

Company announcement No. 588, 2025

11 November 2025

Interim Financial Report, Q3 2025

CHIEF EXECUTIVE OFFICER JÖRG BRINKMANN QUOTE

“As we enter the final quarter, market conditions remain challenging, with persistent headwinds and ongoing industry uncertainty. We continue to navigate this environment through disciplined cost management and a sharp operational focus. Recent actions, such as our reorganising in Germany, highlight our commitment to ensuing resilience across the business. While near-term challenges persist, our decisions remain guided by a long-term perspective. With flexibility in our operations and investments, we are well positioned to respond to market shifts and capture opportunities as conditions improve. Underlying demand remains stable, reinforcing our confidence in the sector’s long-term fundamentals.” says CEO Jörg Brinkmann.

PERFORMANCE HIGHLIGHTS FOR Q3 2025 (Q3 2024)

- Revenue growth measured in local currencies (“organic growth”) was 2% (2%).
- Sales volume increased by 2% driven by UK partly offset by Germany.
- Gross profit before special items was DKK 179 million (DKK 174 million), corresponding to a gross margin bsi of 24% (24%).
- EBIT before special items was DKK 53 million (DKK 53 million), corresponding to an EBIT margin before special items of 7% (7%).
- Financial gearing was 2.5 times EBITDA before special items at the end of Q3 2025 (4.4 times EBITDA before special items at the end of Q3 2025).
- Special items for the quarter amounted to DKK 43 million and relates to the reorganisation in Germany.

FINANCIAL OUTLOOK FOR 2025

- Organic revenue growth for 2025 is expected to be around 0%.
- EBIT before special items is expected to be in the range of DKK 85 to 115 million.

PRESENTATION OF THE Q3 2025 INTERIM FINANCIAL REPORT

In connection with the release of the Q3 2025 Interim Financial Report, a conference call for investors and analysts is scheduled for Wednesday 12 November 2025, at 10:00 a.m. CET. The presentation will be followed by a Q&A session. Participants can follow the conference call via live webcast [here](#).

KEY FIGURES – H+H GROUP

	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Full-year 2024
Amounts in DKK million					
Income statement					
Revenue	738	729	2,132	2,098	2,747
Gross profit before special items	179	174	480	415	579
SG&A	(84)	(82)	(246)	(248)	(331)
EBITDA before special items	93	101	229	168	250
EBITDA	50	92	146	17	228
EBIT before special items	53	53	93	27	63
EBIT	10	44	(562)	(124)	41
Result before tax	0	26	(598)	(180)	(29)
Result for the period	(10)	19	(637)	(140)	(50)
Balance sheet					
Assets	2,993	3,435	2,993	3,435	3,473
Invested capital*	2,309	2,654	2,309	2,654	2,569
Net working capital	259	212	259	212	144
Equity	1,021	1,546	1,021	1,546	1,650
Net Interest-bearing debt (NIBD)	779	887	779	887	682
Cash flow					
Cash flow from operating activities	102	135	17	126	145
Cash flow from investing activities	(26)	(13)	(63)	(73)	74
Free cash flow	76	122	(46)	53	219
Cash flow from financing activities	(20)	(32)	61	60	103
Financial ratios and others					
Organic growth	2%	2%	1%	(1)%	0%
Sales volume (thousand m ³)	791	775	2,256	2,273	2,967
Gross margin before special items	24%	24%	23%	20%	21%
EBITDA margin before special items	13%	14%	11%	8%	9%
EBITDA margin	7%	13%	7%	1%	9%
EBIT margin before special items	7%	7%	4%	1%	2%
EBIT margin	1%	6%	(26)%	(6)%	1%
Return on invested capital (ROIC) *	6%	0%	6%	0%	2%
Solvency ratio	31%	42%	31%	42%	45%
Financial gearing before special items ratio	2.5x	4.4x	2.5x	4.4x	2.7x
Share data					
Share price, end of period (DKK)	97	92	97	92	79
Book value per share, end of period (DKK)	62	94	62	94	100
Earnings per share	(0.7)	1.0	(38.7)	(8.7)	(3.2)
Diluted earnings per share	(0.7)	1.0	(38.7)	(8.7)	(3.2)

Financial ratios have been calculated in accordance with recommendations from the Danish Society of Financial Analysts.

*Invested capital are the average invested capital for the last twelve months. In prior periods goodwill was excluded but are now included. The comparative figures have been adjusted to reflect this as well. ROIC is calculated based on EBIT before special items divided by invested capital.

FORWARD-LOOKING STATEMENTS

The Interim Financial Report contains forward-looking statements. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of H+H, may cause actual developments and results to differ materially from the expectations expressed in this document.

In no event shall H+H be liable for any direct, indirect, or consequential damages or any other damages whatsoever resulting from loss of use, data, or profits, whether in an action of contract, negligence, or other action arising out of or in connection with the use of information in this document.

MANAGEMENT'S REVIEW

Volumes and prices

Organic growth in the second quarter was 2%.

Sales volumes in Poland grew by 3%, despite a strong comparison period last year. In the UK, additional shifts and improved efficiency across the production network supported an 8% increase in sales volumes compared to the same period last year. In contrast, the challenging German market environment resulted in a decline in volumes during the period for CWE.

Overall prices were in line with the same period last year.

Regional market development

UK

Following strong activity earlier in the year, market conditions have softened in the UK as affordability challenges particularly for first-time buyers continued to weigh on demand. Inflation has remained high, prompting slower rate cuts from the Bank of England, while rising bond yields have kept mortgage rates higher than expected.

Planning reforms remains a key government priority however, the anticipated uplift in newbuild activity has yet to materialise. Over the longer term, the industry should benefit from recent government planning reforms, though progress remains slow as local authorities work to adopt new local plans and the updated National Planning Policy Framework. To complement these supply-side measures and achieve its housing ambitions, the government will also need to address demand-side challenges, particularly those faced by first-time buyers.

Poland

The Polish housing market remains broadly stable, though overall activity is lower than a year ago. Building permits continue to decline as developers adopt a cautious stance amid demand uncertainty and elevated financing costs, despite generally stable credit conditions. The National Bank of Poland has lowered its

reference rate to 4.5%, marking the third reduction in six months, yet rates remain among the highest in Europe.

Rising geopolitical tensions have also pushed issues of civil security to the forefront of public and economic discussion. Growing concerns over personal safety may influence both homebuyer sentiment and investment decisions, potentially weighing on the near-term outlook for the housing market.

Germany

In Germany, building permits have shown some increases, in recent months after a relatively flat start to 2025. While this slight uptick is encouraging, it does not yet indicate a broader market recovery. Until greater clarity emerges the outlook remains cautious, and a meaningful trend reversal is not expected in the short to medium term.

OTHER KEY EVENTS

Reorganisation of Germany

As announced in company announcement no. 584, a reorganisation of the setup in Germany has been initiated. The transition from a nationally focused business model to a regional structure will enable us to operate with a lower cost base and enhance regional profitability. During Q3, we recognised special items of DKK 43 million related to the programme, primarily covering severance costs. For the full year, we expect total expenses in the range of DKK 50–70 million.

INCOME STATEMENT FOR THE THIRD QUARTER OF 2025

Revenue

Total revenue amounted to DKK 738 million for Q3 2025 which is an increase of DKK 9 million compared to Q3 2024 (DKK 729 million).

Revenue growth measured in local currencies ("organic growth") was 2% in Q3 2025 (Q3 2024 was 2%).

Revenue, external				
	Q3		Q1-Q3	
Amounts in DKK million	2025	2024	2025	2024
	Revenue			
Central Western Europe	255	272	768	785
United Kingdom	247	234	694	665
Poland	236	223	670	648
Total	738	729	2,132	2,098

Revenue in the CWE region decreased by 6% to DKK 255 million compared to DKK 272 million in Q3 2024. Organic growth in the region was negative 7% in Q3 2025 driven by lower volumes.

Revenue in the UK increased in Q3 2025 by 6% to DKK 247 million compared to DKK 234 million in Q3 2024. Organic growth of 8% in Q3 2025 was driven by higher volumes.

Revenue in Poland increased by 6% to DKK 236 million compared to DKK 223 million in Q3 2024. Organic growth was 5% driven by both higher volumes and higher prices.

Gross profit before special items

Gross profit amounted to DKK 179 million compared to DKK 174 million in Q3 2024, corresponding to gross margins of 24% in both quarters.

EBITDA before special items

EBITDA before special items amounted to DKK 93 million compared to DKK 101 million in Q3 2024, corresponding to EBITDA before special items margins of 13% and 14%, respectively.

Depreciation and amortisation

Depreciation and amortisation in Q3 2025 amounted to DKK 40 million compared to DKK 48 million in Q3 2024. The decrease is driven by the write-down of fixed assets in Q2 2025.

EBIT before special items

EBIT before special items amounted to DKK 53 million in Q3 2025 equal to Q3 2024,

corresponding to EBIT margins before special items of 7% in both Q3 2025 and 2024.

Special items

Special items recognised in Q3 2025 relates to restructuring costs of DKK 43 million (Q3 2024: DKK 9 million). See note 8 Special items for further information.

Net financials

Net financials amounted to an expense of DKK 10 million in Q3 2025, compared to an expense of DKK 18 million in Q3 2024 due to lower NIBD and a lower interest rate.

Result before tax

Result before tax amounted to DKK 0 million in Q3 2025, compared to a profit of DKK 26 million in Q3 2024.

Tax

Tax for Q3 2025 amounted to a net expense of DKK 10 million compared to a net tax expense of DKK 7 million in Q3 2024. The effective tax rate is driven by tax losses in Germany not being capitalised while other markets generate taxable results.

Result for the period

Result for the period amounted to a loss of DKK 10 million and is attributable to H+H International A/S' shareholders by loss of DKK 12 million and a profit to non-controlling interests by DKK 2 million compared to DKK 19 million in Q3 2024, allocated with a profit of DKK 17 million and a profit of DKK 2 million, respectively.

Comprehensive income

Other comprehensive income for Q3 2025 amounted to negative DKK 5 million compared to negative DKK 16 million in Q3 2024. The year-on-year development was mainly driven by the development in actuarial gain and losses in Q3 2024.

INCOME STATEMENT FOR THE FIRST NINE MONTHS OF 2025

Revenue

Total revenue for the first nine months of 2025 amounts to DKK 2,132 million compared to DKK 2,098 million in the first nine months of 2024. Organic growth was 1% in the first nine months of 2025 compared to negative 1% for the first nine months of 2024.

Gross profit before special items

Gross profit in the first nine months of 2025 amounted to DKK 480 million compared to DKK 415 million in 2024, corresponding to gross margins of 23% and 20%, respectively.

EBITDA before special items

EBITDA before special items in the first nine months of 2025 amounted to DKK 229 million compared to DKK 168 million in 2024, corresponding to EBITDA margins of 11% and 8%, respectively.

Depreciation and amortisation

Depreciation and amortisation in the first nine months of 2025 amounted to DKK 136 million compared to DKK 141 million in first nine months of 2024.

EBIT before special items

EBIT for the first nine months of 2025 amounted to DKK 93 million compared to DKK 27 million in the first nine months of 2024, corresponding to EBIT margins of 4% and 1%, respectively.

Special items

Special items recognised in the first nine months of 2025 relates to write downs of property, plant and equipment as part of the reorganisation of the German business amounting to DKK 312 million, write down of Goodwill and other intangible assets related to the CWE region of DKK 300 million and related restructuring cost of DKK 43 million. The special items recognised in the first nine months of 2024 relates to restructuring costs and settlement of the gas contract. See note 8 Special items for further information.

Net financials

Net financials amounted to an expense of DKK 36 million in first nine months 2025, compared to an expense of DKK 56 million in first nine months of 2024. The development is mainly driven by lower NIBD and interest rates.

Result before tax

Result before tax for the first nine months of 2025 amounted to a loss of DKK 598 million, compared to a loss of DKK 180 million in first nine months of 2024 mainly driven by special items.

Tax

Tax for the period amounted to DKK 39 million compared to a net income of DKK 40 million in first nine months of 2024.

Result for the period

Result for the first nine months of 2025 amounted to a loss of DKK 637 million, compared to a loss of DKK 140 million in 2024.

Loss for the period is attributable to H+H International A/S' shareholders by DKK 638 million and a profit to non-controlling interest by DKK 1 million compared to a loss of DKK 144 million and a profit of DKK 4 million, respectively, for the first nine months of 2024.

Comprehensive income

Other comprehensive income for the first nine months of 2025 was DKK 4 million compared to DKK 8 million for the first nine months of 2024.

CASH FLOW FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2025

Operating activities

Cash flow from operating activities before financial items and tax amounted to DKK 115 million in Q3 2025 compared to DKK 170 million in Q3 2024. The positive cash flow in Q3 2025 was driven by a positive result and seasonal development in working capital. Q3 2024 were significant impacted by de-stocking initiatives.

Cash flow from operating activities in the first nine months of 2025 was positive DKK 17 million compared to positive DKK 126 million in the first nine months of 2024.

Investing activities

Cash flow from investing activities in Q3 2025 amounted to a cash out-flow of DKK 26 million compared to a cash out-flow DKK 13 million in Q3 2024.

Cash flow from investing activities in first nine months of 2025 was a cash out-flow of DKK 63 million compared to DKK 73 million in the first nine months of 2024.

Financing activities

Cash flow from financing activities was negative DKK 20 million in Q3 2025 compared to negative DKK 32 million in Q3 2024.

Cash flow from financing activities was DKK 61 million in the first nine months of 2025 compared to DKK 60 million in 2024.

BALANCE SHEET AT 30 SEPTEMBER 2025

On 30 September 2025, the balance sheet total amounted to DKK 2,993 million compared to DKK 3,435 million on 30 September 2024 mainly driven by the impairment of assets in Q2 2025 partly offset by an increase in cash on hand.

Net interest-bearing debt

On 30 September 2025, net interest-bearing debt, totalled DKK 779 million corresponding to an increase of DKK 97 million since the beginning of the year. The increase is primarily driven by a negative working capital development in the first nine months of 2025.

Equity

The consolidated equity decreased by DKK 629 million compared to 31 December 2024 and decreased by DKK 525 million compared to 30 September 2024.

Equity		
	Q1-Q3	Q1-Q3
Amounts in DKK million	2025	2024
1 January	1,650	1,678
Result for the period	(637)	(142)
Actuarial gains/losses on pension plans	(2)	7
Movement of derivative financial instruments	7	(4)
Foreign exchange adjustments	(1)	5
Share based payment	4	2
30 September	1,021	1,546

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date that will have a material effect on the H+H Groups financial position.

FINANCIAL OUTLOOK FOR 2025

- Revenue growth measured in local currencies is expected to be around 0%.
- EBIT before special items is expected to be in the range of DKK 85 million to DKK 115 million.

ASSUMPTIONS FOR THE FINANCIAL OUTLOOK

Key assumptions for the financial outlook for 2025

- The outlook does not assume any market improvements in Germany.
- Price increases will not cover cost inflation driven by the German market situation.

Other assumptions

- CAPEX of around DKK 180 million.
- Special items of around DKK 50-70 million in Q3 and Q4 2025 which will be paid in cash during 2025 and 2026.

FINANCIAL CALENDAR 2026

2025 Annual Report	3 Mar 2026
2025 Annual General Meeting	14 Apr 2026
Q1 2026 Interim Financial report	12 May 2026
H1 2026 Interim Financial report	11 Aug 2026
Q3 2026 Interim Financial report	10 Nov 2026

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Executive Board and the Board of Directors have today discussed and approved the interim financial report for H+H International A/S for the first nine months of 2025.

The interim financial report, which has not been audited or reviewed by H+H's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and the Danish disclosure requirements for the interim financial reports of listed companies.

It is our opinion that the interim financial report gives a true and fair view of H+H's assets, liabilities, and financial position on 30 September 2025 and of the results of H+H's operations and its cash flows for the period 1 January to 30 September 2025.

Furthermore, it is our opinion that management's review provides a fair account of developments in H+H's operations and financial conditions, the results for the period and H+H's overall financial position, as well as a description of the most significant risks and uncertainties that H+H faces.

Copenhagen, 11 November 2025

EXECUTIVE BOARD

Jörg Brinkmann
CEO

Bjarne Pedersen
CFO

BOARD OF DIRECTORS

Miguel Kohlmann
Chair

Peter Thostrup
Vice chair

Volker Christmann

Kajsa von Geijer

Helen MacPhee

CONDENSED INCOME STATEMENT

	Group				
	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Full-year 2024
Amounts in DKK million					
Revenue	738	729	2,132	2,098	2,747
Cost of goods sold	(559)	(555)	(1,652)	(1,683)	(2,168)
Gross profit before special items	179	174	480	415	579
Sales costs	(29)	(29)	(92)	(92)	(122)
Administrative costs	(55)	(53)	(154)	(156)	(209)
Other operating income and costs, net	(2)	9	(5)	1	2
EBITDA before special items	93	101	229	168	250
Depreciation, amortisation and impairments	(40)	(48)	(136)	(141)	(187)
EBIT before special items	53	53	93	27	63
Special items, net	(43)	(9)	(655)	(151)	(22)
EBIT	10	44	(562)	(124)	41
Financial income	4	6	10	17	39
Financial expenses	(14)	(24)	(46)	(73)	(109)
Result before tax	-	26	(598)	(180)	(29)
Tax	(10)	(7)	(39)	40	(21)
Result for the period	(10)	19	(637)	(140)	(50)
Result for the period attributable to:					
H+H International A/S' shareholders	(12)	17	(638)	(144)	(53)
Non-controlling interest	2	2	1	4	3
Result for the period	(10)	19	(637)	(140)	(50)
Earnings per share (EPS-Basic)	(0.7)	1.0	(38.7)	(8.7)	(3.2)
Diluted earnings per share (EPS-D)	(0.7)	1.0	(38.7)	(8.7)	(3.2)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Group				
	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024	Full-year 2024
Amounts in DKK million					
Result for the period	(10)	19	(637)	(140)	(50)
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustments of derivative financial instruments	-	-	-	(12)	(13)
Gain/(loss) on derivative financial instruments transferred to the income statements	3	3	7	8	9
Tax on fair value adjustment	-	-	-	-	1
Foreign exchange adjustments, foreign entities	(8)	(3)	(1)	5	20
	(5)	-	6	1	17
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gains and losses	-	(20)	(1)	9	13
Tax on actuarial gains and losses	-	4	(1)	(2)	(5)
	-	(16)	(2)	7	8
Other comprehensive income after tax	(5)	(16)	4	8	25
Total comprehensive income for the period	(15)	3	(633)	(132)	(25)

CONDENSED BALANCE SHEET

	Group		
	30 September 2025	31 December 2024	30 September 2024
Amounts in DKK million			
ASSETS			
Non-current assets			
Goodwill	173	422	422
Other intangible assets	158	220	227
Property, plant and equipment	1,421	1,716	1,696
Deferred tax assets	71	54	83
Financial assets	2	2	2
Total non-current assets	1,825	2,414	2,430
Current assets			
Inventories	427	435	395
Receivables	279	162	286
Cash	462	462	249
Total current assets	1,168	1,059	930
Assets classified as held for sale	-	-	75
TOTAL ASSETS	2,993	3,473	3,435
EQUITY AND LIABILITIES			
Equity			
Share capital	165	165	165
Retained earnings	847	1,483	1,391
Other reserves	(76)	(82)	(98)
Equity attributable to H+H International A/S' shareholders	936	1,566	1,458
Equity attributable to non-controlling interests	85	84	88
Total equity	1,021	1,650	1,546
Non-current liabilities			
Pension obligations	17	21	24
Provisions	31	43	46
Deferred tax liability	35	36	44
Credit institutions	1,129	1,046	994
Deferred payments, acquisition of subsidiary	86	93	93
Lease liabilities	88	73	70
Total non-current liabilities	1,386	1,312	1,271
Current liabilities			
Lease liabilities	24	25	26
Trade payables	241	272	274
Income tax	53	1	2
Deferred payment, acquisition of subsidiary	6	6	6
Provisions	56	26	69
Other payables	206	181	195
Total current liabilities	586	511	572
Total liabilities	1,972	1,823	1,843
Liabilities related to assets classified as held for sale	-	-	46
TOTAL EQUITY AND LIABILITIES	2,993	3,473	3,435
Net interest-bearing debt	779	682	887

CONDENSED CASH FLOW STATEMENT

	Q3	Q3	Q1-Q3	Q1-Q3
Amounts in DKK million	2025	2024	2025	2024
Operating result (EBIT)	10	44	(562)	(124)
Depreciation, amortisation and impairment	40	48	708	141
Change in working capital	28	73	(154)	147
Change in provisions and pension contribution	32	3	14	49
Other non-cash adjustments	5	2	47	(5)
Operating activities before financial items and tax	115	170	53	208
Financial items, net	(8)	(18)	(30)	(56)
Income tax paid	(5)	(17)	(6)	(26)
Operating activities	102	135	17	126
Acquisition of property, plant and equipment and intangible assets	(26)	(13)	(63)	(73)
Investing activities	(26)	(13)	(63)	(73)
Bank overdraft and other debt	(12)	(21)	83	87
Payment of lease liabilities	(8)	(11)	(22)	(27)
Financing activities	(20)	(32)	61	60
Total cash flow for the period	56	90	15	113
Cash and cash equivalents, opening	412	165	462	139
Foreign exchange adjustments of cash	(6)	(6)	(15)	(3)
Cash and cash equivalents at 30 September	462	249	462	249

CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in DKK million	Share capital	Hedging reserve	Translation reserve	Retained earnings	H+H shareholders share	Non controlling interests' share	Total
Equity at 1 January 2025	165	(10)	(72)	1,483	1,566	84	1,650
Total changes in equity							
Result for the period	-	-	-	(638)	(638)	1	(637)
Other comprehensive income	-	7	(1)	(2)	4	-	4
Total comprehensive income	-	7	(1)	(640)	(634)	1	(633)
Share-based payment	-	-	-	4	4	-	4
Total changes in equity in 2025	-	7	(1)	(636)	(630)	1	(629)
Equity at 30 September 2025	165	(3)	(73)	847	936	85	1,021
Equity at 1 January 2024	165	(7)	(92)	1,526	1,592	86	1,678
Total changes in equity							
Result for the period	-	-	-	(144)	(144)	2	(142)
Other comprehensive income	-	(4)	5	7	8	-	8
Total comprehensive income	-	(4)	5	(137)	(136)	2	(134)
Share-based payment	-	-	-	2	2	-	2
Total changes in equity in 2024	-	(4)	5	(135)	(134)	2	(132)
Equity at 30 September 2024	165	(11)	(87)	1,391	1,458	88	1,546

NOTES

1. Accounting policies

The interim financial report for the period 1 January to 30 September 2025 has been prepared in accordance with the IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for the interim financial reports of listed companies. The application of IAS 34 means that the disclosures are more limited than in a complete annual report, but that the interim financial report complies with the recognition and measurement principles in the International Financial Reporting Standards (IFRS). The interim financial report has not been reviewed by H+H’s auditors.

The accounting policies are consistent with those applied in the 2024 Annual Report, which includes a full description of the accounting policies applied.

2. Adoption of new and revised IFRSs

H+H International A/S has adopted all new or revised and amended International Financial Reporting Standards (IFRSs) and interpretations (IFRIC) issued by IASB and endorsed by the EU effective for the financial year 2025. It is assessed that the revisions and amendments have not had a material impact on the consolidated financial statements.

3. Risk Management

H+H’s principal risks and the external factors that may affect H+H are provided in the 2024 Annual Report. These are unchanged as of 30 September 2025.

4. Significant accounting estimates and judgements

Determining the carrying amounts of some assets and liabilities requires Management to make judgements, estimates and assumptions concerning future events. The estimates and assumptions made are based on historical experience and other factors that are believed by Management to be sound under the circumstances but that, by their nature, are uncertain and unpredictable. Financial statement items in which more significant accounting estimates and judgements are applied are listed in Note 2 of the 2024 Annual report for H+H International A/S. In addition, significant estimates has been made in assessing the recoverable amount for assets impacted by the German market situation, see note 8.

The estimates and assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the H+H Group is subject to risks and uncertainties that may lead to the actual outcomes vary from these estimates and assumptions. It may be necessary to change estimates and assumptions made previously as a result of changes in the factors on which these were based or as a result of new knowledge or subsequent events.

5. Seasonal fluctuations

The sales pattern for H+H’s products is seasonal. Sales in the second and third quarters are traditionally higher than during the rest of the year. As a part of H+H’s cost base is not directly variable with revenue, deviations from projected sales may result in fluctuations in the Company’s earnings.

6. Income statement classified by function

INCOME STATEMENT CLASSIFIED BY FUNCTION

Amounts in DKK million	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024
Revenue	738	729	2,132	2,098
Cost of goods sold	(586)	(585)	(1,739)	(1,772)
Gross profit including depreciation and amortisation	152	144	393	326
Sales cost	(38)	(40)	(122)	(126)
Administrative costs	(59)	(60)	(173)	(174)
Other operating income and costs	(2)	9	(5)	1
EBIT before special items	53	53	93	27
Special items, net	(43)	(9)	(655)	(151)
EBIT	10	44	(562)	(124)
Depreciation and amortisation comprise:				
Depreciation of property, plant and equipment	31	37	96	101
Amortisation of intangible assets	9	11	40	40
Total	40	48	136	141
Depreciation, amortisation and impairment are allocated to:				
Production costs	27	30	87	89
Sales costs	9	11	30	34
Administration costs	4	7	19	18
Total	40	48	136	141

The above table shows an extract of the income statement adapted to show depreciation and amortisation classified by function.

7. Geographical information

Amounts in DKK million	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024
			Revenue	
Central Western Europe	255	272	768	785
United Kingdom	247	234	694	665
Poland	236	223	670	648
	738	729	2,132	2,098

When presenting information on geographical areas, information on revenue is based on countries with the exception of the "Central Western Europe" region which comprises Germany, Switzerland, Denmark, Sweden, the Czech Republic, Netherlands and Belgium. Revenue for Germany for Q3 2025 amounted to DKK 144 million compared to DKK 163 million in Q3 2024 and DKK 422 million for the first nine months of 2025 compared to DKK 461 million for the nine months of 2024.

8. Special items, net

Amounts in DKK million	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024
Impairment of fixed assets, mothballed and closed down factories	-	-	272	-
Impairment of other idle assets related to closed factories	-	-	40	-
Impairment of goodwill, customer relations and other intangible assets	-	-	300	-
Restructuring costs	43	9	43	41
Inefficient part of gas hedges, including settlement	-	-	-	110
Total	43	9	655	151
Impact of special items on EBIT				
Cost of goods sold	23	-	63	116
Sales and administrative costs	20	9	20	35
Depreciation, amortisation and impairments	-	-	572	-
EBIT before special items	43	9	655	151

As a result of the persistently low-volume environment in the German market and increasing competitive pressure, H+H decided to close down some of the previously mothballed factories permanently and restructure the German organisation. Therefore, an assessment of the recoverable amounts of production and related equipment, closed down plants and the overall market in general has been carried out. The assessment has led to the recognition of impairment losses of DKK 312 million which have been recognised in the profit and loss statement as a special item.

The review included an assessment of estimated sales value less cost to sell or disposal for all closed sites, which has been based on initial discussion with potential buyers and historical experience. The main classes of assets affected by the impairment losses are various operational production assets, i.e. machinery and equipment used in production, buildings and other related idle assets.

Moreover, the intangible assets related to our German market were reviewed for possible impairment need, i.e. if the given asset still has any use for H+H or whether the future cash flows coming for the relevant CGU would cover the carrying value. Based on this an impairment of DKK 300 million was recognised. The main classes of assets affected by this impairment relate to Goodwill (DKK 250 million), Customer Relations (DKK 32 million) and Other Intangibles (DKK 18 million). See note 9 for further details on the goodwill impairment test.

In addition, the aforementioned re-organisation of the German business was started in Q3 2025, and consequently restructuring costs of DKK 43 million have been recognised as special items and comprise directly associated costs to the German re-organisation including costs related to termination of employees.

Special items in the first nine months of 2024 relate mainly to the day one loss from settling gas contracts, reflecting the loss at the time of falling outside the own-use exemption amounting to DKK 110 million and restructuring costs of DKK 41 million.

9. Impairment testing of goodwill and non-current assets

The Group performs impairment tests on intangibles, i.e. goodwill and customer contracts, annually and whenever there is an indication that intangibles may be impaired. The annual impairment test is performed as per 31 December based on financial budgets approved by management covering the following financial year. As of 30 June 2025, the Group performed a review for indications of impairments. Due to the persistently low-volume market and increasing competitive situation, Management assessed that impairment indicators for the CWE region existed, and as such an impairment test was carried out.

The performance for Q3 2025 was in line with expectations and there has not been any material changes to the forecast applied for the CWE impairment testing conducted as of 30 June 2025. Therefore, Management has assessed there is no indication of additional impairment need as of 30 September 2025, and thus no impairment testing has been performed.

Impairment testing as of 30 June 2025

The impairment test for CWE resulted in recognition of a goodwill impairment loss of DKK 250 million in addition to the DKK 50 million impairment of customer contracts and software systems which no longer has any value to H+H and DKK 272 million write down of property, plant and equipment to fair value less cost to sell as described in note 8 Special items. For the purpose of the impairment testing of goodwill the recoverable amount was defined as the value in use calculated by using a discounted cash flow model ('DCF').

Management lowered its expectations in the forecasting period to an average growth of 2.8% (previously 9.3%) mainly driven by no signs of a pick-up of the volumes on the short and mid-term and an average gross margin increase in the forecast period of 1.3% (previously 2.7%). The WACC is based on generally applied principles including the determination of return on equity and cost of debt. Components for the return on equity, the market risk premium, company specific risk premium and beta-values, are benchmarked to external information. The slight decrease compared to 31 December 2024 is mainly due to a slight decrease in interest rates. The weighted average growth rate used for the terminal period for the year after 2029 was estimated at 2.0% (31 December 2024: 2.0%).

Applied assumptions and carrying amounts for CWE are illustrated below.

Amounts in DKK million	30 June 2025	31 December 2024
Carrying amount of intangible assets, property, plant and equipment excluding goodwill	875	1260
Goodwill (after impairment)	150	399
Estimated average annual growth in revenue 2025-2029 (CAGR)	2.8%	9.3%
Estimated average annual growth / decrease in gross margin in percentage points 2025-2029	1.3%	2.7%
WACC before tax	11.7%	12.2%
WACC after tax	8.4%	8.8%

Sensitivity for changes in key assumptions

The results of the goodwill impairment tests are impacted by the key assumptions outlined above. Change in gross margin of 0.5%-point impacts the results by approximately DKK 75 million. A change in revenue of 2.0%-point impacts the results by approximately DKK 40 million. A change of WACC after tax or terminal period growth of 0.5%-point impacts the result by approximately DKK 70 million.

10. Pension obligations

H+H has defined-benefit pension plans in the UK, Switzerland, and Germany. The UK and Swiss pension plans are managed by a pension fund to which payments are made, whereas the German pension plan is funded from current earnings. H+H's pension obligations predominantly relate to the plans in the UK.

For interim periods, H+H's defined-benefit pension obligations are based on valuations from external actuaries carried out at the end of prior financial year considering any subsequent movements in the obligation due to pension costs, contributions etc. up until the reporting date. Actuarial calculations are updated or extrapolated quarterly.

The net pension obligation on 30 September 2025 amounts to DKK 17 million, compared to DKK 21 million on 31 December 2024. The decrease is driven by payments, interest, value adjustment and currency adjustment.

11. Financial resources and cash flow

On 30 September 2025, net interest-bearing debt, totalled DKK 779 million corresponding to an increase of DKK 97 million since the beginning of the year. The increase is primarily driven by a negative working capital development in the first six months of 2025.

H+H's financing is subject to usual financial covenants, which have been fulfilled in the first nine months of 2025 and are also expected to be fulfilled for the full year 2025.

12. Share-based payment

The performance-share-units schemes for 2023 and 2024 are active and presented in the 2024 Annual Report.

In April 2025, the Board of Directors of H+H International A/S implemented a new long-term incentive programme ("LTIP") being a performance share unit ("PSU") program. At initiation, a total of approximately 114,600 PSUs were granted to the participants, including 30,400 PSUs to CEO Jörg Brinkmann and 12,350 PSUs to CFO Bjarne Pedersen. Based on the average share price for H+H shares trading on the Nasdaq Copenhagen stock exchange during the first ten business days after the release of the 2024 Annual Report on 4 March 2025, the theoretical value per PSU is DKK 111.32, corresponding to a total theoretical value of DKK 12.8 million if all 114,600 PSU's were to vest. The vesting period for the PSUs is approximately three years, with vesting being in 2028 when the audited annual report for 2027 is published.

13. Tax

Amounts in DKK million	Q3 2025	Q3 2024	Q1-Q3 2025	Q1-Q3 2024
Current tax	(25)	(6)	(60)	(15)
Movement in deferred tax	15	(1)	21	55
Tax	(10)	(7)	(39)	40

14. Related parties

Related parties of H+H with significant influence include the Board of Directors and the Executive Board of the Company and their close family members. Related parties also include companies in which the aforementioned persons have control or significant interests.

Transactions with related parties

H+H did not enter into any significant transactions with members of the Board of Directors or with members of the Executive Board, except for compensation and benefits received as a result of their membership of either the Board of Directors, employment with H+H or shareholdings in H+H.

15. Share capital

There have been no movements in the share capital in the last five years except for the changes stated in Note 19 "Share capital and treasury shares" of the 2024 Annual Report.

16. Events after the balance sheet date

No events have occurred after the balance sheet date that will have a material effect on H+H Groups financial position.