

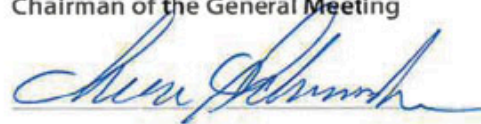
**BROEN**  
VALVE TECHNOLOGIES

**BROEN VALVE  
TECHNOLOGIES**  
ANNUAL REPORT 2024

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

Approved by the company at the general meeting on  
Chairman of the General Meeting

27. May 2025



## TABLE OF CONTENTS

	<u>Page</u>
COMPANY INFORMATION	3
Statement by the Executive and Supervisory Boards on the Annual Report	4
Independent Auditors' Reports	5
Highlights and financial ratios	8
MANAGEMENT'S REVIEW	9
Accounting Policies	12
Profit and loss account for 2024	16
Balance sheet at 31.12.2024	17
STATEMENT OF CHANGES IN EQUITY	20
Notes to the annual report	21

**COMPANY INFORMATION**

**Company**

BROEN A/S

Skovvej 30

5610 Assens

Telephone: +45 64 71 20 95

Website: [www.broen.com](http://www.broen.com)

Company registration no.: 71 17 25 11

Registered in: Assens

**Supervisory Board**

Stéphane Simonetta, Chairman

Anne Elizabeth van Dusseldorp

Frans den Houter

Lars Andersen, elected by the employees

Birthe Ploug Rasmussen, elected by the employees

**Executive Board**

Ken Sørensen, CEO

Lene Schwartz, CFO

**Company auditor**

Deloitte

Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

DK-8000 Aarhus

**STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS ON THE ANNUAL REPORT**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of BROEN A/S for the financial year 1 January – 31 December 2024.

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 2024 of the Company and of the results of the Company operations and cash flows for 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Assens, May 27, 2025

**Executive Board**

Ken Sørensen

Lene Schwartz

**Supervisory Board**

Stéphane Simonetta  
Chairman

Anne Elizabeth van Dusseldorp

Frans den Houter

Lars Andersen

Birthe Ploug Rasmussen

## INDEPENDENT AUDITORS' REPORT

### To the Shareholder of BROEN A/S

#### Opinion

We have audited the financial statements of BROEN A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

#### Management's responsibilities for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, May 27, 2025

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR-no. 33 96 35 56

Henrik Vedel  
State Authorised Public Accountant  
Identification No (MNE) mne10052

Abdul Wahab Ashraf  
State Authorised Public Accountant  
Identification No (MNE) mne46664

## HIGHLIGHTS AND FINANCIAL RATIOS

	<b>2024</b> <b>T.DKK/ T.EUR</b>	<b>2023</b> <b>T.DKK/ T.EUR</b>	<b>2022</b> <b>T.DKK/ T.EUR</b>	<b>2021</b> <b>T.DKK/ T.EUR</b>	<b>2020</b> <b>T.DKK/ T.EUR</b>
<b>Five years' highlights</b>					
Net turnover	353,577 47,415	362,901 48,676	351,709 47,298	306,529 41,216	281,841 37,874
Operating profit	(892) (120)	13,465 1,806	31,317 4,212	32,793 4,409	22,973 3,087
Net financial costs	(18,058) (2,422)	(3,855) (517)	(1,078) (145)	(1,533) (206)	(1,262) (170)
Profit before tax	(98,055) (13,149)	51,605 6,922	66,372 8,926	73,600 9,896	51,062 6,862
Net Profit of the year	(97,666) (13,097)	47,973 6,435	60,566 8,145	66,534 8,946	46,009 6,183
Total assets	719,681 96,510	776,071 104,094	680,061 91,455	595,665 80,093	539,156 72,452
Investments in tangible fixed assets	38,026 5,099	73,192 9,817	70,122 9,430	21,366 2,873	27,528 3,699
Equity	395,312 53,011	504,131 67,619	468,053 62,944	403,250 54,221	357,728 48,071
Profit margin	(27.7)%	14.2%	18.9%	24.0%	18.1%
Asset turnover	0.5	0.5	0.5	0.5	0.5
Return on capital and reserves	-21.7%	9.9%	13.9%	17.5%	12.8%
Solvency ratio	54.9%	65.0%	68.8%	67.7%	66.3%
Average number of employees	137	136	125	119	116

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

Profit margin (%) :  

$$\frac{\text{Profit/loss before tax} * 100}{\text{Net turnover}}$$

Asset turnover “/” :  

$$\frac{\text{Net turnover}}{\text{Total assets}}$$

Return on capital and reserves (%) :  

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

Solvency ratio (%) :  

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

## MANAGEMENT'S REVIEW

BROEN is part of the international group Aalberts N.V. listed on the Euro-next Amsterdam and on the AMX index.

### **Principal activities**

BROEN's activities are development, production, marketing and sale of valves and fittings worldwide.

### **The result of year 2024 and follow up from last year expected development**

In 2024 revenue were mDKK 354 compared to mDKK 363 in 2023 - a negative growth of 2.6% and significantly below expectations. The revenue development in 2024 fell short of expectations mainly driven by the slowdown in the Building Industry within the Nordic market and less internal revenue to our Russian entity because all business with Russian came to a complete stop during 2024.

The ordinary operating loss was mDKK -1 compared to a profit of mDKK 13 in 2024. Overall loss before tax amounted to mDKK -98 compared to a profit mDKK 52 in 2023. The operating profit was far below the expectations, mainly due to lower revenue, unexpectedly higher run in cost for a new production facility and inflation impact on our operating expenses such as freight and packaging, consumables, energy costs and maintenance and tools.

### **Russian business**

BROEN has made the decision to leave Russia at the end of December 2024. Efforts to sell our Russian business are ongoing and Management expects to reach a sales agreement during 2025. Following a remeasurement to the fair value less costs to sell, an impairment loss of mDKK 105 is recognized in the income statement for 2024.

### **The market**

Several of BROENs markets and segments showed negative development in 2024. Especially activity within the Building Industry market was very slow in 2024 driven by low project activity due to increase of building cost, interest rate and inflation. During 2024 as a consequence of closer corporation with our sister company Integrated Piping Systems we closed our daughter company in Sweden. Our markets in West Europe within the District Heating developed positively. Natural Gas market in USA was stable. Revenue to the Marine market showed positive development in 2024 especially in China. Our new products introduced the last years continued to contribute to our sales in 2024.

### **Products and Product Development**

Our Full Flow valve continues the positive development in the markets, and additional investments have been implemented for further automatic assembly to increase capacity. This product will contribute to further growth in 2025. The development of a new innovative valve for midrange dimension for District Energy and Building Installation continued, approvals are now in place and BROEN expects to be launch the product in the middle of 2025. For this new product line a further growth is expected the coming years.

In the course of the year BROEN investments amounted to mDKK 38.

It is important for the Group in both short and long term that the right portfolio of products and production technologies is ensured and that existing products and production technologies are continuously developed. The main focus of our ongoing projects is, to improve the features and quality of our products, and at the same improve the sustainable foot print of our products.

The projects are progressing according to plan through the use of the resources allocated by Management to the development. The products are expected to be sold in the present market to the existing and potential new customers.

The total development costs for the above mentioned products amounted to mDKK 9,1 in the financial year, which is an increase of 28% compared to last year. This amount is recognized as intangible fixed asset.

### **Organisation**

In 2024 BROEN had an average number of staff members of 137 compared to last year 138.

### **Corporate Social Responsibility**

The company has not prepared a local CSR policy, but observes and complies with the CSR stipulations, guidelines and statutory CSR statement is accounted for in the 2024 annual report of the ultimate parent company Aalberts N.V. - see Annual Report 2024 for Aalberts N.V. on the website [www.aalberts.com/investor#webcasts](http://www.aalberts.com/investor#webcasts).

### **Data ethics**

Currently the Company does not have a policy on data ethics. The Company has a policy covering Personal Data, which is continuously updated in relation to current GDPR legislation. The purpose of the personal data policy is to explain how the company collects and processes personal data.

### **Environmental policy**

Sustainability is a keyword in all BROEN's activities, and in all the company's facilities there is high focus on prevention of waste and pollution where possible, as a part of our every-day life. New products are developed with a life-cycle-approach, ensuring that the overall environmental footprints of BROEN's products are continuously reduced.

BROEN works with the UN 17 SDG's as a framework for its efforts in reducing the environmental footprints of the company. BROEN has chosen to focus on following four sub goals to maximize its impact: 6. Clean water and sanitation, 7. Affordable and clean energy, 8. Decent work and economic growth, 12. Responsible consumption and production.

BROEN monitors carefully its full Scope 1-2-3 emission based on the regulations of the Greenhouse Gas Protocol. Additionally, BROEN has made Life Cycle Analysis (LCAs) and subsequently 3rd party verified EPDs for all primary product areas.

An ambitious reduction plan has been established at BROEN Group level, where the goal is a 70% reduction of direct CO2 emissions Scope 1-2 from 2021 to 2026.. The plan is to achieve this goal primarily through product and technology development as well as general process and energy optimization.

BROEN also completed Life Cycle Analyses (LCAs) for the primary product areas, and the first 3rd party verified EPDs were published during 2023.

### **Risks**

#### **Operating risks**

The company is not predisposed to special risks in addition to ordinary risks within the industry, including business and financial risks. As a company working with international markets the company is exposed to a certain financial risks. BROEN is monitoring the financial risk from the headquarter in Denmark in terms of interest, currency, liquidity and funding risk.

#### **Currency risks**

Currency risks is primarily based in trade across borders as most of our trade is done in DKK, EUR, PLN, USD, SEK as well as NOK.

#### **Market risks**

The management assesses that the company is not affected by special market risks beyond the common risks in the industry. However, the activity of BROEN is dependent on domestic and global economies and development and the resulting impact on our customers' needs for transportation.

#### **Capital resources**

The company capital resources are still assessed to be fully adequate.

**Outlook**

Overall growth for 2025 is expected to be limited in the range of 2%-3% and profit from ordinary activities is expected to be at range of 0-20mDKK due to the operating expenses expect to be normalized.

In Europe and USA markets expect to improve further especially in the District Heating and Natural Gas segments. The marine market expect to continue positive growth. In the Building Industry segment expects to be come back in 2<sup>nd</sup> half year 2025. The improved projects and activity level in the market combined with the marketing of the new products will contribute to create further growth.

The group will still continue in focusing on innovation and further product development, strengthen the organisation and continue to invest in sales resources in key markets. Further investments in production capacity increase within District Energy is planned to support further growth in 2025 and coming years.

**Subsequent events**

No events have occurred subsequent to the balance sheet date and up to this date that change the assessment of the annual accounts.

## ACCOUNTING POLICIES

The Annual Report for 2024 is presented in DKK thousands.

### **Basis of preparation**

The Annual Report of BROEN A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are the same compared to last year.

### **Consolidation policy**

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Annual Report of BROEN A/S and its subsidiaries is included in the Consolidated Financial Statements of Aalberts N.V., The Netherlands.

### **Investments in subsidiaries**

Investments in subsidiaries are recognised under the equity method.

The items "Income from investments in subsidiaries after tax" in the income statement include the proportionate share of the profit after tax less goodwill amortisation.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of any remaining value of goodwill or negative goodwill.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

At the acquisition of subsidiaries their assets and liabilities are measured at the realisable value at the time of acquisition and with due consideration to the inclusion of possible restructuring provisions made for the company acquired. Goodwill paid for at the acquisition is included in "Investments in subsidiaries" and is amortized on a straight-line basis over the estimated useful life. The maximum amortization period is 20 years, which is based on the estimated useful lifetime.

### **Leases**

Finance leases in respect of property, plant and equipment are recognised in the balance sheet at the cost value of the leased asset. Assets acquired under finance leases are depreciated and written down for impairment like the other property, plant and equipment of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operational leases. Payments made under operational leases are recognised in the income statement over the lease term.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at transaction dates. 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. Gains and losses from foreign currencies are recognised in financial income and expenses in the income statement.

Foreign subsidiaries and associates of the Company are separate legal entities and the income statements are translated at average exchange rates, whereas balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening equity of foreign enterprises and exchange adjustments arising from the translation at average exchange rates of the income statements of foreign enterprises are recognized directly in equity.

Exchange adjustments of loans in foreign currencies contracted for the hedging of investments in foreign subsidiaries and associates or loans considered to be derived from the investment are recognized directly in equity. If the hedge is not effective, the ineffective portion is reported immediately in net profit or loss.

#### **Corporation tax and deferred tax**

The Company is jointly taxed with the Danish companies that form part of the overall parent company. The tax effect of the joint taxation of the enterprises is allocated to both profitable and unprofitable Danish enterprises in relation to their taxable income (full allocation with refund of fiscal losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Tax for the year consists of current tax for the year and deferred tax for the year.

Current tax is recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Deferred tax provisions are made for the deviations between the accounting value and the tax value of assets and liabilities. Deferred tax assets are included at the expected realizable value.

Adjustment is made for deferred tax concerning unrealised intercompany gains and losses.

### **PROFIT AND LOSS ACCOUNT**

#### **Net turnover**

The revenue from sale of manufactured goods and goods for resales is recognised in the income statement, when delivery is made and risk has passed to the purchaser. Revenue is recognised net of VAT, duties and sales discounts and measured at fair value of the consideration fixed.

#### **Production costs**

Production costs comprise all costs incurred in connection with annual sales. The cost price includes raw materials, consumables, direct wages and salaries, indirect production costs, such as maintenance, depreciation, etc. as well as operational, administrative and management costs related to the production facilities.

#### **Distribution costs**

Distribution costs comprise salaries to sales and distribution staff, advertising and marketing costs as well as automobile costs, depreciation, etc. Depreciation of goodwill is included to the extent that goodwill relates to the distribution activities.

#### **Administrative costs**

Administrative costs comprise costs related to management, the administrative staff, office expenses, depreciation, etc.

#### **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## BALANCE SHEET

### Intangible assets

#### Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 20 years, which is based on the estimated useful lifetime.

#### Acquired customer rights

Acquired customer rights is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 10 years, which is based on the estimated useful lifetime.

#### Development projects, patents and licences

Development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities. The amortisation period is 5 years.

Patents and licences are measured at cost less accumulated amortisation. Patents are amortised over the remaining patent period, and licences are amortised over the period of the agreement, but not exceeding 5 years.

#### Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

The carrying amounts and the useful lives of property, plant and equipment are reviewed annually to determine any indications of impairment in addition to those reflected in depreciation.

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	20-40 years
Plant and machinery	10-15 years
Other fixtures and fittings, tools and equipment	3-5 years

Gains and losses on current replacement of tangible fixed assets are recognised as depreciations and impairments of fixed assets.

#### Impairment of fixed assets

The carrying amounts of both intangible assets and 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.

#### Stocks

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

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process. Indirect production costs do not comprise interests.

**Receivables**

Receivables are recognised in the balance sheet at nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable and a general provision is also made based on the Company's experience.

**Prepayments**

Prepayments comprise prepaid expenses concerning the following year.

**Equity**

The dividend proposed by the management for the financial year is entered as a separate item under equity.

**Financial debts**

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

Other debts are measured at amortized cost, substantially corresponding to nominal value.

**CASH FLOW STATEMENT**

In reference to section 86, subsection 4 of the Danish Financial Statements Act, a cash flow statement has not been prepared as it is included in the cash flow statement in the consolidated financial statements for Aalberts N.V.

**Cash and cash equivalents**

Cash comprises cash in hand and bank deposits

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**PROFIT AND LOSS ACCOUNT FOR 2024**

	<u>Note</u>	<u>2024</u> <u>DKK'000</u>	<u>2023</u> <u>DKK'000</u>
Net turnover	1	353,577	362,901
Production costs	2,3	<u>(277,304)</u>	<u>(277,824)</u>
<b>Gross profit</b>		<b>76,273</b>	<b>85,077</b>
Distribution costs	2,3	(48,973)	(43,403)
Administrative costs	2,3	<u>(28,192)</u>	<u>(28,209)</u>
<b>Operating profit</b>		<b>(892)</b>	<b>13,465</b>
Result after tax in group enterprises	4	(79,105)	41,995
Financial income	5	3,777	7,466
Financial expenses	6	<u>(21,835)</u>	<u>(11,321)</u>
<b>Profit before tax</b>		<b>(98,055)</b>	<b>51,605</b>
Tax on profit of the year	7	<u>389</u>	<u>(3,632)</u>
<b>TOTAL NET PROFIT OF THE YEAR</b>	<b>8</b>	<b><u>(97,666)</u></b>	<b><u>47,973</u></b>

**BALANCE SHEET AT 31.12.2024****ASSETS**

	<u>Note</u>	<u>2024</u> <u>DKK'000</u>	<u>2023</u> <u>DKK'000</u>
Goodwill	9	0	0
Licenses	9	352	127
Development projects	9	7,866	10,348
Development projects in progress	9	<u>30,196</u>	<u>17,148</u>
<b>Intangible fixed assets</b>		<b><u>38,414</u></b>	<b><u>27,623</u></b>
Land and buildings	10	54,061	52,764
Plant and machinery	10	92,929	90,738
Other fixtures and fittings, tools and equipment	10	5,066	6,147
Tangible fixed assets in progress and prepayments for tangible assets	10	<u>95,436</u>	<u>70,268</u>
<b>Tangible fixed assets</b>		<b><u>247,492</u></b>	<b><u>219,917</u></b>
Investments in group enterprises	11	308,602	410,057
Deposits	11	<u>82</u>	<u>80</u>
<b>Financial fixed assets</b>		<b><u>308,684</u></b>	<b><u>410,137</u></b>
<b>FIXED ASSETS</b>		<b><u>594,590</u></b>	<b><u>657,677</u></b>
Raw materials and consumables		18,675	19,505
Work in progress		9,080	7,387
Produced finished goods and commodities		<u>26,312</u>	<u>29,562</u>
<b>Stocks</b>		<b><u>54,067</u></b>	<b><u>56,454</u></b>

**BALANCE SHEET AT 31.12.2024****ASSETS**

	<u>Note</u>	<u>2024</u> <u>DKK'000</u>	<u>2023</u> <u>DKK'000</u>
Trade debtors		41,196	34,307
Receivables from group enterprises		16,698	14,522
Other receivables		6,022	7,292
Prepayments		<u>5,855</u>	<u>4,976</u>
<b>Receivables</b>		<u><b>69,771</b></u>	<u><b>61,097</b></u>
<b>Cash funds</b>		<u><b>1,253</b></u>	<u><b>843</b></u>
<b>CURRENT ASSETS</b>		<u><b>125.091</b></u>	<u><b>118.394</b></u>
<b>ASSETS</b>		<u><u><b>719,681</b></u></u>	<u><u><b>776,071</b></u></u>

**BALANCE SHEET AT 31.12.2024****LIABILITIES AND EQUITY**

	<u>Note</u>	<u>2024</u> <u>DKK'000</u>	<u>2023</u> <u>DKK'000</u>
Share capital	12	10,400	10,400
Reserve for net revaluation according to the equity value method		199,568	301,307
Reserve development projects		19,299	15,981
Retained profit		<u>166,045</u>	<u>176,443</u>
<b>EQUITY</b>		<b><u>395,312</u></b>	<b><u>504,131</u></b>
Provisions for deferred tax	13	13,421	17,035
Provision for group enterprises		<u>1,701</u>	<u>1,418</u>
<b>PROVISIONS</b>		<b><u>15,122</u></b>	<b><u>18,453</u></b>
Long term loan from group enterprises		<u>100,000</u>	<u>100,000</u>
<b>Long term debt</b>	14	<b><u>100,000</u></b>	<b><u>100,000</u></b>
Suppliers of goods and services		40,791	50,142
Amount owed to group enterprises		139,136	72,962
Other creditors		<u>29,320</u>	<u>30,383</u>
<b>Short term debt</b>		<b><u>209,247</u></b>	<b><u>153,487</u></b>
<b>DEBT</b>		<b><u>309,247</u></b>	<b><u>253,487</u></b>
<b>LIABILITIES AND EQUITY</b>		<b><u><u>719,681</u></u></b>	<b><u><u>776,071</u></u></b>

**Pledged assets and contingent liabilities, etc. note 15**

**Related parties, note 16**

**Subsequent events, note 17**

## STATEMENT OF CHANGES IN EQUITY

	<b>Share capital</b>	<b>Reserve under the equity method</b>	<b>Reserve development project</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Equity at 01.01.2024	10,400	301,307	15,981	176,443	504,131
Exchange rate adjustment group enterprises	0	(11,111)	0	(42)	(11,153)
Reserve concerning development projects	0	0	3,318	(3,318)	0
Received dividend from affiliated companies	0	(11,523)	0	11,523	0
Net profit for the year	0	(79,105)	0	(18,561)	(97,666)
Proposed dividend for the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Equity at 31.12.2024</b>	<b><u>10,400</u></b>	<b><u>199,568</u></b>	<b><u>19,299</u></b>	<b><u>166,045</u></b>	<b><u>395,312</u></b>

## NOTES TO THE ANNUAL REPORT

	<b>2024</b>	<b>2023</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>1. Net turnover</b>		
Denmark	91,444	104,929
Europe	201,922	207,947
Others	<u>60,211</u>	<u>50,025</u>
	<b><u>353,577</u></b>	<b><u>362,901</u></b>

Net turnover per activity classification can be classified as one activity - sales of valves in various dimensions.

**2. Employment costs**

Salaries and wages	78,245	72,902
Pensions	10,845	9,861
Other social security costs	<u>643</u>	<u>817</u>
	<b><u>89,733</u></b>	<b><u>83,580</u></b>
Of this total fees comprise:		
Supervisory Board	<u>232</u>	<u>20</u>
Executive Board	<u>6,310</u>	<u>4,711</u>
Number of employees (converted to full-time)	137	138

**3. Depreciation**

Depreciation is distributed as follows:

Production costs	13,247	12,033
Distribution costs	21	21
Administrative costs	<u>424</u>	<u>438</u>
	<b><u>13.692</u></b>	<b><u>12.492</u></b>

## NOTES TO THE ANNUAL REPORT

	<b>2024</b>	<b>2023</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>4. Result after tax in group enterprises</b>		
Share of profit after tax	15,847	43,742
Change in unrealized internal profit on stocks	620	1,338
Impairment of shares from group companies	(95,538)	0
Depreciation on goodwill	<u>(34)</u>	<u>(3,085)</u>
	<b><u>(79,105)</u></b>	<b><u>41,995</u></b>
<b>5. Financial income</b>		
Interest from group enterprises	1,077	1,062
Currency deviations	<u>2,700</u>	<u>6,404</u>
	<b><u>3,777</u></b>	<b><u>7,466</u></b>
<b>6. Financial expenses</b>		
Interest owed to group enterprises	9,596	4,915
Financial costs arising from group companies	9,409	0
Currency deviations	2,828	6,262
Other interest expenses and similar charges	<u>2</u>	<u>144</u>
	<b><u>21,835</u></b>	<b><u>11,321</u></b>
<b>7. Tax on profit for the year</b>		
Current tax	2,274	1,056
Change in deferred tax	(3,614)	2,574
Adjustment tax relating to prior year	<u>951</u>	<u>2</u>
	<b><u>(389)</u></b>	<b><u>3,632</u></b>
<b>8. Distribution of profit</b>		
<b>Proposed distribution of profit</b>		
Proposed dividend for the year	0	0
Reserve for net revaluation according to the equity value method	(79,105)	41,996
Retained profit	<u>(18,561)</u>	<u>5,977</u>
	<b><u>(97,666)</u></b>	<b><u>47,973</u></b>

## NOTES TO THE ANNUAL REPORT

	<b>Goodwill</b>	<b>Licenses</b>	<b>Development projects</b>	<b>Development projects in progress</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>9. Intangible fixed assets</b>				
Cost at 01.01.2024	1,138	18,553	36,233	17,148
Additions	<u>0</u>	<u>360</u>	<u>966</u>	<u>13,048</u>
<b>Cost at 31.12.2024</b>	<b><u>1,138</u></b>	<b><u>18,913</u></b>	<b><u>37,199</u></b>	<b><u>30,196</u></b>
Depreciation at 01.01.2024	(1,138)	(18,426)	(25,885)	0
Depreciation	<u>0</u>	<u>(135)</u>	<u>(3,448)</u>	<u>0</u>
<b>Depreciation at 31.12.2024</b>	<b><u>(1,138)</u></b>	<b><u>(18,561)</u></b>	<b><u>(29,333)</u></b>	<b><u>0</u></b>
<b>Book value at 31.12.2024</b>	<b><u>0</u></b>	<b><u>352</u></b>	<b><u>7,866</u></b>	<b><u>30,196</u></b>
Book value at 31.12.2023	<u>0</u>	<u>127</u>	<u>10,348</u>	<u>17,148</u>
Depreciated over years	<u>10</u>	<u>3-5</u>	<u>5</u>	<u>0</u>

Development projects relate to the development of products within the existing business. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The products are expected to be sold in the present market to the existing and potential new customers. Prior to the initiation of the projects, the Company research on return on investments on these products.

## NOTES TO THE ANNUAL REPORT

	<b>Land and Buildings DKK'000</b>	<b>Plant and Machinery DKK'000</b>	<b>Other Fixtures DKK'000</b>	<b>Prepayments for and tangible fixed assets in progress DKK'000</b>
<b>10. Tangible fixed assets</b>				
Cost at 01.01.2024	99,436	163,514	23,847	70,268
Additions	3,031	8,713	1,114	25,168
Disposals	<u>0</u>	<u>0</u>	<u>(890)</u>	<u>0</u>
<b>Cost at 31.12.2024</b>	<u>102,467</u>	<u>172,227</u>	<u>24,071</u>	<u>95,436</u>
Depreciation at 01.01.2024	(46,672)	(72,776)	(17,700)	0
Disposals	0	0	258	0
Depreciation	<u>(1,734)</u>	<u>(6,522)</u>	<u>(1,563)</u>	<u>0</u>
<b>Depreciation at 31.12.2024</b>	<u>(48,406)</u>	<u>(79,298)</u>	<u>(19,005)</u>	<u>0</u>
<b>Book value at 31.12.2024</b>	<u>54,061</u>	<u>92,929</u>	<u>5,066</u>	<u>95,436</u>
Book value at 31.12.2023	<u>52,764</u>	<u>90,738</u>	<u>6,147</u>	<u>70,268</u>
Depreciated over years	<u>20-25</u>	<u>10-15</u>	<u>3-5</u>	<u>-</u>

## NOTES TO THE ANNUAL REPORT

<b>11. Financial fixed assets</b>	<b>Investments in group enterprises DKK'000</b>	<b>Deposits DKK'000</b>
Cost at 01.01.2024	107,333	80
Additions	0	2
Disposals	<u>0</u>	<u>0</u>
<b>Cost at 31.12.2024</b>	<b><u>107,333</u></b>	<b><u>82</u></b>
Revaluations at 01.01.2024	301,307	0
Other movement	43	0
Exchange rate adjustment	(11,154)	0
Profit for the year of capital participation	15,847	0
Changes in intercompany profit	620	0
Depreciation on goodwill	(34)	0
Dividends for parent company	(11,523)	0
Impairment of shares in group enterprises	<u>(95,538)</u>	<u>0</u>
<b>Revaluations at 31.12.2024</b>	<b><u>199,568</u></b>	<b><u>0</u></b>
<b>Provision for group enterprises 31.12.2024</b>	<b><u>1,701</u></b>	<b><u>0</u></b>
<b>Book value at 31.12.2024</b>	<b><u>308,602</u></b>	<b><u>82</u></b>
Book value at 31.12.2023	<u>410,057</u>	<u>80</u>

	<b><u>Domicile</u></b>	<b><u>Share capital DKK'000</u></b>	<b><u>Ownership DKK'000</u></b>
BROEN Poland Sp.z.o.o	Dzierzoniow, Poland	13,890	100%
- Aalberts Surface Technologies Heat Sp.z o.o.	Dzierzoniow, Poland	4,535	100%
BROEN SEI srl,	Bucharest, Rumania	2	75%
BROEN Valves Beijing Co. Ltd	Beijing, China	1,606	100%
BROEN AB,	Gothenburg, Sweden	72	100%
BROEN LTD	Moscow, Russia	769	100%

## NOTES TO THE ANNUAL REPORT

	<u>2024</u> <u>DKK'000</u>	<u>2023</u> <u>DKK'000</u>
<b>12. Share capital</b>		
The share capital of the company, T.DKK 10,400, consists of shares of DKK 1,000 or multiples thereof	<u>10,400</u>	<u>10,400</u>
Balance 01.01.2024	10,400	10,400
Addition	<u>0</u>	<u>0</u>
<b>Balance 31.12.2024</b>	<u>10,400</u>	<u>10,400</u>

**13. Deferred tax asset / Provisions for deferred tax****Provisions for deferred tax**

Intangible fixed assets	7,406	6,077
Tangible fixed assets	7,412	10,677
Stocks	665	1,225
Receivables	(5)	(4)
Taxable loss to bring forward	(1,253)	0
Intercompany profit on stocks	<u>(804)</u>	<u>(940)</u>
	<u>13,421</u>	<u>17,035</u>

Deferred tax has been provided in accordance with Danish tax rate 22%.

	<u>2024</u> <u>DKK'000</u>	<u>2023</u> <u>DKK'000</u>
Deferred tax at 01.01.2024	17,035	14,461
Change in deferred tax in income statement	<u>(3,614)</u>	<u>2,574</u>
	<u>13,421</u>	<u>17,035</u>

Deferred tax assets relate to unused tax deductions in the form of time differences. Based on budgets, management has assessed that there will be future taxable income in which unused tax deductions can be utilized.

## NOTES TO THE ANNUAL REPORT

	<b>2024</b>	<b>2023</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>14. Long term debt</b>		
Payment due		
After 5 years	0	0
Between 1 and 5 years	<u>100,000</u>	<u>100,000</u>
	<b><u>100,000</u></b>	<b><u>100,000</u></b>
<b>15. Pledged assets and contingent liabilities, etc.</b>		
<b>Pledged assets</b>		
Owner's mortgage deeds held by the company	<u>24,483</u>	<u>24,483</u>
<b>Leasing commitments</b>		
Leasing commitments, others		
Between 1 and 5 years	3,254	4,010
Within 1 year	<u>2,472</u>	<u>2,535</u>
	<b><u>5,726</u></b>	<b><u>6,545</u></b>
<b>Rental commitments</b>		
After 5 years	0	0
Between 1 and 5 years	0	0
Within 1 year	<u>317</u>	<u>241</u>
	<b><u>317</u></b>	<b><u>241</u></b>
<b>Other commitments</b>		
Submitted guarantees for work	<u>112</u>	<u>5,619</u>

The company has accepted a negative pledge from its main banker.

BROEN A/S participates in a Danish joint taxation arrangement where Aalberts Scandinavia A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, Aalberts Scandinavia A/S and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statement.

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## NOTES TO THE ANNUAL REPORT

### 16. Related parties

BROEN A/S related parties is as followed:

Controlling influence:

Aalberts Scandinavia A/S, Skovvej 30, 5610 Assens

### Other related parties

Other related parties include the company's Board of Directors, Executive Board, subsidiaries, and a number of affiliates in the Aalberts Industries NV Group.

### Transactions

There have been no transactions in the financial year with members of the Board of Directors and Executive Board other than those which appear from note 3.

The annual report only discloses transactions with related parties that have not been conducted on market terms. No such transactions have been conducted during the financial year.

### Consolidated financial statement

The company is included in the Group Annual Report of Aalberts N.V., The Netherlands.

The Group Annual Report of Aalberts N.V. may be obtained upon application to BROEN A/S.

### 17. Subsequent events

No events have occurred subsequent to the balance sheet date and up to this date that change the assessment of the annual accounts.