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# *Endress +Hauser A/S*

Poppelgårdvej 10-12, DK-2860 Søborg

## Annual Report for 2022

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CVR No. 49 00 15 17

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27/4 2023

Jens Fuglsang Pedersen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Endress +Hauser A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Søborg, 27 April 2023

## Executive Board

Jens Fuglsang Pedersen  
MD

## Board of Directors

Heinrich Bernhard Zehntner  
Chairman

Jens Fuglsang Pedersen

Linda Kaspersen

# Independent Auditor's report

To the shareholder of Endress +Hauser A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Endress +Hauser A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 April 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

mne32198

## Company information

<b>The Company</b>	Endress +Hauser A/S Poppelgårdvej 10-12 DK-2860 Søborg  Email: <a href="mailto:info@dk.endress.com">info@dk.endress.com</a> Website: <a href="http://www.dk.endress.com">www.dk.endress.com</a>  CVR No: 49 00 15 17 Financial period: 1 January - 31 December Municipality of reg. office: Gladsaxe
<b>Board of Directors</b>	Heinrich Bernhard Zehntner, chairman Jens Fuglsang Pedersen Linda Kaspersen
<b>Executive board</b>	Jens Fuglsang Pedersen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

# Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	228,662	172,962	171,927	169,021	153,783
Profit/loss of ordinary primary operations	21,396	12,304	12,683	10,808	5,226
Profit/loss before financial income and expenses	21,396	12,304	12,683	10,808	5,226
Profit/loss of financial income and expenses	-346	-299	-112	-182	-169
Net profit/loss	16,385	9,348	9,789	8,264	3,930
<b>Balance sheet</b>					
Balance sheet total	53,070	52,909	43,783	40,672	37,624
Investment in property, plant and equipment	48	0	188	77	1,238
Equity	28,730	21,684	22,116	20,587	15,823
Number of employees	35	35	34	34	33
<b>Ratios</b>					
Return on assets	40.3%	23.3%	29.0%	26.6%	13.9%
Solvency ratio	54.1%	41.0%	50.5%	50.6%	42.1%
Return on equity	65.0%	42.7%	45.8%	45.4%	27.6%

# Management's review

## Key activities

As in previous years, the activities of the company are sale and service of measurement and control equipment to the Danish process industry and public supply companies. Furthermore, we supply projects and solutions with a large content of our own products.

## Development in the year

The income statement of the Company for 2022 shows a profit of DKK 16,385,481, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 28,729,664.

The entire year was remarkable with a significant difference between 1st half with high demand, whereas 2nd half was with moderate demand. Stimulated by the markets return to "normal" supply conditions.

For the year, the result is that the order intake and net sales higher than expected.

At present, the Company is not conducting systematic research; however, the Company's products are adjusted and improved on a continuous basis. The added value in Denmark is related to considerable application know-how, and this employee know-how is continuously increasing. Service products and solutions are flow contributing to the result.

## Expected development

Management assesses the prospects of the Company to be positive, despite the market return to norm, since our products and services are demanded to solve climate issues as well as a growing LSi market. Competition is expected to remain unchanged in the short term and we expect the result in 2023 to be as forecasted.

## Capital resources

In the opinion of Management, the Company's capital resources are adequate to cover operations and investments in the year to come.

## Uncertainty relating to recognition and measurement

In the opinion of Management, the Company's capital resources are adequate to cover operations and investments in the year to come.

## Unusual events

The financial position 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

## Subsequent events

The Company's outlook for the future is affected by the uncertainty whether we can maintain current delivery performance.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Revenue		228,662,118	172,961,970
Expenses for raw materials and consumables		-161,423,118	-122,014,284
Other external expenses		-18,065,234	-13,339,607
<b>Gross profit</b>		<b>49,173,766</b>	<b>37,608,079</b>
Staff expenses	1	-27,403,011	-24,918,162
Depreciation and impairment losses of property, plant and equipment	2	-374,680	-386,069
<b>Profit/loss before financial income and expenses</b>		<b>21,396,075</b>	<b>12,303,848</b>
Financial income	3	162,009	34,603
Financial expenses	4	-508,085	-333,130
<b>Profit/loss before tax</b>		<b>21,049,999</b>	<b>12,005,321</b>
Tax on profit/loss for the year	5	-4,664,518	-2,657,427
<b>Net profit/loss for the year</b>	6	<b>16,385,481</b>	<b>9,347,894</b>

## Balance sheet 31 December

### Assets

	Note	2022 DKK	2021 DKK
Land and buildings		3,105,126	3,323,420
Other fixtures and fittings, tools and equipment		223,827	332,068
<b>Property, plant and equipment</b>	7	<b>3,328,953</b>	<b>3,655,488</b>
<b>Fixed assets</b>		<b>3,328,953</b>	<b>3,655,488</b>
Finished goods and goods for resale		2,971,735	2,337,138
<b>Inventories</b>		<b>2,971,735</b>	<b>2,337,138</b>
Trade receivables		37,766,415	41,389,034
Other receivables		2,525	2,861
Deferred tax asset	8	20,006	63,440
Prepayments	9	114,875	3,488,804
<b>Receivables</b>		<b>37,903,821</b>	<b>44,944,139</b>
<b>Cash at bank and in hand</b>		<b>8,865,637</b>	<b>1,972,253</b>
<b>Current assets</b>		<b>49,741,193</b>	<b>49,253,530</b>
<b>Assets</b>		<b>53,070,146</b>	<b>52,909,018</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		1,000,000	1,000,000
Retained earnings		11,349,664	11,344,183
Proposed dividend for the year		16,380,000	9,340,000
<b>Equity</b>		<b>28,729,664</b>	<b>21,684,183</b>
Other provisions	10	500,000	650,000
<b>Provisions</b>		<b>500,000</b>	<b>650,000</b>
Prepayments received from customers		1,624,096	4,225,781
Trade payables		692,896	398,284
Payables to associates		12,662,691	17,335,011
Corporation tax		421,496	208,794
Other payables		8,439,303	8,406,965
<b>Short-term debt</b>		<b>23,840,482</b>	<b>30,574,835</b>
<b>Debt</b>		<b>23,840,482</b>	<b>30,574,835</b>
<b>Liabilities and equity</b>		<b>53,070,146</b>	<b>52,909,018</b>
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## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	11,344,183	9,340,000	21,684,183
Ordinary dividend paid	0	0	-9,340,000	-9,340,000
Net profit/loss for the year	0	5,481	16,380,000	16,385,481
<b>Equity at 31 December</b>	<b>1,000,000</b>	<b>11,349,664</b>	<b>16,380,000</b>	<b>28,729,664</b>

# Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	24,131,910	21,992,736
Pensions	2,187,267	1,973,400
Other social security expenses	268,422	261,345
Other staff expenses	815,412	690,681
	<u>27,403,011</u>	<u>24,918,162</u>

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

Average number of employees	<u>35</u>	<u>35</u>
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	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>2. Depreciation and impairment losses of property, plant and equipment</b>		
Depreciation of property, plant and equipment	<u>374,680</u>	<u>386,069</u>
	<u>374,680</u>	<u>386,069</u>
Which is specified as follows:		
Buildings	218,294	222,977
Other fixtures and fittings, tools and equipment	<u>156,386</u>	<u>163,092</u>
	<u>374,680</u>	<u>386,069</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>3. Financial income</b>		
Other financial income	45,993	5,866
Exchange adjustments	<u>116,016</u>	<u>28,737</u>
	<u>162,009</u>	<u>34,603</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>4. Financial expenses</b>		
Interest paid to associates	17,908	6,067
Other financial expenses	46,161	86,257
Exchange adjustments, expenses	444,016	240,806
	<u>508,085</u>	<u>333,130</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>5. Income tax expense</b>		
Current tax for the year	4,602,818	2,699,994
Deferred tax for the year	62,112	-42,567
Adjustment of tax concerning previous years	-412	0
	<u>4,664,518</u>	<u>2,657,427</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>6. Profit allocation</b>		
Proposed dividend for the year	16,380,000	9,340,000
Retained earnings	5,481	7,894
	<u>16,385,481</u>	<u>9,347,894</u>

# Notes to the Financial Statements

## 7. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	8,609,611	1,739,924
Additions for the year	0	48,145
Disposals for the year	0	-48,575
Cost at 31 December	<u>8,609,611</u>	<u>1,739,494</u>
Impairment losses and depreciation at 1 January	5,286,191	1,407,856
Depreciation for the year	218,294	156,386
Impairment and depreciation of sold assets for the year	0	-48,575
Impairment losses and depreciation at 31 December	<u>5,504,485</u>	<u>1,515,667</u>
<b>Carrying amount at 31 December</b>	<b><u>3,105,126</u></b>	<b><u>223,827</u></b>

## 8. Deferred tax asset

	2022	2021
	DKK	DKK
Deferred tax asset at 1 January	63,440	20,873
Change to previous year's deferred tax	-412	
Amounts recognised in the income statement for the year	-43,022	42,567
Deferred tax asset at 31 December	<u>20,006</u>	<u>63,440</u>

## 9. Prepayments

Prepayment of insurance coverage 2023 DKK 114.875

# Notes to the Financial Statements

## 10. Other provisions

The Company provides warranties lasting for 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of DKK 500.000 (2021: DKK 650,000) have been recognised for expected warranty claims.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Other provisions	500,000	650,000
	<u>500,000</u>	<u>650,000</u>

<u>2022</u>	<u>2021</u>
DKK	DKK

## 11. Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	787,134	783,302
Between 1 and 5 years	380,135	472,338
	<u>1,167,269</u>	<u>1,255,640</u>



# Notes to the Financial Statements

## 12. Related parties

	<b>Basis</b>
<b>Controlling interest</b>	
Endress + Hauser Management AG	Hovedaktionær Controlling shareholder
<b>Other related parties</b>	
Nikolaus Andreas Alois Krüger	Chairman of the Supervisory Board (Resigning the board of directors 24-04-2023)
Jens Fuglsang Pedersen	Member of the Supervisory Board and Executive Board
Heinrich Bernhard Zehntner	Member of the Supervisory Board (Constituted chairman 24-04-2023)
Linda Kaspersen	(Elected member 24-04-2023)

### Transactions

During the year there have been no transactions with the Supervisory Board, the executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

[https://www.endress.com/\\_storage/asset/9698335/storage/master/file/43712646/download/2022\\_annual\\_report\\_EN.pdf](https://www.endress.com/_storage/asset/9698335/storage/master/file/43712646/download/2022_annual_report_EN.pdf)

## 13. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 14. Accounting policies

The Annual Report of Endress +Hauser A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2022 are presented in DKK.

### Changes in accounting policies

#### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

#### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Income statement

#### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

# Notes to the Financial Statements

## Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

## Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc

## Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

## Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	10-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Rebuilding, building	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

## Inventories

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

The cost of goods for resale equals landed cost.

## Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$