in 2022

2.6 mio.
network
connections

VITENS N.V, THE NETHERLANDS

In June 2023, we signed an agreement with the largest Dutch water utility, Vitens N.V., consisting of a delivery of approximately 25,000 flowIQ® 2200 and 3200 meters to digitise their small business clients. The project with Vitens is prepared and executed in close cooperation with Iskraemeco, who delivers the head-end system, and Vodafone, who delivers the network connectivity. The first batch of water meters was delivered in November 2023.

From the left: Jan Dost, Key Account Executive, Kamstrup, Jelle Hannema, CEO of Vitens, and Claude Roovers, Business Unit Manager, Kamstrup

Cash flow statement

DKK'000	Note	Consolidated	
		2023	2022
Revenue		3.603.873	2.799.887
Costs		-2.881.101	-2.213.100
Cash flows from operations before changes in working capital	18	722.772	586.788
Changes in working capital	19	-80.417	-371.325
Cash generated from operations (operating activities)		642.355	215.463
Interest received		5.070	8.993
Interest paid		-15.868	-14.406
Cash generated from operations (ordinary activities)		631.557	210.050
Corporation tax paid	16	-133.294	-69.334
Cash flows from operating activities		498.263	140.716
Acquisition of business		0	-18.075
Acquisition of intangible assets		-130.437	-120.749
Acquisition of property, plant and equipment		-192.665	-56.806
Disposal of non-current assets		931	1.498
Deposits		85	-1.770
Cash flows from investing activities		-322.086	-195.902
<i>External financing:</i>			
Mortgage credit institutions		-27.154	-4.684
Credit institutions		726	-920
Receivables/payables to group enterprises (Cash Pool)		25.778	242.820
<i>Shareholders:</i>			
Dividends paid		-100.000	-142.000
Cash flows from financing activities		-100.650	95.216
Cash flows for the year		75.527	40.029
Opening cash and cash equivalents		105.355	64.953
Cash and cash equivalents acquired		0	374
Cash and cash equivalents at the end of the year		180.882	105.355

Notes

	Consolidated		Parent company	
	2023	2022	2023	2022
DKK'000				
1. Segment information (broken down on revenue)				
Europe	70%	73%	86%	94%
Other	30%	27%	14%	6%
	100%	100%	100%	100%
System & Service	23%	26%	22%	35%
Components	77%	74%	78%	65%
	100%	100%	100%	100%
2. Staff costs				
Wages and salaries	1.046.365	895.814	856.439	741.351
Pensions	61.807	49.957	47.914	38.363
Other social security costs	51.644	44.498	12.242	11.891
	1.159.816	990.269	916.595	791.605
<i>Staff costs are specified as follows:</i>				
Production	552.694	471.267	513.916	447.998
Distribution	374.121	323.891	183.333	155.355
Administration	155.944	123.969	145.009	118.724
Capitalized in development projects	77.057	71.142	74.337	69.527
	1.159.816	990.269	916.595	791.605
Average number of employees	1.672	1.484	1.313	1.191
<i>Remuneration of the executive board and board of directors totals:</i>				
Executive board	26.872	22.230	26.872	22.230
Board of directors	1.578	1.563	1.578	1.563
	28.450	23.793	28.450	23.793

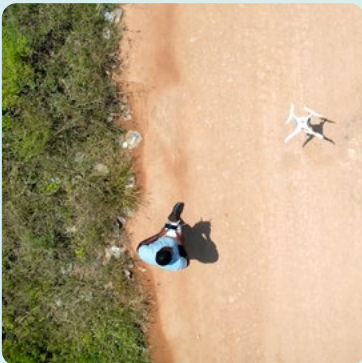
Notes

DKK'000	Consolidated		Parent company	
	2023	2022	2023	2022
3. Depreciation amortization and impairment losses				
Intangible assets	123.401	153.963	119.220	148.752
Property, plant and equipment	94.085	122.835	87.633	112.525
	217.486	276.798	206.853	261.278
<i>Depreciation amortization and impairment losses are specified as follows:</i>				
Production	181.772	234.492	174.320	223.514
Distribution	6.132	8.533	3.183	4.105
Administration	29.580	33.773	29.350	33.659
	217.486	276.798	206.853	261.278
4. Fees paid to auditors appointed at the general meeting				
Statutory audit fees	1.799	1.707	738	833
Assurance engagements	39	38	39	38
Tax advisory services	726	871	451	675
Other services	354	698	191	509
	2.918	3.314	1.419	2.056
5. Financial income				
Financial income – affiliates	0	0	10.725	1.666
Other financial income	5.070	9.533	2.932	4.634
	5.070	9.533	13.657	6.300
6. Financial expenses				
Financial expenses – affiliated companies	11.651	3.657	16.097	8.990
Other financial expenses	11.345	12.356	11.342	445
	22.996	16.014	27.439	9.435

Notes

DKK'000	Consolidated		Parent company	
	2023	2022	2023	2022
7. Tax on profit for the year				
Current taxation	167.938	53.059	140.396	26.726
Tax in branches	6.977	4.587	6.977	4.587
Deferred tax	-62.473	3.937	-44.723	7.450
Adjustment of tax in respect of previous years	-1.338	8.377	-1.690	18.405
	<u>111.104</u>	<u>69.960</u>	<u>100.960</u>	<u>57.168</u>
<i>Tax on profit for the year is specified as follows:</i>				
Tax recognised in the income statement	111.104	69.891	100.960	57.099
Tax recognised in equity	0	69	0	69
	<u>111.104</u>	<u>69.960</u>	<u>100.960</u>	<u>57.168</u>
8. Proposed profit appropriation				
Proposed dividends			100.000	100.000
Equity reserves			<u>302.882</u>	<u>138.233</u>
			<u>402.882</u>	<u>238.233</u>

Creating value
for customers
around the
world



Notes

DKK'000	Consolidated					
	Completed development projects	Development projects in progress	Goodwill	Software	Prepayments for intangible assets	In total
9. Intangible assets						
Cost at 1 January 2023	876.424	105.610	18.604	62.369	10.123	1.073.130
Additions	4.262	113.836	0	0	12.339	130.437
Disposals	-4.834	0	0	0	0	-4.834
Transferred	43.255	-43.255	604	10.851	-10.359	1.096
Cost at 31 December 2023	919.107	176.191	19.208	73.220	12.103	1.199.829
Amortisation and impairment losses at 1 January 2023	-700.317	0	-3.968	-45.067	0	-749.352
Disposals	4.785	0	0	0	0	4.785
Impairment losses	-1.601	0	0	0	0	-1.601
Amortisation	-98.189	0	-3.842	-19.769	0	-121.800
Transferred	0	0	-614	-463	0	-1.077
Amortisation and impairment losses at 31 December 2023	-795.322	0	-8.424	-65.299	0	-869.045
Carrying amount at 31 December 2023	123.785	176.191	10.784	7.921	12.103	330.784
Amortised over (Year)	3-5		5	3-5		

Notes

DKK'000	Parent Company				
	Completed development projects	Development projects in progress	Software	Prepayments for intangible assets	In total
9. Intangible assets					
Cost at 1 January 2023	869.474	105.610	62.368	10.123	1.047.575
Additions	4.262	113.836	0	12.339	130.440
Disposals	-150	0	0	0	-150
Transferred	43.258	-43.255	10.359	-10.359	0
Cost at 31 December 2023	916.844	176.191	72.727	12.103	1.177.865
Amortisation and impairment losses at 1 January 2023	-693.693	0	-45.067	0	-738.760
Disposals	97	0	0	0	97
Impairment losses	-1.601	0	0	0	-1.601
Amortisation	-97.862	0	-19.757	0	-117.619
Amortisation and impairment losses at 31 December 2023	-793.059	0	-64.824	0	-857.883
Carrying amount at 31 December 2023	123.785	176.191	7.903	12.103	319.982
Amortised over (Year)	<u>3-5</u>		<u>3-5</u>		

Completed development projects

Completed development projects cover the development and testing of meters and meter software, including reading and analysis systems. Meters and meter software are put into use continuously and depreciated over 3-5 years.

In 2023, the contribution margin on sales of meters and meter software amounted to DKK 1,648,195 thousand [2022: DKK 1,181,978 thousand].

The management continuously performs assessments of the need for write-downs and has made appropriate write-downs that correspond to these assessments. As a consequence of our close focus on technology development, we have decided to depreciate some old product developments to focus on the newest knowledge.

Development projects in progress

Development projects in progress cover the development and testing of meters and meter software, including reading and analysis systems. In all materiality, costs are composed of external consultants, and internal costs in the form of wages and salaries and indirect production overheads, which are registered through the internal project module of the Company. Per 31 December 2023,

the accounting value amounts to DKK 176,191 thousand [2022: DKK 105,610 thousand].

Meters and meter software that are under development as per 31 December 2023 are expected to be finalized and put into use during 2024 after which marketing and sales can be started. The new meters and meter systems are expected to lead to competitive advantages and thus constitute an essential basis for the expected sales over the coming years.

The management continuously performs assessments of the need for write-downs and has made appropriate write-downs that correspond to these assessments.

During 2023 some projects which were expected to be finalized in the year has been delayed, and will be finalized in the beginning of 2024, which has caused an increase in the carrying amount of development projects in progress.

Notes

DKK'000	Consolidated				In total
	Land and buildings	Production plant and machinery	Fixtures, fittings and other plant and equipment	Asset in the course of construction	
10. Property, plant and equipment					
Cost at 1 January 2023	414.921	737.809	135.510	73.352	1.361.592
Exchange rate adjustment in foreign enterprises	-24	-619	-583	-5	-1.231
Additions	37	0	6.189	186.439	192.665
Disposals	-446	-1.681	-4.268	0	-6.395
Transferred	10.753	52.900	5.970	-70.719	-1.096
Cost at 31 December 2023	425.241	788.409	142.818	189.067	1.545.535
Depreciation and impairment losses at 1 January 2023	-145.054	-592.684	-108.280	0	-846.018
Exchange rate adjustment in foreign enterprises	1	451	381	0	833
Disposals	224	1.532	3.706	0	5.462
Depreciation	-12.707	-65.045	-16.333	0	-94.085
Transferred	-225	225	1.077	0	1.077
Depreciation and impairment losses at 31 December 2023	-157.761	-655.521	-119.449	0	-932.731
Carrying amount at 31 December 2023	267.480	132.888	23.369	189.067	612.804
Depreciated over (Year)	10-70	5	3-7		

Notes

DKK'000	Parent company				In total
	Land and buildings	Production plant and machinery	Fixtures, fittings and other plant and equipment	Asset in the course of construction	
10. Property, plant and equipment					
Cost at 1 January 2023	413.636	716.449	105.738	73.214	1.309.037
Exchange rate adjustment in foreign enterprises	0	0	24		24
Additions	0	0	281	70.569	70.850
Disposals	-246	-5.270	-1.211	0	-6.727
Transferred	10.411	50.856	6.783	-68.050	0
Cost at 31 December 2023	423.801	762.035	111.615	75.733	1.373.184
Depreciation and impairment losses at 1 January 2023	-144.615	-577.198	-86.520	0	-808.333
Exchange rate adjustment in foreign enterprises	0	0	-18	0	-18
Disposals	110	473	1.170	0	1.753
Depreciation	-12.509	-61.552	-13.572	0	-87.633
Transferred	-225	225	0	0	0
Depreciation and impairment losses at 31 December 2023	-157.239	-638.052	-98.940	0	-894.231
Carrying amount at 31 December 2023	266.562	123.983	12.675	75.733	478.953
Depreciated over (Year)	10-70	5	3-7		

Notes

DKK'000	Parent company	
	2023	2022
11. Investments in subsidiaries		
Cost at 1 January	199.864	181.849
Additions for the year	0	18.075
Disposals	0	-60
Cost at 31 December	199.864	199.864
Adjustments at 1 January	-36.826	-72.404
Foreign exchange adjustment	-4.452	-5.489
Profit for the year before tax	64.782	95.858
Goodwill amortisation	-2.873	-1.676
Tax on profit for the year	-10.143	-12.792
Dividend	-50.688	-40.383
Disposals	0	60
Adjustments at 31 December	-40.200	-36.826
	159.664	163.038
Offset against receivables	10.345	12.455
Carrying amount at 31 December	170.009	175.495

As pr. 31. December 2023 goodwill amounts to DKK 9.816 thousands
[2022: DKK 12.689 thousand]

Name	Reg. office	Voting right and ownership
Kamstrup B. V.	Netherlands	100%
Kamstrup Sp. z o.o.	Poland	100%
Kamstrup Instrumentation Ltd. *	Great Britain	100%
Kamstrup AS	Norway	100%
Kamstrup Services SAS	France	100%
Kamstrup AB	Sweden	100%
Kamstrup South Africa (Pty) Ltd.	South Africa	100%
Kamstrup Austria GmbH	Austria	100%
Kamstrup Metering Solutions Private Limited	India	100%
Kamstrup International A/S	Denmark, Skanderborg	100%
Kamstrup Water Metering L.L.C.	United States	100%
Kamstrup Chile SpA *	Chile	100%
Kamstrup Spain S. L.	Spain	100%
Kamstrup Metering Solution Canada Inc	Canada	100%
Kamstrup Italy S.rl	Italy	100%
Kamstrup Asia Pacific SDN BHD	Malaysia	100%
Kamstrup Metering Solutions (Beijing) Co. Ltd	China	100%
Blue Control A/S	Denmark, Birkerød	100%
Thvilum A/S	Denmark, Odder	100%

* In the process of being closed.

Notes

11. Investments in subsidiaries - cont.

Disclosure Kamstrup Instrumentation Limited

Kamstrup A/S has guaranteed the liabilities of subsidiary Kamstrup Instrumentation Limited (a company incorporated in the Great Britain) and as a result, this entity opted to take the exemption that it is entitled to take, with regards to the exemption from the requirement for their individual accounts to be audited under, Financial Statements Act, section 479A to the Companies Art 2006 relating to subsidiary companies.

	Consolidated		Parent company	
	2023	2022	2023	2022
12. Selling price of systems deliveries				
Systems deliveries	1.001.898	1.240.387	268.855	778.269
Progress billings	-940.991	-1.280.533	-268.902	-799.268
	60.907	-40.146	-47	-20.999
<i>Progress billings are specified as follows:</i>				
Systems deliveries (assets)	96.433	13.366	18.361	4.903
Systems deliveries (equity and liabilities)	-35.526	-53.512	-18.408	-25.902
	60.907	-40.146	-47	-20.999

Notes

DKK'000	Consolidated		Parent company	
	2023	2022	2023	2022
13. Deferred tax				
Deferred tax at 1 January	104.063	88.012	119.017	98.496
Adjustment of tax in respect of previous years	0	12.114	0	13.071
Deferred tax for the year	-62.473	3.937	-44.723	7.450
Deferred tax at 31 December	41.590	104.063	74.294	119.017
Deferred tax liability	56.882	119.181	74.294	119.017
Deferred tax asset	-15.292	-15.118	0	0
	41.590	104.063	74.294	119.017
<i>Deferred tax is incumbent on:</i>				
Intangible assets	67.733	65.712	67.733	65.712
Property, plant and equipment	-11.568	-11.163	-12.654	-12.927
Unrealized intra-group profit	-17.468	-3.302	0	-3.302
Indirect production overheads	7.372	7.197	7.370	7.197
Work in progress	9.234	47.127	9.217	47.127
Provisions and other accruals	-13.713	-1.508	2.628	15.210
	41.590	104.063	74.294	119.017

Deferred tax assets

Per 31 December 2023, the Group has included tax assets of DKK 15.292 thousand in all. Tax assets consist of temporary differences. On the basis of budgets and projections up until 2024, the Management Board has assessed it to be probable that there will be future taxable income available in which unused tax losses can be exploited.

DKK'000	Consolidated		Parent company	
	2023	2022	2023	2022
14. Other provisions				
Other provisions at 1 January	186.270	186.001	119.895	140.927
Utilized during the year	-27.277	-10.313	-18.751	-8.472
Unused guarantee obligations, restored	-61.268	-66.139	-38.099	-60.850
Provisions for the year	70.997	76.721	35.623	48.290
Other provisions at 31 December	168.722	186.270	98.668	119.895
<i>The provisions are expected to be payable in:</i>				
0-1 years	20.577	68.539	18.239	60.264
1-5 years	82.837	48.352	62.556	26.168
+5 years	65.308	69.379	17.873	33.464
	168.722	186.270	98.668	119.895

Other provisions primarily consist of warranty provisions, which include the group's normal warranty on products and extended warranties from agreements made. Reversal of unused warranty obligations covers previous provisions that, over the year, have not materialized as a consequence of Kamstrup's continuous risk management. Long-term other provisions are in nature judgemental and subject to uncertainty. This especially applies to the other provisions +5 years.

Our ambition

We revolutionise the supply of clean water and energy through intelligence.



Our purpose

We ensure clean water and energy to a maximum number of people.



Our values

Inspire
Lead
Deliver



Notes

	Consolidated		Parent company	
	2023	2022	2023	2022
DKK'000				
15. Liabilities				
<i>The loans are specified as follows:</i>				
Long-term	0	23.382	0	23.382
Short-term	0	3.772	0	3.772
	0	27.154	0	27.154
Non-current liabilities falling due more than five years after the expiry of the financial year	0	12.218	0	12.218
16. Corporation tax				
Corporation tax at 1 January	28.255	13.829	-15.899	1.147
Adjustment of tax in respect of previous years	-712	2.738	1.549	-6.401
Current tax for the year	-174.915	-57.646	-147.373	-31.313
Corporation tax paid during the year	133.294	69.334	116.867	20.668
Corporation tax at 31 December	-14.078	28.255	-44.856	-15.899
<i>Allocated as follows:</i>				
Corporation tax receivable	38.554	49.881	0	0
Corporation tax payable	-52.632	-21.626	-44.856	-15.899
	-14.078	28.255	-44.856	-15.899

Notes

DKK'000	Consolidated		Parent company	
	2023	2022	2023	2022
17. Contractual obligations and contingent liabilities etc.				
Contractual obligations				
Leasehold liabilities	240.014	232.618	2.733	5.606
Lease liabilities	24.578	25.765	14.412	15.206
Collateral				
Performance guarantees provided as collateral for the Company's liabilities towards third party	146.517	128.725	146.294	128.489
<i>The below assets have been provided as collateral for mortgage debt:</i>				
Land and buildings with a carrying amount of:	0	269.021	0	269.021

The Company's leasehold liabilities amounts to DKK 240 million in total, DKK 155 million of the total leasehold liabilities are due in 5 years or later.

The parent company has provided collateral for bank loans of subsidiaries of DKK 22 million (2022: DKK 15 million). In addition to this, the parent company has provided collateral for credit lines and cash pool of its group enterprises at an amount of DKK 1,000 million (2022: DKK 800 million).

The Parent Company's shares in the subsidiary Kamstrup AB have been provided as collateral for bank loans with group enterprises.

The Company is jointly taxed with other Danish group companies.

As a group company, the company has unlimited and joint liability with other group companies for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation unit. The jointly taxed companies' total known net liability to Skattestyrelsen appears from the financial statements of the management company OK a.m.b.a. CVR-no. 39 17 04 18.

Any subsequent corrections to the joint taxation income and the withholding tax etc. may result in an increased liability for the company. The Group as a whole is not liable to any others

Notes

DKK'000	Consolidated	
	2023	2022
18. Cash flows from operations before changes in working capital		
Ordinary operating profit	531.875	314.153
Adjustment for non-cash operating items, etc.:		
Depreciation amortization and impairment losses	217.486	276.798
Adjustment of warranty provisions	-17.548	268
Other adjustments	-9.041	-4.432
	<u>727.772</u>	<u>586.788</u>
19. Changes in working capital		
Changes in inventories	-51.462	-250.111
Changes in receivables	-113.973	-141.233
Changes in trade and other payables	85.018	20.019
	<u>-80.417</u>	<u>-371.325</u>
20. Interest rate risk and the use of financial derivative instruments		
The Group covers interest rate risks by means of interest rate swaps whereby variable interest payments are converted into fixed interest payments.		
	2023	2022
Notional principal amount	0	12.424
Value adjustment included in the equity	0	315
Fair value	0	-3
Remaining term, month	0	6
The secured cash has expired in 2023		

Notes

21. Related parties

Kamstrup A/S' related parties comprise:

Control

OK a.m.b.a., Viby J, Denmark, owns the entire share capital. The financial statement for Kamstrup A/S is included in the consolidated financial statement for OK a.m.b.a.

Other related parties

Other related parties comprise subsidiaries as described in notes 11 and the companies' Executive Board and the Board of Directors, executive employees and their family members. Further, related parties comprise companies in which the above persons have substantial interests.

Transactions with related parties

Transactions with subsidiaries are eliminated in the consolidated financial statements. All subsidiaries are wholly owned, cf. the Danish Financial Statements Act, section 98c (3).

DKK'000	2023	2022
Consolidated		
Purchase of goods etc. from affiliated group enterprises	14.657	21.228
Interest costs from group enterprises	11.651	3.657
Dividend payed to parent company	100.000	142.000
Receivables from group enterprises	0	0
Payables to group enterprises	253.705	227.927
Parent Company		
Sale of goods to subsidiaries	1.569.936	1.116.565
Sales management services and services to subsidiaries	102.543	115.323
Purchase of goods and etc. from subsidiaries	10.430	10.272
Interest income from subsidiaries	10.725	5.494
Interest costs for subsidiaries	4.446	5.333
Purchase of goods etc. from parent company	14.657	21.228
Interest costs from parent company	11.651	3.657
Dividend recieved from subsidiaries	50.689	40.383
Dividend payed to parent company	100.000	142.000
Receivables from subsidiaries	568.291	260.396
Debt to subsidiaries	66.077	31.938
Receivables from group enterprises	0	0
Payables to group enterprises	277.851	266.135

22. Events after the end of the financial year (subsequent events)

No significant events have occurred after the end of the financial year affecting the evaluation of the Company's financial position and the annual report for 2023.

Network as a Service guarantees municipality data quality and availability

“We’re not network specialists. Our core competence is transforming data into value. So, we wanted a product that would guarantee getting us the data we need throughout the meters’ lifetime. And that product is NaaS”

MARTIN CHRISTIANSEN, ENGINEER, SILKEBORG FORSYNING



Communication network agreement for 14 years

Data transmission of 40.000 heat & water meters

SILKEBORG FORSYNING, DENMARK

The Danish multi-utility Silkeborg Forsyning has chosen our new solution Network as a Service (NaaS) to avoid having to deal with network maintenance and technological uncertainties. Instead, they can focus on creating value from the high-quality data provided by NaaS. High meter data quality and availability is Silkeborg Forsyning’s number one priority, and with NaaS, they can get more frequent and detailed data than before – and more data means more optimisation opportunities. As well as supplying the very foundation for billing their customers, this enables them to generate more value and explore new business development opportunities going forward.

Accounting policies

The annual report of Kamstrup A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounts are prepared on the basis of underlying amounts in whole DKK, but are shown in the annual report in whole 1,000 DKK, which means that there are smaller rounding differences in the totals.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Kamstrup A/S, and subsidiaries in which Kamstrup A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, realized and unrealized gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognized in the consolidated financial statements from the date of acquisition or formation.

Disposed or liquidated enterprises are recognized in the consolidated income statements up until the date of disposal. Comparative figures are not corrected for enterprises acquired, disposed or liquidated during the year.

Gains and losses at disposal of subsidiaries are calculated as the difference between the disposal amount and the carrying amount of net assets at the date of the disposal incl. non-amortized goodwill and expected sales or liquidation costs.

Acquisitions of enterprises are accounted for using the purchase method. Any excess of the cost of the acquisition over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognized as intangible assets and amortized on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. At the moment, the useful life is assessed to be five years.

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 at the date of payment are recognized 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 at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

On recognition of foreign subsidiaries, the income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates ruling at the balance sheet date are recognized directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognized in other receivables and payables, respectively, and in equity.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties. Discounts granted are recognized in revenue.

The Company has chosen IAS 11 Construction contracts/IAS 18 Revenue as interpretation for revenue recognition.

Revenue from sale of goods

Income from the sale of finished goods, comprising meters for reading electricity, heat and water consumption is recognized in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue from sale of services

Income from the provision of services, comprising service contracts, is recognized in revenue on a basis as the services are provided.

Revenue from systems deliveries

Systems deliveries involving highly customized solutions are recognized in revenue in line with production. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

The stage of completion is made up based on the used costs compared to the latest cost estimate.

Production costs

Production costs comprise costs, including depreciation and amortization and salaries, incurred in generating the revenue for the year. Production costs also comprise research and development costs that do not qualify for capitalization and amortization of capitalized development costs.

Sales and distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognized as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognized as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for group management and administration, including expenses for administrative staff, management, office premises and office expenses, and depreciation.

Other operating income

Other operating income contains items of secondary character in relation to the activity of the companies, including gains at disposal of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses contain items of secondary character in relation to the activity of the companies, including losses at disposal of intangible assets and property, plant and equipment.

Profits/losses from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognized in the income statement of the parent company after full elimination of intra-group profits/losses.

Financial income and expenses

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

Tax on profit for the year

The Parent Company is covered by the Danish rules on compulsory joint taxation of the OK a.m.b.a. Group's Danish subsidiaries. Danish subsidiaries form part of the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company, OK a.m.b.a., is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by the settlement of joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In this relation, enterprises with tax loss carryforwards receive joint taxation contributions from enterprises that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity.

Balance sheet

Goodwill

Goodwill is measured according to cost price with deduction of accumulated amortization. The cost price includes costs that fall directly or indirectly within goodwill. Goodwill is amortized linearly over the assessed economic useful life of the investment in the subsidiary, which is based on the business case at the time of acquisition. The useful life has been determined based on the management's experience with the business area. The amortization period is longer for strategic acquired companies with a strong market position and vice versa. The amortization period is 5 years.

Development costs

Capitalized development costs are measured at cost less accumulated amortization. Development costs comprise costs, salaries and amortization directly or indirectly attributable to the Company's development activities. Capitalized development costs are amortized on a straight-line basis after the completion of the development work over the estimated useful life. The amortization period is 3-5 years.

Software

Software is measured according to cost less accumulated amortization. Software are amortized on a straight-line basis over the assessed economic useful life. The amortization period is 3-5 years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, as well as other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers as well as wages and salaries.

The cost prices of a complete asset is split into separate items, each depreciated separately, if the expected useful lives on each separate item differs.

The cost of assets held under finance leases is recognized at the lower of the fair value of the assets and the present value of the future lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as discount rate.

The Group has chosen IAS 17 Leases as interpretation for classification and recognition of leases.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	10-70 years
Plant and machinery	5 years
Fixtures and fittings, other plant and equipment	3-7 years

Intangible and tangible fixed assets and investments

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

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired.

Investments in subsidiaries

Investments in subsidiaries are measured in accordance with the equity method. Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealized intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognized under provisions.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds the cost of acquisition.

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.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance and depreciation of production machinery, buildings and equipment as well as factory administration. Borrowing costs are not recognized.

Receivables

Receivables are measured at amortized cost. Write-down is made for bad debt losses.

The Company has chosen IAS 39 Financial instruments as interpretation for impairment write-down of financial receivables

Selling price of systems deliveries

The selling price of systems deliveries is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the individual work in progress.

Individual systems deliveries are recognized in the balance sheet under either receivables or payables. Net assets are determined as the sum of systems deliveries where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of systems deliveries where progress billings exceed the selling price.

Prepayments from customers

Comprise received prepayments from customers regarding service contract for services to be delivered in subsequent financial years.

Equity – dividends

Proposed dividends are recognized as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognized at cost in the reserve for net revaluation according to the equity method. The reserve may be eliminated in case of losses, realization of investments or a change in accounting estimates. The reserve cannot be recognized at a negative amount.

Reserve for development costs

Reserve for development costs comprises included development costs. The reserve cannot be used for dividends or to cover losses. The reserve is reduced or liquidated if the included development costs are depreciated or are removed from the Company's operation. This takes place by transferring directly to the free equity reserves.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realized. The reserve is dissolved when the hedged transaction is realized, if the hedged cash flows are no longer expected to be realized or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Corporation tax and deferred tax

Joint taxation contributions payable and receivable are recognized in the balance sheet as amounts owed to/by group enterprises. 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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognized at the expected value of their utilisation, 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 and jurisdiction.

Other provisions

Provisions comprise anticipated costs related to warranties, contractual obligations, losses on systems deliveries.

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Group's resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of up to 20 years. Provisions for warranty commitments are measured at net realisable value and recognised based on expected failure rates simulated based on past experience, extensive ongoing testing on products and components among other factors.

Financial liabilities

Financial liabilities are measured at amortized cost.

Financial liabilities also include the capitalized residual obligation on finance leases.

Other liabilities

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities.

Cash flows from acquisitions of enterprises are recognized in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognized up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

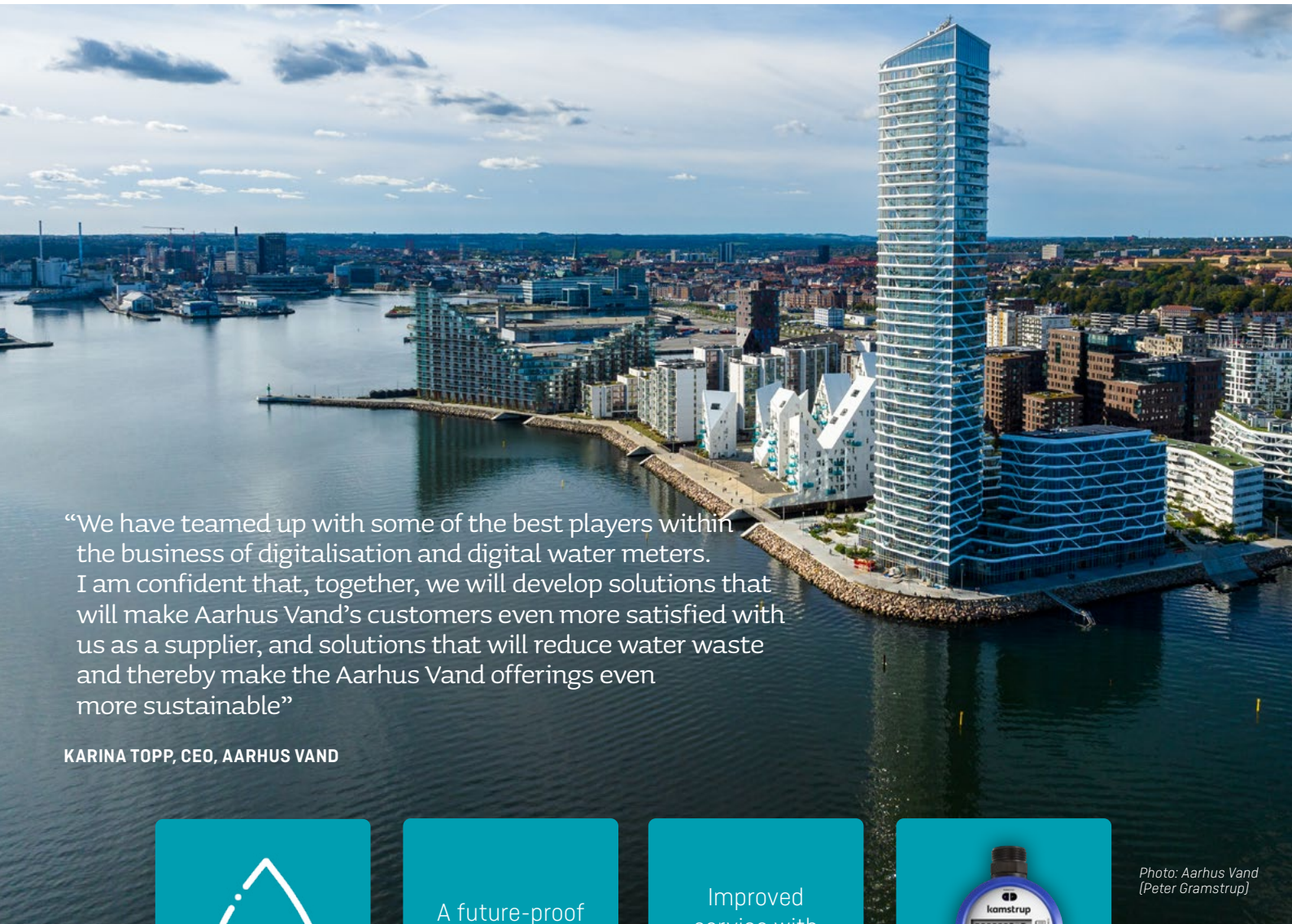
Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders. Furthermore, changes in the usage of cash pool cooperation with OK a.m.b.a. are included.

Balances on cash pool accounts are classified as Payables to group enterprises.

Segment information

Information is provided on business segments and geographical markets on an aggregated level. Segment information is based on the Group's accounting policies and risk assessment.

Digitalising the distribution network will reduce water waste and make Aarhus Vand even more sustainable



“We have teamed up with some of the best players within the business of digitalisation and digital water meters. I am confident that, together, we will develop solutions that will make Aarhus Vand’s customers even more satisfied with us as a supplier, and solutions that will reduce water waste and thereby make the Aarhus Vand offerings even more sustainable”

KARINA TOPP, CEO, AARHUS VAND



A future-proof digitalisation

Improved service with real-time data



Photo: Aarhus Vand (Peter Gramstrup)

AARHUS VAND, DENMARK

In December 2023, we signed an agreement on an innovation project in collaboration with Danish water utility Aarhus Vand A/S and software company Systematic A/S with the objective to digitalise and optimise the distribution network in Aarhus, Denmark’s second largest city. By means of this collaboration, we will develop new features and initiatives that will be useful for both the customer and the end users.

Kamstrup A/S

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