

# Annual Report 2023

Financial year 1 January – 31 December 2023

The annual report was presented and adopted at  
The Company's Annual General Meeting on 25 June 2024

SPECTRIS DENMARK ApS, Teknikerbyen 28, Søllerød, 2830 Virum, Denmark



Frederik Andersen (Jun 25, 2024 08:46 GMT+2)

Chairman of the General Meeting

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## **Company information**

<b>Company</b>	<b>SPECTRIS DENMARK ApS</b> <b>Teknikerbyen 28</b> <b>Søllerød</b> <b>DK-2830 Virum</b> <b>Registration No.: 29615802</b> <b>Registered office: Lyngby-Taarbæk</b> <b>Fiscal year: 01/01/2023 – 31/12/2023</b>
<b>Bank connection</b>	<b>Danske Bank</b>
<b>Directorate</b>	<b>Steen Pinnerup, director</b> <b>Niall Clark, director</b>
<b>Auditor:</b>	<b>Deloitte Statsautoriseret Revisionspartnerselskab</b> <b>Weidekampsgade 6</b> <b>DK-2300 Copenhagen S</b>

## Management's Statement

Today, the Executive Management has considered and approved the annual report for the financial year 1 January – 31 December 2023 for SPECTRIS DENMARK ApS.

The annual report has been submitted in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the result of the Company's activities for the financial year 1 January – 31 December 2023.

Furthermore, we are of the opinion that the management review contains a true and fair account of the matters covered by the report.

The annual report is recommended for approval by the general meeting.

Virum, 25 June 2024

### Directorate:

  
Steen Pinnerup, Jun 26, 2024 13:28 GMT+2  
Steen Pinnerup

director

*Niall Clark*

Niall Clark

director

## **Audit opinion of the independent auditor**

**To the shareholder of SPECTRIS DENMARK ApS**

### **Opinion**

We have audited the financial statements of Spectris Denmark ApS for the financial year 01.01.2023-31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023-31.12.2023, 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 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 responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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 responsibility 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

25  
Copenhagen, ~~28~~ June 2024

**DELOITTE**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33963556



Tim Kjaer-Hansen  
State Authorised Public Accountant  
Identification No (MNE) mne23295



## **Management's review**

### **Main activity**

The purpose of the company is, through holdings of shares in other companies, to conduct trade and industry.

There are no employees in the company and the company has no other operating activity.

### **The accounting result**

The result for the year amounts to EUR -0,8 million compared to EUR -6,6 million in 2022. The result for the year has improved by EUR 5,8 million, which is due to a major improvement in the profit of subsidiary compared to 2022. The result for the year is considered satisfactory.

### **Future**

For 2024, a profit is expected in line with 2023, as a result of the corresponding expectation of stable earnings in 2024 in the company in which the company holds shares.

## **Special risks**

### **Currency risks**

Value adjustments for investments in shares in affiliated enterprises are recognized directly in equity. As a general rule, price risks related to this are not hedged, as it is the Company's opinion that hedging such long-term investments would not be optimal based on an overall risk and cost assessment.

### **Interest rate risks**

Interest rate risks related to the company's long-term debt are generally hedged by entering into long-term fixed-rate agreements with the company's lenders.

## **Accounting policies**

The annual report for SPECTRIS DENMARK ApS for 2023 has been submitted in accordance with the provisions of the Danish Financial Statements Act for Class B companies, with the addition of some amendments for accounting class C.

In accordance with section 112(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared. The annual accounts of SPECTRIS DENMARK ApS and subsidiaries are included in the consolidated financial statements of Spectris plc.

In accordance with section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement for SPECTRIS DENMARK ApS and subsidiaries is included in the consolidated financial statements of Spectris plc.

## **General information about recognition and measurement**

Assets are recognized in the balance sheet when it is likely that future economic benefits will accrue to the company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when it is likely that future economic benefits will depart from the company and the value of the liability can be reliably measured.

At first recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Recognition and measurement take into account gains, losses and risks arising before the annual report is presented and confirming or refuting factors existing at the balance sheet date. Income is recognized in the income statement as it is earned, including value adjustments on financial assets and liabilities measured at fair value. In addition, expenses incurred to achieve earnings for the year, including depreciation, impairment charges and provisions, as well as reversals due to revised accounting estimates of amounts previously recognized in the profit and loss account, are included.

## **Foreign currency conversion**

Transactions in foreign currency are converted at the first recognition at the transaction day rate. Exchange rate differences that arise between the rate of the day of the transaction and the rate on the date of payment are recognized in the profit and loss account as a financial item.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rate of the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the time when the receivable or payables are incurred or recognized in the most recent annual report is recognized in the profit and loss account under financial income and expenses.

## **Income statement**

### **Administrative costs**

Administrative expenses include costs incurred in the year for the administration of the company, including office costs, etc.

### **Financial income and expenses**

Financial income and expenses include interest, exchange gains and losses on debts and transactions in foreign currency, as well as surcharges and indemnities under the interim tax scheme, etc.

### **Tax on profit for the year**

The company is subject to the Danish rules on compulsory co-taxation of the group's Danish subsidiaries. The company is the management company for the joint taxation and, as a result, settles all payments of corporation tax with the tax authorities.

The current Danish corporation tax is distributed by the settlement of co-taxation contributions between the jointly taxed companies in proportion to their taxable income. In addition, companies with a tax loss receive co-taxation contributions from companies that have been able to use this loss to reduce their own tax profits.

The tax for the year, which consists of the year's co-taxation contribution and change in deferred tax - including as a result of a change in tax rate - is recognized in the profit and loss account with the part attributable to the profit or loss for the year and directly in equity with the part attributable to entries directly in equity.

## **Balance sheet**

### **Equity participations in subsidiaries**

### **The income statement**

The income statement includes the proportion of the individual subsidiaries' profit after tax, after full elimination of internal profit/loss, as well as depreciation of goodwill for the year.

### **Balances**

Shares in affiliated undertakings are recognized and measured in the accounts of the parent undertaking using the equity method. This implies that the shares are measured at the proportion of the carrying net asset value of the undertakings plus unamortized goodwill and less or plus unrealized intragroup profits and losses.

Acquired goodwill relating to the company's shares in subsidiaries is measured at cost less accumulated depreciation. Goodwill is depreciated on a straight-line basis over the estimated economic useful life, which is determined on the basis of an assessment of the extent to which the companies concerned are strategically acquired with significant market power and a long-term earnings profile. The useful life is reviewed annually. The depreciation period used amounts to 20 years.

Value adjustments for investments in shares in affiliated enterprises are recognized directly in equity.

Subsidiaries with negative net asset value are measured at EUR 0, and any receivable from these companies is written down by the parent company's share of the negative net asset value to the extent that it is assessed as irrecoverable. If the carrying negative equity exceeds receivables, the remaining amount is recognized under provisions to the extent that the parent undertaking has a legal or de facto obligation to cover the sub balance sheet of the subsidiary.

Net revaluation of shares in subsidiaries shall be transferred under own funds to the net revaluation reserve using the equity method to the extent that the carrying amount exceeds their purchase price. Newly acquired or newly formed companies are recognized in the financial statements from the date of acquisition. Sold or liquidated businesses are recognized up to the time of transfer.

Profit or loss on disposal of subsidiaries is calculated as the difference between the sale price and the carrying amount of net assets at the time of sale, including unwritten goodwill and expected costs of sale or liquidation. Profits and losses are recognized in the profit and loss account under financial items.

In the case of acquisitions of new subsidiaries, the acquisition method is used, whereby the assets and liabilities of the acquired companies are measured at fair value at the time of acquisition. A provision obligation is included to cover the costs of decided restructuring of the acquired company in connection with the acquisition. The tax effect of the revaluations carried out shall be taken into account.

Positive differences (goodwill) between cost and fair value of acquired assets and liabilities, including provisions for restructuring, are recognized in the accounting item goodwill and are written off over the estimated financial useful life, which is determined on the basis of management's experience in the individual business areas. The depreciation period is a maximum of 20 years and is longest for strategically acquired companies with a strong market position and a long earnings profile. The financial useful life and carrying amount of goodwill are revalued annually and written down to the income statement where the carrying amount exceeds the expected future net income from the business or activity to which goodwill is associated.

### **Receivables**

Receivables are measured at amortized cost. Write-downs are made to offset expected losses after an individual assessment of receivables.

### **Equity - Dividends**

Proposed dividends are recognized as a liability at the time of adoption by the general meeting (declaration date). Dividends expected to be paid for the year are shown as a separate item under equity.

### **Corporate tax and deferred tax**

Under the co-taxation rules, the company, as a management company, assumes liability for the group's Danish subsidiaries' corporate taxes vis-à-vis the tax authorities as and when co-taxation contributions are received. Current tax liabilities and current tax receivables are recognized in the balance sheet as imputed tax on taxable income for the year, adjusted for tax on previous years' taxable income as well as for taxes paid on account.

Deferred tax is measured according to the balance sheet debt method of all temporary differences between the carrying and tax value of assets and liabilities. In cases where the tax value can be assessed according to alternative tax rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of carry-forward tax losses, are recognized at the value to which they are expected to be used, either by offsetting taxes against future earnings or by offsetting against deferred tax liabilities. Changes in deferred tax due to changes in tax rates are recognized in the profit and loss account.

### **Liabilities**

Debt obligations are measured at amortised cost, which usually corresponds to net realisable value.

## Income statement 1 January – 31 December

EUR	Note	2023	2022
Profit/loss from shares in associate Companies	1	-1,013,850	-6,619,636
<b>Gross profit/loss</b>		<b>-1,013,850</b>	<b>-6,619,636</b>
Miscellaneous costs		-47,716	-17,297
<b>Operating profit/loss</b>		<b>-1,061,566</b>	<b>-6,636,933</b>
Financial income	2	96,182	31,933
Financial expenses	3	-4,108	-1,093
<b>Profit/loss before tax</b>		<b>-969,492</b>	<b>-6,606,093</b>
Tax on profit for the year	4	181,025	-22,780
<b>Net profit/loss for the year</b>		<b>-788,467</b>	<b>-6,628,873</b>
<b>Proposed distribution of profit</b>			
Proposed dividend recognized under equity		7,000,000	0
Transfer to retained earnings		-7,788,467	-6,628,873
<b>Net profit/loss for the year</b>		<b>-788,467</b>	<b>-6,628,873</b>

**Balance sheet 31. December**

EUR	Note	2023	2022
<b>ASSETS</b>			
Participations in affiliated undertakings	5	62,690,666	67,031,739
<b>Total financial fixed assets</b>		<b>62,690,666</b>	<b>67,031,739</b>
<b>Total fixed assets</b>		<b>62,690,666</b>	<b>67,031,739</b>
Receivables from affiliated undertakings		8,846,440	3,316,920
Co-taxation contributions receivable		48,094	1,966,742
Deferred tax		0	5,651
Receivable tax		778,641	820,547
<b>Total receivables</b>		<b>9,673,175</b>	<b>6,109,860</b>
<b>Total current assets</b>		<b>9,673,175</b>	<b>6,109,860</b>
<b>TOTAL ASSETS</b>		<b>72,363,841</b>	<b>73,141,599</b>



## Balance sheet 31. December

EUR	Note	2023	2022
<b>EQUITY &amp; LIABILITIES</b>			
Share capital	6	296,900	296,900
Retained earnings		65,048,986	72,813,378
Ordinary dividends proposed		7,000,000	0
<b>Equity in all</b>		<b>72,345,886</b>	<b>73,110,278</b>
Other debts		17,955	31,321
<b>Total short-term liabilities</b>		<b>17,955</b>	<b>31,321</b>
<b>Total liabilities</b>		<b>17,955</b>	<b>31,321</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>72,363,841</b>	<b>73,141,599</b>

## Statement of equity 1 January – 31 December

EUR	2023	2022
Equity at 1 <sup>st</sup> January	73,110,278	122,658,289
Dividends paid	-	-42,934,098
Value adjustments	24,075	14,960
Profit/loss for the year	-788,467	-6,628,873
<b>Equity end of year</b>	<b>72,345,886</b>	<b>73,110,278</b>

Equity can be specified as follows:

<b>Contributed capital</b>	<b>296,900</b>	<b>296,900</b>
<b>Retained earnings 1<sup>st</sup> January</b>	<b>72,813,378</b>	<b>79,427,291</b>
Other value adjustments	24,075	14,960
Profit/loss carried forward for the year	-7,788,467	-6,628,873
<b>Retained earnings end of the year</b>	<b>65,048,986</b>	<b>72,813,378</b>
<b>Proposed dividend 1<sup>st</sup> January</b>	<b>0</b>	<b>42,934,098</b>
Dividends paid	0	-42,934,098
Proposed dividend	7,000,000	0
<b>Proposed dividends at the end of the year</b>	<b>7,000,000</b>	<b>0</b>
<b>Equity end of year</b>	<b>72,345,886</b>	<b>73,110,278</b>

## Notes

EUR

2023

2022

### 1 Income from equity participations in affiliated undertakings

Share of profit/loss after tax, affiliates	7,036,248	1,430,462
Amortization of Goodwill, affiliates	-8,050,098	-8,050,098
	<b>-1,013,850</b>	<b>-6,619,636</b>

### 2 Financial income

Exchange gain/loss	-19,216	0
Other interest, income	115,398	31,933
	<b>96,182</b>	<b>31,933</b>

### 3 Financial costs

Interest costs, tax	0	0
Other interest/bank charges	4,108	1,093
	<b>4,108</b>	<b>1,093</b>

### 4 Tax on profit/loss for the year

Current tax, co-taxation contributions	9,759	-4,810
Change of deferred tax	5,651	-5,651
Adjustment relating to previous years	-196,435	33,241
	<b>-181,025</b>	<b>22,780</b>

## Notes

EUR

### 5 Participations in affiliated undertakings

	2023	2022
<b>Purchasing price 1<sup>st</sup> January</b>	<u>215,000,000</u>	<u>215,000,000</u>
<b>Purchasing price end of year</b>	<u>215,000,000</u>	<u>215,000,000</u>
<b>Value adjustments 1<sup>st</sup> January</b>	-147,968,261	-136,659,006
Share in profit/loss for the year	7,036,248	1,430,462
Distributed dividends	-3,351,298	-4,704,579
Impairment of Goodwill	-8,050,098	-8,050,098
Exchange rate gain/loss, etc.	24,075	14,960
<b>Value adjustments end of the year</b>	<u>-152,309,334</u>	<u>-147,968,261</u>
<b>Carrying amount at end-of-year</b>	<u>62,690,666</u>	<u>67,031,739</u>

Goodwill or negative goodwill recognized in this fiscal year 8.050.098.

Goodwill relates to the Company's shareholding in Hottinger Brüel & Kjær A/S. The depreciation period of goodwill is unchanged set at 20 years, which is the estimated lifetime based on the annual assessment of market position, earnings profile and the strategic potential of the subsidiary.

Shares in affiliated undertakings include:

<b>Name, legal form and registered office</b>	<b>Owner-ship</b>	<b>Equity</b>	<b>Result for the year</b>
Hottinger Brüel & Kjær A/S, Denmark	100 %	42,565,082	7,036,248

### 6 Share capital

The share capital consists of 296,900 shares of a nominal value of EUR 1. There have been no changes in the share capital in the last 5 financial years.

### 7 Contingent liabilities

The company is subject to joint taxation with its Danish subsidiary and other Danish companies owned by Spectris plc.

The company is jointly but unlimited liable for all claims for Danish company taxes within the Danish joint taxation group.

## **Notes**

EUR

### **8 Pledges and guarantees**

Commitments regarding guarantees given to affiliates and subsidiaries amount to EUR 1,0 million (2022: EUR 5,3 million).

### **9 Related parties**

SPECTRIS DENMARK ApS's related parties include the following:

#### **Controlling influence**

Spectris plc.  
Melbourne House  
44-46 Aldwych, London, WC2B 4LL  
England

holds the majority of the share capital of the company.

SPECTRIS DENMARK ApS is part of the consolidated financial statements of Spectris plc.

The consolidated financial statements of Spectris plc can be obtained from Hottinger Brüel & Kjær A/S, Teknikerbyen 28, 2830 Virum, Denmark.

