

# BLÜCHER METAL A/S

Pugdølvej 1  
DK-7480 Vildbjerg

CVR no. 49 26 00 16

## Annual report 2024

The annual report was presented and approved at  
the Company's annual general meeting on

11 June 2025

Henrik Skov Ladefoged  
Chairman of the annual general meeting

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for BLÜCHER METAL A/S for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Vildbjerg, 11 June 2025  
Executive Board:

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Henrik Skov Ladefoged  
CEO

Board of Directors:

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Julien Noel  
Chairman

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Henrik Skov Ladefoged

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Koen Wilhelmus Antonius  
Kloppenber

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Jørgen Anker Jacobsen  
Staff Representative

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Peer Nørbye  
Staff Representative



## Independent auditor's report

### To the shareholder of BLÜCHER METAL A/S

#### Opinion

We have audited the financial statements of BLÜCHER METAL A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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

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

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

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

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 11 June 2025

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Niklas R. Filipsen  
State Authorised Public Accountant  
mne47781

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## Management's review

### Company details

BLÜCHER METAL A/S  
Pugdalsevej 1  
DK-7480 Vildbjerg

Website:	<a href="http://www.blucher.dk">www.blucher.dk</a>
CVR no.:	49 26 00 16
Established:	28 June 1974
Registered office:	Herning
Financial year:	1 January - 31 December

### Board of Directors

Julien Noel, Chairman  
Henrik Skov Ladefoged  
Koen Wilhelmus Antonius Kloppenberg  
Jørgen Anker Jacobsen, Staff Representative  
Peer Nørbye, Staff Representative

### Executive Board

Henrik Skov Ladefoged, CEO

### Audit

KPMG  
Statsautoriseret Revisionspartnerselskab  
Frederiks Plads 42  
DK-8000 Aarhus C  
CVR no. 25 57 81 98

## Management's review

### Financial highlights

DKK'000	2024	2023	2022	2021	2020
Revenue	599,802	523,781	562,770	505,024	461,975
Gross profit	247,122	182,899	171,498	181,164	174,669
Profit before financial income and expenses	119,040	75,292	61,414	79,802	75,824
Profit/loss from financial income and expenses	23,298	24,034	-2,030	-683	-453
Profit for the year	115,417	82,362	53,209	64,377	58,699
Total assets	535,777	409,283	498,631	461,370	371,985
Investments in property, plant and equipment	11,987	6,745	5,990	18,378	39,306
Equity	408,570	293,153	396,791	343,504	279,127
Operating margin	19.8%	14.4%	10.9%	15.8%	16.4%
Current ratio	339.9%	254.0%	384.4%	272.8%	247.9%
Solvency ratio	76.3%	71.6%	79.6%	74.5%	75.0%
Average number of full-time employees	329	326	361	326	324

The financial ratios have been calculated as follows:

Operating margin  $\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Revenue}}$

Current ratio  $\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$

Solvency ratio  $\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

In 2023, BLÜCHER Metal A/S merged with Watts Denmark Holding ApS with accounting effect from 1 January 2023, with BLÜCHER Metal A/S as the succeeding company. Comparative figures have been restated accordingly to reflect the uniting-of-interests method applied in measuring the intra-group merger.

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## Management's review

### Operating review

#### Principal activities

BLÜCHER Metal A/S conducts business within the production and sale of stainless steel drainage systems. The products consist of standard products and customised products.

#### Development in activities and financial position

##### Profit for the year (including comparison with forecasts previously announced)

Revenue for 2024 came in at DKK 599.8 million as against DKK 523.8 million in 2023, accounting for an increase of 14.5%.

Operating profit represented DKK 119.0 million as against DKK 75.3 million in 2023, accounting for an operating margin of 19.8% as against 14.4% in 2023. The increase was mainly attributable to improved cost efficiency from an increase in volume.

Profit after tax was DKK 115.4 million as against DKK 82.4 million for 2023. Results were up on forecast and are considered satisfactory.

For 2024, the Company anticipated reporting revenue 2% up on 2023. However, revenue went up by 14.5%. The revenue increase was, for the most part, driven by a favorable general market situation. Results after tax were expected to increase by 3-4% referring to the Management's review from 2023. However, the implementation of cost reduction initiatives and cost efficiency from the increase in volume drove profit after tax to increase by 40%.

#### Outlook

For 2025 revenue is expected to increase by approx. 7% compared to the year under review. This expectation is based on projected financial performance and the competitive situation in the most important markets. Furthermore, operating profit is expected to follow the increase in revenue. Management equally expects an increase of 7-9% in EBT excluding dividends from subsidiaries.

#### Research and development activities

The Company regularly engages in product development and business optimisation.

#### Branches

The Company has active branches in Finland, Australia and Poland where sales representatives support Blücher Metal A/S with operations in the respective countries.

#### Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2024.

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## Management's review

### Operating review

#### Statement on corporate social responsibility

The policies on social responsibility are developed in accordance with section 99a of the Danish Financial Statements Act.

#### Climate targets and environmental matters

BLÜCHER Metal A/S conducts business within the production and sale of stainless steel drainage systems. The products consist of standard products and customised products. The products are mainly produced in Denmark, and the Company remains focused on reducing environmental impact and improving safety for its employees.

The Company takes a business approach to CSR, creating value both for the Company and its stakeholders - i.e. customers, vendors, employees, shareholders and the surrounding community.

The most important CSR activities comprise the following:

- Environment & Climate
- Employees
- Vendors

#### Social and employee staff matters

The Company strives to ensure that each day all employees leave the workplace in the same healthy condition as they came to work. This is ensured in the form of hazard control, compliance with relevant legislation, regular optimisation and a proactive approach.

Our working environment policy reads as follows:

The Company will through internal training ensure that all activities are planned and carried out considering the employees, working environment and their surroundings. Management is to ensure a dynamic working environment, allowing optimum utilisation of work efforts and resources while still taking technical and financial aspects into account.

All activities in the Company must, at any time, be conducted in accordance with relevant legislation and any corporate deadlines for maintaining a sound working environment.

The Company has high focus on improving safety for the employees, and will continue to encourage employees actively to contribute to this, e.g. through reporting of near misses and reporting of safety observations.

During 2024, the Company has held running workshops and training related to safety on job to ensure full commitment by its employees to the governance on working environment. The company will continue the high focus on proactive safety approach by training of employees, and faster response and action on reported safety observations and near misses.

#### Human rights

We conduct business in a manner respecting human rights and requiring dignity from us all, and we support international measures promoting and protecting human rights, including measures to prevent slavery and human trafficking.

The Company's global policy to combat human trafficking reflects our obligation to comply with all anti-slavery and anti-child labour legislation as laid down in local legislation, including the British Modern Slavery Act, California Transparency in Supply Chains Act of 2010 and International Labour Organization (ILO) Standards.

This i.a. has the outcome that we:

## Management's review

### Operating review

- Ensure that all new employees are aware of our policy (Code of Conduct),
- Train our employees in our Code of Conduct,
- The Company has a hotline to report breaches thereof, and
- The Company carries out control of relevant work aspects to ensure compliance with the Code of Conduct.

WWT's Code of Conduct, applying to the Company, lays down additional guidelines for employee rights, environment/climate and anti-corruption.

The Company will maintain an open and active dialogue with employees, authorities, customers, vendors and other stakeholders.

Regarding policies for corporate social responsibility, human rights, environmental and climate impact, reference is made to the Code of Conduct prepared by the Parent Company, Watts Water Technologies, which is effective for the entire Watts Group.

Within the relevant areas, the Company did, during 2024, not identify any breaches of the Code of Conduct. In 2024, a risk analysis was made, which did not disclose any material risks within the relevant areas. Through continuous focus and open dialogue with its vendors, the Company does not expect to identify any breaches of the Code of Conduct in 2025.

### Anti-Corruption

WWT's Code of Conduct, applying to the Company, lay down additional guidelines for anti-corruption.

There is a zero tolerance approach towards bribery and corruption and requires all Company employees, officers, and directors and any third party acting on behalf of the Company to comply fully with applicable anti-bribery and anti-corruption laws and regulations.

Company employees are prohibited from directly or indirectly offering, giving, soliciting or receiving improper payments, gifts or inducements of any kind to and received from any person or organization.

Throughout 2024, the company did not identify any violations of the Code of Conduct in relation to anti-corruption. As part of our anti-corruption efforts, a risk assessment was conducted, which did not reveal any significant risks in the relevant areas. By maintaining a strong focus and fostering open dialogue with vendors, the company does not anticipate identifying any breaches of the Code of Conduct in 2025.

### Climate impact

The Company has intergrated Environment and Climate in one policy, as it is closely connected.

BLÜCHER Metal A/S is certified to the ISO 14.001:2015 standard, certification number: 157638-2014-AE-DEN-DANAK, meaning that a management system and policy are in place, ensuring that relevant legislation is complied with, and regular measures are taken to improve the Company's environmental impact.

Our environmental policy reads as follows:

In accordance with business and managerial objectives and approaches, the Company will reduce its impact on the surrounding community by regularly developing eco-friendly processes, efficiently using raw materials and energy sources and reducing emission from its processes.

The Company strives to:

- communicate openly about environmental impact from its processes and products,
- promote responsible behaviour on the part of its employees with regard to the environment and comply with internal and external rules and eliminate any risk of pollution,

## Management's review

### Operating review

- engage in positive co-operation with regulatory authorities and encourage our vendors to make use of environmentally acceptable raw materials, products and services,
- constantly promote a better environment, even though legislative requirements have been met,
- subject new projects to an environmental assessment and encourage employees to take part in preventive environmental action,
- take care that external workers and contractors working for the Company are aware of and comply with the same environmental requirements when working at the Company and
- inform buyers of of the Company's products environmental aspects in relation to the use and disposal of the Company's products.

In 2024 the Company met the Eco Efficiency goal on Hazardous waste. The Eco Efficiency goals on Water consumption and Greenhouse Gaz were not met.

Follow-up on environmental KPIs on monthly operations reviews is carred out, and best practice is shared with the Watts EHS community.

In 2024 the Company replaced the lightning to LED in both production and administrative areas in Vildbjerg.

Future we are committed to becoming more eco-friendly in the future, with specific action plans with our vendors/other stakeholders to implement sustainable practices across our operations

### Statement on data ethics

The Company is part of the Group, Watts Water Technologies, in the US. The Company adheres to various IT -systems, security, storage, and data policies established by the Group. These policies encompass the ethical use, security, and management of data, particularly data with ethical implications. A key objective of the Company with regards to data ethics is to ensure responsible consistent data practices and promote transparency in the handling, collection, and development of data within the organisation.

The Company primarily manages data associated with employees, customers and suppliers. Data collection primarily serves statistical and analytical purposes aimed at enhancing the efficiency of production and sales of stainless steel drainage systems.

The Company ensures that its employees contribute to the ethical and responsible processing of personal information and other data. Therefore, the Company continuously focuses on training, education, and further development of all employees to ensure they are well-informed about data ethics, data security and proper handling of personal information and other data. In 2025, regular employee training and monitoring of data processing will remain a high priority.

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## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2024	2023
<b>Revenue</b>	2	599,802	523,781
Production costs	3,4	-352,680	-340,882
<b>Gross profit</b>		247,122	182,899
Distribution costs	3,4	-85,415	-70,264
Administrative expenses	3,4,5	-52,188	-49,802
Other operating income		9,521	12,459
<b>Profit before financial income and expenses</b>		119,040	75,292
Income from equity investments in group entities		20,892	21,500
Other financial income	6	5,429	3,299
Other financial expenses	7	-3,023	-765
<b>Profit before tax</b>		142,338	99,326
Tax on profit for the year	8	-26,921	-16,964
<b>Profit for the year</b>	9	115,417	82,362

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2024	31/12 2023
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	10		
Patents, licences and trademarks		1,086	1,079
<b>Property, plant and equipment</b>	11		
Land and buildings		59,167	62,133
Plant and machinery		49,218	53,918
Fixtures and fittings, tools and equipment		7,690	8,071
Property, plant and equipment under construction		6,909	1,484
		<u>122,984</u>	<u>125,606</u>
<b>Financial assets</b>			
Equity investments in group entities	12	33,934	33,934
Deposits	13	301	185
		<u>34,235</u>	<u>34,119</u>
<b>Total fixed assets</b>		<u>158,305</u>	<u>160,804</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		13,784	9,882
Work in progress		17,146	16,161
Finished goods and goods for resale		34,923	36,161
		<u>65,853</u>	<u>62,204</u>
<b>Receivables</b>			
Trade receivables		61,596	54,601
Receivables from group entities		214,342	63,699
Other receivables		12,379	1,039
Prepayments	14	2,131	1,727
		<u>290,448</u>	<u>121,066</u>
<b>Cash at bank and in hand</b>		<u>21,171</u>	<u>65,209</u>
<b>Total current assets</b>		<u>377,472</u>	<u>248,479</u>
<b>TOTAL ASSETS</b>		<u>535,777</u>	<u>409,283</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2024	31/12 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		18,000	18,000
Retained earnings		390,570	275,153
<b>Total equity</b>		<b>408,570</b>	<b>293,153</b>
<b>Provisions</b>			
Provisions for deferred tax	15	11,560	13,268
Other provisions	16	1,556	1,471
<b>Total provisions</b>		<b>13,116</b>	<b>14,739</b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease obligations	17	3,026	3,552
<b>Current liabilities other than provisions</b>			
Payables to credit institutions		0	76
Prepayments received from customers		1,342	2,339
Trade payables		45,832	40,714
Payables to group entities		33,034	18,489
Corporation tax		4,517	1,480
Lease obligations	17	2,184	1,824
Other payables, including taxes payable		24,156	32,917
		111,065	97,839
<b>Total liabilities other than provisions</b>		<b>114,091</b>	<b>101,391</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>535,777</b>	<b>409,283</b>

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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2024	18,000	275,153	293,153
Transferred over the profit appropriation	0	115,417	115,417
<b>Equity at 31 December 2024</b>	<b>18,000</b>	<b>390,570</b>	<b>408,570</b>

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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of BLÜCHER METAL A/S for 2024 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements for 2024 are presented in DKK'000.

#### Reclassifications

Referring to the true and fair view set out in the Danish Financial Statements Act, the Company has reclassified individual items in the income statement. The reclassifications have affected the items productions costs, distribution costs and other operating income but have not affected results before tax, results for the year or equity. Comparative figures have been restated accordingly.

#### Omission of presentation of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of BLÜCHER METAL A/S and group entities are included in the consolidated financial statements of Watts Water Technologies, Inc, 815 Street, North Andover, MA 01845, USA.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Watts Water Technologies, Inc.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Income from the sale of goods for resale and the Company's own products is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

Segment information is provided on geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management. No segment information is disclosed in regard to business segments as the revenue patterns are identical.

#### Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred in generating revenue for the year. Commercial entities recognise their cost of sales, whereas production entities recognise production costs incurred to generate revenue for the year.

#### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

#### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

#### Income from equity investments in group entities

Income from equity investments in subsidiaries comprises dividends received. Dividends from equity investments in subsidiaries measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding ROU leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Balance sheet

###### Intangible assets

###### *Patents, licences and trademarks*

Patents, licences and trademarks comprise software, which is measured at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis over the assets' expected useful lives, which is assessed as 3-5 years.

###### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Subsequent costs, e.g. arising from the replacement of components of property, plant and equipment are recognised in the carrying amount of the relevant asset when it is probable that it will crystallise future financial benefits. The components replaced will be derecognised from the balance sheet, and their carrying amount will be transferred to the income statement. Costs of regular repair and maintenance are recognised in the income statement as incurred.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10-40 years
Plant and machinery	3-15 years
Fixtures and fittings, tools and equipment	3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

The right-of-use asset is depreciated on a straight-line basis over the shortest period of the lease period and the useful life of the right-of-use asset.

Property, plant and equipment in progress are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Leases

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Non-current lease liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement. The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

##### Financial assets

Equity investments in subsidiaries are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Deposits are recognised at amortised cost.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as financial assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Prepayments

Prepayments comprise prepayment of costs incurred of rent, insurance premiums and subscriptions relating to subsequent financial years.

##### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Equity

###### Dividends

Proposed dividends are recognised as a liability at the time of adoption at the annual general meeting. The expected dividends payment for the year is disclosed as a separate item under equity.

##### Provisions

Provisions comprise known warranty obligations regarding realised sales in former financial years and current financial year.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

#### 2 Segment information

##### Activities - primary segment

DKK'000	Domestic	Abroad	Total
<b>2024</b>			
Revenue	111,026	488,776	599,802
<b>2023</b>			
Revenue	103,279	420,502	523,781

The Company's activities relate to sales of drainage products, and there is no deviation in the sales patterns within the Company.

## Financial statements 1 January – 31 December

### Notes

#### 3 Staff costs

DKK'000	2024	2023
Wages and salaries	169,792	148,366
Pensions	20,057	18,477
Other social security costs	3,011	4,006
	<u>192,860</u>	<u>170,849</u>
Staff costs are recognised in the financial statements as follows:		
Production costs	137,166	123,297
Distribution costs	36,159	31,149
Administrative expenses	19,535	16,403
	<u>192,860</u>	<u>170,849</u>
Average number of full-time employees	<u>329</u>	<u>326</u>

Pursuant to 98b (II) of the Danish Financial Statements Act, remuneration to the Executive Board and Board of Directors is not disclosed for 2023 and 2024, as the Board of Directors have not received any remuneration in their capacity as board members in 2023 and 2024.

#### 4 Depreciation, amortisation and impairment losses

DKK'000	2024	2023
Amortisation of intangible assets	392	294
Depreciation of property, plant and equipment	13,925	15,111
	<u>14,317</u>	<u>15,405</u>
Depreciation, amortisation and impairment losses can be specified as follows:		
Production costs	13,036	13,222
Distribution costs	232	1,148
Administrative expenses	1,049	1,035
	<u>14,317</u>	<u>15,405</u>

#### 5 Fees to auditors appointed at the annual general meeting

DKK'000	2024	2023
Total fee to KPMG	<u>648</u>	<u>652</u>
Statutory audit services	542	542
Tax services	77	30
Other assurance services	0	29
Other services	<u>29</u>	<u>51</u>
	<u>648</u>	<u>652</u>

## Financial statements 1 January – 31 December

### Notes

#### 6 Financial income

DKK'000	2024	2023
Interest income from group entities	4,199	1,602
Other interest income	1,230	1,697
	<u>5,429</u>	<u>3,299</u>

#### 7 Financial expenses

DKK'000	2024	2023
Interest expense to group entities	740	454
Other interest expenses	2,283	311
	<u>3,023</u>	<u>765</u>

#### 8 Tax on profit for the year

DKK'000	2024	2023
Current tax for the year	28,629	15,909
Deferred tax adjustment for the year	-1,708	1,055
	<u>26,921</u>	<u>16,964</u>

#### 9 Proposed profit appropriation

DKK'000	2024	2023
Retained earnings	115,417	82,362
	<u>115,417</u>	<u>82,362</u>

#### 10 Intangible assets

DKK'000	Patents, licences and trademarks
Cost at 1 January 2024	5,347
Additions	399
Cost at 31 December 2024	<u>5,746</u>
Amortisation and impairment losses at 1 January 2024	-4,268
Amortisation	-392
Amortisation and impairment losses at 31 December 2024	<u>-4,660</u>
<b>Carrying amount at 31 December 2024</b>	<u><b>1,086</b></u>

## Financial statements 1 January – 31 December

### Notes

#### 11 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2024	122,274	245,306	13,650	1,485	382,715
Additions	0	0	2,584	9,403	11,987
Transferred	445	2,786	748	-3,979	0
Disposals	-130	-2,527	-2,628	0	-5,285
Cost at 31 December 2024	122,589	245,565	14,354	6,909	389,417
Depreciation and impairment losses at 1 January 2024	-60,141	-191,388	-5,580	0	-257,109
Depreciation for the year	-3,411	-7,486	-3,028	0	-13,925
Disposals for the year	130	2,527	1,944	0	4,601
Depreciation and impairment losses at 31 December 2024	-63,422	-196,347	-6,664	0	-266,433
<b>Carrying amount at 31 December 2024</b>	<b>59,167</b>	<b>49,218</b>	<b>7,690</b>	<b>6,909</b>	<b>122,984</b>
Assets held under finance leases	0	0	5,424		5,424

The Company does not have any significant minor assets, so no liabilities have been recognised in this respect.

Right-of-use assets, as recognised under IFRS 16, and included in fixtures, fittings, tools and equipment are derived as follows: Cost at 1 January 2024 DKK 9,083 thousand. Additions, DKK 1,722 thousand. Cost at 31 December 2024, DKK 10,805 thousand. Depreciation and impairment losses at 1 January 2024 DKK 3,343 thousand. Depreciation for the year, DKK 2,038 thousand. Depreciation and impairment losses at 31 December 2024 DKK 5,381 thousand. Carrying amount at 31 December 2024, DKK 5,424 thousand.

## Financial statements 1 January – 31 December

### Notes

#### 12 Financial assets – equity investments

DKK'000	Equity investments in group entities
Cost at 1 January 2024	36,900
Cost at 31 December 2024	36,900
Revaluations at 1 January 2024	-2,966
Revaluations at 31 December 2024	-2,966
<b>Carrying amount at 31 December 2024</b>	<b>33,934</b>

Name/legal form	Registered office	Equity interest	Equity DKK'000	Profit/loss for the year DKK'000
Equity investments in group entities:				
BLÜCHER UK Ltd., England*	Tadcaster	100%	12,612	1,484
BLÜCHER France S.A.R.L., France*	Evry	100%	9,463	4,118
BLÜCHER Norway AS, Norway*	Siljan	100%	8,010	764
BLÜCHER Sweden AB, Sweden*	Kalmar	100%	7,974	187
BLÜCHER Germany GmbH, Germany**	Reichenau	100%	0	0
			<u>38,059</u>	<u>6,553</u>

\*Figures are from the latest statutory annual reports (2023)

\*\*There is no public available financial statements for the component.

#### 13 Financial assets – receivables

DKK'000	Deposits
Cost at 1 January 2024	185
Additions	116
Cost at 31 December 2024	301
Revaluations at 1 January 2024	0
Revaluations at 31 December 2024	0
<b>Carrying amount at 31 December 2024</b>	<b>301</b>

#### 14 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premium and subscriptions.

## Financial statements 1 January – 31 December

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#### 15 Deferred tax

DKK'000	31/12 2024	31/12 2023
Deferred tax at 1 January	13,268	12,213
Deferred tax adjustment for the year in the income statement	-1,708	1,055
	<u>11,560</u>	<u>13,268</u>

#### 16 Other provisions

DKK'000	31/12 2024	31/12 2023
Other provisions at 1 January 2024	1,471	1,025
Additions	85	446
<b>Other provisions at 31 December 2024</b>	<u>1,556</u>	<u>1,471</u>

Other provisions comprise known warranty obligations regarding realised sales in prior and current financial periods.

#### 17 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK'000	31/12 2024	31/12 2023
Lease obligations:		
0-1 year	2,184	1,824
1-5 years	2,830	3,552
>5 years	196	0
	<u>5,210</u>	<u>5,376</u>

#### 18 Contractual obligations, contingencies, etc.

##### Contingent liabilities

BLÜCHER Metal A/S is party to a few pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Company's financial position apart from what already has been accounted for in the financial statements.

BLÜCHER Metal A/S has a joint liability in connection with a cash pool agreement with the European Watts companies.

##### Operating lease obligations

The Company has entered into two rental leases. The first rental agreement is continuously extended by three months with a total obligation of DKK 41 thousand at 31 December 2024. The second rental agreement is continuously extended by 12 months with a total obligation of DKK 64 thousand at 31 December 2024.

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#### 19 Related parties disclosure

##### Control

BLÜCHER METAL A/S is part of the consolidated financial statements of Watts Water Technologies, Inc., Massachusetts, USA, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Watts Water Technologies, Inc. are available at [www.watts.com](http://www.watts.com)

##### Related party transactions

DKK'000	<u>2024</u>
Sale of goods, group entities	177,232
Sale of services, group entities	10,026
Purchase of goods, group entities	269
Purchase of services, group entities	34,339

Financial income and expenses from/to group entities are disclosed in notes 6 and 7, and receivables and payables from/to group entities are disclosed in the balance sheet.

Pursuant to 98b (3) (II) of the Danish Financial Statements Act, remuneration to the Executive Board and Board of Directors has not been disclosed in the financial statements for 2023 and 2024, as the Board of Directors haven't received remuneration in their capacity as board members in 2023 and 2024.

During 2024, BLÜCHER Metal A/S received dividends from subsidiaries of DKK 20,892 thousand.