

**EXPECT
GLOBAL LEADERSHIP**



FINANCIAL REPORT

2023/24

Main activities

The AVK Group is divided into three main business units: AVK Water, AVK Industrial and AVK Advanced Manufacturing. AVK Water serves the water and gas supply, sewage, and fire protection markets with an extensive product range of valves, hydrants, and accessories. AVK Industrial is built on companies with strong niche positions with valve solutions for industrial water treatment in segments such as power generation, oil & gas, the marine sector, pulp and paper, mining, the chemical industry, and air separation. Advanced Manufacturing comprises companies supplying rubber, plastic, and metal components to both companies within the AVK Group and external customers in various industries including food, transport, and wind energy.

Production and sales take place through the AVK Group's network of more than 100 companies in 41 countries across Europe, the Middle East, North and South America, Australia, Asia, and Africa.

At the beginning of the year, AVK finalised the acquisition of the remaining part of the Talis Group, which included the companies Bayard (France) and Belgicast (Spain) along with their subsidiaries in Italy, Portugal, and China. The acquisition has strengthened AVK Water business unit, with their broad product range and market position, especially in Southern Europe and the desalination market.

Development of key financial figures

The net sales amounted to DKK 9,0 billion in 2023/24, which is a growth of 13.7% from the previous year.

The acquired companies have contributed to most of the growth and the organic growth rate was limited to 1.3%. However, this is positive in a market where we have experienced headwinds in many of the countries and market segments we serve as a Group.

AVK Water realised a strong growth rate of 28%, including the contribution from the acquired companies, but also helped by the continued strong sales development in the Middle East, UK, and the United States. The other two business units were impacted negatively by the slower economy, especially in Europe, lower project activity in many markets, and sales were lower than the previous year. The order intake did improve in the second half of the year, and we are entering the new year with a general higher orderbook.

The operating profit amounted to DKK 871 million, a 12.4% increase from the profit of 2022/23. The operating margin remained at the level of the previous two years, with the negative impact of growth initiatives, including the development of new markets, being offset by the continued efforts to improve the business operations based on lean, investments in automation, digitalisation, and product development.

The investment level continued at a high level, with the majority related to capacity extension, upgrading and automation of factories in several countries. Moreover, product development, the upgrade of the Group's IT platform, and energy saving and green energy projects to reduce the

CO2 impact of the Group attract considerable investments. The amount of investments in fixed assets amounted to DKK 438 million, and this amount will increase further in the coming year, where the major investment will be the establishment of a fully local supply chain in the United States.

Expected AVK Group development

AVK will continue to focus on growing our business within all three business units. Overall, the net sales are expected to develop positively with a growth rate of at least 5%, driven by organic growth as we are not expecting any major impact from acquisitions in the coming year. The growth will be helped by a general more favourable market situation, as we expect the lower interest rates to stabilise the economy in Europe. We are also seeing increased water, wastewater and irrigation related projects being implemented across emerging markets. There is a strong need of improvement in the water supply in these markets. The operating profit is expected to develop positively with the growth in sales.

AVK supports the UN Sustainable Development Goals with a special focus on SDG 6; Clean water and sanitation. A reduction of CO2-emission and sustainable solutions are getting increased attention on the political agenda all over the world, and AVK is fully conscious of its responsibility and possible contributions. AVK's products already contribute greatly to a lower CO2 footprint through reduction of water loss (less energy consumed) and recycling of materials for both the metal and plastics products of the Group. The increased attention to sustainability is considered a growth factor for the Group.

For AVK Water, Smart solutions that allow for better management and control of the water supply and irrigation systems will play a growing role in the product and service offer, helping to reduce water leakage and related energy consumption.

AVK Industrial is expanding into more markets with a strong combined product offer and will benefit from the increased consumption of electricity, which requires investments in transformers and semiconducting industry. AVK Manufacturing is growing in plastic products based on recycled materials, which include pallets as well as service boxes for valves and hydrants.

We maintain the long-term ambition of an annual growth rate of 10%, which includes acquisitions contributing both with new market opportunities and expanding the Group's product range.

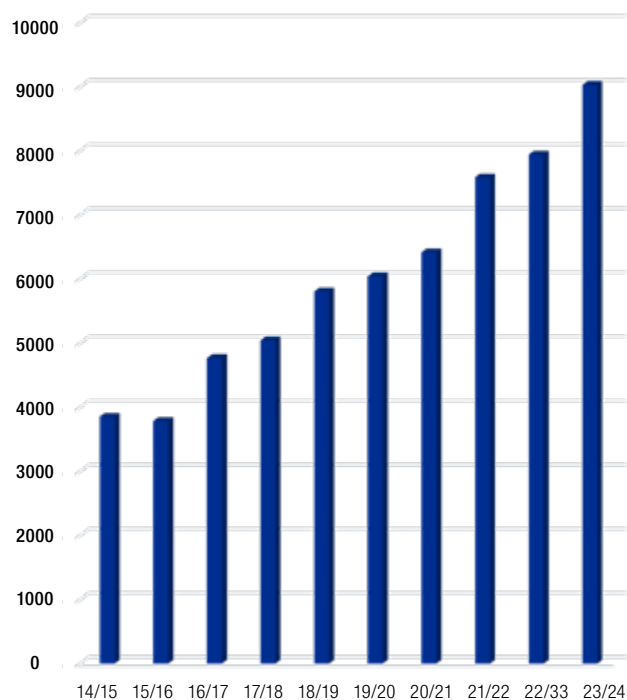
The roll-out and implementation of Lean tools to improve customer service and optimise operations continue across the AVK Group, and most operational companies now benefit from these tools.

Digital solutions will have an increasing significance on the Group's interaction with and service to customers, and in addition contribute to the optimisation of the Group's supply chain and internal processes.

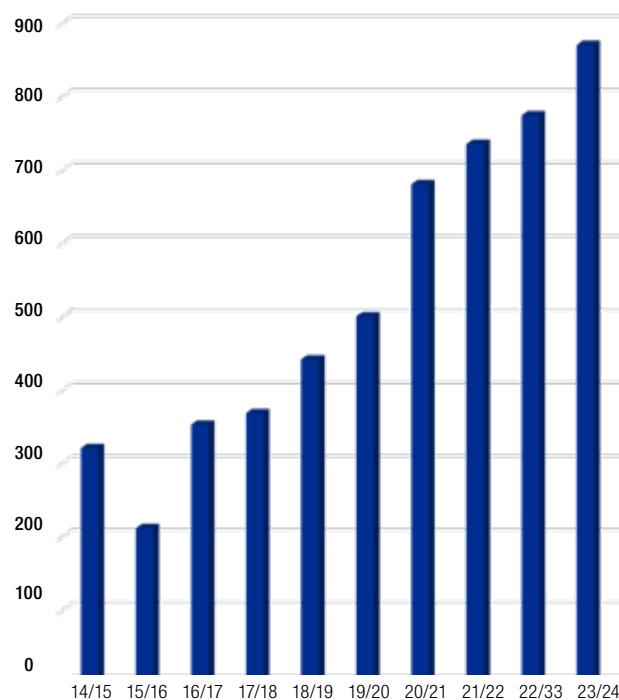
Overall, a positive development is expected for the Group in the coming year.

KEY FIGURES 2023/24

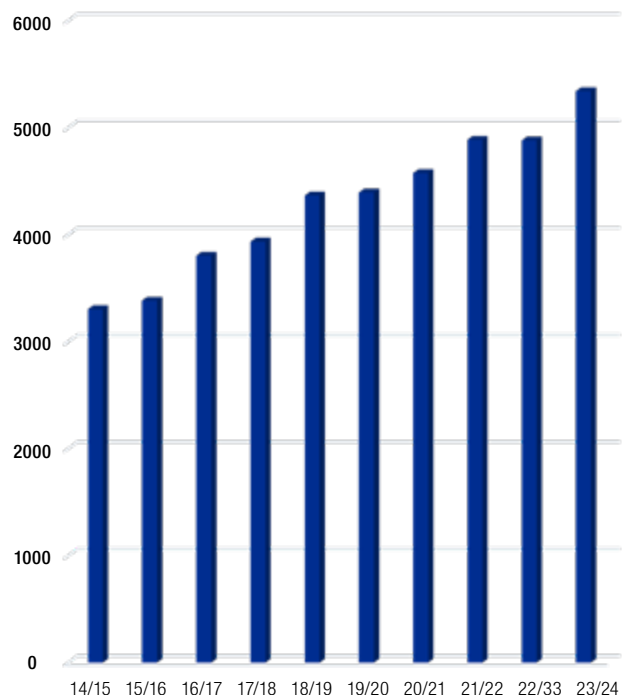
Net sales - million DKK



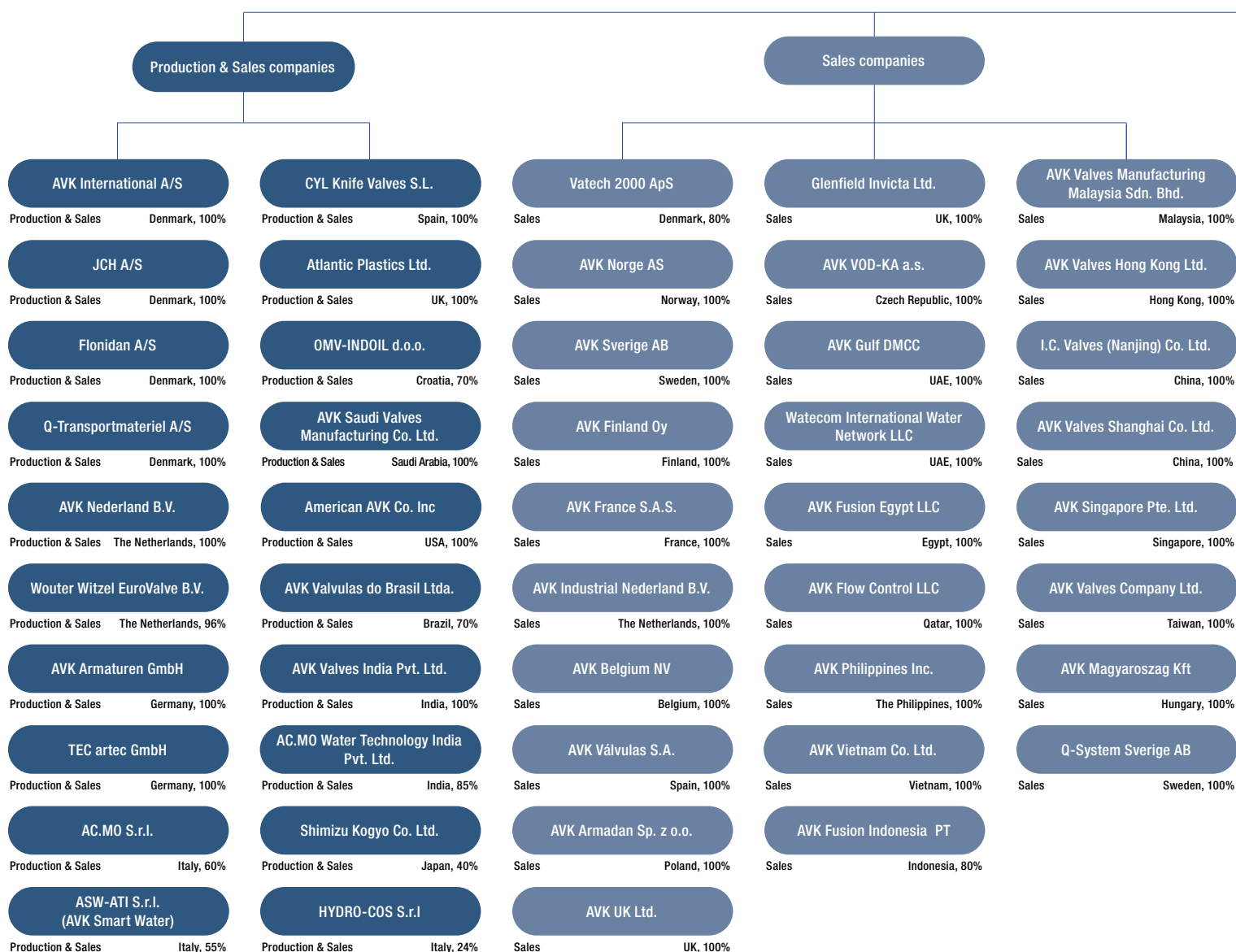
Operating profit - million DKK



Employees in the AVK Group



THE AVK GROUP OF COMPANIES



AVK Holding A/S

Production companies

AVK Polska Sp. z o.o.

Production Poland, 100%

AVK Haut Marnaise S.A.S.

Production France, 100%

Aqua-Gas Manufacturing Ltd.

Production UK, 100%

Bryan Donkin Valves Ltd.

Production UK, 100%

AVK Syddal Ltd.

Production UK, 100%

OMV-INDOIL Bosnia d.o.o.

Production Bosnia, 70%

AVK Valves Anhui Co., Ltd.

Production China, 100%

AVK Advanced Castings Anhui Co. Ltd.

Production China, 100%

Furnes Group

Furnes Jernstøperi AS

Production & Sales Norway, 51%

Randers Jernstøberi A/S

Sales Denmark, 51%

Southern Africa Group

AVK Valves Southern Africa Pty. Ltd.

Production & Sales South Africa, 98%

Premier Valves Mining Pty. Ltd.

Sales South Africa, 48%

AVK Industrial Pty. Ltd.

Sales South Africa, 48%

Zenzele Valves Manufacturing

Production & Sales South Africa, 29%

Australia Group

AVK Australia Pty. Ltd.

Production & Sales Australia, 100%

AVK Currumbin Pty. Ltd.

Production Australia, 100%

AVK Wang Pty. Ltd.

Production Australia, 100%

AVK CTS Pty. Ltd.

Sales Australia, 100%

AVK Industrial Pty. Ltd.

Sales Australia, 100%

AVK New Zealand Pty. Ltd.

Sales New Zealand, 100%

Fusion Group

Fusion Group Ltd.

Production & Sales UK, 93%

Fusion Italia SRL

Sales Italy, 93%

Fusion Polska Sp. z o.o.

Sales Poland, 93%

Ace Plastic Company Ltd.

Production & Sales Egypt, 65%

Fusion Plast Pty. Ltd.

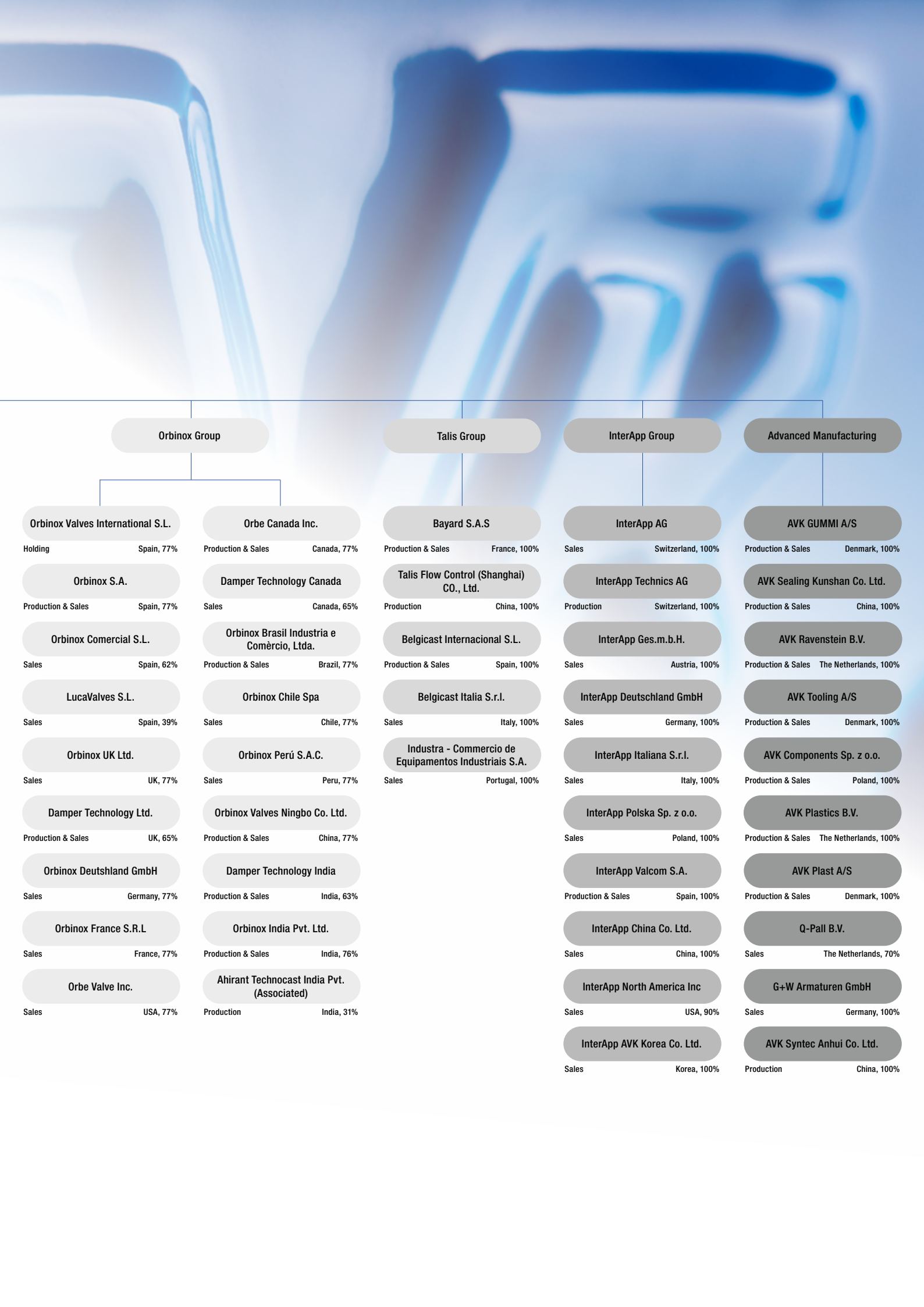
Sales Australia, 93%

AWT Fusion Sdn. Bhd.

Sales Malaysia, 46%

GH-Fusion Corp. Ltd.

Production & Sales China, 46%



Orbinox Group

Orbinox Valves International S.L.

Holding Spain, 77%

Orbinox S.A.

Production & Sales Spain, 77%

Orbinox Comercial S.L.

Sales Spain, 62%

LucaValves S.L.

Sales Spain, 39%

Orbinox UK Ltd.

Sales UK, 77%

Damper Technology Ltd.

Production & Sales UK, 65%

Orbinox Deutshland GmbH

Sales Germany, 77%

Orbinox France S.R.L

Sales France, 77%

Orbe Valve Inc.

Sales USA, 77%

Orbe Canada Inc.

Production & Sales Canada, 77%

Damper Technology Canada

Sales Canada, 65%

Orbinox Brasil Industria e Comércio, Ltda.

Production & Sales Brazil, 77%

Orbinox Chile Spa

Sales Chile, 77%

Orbinox Perú S.A.C.

Sales Peru, 77%

Orbinox Valves Ningbo Co. Ltd.

Production & Sales China, 77%

Damper Technology India

Production & Sales India, 63%

Orbinox India Pvt. Ltd.

Production & Sales India, 76%

Ahिरant Technocast India Pvt. (Associated)

Production India, 31%

Talis Group

Bayard S.A.S

Production & Sales France, 100%

Talis Flow Control (Shanghai) CO., Ltd.

Production China, 100%

Belgicast Internacional S.L.

Production & Sales Spain, 100%

Belgicast Italia S.r.l.

Sales Italy, 100%

Industra - Comercio de Equipamentos Industriais S.A.

Sales Portugal, 100%

InterApp Group

InterApp AG

Sales Switzerland, 100%

InterApp Technics AG

Production Switzerland, 100%

InterApp Ges.m.b.H.

Sales Austria, 100%

InterApp Deutschland GmbH

Sales Germany, 100%

InterApp Italiana S.r.l.

Sales Italy, 100%

InterApp Polska Sp. z o.o.

Sales Poland, 100%

InterApp Valcom S.A.

Production & Sales Spain, 100%

InterApp China Co. Ltd.

Sales China, 100%

InterApp North America Inc

Sales USA, 90%

InterApp AVK Korea Co. Ltd.

Sales Korea, 100%

Advanced Manufacturing

AVK GUMMI A/S

Production & Sales Denmark, 100%

AVK Sealing Kunshan Co. Ltd.

Production & Sales China, 100%

AVK Ravenstein B.V.

Production & Sales The Netherlands, 100%

AVK Tooling A/S

Production & Sales Denmark, 100%

AVK Components Sp. z o.o.

Production & Sales Poland, 100%

AVK Plastics B.V.

Production & Sales The Netherlands, 100%

AVK Plast A/S

Production & Sales Denmark, 100%

Q-Pall B.V.

Sales The Netherlands, 70%

G+W Armaturen GmbH

Sales Germany, 100%

AVK Syntec Anhui Co. Ltd.

Production China, 100%