Hydratec Industries

Annual Report 2024

Table of Contents

The management report as referred to in Part 9 of Book 2 of the Dutch Civil Code monitors the elements from the foreword to the sustainability statement. This version of the annual financial reporting of Hydratec Industries N.V. for the financial year ending on 31 December 2024 is not presented in the ESEF format as specified in the regulatory technical standards for ESEF (Delegated Regulation (EU) 2019/815). The set of ESEF reports can be downloaded at: https://annualreport.hydratec.nl/downloads/

Foreword

Dear shareholders, customers, employees and partners,

There are various societal developments that are affecting our company, both directly and indirectly. These include wars, armed conflicts and international tensions still continuing on Europe's doorstep. But elections overseas, fluctuating interest rates and inflation also led to uncertainty in the market and, in turn, ongoing cautiousness. In recent years, we have built a stable foundation for our companies, each with their own niche. The quality of the revenue also increased again last year, as shown by the increased margins and added value.

But overall, revenue fell organically by 3% in 2024. We saw cautiousness in the different markets we serve with both Hightech Components and Industrial Systems for various reasons. We had expected this cautiousness to diminish over the year, but this only happened in part.
Despite the economic headwinds, we have been able to improve the results by paying close attention to margins, costs and procurement. As a result, we have strengthened our market positions in both segments. Our multifaceted, decentralised organisation has enabled us to rapidly respond to ever-changing market conditions, in an agile and relevant way. All in all, 2024 was a year when we once again demonstrated that our robust structure is a good match for the different industries where we operate.

Market developments

If we look at the developments in our sub-markets, 2024 was a year of contrasts. The Mobility market, for example, has seen major unrest, including mass redundancies among our customers. There is a decreasing trend in revenue, which shows no sign of abating. This has led to increased competition in this market segment. Only revenue in the Health market remained steady, although we did expect it to do better there. The speed of further growth here is strongly determined by how quickly we can adapt our technical developments to market demands.

The Food market also showed a limited decrease, mainly because of the reluctance to make investment decisions due to market uncertainty. We took a 60% stake as of the year-end in Eqraft, a medium-sized company in Emmeloord that designs, builds and maintains onion and potato sorting and packaging lines for the international market. With this, we have added a promising, fourth line of operations to the Industrial Systems segment.

Sustainable innovation

To stay competitive in the long run, we need to remain at the forefront. That's why we strongly believe in innovative power as an accelerator for further sustainable growth. Innovations that reduce waste provide yet another incentive for a lot of our customers to choose our solutions. We are convinced that Environmental, Social and Governance (ESG) aspects are important and that they are perfectly compatible with our ambitions and objectives as a company. We are continuing to scout for opportunities to sustainably improve our products and production processes across the board, as we are certain that is where we can make the greatest environmental impact, and we are working intensively with knowledge centres, universities and suppliers. We want to be transparent about our sustainable operations and performance. In 2024, we invested a great deal of energy in the implementation of the new EU Corporate Sustainability Reporting Directive (CSRD). We report on this in the sustainability statement of our 2024 annual report.

Committed, dedicated employees

Dedicated employees are the beating heart of Hydratec. We rely heavily on their expertise and employability. That is why it is of the utmost importance to attract the right new talent, but also to keep them on board once they have joined us. The shortage of technicians on the labour market continued in 2024, but did not lead to major problems for Hydratec. However, the workload has been high at times. The diversity of the workforce is important too. We firmly believe that greater diversity improves the quality of decision-making and drives innovation. In 2024, we celebrated International Women's Day and launched further initiatives to make diversity and inclusion even more visible within our company.

Governance

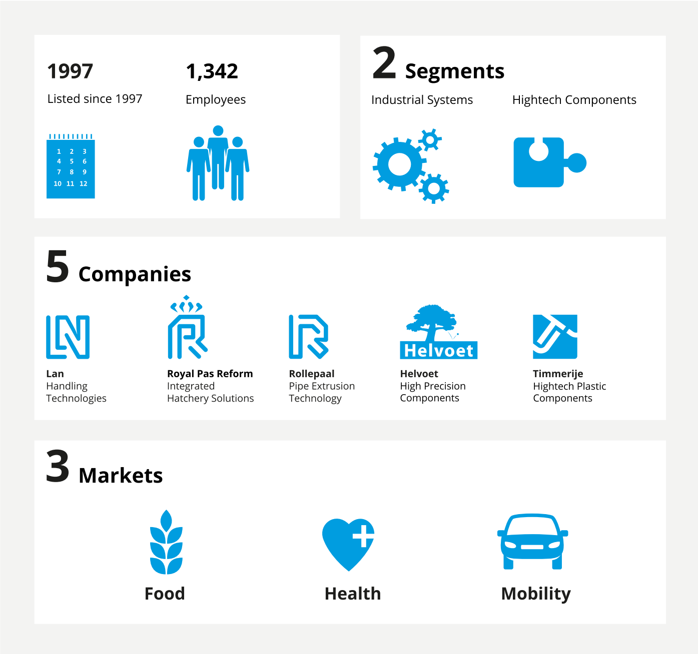
Our stock market listing has done a lot for us, but in recent years, the drawbacks as well as the costs have started to outweigh the benefits. To proceed with the delisting, a public bid by Ten Cate Investeringsmaatschappij was recommended last year. Unfortunately, the shareholders were unable to reach agreement on this. In April, Mr ten Cate resigned from the Supervisory Board. I would also like to thank him once again for the valuable and inspiring role he has played in developing Hydratec into the successful company it is today. I have always appreciated his leadership, tireless commitment and astute, practical advice, not to mention his supportive approach. In November, Ms J. ten Cate and Mr D. Raithel joined Hydratec's Supervisory Board and Mr Raithel was elected chair. Moreover, following a proposal from the Management Board, the Supervisory Board decided to appoint two people to serve jointly as CEO. Besides myself, Everien Slijkhuis was also appointed CEO of Hydratec. This decision has resulted in benefits such as complementary skills and improved continuity. I'm also happy to share my CEO role with Everien, with whom I have enjoyed working together on an equal footing for years. The diversity of our perspectives leads to balanced decision-making.

We would like to take this opportunity to thank all our colleagues for their sterling efforts, flexibility, passion and dedication. We are grateful to our customers, partners, Supervisory Board members and shareholders for their confidence and support as we continue to develop Hydratec Industries.

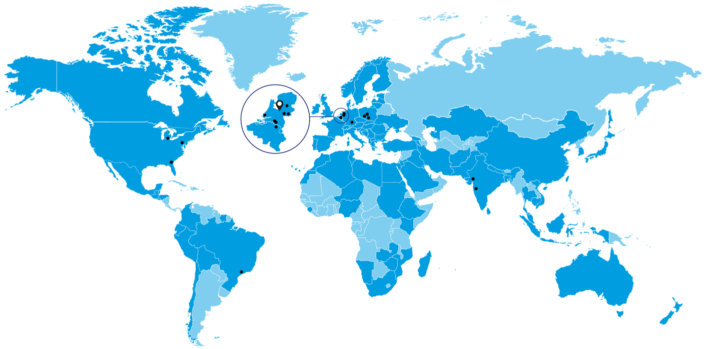
Bart Aangenendt, Co-CEO
Hydratec Industries

Company profile

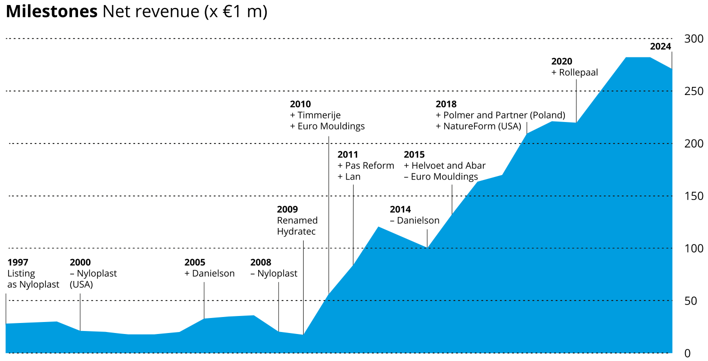
Technology company Hydratec Industries N.V. (hereinafter referred to as Hydratec) supplies industrial systems and hightech components to sustainably meet the growing need for food, health and mobility. Hydratec Industries has been listed on Euronext Amsterdam since 1997 and employs some 1,342 people worldwide. All its companies have a principal place of business in the Netherlands, but some of their production plants are outside the Netherlands, including in Belgium, Brazil, India, Poland and the US. About 50% of our staff live and work in the Netherlands.



Global operations

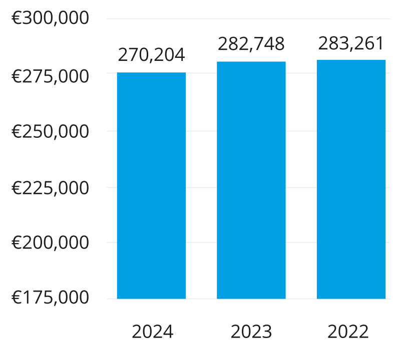


Milestones

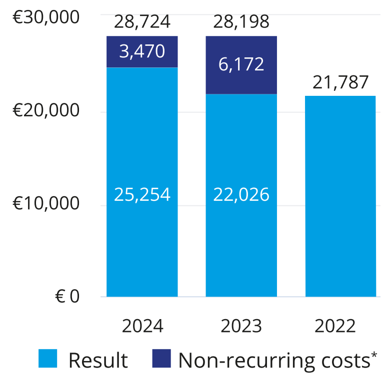


Key figures

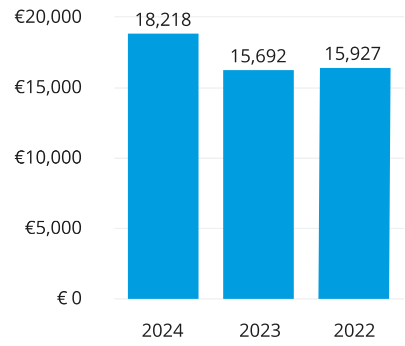
Net Revenue (x €1,000)



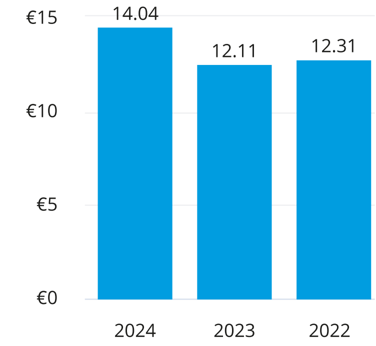
Operating result (x €1,000)



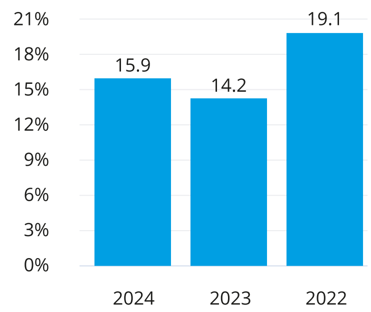
Net result for share-holders (x €1,000)



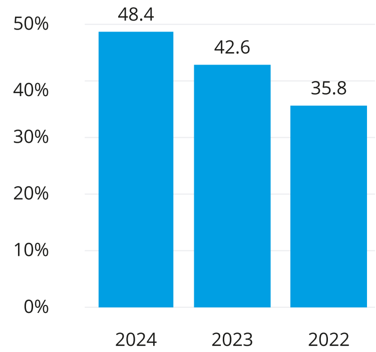
Earnings per share



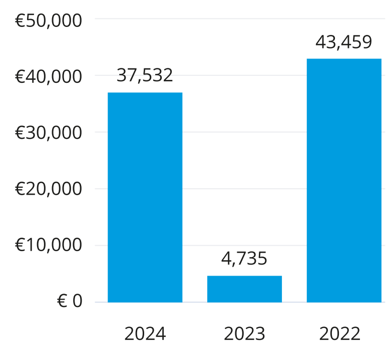
Return on equity (in %)**



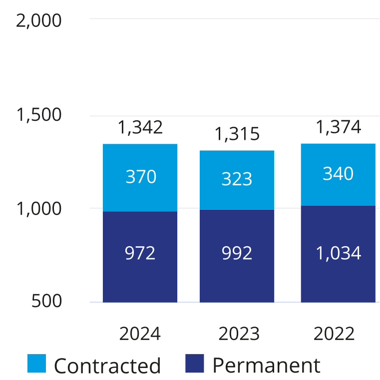
Solvency (%)**



Operational cashflow



Number of employees (end of year)



** One-off costs of €3.5 million for 2024 relate to project costs in preparation for the closure of Helvoet's Hellevoetsluis site (€2.1 million), the proposed delisting (€1.2 million) and acquisition costs (€0.2 million). One-off costs of €6.2 million for 2023 relate to the closure of Hellevoetsluis and insolvency of Helvoet Germany.*

*** For the method of calculation, see the historical summary*

Highlights

Normalised EBIT % for Hydratec Industries*

10.6%

2023: 10.1%

Ebit % Industrial Systems

15.9%

2023: 15.2%

Normalised EBIT % for Hightech Components**

5.3%

2023: 5.0%

* *Hydratec Industries' normalised operating result for 2024 has been corrected for one-off project costs to prepare for the closure of Helvoet's Hellevoetsluis site (€2.1 million), costs for the proposed delisting (€1.2 million) and acquisition costs (€0.2 million). The normalised operating result for 2023 has been corrected for one-off costs of €6.2 million (costs to prepare for the closure of Helvoet's Hellevoetsluis site and the insolvency of Helvoet Germany) and Helvoet Germany's result (€0.4 million), which was no longer included in the 2024 figures.*

** *Hightech Components' normalised operating result for 2024 has been corrected for one-off project costs to prepare for the closure of Helvoet's Hellevoetsluis site (€2.1 million). The normalised operating result for 2023 has been corrected for one-off costs of €6.2 million (costs to prepare for the closure of Helvoet's Hellevoetsluis site and the insolvency of Helvoet Germany) and Helvoet Germany's result (€0.4 million), which was no longer included in the 2024 figures.*

Historical summary

Amounts in thousands of euros, unless stated otherwise	2024	2023	2022	2021	2020
Income statement					
Net revenue	270,204	282,748	283,261	257,297	217,550
Operating result	25,254	22,026	21,787	22,027	3,342
Net result	18,238	15,797	15,820	15,133	771
Net result for shareholders	18,218	15,693	15,927	15,118	1,301
Cash flow					
Cash flow from operating activities	37,532	4,735	43,459	33,664	22,946
Cash flow from investing activities	-19,968	-11,285	-8,681	-6,661	-4,576
Cash flow from financing activities	-19,123	-7,408	-14,577	-26,568	-16,031
Net cash flow	**-1,559**	**-13,958**	**20,201**	**435**	**2,339**
Balance sheet					
Shareholders' equity attributable to Hydratec shareholders	104,579	93,817	85,990	76,082	63,079
Shareholders' equity	104,785	94,030	86,089	76,261	63,240

Amounts in thousands of euros, unless stated otherwise	2024	2023	2022	2021	2020
Key ratios					
Operating result as % of revenue (EBIT %)	9%	8%	8%	9%	2%
Profitability of capital invested [1]	16%	14%	19%	15%	1%
Profitability of shareholders' equity [2]	18%	17%	20%	22%	2%
Solvency [3]	48%	43%	36%	36%	32%
Information per ordinary share (in euros)					
Operating result[4]	19.46	16.99	16.84	17.05	2.59
Shareholders' equity attributable to Hydratec shareholders	80.58	72.38	66.46	58.89	48.92
Earnings per share from continuing operations	14.05	12.19	12.23	11.71	2.74
Earnings per share including discontinued operations, excluding third parties	14.04	12.11	12.31	11.70	1.01
Earnings per share including discontinued operations of third parties					-0.41
Earnings per share including discontinued operations	14.05	12.19	12.23	11.71	0.60
Interim dividend per share	6.00	0.00	0.00	2.10	0.00
Dividend (proposal) per share	6.00	0.00	6.00	4.65	0.00
Price at year-end	160.0	90.0	73.0	74.5	54.0
Lowest price	92.5	73.0	68.0	54.0	41.2
Highest price	162.0	94.0	94.0	79.0	70.0
Other information					
Average number of employees	989	1,027	1,032	1,151	1,255
Net revenue per employee	273.2	275.3	274.5	223.5	173.3
Wage costs per employee (not including temps and NOW scheme)	68.2	66.7	57.8	52.5	51.6

[1] *Net result and interest expenses as a percentage of capital invested (total assets less cash and cash equivalents, less current, non-interest-bearing debts).*

[2] *Net result as a percentage of the average shareholders' equity attributable to Hydratec shareholders.*

[3] *Shareholders' equity as a percentage of the balance sheet total.*

[4] *Continuing operations.*

Activities

Industrial Systems

The Industrial Systems segment includes Original Equipment Manufacturers (OEM) that market complete systems under their own brand name. These sustainable production systems respond to the growing global demand for food and clean drinking water. Our companies' innovative and integrated solutions help to minimise wastage in customers' production processes. Industrial Systems' major market segments are the global poultry, convenience food and animal feed sectors and the construction of water supply lines for sanitation and clean water.

Industrial Systems enables us to offer a broad range of products and to achieve a good spread across a variety of countries and customers. At the same time, our focus is on smart specialisation and standardisation to remain cost-effective and reduce the risks. As a systems supplier, we go further than simply building machines. We study our customers' operations in depth. In close collaboration with customers, suppliers and universities, we develop and launch new products – for existing customers too – which perform more functions and generate added value.

Lan
Handling Technologies

50+
years

140+
colleagues

500+
systems




Lan Handling Technologies has specialised in developing and producing sterilised product handling systems and end-of-line automation for the global food and packaging industries for over 50 years. Lan supplies both multinationals and fast-growing startups, covering the whole process from concept to commissioning. Design, construction, assembly and installation are all handled inhouse.

Smart modularisation

Thanks to its smart use of modularisation in the product portfolio, Lan offers a comprehensive range of customer-specific solutions based on the latest technology. More than 500 high-quality systems have already been installed worldwide. Lan develops its automated packaging solutions at its plants in Tilburg and Halfweg in the Netherlands and Jacksonville, USA. These solutions range from packaging for sterilised food in pouches, tins and jars to main-meal salads and agrifood in bags, nets, boxes and crates. One example is the new automatic crate unfolding machine.

Close collaboration

Greater efficiency, increased product diversity, attention to traceability, energy consumption and zero waste have an impact on the sustainable production environment. We are responding to these trends by working intensively with universities, prominent multinationals and innovative business start-ups in the food industry and on topics such as Industry 4.0, Digital Twins and Big Data. In doing so, Lan Handling Technologies is making a significant contribution to the growing need for safe food products.

Royal Pas Reform
Integrated Hatchery Solutions

100+
years

120+
colleagues

1000+
single stage hatcheries



Royal Pas Reform is the world's only single-source supplier of smart, integrated and sustainable solutions for hatcheries. The company is one of the largest producers of chick incubators in the world and operates in over 100 countries.

Since it was founded, Royal Pas Reform has been at the forefront of developing smart, integrated and sustainable hatchery solutions. The company supplies:

- industrial incubators for the production of uniform, robust day-old chicks;
- hatchery automation systems for the efficient processing of hatching eggs and day-old chicks;
- climate control equipment for sustainable and hygienic air and water treatment;
- hatchery management software for monitoring, analysing and optimising the hatching process;
- service and support to ensure the efficient and reliable operation of integrated hatchery systems.

Incubation process research

The Pas Reform Academy is at the heart of the company. In close collaboration with customers and universities, it conducts research into the effect of the incubation process on chick embryo development. Royal Pas Reform uses this specialist expertise to develop new, innovative products and services for the hatchery industry and to train and coach hatchery managers. Over the years, Royal Pas Reform has developed dozens of innovative solutions for hatcheries, such as SmartVac, a new technology for safe in-ovo vaccination.

International service

Royal Pas Reform's sales and service operations are conducted from three offices: Royal Pas Reform in the Netherlands, Pas Reform do Brasil in Brazil and Pas Reform North America in the United States. Royal Pas Reform also has its own sales offices in Africa, Asia, Europe, the Middle East and South America, and an extensive network of agents in more than 40 countries.

Rollepaal
Pipe Extrusion Technologies

50+
years

140+
colleagues

5000+
units



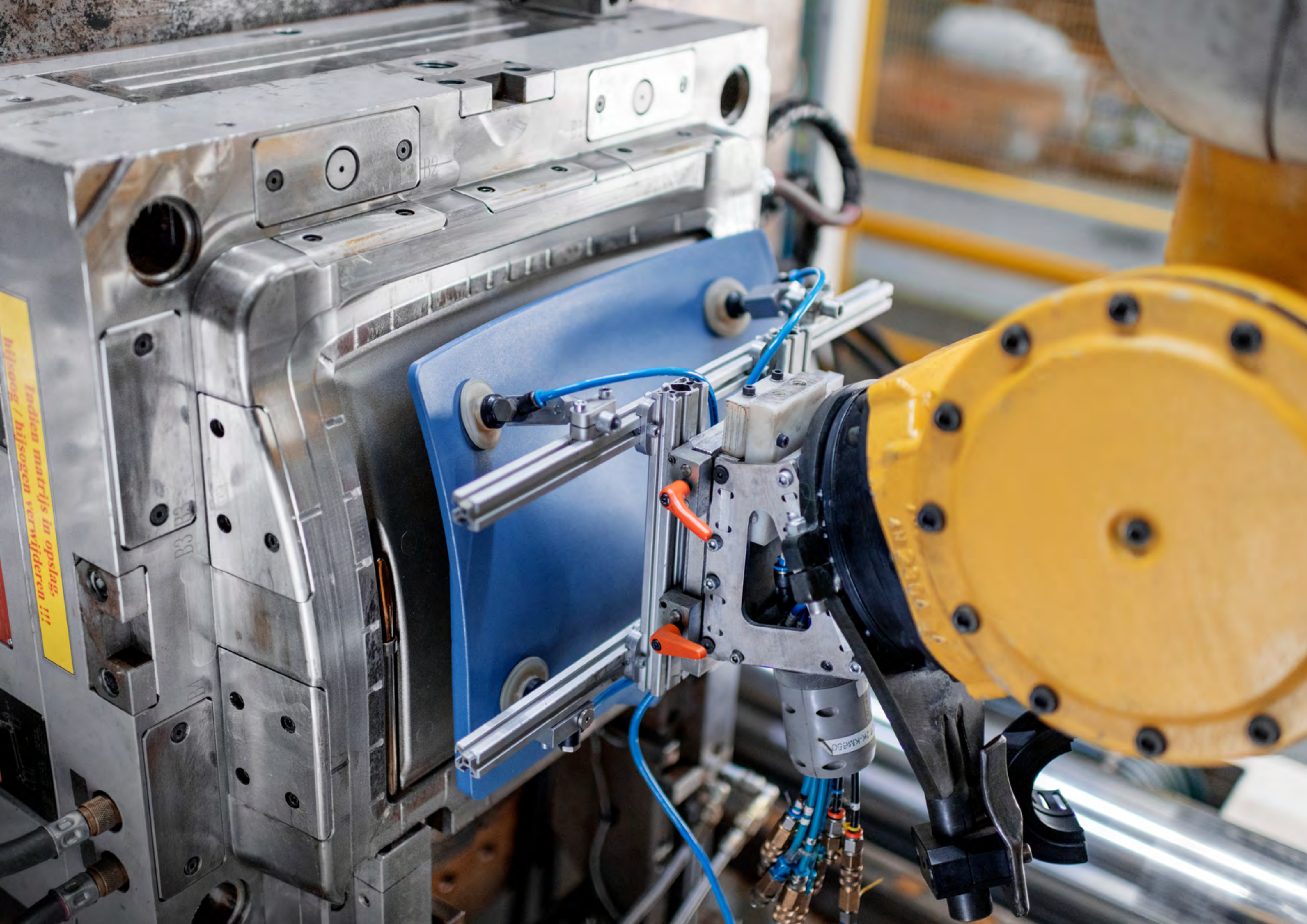

Rollepaal is a cutting-edge manufacturer of extrusion machines for PVC, PVC-O, multilayer and PO pipes. These high-tech systems are renowned for their high quality in which the focus is on durability, service and support. Rollepaal's mission is to actively contribute to its customers' success by developing sustainable, cost-saving solutions.

Reducing material usage to a minimum

Raw materials are by far the biggest cost component in the manufacture of plastic pipes. It is therefore important to reduce material consumption to a minimum while adhering to the required specifications for the pipes. Rollepaal offers various solutions for managing the quality of the pipe during production. Rollepaal machines enable customers to minimise unnecessary weight and control the thickness of the walls, thus reducing the cost of their products and contribute to a better environment. The Rollepaal PVC-O pipes have the lowest carbon footprint of all pressure pipes.

Global service and maintenance

Rollepaal has customers all over the world and exports its products to more than 100 countries. Advice and services are readily available from Rollepaal in many countries through offices in the Netherlands (Dedemsvaart), the US (Baltimore) and India (Ahmedabad) as well as from agents all over the world.


Indien matrijs in opslag,
hijsoog / hijsogen verwijderen !!!

Hightech Components

Companies in the Hightech Components segment focus on manufacturing complex parts or plastic assemblies. Plastic is a relatively new raw material, and demand for it continues to rise. This material's unique properties mean that it will play a crucial part – as a replacement for metal, for instance – in a more sustainable and raw material-efficient future. The Components segment develops and primarily produces constructive plastic components for OEMs. Quality and hygiene requirements are particularly strict in the Health market. For example, point-of-care diagnostics are assembled under cleanroom conditions.

The Hightech Components segment has high-quality production technologies, such as injection moulding for thermoplastic and thermoset products. Another significant technology is the fully-automated assembly of components into functional modules by means of robot and vision technology. Since Hightech Components operates in competitive markets, cost reduction and sustainability are prioritised, which means that we focus on lowering the weight of components, reducing material consumption and recycling raw materials. Limiting energy consumption and transport costs is also becoming more important. This helps customers to attain their sustainability goals.

Timmerije
Hightech Plastic Components

90+
years

130+
colleagues

50+
injection moulding machines




Over the course of 90 years, Timmerije has grown to become a specialist in injection moulding products using technical polymers in the Benelux. As a designer and manufacturer of high-quality products for renowned European top-brand OEMs, the company uses serial production for just-in-time supply for food & agri, mobility and various other industries.

Multiple applications

The high-quality plastic products and assembly of components find their way to a wide range of applications, from climate control systems to lorries, and from bicycle parts to coffee machines. The company controls the entire process and has its own engineering department, toolmaking facility and assembly department.

Machines, specialists and quality

Project management, mould construction, maintenance & repairs and the assembly of components is all done under one roof. Closely coordinated design, production and logistics processes guarantee a short time-to-market and provide continuity. Timmerije has also invested considerably in the production of injection moulding products over the last few years. We have more than 50 modern injection moulding machines with between 25 and 1,400 tonnes of clamping force. This modern machinery, our team of specialists and our effective quality systems are symbols of our future-oriented innovation, reliable processes and focus on service.

Helvoet
High Precision Components

80+
years

600+
colleagues

140+
injection moulding machines

Helvoet has been a global supplier of precision components made from technical polymers for more than 80 years. The company specialises in the development and batch production of complex assemblies for specialist markets.

Unique position in precision parts

Helvoet develops products made from plastic (thermoplastic and thermoset), silicone casting rubber or a combination of these, in conjunction with its customers. The company then assembles them into semi-manufactured products or a complete functional module. This combination of knowledge-intensive and cost-efficient development gives Helvoet a unique position in the world of precision components.

The rising demand for smart sampling methods with 'smart consumables' ideally positions Helvoet for various health-tech applications, such as medical cartridges, point-of-care instruments and diagnostic devices. Take new technology for cardiac test assessments for example. Helvoet's innovative plastic process technology creates new opportunities for things like DNA analysis using PCR techniques.

Helvoet's technology is also used in fuel, braking and drive systems, fuel cells, beverage dispensing systems and sensor technology for autonomous driving. Production volumes vary from medium to very large.

Continuous improvement

Continuous product and process quality improvement and 'zero defects manufacturing' are standard Helvoet tools. Helvoet's production sites have all the quality systems and certificates necessary for its specific markets. To continue to meet this high quality level, Helvoet invests in its people, processes and machines on an ongoing basis.

Objectives and strategy

Hydratec Industries

Objectives and strategy

Hydratec intends to make a sustainable contribution worldwide to the demand for food, health and mobility. Demand is still on the rise in response to global population growth and rising prosperity. Diversifying into Industrial Systems and Hightech Components makes Hydratec more agile and resilient to market fluctuations.

Sustainable innovation is the key

Hydratec's independent, versatile companies develop smart products and functions which contribute to customers' success. Our employees collaborate closely with customers and continually look for ways of improving products and production processes. We not only improve primary functions, but also logistics, maintenance and design. We equally provide consultation, paying special attention to improving sustainability and preventing waste in particular. Diversity across all layers of the organisation boosts the variety of our solution directions, improving the quality and speed of innovation.

Innovation is key for Hydratec to gain and maintain a leading position in the Food, Health and Mobility markets. Innovation enables us to add value to our customers' processes and stand out from the crowd. Most of our innovations are aimed at eliminating waste in processes and products, as we are certain that is where we can make the greatest environmental impact. Digitalisation is playing an increasingly important role in this.

In our drive for innovation and improvement, our customers are the biggest source of inspiration: if we understand their processes in depth – sometimes better than customers themselves – we can identify opportunities to improve them materially and effectively. We are looking for cooperation wherever possible, with our customers of course, but also with suppliers and knowledge institutes, such as universities and colleges. Together, we have more knowledge and innovative strength.

Leading positions

We aim for leading positions in the various niche markets and respond quickly to changes. Our long-term strategy is for all our activities to contribute to generating consistent growth in terms of revenue and result at least in line with the market. This is how we make it possible to create high added value for the end user.

Our far-reaching services lead to substantial customer loyalty. We make the difference for our customers by making use of smart technologies and we are expanding the product range at existing customers. We invest a lot of effort in various Operational Excellence programmes to prevent wastage in our own and our customers' production processes. There are several ways to prevent waste. One of them is to reduce the energy needed to manufacture products. We are cutting back on the use of materials and resources.

The consequences for the environment and public acceptance of our activities and products play an increasingly important part in everything we and our customers do. CSRD legislation also encourages us to make this more transparent.

Industrial Systems' products are sold on a project-by-project basis and worldwide, which means results may fluctuate. This makes their dependency on macroeconomic factors considerable, but it also spreads the risks. Our operations at Hightech Components are more process-oriented, which means that the fluctuations are generally less significant than at Industrial Systems.

Independent and agile

The management boards of the companies are responsible for their own operating activities within the agreed framework, and concentrate on their own specific markets. This independence makes the organisation agile and innovative. This organisational set-up once again proved its worth in 2024. All operations were able to adapt quickly and as they saw fit to the circumstances, such as the rise in the interest rate and inflation, as well as developments in the supply chain and the labour market. In addition, we have a cost-efficient structure, with limited central staffing, which reduces overheads.

The Management Board of Hydratec has regular consultations with the management of the companies to discuss all aspects of the business and periodic developments of results. These consultations are based on a fixed framework of regular reports including analyses of the key performance indicators. Frequent informal meetings are also held. All this takes place on the basis of ambitious, but realistic targets, derived from scenarios which serve as guidelines for all those involved. We evaluate strategic market positions and market options for each segment and perform a SWOT analysis annually. This leads to decisions on long-term investments and priorities for product market developments. One of our guidelines is the continued development of the organisation and an appropriate return for our shareholders.

Entrepreneurship and ambition

To respond actively to relevant changes and opportunities in the market, it is essential for each business to have effective, highly motivated management and employees. The war for talent is in full swing and, to meet our growth target, we are paying added attention to finding and keeping good employees, such as by offering internships and graduation placements on an ongoing basis. We furthermore continually promote employee development, which includes offering education and training.

Financial targets

We aim for sufficient profitability for all the companies within Hydratec. This will create room for investment in people, innovation and growth, so we have the space to handle setbacks. We set a longer-term operating result target for each segment unless special economic circumstances arise or adjustments are needed in the organisation. For Industrial Systems this is at least 10%, and for Hightech Components at least 8%, which is consistent with the Hydratec growth target and a minimum solvency target of 30%.

Growth

It is our ambition to continue to grow in terms of both quality and quantity with the activities we pursue at present. The key drivers for this are world population increase, prosperity and the innovative power of Hydratec. In addition, we want to expand and broaden our existing activities through acquisitions and joint operations. Our acquisition strategy on the basis of current activities is ‘buy and build’. We will dispose of operations that have insufficient long-term potential for Hydratec and can develop better structurally within other organisations.

In 2024, we took a 60% stake as of the year-end in Proqraft Holding B.V. (hereinafter referred to as “Eqraft”), a medium-sized company in Emmeloord that designs, builds and maintains onion and potato sorting and packaging lines for the international market. We expect this fourth member of the Industrial Systems segment to be a promising one.

Sustainable long-term value creation

We aim to add value to society based on our strategy, both in the Netherlands and internationally. We have depicted our business model in a diagram to highlight how we do that.

- It starts with the aim of using Industrial Systems and Hightech Components to sustainably meet the need for food, health and mobility for the growing global population.
- This is something we work on together: agile, close to the market and with plenty of knowledge of niche markets.
- With driven employees and technical innovations, we add sustainable value to customers' processes to tackle waste.
- Customers appreciate our efforts and, as a result, our market share and profitability are growing.
- This leads to healthy financial results which enable us to invest in training and development for our employees, in innovations and in acquisitions.

In our business model, we also deal with external factors such as governance and risks.

Business model

Environment: Risks and Governance

Food

Our companies deliver industrial solutions which help to efficiently provide food and water to increasing numbers of people and animals.

Health

By producing components for medical applications, our companies contribute towards improving our health.

Mobility

Our companies produce plastic components for cars, lorries and two-wheeled vehicles, among other things. These reduce weight, which in turn reduces fuel consumption and emissions.

Risk management

Risk management is an essential part of Hydratec's business strategy. The overriding objective is to identify and mitigate risks with a potential major impact on our achieving our strategic and financial goals, and therefore on the overall value of our business. Hydratec has a culture of entrepreneurship where employees' personal responsibility, independence and ownership come first. We are always seeking a balance between our entrepreneurial spirit and risk-taking. An effective risk management system is crucial in this regard. Final responsibility for risk management lies with the Management Board. By making risks visible, measures can be taken to manage them. The Management Board, management, Audit Committee and Supervisory Board ensure a culture in which everyone feels free to deal with risks responsibly.

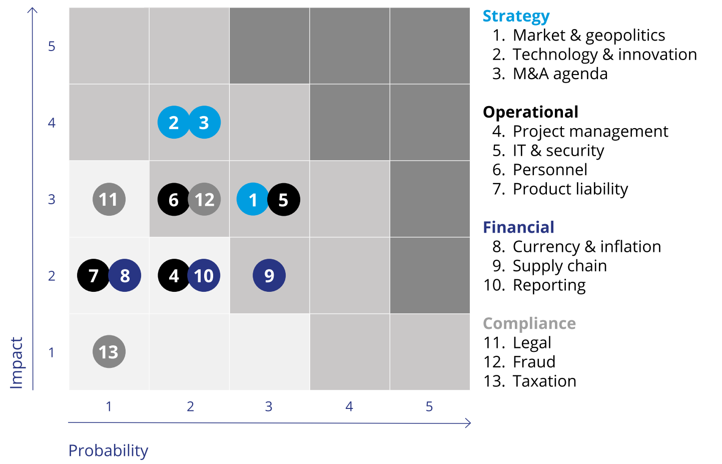
Strategic and operational decisions are targeted at creating sustainable value. This prevents decisions being made that serve only short-term gains and destroy value in the longer term. The benefit of this approach is that it ensures that risk management is solidly integrated into and inextricably linked to operations. The risk assessment system is evaluated every year during the strategic evaluation with the Supervisory Board to check that the system continues to perform adequately or whether it requires adjustments.

The main risks are identified and placed in four categories: strategic, operational, financial and compliance.

- We have estimated the possible impact of each risk or risk area on the organisation and the likelihood of the risk occurring. The impact involves financial and non-financial factors. It is the Management Board's job to balance business opportunities against the expectations and interests of shareholders, employees, finance providers, regulators and other stakeholders.
- Our risk appetite is subsequently disclosed for each category. We explicitly look for a balance between acceptable risk and entrepreneurship in the context of long-term value creation.
- And finally, we have indicated the measures we take for each gross risk to arrive at the acceptable net risk. These measures have been further improved to mitigate risks to an acceptable level.

Risk assessment

To provide a schematic overview of our net risks, an estimate of the impact and likelihood of each risk or risk area is provided in the graph below. The risks have both a financial and a non-financial impact. For the financial instruments used, please refer to section 1.41 of the financial statements.



Risk appetite

Hydratec specifically tries to strike a balance between acceptable risk on the one hand and entrepreneurship and long-term value creation on the other. Risk appetite is related to probability and impact. Our risk appetite for each risk category:

Category	Category description	Risk appetite
Strategic	Risks affecting Hydratec's long-term positioning and performance	Medium - Hydratec is willing to take risks that allow us to responsibly pursue the interests of our stakeholders and our long-term goals. These should support our growth ambition, taking into account our financial position.
Operational	Risks affecting internal processes, people, systems and/or external issues affecting strategic goals	Medium - Hydratec has an average risk appetite with regard to operational risks in order to pursue strategic goals that do not compromise operational efficiency.
Financial	Risks affecting Hydratec's financial performance	Low - Hydratec has a low financial risk appetite. Hydratec aims to have a financial position that supports long-term goals and rewards our stakeholders.
Compliance	Risk of non-compliance with laws and regulations, internal processes and procedures in a broad sense.	Low - Hydratec and its employees strive to comply with laws and regulations at all times.

Measures to mitigate risks

To align the risks to be run by Hydratec with the risk appetite, the following measures have been taken per risk. The risks are grouped into the four categories mentioned above.

Strategy

Risk	Name	Description	Mitigating measures
1	Market & geopolitics	Economic and geopolitical developments affect the implementation of the strategy, financial position and the results.	• Spread operations across several companies, products and countries. • Flexible cost structure. • Maintain a strong financial balance sheet. • Internal efficiency and cost-saving programmes. • Product development to make customer replacement investments more attractive. • Operating capital management.
2	Technology & innovation	Insufficient technological development and innovation.	• Ongoing attention to and resources for innovating and implementing the R&D roadmap. • Focus on food, health and mobility.
3	M&A agenda	Unsuccessful integration and/or operation of businesses acquired.	• Thorough multidisciplinary preliminary research. • Acquisition guidelines. • Procedures and guidelines for implementing the due diligence process. • Engaging external expert. • Fast integration and harmonisation in the reporting and management systems and of business processes.

Operational

Risk	Name	Description	Mitigating measure
4	Project management	Risk that projects are not delivered consistent with specifications, agreements and planned margins.	• Invest in qualified staff. • Educate and train staff. • Guidelines and procedures for project management and project accounting.
5	IT & Security	Risk of breaching availability, confidentiality and integrity of data (including IP).	• IT control framework. • Exchange of knowledge between various IT managers. • Strict procedures when systems fail or malfunction. • Ongoing attention to cybersecurity and awareness among employees.
6	Personnel	Shortage of well-qualified staff, inability to retain qualified staff.	• Talent management programme and personnel management. • Educate and train staff. • Use good reputation to recruit talent. • Partnership programmes with educational institutes.
8	Product liability	Faults in the production process or technology which may lead to a loss of quality and discontinuity.	• Strict quality standards and certification. • Risk Identification and Assessment. • Fire and other insurance. • Standardisation of products and processes.

Financial

Risk	Name	Description	Mitigating measure
8	Currency & inflation	Volatility of currencies and rising inflation putting profit margins under pressure.	• Hedging currency risks by means of forward exchange contracts. • Price movements are set off in the selling price as much as possible. • Margin analyses.
10	Supply chain	Supply chain restrictions resulting in limited availability of materials and volatility of material prices.	• Price movements are set off in the selling price as much as possible. • Strategic procurement from several suppliers • Margin analyses. • Internal efficiency and cost-saving programmes.
11	Reporting	Risk that reporting contains material errors and does not comply with existing or new laws and regulations.	• Internal procedures and guidelines for internal and external financial reporting. • Education and training. • Making use of external consultants.

Compliance

Risk	Name	Description	Mitigating measure
12	Legal	Loss or damage (including reputational) due to being in breach of the law and regulations, including in matters relating to export and sanction regulations, unfair competition, fraud, bribery and corruption.	• Internal compliance guidelines. • UBO and background check. • Signed agreement with agents. • Control over beneficiary of compensation to agents. • Regular workshops on the risk of fraud. • Code of conduct for all personnel. • Internal guidelines pertaining to complying with environmental legislation.
12	Fraud	Material inaccuracies, fraud, or unlawful acts can occur despite the internal risk management and control systems.	• Fraud framework • Internal control framework • Regular workshops on ethics and the risk of fraud.
13	Taxation	Loss or damage (including reputational) due to being in breach of tax laws and regulations.	• Monitoring compliance and development of tax laws and regulations. • Making use of external tax consultants. • Tax Control Framework.

Hydratec Industries

Developments 2024

Product and market development

Industrial Systems

Production facilities	Countries with revenues
7	100
2023: **7**	2023: **105**

Key market developments

Within Industrial Systems, Food is the most significant end market. Sub-markets are the global poultry, convenience food and animal feed sectors, and the construction of water supply systems. Through seven production sites in the Netherlands, the United States, India and Brazil, we generated revenue of €155.9 million (2023: €162.3 million) in 100 countries (2023: 105) in 2024. 95% of revenue was achieved outside the Netherlands (2023: 98%).

General

We are achieving a good spread of products across different countries and customers in the sub-markets for Industrial Systems. Customers around the world continued to show reluctance to invest in 2024, in view of the wars, armed conflicts and international tensions on Europe’s doorstep. But elections overseas, fluctuating interest rates and inflation also led to uncertainty in the market. We saw that decisions took longer to make as a result, although the strategic need of investing in automation and materials-saving solutions did not decrease. Overall, this resulted in a significant drop in revenue in North America and even a sharp drop in South America. This drop in revenue could not be offset by a sharp increase in revenue in Africa or a significant increase in revenue in Asia.

These markets are becoming increasingly important, partly because of demographic developments, but they sometimes require a specific approach. By the end of the year, our order book's status was similar to that at the end of last year.

Poultry market

In the poultry market for Royal Pas Reform, revenue from hatchery systems for chicks decreased markedly in 2024, yet Royal Pas Reform achieved a good result in 2024. In the United States in particular, after excellent revenue in 2023, revenue and order intake decreased significantly. The poultry market is a very project-oriented market, where revenue and therefore results vary considerably from year to year. We have begun to streamline the organisation at our US location. This has increased efficiency and reduced fixed costs in the US while maintaining the sales and service structure.

Animal feed and convenience

Revenue in the animal feed and convenience sector for LAN Handling Technologies declined markedly. However, there was a better spread across different customers. We again added some appealing customers to the portfolio in 2024. As a result, dependency on some large customers decreased further. Despite challenging market conditions, order intake increased again. A broader spread across a greater number of customers also led to an increase in fixed costs. Local service and sales activities are performed at our US site, which opened in 2023, and this has already led to some promising projects.

Water supply systems

Revenue for our Rollepaal pipe extrusion systems rose significantly again in 2024. The organisation has been able to scale up with increasing revenue. There was a major focus at Rollepaal on the smart use of modularisation in the product portfolio. This means that Rollepaal can offer a comprehensive range of customer-specific solutions based on the latest technology. Moreover, the company has taken steps to develop different variants for the various customer regions.

Production

The turmoil we saw in the supply chain at Industrial Systems alleviated during the year, making production of our systems more efficient. Materials were more readily available and had shorter and more reliable delivery times. Prices were also more predictable than in the previous year. As a result, we were able to markedly increase margins. Standardisation and modularisation remain key projects to deliver cost-effective solutions for our customers through the reuse of solutions. At Industrial Systems, innovation is mainly aimed at eliminating waste in our customers' processes, as we are certain that is also where we can make the greatest environmental impact. In doing so, we stand out by adding real value to those processes.

Hightech Components

Production facilities

6

2023: **6**

Countries with revenues

32

2023: **35**

Hightech Components' most important markets are Mobility and Health. The components were exported to 32 countries in 2024 (2023: 35), resulting in revenue of €115.0 million. That is a limited decrease compared to 2023 (€120.6 million). Since the German site changed hands in 2023, organic decline is only marginal at 2%.

Mobility

There was unease in the Mobility market in 2024 due to disappointing sales, both from cars and bicycles. Also, innovation efforts in autonomous driving and electrification seem to be taking longer to pay off, if at all. This has led to increased competition in this market segment. In any case, the Mobility market has experienced a particular dynamic in recent years, with the Covid-19 pandemic and the Ukraine war successively leading to very high inflation, chip shortages and bullwhip effects in the markets. Over the course of 2024, supply chain shortages were reduced, but the Mobility market did not return to normal. The market has seen major unrest, including mass redundancies among our customers. As a result, there is a decreasing trend in revenue, which shows no sign of abating. Despite the challenging market situation, Mobility's revenue fell only modestly compared to 2023.

Health

Revenue in the Health market was stable in 2024 and shifted to the more complex assemblies. In particular, regular high-volume production for new applications picked up in 2024. This development also resulted in other engineering assignments from renowned customers in the medical sector. The rising demand for smart sampling methods with 'smart consumables' ideally positions Helvoet for various health-tech applications, such as medical cartridges, point-of-care instruments and diagnostic devices. The speed of further growth here is strongly determined by how quickly we can adapt our technical developments to market demands.

Helvoet's organic revenue increased marginally in 2024. In the Netherlands, the decision to cease production in Hellevoetsluis and concentrate on locations in the Netherlands, Belgium, Poland and India was implemented last year. There were also many last-time-buy orders within this complex logistics operation. Operations in Hellevoetsluis will come to an end in 2025. As budgeted, the various relocations also brought one-off costs in 2024, so we have not yet been able to fully benefit from the efficiency and cost benefits of the closure.

At Timmerije, revenue dropped markedly in 2024. Following a rather sudden decline in demand in 2023, an increase was expected in the second half of 2024. However, the increased uncertainty in the different markets has led to continued restraint in business and consumer spending. As a result, revenue did not increase as planned and even decreased in 2024. However, Timmerije has been able to secure new projects and customers for us. In addition, a docking station for freight transport was built at the site to make logistics operations more efficient and prepare us for future growth.

Financial developments

x €1,000	2024	2023
Statement of profit or loss		
Net revenue	270,204	282,748
Operating result	25,254	22,026
Net result	18,238	15,797
Cash flow		
From operating activities	37,532	4,735
From investing activities	-19,968	-11,285
From financing activities	-19,123	-7,408
Net cash flow	-1,559	-13,958
Balance sheet		
Shareholders' equity attributable to shareholders	104,579	93,817
Shareholders' equity	104,785	94,030
Balance sheet total	216,418	220,920
Key ratios		
Operating result as % of revenue	9.3%	7.8%
Profitability of capital invested [1]	15.9%	14.2%
Profitability of shareholders' equity [2]	18.4%	17.5%
Solvency [3]	48.4%	42.6%
Number of outstanding shares	1,298,307	1,297,212
Earnings per share (in euros)	14.04	12.11
Number of own employees[4]	972	991

[1] Net result and interest expenses as a percentage of capital invested (total assets less cash and cash equivalents, less current, non-interest-bearing debts).

[2] Net result as a percentage of the average shareholders' equity attributable to Hydratec shareholders.

[3] Shareholders' equity as a percentage of the balance sheet total.

[4] Own employee FTEs at year-end.

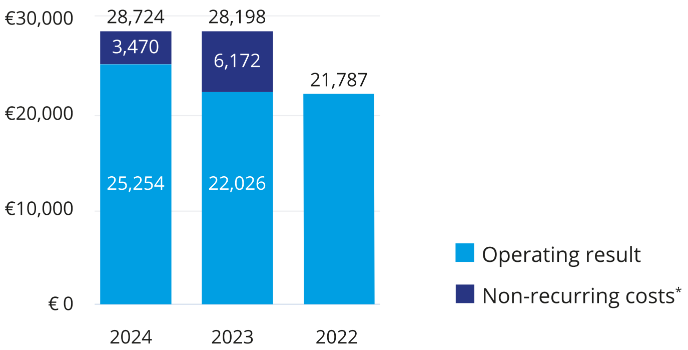
Result for 2024

In 2024, revenue came to €270.2 million, down by €12.5 million compared to 2023 (€282.7 million). Both Industrial Systems and Hightech Components saw a decrease in revenue compared to the previous year. The margin (55.0%) improved in 2024 compared with 2023 (52.0%) thanks to fewer supply chain disruptions and the fact that increased raw material prices were passed on more efficiently.

Operating costs (total operating costs minus consumption, materials and consumables) amounted to €123.4 million in 2024 (2023: €125.0 million). Operating costs for 2024 include one-off expenditure of €3.5 million for project costs to prepare for the closure of Helvoet's Hellevoetsluis site (€2.1 million), the proposed delisting (€1.2 million) and acquisition costs (€0.2 million). The one-off costs consist of wages, salaries and temporary staff (€1.4 million), and other operating costs (€2.1 million).

Operating costs in 2023 included €6.2 million in one-off restructuring and closure costs and €2.0 million in Helvoet Germany, which were no longer included in the figures in 2024. The normalised operating costs for 2024 of €120.0 million have increased by €3.1 million overall compared to 2023. The decrease of €2.9 million within Hightech Components was offset by an increase of €6.0 million in operating costs within Industrial Systems, mainly due to higher personnel costs.

Operating result (x €1,000)



** One-off costs of €3.5 million for 2024 relate to project costs resulting from the closure of Helvoet's Hellevoetsluis site (€2.1 million), the proposed delisting (€1.2 million) and acquisition costs (€0.2 million). One-off costs of €6.2 million for 2023 relate to the closure of Hellevoetsluis and insolvency of Helvoet Germany.*

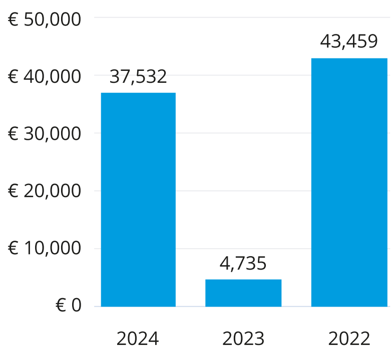
The operating result stands at €25.3 million for 2024, which is €3.2 million higher than last year. The normalised result for 2024 is €28.7 million, in line with the normalised operating result for 2023. The 2024 tax rate was 24.8%, lower than in 2023 (25.0%). The net result ended at €18.2 million, an increase on the previous year (from €15.8 million).

Cash flow

The operating cash flow in 2024 was €37.5 million (2023: €4.7 million), an increase of €32.8 million compared to 2023, mainly due to changes in working capital. The drop in inventories is due to an active reduction of these. Over the past year, we have invested a total of €20.0 million in tangible fixed assets and the acquisition of a 60% stake in Eqraft, a medium-sized company in Emmeloord that designs, builds and maintains onion and potato sorting and packaging lines for the international market.

Moreover, payment of interim dividends, repayment on long-term loans, lease liabilities and decreases in the current account position have resulted in a negative cash flow of €19.1 million. On balance, net cash flow fell to €1.6 million in 2020 compared to €14.0 million in 2023.

Operational cashflow (x € 1.000)



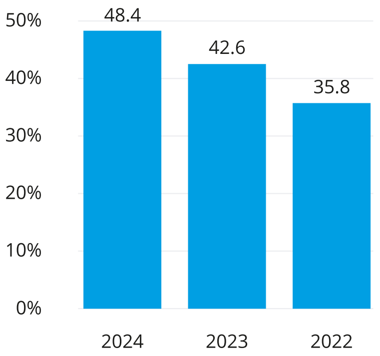
Financial position

In 2024, the balance sheet total fell from €216.4 million to €214 million (2023: €220.9 million). The 60% stake acquired in Eqraft and the increase in contract assets was offset by a decrease in inventories and trade receivables.

On the other hand, the remaining current liabilities and contract liabilities have decreased overall. Of the credit facility of €41.0 million in total available as at 31 December 2024 (31 December 2023: €42.5 million), Hydratec has drawn down nothing as at the balance sheet date (31 December 2023: €7.6 million). The credit facility also covers bank guarantees issued.

Solvency at the end of 2024 was 48.4% compared to 42.6% in 2023 and has thus significantly improved. The debt/EBITDA ratio amounts to 0.42 at the end of the year, which is well within the agreements set out in the bank covenant.

Solvency (%)**



*** For the method of calculation, see the historical summary*

Financial result for Industrial Systems

x €1,000	2024	2023
Revenue	155,261	162,214
Gross margin	82,084	76,072
Depreciation	3,391	3,474
Investments	2,633	1,799
Operating result	24,612	24,575
Operating result (%)	15.9%	15.1%
EBITDA (operating result + depreciation)	28,003	28,049
Average number of FTEs (own employees)	358	349

In 2024, revenue for Industrial Systems was 4% lower than in 2023, partly due to the project-oriented nature of the business.

Within this segment, Rollepaal's revenue and gross margin increased thanks to high order intakes and improved efficiency. On the other hand, Royal Pas Reform and Lan's revenue decreased compared to 2023. Revenue within this segment proved to be volatile in 2024 too.

Despite the reduced revenue, the gross margin finished the year 7.9% higher than in 2023, mainly thanks to fewer supply chain disruptions and close attention to procurement.

Costs were 12.6% higher in 2024 than in 2023 due to collective bargaining adjustments and a small increases in FTEs, as well as inflation. As the gross margin has increased as a percentage, the operating result is in line with last year, in spite of lower revenue and higher costs. The operating result for 2024 was €24.6 million (2023: €24.6 million), which is 16% (2023: 15%) of revenue, exceeding our target.

Financial result of Hightech Components

x €1,000	2024	2023
Revenue	115,586	121,273
Gross margin	66,597	70,979
Depreciation	6,833	7,827
Investments	4,197	9,823
Operating result	4,030	-658
Operating result (%)	3.5%	-0.5%
EBITDA (operating result + depreciation)	10,863	7,169
Average number of FTEs (own employees)	624	673

Hightech Components' revenue fell by €5.6 million in 2024 compared to 2023. This is above all because Helvoet Germany is no longer included in the figures, whereas revenue of €3.4 million was achieved in 2023. In addition, the reduction of customer inventory levels and challenging market conditions contributed to this decline. The gross margin increased as a percentage compared to last year; however, the absolute gross margin ended 6% lower than 2023 due to lower revenue.

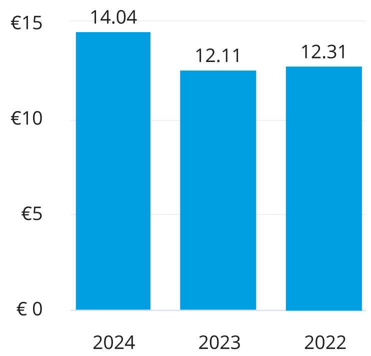
In 2024, operating costs came to €62.6 million, a decrease of €9.1 million compared to the previous year. This reduction is primarily due to lower one-off costs and the fact that the costs of the Helvoet site in Germany are no longer included. The operating costs in 2023 were €6.2 million. These comprised one-off restructuring and closure costs and €2.0 million of costs for Helvoet Germany that no longer appear in the figures in 2024.

The normalised operating costs in 2024, corrected for one-off project costs of €2.1 million, have decreased by €2.9 million compared to 2023. This is mainly due to lower personnel costs and depreciation costs.
Despite challenging market conditions, the normalised operating result of €6.1 million saw some slight improvement on the previous year's (2023: €5.9 million).
The number of employees has decreased mainly as a result of phasing out operations at the Hellevoetsluis site.

Proposed dividend

Earnings per share in 2024 amounted to €14.04 (2023: €12.11). The proposal to the General Meeting of Shareholders is to set the dividend for the 2024 financial year at €12 per share. An interim dividend of €6 was already paid out in 2024 and further payout of €6 will follow in 2025. This dividend payment is in line with the policy of paying out at least 40% of the result after tax, excluding one-off income. The net result after the dividend for 2024 will be added to the other reserves.

Return on equity (in %)



Outlook and expectations

Hydratec started 2025 with a well-filled order book. The market position of the companies in their own niche is as strong as ever. We expect our participating interest in Eqraft to make a positive contribution to the net result. We do not expect any changes in our personnel, investment and financing policies in 2025. However, in view of macroeconomic developments such as volatile exchange rates, trade restrictions, supply chain uncertainties and inflation, it is not possible to make any concrete statements about 2025.

Corporate governance

Shareholders' information

Stock market listing

Hydratec shares are listed on Euronext Amsterdam (ISIN NL 000 939 1242). The total number of ordinary shares issued as at 31 December 2024 was 1,298,307 shares.

Reports on shareholdings

The following shareholdings greater than 3%, disclosed in the context of the Dutch Financial Supervision Act, were known at 31 December 2024:

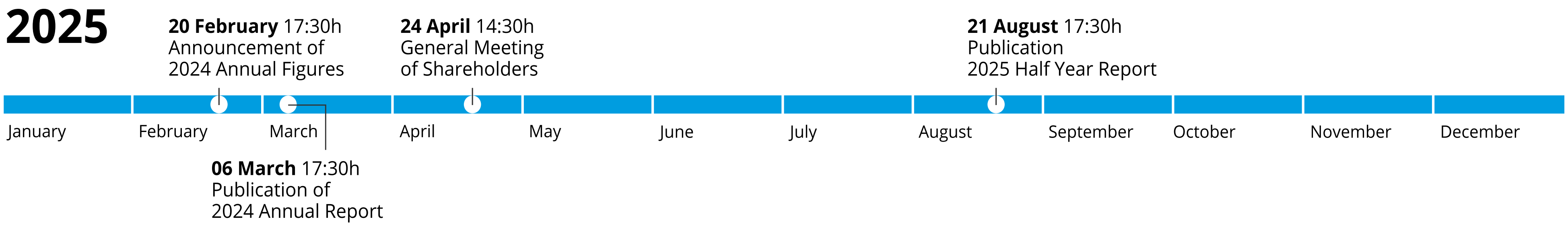
Shareholder	Interest	Date of notification
Ten Cate Investeringsmaatschappij B.V.	69.9%	21 March 2017
B. F. Aangenendt	5.5%	28 June 2016
P. C. Van Leeuwen Beheer B.V.	4.5%	27 June 2022
M. Spiersma	3.2%	02 December 2014

Financial data per ordinary share

Amounts in euros, unless stated otherwise	2024	2023
Number of outstanding shares	1,298,307	1,297,212
Weighted average number of shares	1,297,760	1,296,094
Operating result	19.46	16.99
Profit	14.04	12.11
Shareholders' equity attributable to Hydratec shareholders	80.58	72.38
Available cash flow[1]	13.53	-5.05
Dividend	12.00	0.00
Price at year-end	160.0	90.0
Lowest price	92.5	73.0
Highest price	162.0	94.0

[1] Sum of operating and investment cash flows

2025 financial calendar



Personal details

Supervisory Board

Mr D. J. Raithel (1967), Chair of the Supervisory Board

- Year appointed: 2024
- End of current term of office: 2028

Dennis Raithel joined Hydratec's Supervisory Board in 2024 and was appointed chair. He is also a member of the Supervisory Board of the Foundation for Internet Domain Registration in the Netherlands and chair of its Audit Committee, a non-executive director of the SIDN Fund and a director of several foundations of the Ten Cate family. He has previously built up an extensive career in banking, including as a chair of the board, and held various administrative and supervisory positions at several companies and institutions.

Ms M. E. P. Sanders (1953), Chair of the Audit Committee

- Year appointed: 2017
- End of current term of office: 2025

As a member of the Supervisory Board, Maja Sanders is also chair of the Audit Committee. In addition to her roles at Hydratec, she holds supervisory roles as chair of the Supervisory Board at Hoens Broadcast Facilities B.V. and Meilink B.V.

Mr P. Veenema (1955), member of the Supervisory Board and Audit Committee

- Year appointed: 2021
- End of current term of office: 2025

Piet Veenema is a member of Hydratec's Supervisory Board and Audit Committee. He has held a range of positions in business during his career, finishing his active career as a member of the Management Board and CEO of Kendrion N.V. In addition to his work at Hydratec, he is also a member of the Supervisory Board of Aalberts N.V.

J. ten Cate (1979), member of the Supervisory Board

- Year appointed: 2024
- End of current term of office: 2028

Judith ten Cate joined Hydratec's Supervisory Board in 2024. As well as her role at Hydratec, she is a director at Ten Cate Investeringsmaatschappij B.V. and De Leuriks B.V.

All the Supervisory Board and Management Board members are Dutch nationals.

From left to right: Ms J. ten Cate, Mr D. J. Raithel, Mr P. Veenema and Ms M. E. P. Sanders

Management Board

Mr B. F. Aangenendt (1964), Co-CEO

- Year appointed: 2012
- End of current term of office: 2028

Bart Aangenendt was appointed Managing Director under the articles of association of Hydratec in 2012 and CEO in 2015. He is a former director of Royal Pas Reform, a subsidiary of Hydratec.

Ms E. H. Slijkhuis RA (1968), Co-CEO & CFO

- Year appointed: 2018
- End of current term of office: 2026

Everien Slijkhuis was appointed CFO under the articles of association of Hydratec in 2018 and similarly appointed Co-CEO in 2025. Prior to that, she held various financial positions and those in which she had ultimate responsibility for IT, a large number of which were at international production companies and in manufacturing. In addition to her position at Hydratec, she holds supervisory positions at Kendrion N.V. and Deventer Ziekenhuis.

The Management Board of Hydratec Industries N.V. consists of: Mr B. F. Aangenendt and Ms E. H. Slijkhuis.

Corporate governance

General meeting of Shareholders

Hydratec Industries N.V. is a two-tier company and has only issued ordinary shares. No special control rights are linked to the shares and Hydratec Industries has taken no special protection measures against hostile take-overs. A General Meeting of Shareholders is held at least once a year at which all resolutions are approved on the basis of the ‘one share, one vote’ principle.

Shareholders who, either individually or jointly, hold at least 3% of the issued share capital are entitled to ask the Management Board or the Supervisory Board to add particular items to the agenda. Important Board resolutions which could change the company’s identity or nature must be approved by the General Meeting of Shareholders. The company’s articles of association are published on the Hydratec Industries website, as are the main tasks and authorities assigned to the General Meeting of Shareholders, the Supervisory Board and the Management Board.

The articles of association also contain the regulations regarding the appointment and dismissal of members of the Management Board and the Supervisory Board and amendments to the articles of association. The Shareholders’ information article provides a list of shareholders who hold over 3% of shares, which must be disclosed to comply with the Dutch Financial Supervision Act.

Purchase and issuance of shares

Under the provisions of the Articles of Association, the Management Board is only authorised to purchase and issue shares if the General Meeting of Shareholders designates it as the body authorised to do so. This designation took place at the General Meeting of Shareholders on 25 April 2024.

The Management Board is designated as the body authorised to issue ordinary shares in the capital of Hydratec Industries N.V. and grant rights to subscribe to shares in said capital. The authority of the Management Board is limited to the issue of ordinary shares up to a maximum of 10% of the issued share capital at the time of issue. The duration of the requested authorisation is for 18 months, starting on 25 April 2024.

A resolution of the General Meeting of Shareholders to issue shares, to designate another body authorised to issue shares or to revoke a designation resolution can only be adopted on the joint proposal of the Supervisory Board and the Management Board. The General Meeting of Shareholders has not authorised any parties to repurchase shares.

Corporate governance statement

The Supervisory Board and the Management Board endorse the principles of good corporate governance and Hydratec Industries complies with the provisions set out in the Dutch Corporate Governance Code. Key concepts such as transparency and accountability to shareholders form the basis for our policy. There were no conflicting interests or transactions during the financial year. The points on which the company deviates from the code:

- Due to its size, the company does not have an internal audit function (§1.3).
- Ms J. ten Cate (member of the Supervisory Board) does not meet the criteria for independence as defined in the code because, as a shareholder of Ten Cate Investeringsmaatschappij B.V., she has a shareholding of over 10% (§2.1).
- Hydratec Industries' opinion is that its Supervisory Board members' experience and knowledge of the company are an important basis for their performance and should be the deciding factor in determining the length of their term of office. No maximum term of office applies to Supervisory Board members. At the end of each term of office, a Supervisory Board member may, after careful consideration, be reappointed for a new term (§ 2.2.2.i).
- Webcasting of presentations to investors and analysts is not provided as Hydratec Industries is an Auction Fund (§ 4.2.3).

Remuneration

Remuneration policy

Hydratec's Supervisory Board applies a remuneration policy to the Management Board of the company that is based on the following:

- Remuneration of the Management Board must enable good managers to be recruited and retained.
- The remuneration policy must be consistent with the company's corporate governance policy.
- Remuneration may not contain any incentives that serve the recipient's own interests and which conflict with the company's interests.
- Remuneration must reflect the strategic and financial targets and must be performance-based, with a good balance between short and long-term results and targets.

The remuneration policy for Hydratec's Management Board was approved by the General Meeting of Shareholders held on 26 June 2020. The actual remuneration of the Management Board is determined by the Supervisory Board. Management Board salaries depend partly on the operating result, through a performance-based remuneration scheme payable in due course and compiled as follows:

Performance-based remuneration

- The decision to award the performance-based remuneration is taken in March when the annual figures are discussed.
- The performance-based remuneration is capped at 50% of the fixed salary and calculated as follows:

  - 50% of performance-based remuneration is dependent on personal targets. The Supervisory Board makes agreements with the Management Board on personal targets. The targets are focused on both the company's and the relevant board member's long-term development, as well as on increasing contract quality and added value and raising awareness across the segments. This remuneration is allocated at the discretion of the Supervisory Board.
  - 50% of performance-based remuneration is dependent on the consolidated operating result (EBIT). The following ranges apply here:
    - In case of an EBIT <5% there is no bonus payment.
    - In case of an EBIT of more than 7%, the maximum performance-based remuneration is paid.
    - In the case of an EBIT between 5% and 7%, this is determined proportionally.

After the bonus is awarded, the Management Board has the option of converting half of the performance-based remuneration into Hydratec shares as part of the shareholding programme. If the Management Board decides to do so, the performance-based remuneration is increased by 25% as an incentive to bind the Management Board to the company for the longer term. The shares are then issued on conversion at the average price during January and February and may not be sold for a period of three years.

Remuneration payable in due course

The remuneration payable in due course is a Stock Appreciation Right (SAR) where the Management Board receives remuneration based on the increased value of Hydratec over a period of at least five years. The entry value is set at 5x EBIT 2021. Up to 0.5% of the company's value will be granted annually in the years 2022, 2023, 2024, 2025 and 2026. The value of the company is based on 5 times the average EBIT over the last 3 financial years. The amount of the annual allocation is based on performance criteria to be assessed by Hydratec's supervisory board.

For 2024, 0.5% has been allocated. The SAR can only be exercised once within a period of one month after Hydratec's consolidated annual figures have been approved by the auditor, and no sooner than after the year 2026. The SAR is also exercised if more than 50% of Hydratec's shares are transferred to a third party. The exit value in that case is the higher of 5 times the average EBIT over the last 3 financial years and the value based on the sale price. The probability of this occurring is less than 50% and has therefore not been measured in accordance with IFRS 2. If significant acquisitions or sales are made during the term of the SAR, the SAR will be reasonably recalibrated to take this into account.

The SAR lapses if the employment relationship between Hydratec and a board member ends before exercise of the scheme, unless employment was terminated by death or pursuant to Article 7:669(3)(a) and (b). In that case, the board member is entitled to 33.3% of the amount. Any severance payments comply with the requirements of the Dutch Corporate Governance Code and will therefore not amount to more than one year's salary. The pension plan for the Management Board includes a threshold amount above which members are required to make a personal contribution. The Supervisory Board regularly assesses the Management Board's actual salaries against the remuneration policy and makes adjustments where necessary.

Remuneration report

The objective of the total remuneration package is that the total remuneration is commensurate with the level and complexity of the responsibilities. It must also be sufficiently competitive. The remuneration package should be based on the duties and responsibilities that the board under the articles of association and its members have towards the company. The internal wage structure is used as a reference and the outcome is compared with the external market.

For this purpose, the Supervisory Board compared the remuneration with that of Dutch listed companies of a similar size and complexity. Given the differences between companies, the Supervisory Board determined the remuneration autonomously.

The Management Board members' annual fixed salary in 2024 was based on the principles above. The fixed salaries are periodically index-linked to inflation. No loans were issued or severance payments made in 2024, nor were there any clawbacks of previously awarded performance-based remuneration. The 2023 remuneration report was approved by a majority of votes at the General Meeting of Shareholders on 25 April 2024.

This 2024 remuneration report will be submitted to the 2025 General Meeting of Shareholders for an advisory vote. This will provide accountability for the implementation of the remuneration policy in the 2024 financial year. The Supervisory Board will take this advisory vote into account and will make an announcement in the 2025 remuneration report. The Management Board's total remuneration is shown on the next page. The Supervisory Board has recognised that the Management Board achieved positive results in 2024. The Management Board has stated an intention to join the share participation plan. In determining the variable income for 2024, the Supervisory Board considered the following:

- Despite the challenging conditions in the year, Hydratec performed well and showed good growth.
- The companies' supply chain has been further improved, resulting in higher added value.
- Economic and strategic challenges have been appropriately mitigated to strengthen margins in 2024 and the coming years and increase awareness within the segments.

The ratio of the average full-time salary for management relative to that for Hydratec employees is 8.5 (2023: 9.2).

Remuneration of members of the Management Board

The Management Board under the articles of association receives employment terms appropriate to the position and responsibilities. In general, the other terms of employment of the Management Board are in the same range as those of other employees, such as the company car scheme. The entire remuneration policy was discussed and considered when the remuneration was being set.

The ratio of the Management Board's remuneration to that of employees decreased due to the lower remuneration payable in due course and an increase in average employee pay. As at the balance sheet date, Mr Aangenendt held 72,441 shares and Ms Slijkhuis held 1,001 shares. This number includes shares subject to a 3-year lock-up period.

	Fixed basic remuneration		Pension contribution		Performance-related remuneration		Remuneration payable in due course		Other remuneration*		Total remuneration		Variable as % of total remuneration	
x €1,000	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
B. Aangenendt	364	350	38	30	204	158	41	135	3	3	650	676	37.69%	43.34%
E. Slijkhuis	274	264	32	27	154	118	41	135	4	4	505	548	38.61%	46.17%
Total	638	614	70	57	358	276	82	270	7	7	1,155	1,224		

* *Concerns the tax expense for private use of a lease car and an expense allowance because this can be seen as (indirect) remuneration.*

The table below shows the salaries of the Management Board in the last five years in relation to the revenue, the operating result, the number of FTEs and the average salary of all employees within the group. By way of derogation from the Dutch Corporate Governance Code, for comparability and in line with previous years, the ration between Management Board and employees is based on the average remuneration of the Management Board.

x €1,000	2024	2023	2022	2021	2020
Remuneration of Management Board					
B. Aangenendt	650	676	781	524	300
E. Slijkhuis	505	548	650	362	190
Company data					
Revenue	270,204	282,748	283,261	257,297	217,550
Operating result	25,254	22,026	21,787	22,027	3,342
FTEs at year-end	1,342	1,315	1,374	1,419	1,575
Average remuneration					
Employees	68	67	58	52	51
Ratio between average remuneration of Management Board and employees	8.5	9.2	12.4	8.4	4.8

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is approved by the General Meeting of Shareholders. The remuneration is not dependent on the company's results and the members of the Supervisory Board are not paid in shares or share options. The General Meeting of Shareholders set this remuneration at €30 thousand a year for each member of the Supervisory Board on 26 May 2021. The remuneration of the Supervisory Board in the last 5 years was as follows:

x €1,000	2024	2023	2022	2021	2020
D. Raithel	4	-	-	-	-
J. ten Cate	4	-	-	-	-
M. E. P. Sanders	30	30	30	25	19
P. Veenema	30	30	30	15	-
E. ten Cate	8	30	30	25	19
J. E. Vaandrager	-	-	-	10	19
Total	**76**	**90**	**90**	**74**	**57**

In control statement

In line with the best practice provision 1.4.3. of the Code, the Management Board declares to the best of its knowledge that:

- the management report provides sufficient insight into the operation of the internal risk management and control systems, see the risk management section;
- these systems provide reasonable assurance that the financial reporting is free from material misstatement, see the risk management section;
- it is justified that the financial reporting is prepared on a going concern basis, see section 1.1.3; and
- the management report contains material risks and uncertainties that are relevant to the going concern assumption for a period of 12 months after the management report was prepared, see section 1.1.3.
- Material inaccuracies, fraud, or unlawful acts can occur despite the internal risk management and control systems. The systems therefore do not provide absolute certainty that objectives will be achieved, but are designed so that financial reporting is free from material misstatement.

In addition, in line with Article 5:25c of the Dutch Financial Supervision Act and to the best of their knowledge, the Management Board declares that:

- the financial statements provide a true and fair view of the assets, liabilities, financial position and loss of the company in of its consolidated companies;
- the report of the Management Board provides a true and fair view of the situation as at the balance sheet date, the company’s progress during the financial year and that of its associated companies, the results of which are included in the financial statements. The report of the Management Board describes the actual risks the company faces; and
- The sustainability information in our report has been prepared with reference to the requirements of the ESRS and the EU Taxonomy.

Amersfoort, 6 March 2025

Management Board

B. F. Aangenendt, Co-CEO
E. H. Slijkhuis, Co-CEO & CFO

Report of the Supervisory Board

Report of the Supervisory Board

The past year

Hydratec has developed positively despite reluctance and uncertainty in the different markets as a result of various societal developments, including fluctuating interest rates, inflation and elections in key countries. Overall, the group's revenue has decreased but revenue quality and margins have increased, which has improved results.

Industrial Systems has had a successful year. Despite lower revenue, the operating result of €24.6 million remained at the same level as the previous year. Hightech Components achieved a positive operating result of €4.0 million in 2024 – an improvement on the previous year. Despite challenging market conditions, the normalised operating result of €6.1 million for Hightech Components saw a limited improvement on the previous year's (2023: €5.9 million).

M&A opportunities are regularly on the Supervisory Board's agenda. We welcome the acquisition of a 60% stake in Eqraft that fits in with Hydratec's growth strategy. With this investment in a niche market for Industrial Systems, we expect to further strengthen our position.

Annual report

We are pleased to present the 2024 annual report of Hydratec Industries N.V. prepared by the Management Board, which includes the financial statements. These financial statements have been audited by EY Accountants and were discussed with the Management Board on 20 February 2025 in the presence of the auditor. The certified auditor's report can be found here.

Over the past year, we have devoted a lot of attention to implementing the CSRD. We have included the first sustainability statement with an assurance report in this annual report. We welcome the progress achieved and are confident that the sustainability objectives as defined will be fully incorporated into procedures and practices in the coming years.

We believe that the annual report meets the requirements of transparency and constitutes an adequate basis on which the Supervisory Board can account for its supervision. We propose that the financial statements should be adopted and that discharge should be granted to the Management Board in respect of its management and to the Supervisory Board in respect of its supervision.

Composition of the Supervisory Board

The personal information of the Supervisory Board members is provided in the 'Personal details' section. The Supervisory Board's profile is published on the company's website.

Changes were made to the composition of the Supervisory Board in 2024. Mr E. ten Cate resigned, while Mr D. J. Raithel and Ms J. ten Cate joined the Supervisory Board of Hydratec. Mr D. J. Raithel was appointed chair.

The Supervisory Board has a diverse background and a broad range of experience. One Supervisory Board member has held different positions in business during his career, finishing his active career as a member of the Management Board and CEO of a listed group of manufacturing companies. Another member of the Supervisory Board has extensive experience as an entrepreneur and as a supervisor of several companies. The third member of the Supervisory Board has a long history in the banking sector, including as chair of the board, and has held administrative and supervisory roles at various companies and institutions. The fourth member of the Supervisory Board is the director of an international holding company and an investment company.

The Supervisory Board considers that this variety in terms of experience and background produces sufficient diversity. The current composition is a good balance between the required skills, relevant knowledge and experience, allowing the Board to operate critically. The composition of the Board meets the legal requirements and Hydratec's strategic objectives on gender diversity. Ms J. ten Cate does not meet the independence requirements as described in the Corporate Governance Code. The Board as a whole does meet the requirements for independence. This enables us to properly perform our statutory duty of supervising and advising the Management Board.

Supervision

During the reporting year, the Supervisory Board was closely involved in the procedure relating to the public bid on Hydratec shares, which was issued by Ten Cate Investeringsmaatschappij on 18 January 2024. Following a Special General Meeting of Shareholders on 14 August and an increase in the bid on 1 November, the bid was ultimately rejected on 13 November.

Each month, the Supervisory Board is informed of the operational course of business within the company by means of a financial report with explanatory notes from the Management Board. We also receive a quarterly comprehensive update on the developments of the previous three months and on the achievements in relation to the annual budget, strategic objectives and long-term value creation. On this basis, conclusions are drawn and action points are formulated, which are discussed at the subsequent meeting.

Every year, we organise a strategy day where the strategy for the coming years is evaluated and refined for each segment with the directors. In 2024, the Supervisory Board met the Management Board six times according to a fixed schedule, and all members of the Supervisory Board were present at each meeting.

Sustainability forms an integral part of our supervisory duties. In line with the growing requirements in sustainability reporting, the Board is regularly informed about the progress made and ambitions set out in this area. Specific attention is paid here to ESG policy implementation, strategy and reporting.

During the year, the Supervisory Board critically reviewed the risk profile, the risk management system, the strategy and the sustainability reporting. In addition, the measures and actions taken to mitigate these risks have been assessed. Finally, the effectiveness of the design and the operation of the internal risk management and control systems were thoroughly evaluated.

Prior to the General Meeting of Shareholders on 25 April 2024, the Supervisory Board discussed, without the presence of the Management Board, its own performance, the performance of the Management Board (both as a whole and of the individual members) and the remuneration of the Management Board. In evaluating their own performance, various subjects were addressed, including the time and attention devoted by all members, how the supervisory function is carried out, the division of roles, the topics addressed and the composition of the Supervisory Board in terms of independence, expertise, competences and experience. Following the evaluation, the Supervisory Board concludes that the separate meetings of the Audit Committee led to the desired result. If required, the Board will meet before the start of the meeting when the Management Board is not present. The Management Board was evaluated in a meeting between the Supervisory Board and the Management Board.

Audit Committee

The Audit Committee is composed of Ms Sanders and Mr Veenema, both experts in the field of financial reporting and auditing of the financial statements. The committee monitors the annual figures, the statutory audit, the sustainability reporting, the administrative organisation and the reporting process. It also monitors topics such as fraud, cybersecurity, claims, and the outcomes of internal and external control and risk management systems. The committee also ensures independence in the auditor and the selection process.

To get a good picture of market developments and the performance of companies and segments, the committee periodically holds meetings with managers and other staff.

Hydratec does not have an internal audit department or function, which has to do with its size and approach. The committee met on four occasions in 2024 according to a fixed schedule, and all members were present at each meeting.

Hydratec has a culture of entrepreneurship where employees' personal responsibility, independence and ownership come first. It is a widely held belief within the organisation that this ensures optimum risk management.

However, given Hydratec's structure, opportunities have been identified to apply the knowledge and experience available within the organisation more broadly to the effectiveness and efficiency of the established control processes and to improve professional mobility within the group. In the absence of an internal audit service or function, audits and reviews of internal controls and risk management are periodically carried out on the segments by the group controllers. They address identified vulnerabilities in risk management. The results are reported to the Supervisory Board and the Audit Committee. The Supervisory Board, Audit Committee and Management Board check annually whether adequate measures have been taken.

At the meeting held on 25 April 2024, EY Accountants was appointed to audit the financial statements for 2024. The Supervisory Board held consultations with the external auditor twice in 2024, once without the entire Management Board. The external auditor's work was assessed and the audit plan approved.

Composition of the Board of Directors

No changes took place in the Management Board of Hydratec Industries N.V. in 2024. Mr B. F. Aangenendt was CEO and Ms E. H. Slijkhuis was CFO. In 2025, it was decided to turn the CEO into a shared role. Besides B. F. Aangenendt, E. H. Slijkhuis was also appointed Co-CEO of Hydratec.

The Supervisory Board thanks the Management Board and all Hydratec teams for their commitment, loyalty and dedication that have contributed to the results achieved.

Amersfoort, 6 March 2025

Supervisory Board

D. J. Raithel (Chair)
M. E. P. Sanders
J. ten Cate
P. Veenema

Hydratec Industries

Sustainability statements

Basis for preparing the statements

General basis for preparing for the sustainability statement

Our sustainability statement is structured in accordance with the EU Taxonomy (Article 8 of EU Regulation 2020/852), the Corporate Sustainability Reporting Directive (CSRD) and the applicable European Sustainability Reporting Standards (ESRS). It includes the explanatory notes of the material topics resulting from the double materiality assessment (hereinafter: “DMA”). For the specific accounting policies of the EU taxonomy, please refer to the corresponding section of this report.

The sustainability statement has been prepared on a consolidated basis. The scope of the consolidation of non-financial data is the same as the consolidation of the financial statements. The reporting period is also the same as the financial statements and covers Hydratec’s operations from 1 January 2024 to 31 December 2024.

The scope for reporting on impacts, risks and opportunities of material importance to Hydratec covers the entire value chain, as described in the double materiality analysis (DMA). This applies in particular to climate change (E1) and circular economy (E5). Hydratec has not made use of the option to omit specific information aspects that constitute intellectual property, know-how or the results of innovation. Hydratec has also not made use of the exemption from disclosure of information provided for in Articles 19a (3) and 29a(3) of Directive 2013/34/EU.

Hydratec has exercised the option to include information in the sustainability statement by reference in order to improve the readability of the report. This applies to GOV-1 and DR 19 – 23, which are explained in the ‘Personal details’ section in our management report.

Disclosures in relation to specific circumstances

Time horizons

The short-term horizon covers the period up to 1 year from the current financial year; the medium-term horizon covers between 1 and 5 years from the current financial year; and the long-term horizon covers more than 5 years from the current financial year.

Value chain estimates

In calculating our upstream Scope 3 emissions, we have followed the spend-based method in combination with a method based on the sector average emissions for operational data. In calculating our downstream Scope 3 emissions, we have used a method based on the sector average emissions for operational data. The use of a spend-based method may lead to less accurate results than a method based on actual emissions. The combination of both methods allows us to estimate the full Scope 3 emissions, while the use of sector average emissions provides a certain degree of accuracy. To improve the accuracy of our calculations, we aim to replace the spend-based method with accurate measurements of our material flows.

Sources of uncertain estimates and results

In drafting the sustainability report, we had to rely on estimates and assumptions. These are based on experience and various other factors which are considered fair under the circumstances. Assumptions have been required to determine the spend-based analysis of upstream Scope 3 emissions, which leads to a certain degree of measurement uncertainty. The assumptions relate to the conversion of spend and material flows into CO_2. We have assumed that the euro spend on materials can be a substitute for volume and serve as an accurate basis to calculate the CO_2 emitted. The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information under the ESRS and by the lack of standardised practices for assessing and measuring this information. For further information, see the methodology for E1-6.

Changes in the preparation or presentation of sustainability information

For the 2024 financial year, Hydratec's reporting is based on the European Sustainability Reporting Standards (ESRS) in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). The content and structure of the 2024 annual report has been revised to better reflect the ESRS requirements.

Events after the end of the reporting period

No information has come to light after the reporting date that has a material impact on sustainability reporting and has not been included in this report. If any material information becomes available that provides new insights or evidence on end-of-period circumstances, we will update the estimates and sustainability reporting in accordance with the new information. Where such information provides evidence or insights on material transactions, other events and circumstances occurring after the end of the reporting period, those events will be reported, along with their nature and potential consequences.

Reporting errors in previous periods

This is not applicable as this is the first year that the CSRD applies to Hydratec.

Information inclusion by reference

Where we include information somewhere other than the sustainability report, this is specifically referenced. Phase-in options have been applied wherever possible. This concerns the financial impacts of climate change (E1-9), the circular economy (E5-6) and other more limited requirements. The reference table on material information requirements and other EU legislation is set out in Appendix I - ESRS information requirements and Appendix II - Other EU legislation. The operating result can be found under Financial developments – Key ratios – Operating result as % of revenue.

Governance

The role of the administrative, management and supervisory bodies

This sustainability statement contains the composition and diversity of the Management Board and Supervisory Board of Hydratec. 75% of Supervisory Board members were designated as independent, as determined by the Corporate Governance Code. Based on this code, 100% of the Management Board is independent. The Management Board comprises one woman (50%), the Supervisory Board has two women (50%) and there are eight women in managerial positions (31%). There are no non-executive directors appointed at Hydratec and employees are not represented in the governing bodies. For further information, such as roles, expertise and ancillary activities, about the Management Board and Supervisory Board, please see the 'Personal details' section in the Management Report.

Information provided to and sustainability themes addressed by the administrative, management and supervisory bodies

Final responsibility for sustainability reporting resides with the Management Board. This includes material impacts, risks and opportunities. An internal guideline has been established on reporting sustainability information to ensure accuracy and completeness. Sustainability information forms part of Hydratec's planning and control cycle.

The Management Board has gained experience in the field of sustainability through close involvement in policy development, strategy and reporting. In addition, Hydratec has a dedicated team whose duties include collecting information and reporting on sustainability. The Supervisory Board is informed of the operational course of business within the company with explanatory notes from the Management Board. This meeting also covers issues related to sustainability and the material themes defined in the double materiality process. Members of the Management Board and Supervisory Board are experts in sustainability reporting, through their involvement in developing the sustainability information as included in this sustainability statement and through their ancillary activities.

Integration of sustainability-related performance in incentive schemes

The remuneration of the Management Board is not linked to performance on sustainability themes. It is instead linked to personal targets and business results, as explained in the 'Remuneration' section.

Statement on due diligence

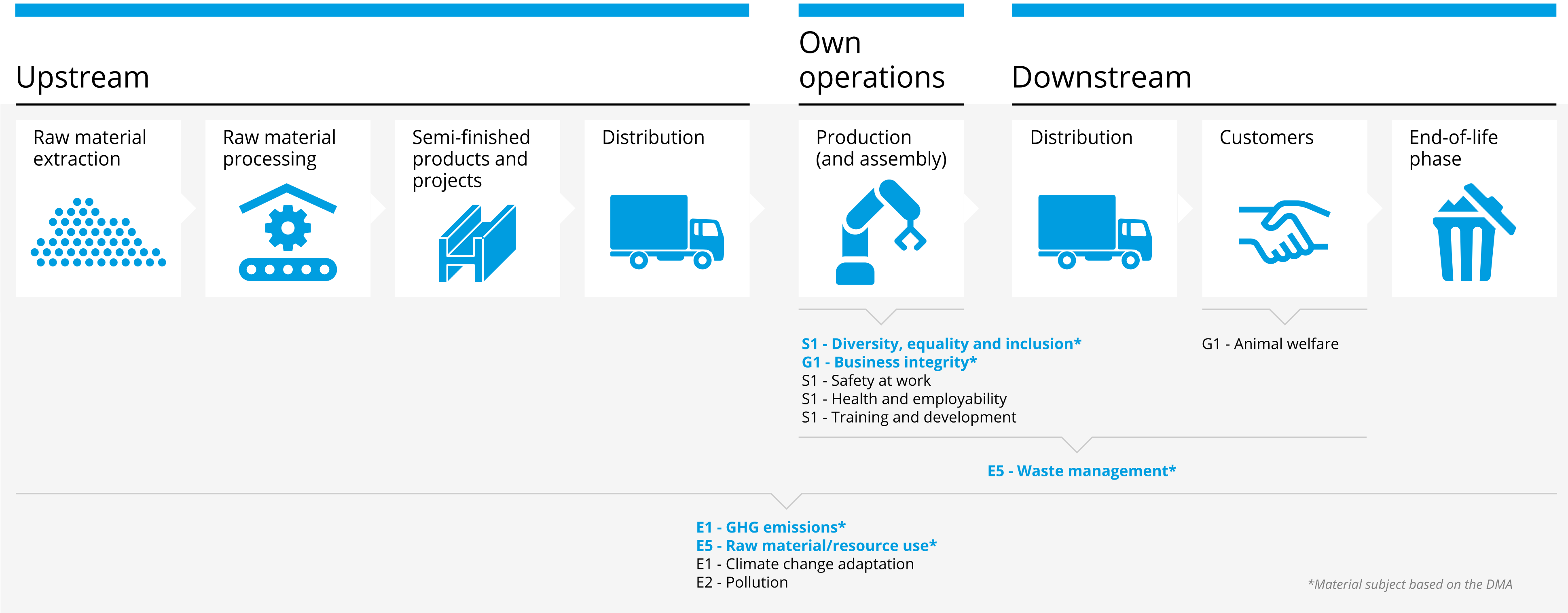
Full due diligence in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights has not yet been established at Hydratec. Hydratec has an ESG policy that recognises these guidelines. This policy was approved in 2024 and shared within the Group and on the Hydratec website in 2025. It follows the results of the DMA and the revised ESG strategy as a guiding principle that includes the most material impacts on humans, the environment and society for both our own operations and the chain. Transparency on progress on our strategy and related activities to mitigate negative impacts and increase positive impacts will be provided in the annual report in the coming years.

Risk management and internal controls over sustainability reporting

Risk management is an essential part of Hydratec's business strategy. The overriding objective is to identify and mitigate risks with a potential major impact on our achieving our strategic and financial goals, and therefore on the overall value of our business. This process focuses on both non-sustainability as well as sustainability issues and covers the entire organisation. This process aims to identify risks based on factors including the impact on the organisation and the likelihood of occurrence. On this basis, various measures will be developed to mitigate risks. The topics identified as material from the double materiality analysis are detailed in the following sections.

Double materiality analysis (DMA)

Implementation of the DMA began in 2023, using the guidance and interpretation of ESRS 1 and ESRS 2. This analysis was carried out in collaboration with an independent, external sustainability agency. In 2024, the analysis was further enriched with new insights and guidelines from EFRAG. The DMA was carried out in three steps and covers our entire value chain. The foundation of the DMA consisted of desk research, which involved reviewing internal and external documentation. The internal analysis was carried out by analysing Hydratec's strategic documents and linking the content to the 10 topics and various underlying sub-topics and sub-sub-topics of the CSRD. The external analysis covered a selection of key competitors and customers. Publicly available documentation of these competitors and customers has been analysed to determine the priorities in ESG topics. The internal and external analysis has resulted in the relevant topics of focus for Hydratec and the sector, selected from the full list of possible topics within the ESRS. This list of topics has been used as input for determining the material topics. The topic list items have been positioned in our value chain; see the figure below. The topics highlighted in blue have been deemed material.



In the second step, a dialogue was held with representatives of the most important stakeholders: a customer, shareholder and employees. In addition, several stakeholders were indirectly taken into account by the discussions with representative employees. These stakeholders are most likely to be affected by our operations and will have the greatest impact on meeting our commitments. In order to safeguard the interests of these groups, representative employees were selected based on the subject matter, material, knowledge and their ability to act as a representative with a broader view of (external) stakeholders. Using the insight from internal analysis, external analysis and the interviews, a final shortlist of ESG topics was drawn up.

As a final step, we held workshops with internal material experts to identify the potential impacts, risks and opportunities of our ESG themes and how they can affect the performance of the companies within the Group. The materiality assessment followed the logic laid down by the CSRD. For impact materiality, the assessment was based on ‘severity’, which includes scale, scope and irremediable character, and ‘likelihood’, which is derived from the OECD Guidelines for Multinational Enterprises and the UN Principles on Human Rights. Two factors have been applied to weigh up the financial effects: size and likelihood. The potential impacts have also been assessed on the basis of likelihood. The process behind the assessment consisted of several validation steps involving material experts, who understand the links between risks and opportunities, the likelihood, magnitude and character of possible financial impacts, and opportunities and risks; these experts also have a mandate to prioritise impacts. If an impact can be described both positively and negatively, it is described and assessed as negative impact.

Finally, the impacts, risks and opportunities assessed, based on the description, are plotted according to the corresponding and/or related requirements under the different ESRS standards.

By focusing on the material topics, we can use our resources and efforts effectively to achieve the greatest impact and meet the expectations of our stakeholders. However, we will continue to evaluate the relevance of all topics on a regular basis and adjust our reporting when new information or circumstances so require. This will be done through an annual review of our DMA and progress on our ESG strategy. Further descriptions as provided in ESRS 2 SBM-3 48 are contained in the ‘Material impacts, risks and opportunities and their interaction with strategy and business model’ section, as well as in the explanatory notes contained in each topic, using the transitional provision for expected financial effects - DR ESRS 2 SBM-3 48e. It is not yet possible to understand the resilience of the ESG strategy, as expected in ESRS 2 SBM-3 48f, changes as expected in ESRS 2 SBM 3 48g and an understanding of financial effects, as expected in ESRS 2 SBM 3 48d, as this is the first year that it is being reported and more experience in implementation is required to report robustly on this. Finally, ESRS 2 SBM 3 48h does not apply to Hydratec.

The DMA is subject to future revisions due to environmental and societal developments, due diligence (including continued close involvement of the stakeholders concerned), and new insights and experiences gained. In this context, it is important to mention that this sustainability statement does not include every impact, risk and opportunity or additional entity-specific reporting that stakeholders as individuals or a group may consider important to its own specific assessment.

Material impacts, risks and opportunities and their interaction with strategy and business model

It is important to identify the material impacts, risks and opportunities and understand the interrelationship with our strategy and business model. This analysis enables us to better address the relevant factors that affect our business and make strategic choices that contribute to the long-term value and sustainability of our organisation. It provides a solid basis for informed decision-making and strengthens our position in the market. The table below provides a clear overview of our material topics, including their definitions, scope, time horizon and impact, risks and opportunities (below: IRO). Each topic is described with the scope of application related to the CSRD topic, scope, relevant time horizon from when the IRO becomes relevant, the associated IRO and the category of materiality. Further explanations are provided in the relevant chapters and sections. The underlying decision-making process, internal control procedures and the extent and manner of the process of identifying, assessing and managing impacts and risks is integrated into our overall risk management process. As the focus this year has been more on risks, no opportunities have been considered to be material in the table below. The scope is defined per IRO and explained in more details in the following chapters. As this is the first year that we are reporting in this way, no comparison with previous years is available.

Strategic pillar		CSRD topic	Scope	Time horizon	Material IROs	Fin. Mat.	Imp. Mat.
Environment	CO_2	E1 - Climate change - GHG emissions	Upstream; own operations; downstream	Short term	Impact (negative - current): The CO_2 emissions released by our own operations and the value chain contribute to/accelerate climate change. The sources of CO_2 emissions are energy and fuel consumption for our own operations; in the value chain, these include transport, raw material extraction, material and product manufacturing, and use of sold products.	x	x
				Short term	Risks: Investments in production sites, machinery, equipment and fleet to phase out fossil fuels. In addition, higher purchasing costs can arise as CO_2 pricing and/or rising energy costs are passed on in prices (climate transition risk).		
		E5 - Circular economy - Raw materials	Upstream; own operations; downstream	Medium term	Impact (negative - current): The extraction of primary raw materials, such as oil, steel and other metals, used in the manufacture of products and the construction of equipment by Hydratec and in the usage phase of this equipment may lead to depletion of raw materials.	x	x
				Short term	Risks: Scarcity of raw materials can lead to higher purchasing costs, especially for virgin materials.		
		E5 - Circular economy - Waste management	Own operations; downstream	Medium term	Impact (negative - current): Handling waste streams in an irresponsible way leads to continued demand for new raw materials, thereby speeding up their depletion.	x	x
				Short term	Risks: Higher costs associated with waste disposal.		
Social		S1 - Own workforce - Diversity, equality and inclusion	Own operations	Medium term	Risks: Underperforming DEI efforts have a negative impact on our brand as an employer, which may make it more difficult to attract and retain employees. This increases personnel and recruitment costs.	x	
Policy		G1 - Business conduct - Business integrity	Own operations	Short term	Risks: Costs associated with any litigation and fines imposed for corruption and bribery. In the event of incidents, additional training and measures will also need to be deployed. Depending on media coverage, this can also lead to significant reputational damage.	x	

Strategy

In 2024, we reviewed our ESG strategy based on the DMA results and strategic sessions with our companies. The material topics that came out of the DMA have a financial and/or non-financial impact on our organisation and value chain, both in the short and long term. The ESG strategy ensures that we as an organisation have firm targets and can formulate actions. Decision-making can also be coordinated with this. Our business model will not change. The focus instead will be on mitigating our impact within existing business operations. The DMA resulted in three strategic focus areas for sustainability: environmental, social and governance – each with underlying priorities. Together, these areas respond to the impact and risks of our material sustainability and are depicted in the figure below.

	Environment			Social	Policy
Topics	CO_2 **Greenhouse gas emissions**	**Circularity**		**Diversity, equality and inclusion**	**Doing business with integrity**
Ambition	Reduce greenhouse gases through our own operations and the value chain.	Optimise raw material and resource use through circular principles.		Creating an inclusive workforce and an inclusive workplace.	Promote ethical conduct in employees and responsible supply chains.
Targets and KPIs for 2030	50% reduction of Scope 1 and Scope 2 emissions *(vs. base year 2023)* Aim to reduce Scope 3 emissions.	**Industrial Systems** Increase the proportion of recycled product in purchased materials and sustainable business models. Increase the number of circular principles per installation.	**Hightech Components** 15% recycled content for selected purchased materials. 50% recyclability of selected sold products.	At least 25% male and female employees.	Zero confirmed incidents of corruption or bribery.
		15% less waste. 90% recycling of waste.			

Policy adopted for managing material sustainability themes

To put our strategy into practice and achieve our targets, we have developed an ESG policy that focuses on greenhouse gas emissions, circularity, diversity, equality and inclusion, and business integrity. This policy aims to prevent, mitigate and, where necessary, remediate current and potential impacts and risks. The policy applies to Hydratec, its companies and all business operations associated with them. The focus areas within the value chain vary from topic to topic; we focus on the aspects we can influence and where we can make an impact. The Management Board of Hydratec and the management boards of its companies are responsible for implementing the policy.

Monitoring policy and measure effectiveness against targets

Targets have been set for each sustainability topic, with a view towards 2030. Reference years will be used and referred to where relevant. The targets focus on supporting and monitoring our ESG policies, with an emphasis on managing material impacts, risks and opportunities. These targets help to monitor the effectiveness of our policies and actions, and provide clarity on the progress being made. The targets will be monitored annually, but as they were drawn up in 2024, there is little to no information on progress, so no changes have been made to the targets. The targets in this context have been laid down so as to comply with legislation.

Measures and resources related to material sustainability themes

In 2025, we started to formulate and implement actions on the material sustainability topics. Once the action plans are finalised, we will report transparently on the key actions that are intended to help achieve our targets. We will also report the scope, time horizons and related expenses.

Metrics related to material sustainability themes

The metrics we report are taken from the ESRS. We have used the same names of these metrics, as well as the associated definitions and methodology. Where further explanation of methodology and definitions is deemed necessary, we have reported these in addition to the metrics. None of the metrics has been validated by an external body other than the assurance provider.

Business model and value chain

Hydratec consists of two segments that see us supply industrial systems and hightech components within three markets: food, health and mobility. These operations are carried on by our five companies Lan, Royal Pas Reform, Rollepaal, Helvoet and Timmerije. The transitional provision for ESRS 2 SBM-1, Article 40b is used. Sustainability targets related to specific groups of products, services, etc. are not applicable to Hydratec. The value creation model below provides an overview of our key inputs, outputs and contributions to SDGs.

Value creation model

Capital input

Production

Own production resources and network of suppliers

Intellectual

Technology and knowledge

Financial

Capital from shareholders and banks

Human

1,342 independent, responsible colleagues

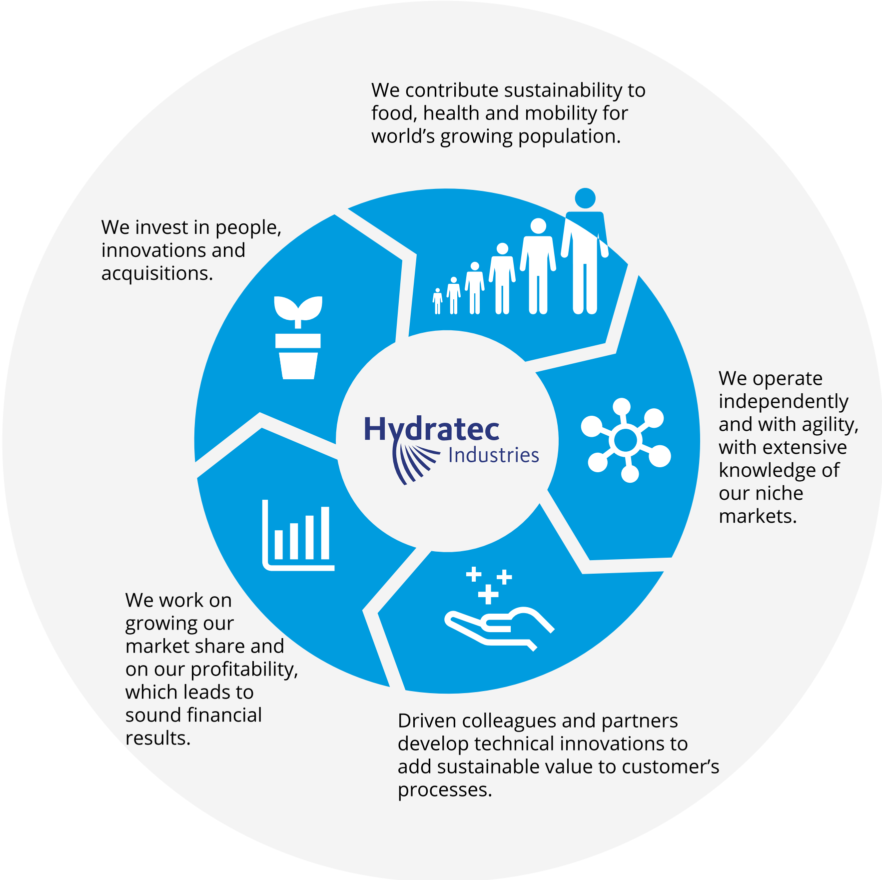
Nature and environment

Raw materials and energy

Social

Principles of integrity and ethical trade

Business model



Environment: Risks and Governance

Output & outcome

Production

- Cutting-edge systems and components
- High-quality product portfolio

Intellectual

- Understanding of technology and markets
- R&D roadmap

Financial

- 8-10% Ebit per segment
- Healthy balance sheet (at least 30% solvency)
- Appropriate dividend distribution

Human

- Meaningful work
- Increased knowledge and skills

Nature and environment

- Energy and waste reducation
- Improving sustainability of production chains
- Less wastage

Social

- High customer and employee satisfaction
- Sustainable relations with partners
- Transparent operations

Stakeholder interests and views

We believe that long-term value creation is only possible by maintaining a corporate culture that embraces transparency and trust. By engaging with stakeholders, Hydratec can capture multiple perspectives, gain a broader understanding of value creation, and ensure that the business strategy and decision-making match the needs, expectations and concerns of stakeholders. This is how we make positive and lasting impact. It also helps Hydratec to carefully weigh up the different interests. The topics discussed by Hydratec with its stakeholders include – but are not limited to – environmental, social and governance-related topics.

Hydratec identifies its key stakeholders as parties directly or indirectly involved in our business, having a direct interest in or having an impact on our long-term business success. Our most impactful and/or influential stakeholders are our: (i) shareholders (ii) customers and (iii) employees. Furthermore, Hydratec is aware of different stakeholder groups that have a greater or lesser influence on Hydratec or are influenced by Hydratec. Examples include suppliers, governments and local communities.

Hydratec maintains a daily dialogue with its stakeholders to find out more about their interests and views. Interaction occurs with each category of stakeholders. The frequency, level and method of engagement is aligned with the purpose of the dialogue and the relationship with the stakeholder. Hydratec may decide to enter into a dialogue with stakeholders or not, and if so, under certain conditions.

The outcome of stakeholder engagement will be, in so far as appropriate: (i) communicated to and discussed by the Management Board and the Supervisory Board; (ii) used to identify potential impacts, risks and opportunities that may affect Hydratec's ability to create and promptly respond to long-term value; (iii) used to determine the materiality of ESG topics for Hydratec's corporate sustainability strategy and reporting, and (iv) used to perform and improve sustainability due diligence.

Climate change – E1

Governance

In the current reporting period, no climate-related considerations have been integrated into the assessment and remuneration of our directors, management and supervisory board members.

Strategy

Transition plan for climate change mitigation

Within our strategic framework, we have set greenhouse gas emission targets, namely to reduce Scope 1 and 2 emissions by 50% and strive to reduce Scope 3 emissions by 2030 compared to the base year 2023. These targets are not fully in line with the Paris Agreement, which aims to limit global warming to an increase of 1.5°C. To achieve our targets, transition plans will be formally adopted by all entities in 2025. In addition, the ESRS requirements, including financial impacts and governance, will be taken into account in preparing the transition plan. In 2024, we began to formulate the action plans. The outcome of this process will be included in a subsequent sustainability statement.

Impact, risks and opportunity management

Type of climate-related risk and process for resilience analysis

On the topic of greenhouse gases, only climate transition risks have been identified, and not material opportunities. We take these climate transition risks into account in our business model, but we have not performed a comprehensive analysis at this stage. We will carry out an analysis in 2025 and 2026 on how resilient Hydratec and its business model is with regard to climate change. This will include all relevant business operations and upstream and downstream value chains, and describe which steps are taken when. In this analysis, we will use scenario analyses, the most optimistic scenario being where we will not exceed a global temperature increase of 1.5°C. We will also describe the results of this analysis and the extent to which our business model, underlying activities and assets can adapt to climate change or are affected by climate change. On the other hand, Hydratec's impact on greenhouse gas emissions has been assessed, the results of which are presented at the end of this chapter.

Policy

Over the past year, we have developed policies to mitigate our material impact, risks and opportunities related to climate change mitigation. This policy focuses on identifying, assessing, managing and remediating climate-related issues. The issues covered by this policy are climate change and energy efficiency. For climate change mitigation, the policy serves to reduce greenhouse gas emissions and minimise our carbon footprint. For energy efficiency, the policy serves to boost initiatives within our entities that focus on reducing energy and using it efficiently within our own activities (Scope 1 and 2), products and, in turn, our value chain (Scope 3).

Actions

In 2025, we started to formulate and implement actions on tackling climate change. The purpose of these actions is to achieve our climate-related targets and to prevent, mitigate and remediate negative impacts. In formulating these actions, we will report the greenhouse gas emission reductions achieved and to be achieved, as well as the significant financial resources associated with implementing these actions. These resources are subdivided into operating expenses and capital expenditure. Actions will focus on reducing Scope 1, 2 and 3 emissions.

Targets

Hydratec has targets aimed at reducing greenhouse gas emissions. These form part of our sustainability strategy and policy. The targets laid down focus on Scope 1, 2 and 3, with a subdivision between Scope 1 & 2 and Scope 3. The targets have been set for 2030, taking 2023 as a base year. The targets will be measured as a percentage of the base year value. This base year is the first measurement performed by Hydratec. We have tried to ensure the quality and accuracy of the information as much as possible in the process. Significant adjustments in the calculations in the coming years will be reported transparently. Hydratec's targets are to reduce GHG emissions from Scope 1 and 2 by 50% by 2030. We will also work to reduce Scope 3 greenhouse gas emissions. No quantitative target has been set for Scope 3 thus far. This may be done once the reduction measures have been determined and there is a better understanding of the potential for reduction.

Metrics

Energy consumption and mix

DR:	Section:	Information:	2024
E1-5	37a	Total energy consumption from fossil sources (MWh):	29,757
E1-5	37b	Total energy consumption from nuclear sources:	-
E1-5	37c	Total energy consumption from renewable sources (MWh):	4,521
		Fuel consumption from renewable sources (MWh):	
		Consumption of purchased electricity, heat, steam and cooling from fossil sources (MWh):	2,576
		Consumption of self-generated non-fuel renewable energy)MWh):	1,945

Methodology

For the energy consumption and the mix for each source, we have taken a conservative approach when splitting the electricity and gas consumption between renewable and non-renewable sources. We have only deemed such energy consumption to have come from renewable sources if the origins of the energy purchased are clearly defined in the contractual agreements with the suppliers. For sites where the origins of the energy purchased are not clearly defined in the contractual agreements or summaries from the suppliers, the energy consumed is classified entirely as coming from fossil sources. The energy consumption is based on actual data from external sources such as the energy supplier. The renewable energy generated ourselves is based on the metering from the systems. We have taken measures to avoid double counting of renewable energy that we generated and consumed ourselves.

Gross Scope 1, 2 & 3 emissions and total greenhouse gas emissions

			Retrospect				Target	
DR:	Section:	Information:	2023	2024	Difference	Difference (%)	2030	Annual target (%)/base year
E1-6	48a	Gross Scope 1 emissions in tonnes of CO_2eq:	1,328	1,300	-28	-2%	664	7%
E1-6	49a	Gross location-based Scope 2 emissions in tonnes of CO_2eq:	12,011	11,233	-778	-6%	No target	
E1-6	49b	Gross market-based Scope 2 emissions in tonnes of CO_2eq:	14,628	11,444	-3,184	-22%	7314	7%
E1-6	51	Gross Scope 3 emissions in tonnes of CO_2eq:	381,835	257,546	-124,289	-33%	< 381,835	< 0%
		Gross Scope 3 emissions for purchased goods and services in tonnes of CO_2eq:	54,469	36,204	-18,265	-34%	No target	
		Gross Scope 3 emissions for capital goods in tonnes of CO_2eq:	3,791	1,942	-1,848	-49%		
		Gross Scope 3 emissions for fuel and energy-related activities (not in Scope 1 and 2) in tonnes of CO_2eq:	3,061	2,415	-646	-21%		
		Gross Scope 3 emissions for upstream transportation and distribution in tonnes of CO_2eq:	1,486	1,538	53	4%		
		Gross Scope 3 emissions for waste generated in operations in tonnes of CO_2eq:	28	40	12	42%		
		Gross Scope 3 emissions for business travel in tonnes of CO_2eq:	1,417	1,555	138	10%		
		Gross Scope 3 emissions for employee commuting in tonnes of CO_2eq:	303	396	92	30%		
		Gross Scope 3 emissions for downstream transport and distribution in tonnes of CO_2eq:	4,073	726	-3,346	-82%		
		Gross Scope 3 emissions for use of sold products in tonnes of CO_2eq:	312,998	212,563	-100,435	-32%		
		Gross Scope 3 emissions for processing of sold products in tonnes of CO_2eq:	141	124	-17	-12%		
		Gross Scope 3 emissions for downstream leased assets in tonnes of CO_2eq:	1	1	1	100%		
		Gross Scope 3 emissions for upstream leased assets in tonnes of CO_2eq:	71	41	-30	-42%		
E1-6	44, 52a	Total greenhouse gas emissions derived from the underlying Scope 2 GHG emissions measured using the location-based methodology:	395,174	270,079	-125,095	-32%		
E1-6	44, 52b	Total greenhouse gas emissions derived from the underlying Scope 2 GHG emissions measured using the market-based methodology:	397,791	270,290	-127,501	-32%		
E1-6	53	GHG emission intensity (total greenhouse gas emissions in tonnes of CO2eq per EUR 1,000 of net revenue using location-based methodology):	1	1	0	-28%		
		GHG emission intensity (total greenhouse gas emissions in tonnes of CO2eq per EUR 1,000 of net revenue using market-based methodology):	1	1	0	-29%		
		Net revenue (in EUR 1,000) as included in the profit & loss statement	282,748	270,204	-12,544	-4%		

Methodology

Location-based:
Location-based refers to the average power generation mix (green/grey) for a given location, including local, sub-national or national boundaries. To calculate location-based emissions, we use emission factors for the average grid mix (TTW) of the relevant locations for Scope 2. Chain emissions (WTT) are accounted for in Scope 3, category 3.

Market-based:
Market-based refers to the energy mix (green/grey) purchased by the company. We distinguish between two different types of energy within our organisation: green and grey. To calculate market-based emissions, we use the average grey electricity (TTW) and green electricity (TTW) emission factors for the relevant locations. Chain emissions (WTT) are accounted for in Scope 3, category 3.

Total Scope 1, 2 and 3 emissions:
Hydratec's Scope 1, 2 and 3 emissions provide an overview of the CO_2 equivalents emitted within our operations and value chain in the reporting year. The carbon footprint has been calculated based on the European Sustainability Reporting Standards (ESRS), where the ESRS makes references to the Greenhouse Gas (GHG) Protocol. The methodologies used are derived from this standard. Furthermore, data from both internal and external sources and emission factors from different (academic) sources was used during the calculation.

Scope 1 emissions:
Scope 1 emissions include all emissions resulting from the use of fuels and refrigerants within Hydratec's assets. Activity data and sector average emission factors have been used to calculate these. The emission factors used have mainly been taken from CO2emissiefactoren.nl (2023) and DEFRA (2021-2023).

Scope 2 emissions:
Scope 2 emissions include all emissions resulting from the use of electricity, heat, cooling and steam within Hydratec's assets. Activity data and sector average emission factors have been used to calculate these. The emission factors used have mainly been taken from CO2emissiefactoren.nl (2023), U.S. EPA (2023), European Environmental Agency (2023) and DEFRA (2021-2023).

Scope 3 emissions:
Scope 3 emissions include a variety of emissions arising in Hydratec's value chain and indirectly related to Hydratec's business operations. This includes the following categories:
- purchased goods and services
- capital goods
- fuel and energy-related activities (not included in Scope 1 and 2)
- upstream transportation and distribution
- waste generated in operations
- business travel
- employee commuting
- downstream transportation and distribution
- use of sold products
- end-of-life treatment of sold products
- downstream leased assets.

Different methods have been used for the different categories. The main methodologies used are based on spend and activity data. The spend-based method has played a major role in calculating purchased goods and services, capital goods, and upstream and downstream transportation and distribution, among other categories. The activity data-based methodology has largely been used for fuel and energy-related activities, waste generated in operations, business travel, employee commuting, use of sold products, processing of sold products and downstream leased assets. Concrete data that reflects the real situation has been used in both methods. When necessary, assumptions and estimates have been made by experts at the companies to produce an estimate of carbon emissions. In addition, standard conversion factors have been used to allocate to different units, i.e. kWh to MWh. The emission factors used have mainly been taken from CO2emissiefactoren.nl (2023) and DEFRA (2021-2023). Different assumptions have been made to calculate Category 11 – Use of products sold and Category 13 – Downstream leased assets. The energy consumption of sold or leased assets is determined in kWh. In addition, estimates are made of the number of operating hours per day during the leased period or service life of the asset. The service life of the asset is determined on the basis of data relating to products already sold. The total consumption of the assets over the leased period or service life is multiplied by the relevant emission factor of the country in which they are located. The emission factors used are representative of the location's average grid mix (WTW) because the type of energy used by the customer is not known.

Greenhouse gas removals, greenhouse gas mitigation projects financed through carbon credits and internal carbon pricing

We do not use carbon credits to offset our carbon emissions and have not set up an internal carbon pricing system within our company.

Resource use and circular economy – E5

Impact, risks and opportunity management

With regard to resource and material use, the extraction of primary raw materials such as oil and steel can lead to the depletion and, in turn, the scarcity of raw materials. Resource scarcity can result in higher purchasing costs for Hydratec. Handling waste streams in an irresponsible way can lead to continued demand for new raw materials, thereby speeding up their depletion. In addition, there may be higher costs for treating the waste, which will affect Hydratec financially. On that basis, resource use and circular economy have been found to be material topics. The topics of resource inflows, resource outflows and waste have been included in this chapter as a result. During the DMA, the entire value chain was taken into account, both upstream and down, as well as in general. Most of the focus around this topic is on our own organisation. No specific methods were used during the assessment. Different stakeholders were taken into account during the assessment and were consulted in different ways (see 'Stakeholder interests and views').

Policy

Over the past year, we have adopted a policy to manage our material impact and risks related to resource use and circular economy. Our policy focuses on circularity and waste issues, such as identifying, assessing, managing and remediating them within the value chain, geographic locations and our own organisation. The Management Board of Hydratec is responsible for the implementation of this policy, which therefore applies to the whole Group.

We are committed to identifying and addressing the material impact of resource inflows, outflows and waste generation in our operations. We recognise the opportunities for innovation and cost savings in relation to the principles of the circular economy. We manage the impact by implementing strategies and innovations in favour of the circular economy. A key part of this policy is the transition from using virgin materials to using recycled materials. The focus is on purchasing renewable and recycled materials. In addition, we focus on the waste hierarchy, where waste prevention is the top priority, followed by preparation for reuse, recycling and other forms of recovery. We prioritise minimising waste through strategies such as reusing, repairing, refurbishing, overhauling and repurposing resources within our manufacturing and sales processes.

We are also committed to making our products more sustainable by focusing on eco-design, where products and production lines are designed with reducing resource usage (especially virgin materials) in mind. This means that we strive to minimise the environmental impact throughout the life cycle of our products.

Actions

We are committed to formulating and implementing actions on resource use and the circular economy. The aim of these actions is to achieve our policy objectives. The underlying action plans will be drawn up by the entities in early 2025. When we formulate these action plans, we follow the requirements of the ESRS. Actions within these plans will in any case focus on:

- increasing the percentage of secondary raw materials;
- applying circular principles in the design of installations and products;
- reducing and recycling waste.

Targets

Hydratec has set targets for 2030 that focus on resource inflows and outflows and waste that are not aligned with legislation and regulations. The targets for resource inflows and outflows are different for Hydratec's Industrial Systems and Hightech Components segments. The targets for waste apply at Group level. For Industrial Systems, we aim to increase the share of secondary/recycled purchased resources. We also aim to increase the number of circular principles in the design of the products, with an emphasis on durability, disassembly, repair and recyclability. For Hightech Components, the target is to purchase 15% recycled content for selected resources. In addition, 50% of selected product groups sold must be recyclable. For both segments, the focus is on resource inflows in efforts to procure products and resources. Moreover, circular principles including recyclability will be taken into account in the design of the installations and products. For both segments, two targets have been set for waste: a 15% reduction in waste (prevention) and a 90% recycling/separation rate (reuse/recycling). No quantitative target has been set for all topics thus far. This may be done when there is a better understanding of the different actions and implications of these.

Metrics

The metrics that have to be reported under the ESRS are mainly related to the impact of circularity and less to the associated financial and other risks. The following metrics provide insight into the relationship between the impact and Hydratec. To gain an understanding of the financial and other risks surrounding circularity and to help manage them, the operating result as a percentage of the revenue has been used as a financial metric, despite the fact that it is also affected by other factors. If the purchase costs increase and this poses a risk to operations, this may affect the operating result.

Resource inflows

To determine which resources to report on, the materiality of resources for Hydratec has been taken into account. All products (including packaging), materials, water and tangible assets have been considered in our own organisation and in the value chain, both upstream and down. We decided to focus on the largest resource flows for Industrial Systems and the procurement of raw materials for Hightech Components. This decision stems from the large variation in resource flows. For Industrial Systems, the largest resource flows are steel, stainless steel, aluminium and electronic components incorporating copper. For Hightech Components, the resource flows are mainly granular material.

Direct weight measurements based on supplier and procurement data have been used for resource inflow calculations. Where these were not available, extrapolation or estimates were used, on the basis of knowledge and expertise within the different entities and the Group.

DR:	Section:	Information:	2024
E5-4	31a	Overall total weight of products and technical and biological materials used during the reporting period (kg):	10,994,995
E5-4	31b	The percentage of biological materials procured sustainably:	0.11%
E5-4	31c	Weight in absolute value of secondary reused or recycled components used to manufacture products and services:	1,224,864
		Percentage of secondary reused or recycled components for the manufacture of the products and services:	11.14%

Methodology

The metrics above are based on information from our ERP system. The weights per product, along with the percentages of reused and recycled material, are derived from data from the suppliers. Where such data was not available, an estimate was made by in-house experts. To avoid anything being counted twice, we make sure that the content percentages taken together add up to 100%.

The overall total weight of products and technical and biological resources:
The overall total weight is calculated by multiplying the quantity of products by the weights.

Products:
A product is a distributed good that is the result of manufacturing or a manufacturing process that meets customer demand.

Technical products:
Technical materials are those that are usually used to make manufactured goods. These may include resources such as glass, steel and metal, plastics, etc.

Biological material:
Biological materials are those derived from or produced by biological organisms such as plants, animals, bacteria, fungi and other life forms.

The percentage of biological materials procured sustainably:
The percentage of biological materials sustainably procured is calculated by dividing the amount of biological material sustainably procured by the total weight of materials procured in the reporting period.

Secondary materials:
The percentage of secondary materials (reused, recycled and intermediate) is calculated by dividing the total weight of secondary materials by the overall total weight of materials.

The percentage of biological materials procured sustainably:
The percentage of biological materials sustainably procured is calculated by dividing the amount of biological material sustainably procured by the total weight of materials procured in the reporting period.

Resource outflows

Hydratec focuses on various circular principles to contribute to the circular economy. We are committed to reducing resource and raw material use in our own operations and at our customers. Furthermore, weight reduction is an increasingly important design requirement for the market and our strategy, and it significantly reduces the application's material and, in many cases, energy consumption. In addition to reduction, we also focus on extending the service life of our products. We do not currently have any specific insights into the service life of our products compared to industry averages and we do not measure reparability. We do this by improving the quality of products to make them last longer than alternative systems and components. Reducing resources also has an impact on waste, where the focus is on reducing and also recycling. One way of recycling is to feed specific waste streams directly back into the production process, so that fewer virgin raw materials need to be purchased. Hydratec does not have radioactive waste streams and therefore has not included these as a separate type in the waste reporting.

Our target is for more and more selected products and materials to come out of our production process having been designed according to circular principles. Our key products and materials are designed according to circular principles, focusing on sustainability and reuse. This results in a production process that supports the circular economy. We also understand how our waste is processed, with a view to reducing the amount of waste that we generate.

Direct weight measurements such as information from the waste processor and internally available information on the weights of installations and materials used have been used for material outflow calculations. Where these were not available, extrapolation or estimates were used, on the basis of knowledge and expertise within the different entities and the Group.

Methodology

The waste figures are based on actual data from external sources such as the waste processor. The waste processor was unable to state the processing method for part of the data. Where details of the actual processing methods used are not available, general processing methods are assumed for each type of waste.

Waste:
Any substance or article that the holder disposes of, intends to dispose of or is required to dispose of in accordance with national legislation, outside the primary outflow of products. Waste is disposed of by a waste processor.

Hazardous waste:
Waste that exhibits one or more hazardous properties according to national legislation.

DR:	Section:	Information:	2024
E5-5	36c	Percentage of recyclable content of products and their packaging:	15.70%
E5-5	37a	Total amount of waste produced (kg):	1,315,834
E5-5	37b	Total amount by weight diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste and a breakdown by the following recovery operation types:	742,344
		Hazardous waste:	527
		Non-hazardous waste:	741,817
		Preparation for reuse:	241,659
		Recycling:	500,684
		Other recovery operations:	-
E5-5	37c	Amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are:	573,490
		Hazardous waste (total):	16,436
		Non-hazardous waste:	557,054
		Incineration:	570,401
		Landfill:	2,719
		Other disposal operations:	370
E5-5	37d	Total amount of non-recycled waste:	573,490
		Percentage of non-recycled waste:	43.58%
E5-5	39	Total amount of hazardous waste:	16,963
		Total amount of radioactive waste:	-

EU taxonomy

The EU taxonomy offers standardised criteria for ensuring a common understanding of the concepts used for economic activities that make a substantial contribution to the climate and environmental objectives. According to the EU taxonomy's requirements, companies that are currently covered by Directive 2014/95/EU about the publication of non-financial information – implemented in Dutch legislation through the Decree on Disclosure of Non-Financial Information ('Besluit bekendmaking niet-financiële informatie') – must give a picture of the taxonomy-eligible part of their economic activities where such activities are aligned with the taxonomy, in terms of Revenue, Capital Expenditure (CAPEX) and Operational Expenditure (OPEX), including certain qualitative information. The EU taxonomy consists of six environmental categories: climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection of biodiversity and ecosystems.

The annual report covers that part of the economic activities that is eligible for and aligned with the EU taxonomy for all environmental objectives. Hydratec deems an economic activity to be eligible if it corresponds to the activities that have been included in the Delegated Acts of the EU taxonomy. An eligible activity will only be deemed to be aligned if that activity (1) makes a substantial contribution to at least one of the six environmental objectives as defined in technical appendices to the EU taxonomy, (2) does no significant harm (DNSH) and does not negatively affect one or more of the other five environmental objectives, and (3) complies with socially accepted minimum values. If economic activities are to be aligned with the EU taxonomy, they must be fully compliant with these criteria. If these criteria are not observed and substantiated in full, the corresponding eligible activities will be deemed not to be compliant with the EU taxonomy.

Minimum social acceptability guarantees

The guarantees that at least a minimum social acceptability will be achieved, as included in the EU taxonomy, comprise criteria relating to human rights and responsible business practices, focusing in particular on anti-bribery and anti-corruption, fair competition and taxation. Hydratec acknowledges the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These principles are anchored in various policy documents such as our ESG policy and the Code of Conduct. Although Hydratec has drawn up policy measures for supporting fair working standards and human rights, not all the measures have yet been fully implemented for complete alignment with these minimum social acceptability guarantees.

Human rights

Hydratec's human rights policy is to minimise the risk of any direct or indirect negative impact on the community. Human rights violations impact not only an individual's privacy but also Hydratec's reputation with customers, suppliers and new or existing employees. We are aware that certain activities can be associated with risks and we therefore take measures proactively to avoid or tackle negative consequences. We have built in processes and mechanisms that can be used to check that these standards are being complied with, such as periodic audits and stakeholder contacts.

Bribery and corruption

Hydratec has a zero-tolerance policy with respect to bribery and corruption. Our dedication to tackling corruption is enshrined in the ESG Policy and the Code of Conduct, which employees and management alike are committed to and must adhere to.

Taxation

Our corporate values, as defined in the Code of Conduct, are also the basis of our fiscal policy. This policy is aligned to our strategy and the principles of responsible business practices. This is how we aim to have a transparent and responsible approach to taxation that is in line with our long-term value creation.

Fair competition

We support free-market mechanisms and the underlying legal and statutory foundations. For that reason, we stay up to date on legislation that forbids trade restrictions, harmful economic activities and unfair, misleading and unethical business practices. Our Code provides guidelines and principles for fair competition.

We acknowledge that the EU taxonomy comprises a dynamic regulatory standard that is continuously being developed and for which activities and criteria are regularly updated. Hydratec would therefore like to emphasise that the percentages for eligible and aligned economic activities should not be seen as a complete depiction of all our sustainability efforts, but only reflect our efforts in the context of the EU taxonomy as a framework. Despite progress in carrying out a more detailed analysis, the availability of data remains a challenge for disclosure of information about eligible and aligned economic activities. In the year under review, we assessed our activities once again in the light of the EU taxonomy, which led to an increase in our eligibility for sustainable economic activities. This revision is based on new understandings derived from further analyses according to the EU taxonomy. Our company's core activities remain unchanged. The comparative figures have been adjusted to allow for this.

Revenue

The EU taxonomy's definition of the eligible revenue KPI covers the net revenue generated from products or services that are related to eligible economic activities, divided by the total net revenue. The net revenue figure used for calculating the revenue KPI in 2024 was €270.2 million. This sum matches the group revenue as included in subsection 1.23 of the consolidated financial statements. Further explanations and the accounting policies used can also be found in the same explanatory section. The net revenue figure that is eligible for the EU taxonomy refers to the following economic activities:

The production of electrical and electronic equipment, CE1.2

This economic activity is defined as the production of electrical and electronic devices for industrial, professional and consumer use. The project-related revenue of the Industrial Systems companies and the engineering revenue of Helvoet comply with this definition and are thus eligible for the EU taxonomy.

Sales of spare parts, CE5.2

As project organisations in specialist mechanical engineering, the Industrial Systems companies also offer spare parts as one element of the service they provide for the machines delivered. These spare parts are sold to existing customers to extend the service lives of machines that were previously sold, which means that this economic activity is eligible for the EU taxonomy.

The revenue flows that are eligible for the EU taxonomy fall within the environmental objective of the 'transition to a circular economy'. This total revenue flow came to €155.8 million in 2024, representing 58% of Hydratec's total revenue. Various internal control measures have been implemented to avoid anything being counted twice. Last year, only the sales of spare parts were identified as an activity within the EU taxonomy. This year, based on new understandings from further analyses, the sales of electrical machines have also been marked as eligible. The comparative figures have been adjusted for this, after correcting an error. Last year, 0% was reported for this economic activity whereas this has now been adjusted to 50%. For both these economic activities, there is as yet insufficient overlap between internal information (about recycled/sustainable materials, compliance with relevant sustainability labels and use after the end of the operational lifespan) and the evidence that the EU taxonomy requires for concluding that the eligible revenue flows genuinely do match the EU taxonomy.

Capital investments

The investments that are used for calculating the CAPEX KPI can be derived from the overview of how the tangible fixed assets and leased assets have changed (1.30 and 1.31 respectively). We have adopted a threshold of €0.1 million for determining which investments fall within the scope of this assessment. This means that 93% of our CAPEX portfolio has been evaluated. We have ensured that no investments have been counted twice and that each KPI is only assigned once. Further details of the allocation of these fixed assets and the associated accounting policies can be found in explanatory notes 1.30 and 1.31 of the financial statements.

Renovation of existing buildings, CCM7.2

This economic activity is defined as construction and civil engineering work (or preparations for them) at existing buildings. As we are continuing to invest in our production sites and other locations, a large proportion of the eligible investments relate to renovating existing buildings. At Rollepaal this was renovation of the outer facade and at Timmerije there were investments in putting in loading bays and adding toilets and changing rooms for women and those with physical impairments.

Transport using motorbikes, cars and light commercial vehicles, CCM6.5

The definition of this economic activity covers the purchase, financing, hiring, leasing and commercial operation of vehicles that fall within the scope of Regulation (EC) no. 715/2007 by the European Parliament and the Council. Additions to the rented assets are new lease contracts for cars, thereby facilitating commuting to and from work for staff. This economic activity complies with the relevant definition and it is therefore eligible for the EU taxonomy.

The investments that are eligible for the EU taxonomy fall within the environmental objective of 'climate change mitigation'. Based on our assessment, 24% of the CAPEX has been classified as eligible, whereas 0% is aligned with the objectives of the EU taxonomy. This is principally due to the lack of the internal information that the EU taxonomy requires in order for this assessment to be made. Last year, the percentage of eligible economic activities was 0%, despite leasing agreements being signed for cars. Based on new insights from further analyses, we now also acknowledge that this economic activity is eligible and the comparative figures have been adjusted to take that error into account.

Operational expenditure

The EU taxonomy uses a much more restricted definition of OPEX than the one Hydratec uses in its financial reporting as per the International Financial Reporting Standards (IFRS). The denominator for the OPEX KPI is based on the EU taxonomy definition and contains direct operating costs (other than capital expenditure) that are associated with research and development, maintenance and repairs, and other direct costs for the everyday management of assets. This total differs from the total operating costs as stated in the financial statements. Hydratec has analysed the makeup of the OPEX and concluded that the only potentially eligible economic OPEX activities are in the category of 'product development costs'. We have determined that 6% is eligible for the OPEX KPI and 0% is aligned. We have ensured that no costs have been counted twice and that each KPI is only assigned once. Last year, this amount was set to zero in the counter because the option of making an exception was used. This year, the option of making an exception was not applied because of material relevance considerations.

The production of electrical and electronic equipment, CE1.2

The costs for product development are directly linked to the sales of our electrical machines and therefore fit in with the economic activity as described under the revenue.

Our assessment is based on current understandings and our interpretations of how the regulation applies to our business activities and their impact on the eligibility and alignment with the EU taxonomy. We will continue to asses our eligible economic activities and their degree of alignment with the EU taxonomy in 2025. Future guidelines can lead to more accurate definitions and changing decision-making about complying with reporting obligations that may possibly come into force and that can affect our future EU taxonomy reporting.

EU taxonomy table - eligible and/or aligned revenue

		2024		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code	Absolute revenue	Proportion of total revenue	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) 2023 revenue	Enabling activities	Transitionalactivities
A. EU taxonomy-eligible activities																			
A.1. EU taxonomy-eligible and taxonomy-aligned economic activities																			
		€	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	%	E	T
Revenue from EU taxonomy-eligible and taxonomy-aligned economic activities		-	0%														0%		
Of which enabling		-	0%														0%	E	
Of which transitional		-	0%														0%		T
A.2. EU taxonomy-eligible but not taxonomy-aligned economic activities																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sale of electrical machinery	*CE 1.2*	*136,7M*	*51%*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								*50%*		
Spare parts sales	*CE 5.2*	*19,1M*	*7%*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								*7%*		
Revenue from EU taxonomy-eligible but not taxonomy-aligned economic activities		155,8M	58%														57%		
A. Revenue from EU taxonomy-eligible and taxonomy-aligned economic activities (A.1 + A.2)		155,8M	58%																
B. EU taxonomy-non-eligible economic activities																			
Revenue from EU taxonomy-non-eligible economic activities		114,4M	42%																
Total		270,2M	100%																

EU taxonomy table - eligible and/or aligned CAPEX

Economic activities	Code	CapEx	Proportion of total CapEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) 2023 CapEx	Enabling activities	Transitionalactivities
		2024		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
A. EU taxonomy-eligible activities																			
A.1. EU taxonomy-eligible and taxonomy-aligned economic activities																			
		€	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	%	E	T
CapEx of EU taxonomy-eligible and taxonomy-aligned economic activities		-	0%														0%		
Of which enabling		-	0%														0%	E	
Of which transitional		-	0%														0%		T
A.2. EU taxonomy-eligible but not taxonomy-aligned economic activities																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	*CCM 7.2*	*0,8M*	*12%*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%		
Transport by passenger cars	*CCM 6.5*	*0,9M*	*12%*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								7%		
CapEx of EU taxonomy-eligible but not taxonomy-aligned economic activities		1,7M	24%														7%		
A. CapEx of EU taxonomy-eligible and taxonomy-aligned economic activities (A.1 + A.2)		1,7M	24%																
B. EU taxonomy-non-eligible economic activities																			
CapEx of EU taxonomy-non-eligible economic activities		5,3M	76%																
Total		7,0M	100%																

EU taxonomy table - eligible and/or aligned OPEX

		2024		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code	OpEx	Proportion of total OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) 2023 revenue	Enabling activities	Transitionalactivities
A. EU taxonomy-eligible activities																			
A.1. EU taxonomy-eligible and taxonomy-aligned economic activities																			
		€	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	%	E	T
OpEx of EU taxonomy-eligible and taxonomy-aligned economic activities		-	0%														0%		
Of which enabling		-	0%														0%	E	
Of which transitional		-	0%														0%		T
A.2. EU taxonomy-eligible but not taxonomy-aligned economic activities																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Product development costs		*2,2M*	*6%*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								*0%*		
OpEx of EU taxonomy-eligible but not taxonomy-aligned economic activities		2,1M	6%														0%		
A. OpEx of EU taxonomy-eligible and taxonomy-aligned economic activities (A.1 + A.2)		2,1M	6%																
B. EU taxonomy-non-eligible economic activities																			
OpEx of EU taxonomy-non-eligible economic activities		33,4M	94%																
Total		35,5M	100%																

EU taxonomy table - activities related to nuclear energy and fossil gas

Row	Nuclear-energy-related activities	
1.	The undertaking is engaged in research, development, demonstration and deployment or is exposed to innovative electricity generation techniques that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking is engaged in the construction and safe operation of new nuclear installations or is exposed to these activities for the production of electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as the safety upgrades to these installations, using the best available technologies.	No
3.	The undertaking is engaged in the safe operation of existing nuclear installations or is exposed to these activities for the production of electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas-related activities	
4.	The undertaking is engaged in the construction or operation of electricity generation plants or is exposed to these activities that generate electricity from fossil gaseous fuels.	No
5.	The undertaking is engaged in the construction, refurbishment and operation of combined heat/cool and power generation facilities or is exposed to these activities that use fossil gaseous fuels.	No
6.	The undertaking in engaged in the construction, refurbishment and operation of heat generation facilities or is exposed to these activities that produce heat/cooling using fossil gaseous fuels.	No

This table has been included to allow Hydratec's involvement with activities related to nuclear energy and fossil gas to be reported on transparently, as prescribed by the EU taxonomy framework. Given the strategic focus and operational breadth of Hydratec, the company is not involved with, does not finance and has no exposure to the said activities.

Own workforce – S1

Strategy

In the context of our own employees, failing to act on diversity, equality and inclusion (DEI) could have financial consequences due to increased personnel and recruitment costs and the lack of available staff and talent. This has a direct impact on Hydratec because our staff influence our strategy and business model. Employee interests and opinions are taken into account in our strategy through discussions with employees and/or their representatives.

In 2024, we had employees on various contract forms (FTEs), categorised into permanent employees, temporary employees and employees with no guaranteed hours. We also have non-employee workers as well as our own employees; these are self-employed people and people contracted from third parties. These different groups can be materially impacted by our business operations and are therefore included within the scope of our own workforce.

Human rights are seen as the basis for responsible business conduct by Hydratec. It has therefore been decided to report on this, despite the fact that this issue emerged as non-material from the DMA. By adhering to our ESG policies and Code of Conduct (hereinafter: "Code"), we are actively fighting against modern slavery, human trafficking and forced labour, including child labour. This policy is not just about protecting our own employees. We identify the operations at risk of forced or child labour and specify the types and locations where these risks may occur. Through higher standards within the EU, we pay particular attention to countries outside the EU where this risk may be present. We have no information or indications to suggest situations with these negative effects are occurring.

Impact, risks and opportunity management

Policy

Over the past year, we have implemented an ESG policy to control the material impact on diversity, equality and inclusion in our workforce. This policy focuses on identifying, assessing, managing and remediating the consequences of this risk. For Hydratec, underperforming DE&I efforts have a negative impact on our reputation, which may make it more difficult to attract and retain employees. This increases personnel and recruitment costs.

Our Code, which contains our human rights policy, is based on internationally recognised guidelines such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. We focus on three key areas: respect for human and labour rights, active involvement of workers and specific measures against human trafficking, forced labour and child labour. Firstly, we respect the human rights of our staff, notably their labour rights, including freedom of association and the right to collective bargaining. Second, we actively involve our employees in our policies and decision-making processes that concern them, through regular communication and employee participation, which is reinforced by our decentralised organisational structure. Finally, we have taken measures to remediate human rights violations. This means providing support and compensation to affected employees and implementing mechanisms to prevent future violations.

We have put in place specific policy measures that focus on trafficking in human beings, forced labour and child labour. With offices in Brazil and India, we feel an additional responsibility to ensure decent work and economic growth. By observing our Code, we oppose modern slavery, people trafficking and forced labour (including child labour). In addition, our policy aims to eliminate discrimination, promote equal opportunities, and promote diversity and inclusion. This policy covers a variety of bases for discrimination, including racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national origin or social origin. Hydratec strives for a diverse and inclusive workforce that reflects society. Our recruitment policy does not discriminate on the basis of age, gender and ethnicity. We are also striving for equal pay for women and men who do the same work. We have policy obligations regarding inclusion and affirmative actions for vulnerable groups within our workforce. Working groups have been set up, for example, to reflect on and guide recruitment, retention and how best to harness our female colleagues. We also improve facilities where necessary to create an inclusive work environment.

This policy is implemented through specific procedures to ensure that discrimination is prevented, restricted and addressed as soon as it occurs.

Processes to consult our own staff and remediate negative impacts, and channels for own staff to raise concerns

In the process of identifying impacts on own employees, several managers have mentioned the operating companies. These employees are involved as representatives of all employees. The results of the discussions were taken into account in the policies, objectives and action plans.

We have a common policy and processes for providing or contributing to remediation if we have caused or contributed to a material negative impact on our employees. Specific channels are described in our whistleblowing scheme and are available to employees to raise their concerns, needs or complaints directly with us, so we can address them. We ensure the availability of these channels through structured processes, and we track and monitor the issues raised and addressed through these channels to ensure they are effective. We do not regularly assess whether all our employees are aware of and confident in these structures and processes to communicate their concerns or needs. Our whistleblowing scheme, which allows any employee to contact an external confidential counsellor, was implemented in 2024. The whistleblowing scheme has been shared within the Group and published on our website. The Group companies are responsible themselves for rolling out the policy. Our policy also includes measures to protect individuals who use these channels to express their concerns from any retaliation.

Actions

In 2025, we started to formulate and implement actions relating to our own workforce. The purpose of these actions is to achieve our policy targets and to prevent, mitigate and remediate negative material risks. In addition, these actions will aim to achieve positive material impacts. The underlying action plans are being drawn up by the operating companies in early 2025. When we formulate these action plans, we follow the requirements of the ESRS. Actions within these plans will in any case focus on improving diversity, equality and inclusion.

Targets

Hydratec has targets aimed at diversity, equality and inclusion. The target is to have at least 25% men and 25% women in our workforce by 2030, so as to ensure a balanced distribution that is appropriate to our sector.

In setting these targets, we have engaged representatives from the various employee groups. We monitor performance against the targets by tracking relevant data and evaluating whether we are achieving the desired results. This is the first reporting year, so we are unable to report on progress yet. Based on this information, we will identify areas for improvement and can adjust our policies as needed.

Metrics

The metrics that have to be reported under the ESRS are mainly related to the impact of diversity, equality and inclusion (DE&I) and less to the associated financial and other risks. The following metrics provide an insight into the relationship between the risk and Hydratec. To gain insight into the determined financial and other risks relating to DE&I, the financial metric uses the operating result as a percentage of revenue. When the recruitment costs rise, constituting a risk to operations, this will affect the operating result despite the fact that this is also affected by other factors.

Characteristics of the company's employees

The information below provides insight into Hydratec employees' characteristics.

DR:	Section:	Information:	2024
S1-6	50a	Total number of employees:	1,027
		Total number of male employees:	814
		Total number of female employees:	213
		Total number of other employees:	-
		Total number of employees – Netherlands:	569
		Total number of employees – United States:	24
		Total number of employees – India:	241
		Total number of employees – Poland:	106
		Total number of employees – Belgium:	84
		Total number of employees – UK:	1
		Total number of employees – Germany:	2
S1-6	50b	Total number of full-time equivalents (FTEs):	989
		Total number of full-time equivalents (FTEs) – Permanent male employees:	730
		Total number of full-time equivalents (FTEs) – Permanent female employees:	167
		Total number of full-time equivalents (FTEs) – Permanent other employees:	-
		Total number of full-time equivalents (FTEs) – Temporary male employees:	59
		Total number of full-time equivalents (FTEs) – Temporary female employees:	29
		Total number of full-time equivalents (FTEs) – Temporary other employees:	-
		Total number of full-time equivalents (FTEs) – Non-guaranteed hours male employees:	4
		Total number of full-time equivalents (FTEs) – Non-guaranteed hours employees:	-
		Total number of full-time equivalents (FTEs) – Non-guaranteed hours employees:	-
S1-6	50c	Total number of employees who have left the undertaking:	229
		Percentage of employee turnover:	22%

Characteristics of non-employee workers within the company's own staff

The information below provides insight into the total number of non-employee workers in our own workforce.

DR:	Section:	Information:	2024
S1-7	55a	Total number of non-employees in the undertaking's own workforce (FTEs):	361

Methodology

The metrics above are based on actual data from Hydratec's and its underlying companies' systems.

Quantification:
Methodology: the number of employees and FTEs as it stood at the end of the reporting period applies. The number of employees who left the company refers to the whole of 2024.

Total number of full-time equivalents (FTEs):
Definition: "An FTE is defined as the number of working hours per employee per week, month or year according to the national legislation or practice in force."

Total number of non-employees in the undertaking's own workforce (FTEs):
Definition: "An FTE is defined as the number of working hours per worker per week, month or year according to the national legislation or practice in force."

Definition: "The company's own workforce includes both individual contractors who supply workers to the company ("self-employed workers") and workers provided by companies primarily engaged in "employment activities" (NACE Code N78).

Examples of people employed by a third party who perform "employment activities" are people who do the same work as employees, such as:

i. people who substitute for employees who are temporarily absent (due to sickness, holidays, parental leave, etc.);
ii. people who work in addition to regular employees;
iii. people who are seconded from another EU Member State to work for the company ("seconded workers").

This means that non-employee workers perform work related to their own business activities."

Diversity measures

The information below provides insight into the gender distribution of senior management, as well as the age distribution of all employees, broken down into three age categories.

DR:	Section:	Information:	2024
S1-9	66a	Number of male employees at top management level:	18
		Number of female employees at top management level:	8
		Number of other employees at top management level:	-
		Percentage of male employees at top management level:	69%
		Percentage of female employees at top management level:	31%
		Percentage of other employees at top management level:	0%
S1-9	66b	Number of employees in age group: under 30:	198
		Number of employees in age group: 30-50:	463
		Number of employees in age group: over 50:	366

Methodology

The metrics above are based on actual data from Hydratec's and its underlying companies' systems.

Senior management:
Persons with the resources, authority and decision-making power of an organisation and who determine what changes take place within the organisation. At Hydratec, this refers to the Management Board of Hydratec and the management teams of the individual companies.

Adequate wage

The information below indicates whether our own employees are paid an adequate wage within Hydratec.

DR:	Section:	Information:	2024
S1-10	69	Percentage of employees paid an adequate wage:	100%

Methodology

Adequate wage:
The benchmark for the adequate wage used for comparison with the lowest wage must not be lower than:

- within the EEA: the minimum wage laid down in accordance with Directive 2022/2041 of 19 October 2022 on adequate minimum wages in the European Union; and

- outside the EEA: existing national or sub-national legislation based on an assessment of an appropriate wage necessary for a decent standard of living, or in the absence thereof, any national or sub-national minimum wage laid down by law or determined through collective bargaining.

Work-life balance measures

The information below provides insight into the entitlement to and use of family-related leave.

DR:	Section:	Information:	2024
S1-15	93a	Percentage of employees entitled to take family-related leave:	75%
S1-15	93b	Percentage of male employees entitled to take and that took family-related leave:	4%
		Percentage of female employees entitled to take and that took family-related leave:	4%
		Percentage of other employees entitled to take and that took family-related leave:	0%

Remuneration metrics (pay gap and total remuneration)

The information below provides insight into the pay gap between female and male employees and the degree of income inequality.

DR:	Section:	Information:	2024
S1-16	97a	The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees:	17%
S1-16	97b	The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual):	16

Methodology

Remuneration differences between men and women:
The remuneration difference between the average pay for men and for women is calculated as the difference between the average male and female pay, expressed as a percentage of the average pay for male staff.

The components of employees' remuneration are:
– The salary
– Cash payments (e.g. bonuses)
– Indirect remuneration (e.g. lease cars and pension contributions)
– Deferred remuneration

Payments in cash, such as bonuses, are determined based on what is paid out in the year. Indirect remuneration, including pension contributions and lease cars, is determined as per the explanatory notes to the remuneration of the management in the remuneration report. For countries where a component of the remuneration is not available for individual members of staff, the total of the remuneration component is assigned to each employee in proportion to their salary. The deferred remuneration is determined using the entitlement accumulated during the year.

The ratio between the annual total remuneration for the best-paid individual and the median annual total remuneration:
The ratio between the annual total remuneration for the best-paid individual and the median annual total remuneration is calculated by comparing the remuneration of the CEO, as clarified in the remuneration report, against the median remuneration over the year for all employees.

Incidents, complaints and serious human rights impacts

The information below provides insight into the number of incidents, complaints and serious human rights incidents that have occurred within our organisation.

DR:	Section:	Information:	2024
S1-17	103a	Total number of incidents of discrimination, including harassment:	-
S1-17	103b	Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns:	-
S1-17	103c	Total amount of fines, penalties and compensation for damage as a result of the complaints disclosed above:	-
S1-17	104a	Number of severe human rights incidents connected to the undertaking's own workforce:	-
S1-17	104b	Total amount of fines, penalties and compensation for damage as a result of the complaints disclosed above:	-

Methodology

Incidents:
An incident is reported when a formal complaint/report is made within the organisation, such as to HR or management or to a third party (confidential counsellor).

Business conduct - G1

Governance

The management boards of Hydratec's companies, and the Management Board and Supervisory Board of Hydratec have specific responsibilities that contribute to effective business operations. The Supervisory Board oversees and provides strategic advice to the Management Board. The Management Board regularly consults with the management of the various entities to discuss business aspects and results.

The Audit Committee is composed of Ms Sanders and Mr Veenema, both experts in the field of financial reporting. Further explanations are given in the 'Personal details' section.

The management boards of Hydratec's companies, and the Management Board and Supervisory Board of Hydratec have a wide range of experience and expertise. This diversity provides a good balance of skills, knowledge and experience within the Management Board and Supervisory Board, enabling them to respond effectively to business challenges and capitalise on strategic opportunities. This structure ensures efficient and successful operations, taking into account the interests of all stakeholders.

Impact, risks and opportunity management

Policy

Hydratec operates and trades worldwide, so our employees deal with differences in laws, regulations and interests, but also in ways of acting and working. We are aware of our obligation to act with integrity. Corruption and bribery have been identified as a material financial risk to Hydratec. When corruption and bribery incidents occur, we may be faced with consequences such as fines and reputational damage. It is therefore important to ensure that we reduce this risk to a minimum.

Our culture plays an important role in this and is built on clear core values that we communicate to all employees. These values are enshrined in the ESG Policy and Code of Conduct (the "Code"), which employees and management alike are committed to and must adhere to. The Code covers the key rules that we must all follow to prevent corruption and bribery.

Hydratec's leadership plays a crucial role in promoting these values. The Supervisory Board and the Management Board endorse the principles of good corporate governance and the provisions set out in the Dutch Corporate Governance Code. We promote employee engagement through regular consultation with the Works Councils in each operating company. The Group Management Board takes part in this once a year. In addition, we continuously evaluate our corporate culture through surveys and feedback, sharing results with the Works Council and employees. Actions for improvement, such as better internal communications, are implemented based on this feedback.

We have a policy against unlawful conduct as well as clear mechanisms for reporting and investigating concerns internally and externally, as described in our whistleblower scheme and the Code. This indicates what issues can be reported and how, and where this report should be made. There are also different procedures and channels for different types of reports. We have a statutory obligation to protect whistleblowers and ensure that they do not have to worry about any reprisals. We also ensure that internal and external stakeholders are informed about our whistleblower scheme by communicating openly about it and making it publicly available. In addition, there is no specific training, but all employees who may receive whistleblowing reports will be instructed on this. Our incident investigation procedure is founded on independence and objectivity. Based on the nature of the incident, we assess how the incident will be further investigated. Regular training is also provided on business conduct, including ethics, compliance and risk management for functions that we have identified, with a high risk of corruption. We have also developed policies on corruption and bribery, in line with the United Nations Convention against Corruption, and take further action where necessary to mitigate risk. This relates in particular to the sales process, in which we use agents.

We comply with the legislation on the protection of whistleblowers, in accordance with Directive (EU) 2019/1937, and provide the necessary training and information for our employees on reporting concerns and whistleblower protection.

Preventing and identifying corruption or bribery

At Hydratec, we focus on preventing, identifying, investigating and responding to allegations of corruption and bribery. We do this to build trust both internally and externally by providing transparency about the procedures we use to ensure integrity in business. In addition, we offer training programmes to make our employees aware of the risks and consequences of corruption and bribery and how we effectively communicate our practices to all relevant parties. Our internal control measures, including the policy on agents and the process, limit the risks that derive from this.

Our procedures and investigations are aimed at the prompt, independent and objective investigation of incidents related to corporate misconduct, such as corruption and bribery. We have laid down procedures to prevent and identify these incidents so that we can pinpoint potential problems at an early stage and take action to address them. If an incident does occur, an investigation will be carried out by setting up a body (external if appropriate to the incident), independent of the management chain involved in the case, ensuring an impartial and objective approach. The investigation findings will then be reported to the relevant administrative, management and supervisory bodies so that appropriate action can be taken. Feedback is provided in accordance with the applicable policy and whistleblowing scheme.

We ensure that our policies are effectively communicated to all relevant parties, both internally and externally, so that everyone understands the implications and knows what is expected of them. This is done by using clear and accessible communication channels, such as the website, so that the policy is clear and understandable for our employees and suppliers alike.

Our training programmes and practices are part of our approach to promoting a culture of ethical conduct. The training, onboarding and induction programmes focus on strengthening compliance with our Code and promoting risk management in business conduct, with particular emphasis on preventing corruption and bribery. The nature, scope and detail of these programmes are carefully tailored to the risk functions in our company, so that the right employees have access to relevant training and information. At present, we do not know the exact percentage of high-risk jobs that are covered by these training programmes, which proactively address risks in our organisation. The members of the administrative, management and supervisory bodies do not currently receive regular training, but are briefed annually on the policy and any updates, so that they fully understand how to comply with and enforce the policy.

In addition, in 2025, we started to identify whether any further actions, on top of the actions outlined above, should be formulated on tackling corruption and bribery.

Targets

Hydratec has a target that focuses on corruption and bribery. The target for the entire Group is to have no corruption or bribery incidents on an annual basis.

Metrics

Confirmed incidents of corruption or bribery

The information below provides insight into incidents of corruption or bribery that have occurred during the reporting period. No specific actions in addition to those identified in the section above have been taken to address violations of anti-corruption and anti-bribery procedures and standards.

DR:	Section:	Information:	2024
G1-4	24a	Number of convictions for violation of anti-corruption and anti-bribery laws:	-
		Amount of fines for violation of anti-corruption and anti-bribery laws:	-
G1-4	25a	Number of confirmed incidents of corruption or bribery:	-

Methodology

Confirmed incidents:
A confirmed incident is reported when a formal complaint/report is made to Hydratec or to a third party that then informs Hydratec.

Political influence and lobbying

The information below provides insight into our political influencing activities, including lobbying. Transparency about our political influence and lobbying activities creates an open corporate culture that prevents corruption and bribery. Our Group companies are each responsible for providing information on and monitoring their political influence, lobbying activities and any ancillary activities. In addition, we will provide transparency (where necessary although this is not currently applicable) on aspects including: lobbying activities, registration on an EU transparency register, comparable positions within government departments of administrative, management and supervisory bodies, and the main political issues that are being lobbied on and how they relate to our risks.

DR:	Section:	Information:	2024
G1-5	29b i	Financial political contributions:	-
G1-5	29b ii	Estimated financial value of in-kind political contributions:	-

Financial statements

Consolidated statement of profit or loss

x €1,000	Note		2024		2023
Net revenue	1.23		270,204		282,748
Consumption of materials and supplies		-121,523		-135,698	
Wages, salaries and temporary staff	1.25.1	-64,341		-67,111	
Social security contributions and pensions	1.25.2	-13,538		-12,854	
Depreciation of non-current assets	1.29/1.30/1.31	-9,944		-10,858	
Impairment	1.29/1.30/1.31	-357		-547	
Other operating costs	1.27	-35,247		-33,654	
Total operating costs			-244,950		-260,722
Operating result			25,254		22,026
Financial income			179		313
Financial expenses			-1,175		-1,267
Result before tax			24,258		21,072
Taxes	1.28		-6,020		-5,275
Net result from continuing operations			18,238		15,797
Net result from discontinued operations			0		0
Net result			18,238		15,797
Net result attributable to:					
Shareholders			18,218		15,693
Third parties			20		104
Weighted average number of shares attributable to shareholders			1,297,760		1,296,094
Earnings per share attributable to shareholders:					
Earnings per ordinary share (in euros)			14.04		12.11
Diluted earnings per ordinary share (in euros)			14.03		12.09
Earnings per share from continuing operations:					
Earnings per ordinary share (in euros)			14.04		12.11
Diluted earnings per ordinary share (in euros)			14.03		12.09

Consolidated statement of comprehensive income

x €1,000		2024		2023
Net result		18,238		15,797
Elements which may be recognised in the statement of profit or loss in the future				
Cash flow hedges – adjustment to fair value (incl. taxation)	-105		-96	
Foreign activities – currency translation differences	228		-147	
		123		-243
Elements which will not be recognised in the statement of profit or loss in future				
Pension	-10		4	
		-10		4
Total unrealised results		113		-239
Comprehensive income after tax		18,351		15,558
Comprehensive income attributable to:				
Shareholders		18,331		15,454
Third parties		20		104

Consolidated balance sheet as at 31 December

Before appropriation of result

x €1,000	Note	2024	2023
ASSETS			
Intangible fixed assets	1.29	24,854	25,686
Tangible fixed assets	1.30	67,117	67,773
Lease assets	1.31	6,466	6,914
Deferred tax assets	1.32.1	5,269	4,854
Participating interests	1.32.2	13,307	-
Financial fixed assets		591	239
Total fixed assets		117,604	105,466
Contract assets	1.23.6	11,396	7,204
Inventories	1.33	25,640	38,215
Trade receivables	1.34	38,934	47,055
Corporate tax		1,298	295
Other taxes and social security contributions	1.35	1,694	2,277
Other receivables		3,866	4,691
Accrued assets		6,839	4,580
Cash and equivalents	1.36	9,147	11,137
Total current assets		98,814	115,454
Total assets		216,418	220,920

x €1,000	Note	2024	2023
LIABILITIES			
Shareholders' equity attributable to Hydratec shareholders	1.38	104,579	93,817
Minority share		206	213
Total equity	1.38	104,785	94,030
Personnel-related provisions	1.40	2,178	1,540
Other provisions	1.40	3,024	4,863
Deferred tax liabilities	1.40.5	1,538	1,282
Borrowings and lease obligations	1.41.1	11,511	13,658
Other financial instruments	1.41.2	593	191
Total provisions and non-current liabilities		18,844	21,534
Contract liabilities	1.23.6	30,916	19,117
Trade payables		18,156	18,610
Corporate tax		192	1,513
Other taxes and social security contributions	1.42	3,394	3,385
Borrowings and lease obligations	1.41.1	3,268	3,209
Bank current account	1.43	-	7,621
Provisions	1.40	3,532	3,060
Other liabilities, accruals and deferred income	1.44	33,331	48,841
Total current liabilities		92,789	105,356
Total liabilities		216,418	220,920

Consolidated statement of changes in equity

x €1,000	Note	Issued capital 1.38.1	Share premium 1.38.2	Translation reserve 1.38.3	Hedge reserve 1.38.4	Other statutory reserve 1.38.5	Other reserves 1.38.6	Unappropriated result 1.38.7	Attributable to Hydratec shareholders	Attributable to third parties	Shareholders' equity
Carrying amount as at 1 January 2023		584	6,499	-2,132	102	2,200	62,810	15,927	85,990	99	86,089
Shareholder-related changes:											0
• 2022 dividend distribution							-7,770		-7,770		-7,770
• Participation plan share issue	1.25	1	168				-16		153		153
Other changes:											-
2022 result appropriation							15,927	-15,927	-		-
Capital contribution									-		-
Unrealised results											-
Hedge reserve					-96				-96		-96
Translation reserve				-157					-157	10	-147
Pension							4		4		4
Realised results											-
2023 net result						-666	666	15,693	15,693	104	15,797
Increase (decrease) in equity		1	168	-157	-96	-666	8,811	-234	7,827	114	7,941
Carrying amount as at 31 December 2023		585	6,667	-2,289	6	1,534	71,621	15,693	93,817	213	94,030

x €1,000	Note	Issued capital 1.38.1	Share premium 1.38.2	Translation reserve 1.38.3	Hedge reserve 1.38.4	Other statutory reserve 1.38.5	Other reserves 1.38.6	Unappropriated result 1.38.7	Attributable to Hydratec shareholders	Attributable to third parties	Shareholders' equity
Shareholder-related changes:											
• Interim dividend for 2024							-7,790		-7,790		-7,790
• Participation plan share issue	1.25	1	136				57		194		194
Other changes:											
2023 result appropriation							15,693	-15,693	-		-
Capital contribution									-		-
Unrealised results											
Hedge reserve					-105				-105		-105
Translation reserve				255					255	-27	228
Pension							-10		-10		-10
Realised results											
2024 net result						-36	36	18,218	18,218	20	18,238
Increase (decrease) in equity		1	136	255	-105	-36	7,986	2,525	10,762	-7	10,755
Carrying amount as at 31 December 2024		586	6,803	-2,034	-99	1,498	79,607	18,218	104,579	206	104,785

Consolidated cash flow statement

x €1,000	2024	2023
Result before tax	**24,258**	**21,072**
Adjustment for:		
• Depreciation	9,944	10,858
• Impairment	357	1,482
• Profit on sales	29	44
Financial income and expenses	895	910
Movements in provisions	-1,365	3,312
Changes in working capital:		
• Inventories	13,004	-419
• Current receivables	2,949	15,894
• Current liabilities (excluding corp. tax liability and lease liabilities)	-3,419	-41,460
Total changes in working capital	12,534	-25,985
Financial expenses paid	-630	-554
Income tax paid	-8,490	-6,404
Cash flow from operating activities	37,532	4,735
Investments in intangible fixed assets	-724	-57
Investments in tangible fixed assets	-6,106	-11,565
Disposal of tangible fixed assets	-150	-
Investments in financial fixed assets	39	70
Acquisition of participating interests	-13,027	-
Lapsed consolidation due to loss of control	-	267
Cash flow from investing activities	-19,968	-11,285
Dividend paid to Hydratec shareholders	-7,661	-7,624
Repayment of non-current liabilities	-1,860	-3,396
Repayment of lease liabilities	-1,981	-2,504
Long-term borrowings drawn	-	-
Repayment/withdrawal from bank overdraft	-7,621	6,116
Cash flow from financing activities	-19,123	-7,408
Net cash flow	-1,559	-13,958
Translation differences in cash balances	-431	-107
Movements in cash and cash equivalents	-1,990	-14,065
Cash and cash equivalents as at 1 January	11,137	25,202
Cash and cash equivalents as at 31 December	9,147	11,137

Explanatory notes to the consolidated financial statements

1.1 General

1.1.1 Introduction

Hydratec Industries N.V. (hereinafter referred to as Hydratec) has its registered office and principal place of business in Amersfoort, the Netherlands, and is registered with the Chamber of Commerce under number 23073095. The company's consolidated financial statements for the year ending 31 December 2024 comprise the financial statements of the company and all its subsidiaries (referred to jointly as 'the Group'). The Group comprised the following subsidiaries as at 31 December 2024:

Name	Business location
Timmerije B.V.	Neede, Netherlands
Lias Industries B.V.	Amersfoort, Netherlands
Pas Reform B.V.	Zeddam, Netherlands
Pas Reform Participações LTDA	São Paulo, Brazil
Pas Reform do Brasil LTDA	São Paulo, Brazil
Windmolen Holding LTDA	São Paulo, Brazil
ION (54.5%)	São Paulo, Brazil
Pas Reform North America LLC	Jacksonville, US
Lias Vastgoed B.V.	Zeddam, Netherlands
Lan Handling Technologies B.V.	Tilburg, Netherlands
Lan Vastgoed B.V.	Tilburg, Netherlands
ABAR Automation B.V.	Halfweg, Netherlands
LAN Handling Solutions B.V.	Tilburg, Netherlands
LAN Robotics B.V.	Tilburg, Netherlands
LAN Services International B.V.	Tilburg, Netherlands
Lan Handling North America LLC	Jacksonville, US
Polmer Sp. z o.o.	Wroclaw, Poland
Helvoet Rubber & Plastic Technologies B.V.	Tilburg, Netherlands
Helvoet Rubber & Plastic Technologies N.V.	Lommel, Belgium
High Technology Plastics (India) Pvt. Ltd.	Pune, India
Helvoet Polska Sp. z.o.o.	Kaniów, Poland
Rollepaal Pipe Extrusion Technology B.V.	Dedemsvaart, Netherlands
Rollepaal Inc.	Baltimore, US
Rollepaal Engineering India Pvt. Ltd.	Ahmedabad, India
Hydratec Holdco B.V.	Amersfoort, Netherlands
Hydratec Sub B.V.	Amersfoort, Netherlands

Unless otherwise specified, the Group is the sole shareholder of these companies. All subsidiaries have the same reporting date as Hydratec and their financial year also ends on 31 December. Helvoet Deutschland GmbH and Helvoet Rubber & Plastic Technologies GMBH & CO KG account for 100% of participations without control as a result of the insolvency filing; equity instruments are therefore available at the end of the financial year. In December 2024, Lias Industries B.V. acquired a 60% stake in Proqraft Holding B.V. (trading as: Eqraft), with significant influence but not total control.

Please refer to the Profile section where Hydratec's company profile is given for a summary of the Group's activities.

The annual figures have been prepared by the Management Board and, following the approval of the Supervisory Board, were released for publication on 6 March 2025. The 2024 annual report and financial statements were discussed in the Supervisory Board meeting held on 6 March 2025 and will be presented to the General Meeting of Shareholders on 24 April 2025 for its approval.

1.1.2 General accounting policies

The basis for preparation of the financial statements is historical cost, unless specified otherwise below. The financial statements are presented in euros (€). Amounts are in thousands of euros unless stated otherwise. The euro is Hydratec's functional and presentation currency. The financial statements have been prepared in accordance with IFRS-EU standards. This requires management to make judgements, estimates and assumptions that affect the application of guidelines and the reported value of assets, liabilities, income and expenditure. These estimates and underlying assumptions are based on past experience and various other factors which are considered fair under the circumstances. The estimates and assumptions serve as the basis for judgements on the value of recognised assets and liabilities the scale of which cannot yet be derived from other sources. The actual results may differ from these estimates. The estimates and underlying assumptions are under constant review. Revisions to estimates and assumptions are recognised in the period in which the estimates are revised if the revision only relates to that period, or in the revision period and future periods if the revision has consequences for both the current period and future periods. The accounting policies are consistently applied by the companies in the Group for the periods presented in these consolidated financial statements.

1.1.3 Continuity

Thorough liquidity forecasts and expected revenue lead us to envisage no risks in terms of insufficient liquidity, failure to fulfil agreements under the credit agreement and continuity problems over the coming 12 months.

1.2 Statement of compliance

The Group's consolidated financial statements were prepared on the basis of the going-concern principle, in compliance with the IFRS Accounting Standards as accepted by the European Union (IFRS-EU), and with Title 9 of Book 2 of the Dutch Civil Code. Where necessary, comparable figures were adjusted for comparison purposes.

1.2.1 New standards and interpretations effective as of 01 January 2024

Where applicable, Hydratec applied new and amended IFRS standards and IFRIC interpretations relevant to the company during the financial year. The new standards and amendments to existing standards in 2024 do not directly affect the Group's equity and results and the notes to the financial statements.

1.2.2 New standards or interpretations which have not yet taken effect

At the end of 2024, several new and amended standards and interpretations were published, but were not yet effective at the time of publication of these financial statements. Hydratec will apply these new and amended standards and interpretations as soon as they become effective. The published new and amended IFRS standards and IFRIC interpretations that are not yet effective for reporting periods beginning on 1 January 2024 have not been prematurely adopted. In April 2024, the IASB published IFRS 18, replacing IAS 1. IFRS 18 introduces new requirements for presentation in the statement of profit or loss. Entities are required to assign all income and expenditure in the statement of profit and loss to one of five categories: operational, investing, financing, income tax and discontinued operations, the first three of which are new. It also requires disclosure of newly defined management-determined performance measures and income and expenditure sub-totals, introducing new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the financial statements and the explanatory notes. In addition, limited scope amendments have been made to IAS 7 Statement of cash flows, including a modified starting point for determining cash flows from operations using the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the freedom of choice on the classification of cash flows from dividends and interest. Amendments have also been made to various other standards. IFRS 18 and the amendments to the other standards apply for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. Hydratec is currently working to identify the entire impact that the changes will have on the primary financial statements and the explanatory notes to the financial statements.

1.3 Estimates and judgements by management

Hydratec makes use of estimates and assumptions when preparing the financial statements and the measurement of items in the financial statements. These are mainly based on knowledge of the various business segments, past experience and Hydratec's management's best estimate of the specific circumstances that are, in the opinion of management, applicable in the given situation. They take into account the macroeconomic effects of sustainability. The further explanation of the sustainability statement, including the strategy, targets and measures described therein, does not lead to any change in the assumptions and estimates, unless otherwise explained in the relevant item of the financial statements. The assumptions and estimates used in the financial statements often relate to future developments based on long-term planning. Actual developments may differ from the assumptions made and therefore the actual outcome may differ significantly from the current measurement of a number of items in the financial statements. Consequently, the assumptions and estimates used may have a significant impact on equity and the results. The assumptions and estimates used are checked regularly, including in part, and adjusted if necessary. The following items in Hydratec's financial statements are specifically subject to assumptions and estimates:

- the identification and measurement of intangible fixed assets on acquisitions and impairment tests;
- the measurement of tangible fixed assets and determination of economic life on acquisition;
- the measurement of inventories at various stages;
- the measurement of deductible losses for tax purposes;
- the determination of provisions;
- financial instruments;
- identification and determination of segments;
- revenue recognised and measured for contract assets/liabilities.

Estimates and uncertainties relating to these items are described in the notes to the individual items in the financial statements. Apart from the elements set out in the notes to the financial statements, there are no other critical measurement estimates which required further explanation.

1.4 Consolidation

1.4.1 Subsidiaries

Subsidiaries are companies in which Hydratec has direct or indirect control. These participations are regarded as subsidiaries. Control means that Hydratec is exposed to, or has rights to, variable revenues due to its involvement with the investee and can influence those revenues through its power over the investee. These subsidiaries' financial statements are included in the consolidated financial statements from the date on which control was acquired until the moment Hydratec loses control.

Profits, losses and each component of the unrealised results are attributed to Hydratec's shareholders and the third-party minority interest, even if this results in the minority share having a negative balance.

A change in the share of third parties without a loss of control is accounted for as a share transaction. If Hydratec ceases to have control over a subsidiary, it no longer recognises the related assets, minority interest liabilities and other components of equity, while the resulting profit or loss is recognised in the income statement.

1.4.2 Eliminated transactions in the consolidation

Balance sheet positions between companies in the Group, transactions between these companies and unrealised profits on such transactions are eliminated when preparing the consolidated financial statements.

1.4.3 Participations
Hydratec defines 'participation' as an investment in an entity in which it exercises significant influence but does not have total control.

Investments in participations are valued at cost on initial recognition. Directly attributable acquisition costs are capitalised as part of the acquisition price. Follow-up valuation is carried out according to the equity method of accounting.

1.5 Foreign currency

1.5.1 Currency transactions and translation
Transactions in foreign currencies are translated into euros at the average monthly exchange rate for the month in which the transaction took place. Monetary assets and liabilities in foreign currencies on the balance sheet date are translated into euros at the exchange rate applicable on the balance sheet date. Currency translation differences are recognised in the statement of profit or loss.

1.5.2 Financial statements from participating interests abroad
Assets and liabilities from foreign activities are translated into euros at the exchange rates applicable on the balance sheet date. Income from and costs of foreign activities are translated into euros at exchange rates approaching the exchange rates which applied on the date of the transaction. Currency translation differences are recognised directly through the consolidated statement of comprehensive income and are presented as a separate component of shareholders' equity.

Exchange rates

Currency	€1 is converted at	2024	2023
USD	Closing price	1.04	1.11
	Average	1.08	1.08
INR	Closing price	89.08	91.86
	Average	90.45	89.25
BRL	Closing price	6.43	5.36
	Average	5.83	5.40
PLN	Closing price	4.27	4.35
	Average	4.31	4.54

1.6 Financial instruments

1.6.1. Non-derivative financial instruments

Non-derivative financial instruments are trade and other receivables, cash and cash equivalents, borrowings, trade and other payables and the category other under financial fixed assets. The Group classifies these non-derivative financial instruments under the category borrowings and receivables. On initial recognition (transaction date), non-derivative financial instruments are recognised at fair value, with directly attributable transaction costs included on initial recognition. Subsequent to the initial recognition, non-derivative financial instruments are carried at amortised cost, using the effective interest method, less impairment losses. These impairment losses are recognised in the statement of profit or loss.

1.6.2. Derivatives

Various Hydratec companies have concluded interest rate swaps (IRS) to lower the risk of interest rate fluctuations on corporate finance. This finance is provided at a variable interest rate and fixed by means of the interest rate swap. In addition, use is made of derivatives such as forward exchange contracts (Forwards) and foreign exchange swaps (FX Swaps) to hedge the risk of projects paid in foreign currency. All these derivatives are designated as 'cash flow hedge' and are measured initially at the fair value on the contract date and then at the fair value applicable on the following reporting dates.

The effective portion of movements is recognised directly in shareholders' equity in a separate shareholders' equity component: the hedge reserve. Any ineffective portion is recognised in the statement of profit or loss. Hydratec only designates the spot component of forward exchange contracts as hedging instruments.

1.6.3. Maturity of assets/liabilities

Financial assets and liabilities are classified as current if they are expected to be realised, sold, consumed or settled in the normal operating cycle, they are held primarily for trading purposes, their remaining term to maturity is expected to be less than 12 months, or there is no unconditional right to defer settlement of the liability for at least 12 months beyond the reporting period.

All other assets and liabilities are presented as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.6.4. Measurement of fair value

Fair value is the price that would be received on the sale of an asset or that would be paid on transfer of a liability in an orderly transaction between market parties. Please refer to other financial instruments for an explanation of how fair value is determined for derivatives used for hedge accounting. The fair value of all other financial instruments is determined using generally accepted measurement models (level 2 measurement). The fair values are only explained if they differ significantly from the carrying amount.

1.7 Intangible fixed assets

1.7.1. Acquisitions and goodwill

Acquired entities are consolidated from the date on which control is transferred. At initial recognition, acquired assets, liabilities and contingent liabilities are measured at fair value. This measurement is based on an assessment of the facts and circumstances on the acquisition date. All costs related to the acquisition are recognised directly in the statement of profit or loss.

The adjustment to minority interests arising from transactions that do not involve loss of control is based on a proportionate amount of the net assets in the subsidiary.

Goodwill is the difference between the acquisition price paid at the time of the purchase of a company and the fair value of the identifiable net assets of the acquired company. Goodwill on the acquisition of group companies is recognised under intangible fixed assets. After initial recognition, goodwill is measured at acquisition price less any accumulated impairments. For the purpose of recognising impairments, goodwill is allocated to the cash flow generating entities which can be expected to benefit from the acquisition which led to the generation of goodwill.

The value of goodwill is tested for impairment at each reporting date and when there is a change in circumstances that indicates that the value no longer represents fair value. The carrying amount of the cash flow generating entity, including the allocated goodwill, is also verified against the recoverable amount. The recoverable amount of a cash flow generating entity is established as either the value in use or the fair value less selling costs, whichever is the higher. To calculate the value in use, use is made of cash flow projections based on the budgets and Long-Term Plans (LTP) presented to the Management Board and the Supervisory Board by the business segments. The estimated cash flows after tax are discounted at a discount rate after tax which reflects the time value of money and the risks related to the assets. The expected future cash flows relating to these assets are therefore not adjusted for these risks. An impairment – the difference between the carrying amount and the recoverable amount – is recognised in the statement of profit or loss as part of depreciation and impairments. Goodwill impairments are not reversed.

Badwill, or negative goodwill, occurs when an acquisition is made at less than the net fair value of the identifiable assets and liabilities. Badwill is taken directly to the statement of profit or loss.

1.7.2. Software

Software is measured at acquisition price less accumulated amortisation and cumulative impairments. Amortisation starts from the date that software is available for use. The amortisation period for software is five years.

1.7.3. Research and development

Expenditure in connection with research activities incurred in order to acquire new technical knowledge is taken to the statement of profit or loss when it occurs. Internal development expenditure for which future economic benefits can be reliably estimated is capitalised, assuming it can be unambiguously determined, the asset created is identifiable, the asset is usable or available for sale, costs can be reliably estimated during development and have not been incurred to maintain an existing product or adapt to new market conditions. All other development costs are taken to the statement of profit or loss at the time the expenditure occurs. The recognised value of capitalised development costs consists of external and directly attributable internal costs and overheads.

1.7.4. Other intangible fixed assets

Other intangible fixed assets comprise identified fair values of customers (contacts), agents, brand names, rights and patents upon acquisition of participating interests or purchased rights. They are measured at fair value at initial recognition, as established on acquisition or purchase and amortised in accordance with paragraph 1.7.5.

1.7.5. Amortisation

Amortisation costs are taken to the statement of profit or loss using the straight-line method over the useful economic life of an intangible asset. Regular assessments are made to check that the amortisation period is consistent with the asset's economic life. The amortisation periods are:

Category	Depreciation in years
Customers	11-20
Agents	20
Brands	20
Rights	8
Patents	5-6
Software	5

1.8 Tangible fixed assets

1.8.1. Owned assets

Tangible fixed assets are recognised at acquisition cost less accumulated depreciation and impairment (see policy 1.13). The recognised value of assets manufactured in-house consists of the cost of material, the cost of direct man-hours and directly attributable costs. An asset manufactured or developed for future use is classified as a tangible fixed asset and measured at cost until the construction or development is complete. The cost of borrowings associated with the purchase of tangible fixed assets or assets under construction is capitalised insofar as it can be directly attributed to the acquisition, production or construction of a qualifying asset. If an asset comprises several components with different economic lives, the components will be recognised separately. Down payments on tangible fixed assets are recognised as fixed assets under construction.

1.8.2. Expenditure after initial investment

Periodic replacement expenditure which is associated with tangible fixed asset components is capitalised in the measurement of the tangible fixed asset component, unless the future economic benefits of the asset will accrue to the Group and the cost of such periodic replacement expenditure can reliably be determined. All other expenditure is recognised as an expense in the statement of profit or loss when incurred.

1.8.3. Disposals

Tangible fixed assets are no longer recognised on the balance sheet upon disposal (i.e. on the date when the recipient obtains control) or when no future economic benefits are expected from its use. Any profit or loss arising from not recognising the asset (calculated as the difference between the net sale income and the asset's carrying amount) is included in the statement of profit or loss when the asset is no longer shown on the balance sheet.

1.8.4. Depreciation

Depreciation costs are taken to the statement of profit or loss using the straight-line method up to the residual value based on the estimated useful economic life of the various components that make up the asset and in line with the expected pattern of future economic benefits that will accrue to the company. Land and assets under construction are not depreciated. The useful economic life of tangible fixed assets varies as follows for the various components:

Category	Depreciation in years
Buildings	33-40
Plant and equipment	5-10
Computers and office furniture	5
Building fixtures and fittings	5-10

1.9 Lease assets

The Group recognises lease assets on the commencement date of the lease (the date on which the underlying asset is available for use). Assets for use are measured at cost, less any accumulated depreciation and impairment losses and adjusted for possible revaluation of lease liabilities. The cost of lease assets comprises the amount of the recognised lease liabilities, initial direct costs incurred and lease payments made prior to the commencement date, less any incentives received. The lease assets are depreciated over the lease period or the expected useful life if this is shorter than the lease period or if a purchase option is exercised.

Hydratec has chosen to apply the exemption on short-term rentals and leases of low-value assets. Instead of recognising a right of use and lease liability, the related payments are recognised as an expense in the statement of profit or loss using the straight-line method over the lease period.

1.10 Inventories

Inventories purchased are recognised at either cost (on the basis of the latest procurement price) or net realisable value less selling costs, whichever is lower. The net realisable value is the estimated selling price in the context of normal operations less the estimated cost of completion. Internally produced inventories of semi-manufactured goods and finished goods, as well as inventories in progress are recognised at cost of manufacture, which comprises the cost of acquisition of used raw materials and consumables, plus man-hours at the hourly rate applicable at financial year-end. Indirect costs are included in the hourly rate. Calculation of the inventories takes account of the risk of obsolescence.

1.11 Other receivables

1.11.1 Trade and other receivables

At initial recognition, trade and other receivables are recognised in the financial statements at fair value and thereafter at amortised cost, using the effective interest method, less accumulated impairments.

Hydratec applies the IFRS 9 simplified approach to the provision for expected credit losses on trade receivables. Changes in credit risk are therefore not taken into account. A credit provision is recognised based on an expected loss for the entire term of the receivable in question. The IFRS 9 simplified approach cannot be applied to the other receivables. This provision is based on historical credit losses adjusted for economic developments and future expectations relevant to the specific receivables.

The addition to the provision for expected credit losses is recognised in the statement of profit or loss under other operating costs. Receivables have a term of 12 months or less and therefore do not contain a significant financing component.

1.11.2 Contract assets

Various Hydratec companies carry out projects to manufacture customer-specific products on the basis of contracts entered into with third parties. If the performance obligation is carried out by handing over goods or services to a customer before the customer has made a payment or before the payment is due, the contract is presented as a contract asset, excluding amounts presented as a receivable. Please refer to the accounting policies under net revenue for how the scale of the performance obligation is determined. Assessments are made every year to check whether there are indications that contract assets have been impaired. In line with the application to trade receivables in section 1.11.1, the IFRS 9 simplified approach is also applied for the provision for expected credit losses.

1.11.3 Assets and liabilities held for sale and discontinued operations

Assets and liabilities are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets and liabilities held for sale are measured at the lower of carrying amount and fair value less selling costs. Selling costs are the incremental cost directly attributable to the sale of an asset, not including any financing costs and income tax.

The criteria for classification as assets held for sale apply when a sale is highly probable, the asset is readily available for immediate sale in its present condition, the sale is expected to be completed within one year, the plan to sell is unlikely to be changed or withdrawn, and management has committed to the plan to sell. Assets held for sale are not depreciated.

A disposal group qualifies as a 'discontinued operation' if it is entirely or partly an entity that has either been disposed of or classified as held for sale, and:

- represents an individually important business activity or geographical area;
- is part of a coordinated plan to dispose of a separate major line of business or geographical area; or
- is a subsidiary company acquired exclusively with a view to resale.

Discontinued operations are presented separately. Unless otherwise indicated, all other disclosures in the financial statements include amounts for continuing operations.

1.12 Cash and cash equivalents

Cash and cash equivalents, comprising bank balances, cash and deposits available on demand are measured at face value. Current account facilities at banks are presented under other liabilities. The cash flow statement uses the same concept as the balance sheet.

1.13 Impairment

Assessments are made every year to check whether there are indications that fixed assets have been impaired. If such an indication is found, the recoverable amount of the asset is calculated. An impairment loss occurs when the carrying amount of an asset or a cash flow generating entity exceeds the recoverable amount. Impairment losses are taken to the statement of profit or loss.

1.14 Shareholders' equity

1.14.1. Share capital

Share capital is designated as shareholders' equity. The Group has issued no preference shares. Transaction costs for issuing shares are taken to shareholders' equity. The issue of shares 'at a premium' raises the share premium reserve.

1.14.2 Dividends

Dividends are recognised as an obligation in the period in which they are set by the shareholders' meeting.

1.14.3 Statement of changes in shareholders' equity

For the statement of changes in shareholders' equity and notes to certain equity components, please refer to the consolidated statement of changes in shareholders' equity and section 1.38.

1.14.4 Earnings per share

Ordinary earnings per share (continued and/or discontinued operations) are based on the result after taxes to be allocated to holders of ordinary shares and depositary receipts for shares, and the weighted average of ordinary shares outstanding in 2024.

The diluted earnings per share are calculated by dividing the result after taxes by the average number of outstanding shares during the financial year, including all conditionally awarded shares in the context of share-related remuneration.

1.15 Provisions

A provision is recognised in the balance sheet when the Group has an obligation enforceable at law or a constructive obligation as a consequence of an event on or prior to the balance sheet date, and if it is likely that settlement of that obligation will require an outflow of resources which can be reliably estimated. If the time value of money is significant, provisions are measured at the present value of the expected cost of fulfilling the liability. The provision is discounted at a pre-tax rate, considering the time value of money in the current market and the risks specific to the liability. The increase in a provision due to the passage of time is recognised as a finance expense.

1.15.1 Defined contribution pension plans

Obligations for contributions to pension and related defined contribution plans are recognised as an expense in the statement of profit or loss in the period to which they relate.

1.15.2 Industry pension plans

The Group has a number of pension plans in which contributions are paid to a pension fund or an insurance company. The main pension plans, which are administered by industry pension funds, take the form of multi-employer plans. The pension plans offered by these arrangements are, in fact, defined benefit plans. Hydratec's contribution to all these industry pension plans is a very small percentage of the whole contribution. Because industry pension funds provide no information which can be used to calculate the pension liability, Hydratec's actuarial risks cannot be estimated. Hydratec therefore treats these plans as defined contribution plans and the pension contributions due throughout the financial year are recognised as pension expenses in the financial statements. The expected pension expense for the next financial year is €5.2 million.

A provision is made for liabilities other than the contribution to be paid to the pension administrator if there is a liability enforceable at law or an actual liability to the pension administrator and/or employees on the balance sheet date, if it is likely that an outflow of resources will be necessary to settle the liability and if a reliable estimate can be made of the scale of the liability. The provision for additional liabilities to the pension administrator and/or employees is measured at the best estimate of the amounts necessary to settle the liabilities in question at the balance sheet date. The provision is measured at present value if the effect of the time value of money is material (in that the discount rate before tax reflects the current market rate).

A pension liability on account of surpluses at the pension administrators is recognised if the Group has the power to withdraw the surplus, if it is likely that it will lead to future economic benefits for the Group and if it can be reliably established. A pension surplus is measured in the same way as a provision.

The resulting gains or losses are recognised in the statement of profit or loss.

1.15.3 Defined benefit pension plans

The net liability on account of defined benefit pension plans is calculated separately for each plan by estimating the pension entitlements employees have accrued in exchange for their services over the reporting period and preceding periods. These pension entitlements are discounted to determine the present value. The pension entitlements and the cost of the defined benefit pensions are based on the 'projected unit credit method', in which actuarial calculations are drawn up at the balance sheet date. This method takes account of future salary increases due to employees' career opportunities and overall increases in salaries including cost-of-living adjustments. The discount rate is the return on investment grade corporate bonds at the balance sheet date whose maturity is close to the term of Hydratec's liabilities. Actuarial gains and losses are directly recognised through the consolidated statement of comprehensive income as unrealised results which will never be reclassified to the statement of profit or loss. Net interest expenses on the net balance of pension liabilities are recognised as interest expenses under financial expenses. When pension entitlements in a plan are changed, the part of the subsequent change in pension entitlements relating to past service or gains or losses from that change is taken directly to the result. Pension expenses, including past service pension expenses and the consequences of settlements and curtailments, are recognised as personnel costs. There were no pension provisions as at the balance sheet date.

1.15.4 Personnel-related benefits

This provision mainly relates to entitlements to anniversary bonuses accrued at the balance sheet date. Accrued anniversary bonuses are recognised on the basis of actuarial calculations, calculated by means of a discount rate before tax which reflects the market interest rate. The provision for anniversary bonuses has a predominantly non-current nature of more than 5 years.

1.15.5 Warranty provision

The company takes the actual warranty costs in the past year to make a best estimate of future warranty costs for the products (mostly machines) which are still within their warranty period. Account is taken of the type of machine and type of customer as well as the number of machines. The warranty for most of the plant is 12 to 24 months. This warranty is not a separate performance obligation under IFRS 15.

1.15.6 Restructuring provision

A provision for restructuring is recognised if the following conditions are met at the balance sheet date:

- a detailed plan for the restructuring has been formalised indicating at least:
  - the activities, or parts of activities, involved;
  - the main sites;
  - the site, its function and the number of employees expected to receive severance pay when its activities cease;
  - the expenditure involved;
  - when the plan is to be implemented; and
- a valid expectation has been raised in those affected by the restructuring that the company will carry out the restructuring by starting to implement that plan or by announcing its main features to those affected by it.

If the effect of the time value of money is material, this provision will be discounted.

1.15.7 Other provisions

Provisions are only recognised if a reliable estimate can be made of the amount of the expected costs. If the effect of the time value of money is material, this provision will be discounted. This provision is predominantly non-current.

1.16 Taxation

Income tax and other taxation comprise current and deferred taxation. Taxation is recognised in profit or loss unless it relates to a business combination or items taken directly to shareholders' equity or to the consolidated statement of comprehensive income. Current taxation comprises expected payable or receivable taxation on taxable income or losses in the current financial year and every adjustment of payable or receivable taxation concerning previous years. Payable or receivable taxation is the best estimate of the expected payable or receivable taxation. Current taxation also comprises any dividend withholding tax. Current tax assets and liabilities are only offset if Hydratec is entitled to, and intends to, settle them simultaneously.

Deferred taxation is recognised with respect to temporary differences between the carrying amounts of assets and liabilities in the financial statements and the carrying amounts for tax purposes. Deferred taxation is not recognised for:

- temporary differences at initial recognition of assets or liabilities in a transaction that do not relate to a business combination and that affect neither the accounting profit or loss or taxable profit or loss;
- temporary differences in connection with investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal for the temporary difference and it is likely that they will not reverse in the foreseeable future; and
- taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are calculated on the basis of tax rates set no later than on the balance sheet date (in substance) and apply at the time the related deferred tax liabilities are paid. Deferred tax assets relate to carry-over losses expected to be realised and temporary differences between the carrying amount of assets and liabilities and the carrying amounts of these items for tax purposes. Deferred tax assets are measured on each balance sheet date at tax rates adopted no later than the balance sheet date and at which they are expected to be realised and written down to the extent that it is no longer probable that they can be realised. Deferred tax assets and liabilities are offset if the conditions for offsetting have been met.

1.17 Borrowings and lease liabilities

The Group recognises lease liabilities on the commencement date of the lease. They are measured at the present value of the lease payments which are to be made throughout the period of the lease. If the implicit interest rate cannot be determined directly, the Group uses the incremental interest rate applicable on the commencement date of the lease when calculating the present value of lease payments. After the commencement date, lease liabilities are increased to reflect the interest accrual and lowered by the lease payments made. Furthermore, the carrying amount of lease liabilities and associated rights of use is remeasured if significant changes are made to the lease contract, the lease period changes, the lease payments change and the estimate of the exercise of a purchase option changes.

At initial recognition, borrowings are recognised in the financial statements at fair value (including directly attributable transaction costs) and thereafter at amortised cost, using the effective interest method.

1.18 Trade and other payables

At initial recognition, trade and other payables are recognised in the financial statements at fair value and thereafter at amortised cost. The amounts recognised have a term of shorter than one year.

1.18.1 Contract liabilities

Some contracts with customers contain agreements relating to payments in advance for goods to be delivered in the future. Amounts are also invoiced in advance which relate to future deliveries and services. Contract liabilities are recognised as income upon fulfilment of the contract.

1.19 Net revenue

A distinction can be made between two significant components of net revenue:

- supply of goods: a significant portion of Hightech Components companies' revenue and of one of the Industrial Systems companies;
- projects: a portion of Hightech Components companies' revenue and of the Industrial Systems companies.

Hydratec does not consider a financing element for payment terms of less than one year (practical expedient IFRS 15.63). Hydratec recognises incremental costs related to the acquisition of a contract directly as an expense in the statement of profit or loss if it expects the amortisation period for the asset to be otherwise recognised to be no more than one year (practical expedient IFRS 15.94)

1.19.1 Supply of goods

Revenue pertaining to the supply of goods refers to the contractual payment the entity expects to receive for transferring goods to customers. The performance obligation expires when the contractual obligation is fulfilled or when control of the goods or services is transferred to the customer for an amount the Group expects to be entitled to. Apart from transferring the goods, there are no other separate performance obligations which can affect revenue from contracts with customers on account of the transfer of goods. Revenue on supply of goods is recognised when the power of disposal has been transferred. The recognised revenue is not adjusted for expected returns because the expected returns are immaterial.

1.19.2 Projects

Revenue from projects refers to the payment the entity expects to receive for transferring systems or services to customers. Hydratec has no alternative use for these projects if the customer cancels the project, but it does have an enforceable right to payment for the portion of the work performed. In practice, projects in progress are hardly ever cancelled. If the results of a project can be reliably estimated, project income is recognised based on the ratio of actual costs to budgeted costs. If the results of a project cannot be reliably estimated, income is recognised only up to the amount of the project costs incurred insofar as there is a sufficient degree of certainty that these costs can be covered by income from the project. If it is likely that total project costs will be greater than the total project income, a provision is made for the entire expected loss.

Projects are financed by down payments from customers which do not contain a significant financing component. The work is usually carried out shortly after these down payments are received. Given its short-term nature and that there are no qualifying assets related to the projects, interest is not added to down payments.

In addition to these two significant net revenue components, revenue is also generated from service, installation and other services. These are recognised when performed.

The Group's obligation to repair or replace products under the standard terms and conditions of the guarantee is recognised as a provision.

1.20 Costs

1.20.1 Material usage/other external costs
This relates to the cost of raw materials and consumables including the costs related to their procurement.

1.20.2 Other operating costs
Costs are recognised at historical cost in the same period as their related income/performance.

1.20.3 Grants
Government grants are recognised when there is reasonable assurance that the grant will be received and all conditions complied with. Government grants are recognised in the statement of profit or loss in the same period as the related costs.

1.20.4 Other financial income and expenses
Interest income and expenses are recognised in the financial year to which they relate on the basis of the effective interest method.

1.21 Taxation on profit

Taxation on profit for the financial year comprises taxes payable and receivable for the reporting period and deferred taxation. Taxation on profit is recognised in the statement of profit or loss. Payable and receivable taxes in the financial year comprise income tax on taxable profit, as calculated based on statutory tax rates and adjustments to taxation in previous financial years.

1.22 Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. A distinction is made in the cash flow statement between cash flow from operating activities, investing activities and financing activities. Cash flow in foreign currencies is translated at the average monthly exchange rate throughout the financial year. Exchange differences for cash are shown separately in the cash flow statement. Receipts and expenditure for income tax and interest receipts and payments are recognised under cash flow from operating activities. Cash flow from acquisitions and disposal of financial interests (subsidiaries and participating interests) are recognised under cash flow from investing activities insofar as cash payments have taken place, minus cash assets also sold. Distributed dividends are recognised under cash flow from financing activities. Transactions involving no cash inflows or outflows, including leases and the deferred portion of the purchase price of participating interests (‘earn out’) are not included in the cash flow statement. Cash flows pertaining to borrowings and repayments as part of leases are presented as cash flow resulting from finance activities. Cash flows relating to lease interest are presented under financial expenses paid.

1.23 Segment reporting of continuing operations

Hydratec is organised along the lines of the following two operations, which are identified as two reportable segments:

- **Industrial Systems**: taking a project-based approach, entire industrial systems are manufactured under their own brand names in the Industrial Systems segment.
- **Hightech Components**: structural plastic components are developed and produced in the Hightech Components segment.

The two segments' results are assessed at operating result level.

Besides the two segments, there are also head office activities and eliminations of intersegment positions and transactions. Head office activities relate to the operations listed below and head office-related projects.

Sales between segments take place at market prices. There is no asymmetric recharging of costs between individual group entities.

1.23.1 Breakdown by business segment

x €1,000	Industrial Systems 2024	Industrial Systems 2023	Hightech Components 2024	Hightech Components 2023	Total segments 2024	Total segments 2023	Holding company expenses and eliminations 2024	Holding company expenses and eliminations 2023	Total 2024	Total 2023
Supply of goods	71,420	78,024	102,091	108,074	173,511	186,098	-	-	173,511	186,098
Projects	83,742	81,660	12,852	12,460	96,594	94,120	-	-	96,594	94,120
Other revenue	99	2,530			99	2,530	-	-	99	2,530
Net revenue	155,261	162,214	114,943	120,534	270,204	282,748	-	-	270,204	282,748
Intersegment revenue	8		643	739	651	739	-651	-739	-	-
Total segment revenue	155,269	162,214	115,586	121,273	270,855	283,487	-651	-739	270,204	282,748
Consumption of materials and supplies	-73,185	-86,142	-48,989	-50,294	-122,174	-136,436	651	739	-121,523	-135,697
Gross margin	82,084	76,072	66,597	70,979	148,681	147,051	-	-	148,681	147,051
Depreciation and impairment	-3,391	-3,474	-6,833	-7,827	-10,224	-11,301	-76	-103	-10,300	-11,404
Personnel and other expenses	-54,081	-48,023	-55,734	-63,810	-109,815	-111,833	-3,312	-1,788	-113,127	-113,621
Operating result	24,612	24,575	4,030	-658	28,642	23,917	-3,388	-1,891	25,254	22,026
Financial income and expenses	-555	-496	-1,323	-1,228	-1,878	-1,724	882	770	-996	-954
Result before tax	24,057	24,079	2,707	-1,886	26,764	22,193	-2,506	-1,121	24,258	21,072
Taxes	-5,826	-5,506	-839	-57	-6,665	-5,563	645	288	-6,020	-5,275
Net result from continuing operations	18,231	18,573	1,868	-1,943	20,099	16,630	-1,861	-833	18,238	15,797
Segment assets	148,470	134,345	90,024	97,357	238,494	231,702	-22,076	-10,782	216,418	220,920
Segment liabilities	92,970	81,346	47,543	55,661	140,513	137,007	-28,880	-10,117	111,633	126,890
Investments in tangible/intangible fixed assets	2,633	1,799	4,197	9,823	6,830	11,622	-	-	6,830	11,622

1.23.2 Breakdown by geographical origin of the segments

	Netherlands		Outside the Netherlands		Total	
x €1,000	2024	2023	2024	2023	2024	2023
Net revenue	213,145	211,135	57,059	71,613	270,204	282,748
Segment assets	165,230	163,231	51,188	57,689	216,418	220,920
Investments in tangible/intangible fixed assets	4,038	9,829	2,792	1,793	6,830	11,622

1.23.3 Breakdown by geographical revenue distribution by market

x €1,000	2024		2023	
Netherlands	53,469	19.8	49,534	17.5
Rest of Europe	87,140	32.2	96,946	34.3
Asia	45,320	16.8	39,022	13.8
North America	66,465	24.6	76,520	27.1
South America	7,858	2.9	14,761	5.2
Africa	7,719	2.9	4,242	1.5
Oceania	2,233	0.8	1,723	0.6
Total	270,204	100.0	282,748	100.0

1.23.4 Breakdown of revenue by type

Other revenue relates to revenue from service, installation and other services.

There was no customer in 2024 that was responsible for more than 10% of revenue (2023: none).

x €1,000	2024		2023	
Supply of goods	173,510	64.2	186,100	65.8
Projects	96,595	35.7	94,119	33.3
Other revenue	99	0.0	2,529	0.9
Total	270,204	100.0	282,748	100.0

1.23.5 Breakdown of revenue by meeting performance obligations

x €1,000	2024		2023	
Performance obligations met over a period	96,693	35.8	96,648	34.2
Performance obligations met at a point in time	173,511	64.2	186,100	65.8
Total	270,204	100.0	282,748	100.0

1.23.6 Contract balances

The list of receivables, contract assets and contract liabilities arising from contracts with customers is shown below.

x €1,000	Note	2024	2023
Accounts receivable	1.34	38,934	47,055
Amounts received in advance	1.44	15,193	30,630
Contract assets		11,396	7,204
Contract liabilities		30,916	19,117

Amounts received in advance relate to projects that have not yet started but for which an advance payment has been received. The projects for which an advance payment was received at the end of last year were launched and/or delivered in 2024. The amounts received in advance have decreased as there are relatively fewer projects with pre-invoicing at the end of 2024 compared to 2023. The increase in contract liabilities was caused by having more projects in the early stages of production with advance billing, in contrast to 2023. The increase in contract assets is due to the fact that, unlike 2023, there are more ongoing projects that have yet to be invoiced. The vast majority of contract liabilities have terms of less than one year. The contractual obligations recognised at the end of 2023 fully led to revenue in 2024. Contract assets relate to projects on which more costs have been incurred than invoiced.

The performance obligations on current contracts are expected to be fulfilled within one year (practical expedient IFRS 15.121).

1.24 Discontinued operations

There were no discontinued operations in 2024 and 2023.

1.25 Personnel

1.25.1 Wages, salaries and temporary staff

x €1,000	2024	2023
Wages and salaries	53,107	51,638
Temporary workers	10,411	11,489
Cost of redundancy payment plans	823	3,984
Total	64,341	67,111

The cost of share-based payments, accounted for in accordance with IFRS 2, is €181 thousand (2023: €124 thousand) and consists of the 25% increase in the variable bonus on conversion to shares that is charged in full to the result for the financial year. The total variable remuneration, including the share participation plan, amounts to €906 thousand (2023: €611 thousand).

The cost of converting variable remuneration in cash to shares is recognised as wages and salaries. The part of the remuneration relating to the share participation plan settled in the legal entity's equity instruments has been added to the other reserve. The shares are issued at the average share price of January and February and issued by Hydratec in the next financial year.

The cost of redundancy payment plans is related to the restructuring of Hellevoetsluis.

1.25.2. Social security contributions and pension

x €1,000	2024	2023
Social insurance contributions	8,324	7,841
Pension contributions	5,214	5,013
Total	13,538	12,854

1.25.3 Remuneration of members of the Supervisory Board and the Management Board

x €1,000	2024	2023
Supervisory Board		
D. Raithel	4	-
J. ten Cate	4	-
M. E. P. Sanders	30	30
P. Veenema	30	30
E. ten Cate	8	30
Total	76	90

Hydratec's key management comprises its directors, B. F Aangenendt and E. H. Slijkhuis.

x €1,000		2024	2023
B. F. Aangenendt	Base salary	364	350
	Variable remuneration in cash	102	158
	Variable remuneration in shares	102	-
	Pension costs	38	30
	Remuneration payable in due course	41	135
	Other remuneration	3	3
		650	676
E. H. Slijkhuis	Base salary	274	264
	Variable remuneration in cash	77	118
	Variable remuneration in shares	77	-
	Pension costs	32	27
	Remuneration payable in due course	41	135
	Other remuneration	4	4
		505	548
Total		1,155	1,224

See note 1.40.4. for disclosures on remuneration payable in due course.

As at the balance sheet date, Mr Aangenendt held 72,441 shares (2023: 72,441 shares) and Ms Slijkhuis held 1,001 shares on the balance sheet date (2023: 1,001 shares).

1.26 Average number of full-time employees

	2024	2023
Production direct	547	552
Production indirect	143	154
Engineering	128	150
Sales	67	66
Management & Finance	104	105
Total	989	1,027
Of which working abroad	406	434

1.27 Other operating costs

x €1,000	2024	2023
Business accommodation	3,273	2,745
Sales	6,245	6,183
Production and maintenance	8,983	10,585
Research	2,186	1,801
Exchange differences	-194	44
General costs	14,754	12,296
Total	35,247	33,654

Royal Pas Reform and Rollepaal have an extensive network of agents. The cooperation procedure with agents is laid down in contracts that include specific provisions and requirements from our Code of Conduct. See also the 'Code of Conduct' section in the Management Report, which outlines the Code of Conduct. Working through agents in various countries carries the risk of the company inadvertently getting caught up in violations of local and international laws and regulations, which may have considerable (financial) consequences. Several internal control measures have been put in place (see also the 'Risk Management' section of the Management Report) to mitigate the non-compliance risk sufficiently.

The cost of sales includes €2.2 million (2023: €2.0 million) in agents' fees.

General costs include €1.2 million (2023: €0.2 million) of costs for the proposed delisting.

Independent auditor's fee

x €1,000	2024	2023
Audit of financial statements by EY	943	836
Assurance report CSRD	300	-
Total costs	1,243	836

1.28 Taxation

x €1,000	Note	2024	2023
Current taxation		-6,246	-5,385
Adjustment for previous years		61	70
Deferred taxation	1.32	165	40
Total tax on result		-6,020	-5,275

The tax expense in the statement of profit or loss relates to income tax calculated on the income for financial reporting purposes from subsidiaries with offices in the Netherlands as well as those with offices outside the Netherlands.

Calculation of tax liability

x €1,000	2024	%	2023	%
Result before tax	24,258		21,072	
Tax expense on the basis of nominal rate in the Netherlands	-6,259	25.8	-5,437	25.8
Rebates	68	-0.3	62	-0.3
Application of local nominal rates	-51	0.2	-162	0.8
Non-measured deferred assets	-478	2.0	-12	0.1
Benefit from innovation box	710	-2.9	307	-1.5
Tax and untaxed income	-48	0.2	-99	0.5
Capitalisation or decapitalisation of deductible losses and valuation differences	-	0.0	-22	0.1
Changes in local tax rates	-23	0.1	18	-0.1
Non-deductible expenses and prior-year adjustments	61	-0.3	70	-0.3
Tax expense in line with statement of profit or loss	-6,020	24.8	-5,275	25.0

1.29 Intangible fixed assets

x €1,000	Goodwill	Customers	Agents	Brands	Rights	Patents	Software	In progress	Total
Carrying amount as at 1 January 2023	20,102	1,293	324	395	1,001	867	3,099	27	27,109
Commissioning							14		14
Investments					20		64	-27	57
Depreciation		-157	-37	-45	-130	-135	-947		-1,451
Impairment									-
Deconsolidation							-58		-58
Effects of foreign currency translation					15		1		16
Purchase cost	20,102	2,726	747	908	2,161	2,462	8,072		37,178
Accumulated depreciation/impairment	-	-1,590	-461	-558	-1,254	-1,730	-5,899		-11,492
Carrying amount as at 31 December 2023	20,102	1,136	286	350	907	732	2,173		25,686
Commissioning									-
Investments							622	102	724
Depreciation		-157	-37	-45	-107	-147	-842		-1,335
Sales							-2		-2
Impairment					-152				-152
Deconsolidation									-
Effects of foreign currency translation					-66				-66
Purchase cost	20,102	2,726	747	908	1,734	2,462	8,694	102	37,475
Accumulated depreciation/impairment	0	-1,746	-498	-603	-1,152	-1,878	-6,744	-	-12,621
Carrying amount as at 31 December 2024	20,102	980	249	305	582	584	1,950	102	24,854

€1.5 million in R&D costs is posted under Software.

1.29.1 Impairment test

An impairment test was carried out in October 2024 on the goodwill of Lan Handling Technologies, Royal Pas Reform and Rollepaal. The value in use was determined on the basis of future cash flow projections over five years, with a different budgeting period of 10 years for Rollepaal. We opted for this different budgeting period because our projection shows that growth over the coming 10 years will exceed long-term growth. These cash flow projections were taken from the internal long-term plans which are drawn up annually and approved by management. These are based partly on available relevant market data regarding expectations for the short and medium term. The market data comes in the form of industry reports by market research firms, trade associations and financial institutions.

Future cash flows were discounted at the discount rate in the table below, which is based on the specific risk profile (risk-free interest rate, margin for specific countries and company-specific risk premium). The impairment test did not lead to impairment of goodwill at year-end 2024 on the basis of the chosen assumptions. Based on the substantial headroom in the model, we have established that no impairment will result from reasonable adjustments to the key assumptions, either individually or when combined. That is why there are no notes on the sensitivity analysis.

	Goodwill	Average revenue growth forecast 1-5 years (Rollepaal 1-10 years)		Growth rate forecast after 5/10 years		Discount rate (before tax)	
x €1,000	2024	2024	2023	2024	2023	2024	2023
Lan Handling Technologies	7,095	10.6%	8.5%	2.0%	2.0%	15.1%	15.0%
Pas Reform	10,789	4.7%	3.3%	2.0%	2.0%	15.5%	15.3%
Rollepaal	2,219	6.4%	7.5%	2.0%	2.0%	14.8%	14.5%
	20,102						

1.29.2 Other intangible fixed assets

Other intangible fixed assets (customers, agents and brands) relate to:

- Industrial Systems' operations which were identified on acquisition in 2011 and 2019.
- Rights relate to right-of-use of third-party patents.
- These patents are Rollepaal's own patents.

1.30 Tangible fixed assets

x €1,000	Land and buildings	Plant and equipment	Other operating assets	In progress	Total
Purchase cost	67,494	69,335	23,821	1,113	161,763
Accumulated depreciation/impairment	-26,126	-54,242	-17,664		-98,032
Carrying amount as at 1 January 2023	41,368	15,093	6,157	1,113	63,731
Investments	435	3,804	3,173	4,153	11,565
Commissioning	299	2,801	194	-2,067	1,227
Depreciation	-1,648	-4,076	-1,627		-7,351
Sales	6	-54	2	-40	-86
Assets held for sale					-
Effects of foreign currency translation	85	-59	-12	-1	13
Impairment		-552	5		-547
Deconsolidation due to loss of control		-350			-350
Purchase cost	67,865	76,608	23,831	3,159	171,463
Accumulated depreciation/impairment	-27,321	-60,430	-15,939	-	-103,690
Carrying amount as at 31 December 2023	40,544	16,178	7,892	3,159	67,773
Investments	922	1,315	401	3,468	6,106
Commissioning	3,221	1,153	482	-4,607	249
Depreciation	-1,842	-3,521	-1,595		-6,958
Sales	-2	-55	-82		-139
Assets held for sale					-
Effects of foreign currency translation	188	81	4	18	291
Impairment	-4	-9	-192		-205
Deconsolidation due to loss of control					-
Purchase cost	71,934	78,687	24,178	2,038	176,837
Accumulated depreciation/impairment	-28,907	-63,545	-17,268	-	-109,720
Carrying amount as at 31 December 2024	43,027	15,142	6,910	2,038	67,117

1.30.1 Impairment loss and reversal of impairment loss

An impairment of €205 thousand was recognised in 2024 (2023: €547 thousand). No impairments of tangible fixed assets recognised in previous years were reversed in 2024 (2023: nil).

1.30.2 Plant and equipment

Plant and equipment includes assets which are still in use but which have been depreciated in full on the basis of earlier estimates.

1.30.3 Collateral

Tangible fixed assets have been partly provided as collateral for long-term financing of Hightech Components and Industrial Systems. More details about the collateral provided is given in 1.41.1.

1.31 Lease assets

x €1,000	Land and buildings	Plant and equipment	Other operating assets	Total
Carrying amount as at 1 January 2023	5,909	1,239	1,716	8,864
Additions	119		882	1,001
Depreciation	-1,014	-208	-888	-2,110
Decommissioning		-813		-813
Exchange differences	-31	-1	4	-28
Deconsolidation				-
Carrying amount as at 31 December 2023	4,983	217	1,714	6,914
Additions	267	53	859	1,179
Depreciation	-898	-84	-768	-1,750
Decommissioning				-
Exchange differences	123			123
Deconsolidation				-
Carrying amount as at 31 December 2024	4,475	186	1,805	6,466

No impairment was recognised in 2024 (2023: nil) and no reversal of impairments took place (2023: nil). For lease liabilities, see note 1.41.

1.32.1 Deferred tax assets

Deferred tax assets can be broken down as follows:

x €1,000	Intangible fixed assets	Tangible fixed assets	Leases	Working capital	Provisions	Derivatives	Losses carried forward	Total before offsetting	Offsetting deferred taxes	Total after offsetting
Carrying amount as at 1 January 2023	162	2,490	68	40	50	69	5,142	8,021	-4,312	3,709
Movements	31	45	59	13	6	-83	-390	-319	1,430	1,111
Deconsolidation								-		-
Exchange differences		-4				-2	40	34		34
Carrying amount as at 31 December 2023	193	2,531	127	53	56	-16	4,792	7,736	-2,882	4,854
Movements	30	146	-13	-43	42		-213	-51	472	421
Deconsolidation								-		-
Exchange differences		4	1		1	-2	-10	-6		-6
Carrying amount as at 31 December 2024	223	2,681	115	10	99	-18	4,569	7,679	-2,410	5,269

Deferred tax assets for leases relate to the netted position of tax assets on leased assets of €1.3 million and lease obligations of €1.4 million.

For the most part, deferred tax assets at year-end 2024 fall due after more than one year. The capitalised offsettable losses have been determined on the basis of long-term planning, showing that loss-making companies will become profitable after the completion of the restructuring initiated. The long-term planning takes into account the order book and growth prospects in the sectors in which these companies operate. A risk analysis has been carried out to assess the likelihood of achieving the expected profits, in consideration of market fluctuations, competition and internal operational risks. Tax losses can be offset in advance indefinitely, up to a maximum of EUR 1,000,000 plus 50% of taxable profits, provided that the tax profit exceeds EUR 1,000,000. The expected loss carry-over period is 8 to 11 years. These conditions have been taken into account in the valuation. However, the valuation of capitalised offsettable losses is subject to potential changes in profit forecasts and tax legislation. As of the end of 2024, there are carry-forward losses amounting to €4.4 million (2023: €2.5 million) have not been recognised in the balance sheet. These are infinitely deductible.

1.32.2. Subsidiaries and associates

x €1,000	Participating interests
Carrying amount as at 31 December 2023	-
Acquisition of participating interest	13,307
Share of result from participating interest	-
Capital contributions	-
Dividend received	-
Disposals	-
Carrying amount as at 31 December 2024	13,307

On December 20, 2024, Lias Industries B.V. acquired a 60% stake in Proqraft Holding B.V. Hydratec must be involved in all decisions where it has significant influence. Despite this majority stake, Lias Industries B.V. does not have dominant control. The share in the value of the investment as of December 31, 2024, amounts to €13.3 million. The difference of €0.3 million between the purchase price of €13.0 million, as presented in the cash flow statement, and the valuation of the investment of €13.3 million represents the fair value of the options associated with the acquisition. As of the balance sheet date, the investment has reported the following financial data, which are based on Hydratec's accounting principles:

x €1,000	2024
Total fixed assets	3,480
Total current assets	37,716
Total assets	41,196
Total equity	785
Total provisions and non-current liabilities	976
Total current liabilities	39,435
Total liabilities	41,196

The fair value adjustments will be determined and recorded in 2025.

The remaining 40% of the shares is held by the sellers of the shares. Lias Industries B.V. has the option to purchase 10% of the remaining shares in Proqraft Holding B.V. from December 2027, which has been discounted in the acquisition price of the investment. The minority shareholders have the option to sell their shares in Proqraft Holding B.V. from December 2027, which has been presented as another financial instrument (1.41.2). The call option and put option have been discounted in the acquisition price of the investment. These options have been valued at fair value as of December 31, 2024, based on the 'Profitability Weighted Expected Return' method. This methodology qualifies as a level 3 fair value method (valuation based on non-public data and assumptions).

Hydratec has the option to purchase the remaining shares from one of the minority shareholders (see note 1.41.2). This option has been valued at fair value as of December 31, 2024, based on the 'Profitability Weighted Expected Return' method, where future projections are a key assumption for the valuation. This option is presented under Financial Fixed Assets.

1.33 Inventories

x €1,000	2024	2023
Raw materials and consumables	7,900	10,931
Semi-manufactured and work in progress	4,687	6,586
Finished goods	13,053	20,698
Total	25,640	38,215

The provision for obsolete inventories recognised in this measurement amounted to €3.7 million at year-end 2024 (2023: €2.9 million). The drop in inventories is due to an active reduction of these.

1.34 Accounts receivable

The accounts receivable position less the provision for expected credit losses can be analysed as follows:

Days	2024	%	2023	%
0-30	23,482	60.3	31,826	67.6
31-60	6,081	15.6	10,326	21.9
61-90	3,232	8.3	1,695	3.6
> 90	6,139	15.8	3,208	6.8
Total	38,934	100.0	47,055	100.0

x €1,000	2024	2023
Gross accounts receivable	39,705	47,858
Of which within due date	26,361	35,100
Of which overdue	13,344	12,758
Provision for expected credit loss	-771	-803
Net accounts receivable	38,934	47,055

Outstanding balances are analysed on a regular basis to determine the provision for expected credit losses. A credit provision is recognised based on an expected loss for the entire term of the receivable in question. The provision for expected credit losses refers to the total expected credit losses. A summary of changes in this provision is shown in the table below. Please refer to financial risk factors for more information about credit risk.

x €1,000	2024	2023
Opening balance sheet at 1 January	803	813
Release/use	-32	-10
Additions	-	-
Acquisitions	-	-
Deconsolidation	-	-
Closing balance sheet at 31 December	771	803

1.35 Other taxes and social security contributions (assets)

x €1,000	2024	2023
Turnover tax	1,631	2,122
Wage tax	5	94
Pensions and social security contributions	6	11
Other taxes	52	50
Total other taxes and social security contributions	1,694	2,277

1.36 Cash and cash equivalents

The company's cash and cash equivalents comprise cash, bank balances and short-term deposits, all of which are freely available to the company.

x €1,000	2024	2023
Bank balances	8,814	10,615
Cash	8	26
Deposits	325	496
Total	9,147	11,137

1.37 Assets held for sale

There were no assets held for sale on the balance sheet date.

1.38 Shareholders' equity

Please refer to the consolidated statement of changes in shareholders' equity.

1.38.1 Paid-up and called-up capital

As at 31 December 2024 there were 1,298,307 shares outstanding each with a nominal value of €0.45. During the year, 1,095 (2023: 2,236) shares were issued for the participation plan.

No rights were assigned to taking shares in the capital of the company. Holders of ordinary shares are entitled to dividend distribution as approved on a regular basis by the General Meeting of Shareholders. Shareholders are entitled to one vote per share at the company's general meeting of shareholders. The company's authorised capital amounts to €2,250 thousand, divided into five million (5,000,000) shares of €0.45 each.

Hydratec has a share participation plan. If an employee chooses to join the plan after the end of the year, 50% of the variable remuneration is converted into shares. The shares are then issued on conversion at the average price during January and February and may not be sold for a period of three years. For a more detailed explanation on processing, see notes 1.25 and 1.38.6.

1.38.2 Share premium reserve

The share premium reserve can be considered as paid-up capital. The share premium reserve increased by €136 thousand due to the share issue in 2024 (2023: €168 thousand).

1.38.3 Translation reserve

The translation reserve contains all foreign exchange differences due to translating the financial statements for operations outside the Netherlands which are an integral part of the Group's operations. These reserves are not distributable.

1.38.4 Hedge reserve

Derivatives (interest rate swaps on financing) are shown in the companies. Because these derivatives are classified as a cash flow hedge, a hedge reserve was created in the consolidated shareholders' equity. The movement in 2024 amounted to €105 thousand negative (2023: €96 thousand negative) and was taken directly to shareholders' equity. This reserve is not distributable.

1.38.5 Other statutory reserves

Other statutory reserves relate to statutory reserves held for capitalised proprietary intangible fixed assets.

1.38.6 Other reserves

Other reserves relate to retained earnings from previous years which are freely distributable.

The change in the share participation plan concerns the recognition of liabilities under IFRS 2 relating to this share participation plan. For a more detailed explanation and processing, please refer to note 1.25.

1.38.7 Unappropriated result

The unappropriated result is the result of the financial year.

1.38.8 Proposed profit appropriation

The net result for 2024 will be added to the other reserves.

1.38.9 Minority share

A minority share exists in the subsidiaries that are not or were not wholly-owned at any time during the financial year.

1.39 Earnings per share

	2024	2023
Earnings attributable to shareholders (x €1,000)	18,218	15,693
Weighted average number of shares (x 1)	1,297,760	1,296,094
Earnings per share (x €1)	14.04	12.11
Diluted earnings per share (x €1)	14.03	12.09

Diluted earnings per share were calculated by allocating 1,133 (2023: 1,375) conditionally awarded shares to the number of shares.

1.40 Provisions

Non-current provisions

x €1,000	Personnel-related provisions	Reorganisation provision	Guarantees	Other	Total
Carrying amount as at 1 January 2024	1,540	2,299	974	1,590	6,403
Additions during the year	1,016	-98	640	725	2,283
Withdrawals	-331	-117	-368		-816
Transfer of current liabilities	-4	-1,907			-1,911
Released to the statement of profit or loss	-65	-177	-431	-116	-789
Exchange differences	22		5	5	32
Deconsolidation					
Carrying amount as at 31 December 2024	2,178	-	820	2,204	5,202

Current provisions

x €1,000	Personnel-related provisions	Reorganisation provision	Guarantees	Total
Carrying amount as at 1 January 2024	248	2,112	700	3,060
Movements	61	180	231	472
Carrying amount as at 31 December 2024	309	2,292	931	3,532

The provision for personnel-related benefits mainly relates to the liability for anniversary bonuses.

1.40.1 Anniversary provision

The anniversary provision is determined according to the ‘Projected Unit Credit Method’. This provision is calculated on the basis of actuarial principles, taking account of expected likelihood to stay, salary increases and a discount rate of 0.84% on average (2023: 0.65%). For the most part, the term of the provision is longer than one year.

1.40.2 Restructuring

In 2023, a restructuring provision was made for the closure of Helvoet Hellevoetsluis. An agreement was reached with the trade unions and the plan was communicated publicly through a press release. At the end of 2024, the provision was entirely short-term.

1.40.3 Warranty obligations

The provision for warranty obligations is based on historical warranty costs for products still within their warranty period. Given its limited term, this provision is not discounted.

1.40.4 Other

The other provisions mainly relate to the phasing out of production at Polmer and SAR schemes. To determine the provisions, estimates have been made of future results and severance probability. There may therefore be variances between the carrying amount of the provisions on the balance sheet date and the actual outflow of funds. For the most part, these are non-current provisions.

SAR scheme:

The group’s Management Board and a number of operating company board members have a SAR scheme under which they receive remuneration based on the company’s increase in value over a period of four or five years. Unless Hydratec is sold to third parties, this increase in value is based on a rate of 1%-5% of 5 times the average EBIT over 3 or 4 financial years. The expected final value is based on the expected EBIT from Hydratec’s Long-Term Plans rather than the expected value on sale to third parties. The SAR provision without exit was determined under IAS 19 using the “Projected Unit Credit Method”. The liability is discounted at an interest rate of 4%. The estimated likelihood of remaining ranges from 60% to 100% during the period until the first right of exercise. The SAR is exercised if more than 50% of the shares in the group entity or group are transferred to a third party. The exit value in that case is the higher of 5 times the average EBIT over the last 3 or 4 financial years and the value based on the sale price. The probability of this happening is low and has therefore not been measured in accordance with IFRS 2. The SAR lapses if the employment relationship between Hydratec and a board member ends before exercise of the scheme, unless employment was terminated by death or pursuant to Article 7:669(3)(a) and (b). In that case, the board member is entitled to 33.3% of the amount. The SAR can only be exercised once within a period of one month after Hydratec’s consolidated annual figures have been approved by the auditor, and no sooner than the term of the scheme.

For the group's Management Board, a maximum of 0.5% of the value is granted annually by the Supervisory Board, up to a maximum of 2.5% over the five years. The annual allocation to the group's Management Board is made at the discretion of the Supervisory Board. Hydratec estimates that an average of 80% of this will be granted in the next 3 years. For 2024, 100% has been allocated.

1.40.5 Deferred tax liabilities

Deferred tax liabilities can be broken down as follows:

x €1,000	Intangible fixed assets	Tangible fixed assets	Total before offsetting	Offsetting deferred taxes	Total after offsetting
Carrying amount as at 1 January 2023	757	3,684	4,441	-4,312	129
Movements	-35	-242	-277	1,430	1,153
Carrying amount as at 31 December 2023	722	3,442	4,164	-2,882	1,282
Movements	-77	-139	-216	472	256
Carrying amount as at 31 December 2024	645	3,303	3,948	-2,410	1,538

For the most part, this is a non-current provision.

1.41 Financial instruments

1.41.1 Borrowings and lease liabilities

The borrowings relate to:

- a mortgage loan for financing property in Industrial Systems with a non-current part of €4.6 million due to mature in 2039 and an interest rate of 3.45% (fixed);
- a general loan for Hightech Components with a remaining term of 9 months. This loan no longer has a non-current part and has been presented in full as current. The variable interest component has been fixed at 4.90% by means of an interest rate swap for the term of the loan;
- a general loan for Hightech Components with a non-current part of €1.1 million. The remaining term to maturity of the loan is 3 years and 6 months. The variable interest component has been fixed at 2.38% by means of an interest rate swap for the term of the loan; and
- a general loan for Hightech Components with a non-current part of €0.4 million. The remaining term to maturity of the loan is 2 years and 6 months. The variable interest component has been fixed at 2.35% by means of an interest rate swap for the term of the loan.

x €1,000	Borrowings	Lease liabilities	Total
Carrying amount as at 31 December 2022	12,841	8,571	21,412
Borrowings drawn		1,067	1,067
Borrowings repaid	-3,453	-2,481	-5,934
Interest		321	321
Exchange differences			
Carrying amount as at 31 December 2023	9,388	7,478	16,866
Borrowings drawn		1,134	1,134
Borrowings repaid	-1,659	-1,879	-3,538
Interest		317	317
Exchange differences			
Carrying amount as at 31 December 2024	7,729	7,050	14,779
Of which current:			
Appointed on 31 December 2024	1,591	1,677	3,268
Appointed on 31 December 2023	1,659	1,550	3,209
Of which non-current:			
Appointed on 31 December 2024	6,138	5,373	11,511
Appointed on 31 December 2023	7,730	5,928	13,658

For the leased assets, see note 1.31.

The interest on lease liabilities recognised in 2024 amounted to €319 thousand (2023: €325 thousand). Cash flows from lease obligations amounted to €2.0 million (2023: €2.1 million).

Collateral has been provided to the banks for both segments in connection with credit facilities relating to:

- a revolving mortgage loan for the properties in Noordijk, Doetinchem, Tilburg, Hellevoetsluis and Lommel;
- a pledge on inventories;
- a pledge on fixtures and fittings; and
- a pledge on receivables.

The fair value of the non-current borrowings is about €0.1 million higher than the carrying amount (2023: €0.1 million).

1.41.2 Other financial instruments

x €1,000	Put option	Other	Total
Carrying amount as at 31 December 2022	-	283	283
Movements in fair value		-92	-92
Barter transaction			
Carrying amount as at 31 December 2023	-	191	191
Acquisitions	497		497
Movements in fair value		-95	-95
Barter transaction			
Carrying amount as at 31 December 2024	497	96	593

The minority shareholders of Proqraft Holding B.V. have an option to sell all or part of their shares to Lias Industries B.V. from December 2027. This option has been recognised at the fair value as at 31 December 2024, determined according to the Probability Weighted Expected Return method, where future forecasts are an important assumption for valuation. This method qualifies as a Level 3 fair value method (determination of the value based on non-listed data and assumptions).

In addition, interest rate derivatives have been included under other financial fixed assets. The financial derivatives relate to:

- an interest rate swap to fix the variable interest component of the loan amounting to €0.6 million at year-end 2024, which is due to mature on 1 October 2025;
- an interest rate swap to fix the variable interest component of the loan amounting to €0.6 million at year-end 2024, which is due to mature on 1 July 2027; and
- an interest rate swap to fix the variable interest component of the loan amounting to €1.5 million at year-end 2024, which is due to mature on 1 July 2028.

The fair value is based on future cash flows over the term and volume of the contracts. This calculation is based on prices other than their quoted prices which are directly or indirectly observable and therefore qualify as a Level 2 estimate as defined in IFRS 13. The derivatives qualify as 'cash flow hedges' which are 100% effective as at year-end (2023: 100%). There is a direct economic relationship between the hedge instrument and the hedged item, the credit risk of the hedge instrument and the hedged item are similar, and there is a 1:1 hedge ratio. A hedge reserve has been created in shareholders' equity. Movements in the value of these swaps are recognised in the statement of comprehensive income.

1.42 Other taxes and social security contributions (liabilities)

x €1,000	2024	2023
Turnover tax	360	330
Wage tax	1.394	1.471
Pensions and social security contributions	1.640	1.584
Total other taxes and social security contributions	3.394	3.385

1.43 Current account at bank

x €1,000	2024	2023
Carrying amount as at 1 January	7,621	1,505
Withdrawal/repayment	-7,621	6,116
Current account at bank	-	7,621

No use had been made of the maximum available current account facility as at the balance sheet date (2023: the same). For notes to the group facility, see section 1.46.3.

1.44 Other liabilities, accruals and deferred income

x €1,000	2024	2023
Interest	89	142
Personnel-related expenses	8,059	7,553
Amounts received in advance	15,193	30,630
Commission due to agents	3,025	2,792
Accruals and deferred income and other liabilities	6,965	7,724
Total other liabilities, accruals and deferred income	33,331	48,841

1.45 Financial risk factors

The operations expose the Group to financial risks, such as capital, liquidity, market, credit, currency, raw material price and interest rate risks.

Risk management focuses on mitigating the negative effects of the Group's financial performance as much as possible. The Management Board manages risks on the basis of guidelines approved by the Supervisory Board. The Management Board identifies and assesses financial risks, and hedges them in conjunction with the Group's subsidiaries.

1.45.1 Capital risk

The objectives as described in Hydratec's strategy are as follows: The companies aim for revenue growth in line with or above the market, with an operating result (EBIT) of 8% to 10% of revenue. Besides this, the companies must be solidly financed with a solvency ratio of at least 25%. This focus helps the companies to seek continuity, which is an important instrument for Hydratec to protect its capital. Clear dialogue with the companies' management on performance is also crucial for monitoring the achievement of long-term objectives.

To this end, there is a clearly defined reporting and assessment cycle which forms the basis for dialogue between management of the companies, and Hydratec's Management Board and Supervisory Board. The company has covenants under the credit agreement.

1.45.2 Liquidity risk

Hydratec manages rolling forecasts of its liquidity position – comprising cash and cash equivalents of €9.1 million (2023: €11.1 million) and the current account facilities at the bank of €0.1 million (2023: €7.6 million) on the basis of projected cash flows. This is generally done at local level by the operating companies, within the guidelines and limits set by the Group. The Group's liquidity management furthermore includes monitoring bank covenants to meet the banks' requirements, and keeping up with repayment schedules.

Contractual cash outflow for current financial instruments is as follows:

x €1,000	Total	< 1 year	1-5 years	> 5 years	2023
Debts to credit institutions	7,731	1,593	2,900	3,238	9,390
Lease liabilities	7,050	1,677	3,538	1,835	7,477
Other financial instruments	17,492	100	17,392	-	300
Trade payables	18,156	18,156	-	-	18,610
Other liabilities, accruals and deferred income [1]	21,722	21,722	-	-	23,109
Interest on financial instruments	1,335	225	594	516	1,525

[1] Other liabilities, accruals and deferred income do not include amounts received in advance and do include liabilities for other taxes and social security contributions.

The interest rate on financial instruments is based on the interest rates at the end of the current financial year. The actual outgoing cash outflow is not expected to take place much earlier than shown in the table above.

1.45.3 Credit risk

Management applies internal policies to manage credit risk, which is kept under constant supervision. If relevant, the creditworthiness of all third-party receivables is assessed, taking into account their financial position, past experience, macroeconomic developments and other factors. Credit insurance has been taken out to provide cover for outstanding receivables, with the maximum credit amount being determined for each individual customer. Only banks and financial institutions with an independent rating of 'A' or higher are accepted. The total debtor balance at year-end 2024 was €20.2 million for Industrial Systems (2023: €27.8 million) and €18.7 million for Hightech Components (2023: €19.3 million). Please refer to note 1.34 for an analysis of the age of debtors.

1.45.4 Market risk

Hydratec is exposed to the following potential market risks:

- commodity price risk: the risk that fluctuations in procurement prices for raw materials adversely affect the companies' profitability;
- currency risk: the risk that the value of a financial instrument will change as a result of exchange rate fluctuations;
- interest rate risk: the risk that interest expenses will rise due to changes in market interest rates.

Hydratec hedges currency and interest rate risks by buying and selling derivatives and attempts to mitigate volatility in the statement of profit or loss as much as possible by applying hedge accounting.

These risks are described in more detail below.

1.45.5 Commodity price risk

The Group procures raw materials for the companies in Hightech Components, which can be directly or indirectly designated as 'commodities'. The risk of price fluctuations is mitigated by making agreements with customers for partly passing on commodity price rises.

1.45.6 Currency risk

The Group holds monetary items in currencies other than the euro. Those in the consolidation relate mainly to Helvoet and Rollepaal in India, Helvoet in Poland, Polmer in Poland, Pas Reform North America in the US, and Pas Reform do Brasil and ION in Brazil. Local assets and liabilities are predominantly measured in local currencies. Fluctuations in currency exchange rates between the opening balance sheet date and the closing balance sheet date lead to valuation differences of such assets and liabilities in euros during the consolidation process. Such differences are recognised in the unrealised translation results in the Group's shareholders' equity. Please refer to 1.38.3 for more information.

On the basis of the monetary items in these subsidiaries at year-end 2024, the impact of a fluctuation in local currency is as follows:

- a 10% fluctuation in the Indian rupee to euro exchange rate would result in a movement of €96 thousand;
- a 10% fluctuation in the Brazilian real to euro exchange rate would result in a movement of €68 thousand;
- a 10% fluctuation in the Polish zloty to euro exchange rate would result in a movement of €85 thousand;
- a 10% fluctuation in the US dollar to euro exchange rate would result in a movement of €128 thousand.

1.45.7 Interest rate risk

The Group has credit facilities at an interest rate which depends on the European Interbank Offered Rate (EURIBOR). The facilities, which are combined with fixed interest rate swaps, were completely hedged at year-end 2024. The swaps are measured at fair value. The change in value in 2024 was €80 thousand negative (2023: €96 thousand positive). Debts to credit institutions that are subject to an interest rate risk amounted to €0.1 million at year-end 2024 (2023: €7.6 million). The Group had cash and cash equivalents worth €8.8 million at the balance sheet date (2023: €10.6 million). If the interest rate rises by one percentage point, this will affect the result before tax by approximately €0.1 million positive.

1.46 Liabilities not shown on the balance sheet

1.46.1 Capital investment commitments

At year-end 2024, the Group had commitments for €0.3 million to procure plant (2023: €0.9 million).

1.46.2 Bank guarantees

The Group has provided bank guarantees to a total value of €4.6 million (2023: €2.4 million). These bank guarantees were mainly provided to customers for the successful completion of mechanical engineering projects.

1.46.3 Group facility

A Euribor group facility has been arranged for Hydratec at ABN AMRO Bank with a cash pool facility and mutual joint and several liability comprising an overdraft facility as of 31 December 2024 with a maximum of €41.0 million, which will lowered by €1.5 million on 1 January every year, reaching €36.0 million.

The mark-up for this 1-month average EURIBOR facility is 1.50% a year plus the applicable market premium (was 0.30% at the balance sheet date). A commitment fee of 0.50% also applies.

The current account changes day by day.

Concerning the credit agreement, the following voluntary agreements have been made as at 31 December 2024:

- the debt/EBITDA ratio must be less than 2.5;
- EBITDA floor of €17.5 million

As at the balance sheet date, Hydratec had met all the agreements in its covenants.

The credit provider defines debt as all interest-bearing debts.

No use had been made of the available current account facility as at the balance sheet date (2023: the same).

1.47 Related party transactions

No transactions with related parties took place in 2024 other than:

- remuneration of Management Board and Supervisory Board, see note 1.25.3.

1.48 Events after the balance sheet date

No events took place after the balance-sheet date which lead to material changes.

2024 company financial statements

Company financial statements as at 31 December before appropriation of result

x €1,000	Note	2024	2023
ASSETS			
Intangible fixed assets			
Goodwill	2.2	13,487	13,487
Software		20	36
Tangible fixed assets			
Right-of-use assets		54	118
Tangible fixed assets		8	13
Financial fixed assets	2.3		
Participations in group companies		97,409	94,497
Loans to group companies		11,273	1,500
Current assets			
Receivables from group companies		16,348	16,543
Other receivables, prepayments and accrued income		1,530	75
Cash and cash equivalents			
Bank		1,124	-
Total assets		141,253	126,269

x €1,000	Note	2024	2023
LIABILITIES			
Shareholders' equity	2.5		
Issued capital		586	584
Share premium reserve		6,803	6,667
Translation reserve		-2,034	-2,289
Hedge reserve		-95	10
Other statutory reserve		1,498	1,534
Revaluation reserve		-	-
Reserve for capitalised development costs		1,054	1,054
Other reserve		78,549	70,564
Unappropriated result		18,218	15,693
		104,579	93,817
Provisions	2.6	877	797
Current liabilities			
Debts to credit institutions	2.7	-	7,621
Trade payables		597	200
Debts to group companies	2.4	34,053	21,902
Other liabilities, accruals and deferred income	2.8	1,147	1,932
		35,797	31,655
Total liabilities		141,253	126,269

Company statement of profit or loss

x €1,000	Note	2024		2023	
Operating costs					
Wages, salaries and temporary staff	2.10	-1,762		-1,786	
Social security contributions and pensions		-209		-164	
Other operating costs		-1,418		59	
Operating result			-3,389		-1,891
Financial income and expenses			884		770
Result before tax			-2,505		-1,121
Taxes			645		288
Result from participating interests			20,078		16,526
Net result			18,218		15,693

Notes to the company financial statements

2.1 Accounting policies

The company financial statements have been prepared according to the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code. To determine the accounting policies relating to valuation of assets and liabilities and the determination of the result for its company financial statements, Hydratec makes use of the option offered in Book 2 Section 362(8) of the Dutch Civil Code. This means that the accounting policies for Hydratec's company financial statements are the same as those used for the consolidated financial statements and thus participating interests over which there is significant influence are measured according to the net asset value method. The consolidated financial statements have been prepared according to the standards adopted by the International Accounting Standards Board and accepted by the European Union. Please refer to the accounting policies for the consolidated financial statements for a description of these accounting policies. The company financial statements are prepared on the basis of the going concern principle for which reference is made to section 1.1.3 of the consolidated financial statements. The share in the profits of participations comprises Hydratec's share in the results of these participating interests. Results of transactions in which assets and liabilities have been transferred between Hydratec and its participating interests are not recognised if they are considered not to have been realised.

2.2 Goodwill

The goodwill recognised by the company of €13,487 thousand consists of the amounts related to Royal Pas Reform and Lan Handling Technologies (2023: €13,487 thousand).

2.3 Statement of changes in financial fixed assets

2.3.1 Financial fixed assets

x €1,000	Participating interests
Balance as at 1 January 2023	89,920
Result from participating interests	16,526
Group company dividends	-11,700
Translation reserve	-157
Movements in hedge reserve	-92
Other statutory reserve	-
Capital contributions	-
Balance as at 31 December 2023	94,497
Result from participating interests	20,078
Group company dividends	-17,300
Translation reserve	239
Movements in hedge reserve	-105
Other statutory reserve	
Capital contributions	
Balance as at 31 December 2024	97,409

Unless otherwise specified, Hydratec owned direct and indirect shares in the following companies as at 31 December 2024 (where companies are not wholly owned, the equity stake is shown in brackets): Helvoet Deutschland GmbH and Helvoet Rubber & Plastic Technologies GMBH & CO KG account for 100% of participations without control as a result of the insolvency filing; equity instruments are therefore available at the end of the financial year. In December 2024, Lias Industries B.V. acquired a 60% stake in Proqraft Holding B.V. without total control.

Name	Business location
Timmerije B.V.	Neede, Netherlands
Lias Industries B.V.	Amersfoort, Netherlands
Pas Reform B.V.	Zeddam, Netherlands
Pas Reform Participações LTDA	São Paulo, Brazil
Pas Reform do Brasil LTDA	São Paulo, Brazil
Windmolen Holding LTDA	São Paulo, Brazil
ION (54.5%)	São Paulo, Brazil
Pas Reform North America LLC	Jacksonville, US
Lias Vastgoed B.V.	Zeddam, Netherlands
Lan Handling Technologies B.V.	Tilburg, Netherlands
Lan Vastgoed B.V.	Tilburg, Netherlands
ABAR Automation B.V.	Halfweg, Netherlands
LAN Handling Solutions B.V.	Tilburg, Netherlands
LAN Robotics B.V.	Tilburg, Netherlands
LAN Services International B.V.	Tilburg, Netherlands
Lan Handling North America LLC	Jacksonville, US
Polmer Sp. z o.o.	Wroclaw, Poland
Helvoet Rubber & Plastic Technologies B.V.	Tilburg, Netherlands
Helvoet Rubber & Plastic Technologies N.V.	Lommel, Belgium
High Technology Plastics (India) Pvt. Ltd.	Pune, India
Helvoet Deutschland GmbH	Gilching, Germany
Helvoet Rubber & Plastic Technologies GMBH & CO KG	Gilching, Germany
Helvoet Polska Sp. z.o.o.	Kaniów, Poland
Rollepaal Pipe Extrusion Technology B.V.	Dedemsvaart, Netherlands
Rollepaal Inc.	Baltimore, US
Rollepaal Engineering India Pvt. Ltd.	Ahmedabad, India
Hydratec Holdco B.V.	Amersfoort, Netherlands
Hydratec Sub B.V.	Amersfoort, Netherlands
Proqraft Holding B.V. (60%)	Emmeloord, Netherlands
Proqraft B.V. (60%)	Emmeloord, Netherlands
Eqraft Inc. (60%)	Richland, USA

2.3.2 Loans to group companies

x €1,000	Loans to group companies
Carrying amount as at 1 January 2024	1,500
Loan issued	13,027
Borrowings repaid	-3,350
Interest	96
Carrying amount as at 31 December 2024	11,273

The loans are loans to group companies and relate to:

- a loan with a carrying amount of €1.5 million (2023: €1.5 million) and a maturity date of 31 December 2032. The interest rate is 5% per annum; and
- a loan with a carrying amount of €9.8 million (2023: nil) and a maturity date of 18 December 2029. The interest is the 1-month Euribor with a surcharge of 2.3%.

2.4 Group companies

Receivables from and debts to group companies relate to current account positions associated with the bank facility and call money, for which market-rate interest is charged.

2.5 Shareholders' equity

Please refer to note 1.38 for the statement of changes in shareholders' equity. As at 31 December 2024, there were 1,298,307 shares outstanding each with a nominal value of €0.45 (2023: 1,297,212 shares). No rights have been assigned to taking shares in the capital of the company.

2.6 Provisions

x € 1.000	2024	2023
Boekwaarde per 1 januari	797	785
Transfer kortlopend	-	-
Vrijval	-	-258
Dotaties gedurende het jaar	80	270
Boekwaarde per 31 december	877	797

The provisions relate to SAR schemes. For a further explanation, see section 1.40.4. The term is non-current.

2.7 Debts to credit institutions

The debts to credit institutions concern the current account with the bank. See note 1.43.

2.8 Other liabilities, accruals and deferred income

The remaining debts consist of social security contributions, outstanding costs and other liabilities.

2.9 Liabilities not shown on the balance sheet

The company has been part of a fiscal unity for corporate income tax purposes since 1 July 2021. Settlement takes place through the receivables from or debts to group companies.

Hydratec has issued a statement of joint and several liability to the following companies:

Timmerije B.V.	ABAR Automation B.V.
Lias Industries B.V.	LAN Handling Solutions B.V.
Pas Reform B.V.	LAN Robotics B.V.
Lias Vastgoed B.V.	LAN Services International B.V.
Lan Handling Technologies B.V.	Lan Vastgoed B.V.
Rollepaal Pipe Extrusion Technology B.V.	

In addition, Hydratec is jointly and severally liable for the bank facility as described in 1.43. This liability applies with respect to the companies listed below:

Timmerije B.V.	LAN Handling Solutions B.V.
Lias Industries B.V.	LAN Robotics B.V.
Pas Reform B.V.	LAN Services International B.V.
Lias Vastgoed B.V.	Helvoet Rubber & Plastic Technologies B.V.
Lan Handling Technologies B.V.	Helvoet Rubber & Plastic Technologies N.V.
ABAR Automation B.V.	Rollepaal Pipe Extrusion Technology B.V.
Lan Vastgoed B.V.	

2.10 Personnel costs

The company had an average of 7 employees in 2024 (2023: 6). Please refer to note 1.25.3 for the remuneration of the Management Board.

Amersfoort, 6 March 2025

Management Board under the articles of association

- B. F. Aangenendt
- E. H. Slijkhuis

Supervisory Board

- D. J. Raithel
- J. ten Cate
- M. E. P. Sanders
- P. Veenema

Other information

Profit appropriation

Article 34 of the articles of association stipulates the following with regard to profit appropriation:

- The Management Board, with the approval of the Supervisory Board, shall determine which part of the profit, as shown in the financial statements adopted by the general meeting of shareholders, shall be allocated to the reserves.
- The remaining part of the profit is at the free disposal of the general meeting.

Independent auditor's report

For the Independent auditor's report, please see the Dutch version of the 2024 annual report.

Assurance report of the independent auditor with a limited level of assurance on the sustainability report

For the Independent auditor’s assurance report, please see the Dutch version of the 2024annual report.

Appendix I: Reference table - ESRS information requirements

The table below contains all references to the material reporting requirements. The reference provides the location in the annual report where the reporting requirements can be found. Non-material reporting requirements are not included in the list below.

Reporting requirements:	ESRS description/reference:
ESRS 2 BP-1	General basis for preparation of sustainability statements
ESRS 2 BP-2	Disclosures in relation to specific circumstances
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies
ESRS 2 GOV-2	Information provided to and sustainability themes addressed by the undertaking's administrative, management and supervisory bodies
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes
ESRS 2 GOV-4	Statement on due diligence
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting
ESRS 2 SBM-1	Strategy, business model and value chain
ESRS 2 SBM-2	Stakeholder interests and views
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 IRO-1	Double materiality analysis (DMA)
ESRS 2 IRO-2	Double materiality analysis (DMA)
ESRS 2 MDR-P	Policy adopted for managing material sustainability themes
ESRS 2 MDR-A	Measures and resources related to material sustainability themes
ESRS 2 MDR-M	Metrics related to material sustainability themes
ESRS 2 MDR-T	Monitoring policy and measure effectiveness against targets
ESRS E1 GOV-3	Climate change – Governance
ESRS E1-1	Climate change – Transition plan for climate change mitigation
ESRS E1 SBM-3	Climate change – Impact, risks and opportunities management
ESRS E1 IRO-1	Climate change – Impact, risks and opportunities management
ESRS E1-2	Climate change – Policy
ESRS E1-3	Climate change – Actions
ESRS E1-4	Climate change – Targets
ESRS E1-5	Climate change – Energy consumption and mix
ESRS E1-6	Climate change – Gross Scope 1, 2, 3 emissions and total GHG emissions
ESRS E1-7	Climate change – GHG removals and GHG mitigation projects financed through carbon credits and internal carbon pricing
ESRS E1-8	Climate change – GHG removals and GHG mitigation projects financed through carbon credits and internal carbon pricing
ESRS E5 IRO-1	Resource use and circular economy – Impact, risk and opportunity management
ESRS E5-1	Resource use and circular economy – Policy
ESRS E5-2	Resource use and circular economy – Actions
ESRS E5-3	Resource use and circular economy – Targets
ESRS E5-4	Resource use and circular economy – Resource inflows
ESRS E5-5	Resource use and circular economy – Resource outflows
ESRS S1 SBM-3	Own workforce – Strategy
ESRS S1-1	Own workforce – Policy
ESRS S1-2	Own workforce – Processes for engaging with own workers and workers' representatives about impacts and to raise concerns
ESRS S1-3	Own workforce – risks and opportunities management
ESRS S1-4	Own workforce – Actions
ESRS S1-5	Own workforce – Targets
ESRS S1-6	Own workforce – Characteristics of the undertaking's employees
ESRS S1-7	Own workforce – Characteristics of non-employee workers in the undertaking's own workforce
ESRS S1-9	Own workforce – Diversity metrics
ESRS S1-10	Own workforce – Appropriate wages
ESRS S1-15	Own workforce – Work-life balance metrics
ESRS S1-16	Own workforce – Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	Own workforce – Incidents, complaints and severe human rights impacts
ESRS G1 GOV-1	Business conduct - Governance
ESRS G1 IRO-1	Business conduct – Impact, risk and opportunities management
ESRS G1-1	Business conduct - Policy
ESRS G1-3	Business conduct – Prevention and detection of corruption and bribery
ESRS G1-4	Business conduct – Confirmed incidents of corruption or bribery
ESRS G1-5	Business conduct – Political influence and lobbying activities

Appendix II: Reference table – EU legislation

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Reference:
ESRS 2 GOV-1 Board's gender diversity paragraph 21(d)	Indicator no. 13 Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816[27], Annex II.		The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)			Delegated Regulation (EU) 2020/1816, Annex II.		The role of the administrative, supervisory and management bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator no. 10 Table #3 of Annex I				Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d) i	Indicator no. 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[28], Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II.		N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d) ii	Indicator no. 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II.		N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d) iii	Indicator no. 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818[29], Article 12(1); Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1); Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Climate change – Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)		Climate change – Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator no. 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Climate change transition risk: alignment metrics Alignment metrics	Delegated Regulation (EU) 2020/1818, Annex 6		Climate change – Targets
ESRS E1-5 Total energy consumption from renewable sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Climate change – Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator no. 5 Table #1 of Annex I				Climate change – Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator no. 6 Table #1 of Annex I				N/A

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Reference:
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and Article 8(1)		Climate change – Gross Scope 1, 2, 3 emissions and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator no. 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Climate change transition risk: alignment metrics Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Climate change – Gross Scope 1, 2, 3 emissions and total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Climate change – GHG removals and GHG mitigation projects financed through carbon credits and internal carbon pricing
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			N/A
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book-Climate Change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			N/A
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II.		N/A
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				N/A
ESRS E3-1 Water and marine resources paragraph 9	Indicator no. 7 Table #2 of Annex I				N/A
ESRS E3-1 Dedicated policy paragraph 13	Indicator no. 8 Table #2 of Annex I				N/A
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator no. 12 Table #2 of Annex I				N/A
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator no. 6.2 Table #2 of Annex I				N/A

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Reference:
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator no. 6.1 Table #2 of Annex I				N/A
ESRS 2 – IRO-1 – E4 paragraph 16(a) i	Indicator no. 7 Table #1 of Annex I				N/A
ESRS 2 – IRO-1 – E4 paragraph 16(b)	Indicator no. 10 Table #2 of Annex I				N/A
ESRS 2 – IRO-1 – E4 paragraph 16(c)	Indicator no. 14 Table #2 of Annex I				N/A
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator no. 11 Table #2 of Annex I				N/A
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator no. 12 Table #2 of Annex I				N/A
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator no. 15 Table #2 of Annex I				N/A
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator no. 13 Table #2 of Annex I				Resource use and circular economy – Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator no. 9 Table #1 of Annex I				Resource use and circular economy – Resource outflows
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator no. 13 Table #3 of Annex I				Own workforce – Policy
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator no. 12 Table #3 of Annex I				Own workforce – Policy
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Own workforce – Policy
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II.		Own workforce – Policy
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator no. 11 Table #3 of Annex I				N/A
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator no. 1 Table #3 of Annex I				N/A
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator no. 5 Table #3 of Annex I				Own workforce – risks and opportunities management
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator no. 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II.		N/A
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator no. 3 Table #3 of Annex I				N/A

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Reference:
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator no. 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II.		Own workforce – Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator no. 8 Table #3 of Annex I				Own workforce – Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator no. 7 Table #3 of Annex I				Own workforce – Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		Own workforce – Incidents, complaints and severe human rights impacts
ESR S2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex 1				N/A
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				N/A
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and 4 Table #3 of Annex 1				N/A
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 19 (a)	Indicator no. 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		N/A
ESRS S3-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II.		N/A
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator no. 14 Table #3 of Annex I				N/A
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				N/A
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 17 (a)	Indicator no. 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		N/A
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator no. 14 Table #3 of Annex I				N/A
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				N/A
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 17 (a)	Indicator no. 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		N/A
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator no. 14 Table #3 of Annex I				N/A

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmarks Regulation reference	EU Climate Law reference	Reference:
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator no. 15 Table #3 of Annex I				Business conduct - Policy
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator no. 6 Table #3 of Annex I				Business conduct - Policy
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator no. 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II.		Business conduct – Confirmed incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b)	Indicator no. 16 Table #3 of Annex I				Business conduct – Confirmed incidents of corruption or bribery

Contact details

Hydratec Industries N.V.

General information

Name of the company	Hydratec Industries N.V.
Legal registered offices	Netherlands
Legal form	Public limited company
Country of establishment	Netherlands
Address under the articles of association	Spoetnik 20, 3824 MG Amersfoort
Principal place of business	Amersfoort
Description	Hydratec Industries supplies Industrial Systems and HighTech Components to sustainably meet the growing need for Food, Health and Mobility.

CEO	B. F Aangenendt
CFO	E. H. Slijkhuis RA
Address	Spoetnik 20
	3824 MG Amersfoort, Netherlands
Telephone	+31 (0)033 - 469 73 25
Email	info@hydratec.nl
Internet	www.hydratec.nl

Industrial Systems

Lan Handling Technologies BV

Managing Director	R. Jacobs
Address	Nieuwe Atelierstraat 9 5056 DZ Berkel Enschot
Telephone	+31 (0)13 532 25 25
Email	info.tilburg@lanhandling.com
Internet	www.lanhandling.com

Rollepaal Pipe Extrusion Technology BV

Managing Director	H. Hoven MSc
Address	Rollepaal 13 7701 BR Dedemsvaart
Telephone	+31(0)52 362 45 99
Email	info@rollepaal.com
Internet	www.rollepaal.com

Pas Reform BV

Address	Bovendorpsstraat 11 7038 CH Zeddam
Telephone	+31 (0)314 65 91 11
Email	info@pasreform.com
Internet	www.pasreform.com

Hightech Components

Timmerije BV

Managing Director	H. Kolnaar
Address	Schoolweg 29 PO Box 3 7160 AA Neede
Telephone	+31 (0)545 28 38 00
Email	info@timmerije.com
Internet	www.timmerije.com

Helvoet Rubber & Plastic Technologies BV

Managing Director	E. T. H. Hogenkamp-van Velp RA
Address	Centaurusweg 146 5015 TA Tilburg
Telephone	+31 (0)13 547 86 00
Email	info.tilburg@helvoet.com
Internet	www.helvoet.com


T1/4 BSP

Hydratec Industries

Spoetnik 20
3824 MG Amersfoort
+31 (0) 33 469 73 25
info@hydratec.nl
www.hydratec.nl