

## **Anpartsselskabet ASX af 28. August 2014**

Kalsholtvej 14  
8600 Silkeborg  
CVR No. 36076194

### **Annual report 01.10.2024 - 30.09.2025**

The Annual General Meeting adopted the  
annual report on 20.02.2026

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**Jacob Kjær**  
Chairman of the General Meeting

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# Entity details

## Entity

Anpartsselskabet ASX af 28. August 2014

Kalsholtvej14

8600Silkeborg

Business Registration No.: 36076194

Registered office: Silkeborg

Financial year: 01.10.2024 30.09.2025

## Board of Directors

Jacob Kjær, chairman

Anne Mette Kjær

Niels Aage Kjær

Pernille Kjær Johansen

Søren Kjær

## Executive Board

Niels Aage Kjær

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade2

8000Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Anpartsselskabet ASX af 28. August 2014 for the financial year ~~2024~~ 30.09.2025 .

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at ~~30.09.2025~~ the results of their operations and the consolidated cash flows for the financial year ~~01.10.2024~~ 30.09.2025

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Galten, 20.02.2026

[Executive Board](#)

Niels Aage Kjær

[Board of Directors](#)

Jacob Kjær  
chairman

Anne Mette Kjær

Niels Aage Kjær

Pernille Kjær Johansen

Søren Kjær

# Independent auditor's report

To the shareholders of Anpartsselskabet ASX af 28. August 2014

## Opinion

We have audited the consolidated financial statements and the parent financial statements of Anpartsselskabet ASX af 28. August 2014 for the financial year 01.10.2024 - 30.09.2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement presented on page 15-52. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2025 the results of their operations and the consolidated cash flows for the financial year 01.10.2024 - 30.09.2025 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

#### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 20.02.2026

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jacob Nørmark

State Authorised Public Accountant

Identification No (MNE) mne30176

Kasper Vildrich Jessen

State Authorised Public Accountant

Identification No (MNE) mne42784

# Management commentary

## Financial highlights

	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
	t.kr.	t.kr.	t.kr.	t.kr.	t.kr.
<b>Key figures</b>					
<b>Income statement</b>					
Net Sales	9.394.995	9.029.654	7.943.506	7.588.146	6.417.551
Annual growth percentage	4,0%	13,7%	4,7%	18,2%	6,2%
EBITDA	1.386.880	1.249.197	1.079.243	1.020.865	980.745
Annual growth percentage	11,0%	15,7%	5,7%	4,1%	26,6%
Depreciations	391.256	375.181	299.729	289.231	301.132
Operating profit	995.624	874.016	779.514	731.634	679.613
Annual growth percentage	13,9%	12,1%	6,5%	7,7%	35,5%
Financial items, net	(136.826)	(176.816)	(132.452)	(43.255)	(47.303)
Profit before tax	872.893	709.206	660.861	709.298	640.610
Annual growth percentage	23,1%	7,3%	-6,8%	10,7%	55,6%
Profit for the year	619.464	504.149	471.279	513.160	478.985
Annual growth percentage	22,9%	7,0%	-8,2%	7,1%	65,7%
<b>Balance</b>					
Fixed assets	3.703.184	3.457.974	2.707.365	2.676.383	2.352.032
Annual growth percentage	7,1%	27,7%	1,2%	13,8%	5,5%
Shareholders' equity	2.776.030	2.522.339	2.298.217	2.120.278	1.764.623
Annual growth percentage	10,1%	9,8%	8,4%	20,2%	18,6%
Minority interests	1.778.231	1.593.978	1.447.661	1.318.860	1.056.455
Balance sheet totals	8.897.301	8.597.603	7.471.794	7.771.109	6.215.426
Annual growth percentage	3,5%	15,1%	-3,9%	25,0%	13,2%
<b>Cash flows</b>					
Operating activities	710.070	959.346	901.604	(67.911)	575.443
Investment activities	(697.400)	(1.158.843)	(361.969)	(604.161)	(459.561)
Investment in fixed assets hereof	(659.265)	(466.400)	(366.073)		(397.525)
Financing activities	(205.906)	219.778	(503.501)	691.798	(394.432)
			691.798	21.916	
<b>Employees</b>					
Average number of full-time employees	5.573	5.345	4.882	4.889	4.575
<b>Ratios</b>					
EBITDA margin	14,8%	13,8%	13,6%	13,5%	15,3%
Operating profit margin	10,6%	9,7%	9,8%	9,6%	10,6%
Return on assets	11,4%	10,9%	10,2%	10,5%	11,6%
Equity ratio	51,2%	47,9%	50,1%	47,6%	49,6%
Return on equity	13,0%	11,7%	11,7%	14,8%	16,5%

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

### Primary activities

The ASX Group primarily consists of the AVK Holding Group. In addition to the business areas of the AVK Holding Group, the ASX Group's activities consist of property investments as well as other investments.

The AVK Group has two main business units: AVK Water Solutions and AVK Advanced Manufacturing. The previous business units of AVK Water and AVK Industrial have been combined into AVK Water Solutions in the past year to ensure better synergy in product offers and route to market.

AVK Water Solutions is a group of companies that develop, manufacture, and supply high-quality valves and integrated solutions for a wide range of applications.

We serve municipal, state and private sectors within water treatment, transmission, distribution, wastewater handling, irrigation, desalination, flood and storm water, district heating and cooling, fire protection, dams and reservoirs, hydropower, and natural gas distribution. Likewise, we serve industrial water-based segments within the marine sector, mining, pulp and paper, petrochemical plants, biogas, energy data centres, air separation, and industrial water/wastewater treatment plants.

We deliver to markets and customers all over the world, but that does not mean our solutions are universal. On the contrary, we always deliver unique solutions tailored to meet local conditions and requirements according to local standards and approvals.

AVK Advanced Manufacturing consists of companies that manufacture components and products made of metal, rubber, and plastic. For more than 50 years, AVK Advanced Manufacturing has grown its business to become an important supplier to key global customers in addition to the AVK Water Solutions business.

The components and products are used in various industrial applications with demand for high quality, knowhow, and where high tolerances and long durability are needed.

Casted, machined and processed components made of steel, iron, aluminum, and bronze are used in the marine, wind, logistics and industrial segments. Rubber components are used in equipment for the municipal water, food, energy, technical products and healthcare industries. Plastic components are used in municipal water, storm water, and logistics sectors and own brands and products in street covers, waste containers and pallets with focus on increasing the share of recycled plastic in products.

Further, the Group includes the Danish companies Flonidan, which produces and sells gas meters, and has a strong position within smart gas meters, and Q-System with internal transport solutions to optimise production and logistics processes.

Production and sales take place through the Group's network of companies in Europe, the Middle East, North and South America, Australia, Asia, and Africa.

AVK acquired during the year the foundry, Frese Metal- og Stålstøberi A/S, based in Slagelse, Denmark. The foundry has supplied castings to AVK Tooling for many years, and the acquisition will ensure AVK an integrated supply chain for components into the marine sector. The company has a turnover of around 140 mDKK, but with less impact on the Group turnover, as a major part is internal sales to AVK.

After the closing of the 2024/25 accounts, AVK has made one further acquisition and one joint venture, both effective from January 2026. In the Nordics a new partnership has been established between Ulefos Holding A/S

and Furnes Jernstøberi A/S, with the aim to strengthen the production platform joining the three foundries into one organisation and securing a continuous production in the Nordic countries of manhole covers.

The product offer including Ulefos and Furnes manhole covers and the valves and related products under the Esco brand will continue to be marketed and sold as now in the Nordic countries. The new holding company in the joint venture, CK Partners will be owned 51% by AVK and 49% by the Norwegian Cappelen family. In Italy, AVK has acquired the business of triple offset valves, which was previously part of the Petrol Valves company. The business will be integrated into AVK Industrial Solutions srl. and will continue the present production in Piacenza, Italy. The triple offset valves will extend AVK's product offer for high pressure applications.

#### Development in activities and finances

The turnover amounted to DKK 9,395 million corresponding to a growth of 4% compared to last year. The acquisition of companies during the year has contributed 0.3%, while changes in exchange rates at the consolidation of turnover caused a negative impact of 0.6%, hence the real organic growth in turnover is 4.4%.

The year was still impacted by the economic slowdown in several of the Group's markets, which also had a negative impact in the previous year. The Group was helped by its diversity of countries and market segments served, and the continuous extension of the product offer, and the overall positive growth for the year was helped by very positive developments in markets such as irrigation in Italy, projects for water supply and desalination plants in the Middle East, rubber components and growing sales in India and South East Asia.

The water segments realised a positive development with a growth in sales of 6,8% with a growing share in the project markets and supported by growth in most markets across the world, especially for India, Southeast Asia, the Middle East, North America and many markets in Continental Europe. The Chinese markets were as expected weak with funding issues for projects. The general order intake has developed positive with variations among markets.

The Industrial segments were again, as in the past year, challenged by unfavourable market conditions for more of the segments served, however with improved order intake during the year. Sales fell 4.2% and were below expectations. With the new business unit, AVK Water Solutions, the group will focus on ensuring a broader product offer and a stronger sales effort in a number of markets, including the latest acquisition in Italy, and a positive sales development is expected for the coming year.

The Advanced Manufacturing market segments realised a sales growth of 10.6% supported by strong sales of rubber components, but also sales in wind power and sales of pallets made of recycled plastic developed positively.

Flonidan had another challenging year with low sales on existing contracts, but order intake was strong, and the new year has started with a major improvement in sales, especially to the Dutch market, where the smart meters in the gas network are being upgraded.

#### Profit/loss for the year in relation to expected developments

The annual operating profit amounted to DKK 995.6 million compared to DKK 874 million in 2023/24, i.e., an improvement of 14.0% and a profit margin of 10.6%. The profit margin improved from 9.7% last year helped by the ongoing efforts for operational improvements across the Group and slightly reduced material prices.

The result of financial items developed positively with lower interest rates and the positive impact of the new, more centralised financing structure, including a syndicated loan. The net loss on conversion of balance sheet

items in foreign currency amounted to DKK 37.9 million and was at the same level as the year before with the continuous strengthening of DKK versus USD and related currencies.

The effective tax rate was 29% compared to 28.9% in the previous year.

The tax rate is impacted by the split of income between the individual countries and varying tax rates in these countries. There are still loss-making companies where we have chosen not to capitalise the carried forward tax losses, which contribute to the high tax rate. The Group has on-going initiatives to improve the profitability of these companies and expects a slightly lower tax rate in the coming years, but investments in new markets and high tax rates in some countries will result in the tax rate remaining high.

The net profit increased by 22.9% to DKK 619.5 million.

The cash flow from operations amounted to DKK 710.1 million against DKK 959.3 million in the previous year. The operating profit before depreciation and amortisation (EBITDA) increased by 11% and contributed well to the cash flow, but an increase in the working capital of DKK 183.9 million caused the lower cash flow compared to last year. The stock of products increased, including the impact of a larger share of project orders and the broader product range. Efforts continue to optimise the stock management, but the long supply chains and many operating locations in the Group will continue to have a negative impact on the stock balance.

The combined investments in fixed assets amount to DKK 659.3 million well above the previous years. A large investment is being made in establishing a US based supply chain for the American market including a foundry and production of rubber parts. This will continue next year, where an even higher consolidated investment is expected. The Group continues to invest significantly in supporting growth and operational improvements for the many companies across the Group, with an increasing share of investments in reducing energy consumption to support the target of being CO<sub>2</sub> neutral in 2030. This year, particular investments were made in a new domicile for the sales company in the Czech Republic, as well as the expansion and automation of the production capacity at factories in countries such as Spain, China, UK, Norway, Denmark and the US, as mentioned above. Further investments were made in product development and the Group's IT platform.

The net interest-bearing debt increased by DKK 49.0 million as a result of the investments and acquisitions as well as dividend paid, mostly offset by the positive cash flow from operations.

The equity including minority interests amounted to DKK 4,554.3 million at the end of the financial year and the equity ratio was 51.2% an increase from 47.9% the year before.

The overall development and results of the year are considered satisfactory, growth is slightly below expectations, but the net profit and operational profit margin have developed more positively than expected.

#### Sustainable development

In 2024/25, AVK Group continued to make significant progress in climate effort and sustainability. The Group's total CO<sub>2</sub> emissions have been substantially reduced despite increased activity and production, demonstrating that our systematic efforts to decouple growth from climate impact are effective.

Scope 1 emissions decreased by 15.8% due to lower fossil fuel consumption and increased use of biogas. Additional energy savings were achieved through the installation of heat pumps and the replacement of conventional vehicles with electric alternatives, reducing fleet-related emissions.

Scope 2 emissions (market-based) decreased by 20.1% despite higher production levels. This reduction was driven by a higher share of renewable electricity, including on-site solar installations and the purchase of certified green power via Guarantees of Origin, combined with ongoing energy efficiency improvements across the Group. The share of renewable electricity increased from 31.75% to 52.17%.

Overall CO<sub>2</sub> footprint (Scope 1 + 2) was reduced by 18.9%. These developments confirm that AVK Group is moving in the right direction regarding our long-term climate objectives and our ambition to reduce the environmental footprint of both operations and energy consumption.

For more information on AVK Group sustainability, please see our full sustainability report on page 54.

### Outlook

We expect a slightly higher organic growth rate for the coming year, supported by the present order book and a strong improvement in sales for Flonidan, which has a strong order book for the Dutch market, and AVK Tooling seeing sales for the wind market recovering after some weak years. The general economy in Europe, North America and China will remain weak. We also expect lower investments in the water supply in India as priorities are moved to other sectors. The Middle East will remain strong in sales in the coming year as projects are realised, although with negative impact from the lack of the major orders in Egypt we have realised in the past two years. AVK has gained a stronger position in the project markets e.g. for dams and reservoirs, irrigation and wastewater treatment, and this will support growth in the coming years.

Growth in sales for water in the coming year will be helped by the high order book in Australia and the Middle East, but the UK market is also expected to develop positively with large investments in water and rain water handling.

There continues to be a strong need of improvements in water supply in most of the emerging markets in Asia, with a growing population, still many households without tap water and high leakage rates in the water distribution network. Wastewater treatment is another major challenge in many of these countries. AVK is well positioned to both support and benefit from this development with its broad product package for water supply and wastewater treatment, products of high quality and intelligent solutions (Smart Water systems), which help detect leakages and improve the efficiency of the water supply network.

The AVK market position in the water business in Europe will be further strengthened with the new joint venture in the Nordics, which comes two years after the acquisition of the Talis companies, and further supported by the ongoing expansion of the Group's product range. Even with the negative impact of the general economy and countries as France with financial challenges, the strong need of further investments in the water supply with high leakage rates in many countries, the increasing challenges with lack of rain and in other areas the risk of floodings, will together ensure an increasing demand for the Group's products for water supply, irrigation, and flood control.

The market for gas products has been negatively impacted in more countries in Europe by the conversion to district heating and heat pumps. There is still a considerable network of gas pipelines to be maintained, but we do not expect growth overall for this segment in mature markets, but gas is still being rolled out for household cooking in many emerging markets.

AVK's industrial business includes a range of market segments and countries, and the development for these will vary considerably. The slowdown in the general economy in the last year had a negative impact on sales for AVK Industrial, but the order intake improved during the year, and the coming year is expected to show a more

positive development. With the establishment of the combined business unit, AVK Water Solutions, covering both the water and industrial business segments, more synergies are expected in the route to market and the product offer, and there will be a high focus on securing growth in more of the industrial segments. The product offer has been further strengthened with the acquisition of the Italian business of triple offset valves, although with limited impact for the coming financial year. Key growth areas are energy, mining, marine and desalination.

Overall, we expect a positive organic growth for AVK Water Solutions within both the water and industrial segments in 2025/26.

Within Advanced Manufacturing, the production and sales of pallets based on recycled plastic waste is expected to continue the strong growth driven by more companies wanting to recycle their own plastic waste and support sustainability using products based on recycled waste. As already mentioned, we expect a positive development for the wind energy whereas the other market segments are expected stable from the present level. On longer term, supplying components for the marine sector will grow further strengthened by the acquisition of Frese Metal- og Stålstøberi.

The sales and financial result of Flonidan will improve considerable in the coming year driven by larger contracts for the Netherlands, but also growth in other markets.

A reduction of CO<sub>2</sub>-emission and sustainable solutions are getting more and more attention on the political agenda all over the world, and AVK is fully conscious of its responsibility and possible contribution. AVK's products already contribute significantly to a lower CO<sub>2</sub> footprint through reduction of water loss (less energy consumption) and recycling of materials for both metal and plastic products in the Group. The increased attention to sustainability is considered a long-term growth factor for the Group.

A significant investment programme is planned for the next year to ensure capacity for continued growth, to comply with national requirements for local production and sourcing in an increasing number of markets, and to optimise the Group's operations as well as the green transition. We see a trend towards more protectionism continuing in most regions of the world. In the United States, we are establishing both a foundry and a rubber factory to ensure a fully local supply chain, which is required to sell products to federally funded projects, but also to avoid negative impacts of increases in import tariffs to the US.

The investments include the development and roll out of a new IT platform for the Group based on D365 FO, the continuous development of the product range in all business units, and automation of the production processes.

LEAN tools are widely used in the Group to strengthen the delivery performance, operating profit, and cash flow.

Acquisitions will continue playing an important role in the growth of AVK. We have already realised two acquisitions/joint ventures in 2025/26 and expect one to two further acquisitions to be realised during the year.

Overall, the turnover is expected to grow by 9 to 11% with a positive contribution from all business units and including the expected impact of the joint venture with CK partners. Any further acquisitions will only have a limited impact on the turnover in 2025/26. We expect stable cost prices and a limited impact of inflation on sales prices, so the growth in turnover will mostly be volume driven in the coming year.

Ongoing efforts to improve the operational performance are expected to continue to have a positive impact on the operational profit margin. However, the growth ambition and related investments in new markets and segments will have a negative impact on the profit margin, as the lead time in establishing new profitable market

positions is long. The profit margin is therefore expected to remain at the present level, however with a negative impact from the two acquisitions, and the expected operating profit margin for 2025/26 will be on the level of 10%.

The level of financial costs depends on the development in the interest rate level, as the major share of the Group's financing has short term interest rates. Net debt is expected to increase with the planned investment programme and acquisitions. Exchange rate changes can have both a positive and negative impact and are assumed neutral in the forecast. We expect interest rates to remain stable in 2025/26. All together, we expect the impact from financial items to be lower, which together with sales growth, will support a positive development in the net profit for the coming year.

#### Special risks

The Group's most significant commercial risk relates to market developments and the ability to be strongly positioned in the markets, where the Group's products are sold. The global market presence makes the Group less sensitive to specific markets. Product and market development are subject to ongoing investments with the aim of ensuring a continuous positive development of sales and profit. A broadly founded growth in both the water, industrial and advanced manufacturing market segments ensures a significant spreading of risks across products, market segments and countries. The acquisition of companies also contributes to expanding the Group's product range and market position.

The most important raw material is cast iron. Although price developments for cast iron and other raw materials such as plastic, stainless steel, bronze, and rubber have an immediate, significant effect on the profit, price fluctuations for the mentioned raw materials will normally be reflected in the market prices of the finished products and offset the positive or negative impact on cost changes. Competing products will essentially be subject to the same sensitivity to raw material prices as for AVK.

The development in exchange rates will continue to influence the Group's profits. Under "other financial income" and "other financial costs", are mentioned gains and losses on the translation of foreign currency amounts in the balance sheet, which can have a significant impact on net financial items. The Group only uses FX contracts when a binding customer contract or order in foreign currency has been made. Otherwise, the risks related to sales in foreign currencies are mitigated through sourcing/production in the same currency and ensuring full transparency on the cost impact of changes in exchange rates to allow fast price adjustments to offset any changes in local currency purchasing prices.

A substantial share of raw material purchases is in USD and CNY, which for USD is partly compensated for by substantial sales in USD and related currencies. There is considerable net income in EUR, GBP, AUD, and the Scandinavian currencies.

The Group's financing is managed centrally to obtain the optimum overall financing structure and reduce risks relating to both currencies and interest rates. During the past year, AVK has had a syndicated loan facility which secures funding of the Group's continued operations and allows opportunities for growth in the coming years. Presently, a major part of the financing is in short term interest rates, but over time the aim is to have fixed interest rates for half of the net debt secured through long term interest rate swaps.

### [Environmental performance](#)

The statutory report on corporate social responsibility is appended to the annual report p. 50.

### [Statutory report on corporate social responsibility](#)

The statutory report on corporate social responsibility is appended to the annual report p. 50.

### [Statutory report on the underrepresented gender](#)

	2024/25	2023/24	2022/23
Supreme management body			
Total number of members	5	5	5
Underrepresented gender (%)	40.00	40.00	40.00

The company has an equal gender distribution in the supreme management body, which is why the company has not set targets for this.

The company has 1 member of Other Management levels as of 30. September 2025.

### [Statutory report on data ethics policy](#)

The statutory report on corporate social responsibility is appended to the annual report p. 50.

### [Events after the balance sheet date](#)

Since the balance sheet date at 30 September 2025 and until today, no events have occurred that affect the evaluation of the annual report.

# Consolidated income statement for 2024/25

	Notes	2024/25 DKK'000	2023/24 DKK'000
Revenue	2	9,394,995	9,029,654
Production costs		(6,032,745)	(5,867,078)
Gross profit/loss		3,362,250	3,162,576
Distribution costs		(1,311,685)	(1,273,587)
Administrative expenses	3	(1,055,928)	(1,014,973)
Other operating income		987	0
Operating profit/loss		995,624	874,016
Income from investments in associates		12,180	6,517
Income from other fixed asset investments		1,915	5,489
Other financial income	5	68,487	80,461
Other financial expenses	6	(205,313)	(257,277)
Profit/loss before tax		872,893	709,206
Tax on profit/loss for the year	7	(253,429)	(205,057)
Profit/loss for the year	8	619,464	504,149

# Consolidated balance sheet at 30.09.2025

## Assets

	Notes	2024/25 DKK'000	2023/24 DKK'000
Completed development projects		117,002	76,389
Acquired intangible assets		163,481	183,388
Acquired trademarks		62,473	70,207
Goodwill		311,330	361,874
Development projects in progress	10	79,801	73,241
Intangible assets	9	734,087	765,099
Land and buildings		1,223,076	1,136,270
Plant and machinery		871,463	836,582
Other fixtures and fittings, tools and equipment		160,348	142,941
Leasehold improvements		38,874	29,409
Property, plant and equipment in progress		300,722	206,988
Prepayments for property, plant and equipment		872	220
Property, plant and equipment	11	2,595,355	2,352,410
Investments in associates		98,615	90,741
Receivables from associates		27,320	31,323
Other investments		37,021	40,420
Deposits		30,447	22,659
Other receivables		10,831	11,241
Deferred tax	13	169,508	144,081
Financial assets	12	373,742	340,465
Fixed assets		3,703,184	3,457,974
Raw materials and consumables		1,268,592	1,221,418
Work in progress		143,642	130,778
Manufactured goods and goods for resale		992,296	928,319
Inventories		2,404,530	2,280,515

Trade receivables		2,000,881	1,925,052
Receivables from associates		10,607	19,794
Other receivables		303,727	245,342
Tax receivable		22,071	28,806
Prepayments	14	37,546	32,093
Receivables		2,374,832	2,251,087
<hr/>			
Cash		414,755	608,027
<hr/>			
Current assets		5,194,117	5,139,629
<hr/>			
Assets		8,897,301	8,597,603
<hr/>			

## Equity and liabilities

	Notes	2024/25 DKK'000	2023/24 DKK'000
Contributed capital	15	300	300
Translation reserve		(59,667)	11,589
Reserve for fair value adjustments of hedging instruments		48,113	47,985
Retained earnings		2,747,284	2,432,465
Proposed dividend for the financial year		40,000	30,000
Equity belonging to Parent's shareholders		2,776,030	2,522,339
Equity belonging to minority interests		1,778,231	1,593,978
Equity		4,554,261	4,116,317
Provisions for pension liabilities etc.	16	71,448	68,914
Deferred tax	13	130,361	137,469
Other provisions	17	64,001	67,697
Provisions		265,810	274,080
Mortgage debt		422,850	411,176
Bank loans		1,214,072	978,279
Lease liabilities		86,746	106,372
Payables to associates		0	7,024
Other payables		22,878	17,662
Non-current liabilities other than provisions	18	1,746,546	1,520,513

Current portion of non-current liabilities other than provisions	18	384,732	375,186
Bank loans		217,036	607,259
Trade payables		774,092	794,522
Payables to associates		56,368	42,215
Tax payable		99,481	106,450
Other payables		680,561	641,349
Deferred income	19	118,414	119,712
Current liabilities other than provisions		2,330,684	2,686,693
<hr/>			
Liabilities other than provisions		4,077,230	4,207,206
<hr/>			
Equity and liabilities		8,897,301	8,597,603
<hr/>			
Events after the balance sheet date	1		
Staff costs	4		
Financial instruments	21		
Unrecognised rental and lease commitments	22		
Contingent liabilities	23		
Assets charged and collateral	24		
Non-arm's length related party transactions	25		
Subsidiaries	26		

## Consolidated statement of changes in equity for 2024/25

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	300	11,589	47,985	2,432,465	30,000	2,522,339	1,593,978	4,116,317
Effect of mergers and business combinations	0	0	0	(383)	0	(383)	(2,314)	(2,697)
Ordinary dividend paid	0	0	0	0	(30,000)	(30,000)	(20,362)	(50,362)
Exchange rate adjustments	0	(71,256)	0	0	0	(71,256)	(57,306)	(128,562)
Fair value adjustments of hedging instruments	0	0	165	0	0	165	(3)	162
Value adjustments	0	0	0	9,842	0	9,842	(9,842)	0
Tax of entries on equity	0	0	(37)	0	0	(37)	(24)	(61)
Profit/loss for the year	0	0	0	305,360	40,000	345,360	274,104	619,464
Equity end of year	300	(59,667)	48,113	2,747,284	40,000	2,776,030	1,778,231	4,554,261

# Consolidated cash flow statement for 2024/25

	Notes	2024/25 DKK'000	2023/24 DKK'000
Operating profit/loss		995,624	874,016
Amortisation, depreciation and impairment losses		391,256	375,181
Working capital changes	20	(183,938)	77,741
Cash flow from ordinary operating activities		1,202,942	1,326,938
Financial income received		70,614	86,516
Financial expenses paid		(205,630)	(257,847)
Taxes refunded/(paid)		(252,351)	(219,126)
Other cash flows from operating activities		(105,505)	22,865
Cash flows from operating activities		710,070	959,346
Acquisition etc. of intangible assets		(78,459)	(50,034)
Sale of intangible assets		1,156	199
Acquisition etc. of property, plant and equipment		(580,806)	(416,366)
Sale of property, plant and equipment		25,208	26,124
Acquisition of fixed asset investments		(12,428)	(11,011)
Sale of fixed asset investments		11,937	10,432
Acquisition of enterprises		(64,509)	(718,563)
Dividends received from associates		501	376
Cash flows from investing activities		(697,400)	(1,158,843)
Free cash flows generated from operations and investments before financing		12,670	(199,497)

Loans raised	102,537	1,171,202
Repayments of loans etc.	(267,916)	(1,136,817)
Dividend paid	(50,362)	(56,256)
Cash capital increase	7,099	0
Changes in financial overdraft facilities	2,736	241,649
Cash flows from financing activities	(205,906)	219,778
<hr/>		
Increase/decrease in cash and cash equivalents	(193,236)	20,281
Cash and cash equivalents beginning of year	608,027	587,746
Currency translation adjustments of cash and cash equivalents	(36)	0
Cash and cash equivalents end of year	414,755	608,027
<hr/>		
Cash and cash equivalents at year-end are composed of:		
Cash	414,755	608,027
Cash and cash equivalents end of year	414,755	608,027
<hr/>		

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events have occurred subsequent to the balance sheet date that could significantly affect the financial statements as of September 30, 2025.

## 2 Revenue

	2024/25 DKK'000	2023/24 DKK'000
EMEA	6,960,333	6,616,023
Asia Pacific	1,463,374	1,470,322
North & South America	971,288	943,309
Total revenue by geographical market	9,394,995	9,029,654
AVK Water	6,623,183	6,203,481
AVK Industrial	1,466,491	1,530,545
AVK Advanced Manufacturing	1,171,686	1,059,742
Other	133,635	235,886
Total revenue by activity	9,394,995	9,029,654

## 3

### Fees to the auditor appointed by the Annual General Meeting

	Deloitte 2024/25 DKK'000	Other 2024/25 DKK'000	Total 2024/25 DKK'000
Statutory audit services	7,378	5,946	13,324
Other assurance engagements	303	321	624
Tax services	1,425	959	2,384
Other services	1,095	751	1,846
	10,201	7,977	18,178
	Deloitte 2023/24 DKK'000	Other 2023/24 DKK'000	Total 2023/24 DKK'000
Statutory audit services	6,722	5,600	12,322
Other assurance engagements	407	447	854
Tax services	1,402	400	1,802
Other services	1,557	582	2,139
	10,088	7,029	17,117

## 4 Staff costs

	2024/25 DKK'000	2023/24 DKK'000
Wages and salaries	1,991,972	1,851,355
Pension costs	137,637	120,915
Other social security costs	288,007	251,163
	2,417,616	2,223,433
Average number of full-time employees	5,573	5,345

	Remuneration of Manage- ment 2024/25 DKK'000	Remuneration of Manage- ment 2023/24 DKK'000
Total amount for management categories	1,550	1,572
	1,550	1,572

Remuneration of Group Management consists of directors' remuneration as well as remuneration, etc. to the Parent's Executive Board and Board of Directors.

## 5 Other financial income

	2024/25 DKK'000	2023/24 DKK'000
Other interest income	29,587	32,645
Exchange rate adjustments	38,900	47,816
	68,487	80,461

## 6 Other financial expenses

	2024/25 DKK'000	2023/24 DKK'000
Other interest expenses	128,469	168,341
Exchange rate adjustments	76,844	88,936
	205,313	257,277

## 7 Tax on profit/loss for the year

	2024/25 DKK'000	2023/24 DKK'000
Current tax	271,732	217,627
Change in deferred tax	(18,664)	(7,902)
Adjustment concerning previous years	361	(4,668)
	253,429	205,057

## 8 Proposed distribution of profit/loss

	2024/25 DKK'000	2023/24 DKK'000
Ordinary dividend for the financial year	40,000	30,000
Retained earnings	305,360	251,453
Minority interests' share of profit/loss	274,104	222,696
	619,464	504,149

## 9 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	302,650	227,283	78,007	1,036,813	73,241
Addition through business combinations etc	3,348	0	0	0	979
Exchange rate adjustments	(2,818)	52	83	(2,292)	(1,303)
Transfers	11,826	0	0	0	(918)
Additions	55,972	2,585	0	8,869	8,581
Disposals	(1,243)	(679)	0	0	(779)
Cost end of year	369,735	229,241	78,090	1,043,390	79,801
Amortisation and impairment losses beginning of year	(226,261)	(43,895)	(7,800)	(674,939)	0
Exchange rate adjustments	1,349	152	(8)	1,457	0
Amortisation for the year	(28,687)	(22,696)	(7,809)	(58,578)	0
Reversal regarding disposals	866	679	0	0	0
Amortisation and impairment losses end of year	(252,733)	(65,760)	(15,617)	(732,060)	0
Carrying amount end of year	117,002	163,481	62,473	311,330	79,801

## 10 Development projects

Development projects include the development of new products and IT for use within the Group. The capitalized development projects are amortized over a period of 3-5 years, and during the financial year, amortization totaling DKK 28,687k have been recognized. It is anticipated that the capitalized development projects will be utilized within the group's existing market, and the progress of the development projects is in accordance with an established project plan. The recognized value as of 30.09.2025 reflects the expected future accumulated earnings from the projects.

## 11 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	1,896,042	2,678,079	396,141	70,323	207,054
Addition through business combinations etc	18,028	6,529	294	164	3,710
Exchange rate adjustments	(24,585)	(59,503)	(11,065)	(1,621)	(15,626)
Transfers	97,339	69,324	15,931	1,998	(191,956)
Additions	62,629	162,224	44,866	12,696	298,199
Disposals	(31,904)	(80,786)	(32,026)	(713)	(593)
Cost end of year	2,017,549	2,775,867	414,141	82,847	300,788
Depreciation and impairment losses beginning of year	(759,772)	(1,841,497)	(253,200)	(40,914)	(66)
Exchange rate adjustments	8,938	36,871	9,115	3,685	0
Transfers	0	587	(589)	0	0
Depreciation for the year	(61,978)	(174,917)	(35,910)	(7,415)	0
Reversal regarding disposals	18,339	74,552	26,791	671	0
Depreciation and impairment losses end of year	(794,473)	(1,904,404)	(253,793)	(43,973)	(66)
Carrying amount end of year	1,223,076	871,463	160,348	38,874	300,722

	Prepayments for property, plant and equipment DKK'000
Cost beginning of year	220
Addition through business combinations etc	0
Exchange rate adjustments	0
Transfers	0
Additions	652
Disposals	0
Cost end of year	872
Depreciation and impairment losses beginning of year	0
Exchange rate adjustments	0
Transfers	0
Depreciation for the year	0
Reversal regarding disposals	0
Depreciation and impairment losses end of year	0
Carrying amount end of year	872

Certain production facilities and machines are funded by finance leases. The carrying amount of assets held under a finance lease amounts to DKK 97,399k.

## 12 Financial assets

	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	80,416	31,781	26,239	23,829	15,591
Exchange rate adjustments	0	0	33	0	0
Additions	0	4,100	1,712	10,617	1,049
Disposals	(1,298)	(6,946)	(2,042)	(2,523)	0
Cost end of year	79,118	28,935	25,942	31,923	16,640
Revaluations beginning of year	25,817	0	14,181	0	0
Exchange rate adjustments	(2,039)	0	23	0	0
Adjustments on equity	(1,299)	0	0	0	0
Share of profit/loss for the year	8,804	0	0	0	0
Dividend	(501)	0	0	0	0
Revaluations for the year	0	0	1,860	0	0
Reversal regarding disposals	0	0	(4,985)	0	0
Revaluations end of year	30,782	0	11,079	0	0
Impairment losses beginning of year	(15,492)	(458)	0	(1,170)	(4,350)
Exchange rate adjustments	(1,260)	(1,157)	0	(306)	0
Adjustments on equity	2,088	0	0	0	0
Share of profit/loss for the year	3,379	0	0	0	0
Impairment losses for the year	0	0	0	0	(1,459)
Impairment losses end of year	(11,285)	(1,615)	0	(1,476)	(5,809)
Carrying amount end of year	98,615	27,320	37,021	30,447	10,831

Investments in associates are specified in note 26.

### 13 Deferred tax

	2024/25	2023/24
	DKK'000	DKK'000
Changes during the year		
Beginning of year	6,612	79,541
Recognised in the income statement	19,012	7,902
Recognised directly in equity	10	5,141
Adjustments concerning previous years	668	(2,787)
Opening balance for acquired companies and other regulations	15,180	(84,868)
Exchange rate adjustment	(2,335)	1,683
End of year	39,147	6,612

	2024/25	2023/24
	DKK'000	DKK'000
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	169,508	144,081
Deferred tax liabilities	(130,361)	(137,469)
	39,147	6,612

#### Deferred tax assets

The deferred tax assets include DKK 59,763m related to tax losses carried forward from previous years. Management expects that the relevant companies will generate taxable profits within 3 to 5 years, allowing the tax asset to be utilized to offset the taxable profits of these companies. The remaining deferred tax assets consist of usual temporary differences on intangible and tangible fixed assets.

### 14 Prepayments

Prepayments consists of prepaid expenses related to rent, insurance premiums, leasing etc.

### 15 Contributed capital

	Number	Par value	Nominal value
		DKK'000	DKK'000
A-shares	15,000	0.001	15
B-shares	285,000	0.001	285
	300,000		300

### 16 Provisions for pension liabilities etc.

Provisions for pension liabilities etc., refer to situations where certain companies have an obligation to pay pensions to selected employees.

### 17 Other provisions

Other provisions primarily relate to provisions for warranty commitments and restructurings.

## 18 Non-current liabilities other than provisions

	Due within 12 months 2024/25 DKK'000	Due within 12 months 2023/24 DKK'000	Due after more than 12 months 2024/25 DKK'000	Outstanding after 5 years 2024/25 DKK'000
Mortgage debt	23,814	22,113	422,850	294,808
Bank loans	339,539	330,320	1,214,072	92,972
Lease liabilities	20,722	22,553	86,746	31,922
Other payables	657	200	22,878	12,930
	384,732	375,186	1,746,546	432,632

## 19 Deferred income

Deferred income consists of prepayments from customers, which are recognized as revenue in line with the transfer of risk.

## 20 Changes in working capital

	2024/25 DKK'000	2023/24 DKK'000
Increase/decrease in inventories	(98,356)	127,079
Increase/decrease in receivables	(51,993)	18,022
Increase/decrease in trade payables etc.	(57,627)	(6,836)
Other changes	24,038	(60,524)
	(183,938)	77,741

## 21 Derivative financial instruments

Other receivables include positive fair values of derivative financial instruments amounting to a net value of DKK 11,746k (2023/24: DKK 11,492k). These instruments are used to hedge interest rate risk on variable-rate loans with a fixed interest rate and to hedge currency risk on sales of goods within a short-term period. Fair value adjustments, after tax, are recognized directly in equity.

These agreements have been entered into with the Group's existing banks.

Term of the loans	<1 year DKK'000	1-5 years DKK'000	5-10 years DKK'000	>10 years DKK'000	Total DKK'000
Bank loans	(1,548)	7,688	0	0	6,139
Mortgage loans in DKK	437	1,752	2,190	1,228	5,607
Fair value	(1,111)	9,440	2,190	1,228	11,746

## 22 Unrecognised rental and lease commitments

	2024/25 DKK'000	2023/24 DKK'000
Total liabilities under rental or lease agreements until maturity	381,059	332,747
Of this, liabilities under rental or lease agreements with group enterprises	28,934	33,022

## 23 Contingent liabilities

The group is a party to a few pending lawsuits. Management has assessed the most likely outcome of these lawsuits on a case-by-case basis and has allocated the estimated amounts accordingly.

## 24 Assets charged and collateral

The mortgage debt of DKK 423m (DKK 431m in 2023/24) is secured by owner's mortgages. The pledges also comprises the plant and machinery deemed part of the property. The carrying amount of the assets pledged is DKK 496m (DKK 500m in 2023/24).

Assets have been provided for bank debt amounting to DKK 1618m (DKK 208m in 2023/24). The carrying amount of the assets pledged is DKK 239m (DKK 235m in 2023/43).

## 25 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

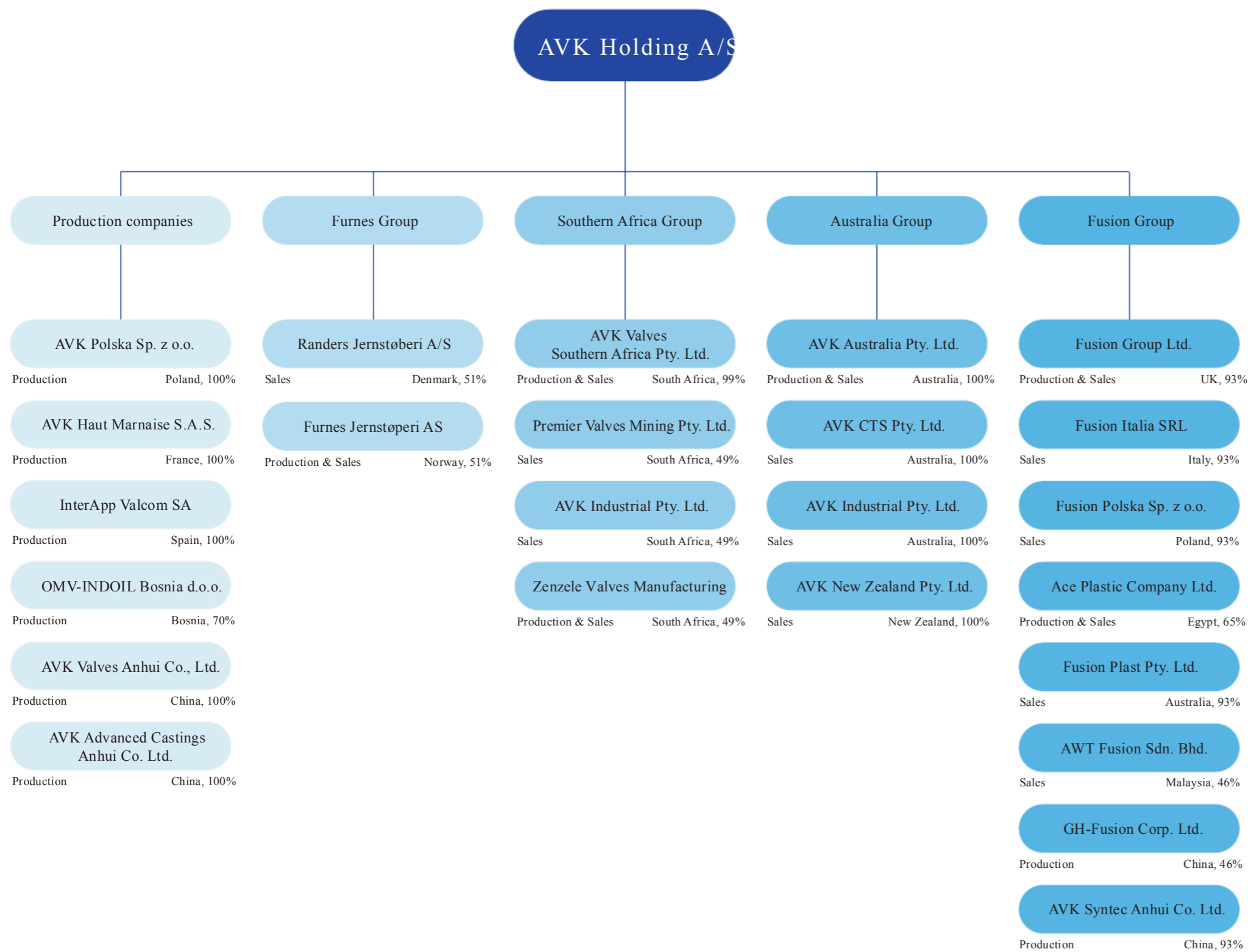
Niels Aage Kjær has controlling interest in Anpartsselskabet ASX af 28. August 2014.

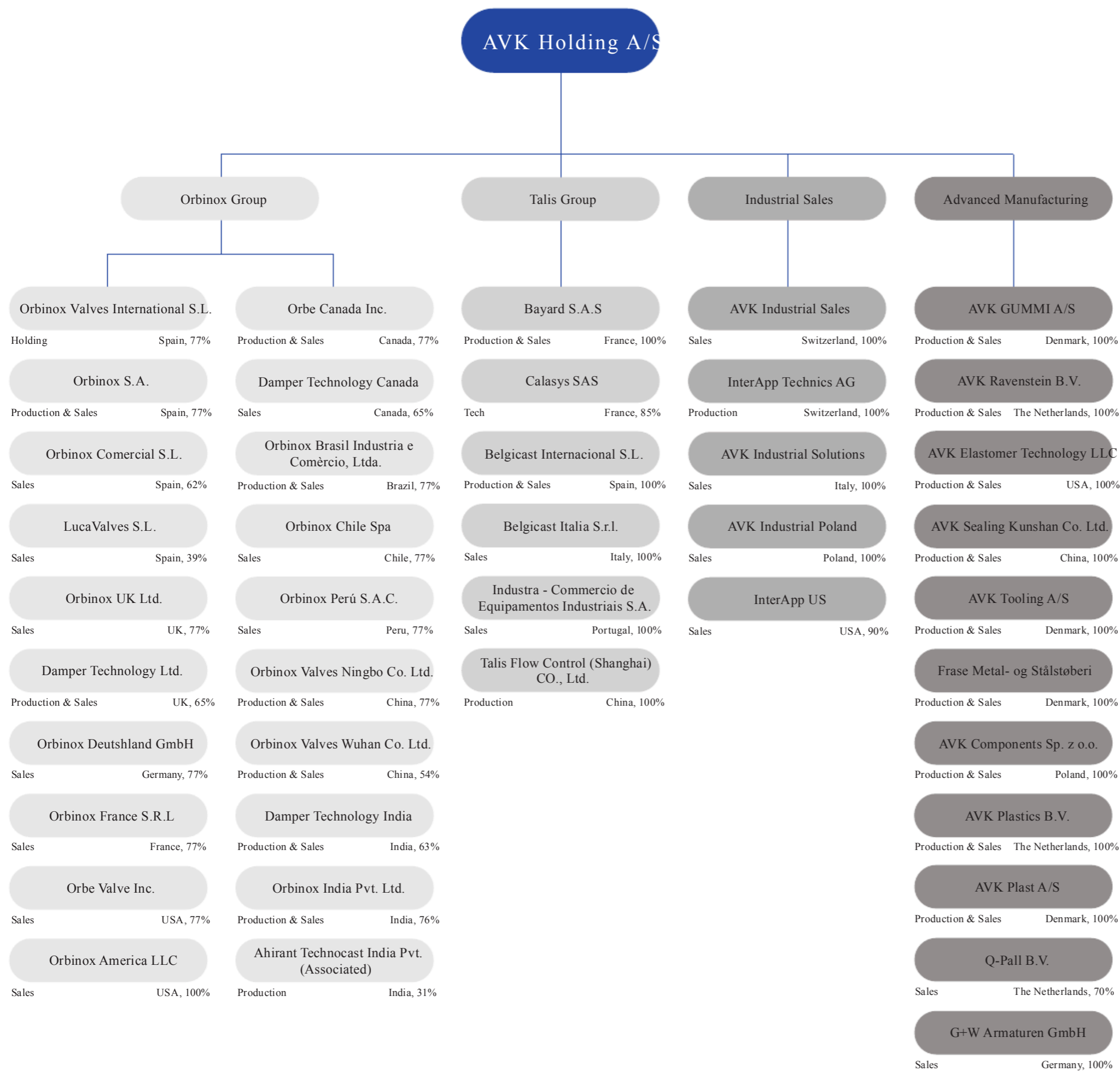
## 26 Subsidiaries

	Registered in	Ownership %
ASX 14145 Holding ApS	Denmark	100.00
ASX 14145 ApS	Denmark	100.00
CCAG A/S	Denmark	100.00
Jern Ejendomme ApS	Denmark	51.00
Ejendomsselskabet Ole Rømers Vej 6 ApS	Denmark	100.00
Ejendomsselskabet Ole Rømers Vej 8 ApS	Denmark	100.00
Foundry Ejendom A/S	Denmark	100.00
Ejendomsselskabet Sorøvej 6 ApS	Denmark	100.00
AVK Holding A/S	Denmark	100.00

26 Subsidiaries







## Shareholdings in other companies

Company name	Company type	Country	Ownership
AVK Foundry Holding ApS	Holding	Denmark	100%
AVK Brazil Holding ApS	Holding	Denmark	100%
AVK Furnes Holding ApS	Holding	Denmark	51%
AVK Indonesia Holding ApS	Holding	Denmark	80%
AVK Armatura Holding ApS	Holding	Denmark	100%
AH Aviation	Asset management	Denmark	33%
Science Flow Lab A/S	Asset management	Denmark	100%
Damper Technology Europe ApS	Administrative	Denmark	65%
Fusion Investco Ltd.	Holding	United Kingdom	93%
Dalglen (No. 787) Ltd.	Property	United Kingdom	100%
FlonIska V.O.F.	Inactive	The Netherlands	50%
Q-Pall Tooling BV	Holding	The Netherlands	70%
International Casting Investments	Holding	Spain	31%
AVK Holding Spain	Holding	Spain	89%
Orbinox South East Asia PT	Inactive	Indonesia	46%
InterApp Armaturen Holding AG	Holding	Switzerland	100%
AVK Italia Holding S.r.l.	Holding	Italy	100%
AVK Valve Tech (Maanshan) Co. Ltd.	Administrative	China	100%
AVK Holding (HKG) Ltd.	Holding	Hong Kong	100%
AVK Holding Southern Africa	Holding	Southern Africa	99%
Premier Valves Proprietary Ltd	Property	Southern Africa	99%
PV Engineering Proprietary Ltd	Asset management	Southern Africa	99%
CementationEngineering Proprietary Ltd	Asset management	Southern Africa	99%
AVK Manufacturing South Africa Proprietary Ltd	Asset management	Southern Africa	99%
GH-Fusion Limited	Holding	British Virgin Islands	46%
Fusion Group (Holdings) Australia Pty. Ltd.	Holding	Australia	93%
Glenfield Asia Pacific Pty. Ltd.	Administrative	Australia	26%
AVK Australia Holding Pty. Ltd.	Holding	Australia	100%
Q-Pall GmbH	Administrative	Germany	70%
AVK Property Holding, Inc.	Property	USA	100%
Talis Beteiligungs GmbH	Holding	Germany	100%
Talis Industrial Holding France S.A.S.	Holding	France	100%
Industra - Talis Asia Pte. Ltd.	Administrative	Singapore	100%
Talis Management Ltd.	Inactive	United Kingdom	100%
Incotel - Electronica de Gestao, Ltd.	Inactive	Portugal	35%
AVK Armatura LLC	Inactive	Russia	100%
AVK Precision Castings	Inactive	Denmark	100%
AVK Industrial Nederland B.V.	Sales	Netherlands	100%
Aqua-Gas Manufacturing Ltd.	Production	United Kingdom	100%
BryanDonkin Valves Ltd.	Production	United Kingdom	100%
AVK Syddal Ltd.	Production	United Kingdom	100%
American AVKCompany LLC	Holding	United States	100%
AVK Currumbin Pty Ltd.	Production	Australia	100%
AVK Wang Pty Ltd.	Production	Australia	100%
InterApp Deutschland	Sales	Germany	100%
InterApp Ges.m.b.H	Sales	Austria	100%
InterApp China	Sales	China	100%
InterApp Valvulas SA	Inactive	Spain	100%

## Parent income statement for 2024/25

	Notes	2024/25 DKK'000	2023/24 DKK'000
Administrative expenses		(120)	(205)
Operating profit/loss		(120)	(205)
Income from investments in group enterprises		30,000	30,000
Other financial income		51	66
Other financial expenses		(1)	0
Profit/loss before tax		29,930	29,861
Tax on profit/loss for the year	2	9	55
Profit/loss for the year	3	29,939	29,916

# Parent balance sheet at 30.09.2025

## Assets

	Notes	2024/25 DKK'000	2023/24 DKK'000
Investments in group enterprises		304,751	304,751
Financial assets	4	304,751	304,751
Fixed assets		304,751	304,751
Joint taxation contribution receivable		16	31
Receivables		16	31
Cash		249	296
Current assets		265	327
Assets		305,016	305,078

## Equity and liabilities

	Notes	2024/25 DKK'000	2023/24 DKK'000
Contributed capital		300	300
Retained earnings		264,005	274,066
Proposed dividend for the financial year		40,000	30,000
Equity		304,305	304,366
Payables to group enterprises		531	531
Payables to owners and management		10	10
Other payables		170	171
Current liabilities other than provisions		711	712
Liabilities other than provisions		711	712
Equity and liabilities		305,016	305,078
Staff costs	1		
Contingent liabilities	5		

## Parent statement of changes in equity for 2024/25

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	300	274,066	30,000	304,366
Ordinary dividend paid	0	0	(30,000)	(30,000)
Profit/loss for the year	0	(10,061)	40,000	29,939
Equity end of year	300	264,005	40,000	304,305

# Notes to parent financial statements

## 1 Staff costs

	2024/25	2023/24
	DKK'000	DKK'000
Average number of full-time employees	0	0

## 2 Tax on profit/loss for the year

	2024/25	2023/24
	DKK'000	DKK'000
Current tax	(16)	0
Adjustment concerning previous years	7	(24)
Refund in joint taxation arrangement	0	(31)
	(9)	(55)

## 3 Proposed distribution of profit and loss

	2024/25	2023/24
	DKK'000	DKK'000
Ordinary dividend for the financial year	40,000	30,000
Retained earnings	(10,061)	(84)
	29,939	29,916

## 4 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	304,751
Cost end of year	304,751
Carrying amount end of year	304,751

Investments in group enterprises are specified in the notes to the consolidated financial statements.

## 5 Contingent liabilities

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

# Accounting policies

## Basis for financial statements

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

#### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are recognised directly in the translation reserve in equity.

#### Income statement

##### Revenue

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

##### Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes normal writedown of inventories.

##### Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

##### Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

##### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

#### Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

#### Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

#### Balance sheet

##### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

##### Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intangible assets and acquired patents.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income

statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 5 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20-30 years
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

#### Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these associates are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

#### Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

#### Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

#### Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in hand and bank deposits.

#### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

#### Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

#### Provisions for pension liabilities etc

Provisions for pension liabilities etc are measured at net realisable value equal to the present value of expected payments by the individual pension plans etc.

#### Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

#### Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

#### Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

#### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

#### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

#### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

#### Formulas used for ratio calculations

Profit margin (EBITDA) (%):

$$\frac{\text{EBITDA} * 100}{\text{Revenue}}$$

Profit margin (Operating income) (%):

$$\frac{\text{Operating income} * 100}{\text{Revenue}}$$

Return on assets (%):

$$\frac{\text{Operating income} * 100}{\text{Average assets}}$$

Return on equity (%):

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

Equity ratio (%):

$$\frac{\text{Equity incl. minority interest} * 100}{\text{Total assets ultimo, excl. cash and cash equivalents end of year}}$$



AVK GROUP  
STATUTORY REPORT ON  
CORPORATE SOCIAL  
RESPONSIBILITY





# BUSINESS MODEL

The AVK Group business model reflects our dedication to employee engagement, technological innovation, responsible sourcing and production, and stakeholder engagement.

It is our purpose to develop, manufacture, and market products of a high quality and with a long lifespan. The products are used in vital infrastructure, including water supply, wastewater treatment, energy supply as well as a wide range of industrial applications that contribute to sustainable development, human health, and a better environment.

AVK is a global Group. We operate in various segments and under different conditions. We are very conscious of the risks that come with being a global Group. Therefore, we monitor our own and external manufacturing units to ensure that the specified criteria for the environment and human rights are complied with. Our foundation is to act in a responsible manner towards employees, the environment, and the surrounding community.

The companies within the AVK Group have a strong product portfolio and competencies used in many different business segments around the world.



# ESG KEY FIGURES – TABLES, COMMENTS, AND ACCOUNTING POLICIES

The data compiled in this report is from the financial year 2024/25 and includes activities from the entire AVK Group. The report details current initiatives, any new initiatives launched, and the results we have achieved over the past year. This is part of the AVK Group's annual report for 2024/25, and covers a section on social responsibility, gender balance in management, and data ethical policy.

# ENVIRONMENTAL

Table 1: Environmental data, results

	Unit	AVK Group 2024/25	AVK Group 2023/24	Development %	Description (2024/25 figures)
CO <sub>2</sub> e, Scope 1	tCO <sub>2</sub> e	12,416	14,748	-15.81	Direct emissions from burning of e.g. natural gas, oil, and petrol.
	tCO <sub>2</sub> e CO per DKKm (turnover)	1.32	1.63	-19	
CO <sub>2</sub> e, Scope 2	Location-based Scope 2 (tCO <sub>2</sub> e)	34,732	27,620	25.75	Indirect emissions from purchase of energy, e.g. electricity and district heating.
	Market-based Scope 2 (tCO <sub>2</sub> e)	28,917	36,229	-20.18	
	Market-based (tCO <sub>2</sub> e) per DKKm (turnover)	3.07	4.01	-23.44	
Total Scopes 1+2 (CO <sub>2</sub> e) market-based	tCO <sub>2</sub> e	41,333	50,977	-18.91	Total Scopes 1+2 (CO <sub>2</sub> e) market-based.
Energy consumption (Electricity)	MWh	110,455	104,032	6.17	Of these, 57,634 MWh (52.17%↑) derive from renewable energy sources with certificate and own solar cell systems.
	MWh per DKKm (turnover)	11.76	11.52	2.08	
Heat consumption (District heating)	MWh	1,375	2,966	-53.64	
	MWh per DKKm (turnover)	0.15	0.33	-54.55	
Natural gas consumption (Heat & production)	M <sup>3</sup>	4,927,346	4,557,320	8.12	Of these, 326,141 M <sup>3</sup> (6.6% ↑) derive from biogas.
	M <sup>3</sup> per DKKm (turnover)	524.52	504.85	3.90	
Water consumption	M <sup>3</sup>	189,015	206,088	-8.28	
	M <sup>3</sup> per DKKm (turnover)	20.12	22.83	-11.87	
ISO 14001-certifications	Number	50	44	13.64	AVK consists of 110 production and sales companies.
ISO 50001-certifications	Number	6	3	100	AVK consists of 110 production and sales companies.
EPD certification	Number	26	15	73.33	Applicable for all AVK production companies.

## Comments to Environmental

All figures are based on total consumption for all companies within the AVK Group.

### Environmental policy

To address our responsible use of energy and address broader environmental impacts, the AVK Group has developed an environmental policy covering a wide range of topics, including energy consumption, climate change, pollution, and the use of water and other resources.

### Greenhouse gas emissions and calculation of CO<sub>2</sub>e emissions

This year's Scope 1 (direct) and Scope 2 (indirect) emissions have been calculated in accordance with international standards under the Greenhouse Gas (GHG) Protocol, applying both location-based and market-based methodologies for Scope 2 emissions.

Some countries remain reliant on coal for the generation of electricity and heat, resulting in comparatively high CO<sub>2</sub>e emission factors. These factors are largely determined by the national energy production mix – the proportion of energy sources such as coal, natural gas, biomass, wind, solar, and hydropower used in electricity and heat generation. A higher share of fossil fuels in the production mix leads to higher average CO<sub>2</sub>e emissions per unit of energy produced. Furthermore, the share of electricity sold as renewable or “green” power through Guarantees of Origin is withdrawn from the overall electricity mix. This reduces the renewable share of the residual, non-certified electricity, leading to higher average emission factors, particularly in countries that continue to rely heavily on fossil energy sources.

Scope 1 emissions decreased in the 2024/25 reporting year, primarily driven by a reduction in the use of fossil fuel and an increased share of biogas in our energy mix. Additional contributing factors include lower natural gas consumption for heating, supported by a global transition to low-energy solutions such as the installation of heat pumps in our facilities as well as reduced gasoline and diesel consumption through the replacement of conventional vehicles with electric alternatives. These measures reflect our systematic efforts to minimise direct emissions from our operations and fleet in line with our long-term climate objectives.

Scope 2 emissions decreased significantly in the 2024/25 reporting year, despite increased production activities. The reduction has primarily been driven by increased use of renewable electricity. This includes the

implementation of on-site solar PV installations and the purchase of certified renewable energy through Guarantees of Origin (solar, wind, and hydro). In addition, ongoing efforts to improve energy efficiency across our operations have contributed to lowering indirect emissions. These measures are examples of how AVK works on minimising Scope 2 emissions from purchased electricity in line with our long-term climate objectives.

The overall CO<sub>2</sub>e intensity, measured as emissions intensity, reflects decreasing trends.

The Scope 1 index decreased from 1.63 to 1.33, while the Scope 2 index decreased from 4.01 to 3.09. The overall CO<sub>2</sub>e intensity, measured as the emissions intensity, reflects mixed trends.

See Figure 1 and Figure 2.

### Scope 1 - CO<sub>2</sub> emissions Tonnes CO<sub>2</sub>e per DKK million (turnover)

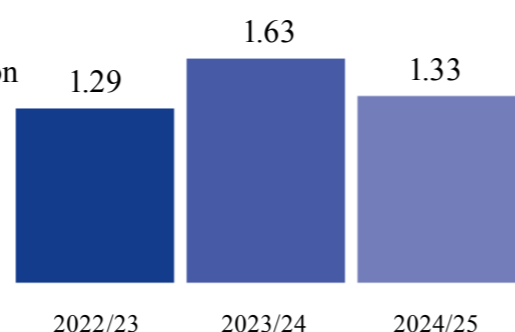


Figure 1

### Scope 2 - CO<sub>2</sub> emissions Tonnes CO<sub>2</sub>e per DKK million (turnover)

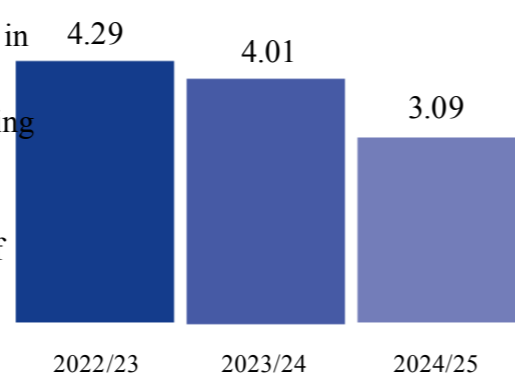


Figure 2

### Electricity consumption

The table and charts below show the AVK Group's electricity consumption in the last four years.

Our total electricity consumption increased from 104,032 MWh to 110,455 MWh (+6.17%)

in 2024/25, with MWh per DKKm increasing slightly from 11.52 to 11.76 (+2.08%). The increase in absolute electricity consumption is primarily driven by higher operational activity and the inclusion of an acquired company. Historical data for previous periods has not been recalculated to include this acquisition.

Despite the increase in total consumption, our CO<sub>2</sub>e intensity per turnover remains nearly stable due to the continued shift towards renewable energy. In 2024/25, 52.17% of our electricity consumption was sourced from renewables, supported by own solar cell installations and Guarantees of Origin. A number of subsidiaries have recorded reductions in electricity consumption as a result of local energy efficiency initiatives, such as equipment upgrades and process optimisation.

See Figure 3.

### Consumption - Electricity MWh per DKK million (turnover)

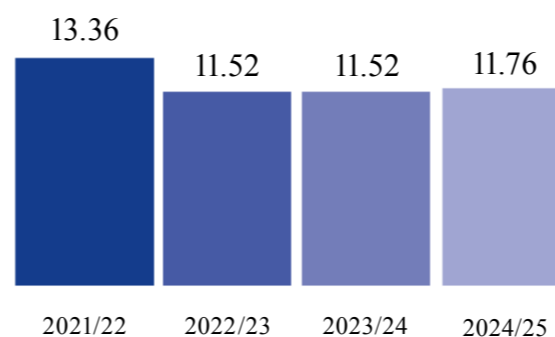


Figure 3

### Water consumption

Our total water consumption decreased from 206,088 m<sup>3</sup> to 189,015 m<sup>3</sup> (-8.28%), with water use per DKKm decreasing from 22.83 to 20.12 (-11.87%). This reduction reflects efficiency improvements across our operations, particularly in companies that have successfully implemented water-saving measures.

Despite some variations across subsidiaries, we remain committed to minimising water consumption, prioritising efforts on companies with the highest usage levels relative to their turnover. These initiatives contribute to a positive environmental impact and reinforce our commitment to sustainable operations.

See Figure 4.

## Consumption - Water

M<sup>3</sup> per DKK million (turnover)

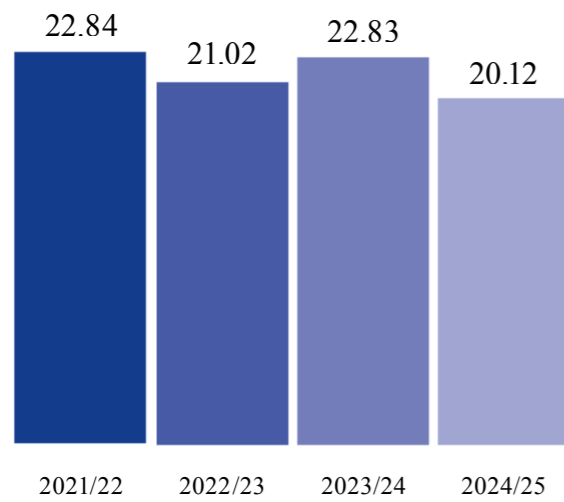


Figure 4

## Accounting policies (E)

### Greenhouse gas emissions

Reporting of greenhouse gas emissions is based on the GHG Protocol. The reporting follows the GHG Protocol's division into Scope 1 and Scope 2. Scope 3 emissions are not yet included in group-level reporting.

The reporting includes emissions of greenhouse gases specified in the GHG Protocol, such as carbon dioxide, methane, nitrous oxide, HFCs, and others. These are reported together in CO<sub>2</sub> equivalents (CO<sub>2</sub>e).

Scope 1 covers all direct greenhouse gas emissions from sources owned or controlled by the company. This includes emissions from the combustion of fossil fuels such as gas, diesel, petrol, or similar fuels. Emissions are calculated by multiplying actual fuel consumption by the relevant emission factors, using data collected directly by the company.

Fossil fuel for company-owned or leased fuel or plug-in hybrid vehicles is classified as Scope 1.

Scope 2 covers indirect emissions from the consumption of electricity, district heating, or cooling purchased from external providers.

Electricity used to charge company-owned or leased electric vehicles is classified as Scope 2, using the emission factors of the country where the electricity is purchased.

### Emission factors source

Data has been sourced from the International Energy Agency (IEA) and the UK Department for Environment, Food & Rural Affairs (DEFRA).

IEA's emission factors are based on the IPCC Sixth Assessment Report (AR6), while DEFRA

uses values from IPCC AR5. Both provide emission factors, which are used to calculate CO<sub>2</sub>e, not CO<sub>2</sub> directly.

Location-based: Calculates emissions based on the average electricity grid where we consume power. This method reflects the overall environmental impact of our electricity use in that particular region.

Market-based: Calculates emissions based on the specific electricity we purchase through contracts or certifications (e.g., Guarantees of Origin). Residual mix is used when available; otherwise, location-based emissions are applied as a fallback.

The location-based method reflects the average emission intensity of the grid, while the market-based method accounts for the impact of purchased electricity, including renewable energy.

Consumption data is collected from energy bills or meters to calculate total energy use.

### Energy consumption

Data on energy consumption is collected locally from all our companies through monthly financial reporting, based on globally defined specifications and definitions. Both direct (Scope 1) and indirect (Scope 2) energy consumption are reported, along with the amount of energy sourced from renewable and non-renewable sources.

### Share of renewable energy

Electricity is classified as renewable only when appropriate certificates such as Guarantees of Origin verify a zero-emission factor for the specific consumption. Renewable energy sources include wind, solar, biogas, and green hydrogen.

### Emission and energy intensity

Emission intensity is calculated as total greenhouse gas emissions (Scope 1 and Scope 2) in tonnes of CO<sub>2</sub>e divided by total turnover in DKKm.

Energy intensity measures energy consumption relative to a unit of activity. Energy intensity per turnover is calculated as the total energy consumption, expressed in MWh and/or m<sup>3</sup>, divided by total turnover in DKKm. For energy sources measured in volume, such as gas in cubic meters (m<sup>3</sup>), consumption is converted to MWh using standard conversion factors to ensure consistency.

### Water consumption

Water consumption data is collected locally from all our companies through monthly financial reporting, based on globally defined specifications and definitions. Water use is measured using local meter readings and/or invoices.

### Environmental Product Declarations (EPDs)

EPDs are prepared locally in accordance with international standards such as ISO 14025 and EN 15804. They cover either the full product life cycle or specific life cycle stages, for example cradle-to-grave or cradle-to-gate.

Data is collected directly from the manufacturing process, including energy use, material consumption, and emissions. Each EPD is independently verified by a qualified third party to ensure compliance with the relevant standards and accuracy of the declared data.

EPDs have a defined validity period, typically five years, and may be revised if there are significant changes to the product or production processes.

# SOCIAL

Table 2: Social data, results

	Unit	AVK Group 2024/25	AVK Group 2023/24	Development %	Description (2024/25 figures)
Number of employees	Number	5,572	5,342	4.29	The average number of full-time employees in the AVK Group as per 30 September 2025.
Fatalities	Number	0	0	0	All AVK companies.
Number of work-related accidents resulting in absence	LTA	75	47	59.57	LTA = Lost Time Accident = number of accidents with >1 day's absence. All AVK companies.
Number of accidents per 1 million working hours	LTAFR	7.09	4.63	53.13	1,900 working hours are used as an average (ref. OECD). All AVK companies.
ISO 45001 certification	Number	39	33	18.18	Applicable for all AVK production companies.

## Comments to Social

### Human rights

We adhere to the UN Declaration of Human Rights, including equal rights regardless of gender, religion, or political views, as a core aspect of our commitment to social responsibility. This commitment is reflected internally in the AVK Group Code of Conduct for employees.

### Work accidents

To reach our 2030 target of reducing the Lost Time Accident Frequency Rate (LTAFR) to below 3.0, we have established several milestone targets.

The LTAFR measures the number of lost time accidents per one million working hours.

The goal for 2024/25 was to reduce the LTAFR to below 5.0. However, by the end of the reporting year, the rate had increased to 7.09 accidents per one million working hours. It is important to note that the accidents recorded in 2024/25 were all classified as minor and did not result in long-term absence.

Figure 5 provides an overview of the accident frequency rate over the past four years, taking into account changes in the number of employees.

The number of reported work-related accidents resulting in absence increased from 47 in 2023/2024 to 75 in 2024/2025 (an increase of approximately 60%). This rise can be explained by several factors. A significant part of the increase is due to a strengthened reporting culture and greater attention to workplace safety, which has led to more consistent recording and reporting of incidents across the organisation.

### Safety performance

Number of accidents per 1 million working hours

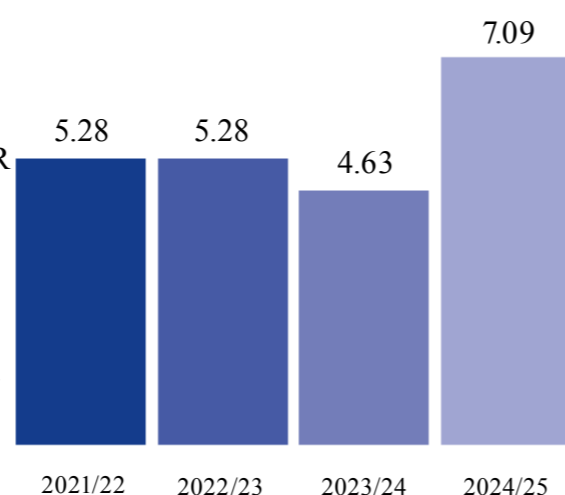


Figure 5

At the same time, data indicates that certain tasks continue to carry a higher level of risk – particularly those related to hand and finger injuries and ergonomic strains – where existing preventive measures have not yet fully reduced exposure to risk. Therefore, these areas will continue to have high priority in our ongoing health and safety efforts.

We remain committed to our overall objective of reducing the number of work-related accidents and continue to strengthen preventive measures and safety awareness throughout the AVK Group.

### Health and Safety management (ISO 45001)

ISO 45001 plays a key role in strengthening our Health & Safety (H&S) structure and ensuring continuous improvement.

The numbers of companies achieving the ISO 450001 certification has increased. To date, 39 of our companies have achieved this international certification, demonstrating our commitment to systematic management of workplace health and safety. This is an increase from 33 last year.

We are actively working to increase the number of certified companies within the AVK Group to ensure a consistent approach to health and safety across all business units. This effort

supports our long-term strategy to promote a safe and healthy work environment for all employees, to reduce work-related risks, and to enhance compliance with regulatory and customer specific requirements.

## Accounting policies (S)

Accidents, Lost Time Accident Frequency Rate, and fatalities

Information on accidents is collected locally from all our companies through monthly financial reporting, following globally defined specifications and definitions. The specifications and definitions of accidents resulting in lost time are outlined in the AVK H&S document 01.020.

Reported accidents are verified by the AVK Group's Sustainability & ESG function to secure that reported accidents are within the scope of accidents with lost time definition. All incidents are documented with details on the nature of the accidents and their underlying causes.

The total number of accidents refers to work-related incidents that led to absences extending beyond the day of occurrence. Lost Time Accident frequency (LTAFR) is calculated as the number of accidents per million working hours.

Lost Time Accident Frequency Rate (LTAFR)=  
$$\frac{(\text{Total Number of Accidents} \times 1,000,000)}{\text{Total Working Hours}}$$

To ensure consistency and transparency across our global operations, AVK has set an average of 1,900 annual working hours per employee. The benchmark of 1,900 annual working hours per employee is based on the global OECD standard for average working hours. This figure has been adjusted to reflect the geographic distribution of our workforce, the majority of whom are based outside the EU, including in China, and considers regional variations in working hours and labour legislation.

Fatalities are defined as accidents that occur at the workplace or while performing tasks directly related to one's employment.



# GOVERNANCE

Table 3: Management data, results

	Unit	AVK Group 2024/25	AVK Group 2023/24	Development %	Description (2024/25 figures)
ISO 9001- certifications	Number	69	67	2.99	Number of companies with said ISO certification.
ISO/TS 29001 certifications (Gas)	Number	12	11	9.09	Valid for all AVK companies that design, manufacture, and supply products for gas.
Supplier management and audits	Number	113	53	113.21	Our Code of Conduct applies to all suppliers, but we audit based on a risk assessment in risk areas.

## Comments to Governance

The AVK Group demonstrated continued progress in strengthening quality assurance frameworks and responsible supply chain management. The rise in audits and ISO certification coverage reinforces our commitment to operational excellence, risk mitigation, and sustainable business practices across all markets.

In response to increasing customer demands and the upcoming ESRS requirements, we have undertaken a comprehensive update of our internal Code of Conduct and global policies. Several sections, including the section on fundamental human rights, such as the prohibition of child and forced labour and the right to collective bargaining, have been clarified and expanded with new and updated policies.

### Human rights policy

We assess that the risk of human rights violations is most significant among workers further down the value chain, particularly in cases involving forced labour and unequal rights. We have greater control over suppliers the closer they are to us in the value chain. Therefore, we work systematically on registration, control, and follow-up via audits and further development of the collaboration with our suppliers.

### Supplier management

In the financial year 2024/25, we conducted 113 on-site supplier audits at selected suppliers, compared to 53 audits in 2023/24.

Ongoing supplier audits are carried out on-site according to a defined audit programme. The frequency of audits is determined by an internal country- and product-based risk assessment. Risk management is documented and maintained within our internal ISO 9001 quality management system.

The supplier audit programme is an integral part of our responsible sourcing strategy and aims to ensure that suppliers comply with AVK's Code of Conduct, applicable legislation, and relevant environmental and social standards.

Findings from the audits are followed up through dialogue and improvement plans where necessary, supporting continuous improvement throughout the supply chain.

No major incidents were identified among the audited AVK suppliers that warranted the issuance of major non-compliance reports or other corrective actions.

See Figure 6.

### Anti-corruption and bribery

As a global Group of companies, we assess corruption risks in some of the countries in which we operate. AVK does not accept any kind of action that may be considered corruption or bribery. We have zero tolerance for such incidents, and they are considered a gross misconduct that may result in disciplinary actions. The management of all our companies have signed our compliance manual, committing to comply with both national and international anti-corruption and anti-bribery laws.

Regular training and awareness programmes ensure that employees understand their responsibilities, and any suspected cases can be reported confidentially through the AVK Group's whistleblower system. This is supported by the AVK Group's Anti-Corruption Policy and the AVK Group Code of Conduct.

Supplier audits  
Number

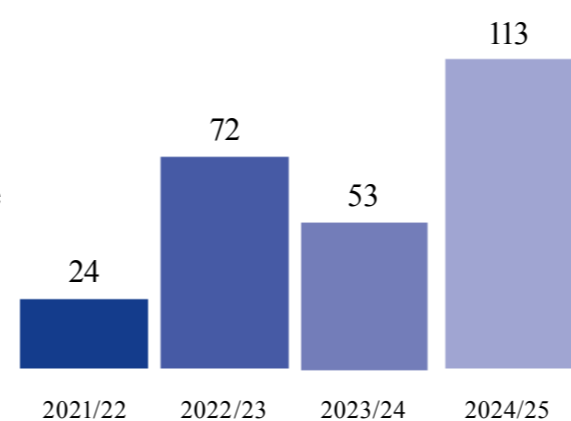


Figure 6

## Accounting policies (G)

### Board of directors

Diversity on the Board of Directors is measured as the ratio of women to men among the elected board members of AVK Holding A/S, the parent company, excluding employee-elected members.

The ratio is calculated at the end of the financial year and reported as part of the company's governance disclosures in accordance with the applicable accounting policies.

Changes in the composition of the board during the financial year are reflected in the year-end calculation. The reported ratio provides a factual overview of gender representation at board level and is used consistently for internal reporting and disclosure purposes.

### Anti-corruption

Anti-corruption compliance is measured by the proportion of the relevant workforce – typically management, sales, purchasing, and other employees with external contact – who have formally confirmed adherence to the policy. Registrations are recorded by the local companies.

### Personal data protection

A Group-level Data Ethics Policy applies to all companies within the AVK Group. The policy is implemented and monitored locally and overseen by the AVK Group. Compliance is reported to the AVK Group annually, supporting adherence to applicable data protection legislation, including GDPR.

This ensures that personal data is handled responsibly across the organisation and aligns with AVK's governance and sustainability standards.



# POLICIES AND ESG REPORTING

In spring 2025, we successfully completed our Double Materiality Assessment (DMA), providing a clear overview of our most significant sustainability impacts, risks, and opportunities across the AVK Group. This marks an important milestone in preparing for future reporting obligations.

Although the formal implementation timelines for the CSRD and ESRS have been adjusted, we continue to follow the regulatory developments closely. Our strategic direction remains unchanged: we will maintain momentum and continue progressing within the ESG areas already initiated and developed over several years. Our long-term ambition and commitment to responsible business conduct and transparent reporting remain firmly in place.

## Risk assessment and policy alignment

A comprehensive Group-wide risk assessment will be developed in alignment with CSRD and ESRS requirements. Our approach is to ensure we are prepared and aligned with the direction of expected due-diligence obligations.

Building on the output of our double materiality results, we will continue identifying relevant sustainability-related risks and opportunities across environmental, social, and governance areas and ensure they are linked to appropriate controls, management processes, and policies.

During 2024/25, we have prioritised strengthening our governance foundation by updating and consolidating key policies. A central part of this effort has been a comprehensive update of the AVK Group Code of Conduct, which serves as the umbrella framework guiding ethical behaviour, responsible business conduct, and expectations for employees, suppliers, and business partners.

As part of this, related policies have been reviewed and aligned to support future reporting, due-diligence expectations, and stakeholder requirements.

Key policy focus areas include:

## Environment (E):

### • Company Car Policy

The policy states that, starting in 2025, only electric vehicles (EVs) will be used as company cars in Denmark and in countries where the infrastructure for charging electric vehicles is in place.

### • Environmental Policy

The policy addresses our responsible use of energy and other environmental impacts, aiming to mitigate the effects these could have on the environment.

## Social (S):

### • Human Rights & Ethics Policy

The policy explicitly states that trafficking in human beings, forced labour, compulsory labour, or explorative child labour are not tolerated under any circumstances within the Group.

## Governance (G):

### • Human Rights & Ethics Policy

### • Anti-Corruption & Anti-Bribery Policy

This policy is part of our Code of Conduct and serves as an internal guideline that all portfolio businesses must adhere to. It specifies that the AVK Group actively combats all forms of corruption and that our businesses must comply with all relevant laws and regulations, regardless of where in the world they operate.

This reinforced governance structure and updated Code of Conduct ensure that AVK maintains a strong foundation for responsible business practices and is positioned to meet upcoming sustainability requirements once regulatory clarity, including CSDDD, is established.

## Report on unequal gender representation in management

When recruiting and appointing managers at AVK, we follow the principle of selecting the most qualified candidate for the role.

However, the technical and industrial nature of our business has traditionally been male-dominated, resulting in a gender imbalance both at the management level and among employees overall. As such, we recognise our responsibility to make our company more

attractive to women and ensure a better gender balance across the AVK Group.

Therefore, we have set a target of achieving 25% female representation on the Board of Directors in 2025/26. In the financial year 2024/25, women accounted for 17% of the Board of Directors excluding, employee representatives.

The AVK Group's Management Board, established in early 2025, consists of seven members, of whom two are women, equivalent to 28.5% female representation. The Management Board is responsible for overseeing the AVK Holding functions and ensuring that the Group functions have the necessary resources and competencies to effectively support the companies within the AVK Group.

To further reduce the gender diversity gap, management ensures that, whenever possible, qualified female candidates within the candidate pool are included in the final interviews for management positions at AVK Holding. At the same time, we are committed to strengthening our efforts to increase the number of women in global leadership positions.

## Report on Data Ethical Policy

In line with digital developments, such as artificial intelligence, machine learning, and the increasing cyber threats, the AVK Group is increasingly focusing on the use of data and how to ensure that physical persons remain at the centre of the processing. A responsible data culture involves, amongst other things, ensuring transparency, protecting privacy, being accountable for data usage, and staying informed about digital developments, cyber threats, and the tools employed. Therefore, AVK adopted a Data Ethical Policy in the financial year 2021/22, revised in the financial year 2023/24.

Our Data Ethical Policy reflects AVK's core values regarding data usage, ensuring that we handle data with respect for individuals. The policy is accessible on the AVK Group's intranet.

# OUR FUTURE ACTIVITIES AND AREAS OF ACTION

In the AVK Group, innovation and the development of durable, high-quality products designed for long life, repairability, and recyclability remain central to our business. Acting responsibly towards our employees, the environment, and the societies in which we operate is embedded in our values and reflected in our long-term strategic priorities.

Looking ahead, we will continue to strengthen our sustainability work by improving resource efficiency, advancing circular solutions, enhancing human rights and responsible supply chain practices, and maturing our governance and reporting processes in line with evolving global standards and stakeholder expectations.

Below, is an overview of key initiatives and focus areas that will guide our progress in the coming years.

## Future focus and planned sustainability initiatives

In the coming years, we will continue to strengthen our sustainability performance in line with the AVK Sustainability Strategy and evolving CSRD and ESRS requirements. Building on our results, we will accelerate initiatives that reduce environmental impact, support circular production, and ensure responsible business practices across our global operations.

A key focus will remain on improving resource and energy efficiency in our production, reducing reliance on fossil fuels, and increasing the use of renewable energy.

At the same time, we will continue advancing product transparency and circularity, particularly through the expansion of Environmental Product Declarations (EPD) and increased use of recycled materials.

## Key initiatives for the coming years include:

### Our environmental and climate effort Decarbonisation & energy efficiency

- Develop a climate transition plan to define our roadmap for reducing emissions and supporting long-term decarbonisation.
- Increase the share of renewable electricity, including solar panel installations at more

manufacturing sites.

- Reduce natural gas consumption, implementing energy optimisation programmes, and adopting alternative heating solutions.
- Conduct structured energy audits and continue to upgrade to energy-efficient systems, including LED lighting and smart building controls.
- Energy audits will be part of ISO 50001 activities and will follow this KPI.
- Further rollout of ISO 50001 across relevant facilities, with requirements set based on the company's total energy consumption and prioritised on our largest energy consuming companies.

### Circularity & sustainable materials

- Expand the use of recycled materials, such as plastics and metals in our production. This measurement is supported by KPIs, data, and defined targets.
- Establish internal processes for increased reuse, recycling, and waste reduction in production.
- Increase the number of EPDs to cover a wider share of our product portfolio. This measurement is supported by KPIs, data, and defined targets.

### Water management

- Continued focus on reducing water use, prioritising locations in water-stressed

regions and sites with high consumption.

This measurement is supported by KPIs, data, and defined targets.

### Climate data, transparency, & supply chain

- As a trial, we are implementing baseline calculations for Scope 3 emissions in five major EU companies, with plans to expand data maturity Group-wide across AVK from 2027.
- Strengthen supplier sustainability performance and due-diligence processes, including continued participation in EcoVadis assessments.

### Environmental management

- Extend ISO 14001 implementation across the AVK Group and drive continuous improvement at existing certified sites. This measurement is supported by KPIs, data, and defined targets.

Through these initiatives, we aim to continuously enhance our environmental performance, support our long-term decarbonisation ambitions, and contribute to a more circular and resource-efficient value chain. AVK will maintain a proactive approach to innovation, compliance, and responsible business conduct, ensuring that sustainability remains embedded in our decisions, processes, and product development.



#### Our social responsibility

At AVK, we are committed to building a safe, inclusive, and engaging workplace where employees are supported, empowered, and able to thrive. Our social responsibility initiatives in the coming years focus on health and safety, employee development, diversity, and ethical conduct.

#### Health, safety, & well-being

- Continue to implement ISO 45001 certification across all relevant sites. This measurement is supported by KPIs, data, and defined targets.
- Intensify safety initiatives to achieve a Lost Time Accident Frequency Rate (LTAFR) below 3.0 by 2030.
- Reduce numbers of accidents by strengthening safety culture through structured training, internal communication, and visibility of improvements.

#### Employee data & diversity

- Introduce a global measurement of sick leave using standardised definitions across the AVK Group to set targets and monitor improvements.
- Collect and monitor diversity data beyond gender, including age, seniority, nationality, and other relevant parameters.

#### Ethics & responsible conduct

- Implement the revised internal Code of Conduct for employees in all companies.
- Provide information and training material on Human Rights and Ethics policies to ensure responsible practices across the AVK Group and throughout the supply chain.

Through these initiatives, AVK aims to strengthen employee safety, well-being, and engagement, while fostering an inclusive and ethical workplace culture that supports long-term sustainable growth.

#### Our governance

At AVK, sustainability is part of our Core Values. We are committed to meeting rising customer expectations for responsible, transparent, and sustainable business conduct. At the same time, we continue to align our operations with CSRD and ESRS requirements to ensure compliance and support long-term sustainable development across the AVK Group.

Planned initiatives for the coming years include:

- Rollout and optimise the Code of Conduct for employees and suppliers, including training, communication, and engagement to ensure understanding and commitment.
- Expand and strengthen supplier audit

programmes to monitor compliance with ESG policies and responsible business standards.

- Enhance knowledge of the Business Ethics Policy and Anti-Corruption & Anti-Bribery Policy.
- Establish simple, systematic processes for monitoring, follow-up, and continuous improvement in governance and supplier collaboration.

Through these initiatives, AVK will strengthen governance, support ethical practices, and improve supplier oversight. We will work closely with employees, suppliers, and other stakeholders to ensure understanding and engagement with our ESG strategy, supporting steady progress towards our sustainability goals.

# OBJECTIVES FOR THE FINANCIAL YEAR 2024/25

Table 4: Environmental data, objectives for the financial year 2025/2026 →

Environmental data	Unit	Result 2024/25	Objective 2025/26	Action (Description)
CO <sub>2</sub> e , Scope 1 + scope 2 (Marketbased)	Tonnes	41,333	5% ↓	Reduction of CO <sub>2</sub> e emissions by phasing out fossil-fuelled company vehicles and natural gas, increasing our use of renewable electricity, and installing solar energy systems. Reduction in number of fossil-fuelled company vehicles and natural gas.
Water consumption	<sup>3</sup> M	189,015	1%↓	Local improvement initiatives, such as recycling of water at test stations and water-economical lavatories.
Waste for reuse/recycling	%	56%	> 65%	Percentage of waste that can be recycled. Monitor local waste fractions and thus increase recyclability.
ISO 14001 certified production companies (number of total)	Number	50	52	One additional AVK company is in the process of achieving its ISO 14001 certification.
ISO 50001-certifications	Number	6	>10	Three additional AVK companies are in the process of achieving ISO 50001 certification.
EPD certification	Number	26	>30	Applicable for all AVK production companies.

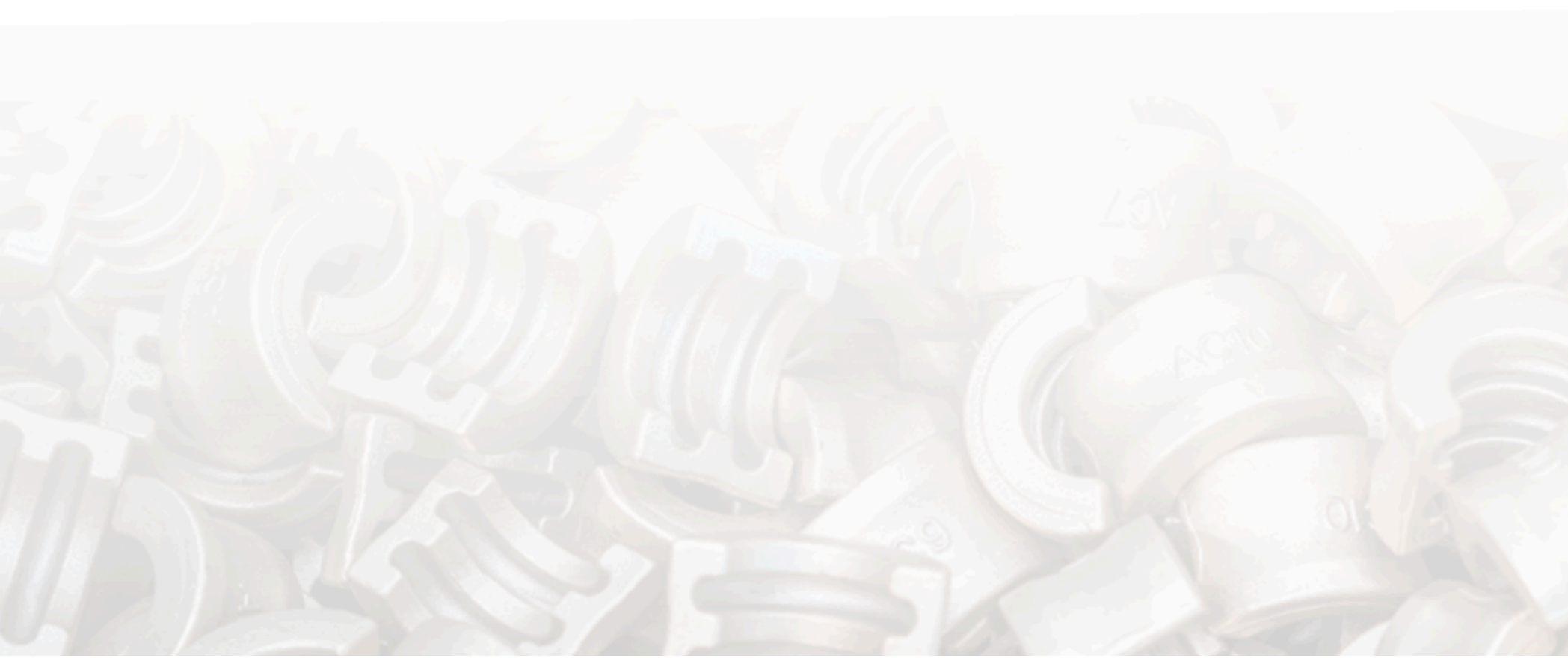


Table 5: ESG key figures, objectives for the financial year 2025/2026 →

Social data	Unit	Result 2024/25	Objective 2025/26	Action (Description)
Number of employees	Number	5,571	--	The average number of full-time employees in the AVK Group as per 30 September 2025.
Number of work-related accidents resulting in absence	LTA	75	<50	LTA = Lost Time Accident = number of accidents with >1 day's absence. All AVK companies.
Number of accidents per 1 million working hours	LTAFR	7.09	<5	1,900 working hours are used as an average (ref. OECD).
ISO 45001 certifications	Number	39	>41	Three additional AVK companies are in the process of achieving their ISO 45001 certification. Applicable for all AVK production companies.

Table 6: ESG key figures, objectives for the financial year 2025/2026 →

Management data	Unit	Result 2024/25	Objective 2025/26	Action (Description)
ISO 9001 certifications	Number	69	69	Applicable for all AVK production companies.
ISO/TS 29001 certifications (Gas)	Number	12	12	All AVK gas companies have implemented ISO 29001.
Supplier management and audits	Number	113	>120	We audit based on a risk assessment in risk areas. We will expand our activities to other countries – especially those listed as IROs.



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