

Company Registration No. 07397586 (England and Wales)

AMETEK EUROPEAN HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



AMETEK EUROPEAN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	E Speranza B P Wilson
Secretary	L Carino
Company number	07397586
Registered office	2 New Star Road Leicester LE4 9JD
Auditors	Ernst & Young LLP No 1 Colmore Square Birmingham B4 6HQ

AMETEK EUROPEAN HOLDINGS LIMITED

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AMETEK EUROPEAN HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business

The principal activity of the company during the year was that of a holding company.

Development and performance

The financial position of the business continues to be satisfactory as the company continues to receive significant dividend income from its immediate subsidiary undertakings.

On 14 July 2021, the company completed the purchase of the entire issued share capital of Abaco Systems Holdings Corporation from its ultimate parent entity, AMETEK Inc. The financing of this acquisition was by way of a issuance of 1 £1 Ordinary share at a premium of £305,965,000 and the issuance of an unsecured, fixed term sterling note to a fellow group subsidiary amounting to £690,243,000. This note was listed on the Cayman Islands Stock Exchange on 29 November 2021. In September 2021, an adjustment and repayment of £4,615,000 was made to reduce the purchase price following some accounting adjustments that resulted in an overpayment.

In addition, £27,948,000 was written off investments during the year. £27,908,000 relates to EMA Finance 1, this was written off to reflect the depletion of assets in the company following full loan settlements. £40,000 disposal relates to the liquidation of another subsidiary during the year.

Financial risk management

The company's principal financial instruments comprise inter-company balances and inter-company loans entered into with fellow subsidiary undertakings. The company does not enter into derivative transactions and it is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

In addition to financial risks the company has a risk that the investment in subsidiary undertakings are not recoverable. The Directors monitor this on an annual basis by considering indicators of impairment and where necessary performing impairment reviews.

Section 172 (1) statement

A director of a Company must act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard, (amongst other matters), to:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

In discharging their Section 172 duties the directors of the Company consider that they have had regard in material respects to the factors set out above.

The key stakeholders of the Company are the Group (AMETEK Inc and its global subsidiaries), the Group's employees, and, as the parent of the main contracting subsidiary for the UK Group of companies, some of the Group's suppliers and business partners.

AMETEK EUROPEAN HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 (1) statement (continued)

As part of the Group, stakeholder engagement, including engagement with lending institutions and some regulatory authorities, takes place at a group level. The company looks to the global position for guidance and takes this into account as part of its decision making process when seeking to promote the success of the company for the benefit of all its stakeholders. The Company follows Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders. More detail regarding the Group's oversight of and responsibility for these policies is set out on page 35 of AMETEK Inc's Form 10K for 31 December 2021. In relation to the policies included in AMETEK, Inc, these are cascaded down through this entity in turn to its subsidiaries and become part of the Company's own decision making considerations and engagement with its stakeholders.

Board meetings are held periodically where the directors consider business such as inter-company agreements, acquisitions and compliance requirements. In considering items of business the Company makes autonomous decisions on each transaction's own merits, after consideration of the long term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

As regards principal decisions during the year, dividends were paid as detailed in the Directors' Report, providing return on investment for the Company's shareholder while taking into account the Company's ongoing financial position and other stakeholders, including level of distributable reserves, available cash and potential impairment risks.

The Directors acquire subsidiary undertakings if they are considered to be beneficial to the Company's long term goals and investment returns. The Directors consider the most appropriate means of financing the acquisitions through issuance of debt and or equities.

Principal risks and uncertainties

The Directors assess principal risks of relevance to the Company. Climate-related issues are considered in terms of potential for contribution to these principal risks. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period, the Directors concluded that climate-related risks did not rise to the level of a principal risk, but have identified the climate transition as an emerging risk due to its intensifying importance to all stakeholders.

On behalf of the board



B P Wilson

Director

30 September 2022

AMETEK EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Company Registration No. 07397586

The directors present their report for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Speranza
B P Wilson

Results and dividends

The results for the year are set out on page 15.

The total distribution of dividends for the year ended 31 December 2021 was £94,902,000 (2020: £19,943,000).

Directors' insurance

AMETEK Inc. has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and remains in place to the date of this report.

Going concern

In assessing the ability of the entity to prepare financial statements on a going concern basis, events occurring after 31 December 2021 have been taken in to account. These are detailed in note 21.

The company is reliant on dividend income. Having reviewed historic dividend trends both pre and post Covid pandemic, assessed the current and forecast profitability and future dividend capacity of its existing underlying subsidiaries and taken into account the ongoing low levels of administrative expenses in the company, the Directors are comfortable that the company will continue to generate sufficient cash to be able to service its interest commitments as they fall due.

In addition to the company's ongoing liabilities which relate to administrative expenses, following the acquisition of Abaco Systems Holdings Corporation, the company took on a level of debt financing. In assessing whether the financial statements should be prepared on a going concern basis the directors have considered the principal activity of the company and prepared a cash flow forecast through to 30 September 2023, taking account of the effects of the acquisition. The directors' have stress tested the forecasts for the remainder of 2022 and until 30 September 2023 noting the most significant factor impacting the going concern assessment is the ability to cover the cash flows required to service the company's debt. The loan interest is payable annually. The directors note that the expected future dividend income will afford significant headroom in terms of servicing the interest on the debt.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and details of the company's exposure to risk are described in the strategic report on page 1. As noted on pages 15 and 17 respectively, the company has recorded a profit after tax of £79,501,000 (2020: £70,672,000) for the year ended 31 December 2021 and has net current assets of £17,917,000 (2020: £756,000) and net assets of £1,159,393,000 (2020: £868,829,000) at this date.

On the basis of their assessment, including the factors detailed above, the directors have concluded it is appropriate for the company's financial statements to be prepared on a going concern basis.

AMETEK EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial instruments

Details of financial instruments are provided in the strategic report on page 1.

Employee involvement

It is the policy of the company and its subsidiary undertakings to keep employees fully informed of matters affecting them as employees and to make them aware of the financial and economic factors influencing company performance. Encouragement is given to employees to contribute towards the Group's financial performance by means of an annual bonus scheme and share scheme for certain employees.

Community and environment

The company and its subsidiary undertakings are fully committed to pursuing the best environmental practice and conducting its activities in a way that fully recognises its responsibilities to the environment.

Post reporting date events

The company has received interim dividends amounting to £37,879,000 and has made distributions amounting to £20,549,000 in respect of the year ending 31 December 2022 since 31 December 2021.

On 17 June 2022 the outstanding credit balance on the JP Morgan revolver facility of £93,000,000 was repaid. The financing was by the issuance of 1 £1 Ordinary share at a premium of £93,000,000.

On 1 August 2022, following a Group restructure exercise Ametek European Holdings Limited disposed of its investment in Ametek Material Analysis Holdings GmbH (AMAHG) to EMA Corp for consideration of 2 loan notes with an aggregate principal amount equal to the fair market value of AMAHG of \$3,150,000,000. Loan note 1 was valued at \$2,199,593,151 and Note 2 was valued at \$950,406,849.

Loan note 2 was distributed to Ametek Europe LLC as a dividend on the same date. On 2 August 2022 AEHL purchased receivables of 3 bonus loans from Ametek Europe LLC for a total value of \$2,200,00,000. The purchase was financed by loan note 1.

AEHL and its related subsidiaries were transferred from its immediate parent entity Ametek Europe LLC to Ametek International Limited, a new company at fair market value of \$4,600,000,000. The transfer was funded by the issuance of 1 \$1 share at a premium of \$4,599,999,999.

On 2 August 2022 AEHL transferred its shareholding in Ametek Global Tubes LLC to Abaco Systems Holding Corp for fair market value at \$325,000,000.

On 3 August 2022 AIG, AADG & Tubes Holdco Limited purchase 3 bonus loan notes from AEHL in exchange of 3 interest-bearing loan (IBL) with a fair market value of \$2,200,968,706. The IBLs have a 10-year term and accrue interest at a rate of 6.75% per annum.

On 4 August 2022, Ametek European Holdings Limited assigned the IBL to a fellow subsidiary company, Ametek Global Limited, on the same terms, in exchange of 1 \$1 share at a premium of \$2,200,968,706.

On 24 February 2022 Russia commenced military operations in Ukraine resulting in a number of countries (including the US, UK and EU) imposing new sanctions against certain entities and individuals in Russia. No adjustments have been made within these financial statements in respect of the conflict. The Directors note the Company has no significant exposure to Ukraine or Russia in either its supply chain or customers. Accordingly, the Directors do not consider the conflict will have any direct impact on its future financial performance or position. The Directors will continue to monitor the wider economic impact of the conflict and the exposure this has on the Company.

Future developments

The company intends to continue to act as a holding company.

AMETEK EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Streamlined Energy and Carbon Reporting

In compliance with the new Streamlined Energy and Carbon Reporting (SECR) requirements implemented for large unquoted companies per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report Regulations) 2018, as stipulated by the Companies Act 2006, AMETEK European Holdings Limited ("AMETEK") has calculated total energy consumption, associated underlying greenhouse gas (GHG) emissions, intensity ratios and information relating to energy efficiency action, for the majority of the UK group operations, including the newly acquired subsidiary Abaco Systems Limited, for the period 01 January to 31 December 2021. The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard. The organisational reporting boundary is based on operational control. AMETEK has included most UK group sites which fall within its operational control boundary and has excluded any energy usage and associated emissions consumed by other companies which also operate on its premises. Scope 2 emissions are calculated using the location based approach.

Qualification

AMETEK European Holdings Limited is the highest national parent of AMETEK's UK group operations. All entities within that group were assessed against the SECR qualification criteria for large unquoted companies, as set out below:

- 250 or more full-time equivalent employees
- Annual turnover of £36 million or more
- Balance sheet of £18 million or more

It was determined that three AMETEK UK group entities meet at least two of the above criteria and therefore qualify for reporting under SECR in their own right. These entities are: AMETEK Airtechnology Group Limited, Taylor Hobson Limited and Abaco Systems Limited. AMETEK has opted to file a single SECR report under its highest UK national parent, AMETEK European Holdings Limited, capturing most of its operational entities, regardless of their individual qualification. The three qualifying entities are included in this coverage and therefore not obliged to include the energy and carbon information in their own accounts, as the companies share the same parent undertaking, AMETEK European Holdings Limited, at the beginning and end of the financial year and share the same reporting year.

Fuel and Energy Sources

AMETEK assessed all fuel and electricity consumption activities occurring across the majority of its UK sites which contribute to overall energy use. It was determined that the following sources of emissions would be recorded, in line with SECR guidelines:

- Electricity (scope 2) – including usage from vehicle fleet
- Natural gas (scope 1)
- Diesel (scope 1) – from mobile combustion in vehicles, and stationary combustion on site
- Petrol (scope 1) – from mobile combustion in vehicles
- Propane (scope 1)

GHG Emissions

AMETEK's scope 1 & 2 GHG emissions associated with its UK operations for 2021 are outlined below. Revenue was used as the denominator to calculate the associated GHG emission intensity. All emission calculations have been undertaken in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Energy consumption figures in kWh were obtained from utility management company records; TMC mileage records; and site-level billings, meter readings and mileage expense reports. These consumption figures were converted into tonnes of carbon dioxide equivalent (tCO₂e) and kWh where necessary, using the 2020 UK Government (DEFRA/BEIS) GHG Conversion Factors for Company Reporting emission factors. Scope 2 electricity emissions have been reported as location-based.

AMETEK EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

AMETEK's 2021 UK Energy Consumption, GHG Emissions and Intensity are set out below:

Emission source	Energy consumption (Kwh)		GHG emissions (tCO ₂ e)	
	2021	2020	2021	2020
Natural Gas (scope 1)	21,102,467	17,958,557	3,865	3,302
Petrol (scope 1)	329,101	951,036	76	229
Diesel (scope 1)	523,896	898,978	289	229
Propane (scope 1)	11,340	12,387	2	3
Total Scope 1 (direct)	21,966,804	19,820,958	4,232	3,763
Scope 2: Electricity (location-based) (indirect)	18,376,276	15,170,185	3,903	3,537
Total	40,343,080	34,991,143	8,135	7,300

The emissions intensity of AMETEK's UK operations as reported under SECR for 2021 is 24.70 tCO₂e / £1m revenue.

Energy Efficiency

A range of energy efficiency measures have been implemented, in part or full, at selected AMETEK UK sites through 2021. These include:

- 1.Replacement of fluorescent light fittings with LEDs across the majority of UK sites.
- 2.Replacement of boilers, heaters, ovens, dryers, and air compressors with more efficient versions and or processes.
- 3.Addition of PHEV and fully electric vehicles to fleets

Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



B P Wilson

Director

30 September 2022

AMETEK EUROPEAN HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Report of the directors and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

Opinion

We have audited the financial statements of AMETEK European Holdings Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We obtained the directors' documented going concern assessment for the Company covering the going concern period through until 30 September 2023. The assessment includes the risks and ongoing impact of Covid-19, as well as the Ukraine conflict. We have understood the key assumptions upon which the assessment was based.
- We observed the Company is reliant on dividend income from its subsidiary undertakings to enable it to meet its administrative expenses and to service the interest payments on the debt the Company used to fund the acquisition of Abaco Systems Holding Corporation.
- We obtained the cash flow forecasts prepared by management for the going concern period. These include the level of dividend income to be received, the administrative expenses and interest costs to be incurred, and reflected the post balance sheet events set out in note 21. Administrative expenses and interest costs can be forecast with a high level of certainty, and we have agreed that the amounts included in respect of the interest are consistent with the terms of the debt taken out during 2021. We observed the admin expenses forecast in the going concern period are not significant and that this is consistent with what has been seen in the 2021 financial statements.
- Whilst dividend income is less certain, the level of dividends paid by the Company are within the control of the Company such that the Company is able to exercise a significant level of control over the funds remitted to meet its administrative expenses and interest service costs. We have analysed the forecast level of dividend income to agree that it significantly exceeds forecast administrative expenses and interest service costs.
- We compared the forecast level of dividend income to historical dividend income levels, and management's sensitivities and stress test, in order to assess whether there existed a plausible scenario where the Company would not receive, and retain, sufficient dividend income to meet its expenses and costs.
- In conjunction with the procedures performed on the risk of impairment of investments (as detailed below), we considered the ability of the subsidiary undertakings to make dividend payments based on their forecast profitability.
- We used our professional scepticism to determine whether management have incorporated any bias within their models to show improved cash flows over the going concern period against sensitising future cash flow forecasts against variances to actual results, where appropriate.
- We read the going concern disclosures in the financial statements in order to assess they are appropriate and in conformity with the relevant standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Overview of our audit approach

- Key audit matters - Risk of investment impairment
- Materiality - Overall materiality of £11.5m which represents 1% of equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

Changes from the prior year

An extended audit report was not required for the Company for the prior year as at the prior period balance sheet debt the Company did not hold any listed debt. The key audit matters, detailed below, remain unchanged from the risks identified in the prior year audit. The level of materiality in the current year has been reduced from 2% to 1% of equity as a result of the Company listing their debt during 2021.

Climate change

The Company has determined that there are no future impacts from climate change on its operations. This is explained on page 1 to 2 in the principal risks and uncertainties, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment that there is no impact of climate change risk, the adequacy of the Company disclosures in the financial statements and the conclusion that no issues were identified that would have a material impact on the carrying value of the Company's investments in subsidiary undertakings or have any other impact in the financial statements. We also challenged the Directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to risk	Key observations communicated to those charged with governance
Risk of investment impairment (Carrying value of the investments 2021: £1,832m, 2020: £868m)	In assessing whether there is a potential for an impairment in the investments in subsidiary undertakings management have performed a two stage process. The first stage is to assess if the net assets of the subsidiary exceed the investment carrying value. If they do not management then performed an impairment review using discounted cash flow models.	Management identified and recorded an impairment charge on their investments in subsidiary undertakings of £27m in the financial statements.
Refer to Accounting policies (page 16); and Note 12 of the Financial Statements (page 23)	We obtained a list of investments in subsidiary undertakings and reconciled this to the underlying records and financial statements of the Company to ensure all investments were considered by management in their impairment review.	Our audit procedures did not identify any further material impairments of the Company's investments in subsidiary undertakings.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

There is a risk that the carrying value of individual investments may not be recoverable if they have insufficient net assets or generate insufficient cash flows to support the value recorded. Our risk focuses on whether management has appropriately identified and evaluated any potential impairment or any potential adjustments required to previously recorded impairments.

Management prepares detailed impairment reviews based on discounted cash flow models when the carrying value of the investment is more than the net assets of the underlying business.

Significant judgement is required in determining the future cash flows of the underlying business, together with the rate at which these cash flows should be discounted.

We obtained management's detailed impairment review calculations and performed the following procedures:

- Process: Obtained an understanding of management's process and key controls over the impairment evaluation for the investments held in subsidiaries. We have walked through the key controls but do not rely on them

- Forecasts: analysed the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable based on past experience.

- Growth rate: we challenged management's growth rate assumptions and compared these to external market forecasts for the relevant countries and industries in which the Company's subsidiary undertakings operate within

- Discount rate: corroborated the discount rate used by benchmarking it against comparable organisations.

- Sensitivities: applied sensitivity analysis by increasing the discount rate and reducing the growth rates. This analysis evidenced that the key assumptions within the impairment reviews were not sufficiently sensitive that they could lead to movements in the discounted cash flows which could lead to a material impairment of the investment values.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £11.5 million (2020: £17.2 million), which is 1% (2020: 2%) of equity. We believe that using equity as a basis of materiality provides us with an appropriate level of materiality reflective of the nature of the company being an intermediate holding company that invests in its subsidiary undertakings. As such the equity of the Company, which is principally the investment values offset by the debt financing to acquire the investments, is a key measure for the stakeholders of the Company. The decrease in the percentage of materiality used reflects the company having issued debt on the Cayman islands stock exchange during the year.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% (2020: 50%) of our planning materiality, namely £5.7m (2020: £8.6m). We have set performance materiality at this percentage due to the historical level of misstatements identified during prior year's audits.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with those charged with governance that we would report to them all uncorrected audit differences in excess of £0.57m (2020: £0.86m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including GDPR.
- We understood how Ametek European Holdings Limited is complying with those frameworks by making enquiries of management and those charged to governance to understand how Ametek European Holdings Limited maintains, communicates and applies its policies and procedures in these areas. We understood the controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the nature of the Company being an intermediate holding company and limited number of transactions within the Company.
- Based on our understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved scrutinising the expenses incurred by the Company, review of Board of Directors meeting minutes, inspection of correspondence with regulatory bodies, reviewing journal entries for identification of non-compliance and enquiries of management and those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

AMETEK EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AMETEK EUROPEAN HOLDINGS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

**Stephen Kirk (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Birmingham**

30th September 2022
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AMETEK EUROPEAN HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Administrative expenses	3	(628)	(5,141)
Dividend income from shares in group companies	6	116,478	208,334
Interest receivable and similar income	7	163	6,195
Interest payable and similar expenses	8	(8,177)	(21,836)
Amounts written off investments	9	(27,946)	(116,700)
Profit before taxation		79,890	70,852
Taxation	10	(389)	(180)
Profit for the financial year		79,501	70,672

The income statement has been prepared on the basis that all operations are continuing operations.

AMETEK EUROPEAN HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £'000	2020 £'000
Profit for the year	79,501	70,672
Other comprehensive income	-	-
Total comprehensive income for the year	<u>79,501</u>	<u>70,672</u>

AMETEK EUROPEAN HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	12	1,831,719	868,073
Current assets			
Debtors	13	128,657	161
Cash at bank and in hand		550	2,202
		129,207	2,363
Creditors: amounts falling due within one year	14	(111,290)	(1,607)
Net current assets		17,917	756
Total assets less current liabilities		1,849,636	868,829
Creditors: amounts falling due after more than one year	15	(690,243)	-
Net assets		1,159,393	868,829
Capital and reserves			
Called up share capital	17	257,788	257,788
Share premium account	18	305,965	-
Profit and loss reserves	19	595,640	611,041
Total equity		1,159,393	868,829

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:



B P Wilson
Director

Company Registration No. 07397586

AMETEK EUROPEAN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2020		257,788	361,526	198,786	818,100
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	70,672	70,672
Dividends	11	-	-	(19,943)	(19,943)
Reduction of shares	17	-	(361,526)	361,526	-
Balance at 31 December 2020		257,788	-	611,041	868,829
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	79,501	79,501
Issue of share capital	17	-	305,965	-	305,965
Dividends	11	-	-	(94,902)	(94,902)
Balance at 31 December 2021		257,788	305,965	595,640	1,159,393

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

AMETEK European Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 New Star Road, Leicester, LE4 9JD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements were approved for issue on the date shown on the Statement of Financial Position.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- The requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments and;
 - exposure to and management of financial risks
- related party transaction disclosures including (i) transactions with wholly owned subsidiaries of the AMETEK Inc group (ii) disclosures related to key management remuneration.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

AMETEK European Holdings Limited is a wholly owned subsidiary of AMETEK Inc and the results of AMETEK European Holdings Limited are included in the consolidated financial statements of AMETEK Inc which are available from 2 New Star Road, Leicester LE4 9JD.

In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and identified this as an emerging risk as set out on page 2 but have concluded that it does not have a material impact on the carrying value of investments in these financial statements as at 31 December 2021.

1.2 Going concern

In assessing the ability of the entity to prepare financial statements on a going concern basis, events occurring after 31 December 2021 have been taken in to account. These are detailed in note 21.

The company is reliant on dividend income. Having reviewed historic dividend trends both pre and post Covid pandemic, assessed the current and forecast profitability and future dividend capacity of its existing underlying subsidiaries and taken into account the ongoing low levels of administrative expenses in the company, the Directors are comfortable that the company will continue to generate sufficient cash to be able to service its interest commitments as they fall due.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

In addition to the company's ongoing liabilities which relate to administrative expenses, following the acquisition of Abaco Systems Holdings Corporation, the company took on a level of debt financing. In assessing whether the financial statements should be prepared on a going concern basis the directors have considered the principal activity of the company and prepared a cash flow forecast through to 30 September 2023, taking account of the effects of the acquisition. The directors have stress tested the forecasts for the remainder of 2022 and until 30 September 2023 noting the most significant factor impacting the going concern assessment is the ability to cover the cash flows required to service the company's debt. The loan interest is payable annually. The directors note that the expected future dividend income will afford significant headroom in terms of servicing the interest on the debt.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and details of the company's exposure to risk are described in the strategic report on page 1. As noted on pages 15 and 17 respectively, the company has recorded a profit after tax of £79,501,000 (2020: £70,672,000) for the year ended 31 December 2021 and has net current assets of £17,917,000 (2020: £756,000) and net assets of £1,159,393,000 (2020: £868,829,000) at this date.

On the basis of their assessment, including the factors detailed above, the directors have concluded it is appropriate for the company's financial statements to be prepared on a going concern basis.

1.3 Income from fixed asset investments

Income from fixed asset investments represents dividends from subsidiary undertakings. Income is recognised when the company's right to receive payment is established.

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date. The recoverable amount is calculated as the higher of the fair value less costs to sell and the value in use. Where there are indicators of impairment of individual assets, the company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. Any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the income statement are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.7 Financial liabilities

Basic financial liabilities (which relate to amounts due to group undertakings) are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. After initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Where there are uncertain tax positions, the company makes provision based on a reasonable management estimate of the outcome.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination, a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax shall be recognised when income and expenses from a subsidiary has been recognised in the financial statements, and will be assessed to, or allowed for tax in a future period except where:

- the reporting entity is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The following are considered to have the most significant effect on the amounts recognised in the financial statements:

- Fixed asset investments- The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Profit before taxation

	2021 £'000	2020 £'000
Profit before taxation is stated after charging/(crediting):		
Net exchange loss	460	4,918
Fees payable to the company's auditor for the audit of the company's financial statements	16	15
Fees payable to the company's auditor for non audit services	98	128
Fees payable to the company's auditor on behalf of fellow subsidiaries	10	10
	<u> </u>	<u> </u>

4 Employees

The Company had no employees during the current year or preceding year.

5 Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	718	412
Company pension contributions to defined contribution schemes	4	4
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

Remuneration and retirement benefit contributions are met by a fellow subsidiary undertaking.

The number of directors who exercised share options during the year was 1 (2020 - 1).

The number of directors who received shares under long term incentive schemes during the year was 1 (2020 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £'000	2020 £'000
Remuneration for qualifying services	718	412
Company pension contributions to defined contribution schemes	4	4
	<u> </u>	<u> </u>

The highest paid director has exercised share options during the year.

The highest paid director has received shares under a long term incentive scheme during the year.

B P Wilson and E Speranza are also directors of other subsidiary companies within the AMETEK group, and their emoluments in respect of qualifying services to these companies are also disclosed in the relevant subsidiaries to the extent that their qualifying services can be attributed to these subsidiaries. Both directors are directors of fellow group companies and their roles in respect of the company are incidental to their wider group roles.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Income from fixed asset investments

	2021 £'000	2020 £'000
Income from shares in group undertakings	116,478	208,334

7 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest income		
Interest on bank deposits	-	3
Interest receivable from group undertakings	163	6,192
Total interest revenue	163	6,195

8 Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest on bank overdrafts and loans	137	-
Interest payable to group undertakings	8,037	21,836
Other interest	3	-
	8,177	21,836

9 Amounts written off investments

	2021 £'000	2020 £'000
Impairment write down (see note 12)	27,946	116,700

10 Taxation

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on profits for the current period	389	180
Total UK current tax	389	180

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £'000	2020 £'000
Profit before taxation	79,890	70,852
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	15,179	13,462
Tax effect of expenses that are not deductible in determining taxable profit	5	10
Group relief surrendered for nil value	-	2,760
Amounts written off investments	5,310	22,173
Under/(over) provided in prior years	(3)	-
Deferred tax not recognised	-	32
Dividend income not taxable	(22,131)	(39,583)
Interest restriction	(2,148)	1,146
Controlled foreign companies income (non exempt dividend income)	392	180
Losses carried forward not recognised	3,785	-
Taxation for the year	389	180

There is a deferred tax asset relating entirely to gross tax losses amounting to £13,213,000 (2020: £170,000) which has not been recognised in the financial statements because the company is unlikely to be able to utilise the losses in future periods.

Factors that may affect future tax charges

The company's profits for this accounting period are taxed at a rate of 19%. In his Spring 2021 Budget statement on 3 March 2021, the Chancellor of the Exchequer announced a major reform to the corporate tax regime, with an increase in the rate of tax from 19% to 25% to apply from April 2023. Deferred tax balances have been stated at 25%

11 Dividends

	2021 £'000	2020 £'000
Ordinary interim dividend paid	94,902	19,943

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	23	1,831,719	868,073

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2021	868,073
Additions	991,594
At 31 December 2021	1,859,667
Impairment	
At 1 January 2021	-
Impairment losses	27,908
Disposals	40
At 31 December 2021	27,948
Carrying amount	
At 31 December 2021	1,831,719
At 31 December 2020	868,073

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

(Continued)

On the 28th of April, the company acquired 100% of the share capital of Abaco Systems Holding Corp, a company incorporated in the United States of America for a consideration of £991,594,000. Write offs totalling £27,948,000 were made during the year. £27,908,000 relates to EMA Finance 1, to reflect the depletion of assets in the company. £40,000 disposal relates to the liquidation of a subsidiary.

13 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Corporation tax recoverable	1	109
Amounts owed by group undertakings	128,656	52
	<u>128,657</u>	<u>161</u>

14 Creditors: amounts falling due within one year

	Notes	2021 £'000	2020 £'000
Bank loans and overdrafts	16	103,000	-
Amounts due to fellow subsidiary undertakings		8,257	1,560
Other creditors		27	47
Accruals and deferred income		6	-
		<u>111,290</u>	<u>1,607</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £'000	2020 £'000
Amounts due to fellow group undertakings	16	690,243	-

The amounts due to fellow subsidiary undertakings represent a loan that is listed on the Cayman Islands Stock Exchange. The loan has a 7 year term and interest is charged at a rate of 2.5% per annum

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Loans and overdrafts

	2021 £'000	2020 £'000
Bank loans	103,000	-
Loans from group undertakings	690,243	-
	<u>793,243</u>	<u>-</u>
Payable within one year	103,000	-
Payable after one year	<u>690,243</u>	<u>-</u>

The bank loans represent credit facilities under a revolving credit agreement which is underwritten by AMETEK Inc. There is no set repayment term as the facility can be rolled over indefinitely. It carries interest at a variable monthly rate. The loan from group undertakings represents the loan listed on the Cayman Islands Stock Exchange. The loan has a 7 year term and interest is charged at a rate of 2.5% per annum.

17 Share capital

	2021 £'000	2020 £'000
Ordinary share capital		
Allotted, issued and fully paid		
257,788,283 (2020: 257,788,282) Ordinary shares of £1 each	<u>257,788</u>	<u>257,788</u>

One ordinary share was issued during the year at a premium of £305,965,000 in order to part fund the acquisition of Abaco Systems Holding Corp.

18 Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

19 Profit and loss reserves

This account includes all current and prior period retained profits and losses.

20 Related party transactions

The related party balances are disclosed in notes 13, 14 and 15. The related parties are all fellow subsidiary undertakings of AMETEK Inc.. The Company has applied the exemption within FRS 102 to not disclose the underlying transactions with these related parties during the year.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Events after the reporting date

The company has received interim dividends amounting to £37,879,000 and has made distributions amounting to £20,549,000 in respect of the year ending 31 December 2022 since 31 December 2021.

On 17 June 2022 the outstanding credit balance on the JP Morgan revolver facility of £93,000,000 was repaid. The financing was by the issuance of 1 £1 Ordinary share at a premium of £93,000,000.

On 1 August 2022, following a Group restructure exercise Ametek European Holdings Limited disposed of its investment in Ametek Material Analysis Holdings GmbH (AMAHG) to EMA Corp for consideration of 2 loan notes with an aggregate principal amount equal to the fair market value of AMAHG of \$3,150,000,000. Loan note 1 was valued at \$2,199,593,151 and Note 2 was valued at \$950,406,849.

Loan note 2 was distributed to Ametek Europe LLC as a dividend on the same date. On 2 August 2022 AEHL purchased receivables of 3 bonus loans from Ametek Europe LLC for a total value of \$2,200,00,000. The purchase was financed by loan note 1.

AEHL and its related subsidiaries were transferred from its immediate parent entity Ametek Europe LLC to Ametek International Limited, a new company at fair market value of \$4,600,000,000. The transfer was funded by the issuance of 1 \$1 share at a premium of \$4,599,999,999.

On 2 August 2022 AEHL transferred its shareholding in Ametek Global Tubes LLC to Abaco Systems Holding Corp for fair market value at \$325,000,000.

On 3 August 2022 AIG, AADG & Tubes Holdco Limited purchase 3 bonus loan notes from AEHL in exchange of 3 interest-bearing loan (IBL) with a fair market value of \$2,200,968,706. The IBLs have a 10-year term and accrue interest at a rate of 6.75% per annum.

On 4 August 2022, Ametek European Holdings Limited assigned the IBL to a fellow subsidiary company, Ametek Global Limited, on the same terms, in exchange of 1 \$1 share at a premium of \$2,200,968,706.

On 24 February 2022 Russia commenced military operations in Ukraine resulting in a number of countries (including the US, UK and EU) imposing new sanctions against certain entities and individuals in Russia. No adjustments have been made within these financial statements in respect of the conflict. The Directors note the Company has no significant exposure to Ukraine or Russia in either its supply chain or customers. Accordingly, the Directors do not consider the conflict will have any direct impact on its future financial performance or position. The Directors will continue to monitor the wider economic impact of the conflict and the exposure this has on the Company.

22 Ultimate controlling party

The immediate controlling party is AMETEK Europe LLC and the ultimate parent company is AMETEK Inc., a company incorporated in the United States of America.

AMETEK Inc. prepares group financial statements which include the company and are the smallest and largest consolidated accounts that the company is included in, copies of which can be obtained from 2 New Star Road, Leicester LE4 9JD.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Subsidiaries

These financial statements are separate company financial statements for AMETEK European Holdings Limited.

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking and address of registered office		Class of shareholding	% Held
EMA Holdings UK Limited	15 Canada Square, London E14 5GL	Ordinary	100
AMETEK Global Tubes, LLC	1100 Cassatt Road, Berwyn PA 19312 USA	Ordinary	100
AMETEK Elektromotory s.r.o	ul. Beloveska 316, Nachod 547 01 Czech Republic	Ordinary	100
AMETEK Singapore Private Limited	43 Changi South Avenue 2, #04-01 Singapore, 486164 Singapore	Ordinary	100
AMETEK Instruments India Private Ltd*	NR Enclave, 4th Floor, Block A and B, EPIP Industrial Area, Hoodi, Krishnarajapuram Hobli, Bangalore	Ordinary	100
AMETEK Commercial Enterprise (Shanghai) Co. Limited*	Part A, 1st Floor No 460, North Fute Road, Waigaoqiao Free Trade Zone, Shanghai 200131, China	Ordinary	100
AMEKAI Meter (Xiamen) Co. Limited*	1 - 2 Floors, Chuang Xin Building Torch High Technology Industrial Zone, Innovate City, Xiamen, Fujia	Ordinary	50
AMEKAI Singapore Private Ltd*	43 Changi South Avenue 2, #04-01 Singapore, 486164	Ordinary	50
AMETEK Industrial Technology (Shanghai) Co. Limited*	No 155 PuHui Road, Jiu Ting Economic Development Zone, Song Jiang District, Shanghai 201615 Chin	Ordinary	100
AMETEK Taiwan Co. Limited*	2-F No 214 Chang-An Street, 138 Lane, Section 2 Pan-Chiao, Tapei Hsein, Taiwan R.O.C	Ordinary	50
AMETEK Engineered Materials sdn Bhd*	No. 48 Hilir Sungai Keluang 2, Phase 4, Taman, Perindustrian Bayan Lepas, 119000 Bayan Lepas, Penang	Ordinary	100
AMETEK Motors Asia Pte Limited	43 Changi South Avenue 2, #04-01 Singapore, 486164	Ordinary	100
Haydon Linear Motors (Changzhou) Limited*	No. 110 Lane 4, Xinyuan Road, Xianlong Industrial Park, Changzhou, Jiangsu Province, China 213031	Ordinary	100
AMETEK Airtechnology Group Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
AMETEK (GB) Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Taylor Hobson Trustees Limited	2 New Star Road Leicester LE4 9JD England	Ordinary	100

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Subsidiaries (Continued)

Airtechnology Pension Trustees Limited	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Taylor Hobson Ltd*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Solartron Metrology Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Land Instruments International Limited**	2 New Star Road Leicester LE4 9JD England	Ordinary	100
AEM Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Muirhead Aerospace Ltd*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Spectro Analytical Instruments GmbH*	Boschstrasse 10, 47533 Kleve, Germany	Ordinary	100
AMETEK Hong Kong Private Limited*	Unit 1603, Tower III, Enterprise Square, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	Ordinary	100
Spectro Analytical Instruments Inc*	91 McKee Drive, Mahwah, NJ 07430 USA	Ordinary	100
Spectro Analytical Instruments Pty	58 Maple Road, Pomona, Kempton Park 1619, South Africa	Ordinary	100
Antavia SAS*	33 Route de Toulouse, 82170 Dieupentale, France	Ordinary	74
Cameca SAS*	23/29 Quai des Gresillons, 92330 Gennevilliers Cedex, France	Ordinary	74
AMETEK Korea Co. Limited*	Gyeonggi R&DB Center 906 -5 Ioui-dong Yeongtong-gu, Suwon- shi Gyeonggi-do, Korea	Ordinary	74
AMETEK Nordic AB	Krossgatan 36, SE162 50, Vallingby, Sweden	Ordinary	100
Cameca Instruments Inc*	5500 Nobel Drive, Suite 100 Madison WI 53711 USA	Ordinary	100
AMETEK CTS GmbH*	Sternenhofstrasse 15, 4153 Reinach BL, Switzerland	Ordinary	100
Dunkermotoren GmbH*	Allmendstrasse 11, 79848 Bonndorf, Germany	Ordinary	100
Dunkermotoren Taicang Co. Limited*	111 North Dongting Road, Taicang Economy Development Area, Jiangsu Province PR China	Ordinary	100
AMETEK d.o.o. Subotica*	Batinska 94, 24000 Subotica, Serbia	Ordinary	100
AMETEK CTS Europe GmbH	Landsberger Strasse 255, 12623 Berlin, Germany	Ordinary	100
Frameflair Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Milmega Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Subsidiaries	(Continued)
AMETEK SAS	Rond-Point de l'Epine des Champs, Buroplus Bat. D, Elancourt, 78990 France Ordinary 76.70
AMETEK GmbH	Rudolf-Diesel Strasse 16, 40670 Meerbusch, Germany Ordinary 73.91
AMETEK srl	Via De, Barzi, 20087 Robecco sul Naviglio, Ciaramella, (MI) Italy Ordinary 70
AMETEK Co. Limited	Shiba NBF Tower, 1-1-30 Shiba Daimon Minato-Ku, Tokyo, Japan Ordinary 100
Taylor Hobson Inc	1725 Western Drive, West Chicago, IL 60185 DuPage County USA Ordinary 100
Zygo Germany GmbH*	Bleichstrasse 2, 64283 Darmstadt, Germany Ordinary 30.56
AMETEK Germany GmbH*	Rudolf-Diesel-Strasse 16, 64331 Weiterstadt Germany Ordinary 30.56
Nu Instruments Limited	2 New Star Road Leicester LE4 9JD England Ordinary 100
Fine Tubes Limited*	2 New Star Road Leicester LE4 9JD England Ordinary 100
Superior Tube Company, Inc*	3900 Germantown Pike, Collegeville, PA 19426 USA Ordinary 100
Tubes Holdco Limited*	2 New Star Road Leicester LE4 9JD England Ordinary 100
AMETEK Aerospace and Defense Group UK Limited	2 New Star Road Leicester LE4 9JD England Ordinary 100
EMA Finance 1, LLC	1100 Cassatt Road, Berwyn, PA 19312, USA Ordinary 100
EMA Finance 2, LLC	1100 Cassatt Road, Berwyn, PA 19312, USA Ordinary 100
EMA Finance 3, LLC*	1100 Cassatt Road, Berwyn, PA 19312, USA Ordinary 100
AMETEK UK Finance Limited*	2 New Star Road Leicester LE4 9JD England Ordinary 100
AMETEK Edinburgh Holdings LP*	C/o CMS Cameron McKenna Nabarro Olswang LLP, Saltire Court, 20 Castle Terrace, Edinburgh, Scotland Ordinary 100
AMETEK Material Analysis Holdings GmbH	Boschstrasse 10, 47533 Kleve, Germany Ordinary 100
EGS Automation GmbH*	Raiffeisen Strasse 21, 78166 Donaueschingen, Germany
RETE Holdings GmbH*	Sternenhofstrasse 15, 4153 Reinach BL, Switzerland Ordinary 100
AMETEK Holdings SARL*	Rond-Point de l'Epine des Champs, Buroplus Bat. D, Elancourt, 78990 France Ordinary 100
Direl Holding GmbH*	Allmendstrasse 11, 79848 Bonndorf, Germany Ordinary 100
Direl GmbH*	Allmendstrasse 11, 79848 Bonndorf, Germany Ordinary 100
AMETEK Instruments Group UK Limited	2 New Star Road Leicester LE4 9JD England Ordinary 100

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Subsidiaries (Continued)

Motec GmbH	Oberweyerer Strasse 21, 65589 Hadamar-Steinbach, Germany	Ordinary	100
Abaco Systems Holding Corp	251 Little Falls Drive, Wilmington, DE USA	Ordinary	100
Abaco Systems Inc*	251 Little Falls Drive, Wilmington, DE USA	Ordinary	100
Abaco UK Holdco Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Abaco Systems Limited*	2 New Star Road Leicester LE4 9JD England	Ordinary	100
4DSP LLC*	112 North Curry Street, Carson City NV USA	Ordinary	100
4DSP BV*	Flemingway 14, 2408 AV Alpen aan den Rijn, Netherlands	Ordinary	100
Foundation Technology Limited	2 New Star Road Leicester LE4 9JD England	Ordinary	100
Alphasense Limited*	Sensor technology House, 300 Avenue West, Skyline 120, Great Notley, Braintree, Essex CM77 7AA England	Ordinary	100

*held by a subsidiary undertaking

**Preferred ordinary shares carry an annual dividend of 11% of net profit

AMETEK Elektromotory s.r.o manufactures electronic instruments and electro-mechanical devices.

AMETEK Singapore Private Ltd manufactures and develops calibration instruments for temperature, pressure and process signals and for temperature sensors.

AMETEK Instruments India Private Limited provides product demonstration and training for the AMETEK group.

AMETEK Commercial Enterprise (Shanghai) Co. Limited distributes electronic instrument and electro-magnetic products in China.

AMETEK Meter (Xiamen) Co. Ltd and AMETEK Motors Taiwan Co. Limited are part of a joint venture to develop and distribute all types of pressure gauge and accessories.

AMETEK Motors Asia Pte Limited and AMETEK Motors (Shanghai) Co. Limited distribute drives and air moving motor products.

AMETEK Engineered Materials Sdn. Bhd. supplies tape and reel, bonding and wire drawing to the semiconductor Industries.

Haydon Linear Motors (Changzhou) Limited is involved in the supply of linear motors.

AMETEK Airtechnology Group Limited is involved in the specialist engineering for the aerospace, defence and rail industries, the design and manufacture of precision and motion control products and the design, manufacture and sale of track balls and other cursor controlled products.

AMETEK (GB) Limited is involved in the manufacture and distribution of electro-mechanical testing equipment, electro motors, direct current circuits and electronic detection instrumentation.

Taylor Hobson Limited is involved in the design, manufacture and distribution of ultra precision instruments.

Solartron Metrology Limited is involved in the design, manufacture and distribution of sensor measurement products.

Land Instruments International Limited is involved in the manufacture and distribution of non-contact temperature measuring, environmental monitoring and combustion efficiency measurement equipment.

AEM Limited is involved in the repair, overhaul, modification and testing of aircraft components.

Muirhead Aerospace Limited is involved in the supply, repair and overhaul of avionics equipment for the aerospace industry.

AMETEK EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Subsidiaries

(Continued)

The Spectro group of companies is involved in the manufacture and sale of atomic spectroscopic instrumentation, optical emission or energy dispersive X-ray fluorescence measurement techniques.

Antavia SAS is involved in the maintenance, repair and overhaul of aircraft.

The Cameca group of companies is involved in the sale and service of secondary ion mass spectrometers, electron probe microanalysis and tomographic atom probes.

The Dunkermotoren group of companies is involved in advanced motion control solutions for a wide range of industrial applications, including factory equipment, office machines, medical devices and laboratory equipment.

The CTS group of companies is involved in the manufacturing of test and measurement instrumentation for electro-magnetic compatibility (EMC) testing.

AMETEK SAS, AMETEK GmbH and AMETEK s.r.l are involved in the distribution of electronic precision instruments in Europe.

AMETEK KK is involved in the distribution and service of precision instruments.

Taylor Hobson Inc is involved in the distribution of ultra precision instruments.

The Zygo group of companies supplies optical metrology instruments, high precision optical components and complex electro-optical systems design and manufacturing services.

Superior Tube Company Inc and Fine Tubes Limited are engaged in the manufacture of precision engineered tubing.

The Nu Instruments group of companies is involved in the design and manufacture of analytical instruments.

The Motec group of companies is involved in the manufacture of camera-based driver assistance systems for commercial vehicles and mobile machines.

The Abaco group of companies is involved in the design of digital equipment for sale, the design and manufacture of real-time data acquisition and analogue-to-digital conversion products for the embedded sensor processing market; the design and manufacture of image processors and video trackers for the embedded computing market and the surface-mount of electronic sub-systems.

Alphasense Limited is involved in the manufacture of sensors and provision of solutions to the industrial, safety and air quality markets.