



We are **Partners in Wall Building**

Annual Report 2025

Purpose and promises

We enable better homes for our communities



Partners in Wall Building

Being a part of H+H means you are in the business of people and teamwork.

Our partners trust us to understand their building needs from design, specification and planning to delivery, assembly and problem solving.

With our partners, we enable better homes for our communities.

Putting people first

The health and safety of our people, suppliers and customers, will never be compromised. We are committed and have the ambition of zero harm for our own and our partners' people.

We know that people are different. We trust our differences enable us to see new opportunities and be more effective.

People are the heart of H+H.

Performance driven

H+H strives to deliver results to all our partners and in the communities where we operate.

Even when times are difficult, we deliver quality products with the highest level of service to our customers. Our operations run timely and effectively. We follow through on our commitment to serve our communities.

You can trust us to deliver on our promises.

Pushing the boundaries

To build better homes, we must stay curious and eager to drive our industry forward.

We are continuously improving operations and products. Together with our partners we rethink supply chains, services and digital solutions.

We are pushing to meet the needs of tomorrow.

Part of a sustainable future

Today we work with our partners to reduce energy needs in homes and our commitment is more than the long lasting and insulating products we produce.

We are part of the solution in creating sustainable and carbon neutral buildings. We are partnering with our customers, suppliers, and other stakeholders; finding new production methods to lower the environmental impact of homes.

We act today to realise our vision of carbon neutrality in 2050.

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Business and strategy

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H+H at a glance

H+H's core activity is the manufacture and sale of wall-building materials. The main product lines are aircrete blocks and calcium silicate units, which are used in the residential new-build segment. We leverage industry insights and customer expertise to solve challenges and provide better homes for our communities.

Revenue (DKK m)

2,743

In 2025, we generated total revenue of DKK 2,743 million and organic growth of 0%.

People

1,338

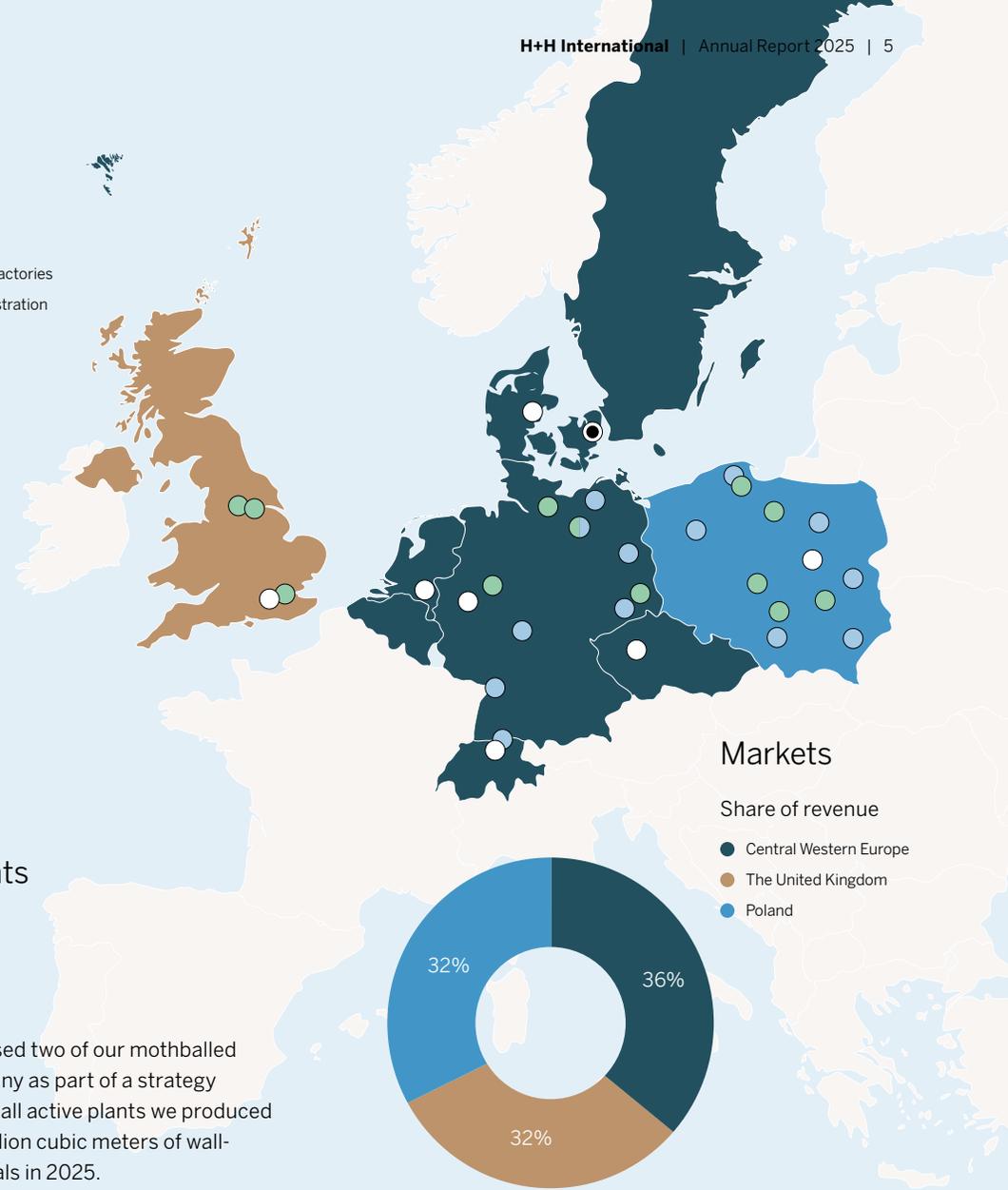
Based across Northern Europe we employ over 1,300 people, of whom around 70% work in our plants.

Active plants

25

In 2025, we closed two of our mothballed plants in Germany as part of a strategy change. Across all active plants we produced a total of 3.1 million cubic meters of wall-building materials in 2025.

- Aircrete Factories
- Calcium Silicate Factories
- Sales and Administration
- Headquarter



Performance highlights

Financial

Organic growth

Percent

0%

Sales volume fell by 1% as a result of the persistently low-volume environment in the German market offset by Poland and the UK.

Gross margin (bsi)

DKKm

22%

Gross profit was DKK 615 million compared to DKK 579 million in 2024, corresponding to margins of 22% and 21% respectively.

EBITDA before special items (bsi)

DKKm

291

In 2025, EBITDA before special items was DKK 291 million compared to DKK 250 million last year, corresponding to EBITDA margins of 11% and 9% respectively.

EBIT before special items (bsi)

DKKm

112

EBIT before special items amounted to DKK 112 million compared to DKK 63 million in 2024, corresponding to EBIT margins of 4% and 2%, respectively.

Free cash flow

DKKm

-61

Free cash flow was negative DKK 61 million, compared to positive DKK 219 million last year. The development in cash flows mainly relates to stock build-up and planned investments.

Financial gearing

DKKm

2.8x

Net interest-bearing debt was DKK 802 million as of end-2025 compared to DKK 682 million last year.

Sustainability

Climate – Reduction in scope 1 and 2 emissions per m³

3%

We achieved 3% lower scope 1 and 2 emissions per m³ compared to last year, well aligned and on track with our Science Based targets.

Safety – Lost time incidents frequency (LTIF)

0.9

In 2025, we achieved a LTIF rate of 0.9 on a par with last year.

See more about our sustainability performance on [page 8](#)

Five-year financial summary

Income statement (DKK million)	2025	2024	2023	2022	2021
Revenue	2,743	2,747	2,672	3,604	3,020
Gross profit bsi	615	579	564	1,020	905
SG&A	318	331	346	392	329
EBITDA bsi	291	250	244	657	591
EBITDA	194	228	58	615	567
EBIT bsi	112	63	57	455	408
Special items	(669)	(22)	(287)	(31)	-
EBIT	(557)	41	(230)	413	377
Result before tax	(604)	(29)	(283)	398	356
Result after tax for the year	(665)	(50)	(246)	317	321

Balance sheet (DKK million)	2025	2024	2023	2022	2021
Assets	2,653	3,473	3,454	3,572	3,400
Invested capital ¹	2,190	2,569	2,855	2,555	2,102
CAPEX ²	185	175	201	298	226
Acquisition and divestment of enterprises	-	-	-	-	238
Net working capital	241	144	359	242	65
Equity	1,003	1,650	1,678	1,938	1,814
Net interest-bearing debt (NIBD)	802	682	887	492	350

Cash flow (DKK million)	2025	2024	2023	2022	2021
Cash flow from operating activities	71	145	(209)	316	454
Cash flow from investing activities	(132)	74	(137)	(255)	(427)
Cash flow from financing activities	(235)	103	131	(80)	(25)
Free cash flow	(61)	219	(346)	61	27

Financial ratios and others	2025	2024	2023	2022	2021
Sales volume (thousand m ³)	2,929	2,967	2,745	4,187	4,326
Organic growth	0%	0%	(25%)	14%	13%
Gross margin bsi	22%	21%	21%	28%	30%
EBITDA margin bsi	11%	9%	9%	18%	20%
EBITDA margin	7%	9%	2%	17%	19%
EBIT margin bsi	4%	2%	2%	13%	14%
EBIT margin	(20%)	1%	(9%)	11%	12%
Return on invested capital (ROIC) ¹	5%	2%	2%	18%	19%
Solvency ratio	37%	45%	46%	52%	50%
Financial gearing	2.8x	2.7x	3.6x	0.7x	0.6x

¹ Previously, goodwill was excluded from invested capital in financial reporting; however, it is now included in the calculation. Comparative figures have been restated accordingly.

² CAPEX includes PPE and intangible assets additions incl. IFRS 16 leases. Comparative figures have been restated accordingly.

Note: Financial ratios have been calculated in accordance with recommendations from the Danish Society of Financial Analysts. See page 121.

Five-year sustainability summary

Environmental data	Unit of measure	2025	2024	2023 ¹	2022 ¹	2021 ¹
CO ₂ e scope 1	Tonnes	92,545	81,884	*93,602	142,796	132,345
CO ₂ e scope 2 - market based	Tonnes	6,192	6,885	*15,198	33,454	59,461
CO ₂ e scope 2 - location based	Tonnes	26,304	25,522	29,369	45,702	
CO ₂ e scope 3	Tonnes	453,614	394,435	442,582	688,192	673,554
Total GHG emissions - market based	Tonnes	552,351	483,205	551,381	864,442	865,360
CO ₂ e scope 1	kg/m ³	30	30	31	33	31
CO ₂ e scope 2 - market-based	kg/m ³	2	3	5	8	14
CO ₂ e scope 3	kg/m ³	147	144	146	157	157
Total GHG emissions per m ³	kg/m ³	179	177	182	198	202
Total GHG emission per net revenue	Tonnes/Mil. DKK	201	176	206	240	287
Energy consumption	GJ	1,696,258	1,501,325	1,749,942	2,487,149	2,380,949
Energy consumption	MWh	471,183	417,035	486,095	690,875	661,375
<i>Natural gas</i>	<i>MWh</i>	<i>298,311</i>	<i>254,804</i>	<i>315,096</i>	<i>418,262</i>	
<i>Coal</i>	<i>MWh</i>	<i>106,653</i>	<i>98,894</i>	<i>92,588</i>	<i>146,867</i>	
<i>Oil</i>	<i>MWh</i>	<i>1,573</i>	<i>1,754</i>	<i>12,458</i>	<i>26,253</i>	
<i>Fossil steam and electricity</i>	<i>MWh</i>	<i>16,540</i>	<i>17,929</i>	<i>41,109</i>	<i>65,722</i>	
<i>Renewable electricity</i>	<i>MWh</i>	<i>48,107</i>	<i>43,653</i>	<i>24,843</i>	<i>33,770</i>	
Percentage renewable	%	10%	10%	8%	5%	0%
Total energy per m ³	MJ	548	549	575	567	554
Energy intensity per net revenue	MWh/Mil. DKK	172	152	182	192	219
Production volume	Million m ³	3.1	2.7	3.0	4.4	4.3

* ESG figure subject to limited assurance in 2023

¹ Not covered by the Independent Auditor's limited assurance report, unless seperately indicated by a *

Social data	Unit of measure	2025	2024	2023 ¹	2022 ¹	2021 ¹
Employees	Headcount	1,338	1,337	1,355	1,739	1,633
Gender diversity	%	15%	17%	18%	16%	16%
Gender diversity, office workers	%	49%	46%	45%	41%	47%
Gender pay gap (Average)	%	-17%	-17%	-6%	7%	10%
CEO Pay Ratio	Times	33	34	29	32	37
Employee turnover ratio	%	21%	22%	40%	15%	13%
Employee turnover	Headcount	284	280	605	267	206
Fatalities	Headcount	0	0	0	0	0
Lost-time Incident frequency (LTIF)	Incidents per mil. hours worked	0.9	0.9	*3.4	3.6	5.5
Total recordable incidents	Number of	10	7	18	77	103
Total recordable contractor incidents	Number of	0	0	0	3	3
Total recordable incident rate (TRIR)	Incidents per mil. hours worked	4	3	7	25	35
Recordable work-related ill health	Number of	0	0	0		
Gender diversity, Board	%	40%	29%	29%	33%	17%
Gender diversity, Top management	%	0%	0%	0%		

Letter from the Chair and the CEO

A stronger platform for the market rebound

The European construction markets remained subdued throughout 2025. Geopolitical uncertainty and low GDP growth continued to weigh on consumer confidence. Residential new build activity stayed substantially below historical peaks across our regions. Under these circumstances our focus is clear: strengthen what we can control — execution, cost management, and commercial discipline.

In 2025, we made difficult but necessary decisions that negatively impacted our financial results. The restructuring of our German operations significantly lowered our results, mainly due to non-cash impairments from plant closures and intangible assets. Our performance in Germany remains unsatisfactory, and we have taken steps to align our footprint and cost structure with market conditions.

Although we faced ongoing difficulties in the markets throughout 2025, which led to zero percent organic growth, our operational performance has improved highlighting the effectiveness of our continuous improvement efforts. Consequently, we are delighted with our earnings in Poland, the UK, and Switzerland, all of which have exceeded the 10% EBIT mark.

Poland and the UK delivering strong results

Conditions in Poland and the UK remained far from stable in 2025. Nevertheless, we achieved further improvements in earnings in both markets. While volumes and absolute earnings have not yet returned to the levels achieved in 2021 and 2022, margins in the UK improved over last year and came in very strong in Poland.

A key driver behind this progress is HOME – the H+H Operating Model of Excellence. HOME is not a short-term initiative. It is the way we run our operations: improving utilisation, strengthening reliability, and continuously sharpening our cost base and performance culture. Over the last three years, we have restructured our



While volumes and absolute earnings have not yet returned to the levels seen in 2021 and 2022, margins in the UK improved over last year and came in very strong in Poland.



Jörg Brinkmann
CEO

Miguel Kohlmann
Chair

plant network to concentrate volumes on fewer, more efficient sites. This has included plant closures, reducing fixed costs, and a more disciplined commercial approach to pricing and product mix.

Importantly, these improvements are structural and result from actions within our control, rather than being temporary measures in response to depressed markets. Collectively, our actions have created a more resilient operating platform. We are building a business that can perform satisfactorily through market cycles rather than one that depends on market tailwinds.

A sharper regional focus in Germany

Germany remains our primary challenge, as building activities have not improved for three years, resulting in high overcapacity and fierce competition that continue to compress margins and weigh heavily on Group earnings. Given the absence of a viable path to establish a strong, nationwide presence in the mid-term, we have shifted our focus to developing profitable regional positions, supported by a significant impairment programme.

While this restructuring has led to a more robust company structure, the German market will remain difficult. Therefore, our ongoing priorities are to steadily enhance our regional positions while remaining open to opportunities, whether through potential divestments to better-suited owners or forming joint ventures with others as we recognise that market consolidation



Customers increasingly seek solutions that support the green transition while also delivering efficiency — both during the construction phase and over the lifespan of buildings. This gives us confidence that our portfolio is well positioned to meet future requirements.

is both necessary and beneficial at this time. This approach aligns with our commitment to financial discipline and safeguarding our cash position.

Maintaining financial discipline

As we do not anticipate a significant market upturn in the near term, we will continue to manage the business with rigorous financial discipline and a strong focus on cash management. HOME unlocks production capacity and performance improvements without heavy capital expenditure, and going forward, we will continue to prioritise investments with clear returns and short payback profiles.

As a result of the German restructuring carried out in 2025, we now have assets classified as held for sale, and we expect these to contribute positively to cash flow in 2026. Most of these assets relate to non-core and surplus sites, and their divestment supports our strategy of simplifying the business, sharpening our focus on core activities, and reducing net debt.

Looking ahead, our priority is on execution, further strengthening our operating platform and protecting our cash position. With the restructuring in Germany now largely behind us, we are positioned to drive organic improvements without major structural changes in the coming year. We are realistic about the pace of recovery but

confident that the actions taken over recent years have created the base for materially improved earnings quality and resilience of H+H.

When markets rebound, we will be well positioned to deliver attractive returns. The demand for affordable housing is a structural need across Europe, and our products help to enable cost-efficient, energy-efficient and sustainable construction. Customers increasingly seek solutions that support the green transition while also delivering efficiency — both during the construction phase and over the lifespan of buildings. This gives us confidence that our portfolio is well positioned to meet future requirements. Our ZeroCarbon roadmap supports this direction and strengthens our relevance for customers facing increasing requirements and expectations.

Finally, we would like to thank our customers, suppliers, partners, and shareholders for their continued trust. We would also like to thank our employees across the Group for their commitment and dedication during a very demanding period. We are confident that we are entering 2026 with a clearer structure, stronger foundations, and a renewed focus on delivering long-term value.

Miguel Kohlmann
Chair

Jörg Brinkmann
CEO

Equity Story

We have consolidated operations to larger sites, reducing costs and improving efficiency. With strong market positions across our footprint and the capacity to expand, we are ready to benefit from increased volumes and improved margins.



1
**Material of choice:
Products for efficient
housing solutions**

H+H delivers modern wall building solutions that meet next generation housing standards, providing structures that are reliable, highly insulated, and affordable. Our limestone-based products offer strong insulation performance and a structurally lower lifecycle footprint, keeping us ahead of tightening regulation and reinforcing our competitive advantage.



2
**Housing demand
waiting to be
unlocked**

There is a significant shortage of new homes in our main markets, with construction levels falling short of government targets. As economic conditions stabilise and new policies are implemented, we expect demand to increase. H+H is positioned to benefit from this growth with scalable, cost-effective, and energy-efficient solutions tailored for residential developments.



3
**Leading market
positions**

H+H holds a leading position across most of our key markets, supported by high entry barriers and long-standing customer relationships. We are the number one provider in the UK and number two in Poland. In Germany, we hold strong positions in selected regions and serve customers through a more targeted footprint.



4
**Profitability potential
from market recovery and
greater capacity**

We have consolidated production into larger, more efficient sites, reducing costs, improving reliability, and increasing output with fewer plants. Our business is now more agile and scalable, and as demand recovers, we are well positioned to benefit from improvements in efficiency and scale.

Financial outlook 2026

Organic growth

-5% - 0%

(2025: 0%) Revenue measured in local currencies is expected to be in the range -5% to 0%.

EBIT before special items

50 - 100

(2025: DKKm 112) EBIT before special items is expected to be in the range of DKK 50 to 100 million.

Forward looking statements

The Annual 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. Such factors include, but are not limited to, general economic and business conditions, exchange rate and interest rate fluctuations, the demand for our products and political policies, incentives and regulatory frameworks.

The year began with unusually severe winter weather, which significantly reduced sales across all markets and is expected to negatively impact EBIT before special items by around DKK 70 million compared to last year.

We expect only a limited recovery of the lost volumes during the remainder of the year. For the rest of the year, it is anticipated that the markets in the UK and Poland will continue to perform at similar level as in 2025, with activity levels remaining below the political aspirations to build at rates higher than the formation of new households unable to close the structural housing gaps. Should market demand lead to a full catch-up, our inventory levels and production flexibility can support such a demand profile.

Overall organic revenue growth is expected to be in the range of -5% to 0%. Price developments are expected to broadly follow input costs, while volumes are anticipated to reflect both the weather-related start to the year and the continued muted market environment.

EBIT before special items is expected to be in the range of DKK 50–100 million, driven by disciplined cost management and expected benefits of DKK 40 million from the German restructuring initiated in 2025. The guidance assumes stable FX rates, continued progress on the new regional setup in Germany, and no major disruptions in energy markets.

Key assumptions

- The year began with unusually severe winter weather, which significantly reduced sales across all markets and is expected to negatively impact EBIT before special items around DKK 70 million compared to last year. We only expect a limited recovery of the lost volumes during the remainder of the year.
- In the remainder of the year the markets in the UK and Poland continue to perform at similar level as in 2025.
- Expected benefits of DKK 40 million from German restructuring initiated in 2025.
- CAPEX for 2026 is expected to be DKK 100 – 120 million.

- Free cash flow expected to be positive including contribution from asset sales.
- The outlook assumes no major changes to macroeconomic or geopolitical conditions, and FX assumptions are based on February 2026 actuals combined with forward rates for the next ten months.

Business and strategy

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Our industry

We are a leading European provider of wall-building solutions and materials, partnering with contractors, developers, volume housebuilders, and builders' merchants. Our sector is highly cyclical, shaped by macroeconomic trends and government policies supporting house building. The markets in which we operate face a pronounced housing shortage, increasing demand for efficient and sustainable construction solutions.



An industry exposed to cyclicity

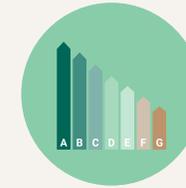
The industry is affected by the general economic environment, such as interest rates, which influence borrowing costs for both developers and buyers, and overall economic growth, which impacts the demand for new housing. Population growth, urbanisation, and changes in household formation further drive the need for new homes. In addition, government policies, incentives, and regulatory frameworks determine the pace and direction of construction activity across our regions.

In recent years, weaker market conditions have resulted in plant closures, reduced production, and workforce downsizing, leading to decreased capacity across the industry. As conditions begin to stabilise, these contractions may lead to supply constraints when demand rebounds. Businesses with resilient operations and optimised production will be best placed to capture future growth opportunities.



The urgent need for new homes

Despite broad political recognition, a significant housing shortage continues to affect our markets. Governments consistently miss their own annual targets – 300,000 new homes in the UK and 400,000 in Germany. Years of under-building, rising construction costs, strict planning rules and demographic changes have led to severe shortages. In the UK, this means millions are waiting for homes, with higher prices and homelessness increasing. Germany faces its worst crisis in 20 years, with a deficit of over 800,000 apartments and 9.5 million people in overcrowded housing, mainly in cities. Vulnerable groups, especially low-income families, are hardest hit by rising rents and growing inequality. Despite ambitious targets and proposed reforms, progress is slow. Tackling these shortages requires sustained investment, more market capacity and targeted policies.



Carbon-friendly wall-building solutions

In supporting the sustainable development of housing, the wall-building industry faces increasingly stringent requirements regarding carbon emissions. The growing emphasis on life cycle analysis – or whole life carbon assessment – is advantageous for autoclaved aerated concrete (AAC) products and calcium silicate units (CSU), whether this is driven by customer expectations or legislation across our markets.

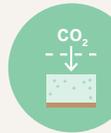
The European Autoclaved Aerated Concrete Association (EAACA) has demonstrated that, through the sector's decarbonisation strategy and the carbon capture capabilities of lime-stone-based products such as AAC and CSU, it is possible to manufacture blocks that absorb more carbon over their lifetime than is emitted during production. This affirms that our products are – and will continue to be – integral to creating sustainable housing.

Our products

H+H's core activities are the production and sale of autoclaved aerated concrete (AAC) and calcium silicate units (CSU).

The products are building blocks used for wall building, foundations and precast wall panel solutions, primarily in the residential new-build segment.

Key trends for building materials



Longevity



Affordability



Safety



Standardisation



Digitalisation

H+H product portfolio highlights

Highlights

Long-lasting durability, superior insulation and a reduced carbon footprint through recarbonisation

Easy to transport, to assemble and cost effective, offering speed and low cost to maintain the wall

Superior fire resistance and structural engineering ensuring enhanced safety

Advanced solutions accelerate serial construction by reducing labour intensity, making it both faster and more cost-efficient

Planning tools optimising wall layouts to minimise on-site cutting, ensure timely material deliveries and streamline the process from plan to wall

Products & services



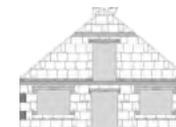
Autoclaved Aerated Concrete (AAC), used for single-family homes



Calcium Silicate Units (CSU), used for multifamily urban housing



Multi-element solutions to shorten construction times



Planning Tool to optimise the building process

Business model

We focus on providing **safe and affordable** solutions and materials for wall building

Efficient manufacturing

Attractive geographical setup



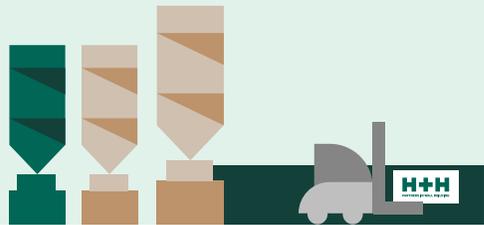
Partners in wall building

One-stop shop for every wall building project



Enabling better homes

Diverse and flexible solutions for various applications



Key raw materials

- Mineral materials mainly sand, water and lime
- Cement added for AAC products

Manufacturing

- Strong plant network with access to attractive markets
- Lean manufacturing process to improve efficiency and eliminate waste
- Targeted capital investments improve reliability and quality across the production platform
- Continuous improvements to improve margins

Partnerships

- Full wall solution selling
- Support of customers in early planning stage
- Optimisation of building process
- Cooperation with planners, installers, architects, distributors and house builders

Delivery

- One point of contact
- One-stop shop for wall building
- Reliable and timely delivery

Key features

- Wall-building solutions that are easy and fast to build with, cost-efficient and can last for centuries
- Fire-resistant, rot- and mould-proof products ensuring a safe environment
- Durability, insulation and a reduced carbon footprint

Strategic focus areas and progress

At H+H, our commitment to being a trusted partner in wall building is central to our approach and the value we deliver. We work closely with our customers, developers, housebuilders, and construction professionals - who rely on us not only for quality products, but also for our commitment to timely delivery, minimising on-site waste, and supporting efficient construction workflows. By reducing complexity, we help our customers achieve the best possible outcomes throughout the entire wall-building process.

In the current stage of the cycle, we have shifted our focus from growth to stabilising the business. Our production platform has been carefully reviewed and realigned to suit the current market conditions, with an increased emphasis on cash flow. Adaptation to the current business environment is driven by a strong focus on operational excellence and cash generation, ensuring H+H is not only resilient in the present environment but also well placed to capitalise on a market recovery and drive future profitability.

Structural margin improvements

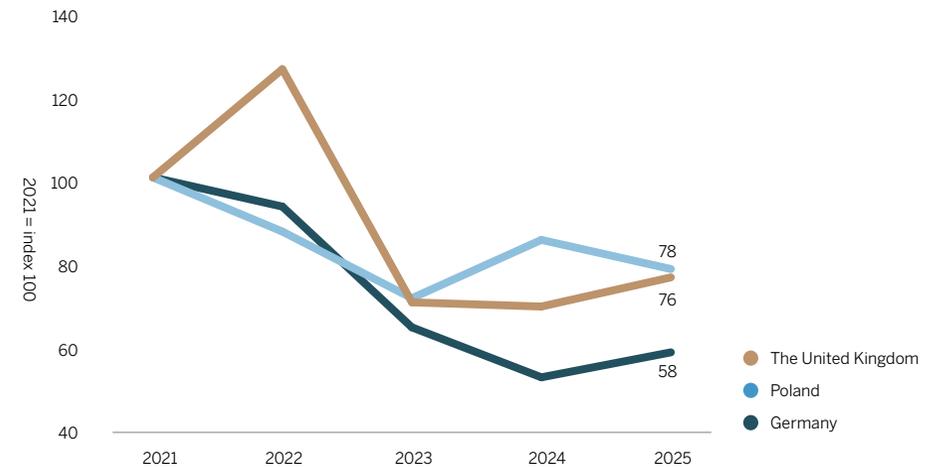
Structural margin improvement remains a fundamental pillar of our value creation model. Continuous Improvement efforts have delivered measurable progress in the past —reducing waste, improving energy efficiency, optimising raw materials consumption, and increasing factory uptime across the network. What began as a plant-by-plant optimisation effort has, since 2023, evolved into a fully integrated, Group-wide performance system under HOME – the H+H Operating Model of Excellence. This shift marks a step change:

from local initiatives to a unified way of working that embeds operational discipline, standardised processes, and structured capability building at all levels of our production organisation.

HOME is the key driver of structural margin enhancement. It allows us to unlock capacity without heavy capital expenditure. The upgrade of our Puławy plant in Poland illustrates this approach well, as targeted improvements increased output by 20% with modest investment and an attractive payback.

Similar initiatives across the network have the ability to bring up to 30% additional capacity over time. We will continue to prioritise projects with demonstrable returns and attractive payback periods, deploying capital where market demand justifies further upgrades. The aggregate cost of achieving 30% network-wide capacity increase is comparable to the investment required for 1-2 new facilities, underscoring the efficiency and value of this approach.

Indexed development of building permits across our markets



Focused regional model in Germany

Germany has undergone the most significant transformation within H+H in recent years. Faced with a prolonged low-volume market situation, historically low demand for building materials, and a cost base built for a national footprint, our German business required a fundamental reset. In 2025, we initiated a strategic review and took decisive steps to move from a nationwide presence to a customer proximate model focused on building strong positions within areas close to our plants.

The reorganisation established new regional profit centres and shifted focus away from the ambition of nationwide coverage. As a result, we have initiated the sale of non-core and obsolete sites—actions that immediately improve cash flow and drive operational focus. The German network is now designed around regions where we have the most optimised logistics network, solid customer relationships, and the ability to compete effectively.

The restructuring has already reduced complexity and improved visibility on performance, enabling the German team to focus on core regions, pricing discipline, and service reliability. Since 2023, our restructuring efforts in Germany have resulted in cost savings of close to DKK 200 million, underscoring both the necessity and our ongoing commitment to enhancing operational efficiency and unlocking greater margin potential. Our approach in Germany is now centred on disciplined capital deployment, selective regional

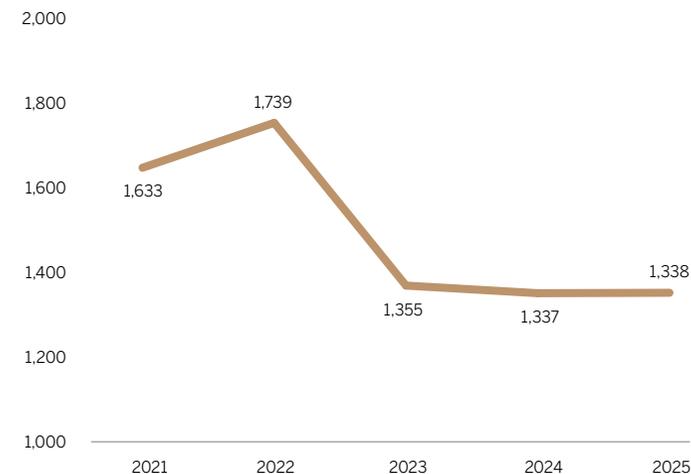
growth, and prioritising profitability and cash generation over scale. Nevertheless, operating in Germany continues to pose significant challenges. Building permits are recovering, which is a positive sign for the industry, albeit from a low base. However, there is usually a delay before new construction is completed, so our focus remains on strengthening our presence in key regions and staying open to opportunities, including asset divestments or joint ventures, as we recognise that market consolidation is advantageous.

Key strategic priorities for 2026

Across the Group, we continue to prioritise cost discipline, cash generation, and operational leverage. Investments are targeted, return driven, and aligned with our ambition to reduce net debt and improve margins.

In both Poland and the UK markets continue to deliver robust commercial performance and leading market positions. In the UK, we have strengthened our position by reopening our factory in Pollington, northern England. Likewise, our Polish business has entered 2026 on a firm commercial footing, continuing to benefit from underlying demand. This provides a solid platform for further improvements without the need for fundamental operational changes. By contrast, our focus in Germany remains on addressing structural challenges and aligning performance with the rest of the Group. Excluding the German business, the remainder of the Group achieved a double-digit EBIT margin.

Headcounts



In line with our focus on financial discipline and cash protection, the restructuring has resulted in a number of assets being classified as held for sale. These divestments are expected to generate a positive cash flow contribution in 2026 and support our strategy of simplifying the business, sharpening our focus on core activities, and reducing net debt. Expanding or optimising our existing production facilities to increase capacity will remain a strategic priority, provided market demand supports the investments in further upgrades.

HOME: H+H Operating Model of Excellence

HOME is H+H's Operating Model of Excellence and forms the backbone of how we run, improve, and scale our plant network. Developed to strengthen long-term competitiveness in a cyclical industry, HOME provides a consistent way of working across all sites, enabling us to respond to fluctuating demand while maintaining safety, quality and efficiency.

HOME is designed to maximise plant uptime, optimise processes, reduce waste, and unlock additional capacity. By applying the same systems, metrics, and improvement tools across all plants, we can benchmark performance, share best practices, and build strong operational discipline.

Building a flexible production platform

Recent market volatility has reinforced the need for a flexible production setup. Historically, our network was designed for high output, where higher volumes improved utilisation and margins. In 2025, fluctuating conditions required capacity adjustments at selected plants. While such changes incur short-term costs, they are essential for competitiveness. HOME supports this flexibility through robust daily routines, transparent performance management, and consistent decision-making.

A standardised way of working

HOME establishes a unified operating system across all plants, including:

- A shared set of critical metrics for transparency and improvement
- A daily operational model engaging all employees
- A portfolio of standard work for operators and leaders
- Visual management to drive continuous improvement
- A toolkit for structured problem-solving and step-change improvements

Over the past two years, we have reshaped our production platform to operate effectively at lower volumes. This included consolidating

activity into larger, more efficient plants and reducing complexity across the network. HOME enables this transition by standardising operations and delivering economies of scale. As rollout continues, we expect further gains in uptime, productivity, and indirect cost per unit.

Supporting our sustainability ambitions

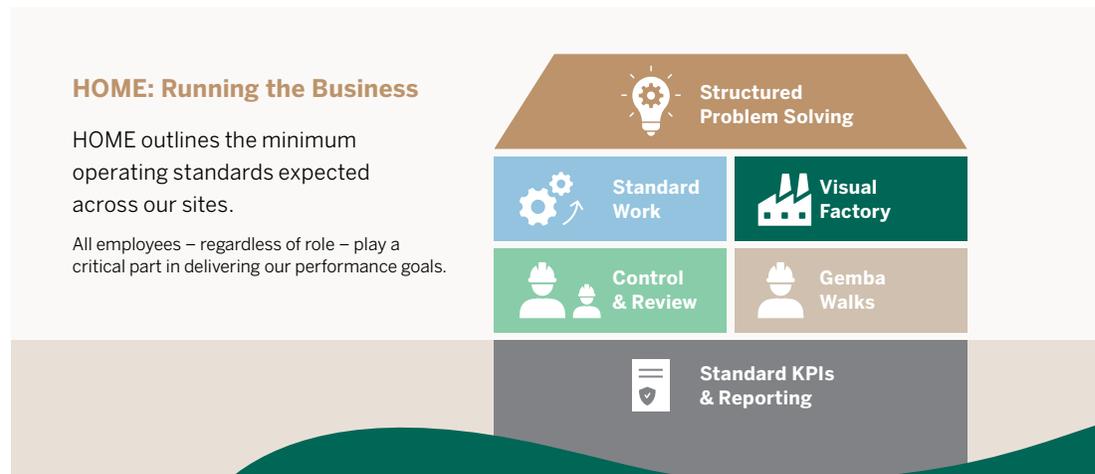
HOME is central to achieving our sustainability goals. By improving planning, reducing downtime, and minimising waste, HOME enhances energy efficiency and lowers our carbon footprint. In 2025, we reduced scope 1+2 emissions further and progressed towards our 2030 target of cutting CO₂ emissions per block by 50%. Future opportunities include hydrogen integration and alternative transport fuels, enabled by stable production flows under HOME.



Unlocking extra capacity through excellence

Our plant network holds significant untapped capacity achievable through improved uptime, better asset utilisation and targeted de-bottlenecking. This does not require major extensions or green-field investments but is driven by lean manufacturing, recipe optimisation and selective equipment upgrades.

In 2025, we initiated a focused upgrade of our AAC plant in Puławy, Poland demonstrating the effectiveness of HOME. The project addressed three bottlenecks: extending the autoclave line, expanding the curing chamber and redesigning internal transport. These improvements deliver 20% more capacity in this plant with relatively modest capital expenditure. The Puławy project exemplifies the HOME approach: targeted investments that are delivering efficiency gains, lowering indirect production costs and increasing output.

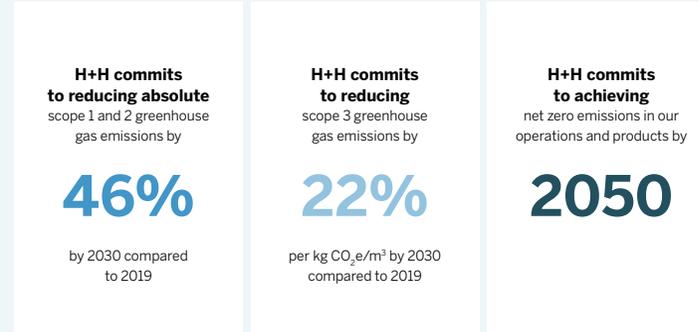


Mission Zero: Zero Carbon - SBM-1 | E1-1

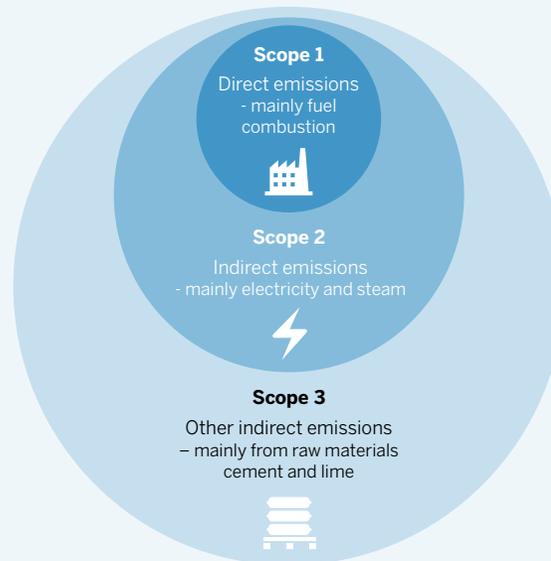
Our vision for green transition and reducing our carbon emissions is rooted in a full life-cycle assessment of our products. This approach evaluates environmental impact across the entire lifecycle — from production to end-of-life.

Our business model and strategy actively support the green transition by reducing carbon emissions in line with validated Science Based Targets. From a full life-cycle perspective, we aim to achieve net-zero emissions for our products by 2050—and we believe our approach will make this possible.

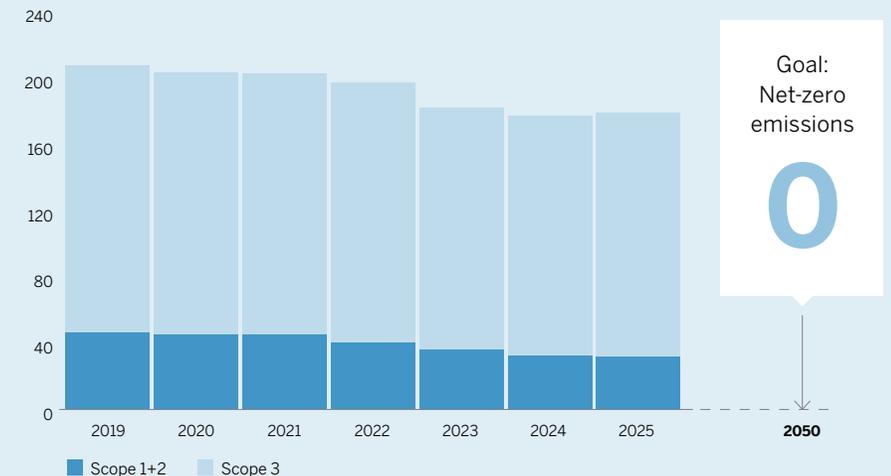
As part of a wider supply chain, our own manufacturing accounts for a minor share of embodied carbon. The majority comes from raw materials such as cement and lime. That's why we collaborate with our suppliers to support their decarbonization efforts. While change takes time, we are committed to achieving key milestones on the journey to reaching our targets.



Direct and indirect emissions



Annual CO₂ kg Emissions per m³
(Combined Scopes 1, 2 & 3)



Mission Zero: Zero Carbon - SBM-1 | E1-1

2019 – Starting point

When we started our SBTi journey, an average H+H block emitted 210 kg CO₂ (gross) before landing on a building site. With its natural carbon capture storage (CCS) abilities, a block would over a lifetime emit net 130 kg.

Scope 1+2+3 ~ **210**
CCS ~ **75 kg**
Whole life emissions ~ **130 kg** (net)

2025 – Present

Since our starting point we have improved our emissions, reducing the amount by approximately 30 kg through renewable electricity and more efficient production. Blocks produced in 2025 therefore already emit lower emissions during their lifetime compared to blocks produced in 2019.

Whole life emissions ~ **100 kg** (net)

2030 – Target

We plan to improve our energy mix and increase the use of low-carbon binder materials, giving a further reduction of 26 kg. In 2030, the whole life emissions of a block will be approx. 75 kg.

Whole life emissions ~ **75 kg** (net)

2050 – Vision

Based on roadmaps from our suppliers, our blocks will from a whole life perspective have a negative carbon footprint by latest 2050, positioning our products as the core solution for sustainable wall building materials.

Whole life emissions ~ **negative 50 kg** (net)

Carbon capture storage inside (CCS inside)

Due to the natural carbon capture abilities of our blocks, the whole life emissions for a block become significantly lower as they absorb CO₂ during their lifetime.

Our AAC and CSU products act like a dried-out sponge – absorbing CO₂ from the atmosphere. With the improvement in sustainable production and carbon capture and storage (CCS), we will be able to produce blocks with a negative CO₂ footprint 10-20 years from now due to the carbon capture process.

A standard house* absorbs over
2.3 tons of CO₂
over its lifetime from aircrete,
equivalent to the absorption of
90 trees.



* Made from approximately 30 m³ AAC blocks

Results

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→	Full year financial review	26
→	Q4 2025 results	28
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Responding to market realities

In 2025, we made difficult but necessary decisions to adapt our German business to the challenging macroeconomic environment. These changes were made with the intention of becoming cash positive again and laying the foundation for a more robust business in Germany. Across our regions, volumes are currently more than 30% lower than in 2021, and as such, we must carefully balance our long-term ambitions with the need to deliver solid short-term results and maintain a healthy cash flow.

The operational and financial leverage built into our network offers substantial upside potential once demand recovers. The key drivers of value creation—margin focus, disciplined pricing, and improved production efficiency via our HOME programme—are embedded across the Group.

Financial performance

We saw a flat top-line development, as demand across our core markets was slightly lower than last year. Margin expansion remained a priority,

driven by passing through inflation in Poland and the UK and by our focus on operational efficiency. This contributed to improved profitability from the underlying business. An impairment of DKK 612 million was recognised based on deterioration of the German business.

Cash flow was a net outflow, because stock build-up was prioritised to support the anticipated growth in the UK and the planned plant upgrade in Pulawy, Poland.

Business performance in Germany deteriorated further during the first half of 2025, and consequently, a transformation programme was initiated. The associated restructuring programme has reduced our cost and asset base to reflect the current market conditions. To implement the restructuring, DKK 57 million was recognised as special items for severance pay and other one-off costs in 2025. This amount is lower than the original expected: a deliberate decision to keep core functions

available to coordinate tasks to allow the regional profit centres to focus on the core business. The expected payback period on the restructuring costs is around 18 months. As part of the asset review, we permanently closed previously mothballed plants and impaired them accordingly, including impairment of goodwill. With the restructuring now complete, we enter 2026 with a streamlined balance sheet and a stronger regional focus in Germany.

Follow-up on financial outlook

During 2025, we adjusted our outlook for organic revenue growth and EBIT before special items twice. Both adjustments were driven by market developments. In July, we revised our guidance for organic growth to approximately 4% from the previous range of 5% to 10%. Additionally, our EBIT bsi was adjusted to DKK 100–150 million from DKK 120–180 million, due to low market activity in Germany, intensified competition and pricing pressure. In October, organic growth was revised to around 0% from the previous estimate



Bjarne Pedersen, CFO

Original guidance

(4 mar 2025)

Organic growth

5%-10%

EBIT¹ (DKKm)

120-180

Revised

(29 jul 2025)

Organic growth

around 4%

EBIT¹ (DKKm)

100-150

Revised

(31 oct 2025)

Organic growth

around 0%

EBIT¹ (DKKm)

85-115

Realised

(3 mar 2026)

Organic growth

0%

EBIT¹ (DKKm)

112

¹ Before special items

of 4%, and the EBIT bsi range was adjusted to DKK 85–115 million from DKK 100–150 million, reflecting weaker-than-anticipated market conditions in the UK.

Capital allocation and risk management

We have kept our focus on risk management during the year, as this is key to navigate market volatility without sacrificing short-term growth opportunities or the potentials in a broader market recovery. The group fulfilled all financial covenants in 2025 and in February 2026, an amendment was made to the group's banking agreement reflecting the weather driven market conditions. In addition, the asset sales programme is expected to generate between DKK 70 - 100 million of cash during 2026. This provides us with sufficient flexibility to navigate a volatile environment while supporting essential investments in our HOME programme. At present, our

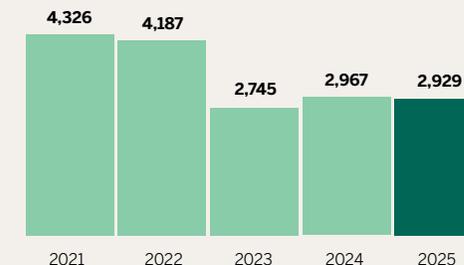
main priority is to direct free cash flow towards debt repayment, with the aim of reducing our gearing to a target range of 1–2 times net interest-bearing debt to EBITDA before special items.

Long-term financial targets

Given the ongoing focus of our operations in Germany, as well as the prevailing market uncertainty and the need for strategic flexibility, we will no longer provide specific long-term financial targets. Instead, we will focus on near-term guidance aligned with the visibility we have in today's environment. Our ambition remains to deliver higher margins at any point in the economic cycle than in the past. The business is cyclical, and we are awaiting a broader market recovery to return to historical performance levels. With continued investments in HOME, we are well positioned to benefit from a market rebound. We are also committed to transparent communication with

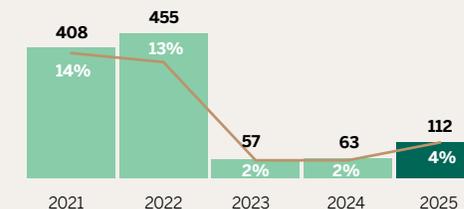
our stakeholders, providing timely updates and clear guidance as market conditions evolve. As market dynamics improve, we are confident that our strengthened position will enable us to capture new growth opportunities and deliver value creation over the medium term.

Sales volume (thousand m³)

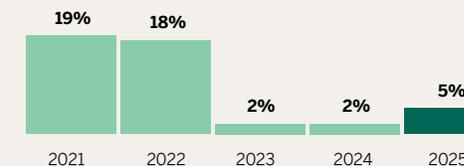


EBIT before special items

● EBIT margin before special items



Return on invested capital (ROIC)



Full year financial review

Income statement

Revenue

Total revenue was DKK 2,743 million compared to DKK 2,747 million in 2024. Organic growth was 0% in 2025.

Revenue in Central Western Europe amounted to DKK 987 million compared to DKK 1,030 million in 2024. The decrease amounts to an organic growth of negative 4%.

Revenue in the UK amounted to DKK 877 million compared to DKK 871 million in 2024. Organic growth was positive by 2%.

Revenue in Poland was DKK 879 million compared to DKK 846 million in 2024. Organic growth was positive by 2%.

Gross profit before special items

Gross profit was DKK 615 million compared to DKK 579 million in 2024, corresponding to gross margins of 22% and 21% respectively.

EBITDA bsi

EBITDA before special items in 2025 increased by 16% to DKK 291 million, compared to DKK

250 million in 2024. This corresponds to EBITDA margins of 11% and 9%, respectively.

Depreciation and amortisation

Depreciation and amortisation decreased from DKK 187 million in 2024 to DKK 179 million in 2025. The decrease is driven by the write-down of fixed assets during the year.

EBIT bsi

EBIT before special items amounted to DKK 112 million compared to DKK 63 million in 2024, corresponding to EBIT margin of 4% and 2%, respectively.

Special items

Special items costs amounted to an expense of DKK 669 million compared to a net expense of DKK 22 million in 2024. This relates to impairment of German fixed assets of DKK 612 million and restructuring costs of DKK 57 million. For further details, please see Note 7.

EBIT

EBIT was negative DKK 557 million in 2025 compared to positive DKK 41 million in 2024.

Net financials

Net financials amounted to an expense of DKK 47 million in 2025, compared to an expense of DKK 70 million in 2024. This development mainly relates to a decrease in interest expenses, resulting from lower interest rates and a reduced debt position during the year.

Result before tax

Result before tax amounted to a loss of DKK 604 million compared to a loss of DKK 29 million in 2024.

Tax

Tax for the year amounted to a net expense of DKK 61 million compared to a net expense of DKK 21 million in 2024 driven by the positive results in Poland and the UK while losses in Germany are not being capitalised. For further details, please see note 10.

Result for the year

Result for the year was negative DKK 665 million, compared to negative DKK 50 million in 2024.

Loss for the period is attributable to H+H International A/S' shareholders by DKK 662 million and a loss to non-controlling interest by DKK 3 million compared to a loss of DKK 53 million and a profit of DKK 3 million, respectively, for 2024.

Comprehensive income

Other comprehensive income for 2025 was positive DKK 13 million compared to DKK 25 million in 2024. The year-on-year movement was a result of transferring old fair value losses to the income statement of DKK 10 million and a positive development in foreign exchange rates of DKK 6 million.

Cash flow

Operating activities

Cash flow from operating activities before financial items and tax amounted to cash inflows of DKK 119 million in 2025 compared to DKK 279 million in 2024. The change in operating cash flows is primarily driven by stock build-up in Poland and in the UK.

Total cash flow from operating activities in 2025 was a cash inflow of DKK 71 million compared to DKK 145 million in 2024.

Investing activities

Cash flow from investing activities in 2025 amounted to a net cash outflow of DKK 132 million, compared to a net cash inflow of DKK 74 million in 2024. The main investing activity is property, plant and equipment and intangible assets of DKK 127 million. In addition new and extended lease agreements has been entered amounting to DKK 60 million.

The cash inflow in 2024 was mainly driven by the sale of land and buildings in Poland.

Financing activities

Cash flow from financing activities amounted to cash outflows of DKK 235 million in 2025 compared to cash inflow of DKK 103 million in 2024.

Balance sheet

On 31 December 2025, the balance sheet total amounted to DKK 2,653 million compared to DKK 3,473 million on 31 December 2024 mainly driven by impairment of goodwill and write-down of property, plant and equipment.

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 802 million as of 31 December 2025 corresponding to an increase of DKK 120 million since 31 December 2024. On 31 December 2025, financial gearing was 2.8 times net interest-bearing debt to EBITDA before special items.

The increase in net interest-bearing debt since the beginning of the year was primarily driven by negative working capital development.

Equity

The consolidated equity decreased by DKK 647 million compared to 31 December 2024. Equity attributable to H+H International A/S's shareholders and non-controlling shareholders was DKK 922 million and DKK 81 million, respectively.

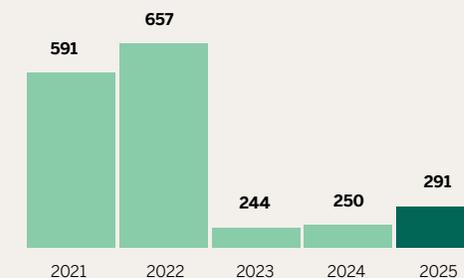
Management review for the parent company

Result for the year was negative by DKK 1,057 million compared to negative DKK 267 million in 2024. The decrease is primarily due to a write-down of investment in subsidiaries in the Central Western Europe region.

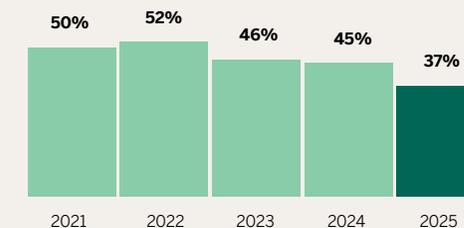
Events after the balance sheet date

No events have occurred after the balance sheet date that would materially impact the assessment of the consolidated financial statements.

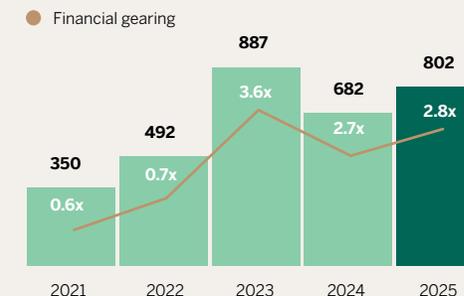
EBITDA before special items



Solvency ratio



Net interest-bearing debt & Financial gearing



Q4 2025 results

(DKK million)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement								
Revenue	611	738	719	675	649	729	725	644
Gross profit bsi	135	179	155	146	164	174	132	109
SG&A	72	84	82	80	83	82	85	81
EBITDA bsi	62	93	72	64	82	101	41	26
EBIT bsi	19	53	24	16	36	53	(5)	(21)
Result after tax for the period	(28)	(9)	(616)	(12)	90	19	(29)	(130)
Balance sheet								
Invested capital	2,190	2,309	2,444	2,507	2,569	2,654	2,737	2,840
CAPEX	91	38	33	23	39	41	38	57
Net working capital	241	259	282	232	144	212	287	390
Equity	1,003	1,021	1,035	1,660	1,650	1,546	1,543	1,560
Net interest-bearing debt (NIBD)	802	779	837	765	682	887	993	1,006
Cash flow								
Cash flow from operating activities	54	102	(26)	(59)	19	135	56	(65)
Cash flow from investing activities	(69)	(26)	(25)	(12)	147	(13)	(34)	(26)
Cash flow from financing activities	(296)	(20)	50	31	43	(32)	(30)	122
Free cash flow	(15)	76	(51)	(71)	166	122	22	(91)
Financial ratios and others								
Sales volume (thousand m ³)	673	791	763	702	694	775	779	719
Organic growth	(5%)	2%	0%	3%	6%	2%	(3%)	(4%)
Gross margin bsi	22%	24%	22%	22%	25%	24%	18%	17%
EBITDA margin bsi	10%	13%	10%	9%	13%	14%	6%	4%
EBIT margin bsi	3%	7%	3%	2%	6%	7%	(1%)	(3%)

Comments relating to the fourth quarter of 2025

Revenue

Total revenue decreased by 6% to DKK 611 million compared to DKK 649 in 2024. Organic growth was negative 5% mainly driven by lower volumes.

Gross profit before special items

Gross profit was DKK 135 million, compared to DKK 164 million in 2024, corresponding to gross margins of 22% and 25%, respectively.

EBIT before special items

EBIT bsi was DKK 19 million in 2025 compared to DKK 36 million in 2024, corresponding to EBIT margins of 3% and 6%, respectively.

Result after tax

Result after tax for Q4 2025 was a loss of DKK 28 million, compared to a profit of DKK 90 million in Q4 2024.

Cash flow from operating activities

Cash flow from operating activities amounted to a cash inflow of DKK 54 million in Q4 2025 compared to DKK 19 million in Q4 2024 which was driven by a positive development in working capital for the period.

Geographical footprint

We have a diversified geographical footprint with our activities spread across three core regions: Central Western Europe (comprising Germany, the Nordics, the Benelux countries, the Czech Republic and Switzerland), the United Kingdom, and Poland. We have a leading position in most of our markets, with solid market shares and strong customer relationships.

Aircrete plants

12

Calcium silicate plants

13

Share of Group revenue in 2025 (DKKm)



Central Western Europe

36%



Poland

32%



The United Kingdom

32%

Central Western Europe

Market conditions in Central Western Europe remained challenging in 2025, particularly in Germany where activity stayed at historically low levels. Other markets in the region were more stable but continued to experience limited demand.

Market development

Construction activity across the CWE region remained low in 2025. Germany continued to be impacted by relatively high financing costs, weak affordability, and cautious sentiment among both private buyers and developers. Although interest rates declined and building permits increased from a low base, demand did not recover in any meaningful way. A major fiscal shift in April 2025, reform of the constitutional debt brake, enabled increased public spending, including €500 billion for infrastructure and defence. While these initiatives may support the housing sector over time, they have not yet translated into higher residential construction activity. However, if financing conditions improve and investor confidence strengthens, gradual market stabilisation could lay the foundation for a more sustained recovery in the longer term.

H+H Performance and key developments in 2025

H+H's performance in CWE reflected the overall economic environment. Revenue declined to DKK 987 million against DKK 1,030 million in 2024 and organic growth was -4%.

Business performance in Germany deteriorated further during the first half of 2025, and consequently, a reorganisation of H+H's operations in Germany was initiated. The business model was changed from national coverage to a regional structure, enabling closer proximity to customers, improved commercial focus and a lower cost base. The new profit centres became operational in the second half of the year.

The reorganisation also involved closing loss making activities and write-down of assets. These steps support the plan to concentrate on regions with stronger commercial potential and becoming cash positive.

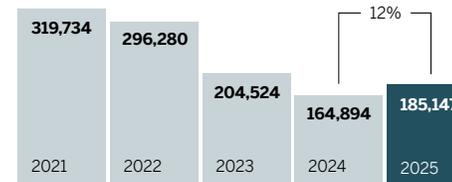
Other markets

Activity in the Nordics was relatively low during the early months of the year; however, several major projects commenced towards the end of the third quarter, and demand from housebuilders began to show promising signs of recovery.

Throughout the year, H+H consistently demonstrated high reliability and maintained an efficient logistics network, distinguishing itself in a highly competitive marketplace.

In Switzerland, moderate growth was achieved in 2025 as inflation eased and interest rates fell. Meanwhile, the Benelux region remained largely stable over the past year, despite ongoing economic uncertainty, thanks to careful collaboration with customers and a focus on operational efficiency. With indications of improving macroeconomic conditions in several European markets, 2026 is anticipated to provide a more favourable environment. Nevertheless, the path to recovery is expected to be steady and gradual rather than swift.

Building permits, Germany



Source: Statistisches Bundesamt

Organic growth

-4%

H+H market share AAC*

15-20%

H+H market share CSU*

10-15%

Market position

#3

* In Germany

Poland

Construction activity in Poland remained stable throughout 2025 despite a slowdown in permits and starts. Underlying demand, ongoing projects and improved mortgage conditions supported steady activity.

Market development

The market for residential new build showed resilience in 2025. Early in the year, leading indicators softened as fewer permits were issued and fewer new projects were started. Despite this, the overall level of activity remained solid, driven by the continuation of existing projects and the ongoing need for new housing. Mortgage uptake increased as the central bank reduced interest rates, making financing more accessible for homebuyers.

Looking ahead to 2026, further interest rate cuts and improving financing conditions can support development in building activity. Poland continues to face a structural housing deficit, a factor that is likely to support ongoing demand for residential developments in the coming years.

H+H Performance and key developments in 2025

Supported by a solid backlog of the housebuilders. Revenue for the year amounted to DKK 879 million in 2025, up from DKK 846 million in 2024. Organic growth for the year was 2%.

AAC performed well in the second half of the year and sales of CSU remained at a solid level, although activity from larger developers softened compared to the previous year. Improvements in the mortgage market contributed to the strengthening of overall sales.

In 2025, work began on upgrading the AAC plant in Puławy, representing a significant milestone in the company's ongoing HOME development strategy. The initiative aimed to boost productivity by comprehensively redesigning key elements of the process, including curing chambers, autoclaving, and the internal transport system. These enhancements are set to raise the plant's overall capacity by 20%. The investment will further optimise efficiency and adaptability, allowing H+H Poland to better manage shifts in market demand. As a major supplier to Warsaw and its neighbouring areas, the Puławy facility's upgrade will enable it to handle increased volumes and respond more swiftly to the requirements of local customers. This

positions the plant to deliver reliable service and prompt deliveries into the future, underpinning H+H's dedication to meeting customer expectations and supporting sustained growth within the Polish market.

The Polish business retained its strong market standing and entered 2026 with a robust commercial foundation, continuing to benefit from substantial underlying demand. The outlook indicates that CSU may see slower growth than the previous year, following a phase of oversupply among developers, whereas AAC is expected to perform more strongly with individual purchasers, bolstered by favourable economic conditions.

Building permits, Poland



Source: Statistics Poland

Organic growth

2%

H+H market share AAC

20-25%

H+H market share CSU

20-25%

Market position

#2

The United Kingdom

Long-term growth prospects in the UK market remain supported by the government's housing ambitions. However, the expected increase in housing activity during 2025 did not materialise.

Market development

Expectations for the UK economy entering 2025 were cautiously optimistic, supported by falling inflation, interest rate cuts and government spending initiatives. Forecasts pointed to improving affordability and stronger housebuilding activity. However, the second half of the year developed more slowly than anticipated.

During the year, major housebuilders reassessed their positions and revised their expectations, resulting in a more cautious outlook for growth across the sector. Although interest rates fell as anticipated, offering some relief to the market, ongoing structural challenges persisted. Notably, delays in the planning process and pronounced regional disparities in housing demand and supply continued to restrict the pace of the anticipated recovery.

Looking ahead, affordability pressures and slow economic momentum persist, but improvements in government support and access to finance could provide reasons for optimism. Policy changes and efforts to ease planning restrictions could further encourage both developers and buyers, helping the market regain momentum—provided that broader economic conditions remain stable.

Despite these short-term challenges, long-term growth prospects are still underpinned by government targets to deliver 1.5 million new homes over five years and by the ongoing need to address the UK's structural housing shortage.

H+H Performance and key developments in 2025

Revenue for the year amounted to DKK 877 million compared to DKK 871 million last year while organic growth was 2%.

Commercial activity centred on supporting customers through a difficult market, with particular focus on maintaining delivery reliability and providing technical solutions for both large developers and regional housebuilders. Engagement with key stakeholders remained strong, and customer feedback reflected positively on the

company's service performance following the ramp-up of Pollington in late 2024.

The ramp-up of Pollington was ongoing and intended to support the expected rebound in activity early in the year. Although the anticipated increase in activity did not materialise, the reopening enabled H+H UK to operate with greater reliability throughout 2025. This led to improved service levels and further strengthened customer partnerships.

Total newbuild registrations



Source: National House Building Council (NHBC)

Organic growth

2%

H+H market share AAC

40-45%

Market position

#1

Governance

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Corporate governance

Governance structure - GOV-1

The general meeting is the supreme governing body of H+H International A/S where shareholders can exercise their rights. At the annual general meeting shareholders consider the annual report, the remuneration report, the election of Board of Director members and the election of auditor, changes to the Articles of Association as well as any other agenda items proposed by the Board of Directors or shareholders. The authority of general meetings and the formalities relating to general meetings are set out in the company's Articles of Association available on the Group [website](#).

Election of a member to the Board of Directors requires simple majority of votes, and decisions to make amendments to the Articles of Association requires at least two-thirds of the votes cast as well as of the share capital represented at the general meeting.

H+H International A/S has a two-tier management system consisting of the Board of Directors and the Executive Board. The Board of Directors supervises the work of the Executive Board and is responsible for the Group's strategy and overall organisation, management, and capitalisation. The Executive Board is responsible for the execution of the strategy and the day-to-day management. The organisation and operation of the Board of Directors are set out in the Rules of Procedure for the Board of Directors, and similarly the organisation and operation of the Executive Board and its co-operation with the Board of Directors are set out in Rules of Procedure for the Executive Board.

The current Articles of Association state that the Board of Directors must consist of 4-8 members elected at a general meeting. Currently, the Board of Directors consists of 5 members. The term of all board members expires at each annual general meeting, but each member may be re-elected for a new term. It is stipulated in the Articles of Association that a board member may not also be a member of the Executive Board.

To support the work of the Board of Directors, the Board of Directors has after the Annual General Meeting 2025 merged the Remuneration Committee and the Nomination Committee into one committee, i.e. the Nomination & Remuneration Committee, and in addition to that the Board continued to also have the Audit Committee. The board committees shall report and provide recommendations to the Board of Directors and may make independent decisions in regard to non-material matters as further described in the Charter for each board committee. The members of each board committee, including the committee chair, are each appointed by the Board of Directors on the basis of their specific experience and competences.

Key activities 2025 - Board of Directors - GOV-1

- Review and update of strategy and business plan
- Monitoring of the execution of the Group health & safety strategy 'ZERO HARM'

- Monitoring of the execution of the new Group operational model HOME, including approval of related CAPEX projects to increase production capacity for the involved plant
- Monitoring the German business going from a nationwide presence to a customer proximate model focused on building strong positions within areas close to our plants
- Monitoring of the execution of measures and related CAPEX implementations in pursuit of the CO₂ targets set under the Zero Carbon strategy
- Review of IT and cyber security, including cyber security training and readiness
- Annual board evaluation process

Key activities 2025 - Audit Committee - GOV-1

- Monitoring financial annual and interim reporting process, including treatment and estimates, accounting policies, controls and the overall integrity of the reporting process, as well as review of the audit strategy
- Oversight of enterprise risk management, including risk categories and review and possible changes to various policies related to finance, ESG, controls and other risk management issues, committee charter etc.
- Monitoring of group insurance strategy, coverage, and pricing
- Monitoring sustainability reporting process, including review of the double materiality assessment

- Monitoring of liquidity and compliance with financial covenants
- Monitoring the whistleblower set-up, including whistleblower policy and number and type of whistleblower reports

Key activities 2025 - Nomination & Remuneration Committee - GOV-1

- Review and possible changes to various standard terms and policies related to incentive programs, social and governance matters, committee charter etc.
- Arrangement and execution of the annual evaluation of the Board and of the Executive Board and their co-operation, collective and individual competences as well as review of succession plans
- Annual review of the Remuneration Policy for the Board of Directors and the Executive Board and presentation to the Board of

Directors of a proposal not to propose any changes to the Policy at the annual general meeting in April 2025

- Review of the Remuneration Report for 2024
- Review of and proposal for the fees for 2025 to the Board of Directors and presentation to the Board of Directors of the fee proposal which was presented at the annual general meeting in April 2025
- Review of the actual remuneration for 2024 to the Executive Board and proposal to the Board of Directors on any recommended future adjustments to the remuneration principles for the members of the Executive Board
- Review of outcome under the incentive programs vesting in 2025 and proposal to the Board of Directors of KPIs and targets for the short-term and long-term incentive programmes starting in 2025

Attendance rates for board and committee meetings in 2025

	Board	Member since	Meeting Attendance	Audit Committee	Meeting attendance	Nomination & Remuneration Committee	Meeting attendance
Miguel Kohlmann (Vice Chair January-March, Chair since April)	■	2018	7/7			■	2/2
Peter Thostrup (Vice Chair since April)	■	April 2025	6/6	■	3/3		
Volker Christmann	■	2017	7/7	■	1/1	■	2/2
Kajsa von Geijer	■	2022	7/7	■	4/4	■	2/2
Helen MacPhee	■	2019	6/7	■	4/4		
Kent Arentoft (Chair through March 2025)	■	2013	1/1			■	1/1
Stewart A Baseley (member through March 2025)	■	2010	1/1			■	1/1
Jens-Peter Saul (member through March 2025)	■	2023	1/1			■	1/1

■ Chair ■ Vice Chair ■ Member

Board diversity - GOV-1

The Board seeks to be diverse in the broadest sense relevant, recognising the benefits of diversity in terms of cultural background, gender, age etc. When deciding whether to propose re-election or not of board members as well as when searching for candidates to propose as new board members, the decision is based on filling out relevant competence gaps or strengthening specific competences in the Board.

Actual board diversity by the end of 2025

Nationality & residence*

Brazil (1) / Denmark (1) / Germany (2) / Sweden (1) / Switzerland (1) / United Kingdom (1)

Board tenure (years)

1-5 (2) / 6-10 (3)

Board independence rate

100%

Age distribution (years)

60-64 (3) / 65-69 (2)

Gender

Female (2) / Male (3)

Educational backgrounds

Business Administration, Controlling and Auditing / Mechanical Engineering / Economics / Strategy and Management / Financial and Management Accounting / Human Resource Management

Board competence profile defined by the Board - GOV-1

Individual competences:

- International and business-minded
- Analytical and strategic
- High integrity and accountability
- Team-oriented

Collective board competences:

- International top management
- Production & sales in building industry
- Supply chain management
- Health & safety
- Sustainability / ESG
- HR and compliance
- Finance and accounting
- Enterprise risk management
- IT, AI and cyber security management
- Strategy development
- Change management
- M&A, divestments etc.
- Investor relations and capital markets
- Corporate governance

H+H has since the annual general meeting on 31 March 2022 had equal gender distribution in our Board of Directors, as defined by the Danish Business Authority. For this reason, no formal gender target under the law is set. When the Board as part of its annual board evaluation decides to want to change its composition, the possibility to improve especially the Board's age profile will naturally be pursued. Hence, if two candidates for a board position are equally competent, the person improving the age diversity will be preferred.

Board evaluation 2025 - GOV-1

The Board of Directors' annual evaluation procedure for 2025 was conducted as a self-evaluation without the participation by an external expert. A questionnaire was developed and issued for the Board, the Audit Committee, the Nomination & Remuneration Committee and the Executive Board, respectively.

The Board then held a meeting without the presence of the Executive Board to discuss the findings of the questionnaires and agree on conclusions and actions points. The issues evaluated included e.g.:

- the board composition (diversity gaps in regard to competences, gender, age, board continuity/succession planning etc.)
- the board performance (collective and individual performance) and
- the co-operation between the Board and the Executive Board (collective and individual performance, co-operation inside and outside of the board and board committee meetings, chairship meetings etc.).

After the board meeting, relevant findings and conclusions were discussed with the Executive Board.

In summary, it was found that the board members were all well prepared and had a high participation rate for all meetings, indicating that no board members were overboarded. The Board continued to find that having a Chairship was an effective way to help manage the Board, and it also found that the merger since the last annual general meeting of the Remuneration Committee and the Nomination Committee into a Nomination & Remuneration Committee had made their work more effective and seamless. There was also agreement both in the Board and from the Executive Board, that the reduction of the size of the Board by two board members had intensified the participation by and input from each board member, thereby also making the discussions more dynamic.

Despite the smaller number of board members, the Board still found there to be good and relevant diversity in respect of competences and the spread in board tenure, ensuring both continuity and renewal. The co-operation between the Board and the Executive Board functioned well, and the Executive Board said it benefited from having board members that collectively represented very diverse

* One board member has dual citizenship and lives in a country different from citizenship

and relevant experiences with regard to special subject matters, industries, country market experience etc.

Remuneration

Remuneration of the Board of Directors and the Executive Board is paid in line with the H+H Remuneration Policy for the Board of Directors and Executive Board adopted by the general meeting. The Remuneration Policy will be reviewed and presented for approval at the annual general meeting latest in 2028. H+H reports on remuneration in an annual Remuneration Report prepared in accordance with section 139b in the Danish Companies Act and will be presented to the shareholders at the annual general meeting for an advisory vote. The Remuneration Report for 2025 and the present Remuneration Policy are available on the Group [website](#).

Annual corporate governance statement

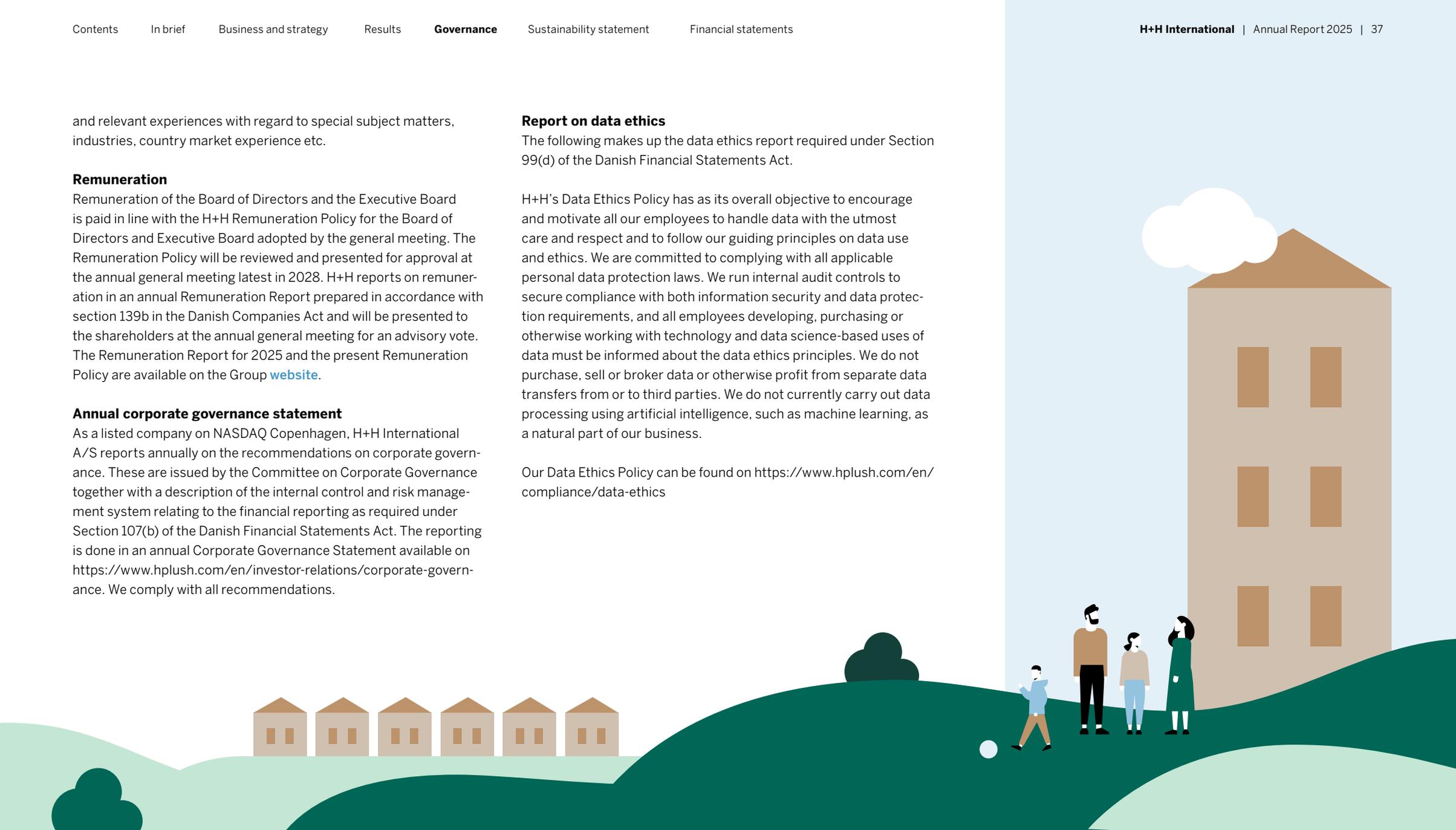
As a listed company on NASDAQ Copenhagen, H+H International A/S reports annually on the recommendations on corporate governance. These are issued by the Committee on Corporate Governance together with a description of the internal control and risk management system relating to the financial reporting as required under Section 107(b) of the Danish Financial Statements Act. The reporting is done in an annual Corporate Governance Statement available on <https://www.hplush.com/en/investor-relations/corporate-governance>. We comply with all recommendations.

Report on data ethics

The following makes up the data ethics report required under Section 99(d) of the Danish Financial Statements Act.

H+H's Data Ethics Policy has as its overall objective to encourage and motivate all our employees to handle data with the utmost care and respect and to follow our guiding principles on data use and ethics. We are committed to complying with all applicable personal data protection laws. We run internal audit controls to secure compliance with both information security and data protection requirements, and all employees developing, purchasing or otherwise working with technology and data science-based uses of data must be informed about the data ethics principles. We do not purchase, sell or broker data or otherwise profit from separate data transfers from or to third parties. We do not currently carry out data processing using artificial intelligence, such as machine learning, as a natural part of our business.

Our Data Ethics Policy can be found on <https://www.hplush.com/en/compliance/data-ethics>



Management and Board of Directors

From the left

Bjarne Pedersen, CFO

Peter Thstrup, Vice Chair

Helen MacPhee

Jörg Brinkmann, CEO

Miguel Kohlmann, Chair

Volker Christmann

Kajsa von Geijer



Board of Directors



Miguel Kohlmann, Chair

Male. Born 1962. German/Brazilian.

Professional board member and advisor.

Independent
Member since 2018 and Chair since April 2025
Member of the Nomination & Remuneration Committee

H+H shareholding

Does not hold any H+H shares
No changes made in 2025

Areas of expertise

Extensive management experience in building materials and industry on a global scale. Worked in controlling, sales, production and general management.

Other management positions and directorships

Chair of the Board of Directors of Archroma Holdings SARL (Luxembourg) and NMC International S.A. (Luxembourg).
Member of the Advisory Board of Pfeleiderer GmbH (Germany) and Paul Bauder GmbH (Germany).



Peter Thostrup, Vice Chair

Male. Born 1960. Danish.

Professional board member.

Independent
Member since April 2025 and Vice Chair since April 2025
Member of the Audit Committee

H+H shareholding

Holds 750 H+H shares
Purchased 750 H+H shares in 2025

Areas of expertise

Extensive executive management experience both as CFO and CEO in international listed and privately held companies within different sectors such as timber, electronics and biotech. Has also worked in commercial banking, including some years in London.

Other management positions and directorships

Chair of Better Energy Holding A/S (Denmark), Bitte Kai Rand & Co. A/S (Denmark) and Power Stow A/S (Denmark).
Board member of A/S Th. Wessels & Vett, Magasin du Nord (Denmark).



Volker Christmann

Male. Born 1957. German.

Professional board member and advisor.

Independent
Member since 2017
Chair of the Nomination & Remuneration Committee.

H+H shareholding

Does not hold any H+H shares
No changes made in 2025

Areas of expertise

Extensive experience within the building materials production sector of Central Europe, particularly in Germany, as well as within financial auditing and controlling.

Other management positions and directorships

Chair of the Board of Directors of BuVEG (Bundesverband energieeffiziente Gebäudehülle) (Germany) and ABE (Aachen Building Experts) (Germany).
Vice Chair of the Board of Directors of FIW (Forschungsinstitut für Wärmetechnik) (Germany)

Board of Directors – continued



Kajsa von Geijer

Female. Born 1964. Swedish.

Professional board member and advisor.

Independent
Member since 2022
Member of the Audit Committee
Member of the Nomination & Remuneration Committee

H+H shareholding

Does not hold any H+H shares
No changes made in 2025

Areas of expertise

International experience within strategic and operational HR, sustainability, ESG and general compliance.

Other management positions and directorships

Member of the Board of Directors of Geveko Markings Group AB (Sweden).



Helen MacPhee

Female. Born 1962. British.

Senior Vice President of Finance, AstraZeneca plc (UK).

Independent
Member since 2019
Chair of the Audit Committee

H+H shareholding

Does not hold any H+H shares
No changes made in 2025

Areas of expertise

Extensive experience within strategic and operational finance and international experience in change management, financial oversight and control, governance and risk frameworks as well as international talent development.

Other management positions and directorships

N/A

Executive Board



Jörg Brinkmann

Male. Born 1979. German.

CEO since October 2022

H+H shareholding

Holds 25,300 shares

4,000 were purchased in 2025

Background

2018-2022: President EU and Member of ELT of James Hardie Industries, USA

2014-2018: MD of Fermacell and Member of ExCom at Xella, DE

2005-2014: Various leadership positions in Sales and Marketing at Xella, DE

Education

MSc (Business Administration)

PhD Economics

Other management positions and directorships

N/A



Bjarne Pedersen

Male. Born 1977. Danish.

CFO since April 2024

H+H shareholding

Holds 10,141 shares

No changes made in 2025

Background

2019-2024: Chief Strategy Officer in H+H International A/S

2008-2018: Various Finance and IT leadership positions, H+H International A/S

2006-2008: Global cash management in Danske Bank A/S

1998-2005: Auditor background

Education

MSc (Business Economics and Auditing)

Other management positions and directorships

N/A

Shareholder information

H+H International A/S is listed on the Nasdaq Copenhagen stock exchange and trades under the ticker symbol HH.

Share-price development

The H+H International A/S shares started the year at a price of DKK 78.70 and closed the year at DKK 93.10, representing an increase of 18.30%.

At the end of the year, the total market value of H+H amounted to DKK 1,536 million. The highest price during 2025 was DKK 140.60 on 28 May and the lowest price was DKK 69.00 on 16 January.

Share capital and treasury shares

H+H's shares are listed on the Nasdaq Copenhagen stock exchange and consist of 16,500,000 shares, each valued at DKK 10, with uniform voting and dividend rights.

By the fiscal year's end, H+H held 162,049 treasury shares, representing approximately 1% of its share capital.

Composition of shareholders

On 31 December 2025, H+H had approximately 7,000 registered shareholders. Major shareholders owning more than 25% of the total share capital and votes were Solbet Sp. z o.o., Poland. Major shareholders owning more than 5% but less than 10% of the total

share capital and votes were Nordea Funds Ltd., Finland and ATP Arbejdsmarkedets Tillægspension, Denmark.

According to available data, around 20% of the share capital is owned by private investors, with Danish private investors comprising the majority of this group.

Capital allocation

Our approach to allocating free cash flow remains consistent with previous years. When our financial gearing ratio exceeds our target range, we prioritise repaying net interest-bearing debt. Currently, our intention is to use free cash flow to reduce our debt and bring the gearing ratio back within our target of 1–2 times net interest-bearing debt to EBITDA, excluding special items.

Major shareholders per 31 December 2025

Solbet Sp. z o.o., Poland	25-33.33%
Arbejdsmarkedets Tillægspension, Denmark	5-10%
Nordea Funds Ltd., Finland	5-10%

Financial calendar 2026

3 March	2025 Annual Report
14 April	2026 Annual General Meeting
12 May	Q1 2026 Interim Financial Report
11 August	H1 2026 Interim Financial Report
10 November	Q3 2026 Interim Financial Report

Share information

Exchange	Nasdaq Copenhagen
ISIN code	DK0015202451
Ticker symbol	HH
No. of shares	16,500,000
Denomination	DKK 10 per share
Share capital	DKK 165,000,000
Voting rights	One vote per share

Annual general meeting

The next annual general meeting (AGM) is scheduled for 14 April 2026 at 11.00 a.m. at Copenhagen Marriott Hotel, Copenhagen. Further details are published through a company announcement and on our group website five to three weeks before the AGM. AGM documents will be accessible on our group website once the notice is published. Amendments to the Articles of Association require the resolution to be passed by at least two-thirds of the votes cast as well as of the share capital represented at the AGM.

Investor Relations - SBM-2

The purpose of our financial communications and other investor relations activities is to ensure that relevant, accurate and timely information is made available to the stock market to serve as a basis for regular trading and a fair pricing of H+H shares.

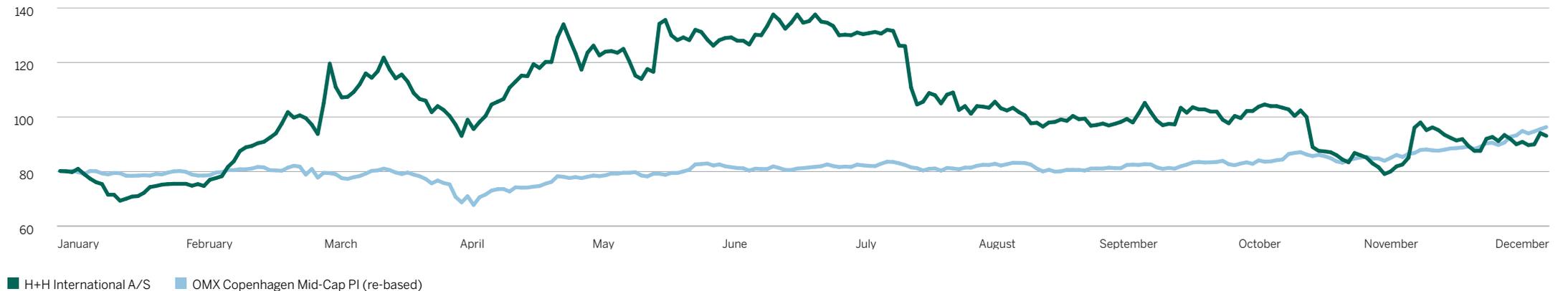
To ensure that capital market participants, including current and prospective investors, are able to make well-informed investment decisions, we seek a transparent and active dialogue with all financial market participants, including investors, sell-side analysts, journalists and the general public via conference calls, participation in investor meetings and equity conferences, and social media.

H+H is not normally available for dialogue about financial matters in the three-week period leading up to the publication of an interim financial report or the annual report. Enquiries concerning investor relations issues should be addressed to the Head of Investor Relations and Treasury via email to Shareholder@HplusH.com. More relevant investor information is available on our group [website](#).

More information

Other relevant shareholder information, including a list of the analysts covering H+H, can be found on the group's investor relations [website](#).

2025 relative share-price performance

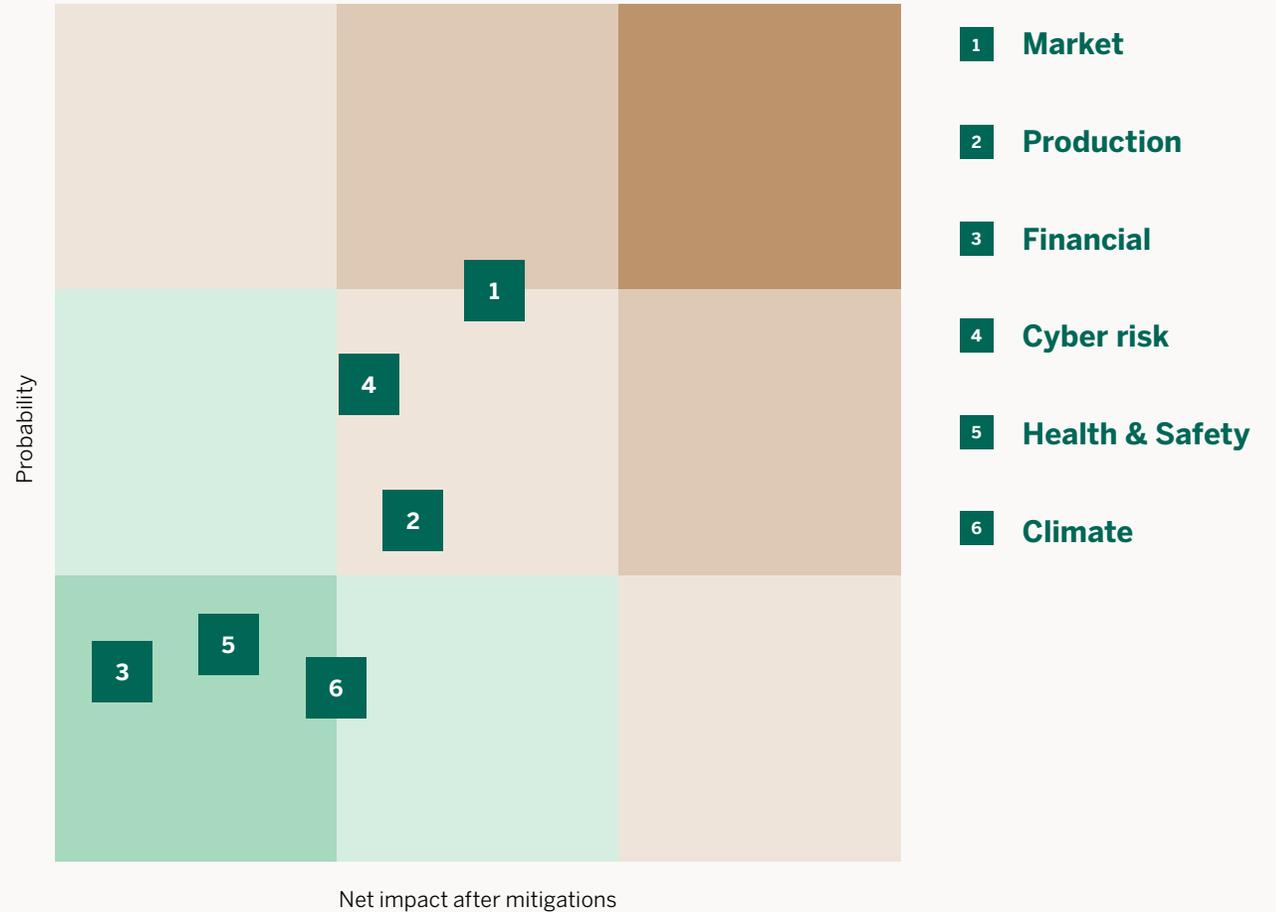


Risk management

The Board of Directors of H+H International A/S oversees the risk management processes to ensure that the risk profile, risk process, and risk awareness are appropriate. Responsibility for Enterprise Risk Management (ERM) effectiveness has been delegated to the Chief Financial Officer.

H+H operates a dynamic ERM framework based on COSO principles, integrating both strategic and operational risks, with a centralized approach to risk ownership, strengthened by regional discussions that help identify emerging risks and address those arising in ongoing projects and daily operations. The framework places particular emphasis on market, production, cyber, health and safety, and environmental risks. Risk impact and likelihood are assessed using both qualitative and quantitative methods.

Detailed information on the risk management structure is available in the Corporate Governance statement for 2025 page 5.



Risk position

The risk categories outlined below are recurring risks from previous years, though the balance, severity and in some cases the nature have changed. Hence, the efforts to mitigate these risks have been adjusted to the current risk picture.

1 Market

Risk description

The industry is influenced by a range of factors, including interest rates, which affect borrowing costs for developers and buyers, and general economic growth, which impacts demand for housing. Population growth, urbanisation, and shifts in household formation also play a role in driving the need for new homes. Additionally, government policies, incentives and regulatory frameworks, such as sustainability requirements, influence the pace and focus of construction activity across regions. In recent years, a persistent inflation, geopolitical uncertainty, relatively high interest rates and low consumer confidence have lowered building activity, despite strong housing need.

Pricing continues to be a key parameter. In regions with a declining market, there is a risk that adopting a volume strategy to avoid excess production capacity leads to increased price pressure.

Mitigating actions

H+H continuously monitors developments in the residential new-build market and regularly evaluates current and projected market indicators, including building permits, interest rates and consumer confidence. Responding as quick as possible to shifts in market demand is essential, although some lead time always persists. Pricing discipline varies by market based on the specific market situation, and strong relationships with key customers are cultivated to ensure pricing strategies remain both competitive and sustainable.

Net risk assessment

The building industry remains sensitive to economic fluctuations, as evidenced in recent years. This exposure is mitigated through a balanced pricing discipline and ongoing investments in production facilities. Overall, the risk is assessed as medium to high.

2 Production

H+H relies on a stable production, therefore unforeseen stoppages, quality issues, unplanned maintenance, or damage to machinery or other events vital to production which can make plants or machinery unavailable for production for an extended period, is a risk. Other key elements of the production risk include compliance with legal requirements to operate legally and availability of raw materials and labour.

H+H remains committed to investing in our plants to ensure limited disruption, monitoring and investigation of critical production equipment, preventive maintenance and regional developed emergency plans. In addition, we have implemented a hedging policy to manage the risks associated with energy price volatility.

Maintaining stable and efficient production remains a key priority, with ongoing monitoring and assessment of potential production and supply risks as part of daily operations. Given the mitigation measures in place, the risk is considered medium.

3 Financial

4 Cyber

5 Health & Safety - ESRS 2 GOV-5

6 Climate - ESRS 2 GOV-5

<p>Risk description</p>	<p>A potential lack of funding or a breach of covenants could lead to the cancellation of the current facility, necessitating the establishment of a new, potentially more expensive financing source. Additionally, a low cash generation could impact bank KPIs, resulting in higher interest rates.</p>	<p>Cybercrime is escalating, with cyberattacks becoming increasingly frequent and more conspicuous. Incidents such as ransomware attacks that block access to networks or critical systems can disrupt essential processes across multiple business areas.</p>	<p>Fatal or critical accidents resulting in fatalities or severe harm to employees or external parties can occur due to several factors. The organisation is working to guard against inadequate behavior, against insufficient health and safety training, and to ensure proper recruitment practices and cultural alignment. Further to this, timely upgrades to equipment is needed, as modern machinery typically incorporates more advanced safety features.</p>	<p>The main risks identified include production sites failing to execute CO₂ reduction plans necessary to meet H+H's SBTi targets or violating environmental laws, insufficient investment to upgrade sites and improve their energy mix, and key suppliers being unable to reduce their CO₂ emissions, which impacts H+H's Scope 3 reduction aspirations.</p>
<p>Mitigating actions</p>	<p>A long-term credit facility is established to support the strategy and future investments. Additionally, in-depth cash monitoring and forecasting are conducted, including scenario-based assessments.</p>	<p>Dedicated resources within Group IT focused on cybersecurity are monitoring developments in this area. Choice of IT suppliers and the adequacy of defence measures are carefully considered. Additionally, continuous professionally developed training in cybersecurity is provided for all employees and results of the training is presented to management on a recurring basis.</p>	<p>The importance of safety is embedded through the Group Health and Safety Policy, which provides guidance on applying our safety management system across all operations. Root cause analysis are conducted to reduce risks, while performance is continuously improved through internal and external reviews, followed by regular follow-ups. Further to this, recurring review of equipment needs is embedded in the production planning.</p>	<p>Strategic effort have been directed toward achieving science-based targets. Operational management is responsible for executing plans that support these targets, with adequate funding allocated to ensure successful implementation. Procurement is key in sourcing materials, and mitigating actions are detailed in the Sustainability Statement under Environmental Information. These initiatives are supported by a management and reporting system that monitors progress. ESG summits are held to align objectives and action plans across the organisation.</p>
<p>Net risk assessment</p>	<p>The current liquidity position and expected cash projections indicate sufficient headroom for the company's bank covenants. Consequently, the risk is assessed as low.</p>	<p>H+H has observed a rise in both the frequency and variety of attempts. Mitigating actions are regularly reviewed and applied, which decreases the probability of incidents. As a result, the risk level is assessed as medium.</p>	<p>Each plant operates with a relatively small workforce around the active machinery, and accidents rarely involve more than one individual. Based on this, the risk is assessed as low.</p>	<p>Science-based targets are ambitious and the framework presents a number of challenges. The challenges are more industry specific than company specific. Hence the probability of the risk is considered low.</p>

Sustainability statement

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→	EU Taxonomy	69
→	Social information	75
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General information

Sustainability is a strategic focus area for H+H and it is embedded in our business model.

List of disclosure requirements		Page reference
ESRS 2 General Disclosures		
BP-1	General basis for preparation of the sustainability statement	Page 48
BP-2	Disclosures in relation to specific circumstances	Page 56
GOV-1	The role of the administrative, management and supervisory bodies	Pages 35-41, 49
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Pages 48-49
GOV-3	Integration of sustainability-related performance in incentive schemes	Page 49
GOV-4	Statement on due diligence	Page 50
GOV-5	Risk management and internal controls over sustainability reporting	Pages 55-56
SBM-1	Strategy, business model and value chain	Pages 17, 21-22
SBM-2	Interests and views of stakeholders	Page 51
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 52
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Pages 54
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Pages 53

ESRS 2 General disclosures

BP-1 General basis for preparation

Our sustainability statement is prepared on a consolidated basis with our 2025 financial statements and with reference to the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS) and in compliance with sections 99a and 107d of the Danish Financial Statements Act.

It covers our own operations and upstream and downstream value chains. The statement is structured into four sections – 'General', 'Environmental', 'Social' and 'Governance' – with each section disclosing relevant information related to impacts, risks, opportunities, targets, metrics, policies and actions. We have not used the option to omit specific information corresponding to intellectual property, know-how or the results of innovation.

GOV-1, GOV-2 Sustainability governance

H+H's ESG activities are anchored at the Board of Directors who has oversight of our strategy, targets, impacts, risks and opportunities and Group policies together with Group Management. This includes regular risk assessments, establishment of internal controls and documentation of data, which are overseen by the Audit Committee. Due diligence is managed mainly through policies and their related processes. The Board of Directors and the relevant underlying board committees are updated on these as part of their annual wheel.

The long-term strategy for H+H is discussed at the annual strategy seminar, including how to address and manage the material impacts, risks and opportunities identified in the Double Materiality Assessment ('DMA'). During the first half of 2024, a review of the DMA was completed by Group Management and the regional Managing Directors, including engagement with various internal and external stakeholders. The result of this was first presented to the Audit Committee before being presented and approved by the Board of Directors.

In 2025, we updated the DMA review with no major changes to the outcome, however, the following disclosure requirements have been assessed to be immaterial. S1-13 and S1-15. The main reason being that most of our workforce are non-office, hence working within a designated time schedule and fixed tasks, limiting the impact of work-life balance and skill development.

You can read more about our board composition, governance structure and activities in the Corporate Governance section. Here you can also find information on the experience and background of the members of the Board of Directors and the Executive Board.

As a further testament to our commitment, H+H also has a sustainability-linked financing agreement, which incentivises the achievement of specific ESG KPIs.

Sustainability is anchored across our corporate governance structures



GOV-3 Integration of sustainability-related performance in incentive schemes

H+H's Remuneration Policy for the Board of Directors and Executive Board seeks to create a remuneration framework that supports achievement of our strategy, with a focus on ensuring continuous long-term sustainable development of our business, while creating long-term value for shareholders. The policy, including all subsequent changes, is approved by the General Meeting of shareholders. The policy describes target setting for both the long- and short-term incentive programme. For 2025, the short-term incentive programme included two KPIs related to ESG, with one KPI target relating to lost-time incidents (H&S) and one KPI target relating to the reduction of our scope 1 and 2 CO₂ emissions. Each KPI has a 15% weighing.

In 2023, we introduced an ESG-related KPI in our long-term incentive share programme, related to our scope 1 and 2 emissions. This was continued in 2025 and like last year, the target is weighted 15%. The measurement period of the programme runs multiple financial years at the time. Both long- and short-term targets relating to emissions are assessed and determined in relation to the GHG emission reduction targets described in the Environmental section.

SBM-1 Strategy, business model and value chain

A description of our strategy, business model and value chain is provided in the Business and Strategy section. Please refer to the full content of page 17 and 21-22. For employees by geographical areas, please refer to S1-6.

GOV-4 Statement on due diligence

Core elements of Due Diligence	Paragraphs or pages in the Sustainability Statement	Does the disclosure relate to people and/or the environment?
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2, pages 48-49	■ ■ People and environment
	ESRS 2 GOV-3, page 49	■ ■ People and environment
	ESRS 2 SBM-3: pages 63-64 (E1)	■ Environment
	pages 75-76 (Health & Safety, S1)	■ People
	page 77-78 (Equal treatment & opportunities for all, S1)	■ People
	page 82 (Working conditions, S1)	■ People
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, pages 48-49	■ ■ People and environment
	ESRS 2 SBM-2, page 51	■ ■ People and environment
	ESRS 2 IRO-1, page 54	■ ■ People and environment
	ESRS 2 MDR-P: page 64 (E1-2)	■ Environment
	pages 76, 78, 82 (S1-1)	■ People
	Social: page 82 (S1-2)	■ People
	ESRS 2 IRO-1, page 53	■ ■ People and environment
c) Identifying and assessing adverse impacts	ESRS 2 SBM-3: pages 63-64 (E1)	■ Environment
	page 75-76 (Health & Safety, S1)	■ People
	page 78-78 (Equal treatment & opportunities for all, S1)	■ People
	page 82 (Working conditions, S1)	■ People

Core elements of Due Diligence	Paragraphs or pages in the Sustainability Statement	Does the disclosure relate to people and/or the environment?
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A: page 62 (E1-1)	■ Environment
	pages 64-65 (E1-3)	■ Environment
	pages 76, 78, 82 (S1-4)	■ People
e) Tracking effectiveness of these efforts and communicating	ESRS 2 MDR-M: page 65 (E1-4)	■ Environment
	pages 76-77 (S1-14)	■ People
	page 81 (S1-9)	■ People
	page 81 (S1-16)	■ People
	ESRS 2 MDR-T: page 65 (E1-4)	■ Environment
	pages 76, 79, 82 (S1-5)	■ People

Our stakeholders

SBM-2 Interests and views of stakeholders

As Partners in wall building, we are in the business of people, seeking to engage with both our internal and external stakeholders. The Board of Directors and Group management are regularly informed of the views of our stakeholders to better assess how to incorporate their interests in our strategy. A key interest area from both our internal and external stakeholders is the need to drive down emissions, while the main priority for our internal stakeholders is safety. This is reflected in our strategy and ways of working.

Employees

We are committed to providing a safe, engaging and meaningful workplace for our employees, where collaboration can thrive.

We engage with our employees in a number of different ways, including intranet updates, workers' councils, engagement surveys in selected areas, manager check-ins and global town halls. Employees also have the opportunity to raise concerns through our online whistleblower system, described in the Governance section. Through this we want employees to feel they can influence their workplace and concerns are met, e.g. in the form of improvements and action plans.

Customers

We are a customer centric organisation underpinned by our promise to be Partners in wall building. Engaging with our customers to consistently understand their perspectives and needs is an embedded part of our business model with the aim of building trust, providing sustainable solutions as well as enabling them to reach their targets. Engagement is done through our customer support, customer surveys and training as well as part of business partner due diligence.

Examples of outcome is the creation of product specific environmental product declarations (EPDs) in most of our markets.

Suppliers

H+H relies heavy on suppliers to meet our emissions reduction targets. This is the basis for our supplier engagement, focusing on implementation of carbon reduction initiatives such as carbon capture storage and utilisation as well as more efficient production methods. Engagement is organised as part of supplier due diligence and via industry collaborations. The progress of these, influences our strategy for lowering scope 3 emissions in the short and long-term.

Society and local communities

Compliance with existing regulations on responsible business practices is a fundamental and basic requirement in H+H's Code of Conduct. Through our memberships in various trade organisations, we engage in dialogue with different regulators and other stakeholders with the purpose of addressing potential risks and opportunities as well as ensuring regulatory compliance. We engage with our local communities to ensure that we are good neighbours to our surroundings and we participate in local trade fairs and events

to promote our business and further enhance relationships.

Shareholders

H+H is listed on the Danish Stock exchange. We engage with our shareholders on a regular basis to ensure efficient financial allocation and to understand shareholders' interests. This is done via a dedicated Investor Relations department, management participation in investor roadshows and conference calls, briefings with analysts and the Annual General Meeting. The purpose of this is to improve dialogue and relationships with stakeholders.

Dialogue with shareholders is described in more detail in the Shareholder Information section (Investor Relations) on page 43.

We do not have plans to modify relationship and views of stakeholders.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As part of our process, we have considered current and anticipated effects of impacts, risks and opportunities on our business model, value chain and decision-making. The material impacts, risks

and opportunities identified during the materiality assessment are presented in more depth alongside the topical standards ESRS E1 Climate change, S1 Own workforce and G1 Business conduct in the Environmental, Social and Governance information sections in this sustainability statement.

For climate-related topics we have identified material financial risks and opportunities, as shown in our DMA matrix and elaborated on in ESRS 2 SBM-3 in the Environmental section. For other material topics, we have exercised the phase-in option and not quantified the financial effect.

E1 Climate change	Chapter	Type	Sub-section	Value chain	Time horizon
Emissions from own operations	Climate change	Actual negative		Own operations	All
Value chain emissions from raw materials production	Climate change	Actual negative		Upstream	All
Use of energy in own production	Climate change	Risk		Own operations	All
Recarbonisation of our products during its life-time	Climate change	Opportunity		Entire value chain	All
S1 Own workforce					
System to record and assess workplace injuries and illnesses in order to prevent them going forward	Health & safety	Potential negative	Industrial accidents	Own operations	Short
Ill health due to exposure to hazardous materials	Health & safety	Potential negative	Production materials	Own operations	Short & Medium
Recording of how many days are lost due to work incidents, ill health and fatalities	Health & safety	Potential negative	Industrial accidents	Own operations	Short & Medium
Incidents which have resulted in an injury, ill health or fatality	Health & safety	Potential negative	Industrial accidents	Own operations	Short & Medium
Incidents which result or could potentially result in an injury	Health & safety	Potential negative	Industrial accidents	Own operations	Short
Gender equality impact	Equal treatment & opportunities for all	Actual negative	Gender equality & equal pay	Own operations	Short
Diversity in H+H	Equal treatment & opportunities for all	Potential negative	Gender diversity	Own operations	Short & Medium
Risk of harrasment in workplace	Equal treatment & opportunities for all	Potential negative	Anti-harassment	Own operations	Short & Medium
H+H's impact on social dialogue in the workspace	Working conditions	Potential negative	Work-life balance, working conditions and social dialogue	Own operations	Short
G1 Business Conduct					
Impact on own workforce from corporate culture	Business Conduct	Potential negative	Corporate culture	Own operations	All
Lack of protection of whistleblowers	Business Conduct	Potential negative	Whistleblower protection	Own operations	All
Risk of corrupt business practices being conducted in H+H	Business Conduct	Potential negative	Unethical business practices	Own operations	All

Double Materiality Assessment

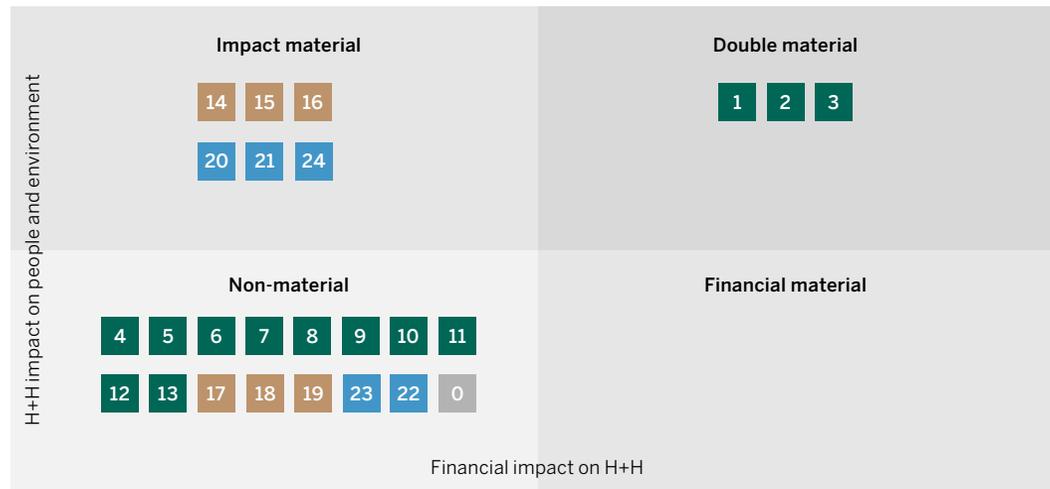
IRO-2 Disclosure Requirements in ESRS

We have aligned the IROs with the relevant ESRS data points and conducted a thorough materiality assessment. This evaluation helped us ascertain their relevance to our business model and the decision-making requirements of the Sustainability statement's users. For all topics we have assessed the scale, scope and irremediability and applied relevant thresholds.

Consequently, this analysis identified the key sustainability information presented in this statement. Description of material and non-material topics are elaborated under SBM-3 and the process of determination is described under IRO-1. The list of relevant datapoints related to other legislation is shown on pages 58-61.

Reporting topics in scope

Topics marked '0' in the list to the right were deemed immaterial from the start and thereby not included in the engagement process.



E1 Climate change

- 1 Climate change adaptation (CCA)
- 2 Climate change mitigation (CCM)
- 3 Energy

E2 Pollution

- 4 Air
- 5 Water
- 6 Soil
- 0 *Living organisms*
- 0 *Substance of (high) concern*

E3 Water & marine resources

- 7 Water withdrawals
- 0 *Marine resources*
- 0 *Water habitat degradation*

E4 Biodiversity & ecosystems

- 8 Direct impact drivers on biodiversity loss
- 0 *Impact on the state of species*
- 9 Impacts on the extent and condition of ecosystems
- 10 Impacts and dependencies on ecosystem services

E5 Resource use and circular economy

- 11 Resource inflows and usage
- 12 Resource outflows related to products and services
- 13 Waste

S1 Own workforce

- 14 Working conditions
- 15 H&S
- 16 Equal treatment and opportunities
- 17 Talent development
- 0 *Other work related rights*

S2 Workers in the value chain

- 18 Working conditions
- 19 Equal treatment and opportunities
- 0 *Other work related rights*

S3 Affected communities

- 0 *Economic, social and cultural rights*
- 0 *Civil and political rights*
- 0 *Particular rights of indigenous rights*

S4 Consumer & end-user

- 0 *Information related impacts*
- 0 *Personal safety of consumers*
- 0 *Social inclusion of consumers*

G1 Business conduct

- 20 Corporate culture
- 21 Whistleblower protection
- 0 *Animal welfare*
- 22 Political & lobbying activities
- 23 Payment practices with suppliers (late payment)
- 24 Corruption and bribery

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Identification of topics

All entities and business segments have been in scope in our assessment and our IRO. Identification of topics and subsequent assessment and scoring of topics have been done throughout our value chain. We have engaged with various internal and external stakeholders, including employees, suppliers, customers, society, investors, analysts and banks to identify H+H’s material sustainability matters. This engagement happened through interviews and desktop research. Parallel to this, we have also assessed the financial risks and opportunities for sustainability-related matters as part of our ERM process.

Our DMA is reassessed annually or if we identify significant changes.

General assumptions

We have applied the following assumptions to our process for identifying impacts, risks and opportunities:

- Majority (95+%) of our supply is virgin material, excavated and supplied directly from tier 1 suppliers and not processed from tier 2 suppliers. We have assumed, that the risk profile and potential impacts deriving from Tier 2 suppliers are equal to those from Tier 1 suppliers.

- We assume, the primary actual and potential impact lies within our upstream activities and production. Therefore, our analysis for downstream activities is primarily based on interviews with internal stakeholders and desktop research.
- Transport is included in Climate as part of scope 3 emissions. Besides Climate we have assumed that transport is not significant in relation to impacts and have therefore not performed further analysis.
- Assumptions which have been used under various topics are described below the relevant topics.

Materiality scoring approach

The materiality assessment's scoring method and criteria were established following ESRS 1 requirements, focusing on:

- Impact materiality: Considering the scale, scope, irremediability, and likelihood of impacts being positive/negative and actual/potential.
- Severity takes precedence over likelihood for human rights related impacts as per ESRS 1 (45).
- Financial materiality: Assessing the financial significance of risks/opportunities, their likelihood, and the nature of financial impacts.

Outcome

The materiality assessment determined that “Climate”, “Own workforce” and “Business Conduct” are material topics for H+H, and the 2025 evaluation confirmed the topics and subtopics in scope. In line with the materiality assessment our sustainability strategy focuses on CO₂ and safety. This outcome is consistent with our previous sustainability strategy with no additional focus areas being added.

Rationale for selected scoped-out matters

In this section we want to provide more clarity for the out-scoping of four selected topics. While below topics fall under our threshold for materiality following our assessment, we still recognise that we have a footprint and therefore want to provide transparency on our reasoning for not having them in scope. The section is not exhaustive.

Pollution

In our assessment of our impact on the pollution of air, water and soil, we have analysed the impact of our own production in the value chain. As we believe the pollution of our upstream and downstream value chain activities are compliant with European and local regulations, and do not pose any material impact on the environment, we have not done any further analysis. Additionally, in our research we have not encountered any material cases or controversies in the building supply industry on pollution.

In production of AAC, almost 100% of the water is either used in the product or recycled into

production afterwards, hence no risk of water or soil pollution. For CSU, we use almost no water as the production process only involves the pressing of dry lime and sand. The only water used is for the generation of steam. Any excess water is sent to municipal water treatment stations, which we pay for. In conclusion, we do not see any material negative impact in the pollution of water and soil.

In terms of air pollution, we have assessed our use of natural gas and coal. From a pollution perspective natural gas is generally a “clean” source to burn and is not considered to have a material negative impact.

Coal as an energy source is materially polluting the air in its natural form and it is therefore heavily regulated through local legislation to prevent it from polluting the air and impacting the local community. In our coal-fired plants, we use air- and dust filters to capture the pollution, and we regularly test the emissions to ensure alignment with local legislative requirements. Based on this, we decided not to conduct consultations with local affected communities.

Water withdrawals

Using water is a key process in our manufacturing process. However, our plants are generally not located in areas of high water stress, so the risk of water scarcity is low. Generally there is also a consumption cap on our water permits ensuring that we do not have any material impact on the water in the local community. In addition, many

of our plants are designed to recycle water to the extent possible, further limiting our water consumption.

Biodiversity

We have assessed our impact on biodiversity from a direct and indirect perspective. Our direct impact is through the operation of our sandpits in Poland. Here we are obligated to adhere to national and local regulations and procedures for the protection of biodiversity and ecosystems, which is supervised by authorities. Our commitment is therefore to comply with these requirements. In the UK we have implemented small projects to further biodiversity in line with local regulations. The results of these are regularly monitored.

Indirectly we procure sand and lime through external suppliers, who manage and operate quarries and sandpits that can have a potential impact on biodiversity. We have engaged with our suppliers to understand their policies, practices, and initiatives on this subject to ensure we are aware of the contribution from our resource in-flow. We believe there are no material impacts or risks, as we only cooperate with suppliers from European countries with strong institutions and high legislative requirements.

Circularity & waste

We are dependent on primarily virgin materials, as there are not yet any recycled material available that can substitute these materials, both from

a qualitative and a regulation point of view. The virgin materials we are using are not considered a scarce resource in the areas they are extracted from and all are originating from Europe.

We run our plants according to a “no waste of virgin materials” principle. All off-cuts and waste in the production process are re-circulated into new batches, meaning very limited waste occurs during this process. At this stage we have therefore concluded that there are no material impacts, risks or opportunities.

ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting

H+H has established a comprehensive risk management and internal control system where sustainability is embedded. This system includes:

- Risk identification and assessment: Continuous identification and assessment of risks related to internal controls, including sustainability reporting, are conducted at Group and regional level. Each region assesses relevant risks, which are then considered by Group, when identifying and assessing the overall Group sustainability risks. Additionally, Group performs risk identification and assessment at reporting level, which includes processes within the ESG reporting system, as well as the financial reporting system.

- Control activities: The Group has implemented internal control activities to mitigate identified risks in the sustainability reporting. These activities are performed and reviewed by the regions to ensure the quality and validity of management reporting and the Annual Report.
- Monitoring: The risk management process and internal controls environment is monitored and reviewed, involving the regions and anchored in the Group. This includes reporting to the Audit Committee. A controller visit plan, approved by the Audit Committee, ensures that each region is visited at least once a year to assess the maturity and effectiveness of internal controls.

Risk Assessment Approach and Methodology

H+H follows a structured risk assessment approach based on the COSO ERM and COSO Internal control guidance.

- Risk Assessment: Risks are assessed based on their potential impact and likelihood. Significant risks are identified and prioritised.
- Methodology: A combination of qualitative and quantitative methods is used to assess risks. For Enterprise Risk, we consider Operational and Strategic impacts along with HSE, Environment and Compliance. For internal controls, financial statement lines and key ESG metrics are considered based on calculated materiality,

as well as qualitative factors, such as fraud risk, volume and complexity.

Key risks identified, related mitigation strategies, and controls

For sustainability under Enterprise Risk Management, please refer to the segments under Risk Management called Climate and Health & Safety.

For internal controls, we have identified the following key risks; measuring of consumption, measuring of conversion factors and measuring of volumes.

Controls are implemented in all regions to mitigate these risks and ensure the reliability of the sustainability reporting system and related reports.

The risk corresponding controls are the following: reconciling input data in our ESG reporting system to supporting documentation, performing analytical reviews, obtaining and comparing conversion factors.

Integration of findings, risk, and mitigation reporting

Each region assesses their risks and report to Group as input to the review of risk and mitigation plans from the Enterprise Risk Management processes. Summaries are reported to the Audit Committee. The key risks and mitigations are detailed in the Risk Management section in this Annual Report. It is the responsibility of regional management to follow up on the planned mitigations.

Findings from the regional review are reported to regions as issues, tracked along with agreed upon actions plans. Statistics are reported to the Audit Committee. Group monitors the development of issues to ensure actions plans are met, in cooperation with regional management.

BP-2 Uncertainties and estimates

Most of our data is based on HR systems, meter readings, invoices and information directly from our suppliers. We generally therefore do not have many uncertainties and estimates in our figures.

However, for scope 3 category 4 and 9 (transportation) we have applied a general emission factor as we do not assess types of trucks on an individual basis. For some office related working hours, we have applied norm-hours as the basis for calculation of a workday. For scope 3 category 1 the value chain data is based on primary sources which are considered as accurate as possible.

We believe that these estimates are reasonable under the circumstances. We have currently not planned any changes to this approach.

There have been no changes in preparation and presentation of the sustainability information for 2025, nor have there been any adjustments to comparative years.

Incorporation by reference

Disclosure requirement	Data point	Sub-section	Page
ESRS 2 GOV-1	All	Corporate Governance in general	34-41
G1.GOV-1	§5 (b)	Board of Directors	39-41
SBM-1	All	Business Model, Strategic Focus Areas (Mission Zero)	17, 21-22
SBM-2	§45 (a) iii, iv	Investor Relations	43
ESRS 2 GOV-5	All	Enterprise Risk Management (H&S and Climate)	46
E1-1	§15	Business Model, Strategic Focus Areas (Mission Zero)	21-22
E1-4	§34 (f)	Business Model, Strategic Focus Areas (Mission Zero)	21-22

Climate-related scenario analysis

In 2022, we conducted a climate-related scenario analysis using the TCFD guidelines to assess transition and physical risks and opportunities and how they might impact the resilience of our business strategy. The analysis has been annually refreshed.

The analysis was based on the Net Zero 2050, Delayed Transition and Current Policies scenarios released by the Network for Greening the Financial System (NGFS) in 2021. These describe warming of 1.5°C, 1.8°C and +3°C respectively¹. The scenarios considered H+H's full value chain, including our own operations, upstream cement and lime producers and downstream customers.

The timeframe used in the scenarios defined short-, medium- and long-term as 2030, 2040 and 2050 respectively. The 2030 timeframe aligns with our science-based target and the 2050

timeframe aligns with our commitment to net zero emissions by 2050, in accordance with the Paris Agreement targets.

The original TCFD process included a workshop with the top 50 leaders from across the Group to consider the three scenarios and identify climate-related risks and opportunities.

The findings from the scenario analysis were presented to Group Management and the Board of Directors and were incorporated into our strategy. The climate-related risks are also incorporated into our annual Enterprise Risk Management (ERM) system.

¹ For physical climate risk, we used data from the RCP 6.0 scenario in the IPCC Sixth Assessment Report published in September 2021.



Climate scenarios

The key assumptions in the scenarios are as follows:



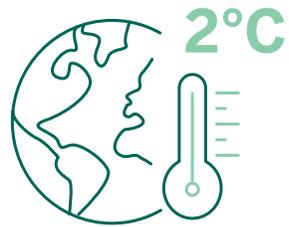
Scenario 1

Net Zero 2050 scenario

The Net Zero 2050 scenario is a scenario that limits global warming to 1.5 °C. It is an orderly scenario that includes stringent climate policies and fast technology change to reach net zero emissions in 2050. Carbon prices rise to USD \$185 t/CO₂ in 2030, USD \$350 in 2040 and USD \$675 in 2050. This scenario tests for immediate transition risk and low physical risk.

The accelerated rollout of renewable energy and hydrogen infrastructure supports our goal to reduce emissions in our own operations.

The main variable for our ability to reduce the emissions intensity of our products is the speed at which carbon capture utilisation and storage technologies are introduced by cement and lime producers, and therefore for H+H to reduce our scope 3 emissions.

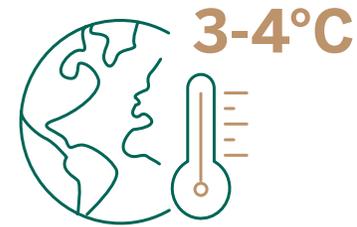


Scenario 2

Delayed Transition scenario

In the Delayed Transition scenario, a delay means global emissions increase until 2030 and then strong policies are needed to limit warming to 2°C. Carbon prices rise rapidly from USD \$70 t/CO₂ in 2030 to \$325 in 2040 and \$625 in 2050. This disorderly scenario tests for delayed and high transition risk.

A delayed rollout of renewables and hydrogen infrastructure would slow our ability to reduce our operational emissions. However, this scenario aligns with the expected timing of the cement industry's decarbonisation roadmap for the introduction of CCUS technologies and therefore would not undermine our own decarbonisation plans.



Scenario 3

Hot House World (Current Policies) scenario

This scenario assumes that only currently implemented policies are preserved, leading to climate-related hazards and high physical risks. Emissions continue to grow until 2080 leading to 3-4°C of warming and severe physical risks. We paired this scenario with data from the IPCC RCP 6.0. In Europe, where we have operations, the frequency and intensity of heat extremes, including marine heatwaves, are projected to keep increasing.

We do not believe there are any material physical risks to any of our assets, as none of our plants are located in areas with risk of earthquakes, wildfires, tornados or volcanoes. During our insurance review no flooding risks were detected either.

ESRS 2 Appendix B

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	p. 36
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	p. 36
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				Material	p. 50
ESRS 2 SBM-1 Involvement in activities related to fossil fuel-activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
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		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	p. 62
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		Not material	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	p. 65
ESRS E1-5 Energy consumption from fossil 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				Material	p. 66
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	p. 66
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	p. 66

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page 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, Article 5(1), 6 and 8(1)		Material	p. 67
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	p. 67
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
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		Not material	
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.			Not material	
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			Not material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	
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				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS E4-2 Sustainable oceans / seas practices or policies -paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	p. 78
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		Material	p. 78
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	p. 76
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	p. 82
ESRS S1-14 Number of fatalities and number and rate of work--related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	p. 77
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	p. 77
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	p. 81
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	p. 81
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	p. 83
ESRS S1-17 Nonrespect 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 I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	p. 83
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Paragraph or page reference
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 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		Not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption -paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material	
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	p. 86
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	p. 87
ESRS G1-4 Standards of anti-corruption and anti- bribery -paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		Material		Material	p. 87

Environmental information

H+H is committed to an ambitious 1.5°C climate target. We want to be part of the solution in construction of sustainable housing and at the same time lowering global energy related carbon emissions.

List of material disclosure requirements	Page reference
E1 – Climate change	
GOV-3 Integration of sustainability-related performance in incentive schemes	Page 49
E1-1 Transition plan for climate change mitigation	Page 62
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Page 63
E1-2 Policies related to climate change mitigation and adaptation	Page 64
E1-3 Actions and resources in relation to climate change policies	Page 64
E1-4 Targets related to climate change mitigation or adaptation	Page 65
E1-5 Energy consumption and mix	Page 66
E1-6 Gross scopes 1, 2, 3 and Total GHG emissions	Page 67
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Page 67

Creating more sustainable buildings is key to addressing the issue of CO₂ emissions coming from the buildings sector. Building materials, such as H+H's AAC and CSU products, are well positioned for long-term growth as they ensure energy-efficient building structures and help to reduce buildings' whole life emissions.

E1-1 Transition plan for climate change mitigation

We believe our strategy and business model are compatible with the transition to a sustainable economy by reducing our carbon emissions in line with our Science Based Targets and target of net zero emissions in 2050. This is in line with the Paris Agreement and the EU's climate goals and compatible with the 1.5 degree scenario. Please refer to the 'Mission Zero' section under 'Strategic Focus Areas' for specific actions to reach net zero by 2050.

We do not assess to have any locked-in GHG emissions as we believe that all emissions can be avoided through proper strategy and execution.

Part of our economic activities are also covered under the EU Taxonomy and we are striving towards aligning all eligible activity. This will be done by implementing environmental plans on our plants and the increased use of more environmentally friendly transport vehicles for distribution.

Science-based GHG emission reduction targets

Our commitment is backed up by the validated reductions we will make in our scope 1, 2 and 3 GHG emissions by 2030.

The ten-year science-based target builds on the product whole life analysis that was undertaken in 2020 which determined that our AAC and CSU products are on a path to achieve net zero — and possibly negative — emissions by 2050. Our emissions reduction targets are explained in disclosure requirement E1-4.

Climate change mitigation actions

To achieve the 2030 science-based target, we have developed a roadmap that includes the following levers which are outlined in disclosure requirement E1-3.

1. Increasing the share of renewable energy
2. Optimising plants including investments in energy efficient equipment
3. Improved energy mix
4. Supply-chain decarbonisation, in particular from large-scale use of CCSU (carbon capture storage and utilisation).

The transition plan is embedded in our strategy together with related initiatives. The transition plan, along with the initiatives to achieve it and the science-based target have been approved by Group Management and the Board of Directors

The Group Operations Director is responsible for the implementation of the transition plan.

A dedicated amount of the CAPEX budget (up to 15%) is annually allocated to support emission reduction projects. We also integrate performance measures related to GHG emissions reductions into our management incentive schemes, which is described in the General Information section.

Our current progress towards our transition plan is stated in the "Results" in the E1-6 section. H+H is not excluded from Paris-aligned benchmarks.

Sources of H+H's GHG emissions – baseline year

Scope 1 and 2 emissions from operations account for about 25% of our carbon footprint, with about 75% of these emissions generated by the use of coal, oil, and gas in our plants.

About 75% of the emissions in H+H's carbon footprint are scope 3 emissions generated elsewhere along the value chain. The majority of these emissions (approximately 95%) are generated upstream by cement and lime manufacturers. This is a result of the chemical reaction that occurs

when carbon is removed from limestone when it is heated to produce clinker for cement or lime. The CO₂ released is an unavoidable consequence of this reaction, as the limestone has absorbed CO₂ during its formation – just like a tree does.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Climate change impacts

The materiality assessment described in disclosure requirement IRO-2 identified the following material climate change mitigation impacts:

Recarbonation during product lifetime (positive)

Limestone-based products such as AAC and CSU absorb CO₂ during their lifespan, acting as permanent carbon sinks during the use phase of a building and when it is torn down and recycled. AAC products can absorb 77 kg of CO₂ per m³, with 80% of recarbonation achieved after

50 years and 95% within 80 years. This positive impact occurs in our downstream value chain (the end-users of AAC and CSU products) over the short, medium, and long term.

Please refer to EAACA - Net-zero roadmap for AAC for underlying documentation.

Emissions from own operations (negative)

The emissions from our own operations have a material impact on climate, with 99t CO₂ of scope 1 and 2 emissions during 2025. This negative impact occurs over the short and medium term. With our net zero target we do not expect to have negative impact in the long term.

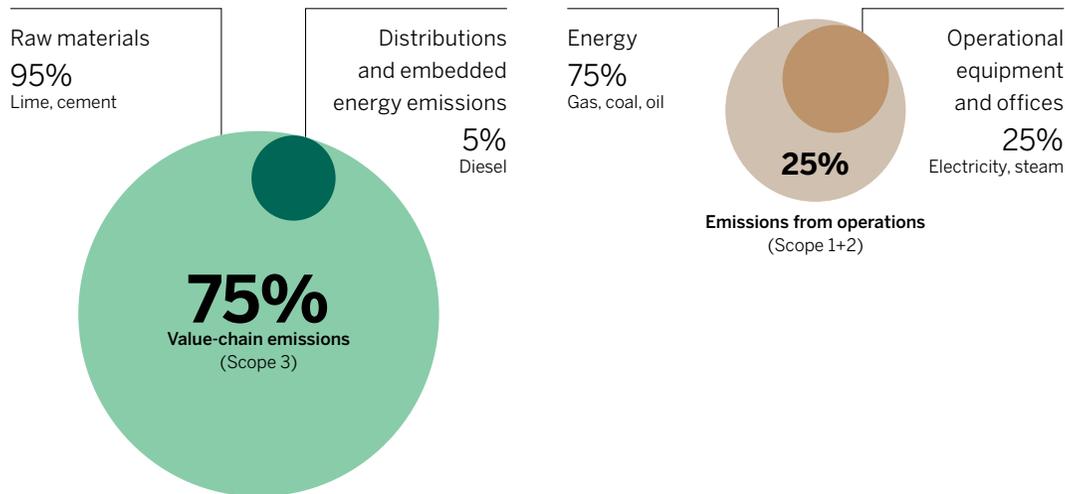
Value chain emissions from extraction and processing of raw materials for production (negative)

As previously mentioned, a significant amount of our emissions derives from our upstream value chain (cement and lime producers), causing a negative impact over the short and medium term. With our net zero target we do not expect to have negative impact in the long term.

Climate change risks and opportunities

In 2022, we undertook a climate scenario analysis using the TCFD guidelines, which was refreshed in 2025. No new findings were discovered. The analysis considered H+H's full value chain, including our own operations, upstream cement and lime producers and downstream customers. No part of the value chain was

H+H's total CO₂e 2019 emissions used as a baseline for science-based targets



H+H was the first manufacturer of aircrete (AAC) and calcium silicate (CSU) products to have science-based targets approved in line with a 1.5-degree scenario.

excluded from the scenario analysis. Nor were any material physical risks or transition risks excluded. The climate scenario analysis is described in disclosure requirement IRO-1.

The scenario analysis identified the following four transition risks and one opportunity. No material physical risks were identified.

- **Risk 1:** Increased cost of cement and lime raw materials
 - No net cost is expected for responding to the risk
- **Risk 2:** Extension of the EU Emissions Trading System (ETS) to include H+H
 - No net cost is expected for responding to the risk
- **Risk 3:** Delay in the decarbonisation roadmaps for cement and lime
 - No net cost is expected for responding to the risk
- **Risk 4:** Substitution by new low carbon building materials products
 - No net cost is expected for responding to the risk
- **Opportunity 1:** Decarbonisation of products
 - Moderately positive impact on EBIT of DKK 100-250 million per annum in the medium to long term due to increased revenues resulting from increased demand for products and services

The findings from the scenario analysis are incorporated in our strategy. Actions to mitigate the transition risks and capture the opportunity

are described in disclosure requirement E1-3. The scenario analysis determined that after these mitigations are applied, H+H has no net-material financial impact in the short, medium, and long term.

E1-2 Policies related to climate change mitigation and adaptation

H+H’s Environmental, Social & Governance Policy (ESG Policy) addresses climate change mitigation by including our commitment to reduce scope 1, 2 & 3 emissions in line with net zero emissions by 2050, and the short-term targets we have set to achieve this. By covering all emission scopes, the policy applies to emissions from our own operations, as well as our upstream and downstream value chain.

The policy does not address energy efficiency, climate change adaptation and renewable energy deployment.

The policy is distributed via H+H’s policy management system in the Group intranet. Stakeholders can access the policy via our group [website](#). The policy is used to communicate our ambitions within ESG on a high level to the entire organisation. In daily operations, the policy is supported by process descriptions and manuals, which describe in detail our expectations and actions. These are made in cooperation with the relevant internal, local stakeholders to ensure ownership.

Group Management has overall responsibility for the ESG policy, while the regional Managing Directors are responsible for implementing it within their countries as heads of their respective legal entities. The policy is reviewed annually by Group Management.

E1-3 Actions and resources in relation to climate change policies

Mitigating actions towards climate risks

H+H has developed a roadmap until 2030 that reduces our carbon emissions. A dedicated amount of the CAPEX budget (up to 15%) is annually allocated to fund emissions reduction projects.

We address our scope 1 & 2 emissions through the following levers and actions:

1. Increasing the share of renewable energy

H+H’s use of renewable electricity will increase by purchasing either RECs or PPAs. In 2024, we changed to 100% renewable electricity in all our plants. We have therefore completed this target and plan to continue on 100% renewable electricity.

2. Investments in energy efficiency

We are continuously implementing energy-saving projects and embedding these into other upgrade projects. In 2025, multiple projects were implemented across all regions and various plants to further optimise our manufacturing footprint and

equipment, while also improving our carbon footprint. The identification and implementation of continuous improvements will remain a key focus throughout 2026.

3. Improved energy mix

We are improving our energy sources by converting from coal to natural gas and plan to convert from natural gas to fossil-free energy sources, when reasonably possible. We have already begun our energy mix improvement by converting one plant in Poland from coal to natural gas and 2 plants to be able to supplement coal with biomass.

4. Supply-chain decarbonisation

H+H addresses our scope 3 emissions through the following levers and actions:

Low-carbon cement and lime

We focus on having a continuous dialogue with our lime and cement producers. We will collaborate on carbon reduction projects with those who have committed to a science-based target or have a credible emissions reduction pathway to net zero emissions by 2050. According to these, net zero will be achieved mainly through the use of carbon capture storage and utilisation (CCSU) and lower carbon ingredients, switching from fossil fuels to renewable energy to heat kilns, and through recarbonation.

A reduction of clinker content in cement used for AAC products has already resulted in a reduction

in scope 3 emissions - see disclosure requirement E1-9 for further details.

Low emissions transport

The emissions-reduction pathway for the transport industry requires transport companies to reduce emissions by approximately 30% by 2030. We expect our transport suppliers to provide such low-emissions transport services in the future.

E1-4 Targets related to climate change mitigation and adaptation

H+H had two climate-related targets covering emissions from our own operations as well as our supply-chain emissions. The emissions reduction targets for 2030 have been verified by the Science Based Targets initiative as being in line with the 1.5°C scenario.

Please refer to the 'Mission Zero' section under 'Strategic Focus Areas' for specific actions to reach net zero by 2050.

The baseline year 2019 is based on the fact that we prepared our SBTi-submission during 2021 and our most recent baseline year (2020) was not representative due to the Covid-19 pandemic. 2019 was the most recent year to choose and represents a "normal" production year in H+H.

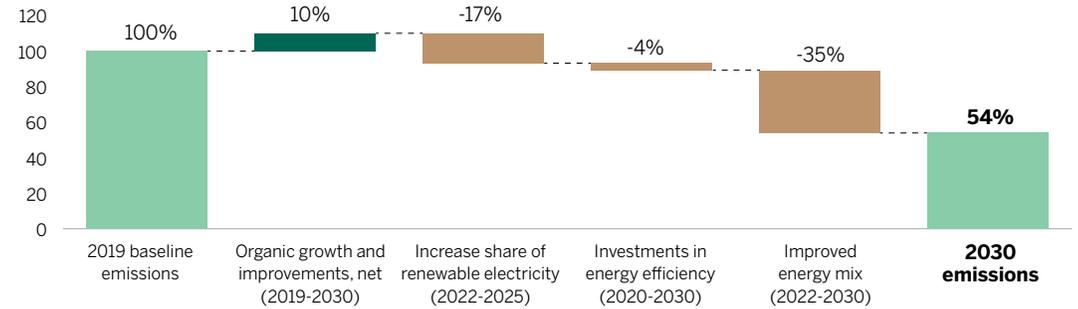
The most critical assumptions in our roadmap is the development of fossil-free energy in operations and the use of carbon capture storage and utilisation from our suppliers. Scope 2 calculated in the baseline and target setting is based on the market-based approach.

For our current performance against target, please refer to our "GHG emissions" section.

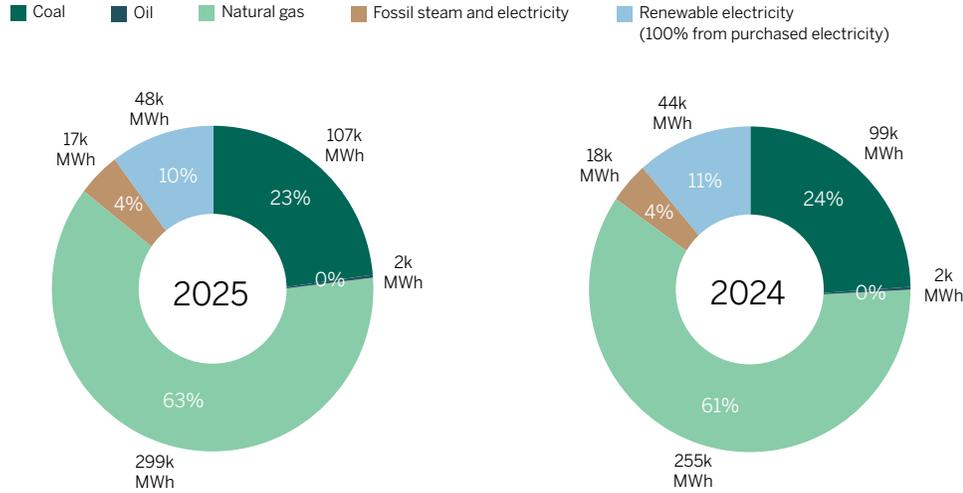
SBTI targets	Unit	Baseline		Target	
		2019	2030	2050	2050
Scope 1+2 CO ₂ emissions	Tonnes	212,997*	115,018*	0	0
Scope 3 CO ₂ intensity	kg/m ³	161.9	125.8	0	0

* 28% of the baseline emissions are related to scope 2. For the 2030 target, 0% are related to scope 2.

H+H's roadmap to reduce emissions for scope 1+2 in line with its science-based target



Breakdown of energy consumption (MWh)



Specific climate ambitions

- 100% share of renewable electricity (incl. PPAs / RECs) by 2024 – **Done ✓**
- Convert all coal plants to natural gas, or other more sustainable sources, by 2030 - **In progress**
- Have at least one scope 1+2 neutral plant by 2030 - **In progress**

Energy intensity per net revenue

	2024	2025	%
Total energy consumption from activities in high climate impact sectors per net-revenue from activities in high climate impact sectors (MWh/Monetary unit)	152	172	13%
Total energy consumption (MJ/m ³)	549	548	0%
Total energy consumption (MWH)	417,035	471,183	13%
Total net revenue (mDKK)	2,747	2,743	0%

E1-5 Energy consumption and mix

Our energy consumption mainly consists of natural gas and coal for generating steam into the autoclaves as well as electricity used to operate plant equipment. As part of our science-based target we are working towards lowering the mix from coal and introducing renewable energy into the mix – such as biogas, hydrogen, or biomass – to generate steam. Additionally, all our plants are committed to efficient energy management and are ISO 50001 certified.

We maintained a low energy consumption of 548 MJ per m³ in 2025, consistent with the 2024 level, which already reflected the impact of the restructuring initiatives implemented in 2023. There was no significant change in our energy mix during 2025.

Energy intensity based on net revenue

The increase in energy per net revenue is related to the production volume being higher than the sales volume.

100% of H+H's activities are in the high climate impact sector.

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

The methodologies, significant assumptions and emission factors used to calculate H+H's GHG emissions are provided in the Environmental accounting policy section. H+H does not have scope 1 GHG emissions from regulated emission trading schemes.

Scope 1+2

In 2025, we continued to implement additional CO₂ reducing projects and initiatives—such as replacing and insulating pipelines and optimizing autoclave processes—leading to a further reduction in carbon intensity to 31.9 kg per m³ produced. Compared to our 2019 baseline of 45.3 kg per m³, this represents a 29% improvement, supporting our roadmap toward achieving our SBTi targets for 2030 and net zero emissions by 2050.

Scope 3

For the first time since our 2019 baseline year, we saw an increase in Scope 3 intensity per m³, rising by 2% from 2024. This development was primarily driven by slightly higher emissions related to our raw materials, as our suppliers have reported less efficiency in their production due to a lower market demand.

Given that Scope 3 emissions account for approximately 80% of our total emissions—and in light of this negative trend in 2025—we are strengthening our efforts to identify initiatives that can reduce our Scope 3 footprint. This includes intensifying collaboration with our lime and cement suppliers and supporting their efforts to reach net zero as well as exploring other significant reduction opportunities.

Total emissions

Our nominal emissions have increased due to higher production volumes.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

H+H has no net-material financial impact in the short, medium, and long term as described in the General Information section.

	Retrospective				Milestones and target years	
	Base year (2019)	2024	2025	% vs. LY	2030	Annual % target / Base year
Scope 1 GHG emissions						
Gross scope 1 GHG emissions (tCO ₂ eq)	153,887	81,884	92,545	13%	115,018 ¹	4.2%
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%		
Scope 2 GHG emissions						
Gross location-based scope 2 GHG emissions (tCO ₂ eq)	59,109	25,522	26,304	3%		
Gross market-based scope 2 GHG emissions (tCO ₂ eq)	59,109	6,885	6,192	-10%		
Significant scope 3 GHG emissions						
Total Gross indirect (scope 3) GHG emissions (tCO ₂ eq)	758,327	394,435	453,614	15%	Reduce by 22% per m ³	2.0%
1 Purchased goods and services	700,604	351,484	409,430	16%		
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	34,964	19,234	21,422	11%		
4 Upstream transportation and distribution	13,656	14,680	14,173	-3%		
9 Downstream transportation	9,104	9,038	8,589	-5%		
Total GHG emissions						
Total GHG emissions (location-based) (tCO ₂ eq)	971,324	501,842	572,463	14%		
Total GHG emissions (market-based) (tCO ₂ eq)	971,324	483,205	552,351	15%		

¹ Scope 1+2 is a combined target

GHG Intensity based on net revenue

GHG intensity per net revenue	2024	2025	%
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary unit)	183	209	14%
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary unit)	176	201	14%
Net revenue	2,747	2,743	0%

Environmental accounting policy

Controls

Data regarding energy consumption and our GHG emissions are reported through the operations management system that follows normal financial processes to ensure consistency and is validated against the external financial reporting.

The data is verified through internal controls, analysis, benchmarks, and monthly business meetings.

Unless stated no numbers or metrics have been validated by any external body other than the assurance provider.

Definitions

Climate (offices excluded due to insignificance)

- CO₂e scope 1 is calculated as combusted fuel type x conversion factor per fuel type. For 1 tonnes of coal a conversion factor between 19 and 23 to GJ is used, based on the quality of the product. For other combustion fuels an emission factor is applied based on DEFRA factors
- CO₂e scope 2 is calculated as purchased MWh x conversion factor of 3.6 to GJ. For both loca-

tion- and market-based electricity, emission factors are based on AIB 2023. Additionally, for market-based we adjust for the purchase of RECs in our emissions. We only use RECs when calculating our market-based emissions

- CO₂e per m³ (scope 1), CO₂e per m³ (scope 2) and CO₂e per m³ (scope 3) are calculated as scope 1, scope 2 (market based) and scope 3 divided by net-production volume
- During our initial scope 3 assessment, we screened all 15 types of activities:

Scope 3 categories – material

Activity 1,3,4 and 9 were deemed material for 2025 and have been reported on. For scope 3 activities 1 and 3, we have used primary data for all sources and for activities 4 and 9, we have used industry generic factors (ICCT)

Scope 3 categories – not material

Activity 2 (Capital goods): We only purchase limited capital goods from an emission point of view, relative to our material categories.

Activity 5 (Waste generated in operations): We generate limited waste in production and the majority is being recycled

Activity 6 (Business Travel): We have conducted an internal analysis of emissions from travelling, showing a very limited impact

Activity 7 (Employee commuting): We have conducted an internal analysis of emissions from commuting, showing a very limited impact

Activity 8 (Upstream leased assets): We do not have any leased assets that are not in our control

Activity 10 (Processing of sold products): We do not sell products that require further processing by our customers.

Activity 11 (Use of sold products): We sell finished goods used for wall building, hence no material emission occurs in the use-phase

Activity 12 (End-of-life treatment of sold products): We have not identified ways to quantify the impacts as the end-of-life occurs 50-200 years after completion

Activity 13 (Downstream leased assets): We do not act as lessor

Activity 14 (Franchises): We do not operate with franchises

Activity 15 (Investments): We only invest limited from an emission point of view, relative to our material categories

- CO₂e scope 3 category 1 is calculated as purchased materials in scope x emission factor. Where emission factors are disclosed by the supplier this is used. If such are not available generic industry emission factors are applied
- CO₂e scope 3 category 3 is calculated as consumed energy x emission factor from DEFRA
- CO₂e scope 3 categories 4 and 9 are calculated as total transported km of our products x payload in tonnes x generic transport emission factor
- Total energy is calculated as combusted fuel type x power factor per fuel type + used electricity. Energy consumption is reported for production sites, and data is obtained from invoices and converted into MWh using appropriate conversion factors
- Total energy per m³ is calculated as total energy divided by production volume
- Production volume is defined as produced AAC and CSU (net) measured in m³

EU Taxonomy

H+H's EU Taxonomy disclosure for the annual reporting period of 2025 has been prepared in accordance with the Taxonomy Regulation EU (2020/852) and its supplementing delegated acts.

The disclosure covers the taxonomy-eligible and taxonomy-aligned economic activities and their financial KPIs as a proportion of the Group's turnover, capital expenditure (CAPEX), and operational expenditure (OPEX) in 2025.

Reporting principles

Our economic activities are considered regardless of their geographical location, whether inside or outside of the European Union.

Economic activities

Taxonomy-eligible economic activities

According to note 3 of the consolidated financial statement, H+H revenue streams consist of sale of goods and related transport services. As such, we have concluded that the following economic activities qualify as taxonomy eligible economic activities:

- (3.5) Manufacture of energy-efficient building equipment
- (6.6) Freight transport services by road

Both H+H's product groups (AAC and CSU) are classified under NACE code 23.61 and are as such covered by the Delegated Act (EU) 2021/2139 of June 4, 2021 in Chapter 3.5 as key components for external wall systems. The product groups contribute to achieving the climate change mitigation target if they fulfil the technical screening criteria of having a U-value lower or equal to 0,5 W/m²K. For external wall systems, a U-value lower than 0.5 W/m²K is required by law in all countries in which we produce and sell our products. As such, the substantial contribution screening criteria are met.

Products from both AAC and CSU product groups have multiple applications. In addition to being used for external walls, they can also be used as partition walls. When determining which of our products that are within scope, we have looked at the intended use of the products. Turnover from products where the intended use is to be part of an external wall system is reported as eligible, whereas turnover from products where the intended use is partition walls is reported as not eligible. Turnover from accessories needed

to build the external wall such as mortar and glue are also reported as eligible because such accessories are considered to be key components in an external wall system. Pallets used for transportation are not included in the scope since only plastic pallets are eligible under the EU Taxonomy.

When calculating the taxonomy-eligible turnover under CCM 3.5 for products which can be used in both external walls and partition walls, we have used allocation keys to determine the split between sale of products used for external walls and partition walls. As each of the countries in which we sell our products have different ways of building, allocation keys are based on individual market analysis. Analyses were made in 2025 by local sales departments which have in depth knowledge of the local building markets. Hence, we assess their input to be highly valid.

Transport of goods for sale is a separate revenue stream classified under NACE code 49.41 which is covered by Chapter 6.6 'Freight transport services by road' in the delegated act.

Taxonomy-eligible turnover

During our screening, we identified 66% eligible turnover. The taxonomy-eligible turnover refers to revenue from sales of products and key compo-

nents used for external walls (CCM 3.5), as well as freight revenue derived from sales of external wall building materials (CCM 6.6). There is no material development compared to last year, as activities are unchanged. Revenue is defined as revenue included in the consolidated financial statements for the year 2025.

Taxonomy-eligible CAPEX

During our screening, we identified 55% eligible CAPEX. The taxonomy-eligible CAPEX is divided between production related activities (CCM 3.5) and activities related to transport (CCM 6.5 and CCM 6.6). To determine the proportion of production related CAPEX associated with taxonomy-eligible economic activities, the same allocation key as for turnover is used. This is based on the fact that our plants produce both eligible and non-eligible products, and it is therefore not possible to do individual distinctions. Taxonomy eligible activity related to transport contains leased company cars (CCM 6.5) and forklifts (CCM 6.6). There is no material development compared to last year, as activities are unchanged. CAPEX is defined as additions of tangible assets and intangible assets (excluding goodwill) as included in the consolidated financial statements for the year 2025, note 13 & 14.

Taxonomy-eligible OPEX

During our screening, we identified 67% eligible OPEX. Operating expenditures as per the EU Taxonomy are defined as directly incurred, non-capitalizable cost relating to research and development, building renovations, short-term leases, and the repair and maintenance of property, plant, and equipment in 2025. To determine the proportion of OPEX from products or services associated with taxonomy-eligible economic activities, the same allocation key as for turnover is used for the same reason as when determining taxonomy-eligible CAPEX. There is no material development compared to last year, as activities are unchanged.

Taxonomy-aligned economic activities

Our economic activities are considered taxonomy-aligned if they:

- make a substantial contribution to the achievement of one or more of the six environmental objectives set out in the Taxonomy Regulation
- do not significantly harm any of the other environmental objectives, and
- are carried out in compliance with the minimum social safeguards.

As described above, H+H assesses that a certain share of our turnover contributes to climate change mitigation by meeting the substantial

contribution criteria for external wall systems with U-value lower or equal to 0.5 W/ m² K.

For an economic activity to be classified as sustainable under the taxonomy, it must fulfil the criteria for not doing significant harm under the other environmental objectives included in the taxonomy.

While environmental management is done in all regions, the approach is not consistent across the Group, depending on region and depending on the individual plants. Below is an overview of our initiatives in our UK plants where we meet

the objectives for aligned economic activities. Turnover from these plants is reported as taxonomy-aligned economic activity. In addition, we describe initiatives in our other regions where we only partially meet the objectives.

Minimum safeguards

Compliance with minimum social safeguards essentially relates to the areas of human and labour rights, corruption prevention, fair taxation and fair competition. H+H have implemented processes and guidelines that ensure compliance with all minimum standards in line with the OECD Guide-

lines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Declaration by the International Labour Organization. Our efforts are further described in the Governance section, when reporting on our Code of Conduct, Anti-corruption policy and Tax policy.

Turnover from the regions where not all DNHS criteria are met is reported under section A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-aligned activities).

Other environmental objectives (2–6)

		Do no significant harm	
		UK	Poland
Climate change adaptation	✓	As part of our ESRs reporting and work towards having targets validated by the SBTi, we have performed climate risk assessments.	
Sustainable use and protection of water and marine resources	✓	We have a water use and protection management plan in place as part of our ISO 14001 certification.	We believe that we do not do any significant harm, but we are working towards getting the necessary documentation requirements such as an ISO 14001 certification.
Transition to a circular economy	✓	Our products are designed for high durability and recyclability. We employ a 'zero waste to landfill' principle and recycle our AAC waste back into production.	
Pollution prevention and control	✓	No substances of concern are used in H+H's products and no accessories from other vendors are sold from these plants.	No substances of concern are used in H+H's products. We are currently working with vendors to document that our accessories sold do not contain substances of concern.
Protection and restoration of biodiversity	✓	Dedicated efforts towards protection of biodiversity are part of our ISO 14001 and BES: 6001 certifications, ensuring that the generic criteria for protection and restoration of biodiversity are met	We believe that we do not do any significant harm, but we are working towards getting the necessary documentation requirements such as an ISO 14001 certification.

✓ Achieved in all regions ✓ Achieved in the UK

The eligible economic activity under CCM 6.6 does not meet the substantial contribution criteria (zero tailpipe emissions) and is as such reported under section A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy-non-aligned activities).

EU Taxonomy Disclosure

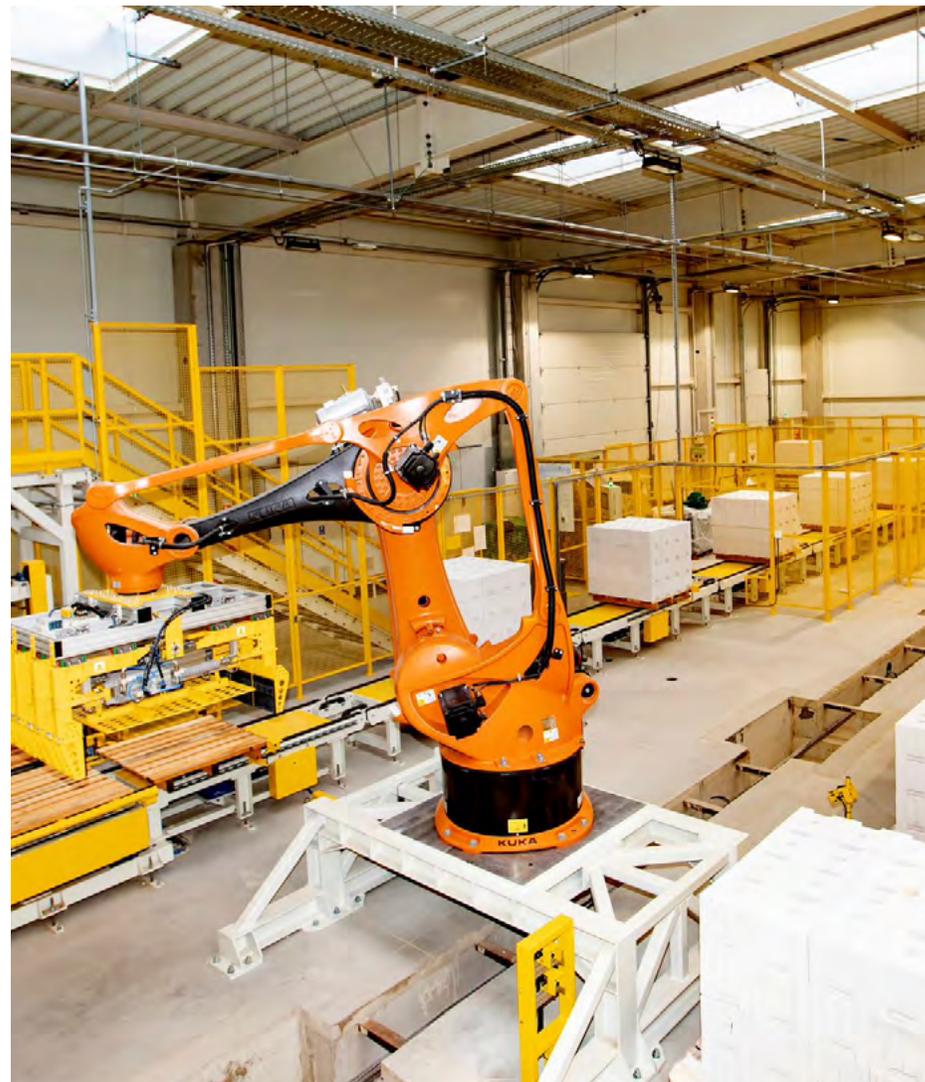
2025	Revenue	CAPEX	OPEX
Taxonomy-eligible activities	66%	55%	67%
Taxonomy-non-eligible activities	34%	45%	33%
Taxonomy-aligned activities	28%	17%	28%
Taxonomy-non-aligned activities	72%	83%	72%

Nuclear and fossil gas related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce 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 carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No



EU Taxonomy – Turnover

Financial year 2025	2025			Sustainable contribution criteria						DNSH criteria ("Does Not Significant Harm")								Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2024 (%) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Code (2)	Absolute turnover (m DKK) (3)	Proportion of turnover 2025 (%) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
Economic activities - Turnover (1)																				
A. Taxonomy – Eligible Activities																				
<i>A1. Environmentally sustainable activities (Taxonomy-aligned)</i>																				
Manufacture of energy-efficient building equipment	CCM 3.5	756	28%	Y	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	27%			
Turnover of environmentally sustainable activities (Taxonomy-aligned)		756	28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27%			
Of which Enabling		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E		
Of which Transitional		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		T	
<i>A2. Taxonomy-eligible but not aligned activities</i>																				
Manufacture of energy-efficient building equipment	CCM 3.5	848	31%	Y	N/A	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	Y	N/A	Y	32%			
Freight transport services by road	CCM 6.6	201	7%	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10%			
Turnover of not-aligned activities		1,049	38%														42%			
Turnover of taxonomy-eligible activities (A1+A2)		1,806	66%														69%			
A. Taxonomy – Non-Eligible Activities																				
B. Turnover of non-eligible activities		937	34%																	
Total		2,743	100%																	

Quantitative breakdown of taxonomy-aligned turnover

The primary sources of turnover contributing to the numerator of the turnover KPI in 2025 are generation and sale of blocks and related accessories in the UK region (DKK 756 million)

EU Taxonomy – CAPEX

Financial year 2025	2025			Sustainable contribution criteria						DNSH criteria ("Does Not Significant Harm")								Category (transitional activity) (20)
	Code (2)	Absolute CAPEX (m DKK) (3)	Proportion of CAPEX 2025 (%) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned (A.1.) or eligible (A.2.) CAPEX: 2024 (%) (18)	
Economic activities - CAPEX (1)																		
A. Taxonomy – Eligible Activities																		
<i>A1. Environmentally sustainable activities (Taxonomy-aligned)</i>																		
Manufacture of energy-efficient building equipment	CCM 3.5	31	17%	Y	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	20%	
CAPEX of aligned activities		31	17%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20%	
Of which Enabling		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E
Of which Transitional		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	T
<i>A2. Taxonomy-eligible but not aligned activities</i>																		
Manufacture of energy-efficient building equipment	CCM 3.5	57	31%	Y	N/A	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	Y	N/A	Y	32%	
Freight transport services by road	CCM 6.6	14	7%	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10%	
CAPEX of non-aligned activities		71	38%														42%	
Total (A1+A2)		102	55%														62%	
A. Taxonomy – Non-Eligible Activities																		
CAPEX of non-eligible activities (B)		83	45%															
Total (A+B)		185	100%															

No formal CAPEX-plan in relation to EU-taxonomy has been developed in 2025, but will be reassessed in 2026.

Quantitative breakdown of taxonomy-aligned CAPEX

The primary sources of CAPEX contributing to the numerator of the CAPEX KPI in 2025 are additions from tangible and intangible assets from the UK region (DKK 31 million)

EU Taxonomy – OPEX

Financial year 2025	2025			Sustainable contribution criteria						DNSH criteria ("Does Not Significant Harm")							Taxonomy aligned (A.1.) or eligible (A.2.) OPEX, 2024 (%) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Code (2)	Absolute OPEX (m DKK) (3)	Proportion of OPEX 2025 (%) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
Economic activities - OPEX (1)																			
A. Taxonomy – ligible Activities																			
<i>A1. Environmentally sustainable activities (Taxonomy-aligned)</i>																			
Manufacture of energy-efficient building equipment	CCM 3.5	37	28%	Y	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	21%		
OPEX of environmentally sustainable activities (Taxonomy-aligned)		37	28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21%		
Of which Enabling		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E	
Of which Transitional		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		T
<i>A2. Taxonomy-eligible but not aligned activities</i>																			
Manufacture of energy-efficient building equipment	CCM 3.5	40	31%	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	32%		
Freight transport services by road	CCM 6.6	10	7%	Y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10%		
OPEX of non-aligned activities		50	38%														42%		
Total (A1+A2)		86	67%														63%		
A. Taxonomy – Non-Eligible Activities																			
OPEX of non-eligible activities (B)		43	33%																
Total (A+B)		130	100%																

H+H does not have any eligible OPEX, hence no OPEX is allocated to the numerator.

Quantitative breakdown of taxonomy-aligned OPEX

The primary sources of OPEX contributing to the numerator of the OPEX KPI in 2025 are maintenance and repair costs from the UK region (DKK 37 million)

Social information

People are the foundation for our success. We aim to provide a safe, attractive, and meaningful workplace for our employees. In this section, we take a thematic approach to the sustainability topics identified in our materiality assessment.

List of material disclosure requirements	Page reference
S1 – Own workforce	
SBM-2 Interests and views of stakeholders	Page 51
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Pages 75, 77, 82
S1-1 Policies related to own workforce*	Pages 76, 78, 82
S1-2 Processes for engaging with own workforce and workers' representatives	Page 82
S1-3 Processes to remediate negative impacts and channels for own workforce	Page 82
S1-4 Taking action on material impacts on own workforce, and approaches to managing risks and pursuing opportunities related to own workforce, and effectiveness of those actions	Pages 76, 78, 82
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Pages 76, 79, 82
S1-6 Characteristics of the undertaking's employees	Page 79
S1-7 Characteristics of non-employees in the undertaking's own workforce	Page 79
S1-8 Social dialogue	Page 82
S1-9 Diversity metrics	Page 81
S1-14 Health & Safety metrics	Page 76
S1-16 Remuneration metrics (pay gap and total remuneration)	Page 81
S1-17 Incidents, complaints and severe human rights impacts	Page 83

* None of our Social policies are inconsistent with UN Guiding Principles on Business and Human Rights. For S1.SBM-3 14e to 14g and 15-16 we do not assess to have any material impact

Health and Safety

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

At H+H, we are firmly committed to ensuring that every employee arrives at work safely and returns home injury-free — every single day. Working in an industrial plant comes with inherent health and safety risks from the heavy equipment and substances used in the production process. Managing these risks effectively is key to maintaining a strong safety performance as well as enabling us to provide healthy, safe, and secure working conditions for all people working on our sites.

This mindset is transformed into our 'ZERO HARM' strategy as described in S1-4.

Material health & safety impacts

In our materiality assessment, we identified the following material health & safety impacts:

Industrial accidents

The majority of our employees work in our plants where they operate heavy machinery with a potential high risk of accidents which can result in the direct impact of life-altering injuries or death.

Production materials

While our finished products do not pose any health risks, employees working in our plants can

potentially be exposed to the following substances used in production that pose health risks:

- Silicate dust, a known carcinogen when exposed above a known limit
- Mineral oils that can cause dermatitis
- Aluminium dust which is an irritant but with no recognised inhalation, oral or dermal chronic effects
- Alkalis raw materials which can be harmful and can cause chronic effects

The impacts affect employees and non-employees, including self-employed people and people provided by third parties. The impacts occur in all our plants over the short, medium and long term. They are systemic due to the nature of our production. Due to the low exposure to the above substances it was not identified as a material risk. No material opportunities related to health & safety were identified in the materiality assessment.

Impacts, risks and opportunities management

To effectively manage our impacts and to maintain a strong safety performance, we have a Group Health & Safety Policy, a strategy for 2024-2026

and a health and safety management system. In practice, we prevent safety incidents through regular training in Health & Safety, monitoring of exposure levels of substances used in production, prevention and access controls, incident management, proper PPE, continuous and regular assessment of plants, offices, processes, and equipment as well as target setting and progress measurement across the Group.

S1-1 Policies

Health & Safety Policy

It is our key priority to provide a safe and healthy work environment. This is the core objective of our Group H&S Policy (H&S Policy), and it is the foundation on which we prevent, mitigate, and remediate all of H+H's impacts related to H&S.

The Group Operational Director has overall responsibility for the policy, while the regional Managing Directors are responsible for implementation within their countries as heads of their respective legal entities. They are supported by the regional Operations Directors, local safety officers and the Group Health & Safety leadership team.

The policy covers H+H employees across the entire workforce but does not include workers in the value chain. The policy is distributed via our policy management system and is prominently placed on notice boards at all sites and on the Group [website](#). All employees are required to confirm, either physically or digitally, that they have read and understood the policy.

The H&S Policy is reviewed annually by Group Management and the Group H&S Director. The review is based on our Maturity Audit process, and on input provided by the functional management teams and their employees.

In daily operations, the policy is supported by topic specific standards and guidance, which addresses the risks and impacts directly.

S1-4 Actions in 2025

At the beginning of 2024, a new H&S strategy and vision for 2024-2026, titled ZERO HARM, was launched together with a major communications campaign targeting all employees. The strategy focuses on behavioural-based safety and on driving safety through the line to embed a culture that embraces safety across our operations, moving towards our ambition of zero harm. In 2025, we have continued this strategy with great success.

When working with heavy machinery, even a small lapse of attention can have dire consequences. We therefore want to foster a culture, where safety is always top of mind, highlighting each individual's responsibility for ensuring their own safety and that of their colleagues. In the event of an incident, communication is disseminated throughout the organisation with follow-up on actions to prevent reoccurrence.

To mitigate the risks associated with handling production materials, we provide appropriate personal protective equipment (PPE) and

regularly monitor exposure levels. In addition, we design our work processes to be as safe as possible so that technical and organizational measures take priority, and the use of PPE is only required in a few cases.

All plants are subject to both internal and external audits using our Maturity Audit Model with each plant having a Safety Improvement Plan which is actively monitored to gauge the effectiveness of our actions and initiatives. To further evaluate the effectiveness of our initiatives, performance on H&S KPIs including absence and incidents is monitored monthly and reported to Group Management.

In 2026 we plan to continue the focus on behavioural based safety via training, communication and lessons learned from incidents and high potential events. This includes training employees to have a more proactive approach to spotting potential hazards and unsafe conditions and behaviours. Our aim is to further improve our safety culture shifting from a reactive focus to a pro-active and positive one with the end goal of zero harm.

Resources allocated to manage material impacts are the H&S community as well as above-described actions.

S1-5 Targets

To measure our progress on safety, we have a target related to our Lost Time Incident Frequency (LTIF) rate which was included in the short-term

incentive plan for 2025 to highlight its importance. Our target for 2030 is an LTIF rate of 2.1.

The rate is measured every year to track progress on the target. Based on the number of incidents and the initiatives we have embedded in the business, we projected an improved H&S performance to determine the specific KPI we want to reach and when. The target is a result of the collective efforts between Group Management, the regional Managing and Operations Directors, as well as the H&S leaders across the Group. All incidents are shared and discussed within the regions with those responsible and the health and safety community in order to learn lessons and prevent similar incidents in the future.

S1-14 Health and safety metrics

In 2025 we saw another record result with an LTIF rate of 0.9, which is a satisfactory achievement. We attribute our positive result to our continued focus on leading in safety for all levels of operational management, behavioural safety and close follow-up of incidents.

		2025	2024	2023 ¹	2022 ¹
Fatalities as a result of work-related injuries AND work-related ill health	Headcount	0	0	0	0
Lost-time incident frequency (LTIF)	Incidents per mil. hours	0.9	0.9	*3.4	3.6
Lost days to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	Days	0	83	787	313
Total recordable incidents	Headcount incidents	10	7	18	77
Total recordable contractor incidents	Headcount incidents	0	0	0	3
Total recordable incident rate (TRIR)	Incidents per mil. hours	4.3	3	7	25
Number of cases of recordable work-related ill health	Number of cases	0	0	0	
People in own workforce covered by H+H's H&S Management system	%	100%	100%	100%	

* ESG figure subject to limited assurance in 2023

¹ Not covered by the Independent Auditor's limited assurance report

Equal treatment & opportunities for all

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

We know people are different and we believe that differences are what enable us to see new opportunities and create better solutions. We want all employees and stakeholders to feel that their contribution is valid, and we do not tolerate any form of discrimination.

We do not have a formal link to our Group strategy and business model, as these topics are driven locally by the regional management teams.

Material impacts

In the materiality assessment, we identified the following material impacts related to equal treatment and opportunities:

Gender equality & equal pay

We are committed to equal pay for equal work, promoting gender equality and ensuring equal access to resources and opportunities regardless of gender. This has an impact on our workforce as we believe there are clear links between perceived and actual equality to employee cohesion and well-being. At the moment we do not have sufficient data to determine whether the impact is systemic or not but further investigation is planned for 2026 in preparation

for the EU Directive on pay transparency. Our current belief is that we enforce equal pay for equal work in all regions.

Anti-harassment

As employers we are responsible for providing a harassment-free work environment and thus have an impact on our employees. We believe the impact to be non-systemic, occurring over the short and medium term affecting employees in our own workforce.

Gender diversity

The building materials industry is not traditionally known for being gender diverse and we therefore risk fostering workplaces with low diversity. As a result we believe this impact to be systemic in nature and not related to individual incidents.

Both impacts related to equal treatment occur over the short and medium term. Impact related to equal pay only affects those directly employed by H+H. Impacts related to diversity affects both our own employees, non-employees (both self-employed people and people provided by third party organisations) and contractors. No material risks or opportunities were identified in the materiality assessment.

Impacts, risks, and opportunities management

We approach the impacts related to equal treatment through a mixture of Group and local initiatives. We believe a safe and inclusive work culture is best achieved by encouraging our employees to speak up and take ownership of creating a work environment they feel they belong to, with clear support from senior management.

S1-1 Policies related to equal treatment Diversity Policy

The core objective of H+H's Group Diversity Policy is to foster an inclusive and open working climate where diversity is embraced and promoted. By making our principles on diversity clear, we want to mitigate negative impacts related to lack of diversity.

While gender is one dimension of diversity, we fully recognise that diversity is any aspect that differentiates our employees and enables diversity of thought. This includes ethnicity, age, national origin or citizenship, religion or belief, political conviction, sexual orientation, marital status, pregnancy and maternity, disability or genetic information or any other legally protected categories. We do not tolerate any form of discrimination towards employees or stakeholders. All reports of discrimination and harassment are fully investigated and may result in disciplinary actions or employment-related consequences for the perpetrator. Besides the Code of Conduct, we currently do not have any

other specific Group policies aimed at eliminating discrimination or harassment.

The policy applies across all of H+H and includes but is not limited to recruitment, promotion and development opportunities. The policy is communicated to all new employees, and in the case of updates, to the entire workforce. The policy is also available on our Group [website](#).

The Board of Directors has adopted the Group Diversity Policy while the CEO is overall responsible. Regional Managing Directors are responsible for implementation within their countries as heads of their respective legal entities.

S1-1 Policies related to human rights Human Rights Policy

We strongly support human rights and employee rights as set out in the UN Universal Declaration of Human Rights and by the International Labour Organization. We have a dedicated Human Rights policy and it is further stated in our Code of Conduct which is the foundation for our compliance and other policies.

The purpose of our Human Rights policy is to communicate – both externally and internally - H+H's commitments to respect human rights, as well as to provide guidance to our management and employees on appropriate behaviour when it comes to human rights issues.

In short this means, that H+H:

- Respects freedom of association and the right to collective bargaining
- Supports the principle of equal opportunity and does not accept harassment or discrimination
- Prioritises safety and adheres to all applicable local laws related to ensuring proper working conditions
- Does not accept human trafficking, the use of child labour and the use of forced or compulsory labour

Many aspects of our business touch on human rights, including working conditions, health and safety, and data privacy. In addition to the Code of Conduct and Human Rights policy, this is reflected in many of our other policies, as outlined in our overview of our sustainability-related policies and systems in the Governance section.

Although the materiality assessment determined that there are no material human rights impacts, risks, or opportunities for H+H, we continuously assess the risk of human rights violations. We believe the inherent risk for human rights violations is low due to the nature of the business and as we only conduct business in European countries with strong institutions. Most of the people working in our plants are directly employed by H+H, and consequently, we can ensure that our staff are treated fairly and in accordance with the above principles. Temporary staff (non-em-

ployees) are either employed directly by us or via reputable agencies which adhere to relevant employment legislation. To mitigate risks for violation of human rights throughout the value chain, we have a Code of Conduct for Suppliers which outlines our expectations for our suppliers and contains provisions to address human trafficking, forced and compulsory labour, the health & safety of workers and precarious work.

A description of our Code of Conduct and Code of Conduct for Suppliers can be found in the Governance section. Engagement with own workforce on this and other employment related issues is described in the next section under S1-2.

S1-4 Actions in 2025

Guided by the Diversity Policy, all managers are expected to treat employees equally and not discriminate in matters such as recruitment, promotions, development opportunities or any other personnel decisions. When recruiting we source candidates of different genders whenever possible, and we seek to create a dynamic organisation with a diverse mix of cultures, backgrounds, skills, and ways of thinking. When employing external recruitment consultants, they are required to submit their diversity policies and where possible we ensure that all recruitment short lists have an appropriate gender balance. If two candidates of different genders are equally qualified for the position, the candidate of the under-represented gender, if any, will be chosen. This principle is applied across the Group. No

additional actions have been planned for 2026. Due to the small size of the management levels, turnover in these roles is also naturally low, making it difficult to track effectiveness of actions. Resources allocated to manage material impacts are the HR community.

S1-5 Targets

Group Management have decided to not set any targets related to managing material negative impacts, as we currently continue our focus on safety. There are currently no formal processes in place to track the effectiveness of our policies and actions, but the need for setting targets and implementing processes is regularly assessed.

Board diversity targets

Our Group Diversity Policy is applied when evaluating the composition of H+H International A/S' management.

Pursuant to section 139c of the Danish Companies Act, we aim to have equal gender distribution in our Board of Directors, as defined by the Danish Business Authority. This was reached at the Annual General Meeting on 31 March 2022, and the target is still met with the current composition of 2 female members and 3 males. A new formal gender target under the law will be set if the gender composition changes.

The Board seeks to be diverse in the broadest sense relevant. When deciding whether to propose re-election or not of board members as

well as when searching for candidates to propose as new board members, the decision is based on filling out any competence gaps or strengthening specific competences in the Board based on the collective competences that the Board finds relevant at the time considering H+H's strategy, challenges and opportunities. In addition to looking at competences in the form of professional experience and education, the Board also recognises the benefits of diversity in terms of cultural background, gender, age etc. Currently, the Board of Directors' diversity in respect of age could improve, hence if two candidates for a board position are equally competent, the candidate who is younger than the average age of the board members will be preferred.

You can read more about board diversity in the 'Board Diversity' section under 'Corporate Governance'.

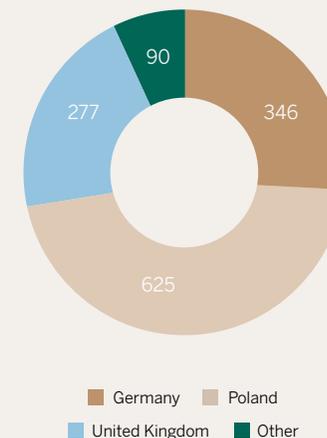
For gender diversity in the two management levels in the parent company below the Board, we have due to H+H International A/S' relatively small organisation, opted to use the legal exemption for companies with less than 50 employees and not have a gender diversity policy or related gender diversity targets to increase the proportion of the underrepresented gender, cf. the Danish Companies Act, Section 139(c)(7). The parent company has less than 25 employees and a high degree of retention, and thus only very few recruitments over time, making it impossible to pursue gender targets within a meaningful timeframe.

S1-6 Characteristics of H+H employees & S1-7 Characteristics of non-employees

The gender ratio of our workforce remains stable with an even split among workers in office environments and low diversity among workers in our plants and other non-office environments.

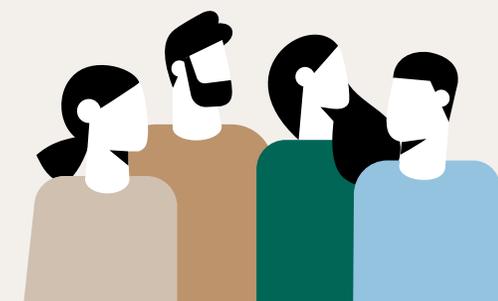
Due to the continued need for organisational streamlining following the downturn in the construction industry our turnover rate remains high, however not as high as 2023 (40%). We are however pleased to see that our voluntary turnover ratio remains stable at 11% compared to 12% last year, reflecting the regional efforts to ensure good work-life balance and working conditions.

Headcount by country



Headcount by country	2025	2024
Germany	346	413
Poland	625	608
United Kingdom	277	228
Other	90	88
Total	1,338	1,337

Turnover	Unit	2025	2024
Employee turnover ratio	%	21%	22%
Employee turnover	Headcount	284	280



Headcount by gender

	2025		
	Office workers	Non-office workers	Total
Male	155	976	1,131
Female	148	59	207
Other	0	0	0
Not reported	0	0	0
Total	303	1,035	1,338

	2024		
	Office workers	Non-office workers	Total
Male	198	917	1,115
Female	171	51	222
Other	0	0	0
Not reported	0	0	0
Total	369	968	1,337

	2025				
	Female	Male	Other	Not disclosed	Total
Number of employees	207	1,131	0	0	1,338
Number of permanent employees	206	1,130	0	0	1,336
Number of temporary employees	1	1	0	0	2
Number of non-guaranteed hours employees	0	0	0	0	0
Number of non-employees	0	0	0	0	0

	2024				
	Female	Male	Other	Not disclosed	Total
Number of employees	222	1,115	0	0	1,337
Number of permanent employees	212	979	0	0	1,191
Number of temporary employees	10	136	0	0	146
Number of non-guaranteed hours employees	0	2	0	0	2
Number of non-employees	2	15	0	0	17

	2025				
	CWE region	HQ	Poland	United Kingdom	Total
Number of employees	419	17	625	277	1,338
Number of permanent employees	419	17	625	275	1,336
Number of temporary employees	0	0	0	2	2
Number of non-guaranteed hours employees	0	0	0	0	0
Number of non-employees	0	0	0	0	0

	2024				
	CWE region	HQ	Poland	United Kingdom	Total
Number of employees	483	18	608	228	1,337
Number of permanent employees	473	18	473	227	1,191
Number of temporary employees	10	0	135	1	146
Number of non-guaranteed hours employees	2	0	0	0	2
Number of non-employees	16	1	0	0	17

S1-9 Diversity metrics
The underrepresented gender in top management

		2025	2024
Gender diversity, top management (entire H+H Group)		0%	0%
Females / total	HC	0/5	0/6

S1-16 Remuneration metrics

During 2025 the gender pay gap, defined as the difference of average pay levels between male and female employees, remained unchanged from -17% to -17%. In general, we believe that it is difficult to assess the development in the gender pay gap due to the mix of job functions and job levels. However a big contributor, is the composition of our workforce, where majority are non-office workers who are traditionally male and where salaries are lower. Additionally, as we operate in countries with materially different salary levels, comparison across regions can be difficult.

However, we are working on getting better transparency of the differences in salary levels. The first step is the implementation of a Group job architecture as preparation for the implementation of the EU directive on Pay Transparency. This is planned for 2026.

Age distribution in the Group

The age distribution of our workforce is in line with other industries and society in general and is therefore in line with our expectations.

Age distribution	2025	2024
Below 30	10%	9%
Between 30 and 50	52%	51%
Above 50	38%	40%

The CEO pay ratio, defined as the ratio of the highest-paid individual to the median annual total remuneration for all employees has slightly decreased from 2024 to 2025. We attribute this to the variable components of the CEO pay, as described in the Remuneration Report.

“Annual total remuneration” is defined in the ESRS as annual total remuneration to own workforce includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided over the course of a year.

	2025	2024
Gender pay gap (average)	-17%	-17%
CEO pay ratio	33	34

Working conditions

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

H+H seeks to provide a safe and attractive work environment for our employees during all stages of their career. To enable this, we provide opportunities to shape their work whenever possible.

Please refer to the section 'HOME' under 'Strategic Focus Areas' for the link to our business strategy.

The following material impacts related to training and skills development and working conditions were identified in the materiality assessment:

Social dialogue

As employers we naturally have an impact on working conditions for all employees as well as non-employees. This includes the possibility to take leave or work flexibly and providing space and opportunity for social dialogue with employees. The impacts occur over both the short, medium and long term and are systemic as they cover all sites in all regions.

No material risks or opportunities were identified.

Impacts, risks, and opportunities management

Managing our impacts is key to ensuring that we have the workforce we need to achieve our business ambitions. Performance, competence, and talent management is handled locally where managers are encouraged to keep an open dialogue with employees and to continually assess the need for training.

S1-1 Policies

Our group principles relating to working conditions are described in our Human Rights Policy. On a practical level these are mainly governed by regional policies and employee handbooks, including rules on leave and flexible working. The duration of leave differs from region to region and is in line with local legislation. The opportunity to work flexibly also varies from region to region and depends on the nature of the job. Employees are encouraged to provide feedback and voice concerns to ensure proper work-life balance and whenever possible work processes are designed and improved in collaboration with the relevant internal stakeholders.

S1-2 Processes for engagement

In order to create an attractive working environment, we regularly engage in dialogue with our employees to understand their perspectives and needs. This includes employee surveys for

selected employees, manager 1:1s, as well as local Q&A sessions with management. The Group HR Director has overall operational responsibility for ensuring that engagement on actual and potential impacts happens and that actions are initiated.

All employees can raise their concerns directly to a manager or through our whistleblower system. The whistleblower system is described in the Governance section.

S1-3 Processes for remediation

We aim to have a culture where all employees feel comfortable about speaking up if they have concerns or issues. There is currently no formalised process in place where we evaluate this. Information on the protection of whistleblowers and the Whistleblower Policy can be found in the Governance Section.

S1-4 Actions

With the launch of our performance management framework, we reached an important milestone in the further development of our people strategy. Following a successful pilot phase, the system was progressively rolled out and now serves as a key enabler of a more performance-driven, development-oriented and future-ready organization.

The framework provides increased transparency on organizational performance and talent poten-

tial, supporting a clear alignment between individual contributions and our strategic business objectives. In doing so, performance management goes beyond performance measurement, fostering a culture of continuous learning, development and accountability.

In parallel with the rollout, the foundations for a systematic evaluation of effectiveness were established, enabling more data-driven workforce and talent decisions going forward. In addition, further initiatives were implemented in 2025 to address evolving working conditions and to embed skills and capability development as a core pillar of our transformation agenda.

S1-5 Targets

To currently focus our resources on other priorities, Group Management have decided to not set any targets related to managing material negative impacts. There are no processes at the moment in place to track the effectiveness of our policies and actions, but the need for targets and processes is regularly assessed.

S1-8 Social dialogue

It varies from country to country and depending on local legislation, whether or not employees are represented by a local organisation such as a workers' council or work environment organisation. As we have not been met by a demand from

our employees, there is currently no agreement between H+H and a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

Majority of employees' working terms and employment conditions are decided directly between the employee and the company and generally not by collective bargaining agreements.

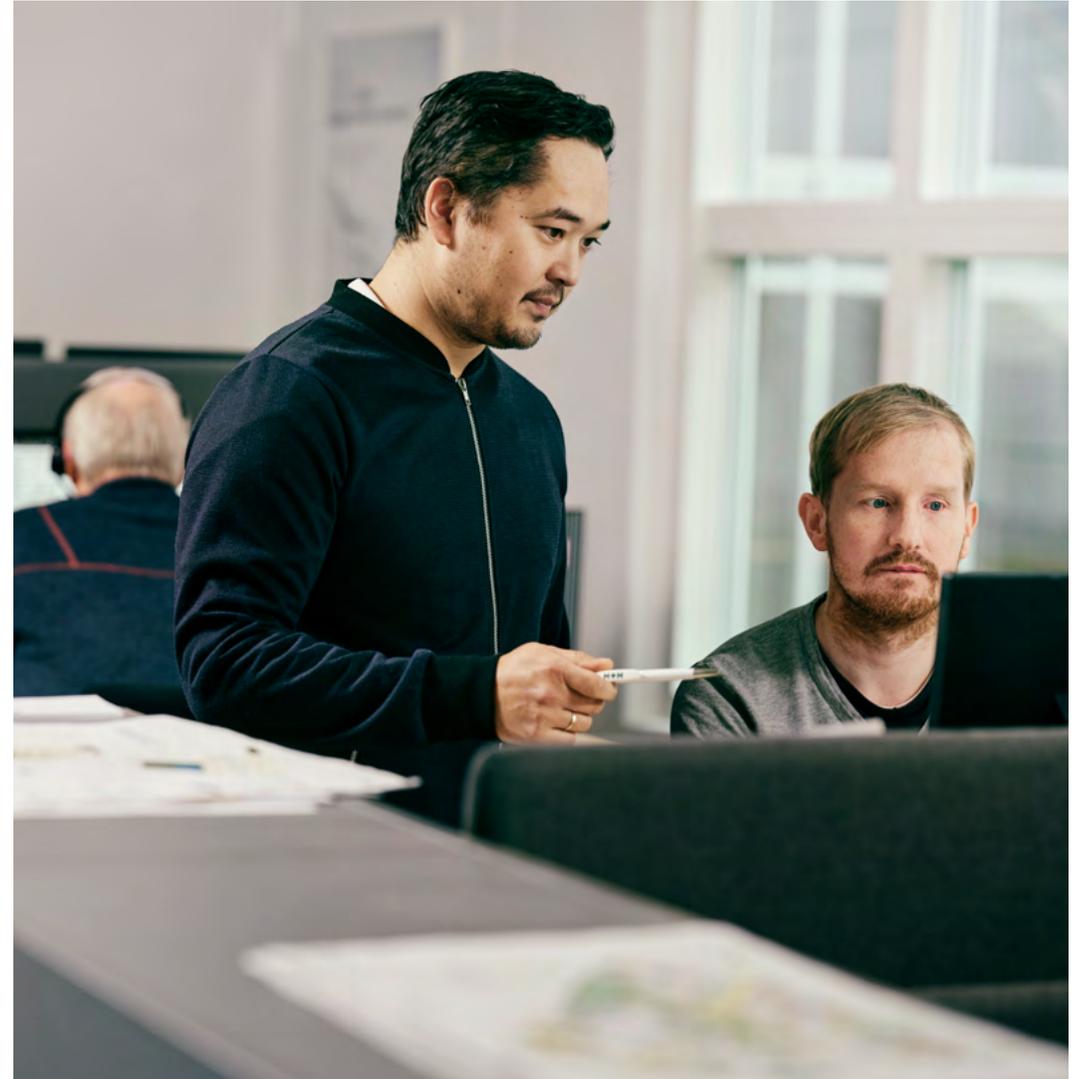
S1-17 Incidents, complaints and severe human rights impacts

During 2025 (0 in 2024) there were no work-related incidents of discrimination reported to HR or via the whistleblower system on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.

No cases of severe human rights incidents (e.g., forced labour, human trafficking, or child labour) were identified during 2025 (0 in 2024).

Social dialogue

Coverage Rate	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0-19%	Poland
20-39%	
40-59%	
60-79%	Germany
80-100%	



Social accounting policy

Controls

Data regarding number of employees and gender are generated from our HR and Payroll systems. Data regarding fatalities and accidents are reported through the operations management system that follows normal financial processes to ensure consistency and is validated against the external financial reporting. The data is verified through internal controls, analysis, benchmarks, and monthly business meetings. Unless stated no numbers or metrics have been validated by any external body other than the assurance provider.

Definitions

- Own workforce is defined as employees as well as non-employees, excluding contractors (S2). Unless otherwise described, both employees and non-employees are subject to the material impacts related to Own Workforce
- Headcount is defined as all employees, both fulltime and part-time, as well as active and non-active. The numbers reported for both employees and non-employees are as of 31 December 2025
- FTEs (fulltime equivalents) are defined as all employees and non-employees, excluding those on leave
- Employees are defined as those being directly on our payroll. Non-employees include both self-employed people and people provided by third parties
- Group Management includes the Executive Board of H+H International A/S.
- Gender diversity, top management is defined as Group Management and the regional Managing Directors
- Gender pay gap is calculated as difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. Basis for average pay is the hourly wage of all female and male employees, converted to DKK using the average exchange rates for the year
- CEO pay ratio is calculated as the CEO compensation, as reported in the Remuneration Report, divided by the median salary of all other employees
- Employee turnover ratio is calculated as total leavers divided by average headcount for the year. Only people on our payroll are included
- Employee representation in relation to Social Dialogue is defined as representation by works council, work environment organisation or employee committees
- A fatality is a work-related injury that results in death. The number reported includes both employees, non-employees, contractors, and visitors
- Lost-Time Incident Frequency (LTIF) measures the frequency of Lost-Time Incidents and fatality incidents per million hours divided by total hours worked. Working hours is based on actual time registrations as well as estimates. The number reported includes own workforce
- Total Recordable Incident Rate (TRIR) measures the frequency of all work-related injuries and fatality incidents per million hours divided by total hours worked. Working hours is based on actual time registrations as well as estimates. The number reported includes own workforce

Governance information

H+H is committed to acting professionally, responsibly, and with integrity in all our business dealings and relationships.

List of material disclosure requirements		Page reference
G1 - Business Conduct		
GOV-1	The role of the administrative, management and supervisory bodies	Pages 34-41, 85
G1-1	Business conduct policies and corporate culture	Page 86
G1-3	Prevention and detection of corruption and bribery	Page 86
G1-4	Incidents of corruption or bribery	Page 87

GOV-1 The role of the administrative, management and supervisory bodies

The Board of Directors is responsible for the overall strategic direction and management of the Group, and that an adequate control framework exists to ensure proper business conduct. The Executive Board is responsible for the day-to-day management including implementation of a policy framework and related controls to support a responsible corporate culture. In our Board of Directors and Executive Board we have members with management experience within compliance and governance work, auditing and controlling.

Presentations of the individual members of the Board of Directors and Executive Board can be found in the Corporate Governance section.

Impacts, risks and opportunities

H+H mainly sells through builders' merchants (wholesalers) and as a building materials producer rather than a construction company, we have limited direct involvement in negotiations and bid proposals. In addition, we only operate in Europe within countries that have low risks of bribery and corruption, ranking between 1 (Denmark) and 52 (Poland) out of 182 countries in the Transparency International Corruption Perceptions Index 2025. We therefore consider the overall risk of corrupt behaviour to be relatively low.

In the materiality assessment we identified the following impacts related to business conduct:

Corporate culture

We actively foster a culture of integrity and transparency. Setting the tone at the top is important and by leading by example we impact the way our employees experience and contribute to our corporate culture. This impact can occur in our own operations over the short, medium and long term.

Unethical business practices

The main risk of corrupt behaviour for H+H concerns inappropriate types or levels of entertainment, gifts or payments (kick-backs) provided to our employees from potential or actual suppliers or provided by our employees to potential or actual customers with the intent of gaining special consideration or a business advantage. The impact can occur in our own operations over the short, medium and long term.

Whistleblower protection

It is important for us to foster an open culture where employees, business partners and other stakeholders can raise important matters. Protecting whistleblowers is integral to ensure fair investigations and avoid retaliation. The impact can occur in our own operations over the short, medium and long term.

Impacts, risks and opportunities management

We manage these impacts by continually working to strengthen our compliance culture. This is done through our policies, whistleblower system, training and awareness, by conducting audits, and

through leadership communication and behaviour that sets the tone from the top on conducting business with integrity.

G1-1 Business conduct policies and corporate culture

Code of Conduct and Code of Conduct for Suppliers

H+H's Code of Conduct is the foundation of our compliance programme and sets the tone for our business integrity and ethical principles. It is complemented by the Code of Conduct for Suppliers which outlines our expectations to suppliers to conduct business in a legal, sustainable, ethical and socially responsible manner.

The Code of Conduct and Code of Conduct for Suppliers include our principles related to e.g. environment and climate, health and safety, diversity, non-discrimination, personal data protection, conflicts of interest, fair competition, anti-corruption, responsible tax and data ethics. The Code of Conduct for Suppliers is provided to all major suppliers in each region with a request to confirm compliance

The Board of Directors approves the Code of Conduct and the Executive Board is responsible for the implementation of the policy principles. The Group Operations Director is responsible for the Code of Conduct for Suppliers and its implementation. Employees can access these policies in H+H's policy management system. Employees

without direct access are provided with either paper copies or access via shared computers or notice boards. Every employee at H+H is required to read and adhere to the H+H Code of Conduct. Both of these policies are reviewed regularly and updated in line with relevant legislation, and they are available at all H+H [websites](#).

The Board of Directors is ultimately responsible for oversight of H+H's corporate culture and business conduct. The Executive Board and other managers in the Group are responsible for implementation of the policy principles and leading by example to drive a culture of business integrity and discuss openly how to follow the principles in the Code of Conduct and the underlying specific policies. To support our commitment to responsible business conduct, the regional Managing Directors are required to sign a declaration every quarter stating that to the best of their knowledge, all H+H entities in their region are conducting business in a way that is compliant with all applicable H+H policies.

Whistleblower policy & system

We encourage all reporting of any suspected wrongdoing. This can be done to a relevant H+H manager, to HR or via our public online whistleblower system where reports can be done by name or anonymously. The system is accessible in all our languages and can be accessed both from H+H's intranet for employees and from all H+H websites. The system is provided by an independent third-party provider of whistle-

blower solutions and reporters have the option of choosing if they want to report to regional HR, Group HR or Group Legal.

All good faith reports of suspected material violations of the Code of Conduct or any underlying H+H policies and violations of law within the defined scopes are investigated. We take great care to ensure the confidentiality of the reporter's identity and to avoid any potential conflicts of interest when establishing the investigation team and the decision maker. Independent, external legal counsel or other relevant experts are also used for investigations when relevant. Good faith whistleblowers of matters within scope are protected from any kind of retaliation or discriminatory or disciplinary action as a result of submitting a report. We assess the risk of retaliation as part of the investigation procedure and encourage reporters to report any retaliation, they may experience. Outcome of investigations are reported to the Audit Committee.

H+H's Whistleblower Policy is available in the whistleblower system and provides information on how to report suspected misconduct, how reports are handled and what is deemed inside and outside scope. The Board of Directors approves the Whistleblower Policy while the Executive Board is responsible for the implementation. To create awareness and educate employees on what can be reported and how, all employees are asked to read and confirm reading of the policy. Training

in the whistleblower policy and system was provided to part of the employees during 2024.

Tax Policy

H+H has adopted a group Tax Policy. The policy is the foundation for the common tax approach for the H+H Group. Our ambition is to always apply best practices and act in accordance with applicable legislation on tax computation and tax reporting to ensure that we pay the right amount of tax at the right time in the countries where we operate. In close collaboration with tax advisors, we monitor updates and changes to tax legislation to assess the impact on a Group and country level.

G1-3 Prevention and detection of corruption and bribery

H+H has zero tolerance for corruption and bribery, and we condemn corrupt behaviour and business practices. This is underpinned by our Anti-corruption Policy which provides principles and information related to bribery, facilitation payments, donations, and entertainment and gifts, as well as the potential consequences for violations. The Executive Board is responsible for implementation of the Anti-corruption Policy which is reviewed regularly and updated in line with relevant legislation. The policy is available in all our company languages and is communicated to all office employees via our policy management system with a request to confirm that they have read the policy.

The policy includes relevant sector specific practical examples to train and raise awareness of business situations that may involve bribery or corruption and the behaviour expected of H+H employees in such situations. Currently there is no Group definition of which functions are deemed to be at risk. No training in anti-corruption and bribery was provided to any H+H employees in 2025, including Group Management.

Internal controls are set up to manage any potential corruption risks present on the sales and procurement side. Escalation procedures are in place and communicated within the Group. Investigations follow the process described in the Whistleblower section.

Metrics and targets

We believe that having a diverse Board of Directors is linked to better governance of our business. Target setting related to this is described in the Corporate Governance section and the Social section. Group Management believes that for now this target is sufficient and has decided not to set any other targets in relation to Governance.

G1-4 Incidents of corruption and bribery

During 2025 (zero in 2024), no whistleblower reports were found to be within scope. H+H did not receive any injunction, ruling, conviction, fine or similar for violation of anti-corruption or anti-bribery laws.

ESG & sustainability-related policies and systems

Policy	Area(s) of application	Description	
Code of Conduct	Overarching	Our Code of Conduct describes the core values and principles, employees are expected to follow.	Read more on page 86
Code of Conduct for suppliers	Overarching	The policy outlines our expectations to suppliers to conduct business in an ethical, legal, and socially responsible manner.	Read more on page 86
ESG Policy	Overarching	The policy outlines our environmental, social, and governmental commitments.	Read more on page 64
Human Rights Policy	■ Social	The policy outlines our commitments to respect human rights.	Read more on page 78
Diversity Policy	■ Social	The core objective of the Group Diversity Policy is to foster an inclusive and open working climate where diversity is embraced and promoted. We encourage and support diversity at all levels and express our lack of tolerance towards any form of discrimination.	Read more on page 78
Health & Safety Policy	■ Social	The policy describes our overarching principles for health and safety in H+H.	Read more on page 76
Anti-corruption Policy	■ Governance	The policy provides principles and information related to bribery, facilitation payments, donations, and entertainment and gifts.	Read more on page 86
Data Ethics Policy	■ Governance	The purpose of this policy is to set out the data ethical principles for H+H's processing of data so that the processing is not only legal, but also ethical.	Read more on page 37
Tax Policy	■ Governance	The policy describes our internal governance and management of all matters related to tax.	Read more on page 86
Whistleblower Policy	■ Governance	The policy includes information on how to report suspected misconduct, how reports are handled and what is deemed inside and outside scope.	Read more on page 86

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Income statement

Note	(DKK million)	2025	2024
3,11	Revenue	2,743	2,747
4,11,17	Cost of goods sold	(2,128)	(2,168)
	Gross profit before special items	615	579
4,11	Sales costs	(120)	(122)
4,11	Administrative costs	(198)	(209)
5	Other operating income and costs, net	(6)	2
	EBITDA before special items	291	250
6,11	Depreciation and amortisation	(179)	(187)
	EBIT before special items	112	63
7	Special items, net	(669)	(22)
	EBIT	(557)	41
8	Financial income	45	39
9	Financial expenses	(92)	(109)
	Result before tax	(604)	(29)
10	Tax	(61)	(21)
	Result for the year	(665)	(50)
	Result for the year attributable to:		
	H+H International A/S' shareholders	(662)	(53)
	Non-controlling interest	(3)	3
	Result for the year	(665)	(50)
12	Earnings per share (EPS-Basic) (DKK)	(40.3)	(3.2)
12	Diluted earnings per share (EPS-D) (DKK)	(40.3)	(3.2)

Statement of comprehensive income

Note	(DKK million)	2025	2024
	Result for the year	(665)	(50)
	Other comprehensive income:		
	Items that will not be reclassified subsequently to the income statement:		
20	Actuarial losses and gains	1	13
	Tax on actuarial losses and gains	(1)	(5)
		-	8
	Items that may be reclassified subsequently to the income statement:		
26	Fair value adjustments of derivative financial instruments	-	(13)
26	Gain/(loss) on derivative financial instruments transferred to the income statement	10	9
	Tax of fair value adjustment	(3)	1
	Foreign exchange adjustments, foreign entities	6	20
		13	17
	Other comprehensive income after tax	13	25
	Total comprehensive income for the year	(652)	(25)

Balance sheet at 31 December

Assets

Note	(DKK million)	2025	2024
	Goodwill	173	422
	Customer relations	81	143
	Other intangible assets	65	77
13	Intangible assets	319	642
	Land and buildings	556	707
	Plant and machinery	594	689
	Other equipment, fixtures and fittings	71	80
	Assets under construction	155	240
14	Property, plant and equipment	1,376	1,716
15	Deferred tax assets	44	54
	Investments in associated companies	2	2
	Other non-current assets	46	56
	Total non-current assets	1,741	2,414
17	Inventories	485	435
18	Trade receivables	110	113
18	Other receivables	56	39
	Prepayments	11	10
	Cash	166	462
14	Assets held for sale	84	-
	Current assets	912	1,059
	Total assets	2,653	3,473

Equity and liabilities

Note	(DKK million)	2025	2024
19	Share capital	165	165
	Other reserves	(69)	(82)
	Retained earnings	826	1,483
	Equity attributable to H+H International A/S's shareholders	922	1,566
	Equity attributable to non-controlling interests	81	84
	Equity	1,003	1,650
20	Pension obligations	14	21
21	Provisions	35	43
15	Deferred tax liabilities	40	36
26	Lease liabilities	99	73
26	Deferred payments, acquisition of subsidiary	86	93
22	Credit institutions	841	1,046
	Non-current liabilities	1,115	1,312
22	Credit institutions	-	-
	Trade payables	231	272
26	Lease liabilities	28	25
	Income tax	36	1
26	Deferred payment, acquisition of subsidiary	6	6
21	Provisions	44	26
	Other payables	190	181
	Current liabilities	535	511
	Total liabilities	1,650	1,823
	Total equity and liabilities	2,653	3,473

Cash flow statement

Note	(DKK million)	2025	2024
	Operating profit (EBIT)	(557)	41
6	Depreciation and amortisation	179	187
	Change in inventories	(95)	225
	Change in receivables	(28)	32
	Change in trade payables and other payables	2	(50)
25	Non-cash adjustments	618	(156)
	Operating activities before financial items and tax	119	279
8, 9	Financial items, net	(41)	(70)
	Income tax paid	(7)	(64)
	Operating activities	71	145
	Sale of property, plant and equipment	2	205
	Acquisition of enterprises and related deferred payments	(7)	(7)
14	Acquisition of property, plant and equipment and intangible assets	(127)	(124)
	Investing activities	(132)	74
	Free cash flow	(61)	219
22	Proceeds in borrowings	-	-
	Bank overdraft and other debt	(205)	140
	Payment of lease liabilities	(30)	(32)
	Dividend to non-controlling interest	-	(5)
	Financing activities	(235)	103
	Cash flow for the year	(296)	322
	Cash at 1 January	462	139
	Foreign exchange adjustments of cash	-	1
	Cash at 31 December	166	462

Accounting policies

The cash flow statement shows the cash flows for the year, broken down by operating, investing and financing activities, and the year's change in cash and cash equivalents as well as the cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately under cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of payment, and cash flows from disposals of entities are recognised up to the date of disposal.

Cash flows in currencies other than the functional currency are translated at average exchange rates. Cash flows from operating activities are determined as operating profit adjusted for depreciation, amortisation and impairment losses, non-cash operating items, change in working capital, pension contributions, interest received and paid, and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, acquisitions and disposals of intangible assets, property, plant and equipment, and other non-current assets.

Cash flows from financing activities comprise changes in the size or composition of the share capital and associated expenses as well as the raising of loans, repayment of interest-bearing debt and purchase and sale of treasury shares. Payment of lease liabilities is included under financing activities and the related interest is included as a financial item under operating activities.

Cash and cash equivalents comprise cash and securities with a maturity of less than three months at the time of acquisition that are readily convertible to cash and are subject to an insignificant risk of changes in value. The global cash pool arrangement is presented gross. Positive cash balances are recognised as cash in assets and overdrafts are shown within borrowings in liabilities in the balance sheet.

Statement of changes in equity

(DKK million)	Share capital	Hedging reserve	Translation reserve	Retained earnings	H+H shareholders share	Non-controlling interest' share	Total
Equity at 1 January 2025	165	(10)	(72)	1,483	1,566	84	1,650
Result for the year	-	-	-	(662)	(662)	(3)	(665)
Other comprehensive income:							
Foreign exchange adjustments, foreign entities	-	-	6	-	6	-	6
Actuarial gains/losses on pension plans	-	-	-	1	1	-	1
Adjustments of derivative financial instruments	-	10	-	-	10	-	10
Tax on other comprehensive income	-	(3)	-	(1)	(4)	-	(4)
Net gains recognised directly in equity	-	7	6	-	13	-	13
Total comprehensive income	-	7	6	(662)	(649)	(3)	(652)
Share-based payment	-	-	-	5	5	-	5
Total changes in equity	-	7	6	(657)	(644)	(3)	(647)
Equity at 31 December 2025	165	(3)	(66)	826	922	81	1,003
Equity at 1 January 2024	165	(7)	(92)	1,526	1,592	86	1,678
Result for the year	-	-	-	(53)	(53)	3	(50)
Other comprehensive income:							
Foreign exchange adjustments, foreign entities	-	-	20	-	20	-	20
Actuarial gains/losses on pension plans	-	-	-	13	13	-	13
Adjustments of derivative financial instruments	-	(4)	-	-	(4)	-	(4)
Tax on other comprehensive income	-	1	-	(5)	(4)	-	(4)
Net gains recognised directly in equity	-	(3)	20	8	25	-	25
Total comprehensive income	-	(3)	20	(45)	(28)	3	(25)
Share-based payment	-	-	-	2	2	-	2
Dividend to non-controlling interests	-	-	-	-	-	(5)	(5)
Total changes in equity	-	(3)	20	(43)	(26)	(2)	(28)
Equity at 31 December 2024	165	(10)	(72)	1,483	1,566	84	1,650

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Notes to the consolidated financial statements

1 Material accounting policy information

The annual report for the period 1 January - 31 December 2025 comprises both the consolidated financial statements of H+H International A/S and its subsidiaries (the H+H Group) and separate financial statements for the parent company.

H+H International A/S is a public limited company registered in Denmark. The annual report of H+H International A/S for 2025 has been prepared in accordance with IFRS accounting standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The Board of Directors and Executive Board discussed and approved the annual report of H+H International A/S for 2025 on 3 March 2026. The annual report for 2025 will be submitted to the shareholders of H+H International A/S for adoption at the annual general meeting on 14 April 2026.

Basis of preparation

The annual report is presented in DKK, which is the parent company's functional currency, rounded to the nearest DKK 1 million. The annual report has been prepared using the historical cost principle.

The accounting policies are unchanged compared to last year. Accounting policies have been applied consistently throughout the financial year and for the comparative figures, if not mentioned otherwise.

The accounting policies applied to the consolidated financial statements as a whole are described below and along with the notes to which they relate. The descriptions of accounting policies in the notes form part of the overall description of accounting policies.

Adoption of new, revised and amended IFRSs effective 1 January 2025

H+H International A/S has adopted all relevant 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 they have not had a material impact on the consolidated financial statement.

New accounting regulations

It is assessed that new, revised or amended IFRSs and interpretations not yet in effect or adopted by EU as at 31 December 2025 will not have a material impact on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18, which replaces IAS 1 Presentation of Financial Statements, introduces new presentation requirements related to the income statement, including new categories of income and expenses (i.e., operating, financing, investing). IFRS 18 requires disclosure of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information. In addition, amendments have been made to IAS 7 Statement of Cash Flows and other standards.

The adoption of the standard is not expected to result in major changes to existing accounting policies or to affect net result. However, the introduction of new categories to the Income statement is expected to require reclassification of certain accounts and redefinition of our key financial measures.

IFRS 18 are expected to take effect on 1 January 2027 and will be applied retrospectively.

Application of materiality

In the preparation of the annual report, H+H Group aims to focus on information which is considered to be material and relevant to the users of the annual report. The consolidated financial statements are a result of aggregating large numbers of transactions into classes of similar items, according to their nature or function, in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. The provisions in IFRS contain extensive disclosure requirements. The specific disclosures required by

IFRS are provided in the annual report unless the information is considered immaterial to the users of the annual report.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements include the parent company H+H International A/S and subsidiaries controlled by H+H International A/S. Control exists when H+H International A/S holds or has the ability to exercise, directly or indirectly, more than 50% of the voting rights or otherwise has control of the subsidiary in question and has the right to variable returns from the entity.

The consolidated financial statements have been prepared by aggregation of the parent company's and the individual subsidiaries' financial statements, applying the H+H Group's accounting policies. Intra-group income and expenses, shareholdings, balances and dividends as well as realised and unrealised gains arising from intragroup transactions are eliminated.

Equity investments in subsidiaries are offset against the proportionate share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the date of acquisition. Accounting items of subsidiaries are fully recognised in the consolidated financial statements.

Foreign currency translation

For each entity included in the consolidated financial statements, a functional currency has been determined. The functional currency of an entity is the currency of the primary economic environment in which the entity operates. Transactions in currencies other than the functional currency are accounted for as transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction

date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the date on which the receivable or payable arose or the exchange rate used in the last annual report is recognised in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of foreign entities with a functional currency other than DKK, income statements are translated at the exchange rates at the transaction date and balance sheet items are translated at the exchange rates at the balance sheet date. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not give a significantly different view. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date, and on translation of income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date, are recognised as other comprehensive income.

Foreign exchange adjustments of balances considered part of the overall net investment in entities with a functional currency other than DKK are recognised in the consolidated financial statements as other comprehensive income. Correspondingly, foreign exchange gains and losses on that part of loans and derivative financial instruments entered into to hedge the net investment in such entities which effectively hedges against corresponding exchange gains/losses on the net investment in the entity are recognised as other comprehensive income.

Notes to the consolidated financial statements

2 Significant 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 due to their nature, are uncertain and unpredictable. The estimates and assumptions may be 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 differing 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.

Significant accounting estimates and judgements made in connection with the financial reporting are set out in the notes listed below. Reference is made to the specific notes for further information on the key accounting estimates and judgements as well as the assumptions applied.

Note	Significant accounting estimate and judgement	Nature of accounting impact	Impact of estimates and judgements	
3	Segment information	Aggregation of similar segments	Judgement	**
13	Impairment testing of intangible assets	Key assumptions in impairment test	Estimate	***
14	Impairment testing of property, plant and equipment	Key assumptions in assessing the recoverable amount of closed plants.	Estimate	**
15	Deferred tax	Recovery of deferred tax assets	Estimate	*
20	Defined benefit pension plans	Key actuarial assumptions	Estimate	**

* Low
 ** Medium
 *** High

3 Revenue and segment information

Revenue

The revenue streams relates to sale of goods and related transport services. Change of control for contracts for goods are satisfied upon shipment whereby the performance obligation is met instantly. Revenue relating to transport services is recognised upon delivery of the goods to an agreed location whereby the performance obligation is met.

The transaction price is the amount to which H+H expects to be entitled in exchange for the transfer of goods and transport services. The transaction price for delivery of goods and transport services are an integrated part of the contracts and the standalone selling prices are directly observable. Accounting estimates are made for variable considerations which consist of customer rebates and bonuses. These are allocated to the transaction price based on "The most likely amount"-method.

Payment terms mainly comprise of 30 days, hence no significant financing component. Defect products and return pallets can be redelivered and provisions has been recognised accordingly. For further description, please refer to note 21 "Provisions". The following geographical areas in the Group represent more than 10% of revenue or non-current assets.

(DKK million)	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Central Western Europe	987	958	1,030	1,626
UK	877	311	871	336
Poland	879	426	846	402
Other, including headquarter	-	46	-	50
	2,743	1,741	2,747	2,414

When presenting information on geographical areas, information on revenue is based on countries except for "Central Western Europe" which comprise of Germany, Switzerland, Denmark, Sweden, Czech Republic, Holland and Belgium. For Germany, revenue in 2025 amounts to DKK 527 million (2024: DKK 600 million) and non-current assets amount to DKK 691 million (2024: DKK 1,268 million). All revenue relates to sales of goods and transport services.

Revenue in Denmark was DKK 160 million in 2025 (2024: DKK 151 million). Non-current assets in Denmark at year-end 2025 amounted to DKK 62 million (2024: DKK 66 million).

AAC and CSU revenue amounted to DKK 2,119 million and DKK 624 million in 2025, compared to DKK 2,020 million and DKK 727 million in 2024. AAC products are sold across all segments, while CSU products are sold in CWE and Poland.

Notes to the consolidated financial statements

3 Segment information – continued

Key customers

One customer in the UK represented approx. 14% of the H+H Group's total revenue in 2025 (2024: 15%).

Accounting policies

Revenue from contracts for goods recognised in the income statement when the customer obtains control. Revenue relating to transport services is recognised upon delivery of the goods to an agreed location. Revenue is recognised if the income can be measured reliably and is expected to be received. Revenue is measured net of VAT and duties collected on behalf of third parties. All types of discounts and rebates granted are recognised in revenue.

The reporting of operating segments is in accordance with the internal reporting to the Executive Management which constitute H+H's chief operating decision maker. H+H has identified three operating segments Central Western Europe, UK and Poland which has been aggregated into one reporting segment. The operating segments share similar economic characteristics in regard to long-term gross profit margin, are similar in the nature of products, production processes and customer base as well as in distribution methods.

Executive Management is responsible for decisions about overall resource allocation and performance assessment. Business decision on resource allocation and performance evaluation for each of the operating segments are made on basis of EBIT before special items.

Significant accounting Judgement

Aggregation of segments with exhibit similar economic characteristics

When assessing segment information, Management has provided significant judgements, especially related to the five aggregation criterias re. IFRS 8.12, i.e. nature of the products and services, nature of the production processes, type or class of customer, method used to distribute products and nature of the regulatory environment. Based on a thorough analysis, it is concluded that aggregation of the identified three operating segments Central Western Europe, UK and Poland into one reporting segment can be made as each of the operating segments share similar economic characteristics measured on a long-term gross profit margin basis, as well as they share similar fundamental characteristics re. the five aforementioned specific aggregation criteria's.

4 Staff costs

(DKK million)	2025	2024
Total Remuneration to Key Management Personnel – Executive Board and non-registered members of Executive Management*		
Salary	9.4	10.9
Bonus	1.6	4.3
Share-based payment**	2.5	2.9
Pension	0.2	0.3
Severance payment	4.2	-
Total	17.9	18.4
* Non-registered member of executive management are the Group Chief Operating Officer and Group Strategy Officer (until end of March 2024).		
** Share-based payment comprise costs related to share programs for the years 2022 -2025 recognised in accordance with IFRS 2.		
(DKK million)	2025	2024
Wages and salaries	578	554
Defined contribution plans, see note 20	6	6
Share-based payment	5	2
Remuneration to the Board of Directors	3	3
Other staff costs	25	27
	617	592
Staff costs are recognised as follows:		
Cost of goods sold	354	309
Sales costs	84	88
Administrative costs	123	125
Special items	53	46
Employee costs recognised in fixed assets	3	24
	617	592
Average full-time equivalent staff	1,323	1,245

Notes to the consolidated financial statements

4 Staff costs – continued

(DKK million)	2025	2024
Total Remuneration to Executive Board and Board of Directors		
Executive Board	12.1	14.2
Board of Directors	3.1	3.2
Total	15.2	17.4

Remuneration Policy for Board of Directors and Executive Board

The Remuneration Policy for H+H International A/S (H+H) was adopted at the annual general meeting on 9 April 2024 to ensure alignment with the new corporate governance recommendations. The overall objective of the Remuneration Policy is to provide a remuneration framework that supports successful execution of the H+H Group strategy.

The Board of Directors has established a Remuneration Committee that assists the Board of Directors in developing, implementing and continuous complying with the Remuneration Policy. The Charter of the Remuneration Committee as well as a description of the key matters handled by the Remuneration Committee for the latest financial year is available at www.HplusH.com/board-committees.

The Board of Directors does not receive any form of incentive payment, and remuneration to the Executive Board consists of fixed salary and other benefits as well as the variable elements short-term incentive programs (STIP) and long-term incentive programs (LTIP).

Executive Board

Short-term incentive programs (STIP)

In addition to the fixed salary, remuneration for the Executive Board consists of an annual cash bonus based on performance related to the extent of achievement of pre-defined key performance indicators (KPIs). The bonus is therefore not guaranteed. In the case of termination of employment, the member is entitled to a pro rata bonus up to the date of termination, if the performance achieved by year-end means that a cash bonus has been earned.

Long-term incentive programs (LTIP)

In March 2025, the Board of Directors of H+H International A/S implemented a new long-term incentive program (“LTIP”) being a performance share unit (“PSU”) program similar to the LTIP PSU program launched in prior years including financial, ESG and market related KPIs. At initiation, a total of 108,400 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 days after the release of the 2024 Annual Report on 4 March 2025, the theoretical value was DKK 111.3 per PSU, corresponding to a total theoretical value of DKK 12.0 million for the 2025 LTIP based on the participants upon initiation of the program and their receipt of PSU grants. The vesting period for the PSUs is approximately three years, with vesting for the 2025 LTIP being in 2028 when the audited annual report for 2027 is publicly announced.

In 2024 and 2023, PSU programs, similar to above, was launched for the Executive Board and certain key employees in the H+H Group. None of the KPIs included in 2022 PSU program were met, and as a result no shares vested in March 2025.

Overview of outstanding PSUs

Max. PSUs	2025	2024
Outstanding 1 January	275,889	175,989
Granted*	108,400	158,000
Forfeited	(8,650)	(7,900)
Vested*	(43,589)	(50,200)
Outstanding 31 December	332,050	275,889

* Granted and vested based on maximum PSUs earned. Actual shares granted / vested are based on achieving certain financial, market and sustainability KPIs.

Pending share programs

The fair value of the programs is determined as the number of shares/PSU’s which are expected to vest. The share price used in calculating the value of the programs is the average share price on the first 10 days of the trading window when the program is launched. At vesting, grants can be settled with shares or by cash, based on the company’s decision. Cost for share programs is recognised as staff costs until the expiry of the vesting periods. Cost is reversed for participants that voluntarily leave the H+H Group (i.e. “bad leavers”).

As of 31 December 2025, the Company had the following pending share programs with associated fair values:

	Max. Shares/ PSUs granted	Expected to vest	Max. value (DKK million)	Exp. value (DKK million)
2023-programme, vesting in March 2026	77,200	46,320	7.2	4.3
2024-programme, vesting in March 2027	150,950	55,852	14.1	5.2
2025-programme, vesting in March 2028	103,900	67,535	9.7	6.3

* Share price of DKK 93.10 has been applied

Accounting policies

The H+H Group’s incentive schemes comprise share programs for senior executives and certain key employees.

The value of services rendered by employees in return for share grants is measured at the fair value of the shares as of the time of recognition. For equity settled shares, the grant date fair value is measured and recognised in the income statement as staff costs over the vesting period of the shares. The costs are set off directly against equity.

On initial recognition of shares, the number of shares expected to vest is estimated, cf. the service condition described. The figure initially recognised is subsequently adjusted for changes in the estimate of the number of shares expected to vest, so that the total recognition is based on the actual number of vested shares.

Notes to the consolidated financial statements

5 Other operating income and costs before special items

(DKK million)	2025	2024
Other operating income:		
Gain on disposal of property, plant and equipment	2	2
Rental income	6	8
Other income	4	4
	12	14
Other operating costs:		
Other costs	(18)	(12)
	(18)	(12)
Total	(6)	2

Accounting policies

Other operating income and costs comprise items secondary to the Group's activities such as gain or loss on non-current assets, rental income for sites or buildings owned by the Group and cost related to these sites and buildings.

6 Depreciation and amortisation before special items

(DKK million)	2025	2024
Intangible assets	46	47
Land and buildings	32	36
Plant and machinery	71	74
Fixtures and fittings, tools and equipment	30	30
Total	179	187

Impairment of intangible and tangible assets in 2025 has been classified as special items, see note 7. No other impairments have been recognised in 2025.

7 Special items, net

(DKK million)	2025	2024
Impairment of mothballed and closed factories	(272)	-
Impairment of other idle assets related to closed plants	(40)	-
Impairment of goodwill, customer relations and other intangible assets	(300)	-
Restructuring costs	(57)	(68)
Gain from sale of Warsaw site	-	156
Unfavorable part of gas hedges	-	(110)
Total	(669)	(22)
Impact of special items on EBIT		
Cost of goods sold	(67)	(131)
Sales costs	(14)	(19)
Administrative costs	(16)	(28)
Other operating income and costs, net	-	156
Depreciation, amortisation and impairments	(572)	-
Total	(669)	(22)

Notes to the consolidated financial statements

7 Special items, net – continued

As a result of the prolonged 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 income 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, expert assessments and historically experience (fair value level 3). 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. The carrying value of the impaired assets are presented as assets held for sale in the balance sheet.

Moreover, the intangible assets related to our CWE region was reviewed for possible impairment need, i.e. if the given asset still have any use for H+H or whether the future cash flows (recoverable amount) coming for the relevant CGU would cover the carrying value. Based on this an impairment of DKK 300 million were recognised. The main classes of assets affected by this impairment relates to Goodwill (DKK 250 million), Customer Relations (DKK 32 million) and Other Intangibles (DKK 18 million). The carrying value of the Customer Relations and Other Intangibles impacted by the re-organisation amounts to zero. See note 13 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 cost of DKK 57 million has been recognised as special items and comprise directly associated costs to the German re-organisation including costs related to termination of employees. The restructuring has now been completed.

Special items in 2024 relates 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 and expense of DKK 110 million and restructuring costs of DKK 68 million off set by gain on sale of Warsaw land of DKK 156 million.

Accounting policies

Special items include individually significant and non-recurring events and include items such as gain and loss for sale of significant fixed assets, close down of plants, restructuring costs, including redundancy costs and significant inefficient commodity hedges. Special items are recognised and measured in accordance with the relevant accounting policy an IFRS accounting standards, as if the items had not been classified as special items.

Special items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

8 Financial income

(DKK million)	2025	2024
Interest income	45	39
Total	45	39

Accounting policies

Financial income comprises interest income, capital gains, transactions denominated in foreign currencies, amortisation of financial assets, and surcharges and allowances under the tax prepayment scheme etc.

9 Financial expenses

(DKK million)	2025	2024
Interest expenses	69	92
Interests expense, leases	7	7
Interest expenses on financial items	76	99
Financial expenses relating to pension plans; see note 20	1	2
Foreign exchange rate adjustments	6	1
Other financial expenses	9	7
Total	92	109

Accounting policies

Financial expenses comprise interest expenses on debt measured at amortised cost, past service costs, capital losses, recirculation of cumulative translation differences of entities disposed of, payables and transactions in foreign currencies, and amortisation of financial liabilities, including finance lease obligations etc.

Notes to the consolidated financial statements

10 Tax

(DKK million)	2025	2024
Tax for the year	61	21
Tax on other comprehensive income	4	4
Total	65	25
Total tax can be broken down as follows:		
Current tax for the year	46	67
Adjustment relating to changes in tax rate	4	(4)
Adjustment of deferred tax	10	(48)
Reversal of previously recognised deferred tax assets	10	-
Prior-year adjustments	(5)	10
Total	65	25
Tax for the year can be broken down as follows:		
Calculated 22.0% (2024: 22.0%) tax on income from ordinary activities	(133)	(7)
Adjustment of calculated tax relative to 22.0% rate (2024: 22.0%)	(5)	(19)
Tax effect of:		
Reversal of previously recognised deferred tax assets	10	-
Unrecognised deferred tax assets	175	40
Change in tax rate	4	(4)
Non-deductible expenses/non taxable income	15	1
Prior year adjustment	(5)	10
Total	61	21

Accounting policies

Tax on result for the year comprises current tax and changes in deferred tax for the year. The portion that relates to result for the year is recognised in the income statement, and the portion that can be attributed to items in other comprehensive income or directly in equity is recognised in other comprehensive income or directly in equity.

Subsidiaries that utilise tax losses in other subsidiaries pay joint taxation contributions to the parent company equivalent to the tax base of the utilised losses, while subsidiaries with tax losses that are utilised by other subsidiaries receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilised (full absorption). The jointly taxed companies are taxed under the tax prepayment scheme.

Where the H+H Group receives a tax deduction in the calculation of taxable income in Denmark or abroad as a result of share-based payment schemes, the tax effect of these schemes is recognised in tax on result for the year. If the total deduction exceeds the total remuneration expense, the tax effect of the excess deduction is recognised directly in equity.

Approach to taxes

As recommended by the Danish Committee on Corporate Governance, H+H has adopted a tax policy. For more details on our approach to taxes, we refer to our tax policy which can be found here: <https://www.hplush.com/en/compliance>

In addition to the Committee's best practice guidelines, the Global Sustainability Standard Board (GSSB) has issued GRI 207 TAX 2019. The H+H tax policy addresses the essence of the Committee's recommendations and the disclosures of GRI 207, and thereby forms the foundation for a common tax approach for the H+H Group. In order to increase transparency, we present key figures on tax jurisdiction levels below. Corporate income tax is based on IFRS reporting standards instead of GRI methodology to ensure internal coherence throughout the annual report.

Notes to the consolidated financial statements

10 Tax – continued

Country-by-country key figures - IFRS

(DKK million)	2025						
	Number of employees	Total employee remuneration	Revenues from third-party sales	Revenues from intragroup transactions with other tax jurisdictions	Property, plant and equipment and inventory	Balance of intra-company debt	Corporate income tax paid on a cash basis
Denmark	43	69	160	-	29	(88)	-
UK	271	151	877	-	407	118	2
Germany	342	191	527	216	739	-	-
Poland	624	175	879	5	539	(16)	(1)
Switzerland	24	21	127	-	142	(2)	5
Holland	9	5	103	-	2	(22)	1
Sweden	4	3	21	-	3	10	-
Czech Republic	6	2	49	-	-	-	-
Total	1,323	617	2,743	221	1,861	-	7

Current tax explanation on country level

(DKK million)	2025				
	Calculated local tax using Group tax rate (22%)	Non-taxable income and non-deductible costs, net	Other adjustments	Deferred tax	Current tax
Denmark	187	(145)	(51)	9	-
UK	(12)	-	6	6	-
Germany	3	130	(135)	1	1
Poland	(41)	-	4	(3)	40
Switzerland	(5)	-	2	(2)	5
Holland	1	-	-	(1)	-
Sweden	-	-	-	-	-
Czech Republic	-	-	-	-	-
Total	133	(15)	(174)	10	46

11 Income statement classified by function

It is Group policy to prepare the income statement based on an adapted classification of costs by function and adjusted for special items. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets are therefore classified by function and presented on separate lines. Furthermore, special items are presented on a separate line.

The table below shows an extract of the income statement adapted to show depreciation, amortisation and impairment and special items classified by function:

(DKK million)	2025	2024
Revenue	2,743	2,747
Cost of goods sold	(2,309)	(2,417)
Gross profit including depreciation, amortisation and special items	434	330
Sales costs	(170)	(186)
Administrative costs	(243)	(261)
Other operating income	12	170
Other operating costs	(18)	(12)
Impairment	(572)	-
EBIT	(557)	41
Depreciation and amortisation comprise:		
Amortisation of intangible assets	(46)	(47)
Depreciation of property, plant and equipment	(133)	(140)
Total	(179)	(187)
Depreciation and amortisation are allocated to:		
Cost of goods sold	(114)	(118)
Sales costs	(36)	(45)
Administrative costs	(29)	(24)
Total	(179)	(187)
Special items are allocated to:		
Cost of goods sold	(67)	(131)
Sales costs	(14)	(19)
Administrative costs	(16)	(28)
Other operating items	-	156
Impairment	(572)	-
Total	(669)	(22)

Notes to the consolidated financial statements

11 Income statement classified by function – continued

Accounting policies

Cost of goods sold comprise costs incurred in generating the revenue for the year. The trading entities recognise cost of sales, and the producing entities recognise production costs, relating to revenue for the year. This includes the direct and indirect cost of raw materials and consumables, distribution and wages and salaries.

Sales costs comprise marketing costs etc. which includes costs of sales personnel, and advertising and exhibition costs.

Administrative costs include costs incurred during the year for management and administration, including costs for administrative staff, office premises and office expenses. Administrative costs also include impairment of trade receivables.

12 Earnings per share (EPS)

	2025	2024
Average number of shares	16,500,000	16,500,000
Average number of treasury shares	(162,049)	(162,049)
Average number of shares in circulation	16,337,951	16,337,951
Average number of restricted shares	162,049	162,049
Average number of outstanding shares, diluted	16,500,000	16,500,000
Result for the year (DKK million)	(665)	(50)
Attributable to non-controlling interest	(3)	(3)
Shareholders in H+H International A/S (DKK million)	(662)	(53)
Earnings per share (EPS) (DKK)	(40.3)	(3.2)
Diluted earnings per share (EPS-D) (DKK)	(40.3)	(3.2)

See calculation principle in financial ratios on page 121.

13 Intangible assets

	2025			
(DKK million)	Goodwill	Customer relations	Other intangible assets	Total
Total cost at 1 January 2025	452	364	155	971
Foreign currency translation adjustments	1	1	-	2
Transfer	-	-	-	-
Additions during the year	-	-	22	22
Disposals during the year	-	-	(7)	(7)
Total cost at 31 December 2025	453	365	170	988
Total depreciation and amortisation at 1 January 2025	(30)	(221)	(78)	(329)
Foreign currency translation adjustments	-	(1)	-	(1)
Amortisation for the year	-	(30)	(16)	(46)
Impairment for the year	(250)	(32)	(18)	(300)
Amortisation of disposals	-	-	7	7
Total amortisation and impairment losses at 31 December 2025	(280)	(284)	(105)	(669)
Carrying amount at 31 December 2025	173	81	65	319
	2024			
(DKK million)	Goodwill	Customer relations	Other intangible assets	Total
Total cost at 1 January 2024	452	363	129	944
Foreign currency translation adjustments	-	1	-	1
Transfer	-	-	14	14
Additions during the year	-	-	12	12
Disposals during the year	-	-	-	-
Total cost at 31 December 2024	452	364	155	971
Total depreciation and amortisation 1 January 2024	(30)	(184)	(68)	(282)
Amortisation for the year	-	(37)	(10)	(47)
Total amortisation and impairment losses at 31 December 2024	(30)	(221)	(78)	(329)
Carrying amount at 31 December 2024	422	143	77	642

Notes to the consolidated financial statements

13 Intangible assets – continued

Impairment testing

Identification of cash-generating units

The identified cash-generating units ('CGU') are aligned with H+H's operating segments, being Central Western Europe ('CWE'), Poland and United Kingdom. Management is of the opinion that the operating segments are the lowest level of groups of CGUs to which the carrying amount of goodwill can be allocated.

		2025	2024
		DKK million	DKK million
Cash-generating units and related goodwill	Year of origin		
Poland	2003	23	23
UK	N/A	-	-
Central Western Europe	2006/18/19/20/21	150	399
Total		173	422

Management tests goodwill for impairment for each CGU to which such assets have been allocated at least once a year or if key assumptions have changed leading to an indication of possible impairment. As of 30 June 2025, due to the pro-longed period with low market activity in Germany Management assessed that impairment indicators for the CWE region existed, and as such an impairment test was carried out using the same principles as for the annual impairment tests described below. The impairment test concluded an impairment need of DKK 250 million for goodwill which was recognised as special items in the income statement. The result was driven by change in expectations as described in the key assumptions for the annual impairment test.

The impairment test as of 31 December 2025 for each of the CGU concluded that no further impairments are needed.

Key assumptions

For the purpose of the impairment testing the recoverable amounts were defined as the value in use calculated by using a discounted cash flow model ('DCF'). The impairment testing for each of the CGUs concluded a reasonable headroom exists and Management believes that any likely changes in the key assumptions will not cause the carrying amount of goodwill and non-current assets to exceed the recoverable amounts.

The impairment tests were based on Management's financial expectations for 2026 and financial forecasts for the years 2027-2030 for all CGUs. Overall, the markets are expected to remain at the activity level of 2025 throughout 2026 and 2027, and then a balanced pick-up in especially the CWE region from 2028 and onwards. It is Management assessment, that the plants permanently closed in 2025 and the ongoing asset sale program in CWE should not negatively affect the expected future cash inflows to be generated from the CGU's as the remaining plants within each of the CGUs has sufficient capacity to supply existing markets both on short, mid- and long term. Other assumptions are mainly based on historic trends as well as Management's best estimate and external benchmark data. The key assumptions for the impairment test are annual growth in revenue ('CAGR') and gross margins, but the valuation is also impacted by growth in terminal period and discounting rates ('WACC').

	2025		2024	
	Poland	CWE	Poland	CWE
Carrying amount of intangible assets, property, plant and equipment at 31 December 2025 (DKK million)	394	763	372	1,223
Goodwill (DKK million)	23	150	23	399
Estimated average annual growth in revenue 2026-2030 (CAGR)	2.8%	3.7%	4.8%	9.3%
Estimated average annual growth / decrease in gross margin in percentage points 2026-2030	(0.8)%	1.4%	(0.4)%	2.7%
WACC before tax	14.3%	11.0%	14.7%	12.2%
WACC after tax	11.6%	8.6%	11.9%	8.8%

The weighted average growth rate used for the terminal period for the years after 2030 has been estimated at 2.0% (2024: 2.0%) for both CGUs. The weighted average annual growth rate for the terminal period is assessed not to exceed long-term average growth rates on the markets of the individual CGUs.

Management lowered its expectations for revenue growth in the forecasting period for CWE to an average growth of 3.7% (previously 9.3%) mainly driven by high uncertainty about the recovery of volumes sold in the short and mid-term. Beyond 2028 the market is expected to start to pick-up.

For the CWE region, the gross margin has been estimated to increase for the period 2026-2030 coming from a low base due to the challenged German economy and consequently a pro-longed period with low market activity. The increase in gross margin assumes an increase in plant utilisation driven by increased in volumes sold in combination with increase in plant efficiency in line with the HOME programme. Poland's capacity adjustment made in 2023 along with government incentives and lowered interest rates has resulted in a gross margin above expectations for 2024 and 2025 and consequently we expect a slight decrease during the forecast period.

The Polish market continued to be broadly stable in 2025, though the overall building activity towards the end of the year has been lower than in 2024. Management expects the volumes to be rather stable in the forecasting period but that inflation can be forwarded to the customers and therefore a decent annual growth of 2.8% (previously 4.8%).

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, is benchmarked to external information. The risk-free rate for both CGUs for the forecast period has been sourced from trading economics and is equal a 10-years government bond. The risk-free rate for the terminal period is normalised. The cost of debt is estimated based on the actual margin in the bank agreements and the risk-free rate. WACC components applied are similar for both CGUs apart from the risk-free rates which differentiate.

Notes to the consolidated financial statements

13 Intangible assets – continued

Sensitivity on changes in key assumptions

The results of the goodwill impairment tests are impacted by the key assumptions outlined on previous page.

For both impairment tests change in gross margin of 0.5%-point or a change in revenue growth of 1.0%-point impacts the results by approximately DKK 60 million in enterprise value. A change of WACC after tax or terminal period growth of 0.5%-point impacts the result by approximately DKK 70 million in enterprise value. Neither of these changes would result in any impairment need.

Based on sensitivity analyses, it is Management's opinion that no reasonable change in any key assumptions would cause the carrying amounts of CGUs to exceed the recoverable amount as at 31 December 2025.

Accounting policies

Goodwill is recognised initially in the balance sheet at cost. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised. On acquisition, goodwill is allocated to the cash-generating units which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency other than the H+H Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity, and translated on initial recognition into the foreign entity's functional currency at the exchange rate at the transaction date. Any excess of the fair value over the cost of acquisition (negative goodwill) is recognised in the income statement at the date of acquisition.

The carrying amount of goodwill is allocated to the H+H Group's cash-generating units at the date of acquisition or as of the date when the cash-generating units' identification has changed. The determination of cash-generating units follows the H+H Group's organisational and internal reporting structure.

Goodwill is tested for impairment annually, the first time before the end of the year of acquisition. The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which the goodwill has been allocated and written down to the recoverable amount in the income statement if the carrying amount exceeds the recoverable amount. As a rule, the recoverable amount is determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which the goodwill relates.

The carrying amounts of other non-current assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less expected disposal costs and its value in use. The value in use is determined as the present value of expected future cash flows from the asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement under depreciation and amortisation. Impairment losses relating to goodwill are not reversed. Impairment losses relating to other assets are reversed to the extent that the assumptions or estimates that led to the impairment loss have changed. Impairment losses are only reversed to the extent that the asset's new carrying amount does not exceed the value the asset would have had after depreciation/amortisation if no impairment losses had been charged.

Other intangible assets comprise of customer relations, order-book, trademarks, development projects and patent and licenses. Customer relations, order book and trademarks acquired in connection with business combinations are measured at cost less cumulative amortisation and impairment losses. They are amortised using a straight-line method over the expected useful life.

Development projects that are clearly defined and identifiable, and for which technical feasibility, adequate resources and a potential future market or an application in the entity can be demonstrated, and which the entity intends to manufacture, market or use, are recognised as intangible assets if the cost can be determined reliably and if there is reasonable certainty that the future earnings or the net selling price will cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Recognised development costs are measured at cost less cumulative amortisation and impairment losses. Cost comprises salaries, amortisation and other expenses attributable to the H+H Group's development activities and interest expenses on loans to finance development projects that relate to the production period. On completion of the development work, development projects are amortised on a straight-line basis over the estimated economic useful life from the date the asset is available for use. The amortisation period is normally 5-10 years. The amortisation base is reduced by any impairment losses.

Patents and licenses are measured at cost less cumulative amortisation and impairment losses. Patents and licenses are amortised on a straight-line basis over the shorter of the remaining patent or contract period and the useful life.

Software and other intangible assets are depreciated on a straight-line basis over the expected useful lives of the assets as follows:

- Software 3-8 years
- Customer relations 10 years
- Other intangible assets 1-10 years

Significant accounting estimates

Impairment of goodwill and other intangible assets

Significant accounting estimates relates to determining key assumptions of the impairment test in its whole. In preparing the impairment test, a range of significant accounting estimates are made, i.e., determining future cash flows, identifying CGU's, determining growth rates in respectively the forecast period and terminal period and WACC.

The value in use is the discounted value of the expected future cash flows. This valuation involves developing different scenarios to reflect outcomes. It is based on the forecast for 2026 approved by the Board of Directors and financial forecasts for the years 2027-2030 for all CGUs. Assumptions are based on historic trends as well as external benchmarked data. Local conditions, such as expected development in macroeconomic and market conditions, are considered. All assumptions are challenged and verified by management.

Notes to the consolidated financial statements

14 Property, plant and equipment

(DKK million)	2025				
	Land and buildings	Plant and machinery	Other equipment, fixtures and fittings	Property, plant and equipment under construction	Total
Total cost at 1 January 2025	1,391	2,633	338	240	4,602
Foreign currency translation adjustments	-	(18)	-	(5)	(23)
Transfers	5	35	97	(137)	-
Additions, including right-of-use assets	25	42	39	57	163
Disposals during the year	(3)	(44)	(17)	-	(64)
Transferred to assets held for sale	(161)	(363)	(144)	-	(668)
Total cost at 31 December 2025	1,257	2,285	313	155	4,010
Total depreciation and amortisation at 1 January 2025	(684)	(1,944)	(258)	-	(2,886)
Foreign currency translation adjustments	-	13	-	-	13
Depreciation for the year	(32)	(71)	(30)	-	(133)
Impairment for the year	(62)	(96)	(114)	-	(272)
Depreciation of disposals	-	44	16	-	60
Transferred to assets held for sale	77	363	144	-	584
Total depreciation and impairment losses at 31 December 2025	(701)	(1,691)	(242)	-	(2,634)
Carrying amount at 31 December 2025	556	594	71	155	1,376
Right-of-use assets included as					
Additions	23	-	37	-	60
Disposals	(2)	-	(4)	-	(6)
Depreciation	(6)	-	(22)	-	(28)
Impairment for the year	(4)	-	(2)	-	(6)
Depreciation of disposals	1	-	4	-	5
Carrying amount at 31 December	79	-	51	-	130

(DKK million)	2024				
	Land and buildings	Plant and machinery	Other equipment, fixtures and fittings	Property, plant and equipment under construction	Total
Total cost at 1 January 2024	1,443	2,532	327	332	4,634
Foreign currency translation adjustments	12	31	3	4	50
Transfers	17	110	-	(141)	(14)
Additions, including right-of-use assets	40	44	32	45	161
Disposals during the year	(121)	(84)	(24)	-	(229)
Transferred to assets held for sale	-	-	-	-	-
Total cost at 31 December 2024	1,391	2,633	338	240	4,602
Total depreciation and amortisation at 1 January 2024	(689)	(1,922)	(250)	-	(2,861)
Foreign currency translation adjustments	(6)	(21)	(1)	-	(28)
Depreciation for the year	(36)	(74)	(30)	-	(140)
Impairment for the year	-	-	-	-	-
Depreciation of disposals	47	73	23	-	143
Transferred to assets held for sale	-	-	-	-	-
Total depreciation and impairment losses at 31 December 2024	(684)	(1,944)	(258)	-	(2,886)
Carrying amount at 31 December 2024	707	689	80	240	1,716
Right-of-use assets included as					
Additions	32	-	17	-	49
Disposals	(70)	-	(16)	-	(86)
Depreciation	(6)	-	(20)	-	(26)
Depreciation of disposals	6	-	14	-	20
Carrying amount at 31 December	67	-	38	-	105

Assets held for sale comprise of closed plants, which are expected to be sold within 2026 as part of the asset disposal programme.

Notes to the consolidated financial statements

14 Property, plant and equipment – continued

Right-of-use-assets

The Group leases land and buildings, offices, cars and forklift trucks. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Total cash outflows for leases amounts to DKK 30 million (2024: DKK 32 million).

Lease liabilities and interest relating to recognised lease contracts are included in Note 26. Future minimum lease payments relating to leases not recognised in the balance sheet amount to DKK 0 million (2024: DKK 0 million). At 31 December 2025 the Group was committed to short-term and low value leases for an amount of DKK 1 million (2024: DKK 1 million).

Accounting policies

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

Cost comprises purchase price and any costs directly attributable to the acquisition up to the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers and labor. Cost is increased by estimated costs for dismantling and removal of the asset and restoration costs, to the extent that they are recognised as a provision, and interest expenses on loans to finance the production of property, plant and equipment that relates to the production period. The cost of a combined asset is divided into separate components that are depreciated separately if the components have different useful lives.

Subsequent costs, for example in connection with replacement of part of an item of property, plant or equipment, are recognised in the carrying amount of the asset if it is probable that future economic benefits will flow to the H+H Group from the expenses incurred. The replaced part is derecognised in the balance sheet, and the carrying amount is transferred to the income statement. All other expenses for general repair and maintenance are recognised in the income statement as incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets as follows:

- Buildings 30-50 years
- Production equipment, autoclaves, mills, cutting machines and moulds 10-30 years
- Plant, machinery and other equipment 5-20 years
- Vehicles, fixtures and IT equipment 3-10 years
- Land is not depreciated

The main part of the Group's non-current assets comprises of production equipment, autoclaves, mills, cutting machines, presses and moulds which are depreciated over a period of 10-30 years.

The depreciation base is determined taking into account the asset's residual value and is reduced by any impairment losses. The residual value is determined at the date of acquisition and reviewed annually. Depreciation ceases if the residual value of an asset exceeds its carrying amount. The effect on depreciation of any changes in depreciation period or residual value is recognised prospectively as a change in accounting estimates.

Assets are transferred to assets held for sale if it is highly probable that their carrying amount will be recovered primarily through sale rather than through continuing use.

Leases

At the commencement date, the Group recognises a lease liability and a corresponding right-of-use asset at the same amount, except for short-term leases of 12 months or less and leases of low-value assets. The interest rate implicit in the lease or the H+H Group's incremental borrowing rate is used as the discount rate for calculating the lease liability and a corresponding right-of-use asset.

A right-of-use asset is initially measured at cost, which equals the initial lease liability and initial direct costs less any lease incentives received. The Group has applied the practical expedient option allowed under IFRS by using a portfolio approach for the recognition of lease contracts related to assets of the same nature and with similar lease terms, i.e. cars and trucks.

Subsequently, the right-of-use asset is measured at cost less depreciation and impairment losses and adjusted for remeasurement of the lease liability.

The right-of-use asset is depreciated over the earlier of the lease term or the useful life of the asset. The impairment testing of right-of-use assets follows the same principles as those applied for property, plant and equipment. Right-of-use assets are recognised as property, plant and equipment.

The Group has elected not to recognise right-of-use assets and liabilities for leases with a term of 12 months or less and leases of low-value assets. Lease payments related to such leases are recognised in the income statement as an expense on a straight-line basis over the lease term.

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension or termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. Judgement is applied in determining the depreciation period and future residual value of the assets recognised and is generally based on historical experience. Reassessment is done annually to ascertain that the depreciation basis applied is still representative and reflects the expected life and future residual value of the assets.

Significant accounting estimates

Impairment testing of property, plant and equipment

Significant accounting estimates relates to determining the recoverable amount of closed plants and related land. When determining the recoverable amount Management has assessed the market value less cost to sell. The estimates are made based on public comparable transactions, historically sales prices, expected land values and initial discussions with potential buyers.

Notes to the consolidated financial statements

15 Deferred tax

(DKK million)	2025	2024
Deferred tax at 1 January	18	(23)
Prior years adjustments	8	(10)
Foreign exchange adjustments	2	(1)
Effect of change in tax rate	(4)	4
Change in deferred tax	(10)	48
Valuation of tax asset	(10)	-
Deferred tax at 31 December	4	18

(DKK million)	2025	2024
Deferred tax relates to:		
Non-current assets	(65)	(85)
Current assets	1	(1)
Liabilities	10	17
Tax loss carry-forwards	58	87
Total	4	18

Breakdown of deferred tax and recognition in the balance sheet:

Deferred tax assets	44	54
Deferred tax liabilities	(40)	(36)
Total	4	18

The tax value of loss carry-forwards has been recognised as deferred tax assets in the companies where, based on budget and forecasts, it is considered likely that this can be utilised in future earnings. A tax value of loss carry-forwards of DKK 155 million at 31 December 2025 (2024: DKK 73 million) has not been recognised as deferred tax assets, as these are not considered likely to be utilised, especially given the current macro-economic environment. The carry-forward losses, which does not have an expiry date, relate to Germany, Denmark and Sweden.

No deferred tax has been recognised on the difference between the cost of equity investments and the carrying amount. This is because the shareholdings in the equity investments are all considered to be "shares in a subsidiary", and any gain/loss is therefore not taxable.

Accounting policies

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

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amount and tax base of assets and liabilities. However, the following temporary differences are not recognised: Goodwill not deductible for tax purposes and other items – apart from business combinations – where temporary differences have arisen at the date of acquisition that affect neither profit nor taxable income. Where alternative tax rules can be applied to compute the tax base, deferred tax is measured on the basis of Management's planned use of the asset or settlement of the liability respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised as other non-current assets at the value at which they are expected to be utilised either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and liabilities are offset if the H+H Group has a legally enforceable right to offset current tax liabilities and assets or intends to settle current tax liabilities and assets on a net basis or to realise tax assets and liabilities simultaneously. Adjustment of deferred tax is made in respect of elimination of unrealised intra-group profits and losses.

Deferred tax is measured on the basis of the tax rules and at the tax rates that will apply under the legislation enacted at the balance sheet date in the respective countries when the deferred tax is expected to crystallise in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Under the joint taxation rules, H+H International A/S, as the administration company, becomes liable to the tax authorities for the subsidiaries' income taxes as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable and receivable are recognised in the balance sheet under receivables from/payables to subsidiaries.

Significant accounting judgements

Recovery of deferred tax assets. Deferred tax assets are recognised for all unutilised tax loss carry-forwards to the extent it is considered likely that the losses can be offset against taxable income in the foreseeable future. The amount recognised for deferred tax assets is based on judgement of the likely date and size of future tax loss carry-forwards.

Notes to the consolidated financial statements

16 Non-controlling interest

Non-controlling interest

Set out below is summarised financial information for each subsidiary that has a non-controlling interest that are material to the group. The amounts stated are the consolidated accounting figures of the individual enterprise, determined according to H+H accounting policies. Amounts are stated before intra-group eliminations.

	Baustoffwerke Dresden GmbH & Co. KG		Porenbetonwerk Lausnitz GmbH & Co. KG		DOMAPOR Baustoffwerke GmbH	
Principal activities	Production		Production		Production	
Ownership (voting rights)	51%		51%		53%	
Principal place of business	Dresden, Germany		Lausnitz, Germany		Hohen Wangelin, Germany	
Financial information (DKK million)	2025	2024	2025	2024	2025	2024
Revenue	100	100	64	90	120	103
Result for the year	(5)	(7)	(4)	4	7	10
Cash flow from operating activities	16	6	9	10	17	21
Dividend paid to non-controlling interest	-	-	-	5	-	-
Total assets	120	141	57	114	130	122
Non-current liabilities	57	73	16	27	28	26
Current liabilities	7	7	7	9	21	4
Accumulated non-controlling interest	27	15	37	37	26	29

Accounting policies

Transactions with non-controlling interests are accounted for as transactions with shareholders. Net assets acquired are not revalued on the acquisition of non-controlling interests. Any difference between the carrying amount and the acquisition or selling price is recognised in equity.

17 Costs of goods sold and inventories

(DKK million)	2025	2024
Raw materials and consumables	139	144
Finished goods and goods for resale	346	291
Total	485	435
Write-downs recognised in the inventories above have developed as follows:		
Write-downs at 1 January	30	35
Write-downs for the year	45	2
Realised during the year	(45)	(5)
Reversals	-	(2)
Total	30	30
Cost of goods sold comprised (before special items):		
Direct production costs	1,286	1,320
Wages and salaries	354	309
Production overheads	253	211
Distribution	230	326
Write-downs for the year	5	2
Total	2,128	2,168

Accounting policies

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are written down to this lower value. In the case of goods for resale, and raw materials and consumables, cost comprises purchase price plus expenses incurred in bringing the inventories to their existing location and condition.

In the case of finished goods, cost comprises raw materials, consumables, direct labor and production overheads. Production overheads comprise indirect materials and labor as well as maintenance and depreciation of the machinery, plant buildings and equipment used in the production process, and the cost of plant administration and management.

The net realisable value of inventories is determined as the selling price less any costs of completion and costs incurred to execute the sale. The net realisable value is determined on the basis of marketability, obsolescence and developments in expected selling price.

Notes to the consolidated financial statements

18 Trade and other receivables

(DKK million)	2025	2024
Trade receivables, gross	150	149
Write-downs	(3)	(2)
Rebates and bonus	(37)	(34)
Other receivables	56	39
Total	166	152

Other receivables include receivables from rent deposits, VAT, other indirect taxes etc. Other receivables fall due within one year of the balance sheet date.

(DKK million)	2025	2024
Age analysis of trade receivables (gross):		
Not past due	131	129
0-30 days	16	16
31-90 days	2	2
91-180 days	-	1
Over 180 days	1	1
Total trade receivables	150	149
Write-downs relating to receivables, year-end	3	2

The average credit period on sales of goods is approximately 30 days.

The expected credit losses on trade receivables are estimated using a provision matrix and the Group has recognised a loss allowance of 100% against all receivables over 180 days because historical experience has indicated that these receivables are generally not recoverable.

In determining the expected credit losses, we have taken into account the historical default experience, the financial position of the counterparties and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Receivables that are not past due are predominantly deemed to have a high credit quality and security is normally not required. The Group's customers are typically large well-consolidated builders' merchants and housebuilders, and customers are credit rated on a regular basis. Only limited security had been provided on 31 December 2025.

(DKK million)	2025	2024
Write-downs of receivables:		
Write-downs at 1 January	2	2
Write-downs for the year	1	0
Realised during the year	0	0
Reversals	-	-
Write-downs relating to receivables at 31 December	3	2

Accounting policies

Receivables are measured at amortised cost, which in all material respects corresponds to the nominal value less a loss allowance equal expected credit loss. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Expected credit losses on receivables are recognised as other external expenses.

The expected credit losses on receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Prepayments recognised under assets comprise expenses incurred in respect of subsequent financial years. Prepayments are measured at amortised cost.

Notes to the consolidated financial statements

19 Share capital and treasury shares

	Number		Nominal value, DKK million	
	2025	2024	2025	2024
Share capital at 1 January	16,500,000	16,500,000	165	165
Movements	-	-	-	-
Share capital at 31 December	16,500,000	16,500,000	165	165

On 4 May 2023, and with reference to Company Announcement no. 532 of 31 March 2023 and Company Announcement no. 533 of 4 May 2023, the approved reduction of the share capital by a nominal amount of DKK 10,000,000 from DKK 175,000,000 to DKK 165,000,000 through the cancellation of 1,000,000 shares of nominally DKK 10.00 each was registered at the Danish Business Authority.

On 5 May 2022, and with reference to Company Announcement no. 479 of 31 March 2022 and Company Announcement no. 485 of 5 May 2022, the approved reduction of the share capital by a nominal amount of DKK 4,833,650 from 179,833,650 to DKK 175,000,000 through the cancellation of 483,365 shares of nominally DKK 10.00 each was registered at the Danish Business Authority.

There have been no other movements in the share capital in the last five years.

Treasury shares	Number	Nominal value, DKK million	% of share capital, year-end
Holding at 1 January 2024	162,049	1.62	1%
Purchased during the year	-	-	-
No movements	-	-	-
Holding at 31 December 2024	162,049	1.62	1%
Purchased during the year	-	-	-
No movements	-	-	-
Holding at 31 December 2025	162,049	1.62	1%

All the treasury shares are owned by H+H International A/S and are acquired in order to hedge liabilities related to the share programs. Refer to note 4 for further information on the share programs.

Accounting policies

Equity: Proposed dividends are recognised as a liability at the date of adoption at the annual general meeting (declaration date).

Treasury shares: Acquisition costs, disposal costs and dividends relating to treasury shares are recognised directly in retained earnings under equity. Capital reductions as a result of cancellation of treasury shares reduce the share capital by an amount equivalent to the nominal value of the shares. Proceeds from the sale of treasury shares in H+H International A/S in connection with the exercise of share options are taken directly to equity.

20 Pension obligations

Under defined contribution plans, the employer is obliged to pay a specific contribution (e.g. a fixed amount or a fixed percentage of salary). Under such plans, the Group does not bear the risk associated with future developments in interest rates, inflation, mortality and disability.

Under defined benefit plans, the employer is obliged to pay a specific amount (e.g. a retirement pension as a fixed amount or a fixed percentage of final salary). Under such plans, the Group bears the risk associated with future developments in interest rates, inflation, mortality and disability.

Foreign entities that are not insured or only insured in part (defined benefit plans) calculate the obligation actuarially at present value at the balance sheet date. These pension plans are fully or partly funded in pension funds for the employees. In the consolidated financial statements, an amount of DKK 14 million (2024: DKK 21 million) has been recognised under liabilities in respect of the Group's obligations to existing and former employees after deduction of the assets associated with the plans.

On 31 December 2025, the actuarial valuation of the defined benefit plan in the UK showed a net asset of DKK 24 million (GBP 2.8 million), consequently triggering IFRIC 14 for H+H to recognise future committed pension contributions of the scheme as they do not have unconditional right to a refund. As the last core contribution was paid on 28 February 2025 the value recognised as future contributions amounts to DKK 0 million compared to a net liability DKK 12 million in 2024.

In the consolidated income statement, an amount of DKK 6 million (2024: DKK 5 million) has been recognised in respect of expenses relating to insured plans (defined contribution plans). For non-insured plans (defined benefit plans), an amount of DKK 0 million (2024: DKK 0 million) has been recognised in the consolidated income statement as financial expenses.

The Group has defined benefit plans in the UK, Germany and Switzerland. The UK and Swiss pension plans are managed by a pension fund – legally separate from the Company – to which payments are made, whereas the German pension plans are unfunded. The board of the UK pension fund is composed of two representatives appointed by the employer, two elected by the pension fund members and two professional independent members.

Notes to the consolidated financial statements

20 Pension obligations – continued

The board of the UK pension fund is required by law and by articles of association to act in the interest of the pension fund members. The board of the UK pension fund is responsible for the investment policy with regard to the plan assets. Under the pension plan, employees are entitled to post-retirement annual payments amounting to 1/60 of the final pensionable salary for each year of service before the retirement age of 65. In addition, the service period is limited to 40 years, resulting in a maximum yearly entitlement (life-time annuity) of 2/3 of the final pensionable salary.

The defined benefit pension fund in the UK typically exposes the Company to actuarial risks, such as investment, interest rate, inflation and longevity. H+H Celcon Pension Fund is supervised by an independent corporate trustee, H+H Celcon Pension Fund Trustee Limited. In accordance with the legislation governing pension funds, the corporate trustee must ensure among other things that a limited actuarial calculation of the pension obligations is carried out each year.

Every 3 years a triennial valuation take place. This valuation is based on more prudent assumptions than used under IAS 19.

The updated triennial valuation, postponed from April 2023, was finally agreed on 13 December 2024, with the Actuarial certificate signed on 27 January 2022, replacing the triennial valuation from April 2020 (current). The updated triennial valuation showed a deficit of DKK 64 million (GBP 7.4 million), a decreased deficit compared to the triennial valuation from April 2020 of DKK 143 million (GBP 16.5 million). The updated repayment schedule ran until to 28 February 2025 and during the year H+H UK Limited paid the core contributions of DKK 2.6 million (GBP 0.3 million) per month until that date. The UK pension fund was closed to new entrants in June 2007 and to the accrual of future service benefits in December 2011.

The most recent actuarial valuations (based on IAS 19R) of plan assets and the present value of the defined benefit obligation in UK were carried out at 31 December 2025 by Mr. Oscar Brown, Fellow of the UK Institute of Actuaries (Axis Actuarial Consulting Ltd.), in Germany by AON and in Switzerland by Swiss Life. The present value of the defined benefit obligation, and the related service and past service cost, were measured using the projected unit credit method.

The UK pension fund has been replaced by a defined contribution pension scheme where the Company is not subject to any ongoing investment, interest rate or mortality risk.

(DKK million)	2025	2024
Pensions and similar obligations:		
Present value of fully or partly funded defined benefit plans	501	541
Fair value of plan assets	494	533
(Surplus)/Deficit	7	8
Present value of unfunded defined benefit plans recognised in the balance sheet	7	8
Future committed pension contribution (UK)	-	5
Net obligation recognised in the balance sheet	14	21
Development in present value of defined benefit obligation:		
Obligation at 1 January	549	581
Foreign exchange adjustments	(22)	23
Calculated interest on obligation	26	25
Service costs	1	1
Gains/losses as a result of changes in economic assumptions	(13)	(55)
Gains/losses as a result of changes in demographic assumptions	-	(4)
Empirical changes	1	1
Pension paid by employees	4	4
Pension paid	(38)	(27)
Obligation at 31 December	508	549
Breakdown of the present value of defined benefit obligation:		
Present value of fully or partly funded defined benefit obligations	501	541
Present value of unfunded defined benefit obligations	7	8
Obligation at 31 December	508	549

Notes to the consolidated financial statements

20 Pension obligations – continued

(DKK million)	2025	2024
Development in fair value of plan assets:		
Plan assets at 1 January	533	522
Foreign exchange adjustments	(24)	23
Calculated interest income	26	23
Return on plan assets over and above the calculated interest	2	(35)
The Group's contributions to plan assets	7	30
The employee's contributions to plan assets	4	4
Value of derecognised plan assets	(17)	(7)
Pensions paid	(37)	(27)
Plan assets at 31 December	494	533
Pension costs relating to the current financial year, recognised as staff costs:		
Pension costs relating to defined contribution plans	7	6
Total pension costs	7	6
Financial costs relating to the defined benefit plans for the current year:		
Calculated interest on obligation	(26)	(24)
Calculated interest on plan assets	26	23
Net interest on defined benefit plans	-	(1)
Pension costs recognised in other comprehensive income:		
Gains/losses as a result of change in economic assumptions	16	56
Gains/losses as a result of change in demographic assumptions	1	5
Return on plan assets over and above the calculated interest	2	(35)
Future committed pension contribution / value of derecognised assets	(17)	(12)
Changes due to empirical changes	(1)	(1)
Total	1	13

The cost has been recognised in the income statement under staff costs; see note 4. Costs recognised under production costs amount to DKK 4 million (2024: DKK 3 million), costs recognised under sales and distribution costs amount to DKK 2 million (2024: DKK 2 million) and costs recognised under administrative costs amount to DKK 1 million (2024: DKK 1 million).

(DKK million)	2025	2024
Plan assets can be broken down as follows:		
Liability Driven Investment*	154	170
Global equities*	179	190
Bonds*	131	133
Alternatives	48	44
Cash	6	3
Value of derecognised plan assets	(24)	(7)
Total	494	533

* All plan assets in the UK, DKK 470 million (2024: DKK 496 million), are investments held in LGIM funds, which in turn invest directly in highly rated assets that are traded on a stock exchange.

Alternatives relate to the Swiss pension plan of DKK 48 million (2024: DKK 44 million) and includes assets with no quoted market price.

(DKK million)	2025	2024
Return on plan assets		
Actual return on plan assets	28	(12)
Calculated interest on plan assets	26	23
Actuarial gain (loss) on plan assets	2	(35)
The average assumptions used for the actuarial calculation related to the UK pension at the balance sheet date can be stated as follows:		
Discount rate (avg.)	5.6%	5.5%
Expected inflation rate	3.1%	3.3%
Members' life expectancy from retirement age (years)	22.3	22.9

Notes to the consolidated financial statements

20 Pension obligations – continued

Sensitivity analysis

The table below shows the sensitivity of the pension obligation to changes in the key assumptions for determination of the obligation on the balance sheet date. The H+H Group is also exposed to developments in the market value of the plan assets. The key actuarial assumptions in determination of the pension obligation relate to interest rate level and mortality.

The analysis is based on the reasonably likely changes which can be expected on the balance sheet date, provided that the other parameters in the calculations are unchanged and not subject to consequential changes:

(DKK million)	2025	2024
Sensitivity relative to discount rate:		
If the discount rate falls by 0.5 percentage point, the pension obligation will increase by	31	32
Sensitivity relative to inflation rate:		
If the inflation rate increase by 0.5 percentage point, the pension obligation will increase by	13	14
Sensitivity relative to life expectancy from retirement age:		
If the life expectancy from retirement age increases by 1 year, the pension obligation will increase by	18	19

The Group expects to pay DKK 3 million into the defined benefit pension plan in 2026 (2025: DKK 7 million).

(DKK million)	2025	2024
The pension obligation is expected to fall due as follows:		
0-1 year	3	7
1-5 years	16	12
Over 5 years	22	24
Total	41	43

Actuarial assumptions

Discount rate

The discount rate is based on high-quality corporate bonds, and an adjustment has been made to reflect the fact that the duration of the bonds does not correspond to the duration of the pension obligation.

Price inflation

Inflation is based on market expectations for inflation over the duration of the pension liabilities and is calculated as a single equivalent rate.

Demographic assumptions are based on the latest available mortality projection model.

Accounting policies

Pension obligations: The H+H Group has entered into pension agreements and similar agreements with some of its employees. Obligations relating to defined contribution plans are recognised in the income statement over the vesting period, and any contributions payable are recognised in the balance sheet as other payables.

As regards defined benefit plans, the value in use of future benefits to be paid under the plan is determined actuarially on an annual basis. The value in use is determined on the basis of assumptions concerning future trends in factors such as salary levels, interest rates, inflation and mortality.

The value in use is determined only for the benefits attributable to service already rendered to the H+H Group. The actuarially determined value in use less the fair value of any plan assets is recognised in the balance sheet under pension obligations. If a defined benefit pension plan constitutes a net asset it will trigger IFRIC 14 and recognise future committed pension contributions to the scheme as the Group does not have unconditional right to a refund.

The pension costs for the year are recognised in the income statement based on actuarial estimates and the financial outlook at the start of the year. Past service costs are recognised in the income as a financial item. Differences between the expected development in plan assets and obligations and the realised values determined at year-end are designated as actuarial gains or losses and recognised in other comprehensive income.

Significant accounting estimates

Defined benefit pension plans: The present value of pension obligations depends on the actuarial assumptions made. These assumptions comprise the discount rate, inflation rate, estimated return on plan assets, future salary increases, mortality and future developments in pension obligations.

All assumptions are reviewed at the reporting date. Any changes in the assumptions will affect the carrying amount of the pension obligations.

Notes to the consolidated financial statements

21 Provisions

(DKK million)	2025	2024
Provisions at 1 January	69	38
Provisions for the year	78	54
Utilised during the year	(66)	(23)
Reversals during the year	(2)	-
Provisions at 31 December	79	69
Breakdown of the provisions at 31 December:		
Warranty obligations	1	1
Obligations relating to restoration of sites	29	28
Restructuring and other employee related provisions	41	23
Other provisions	8	17
Total	79	69
Expected maturity of provisions:		
Non-current liabilities	35	43
Current liabilities	44	26
Total	79	69

H+H's subsidiaries provide normal warranties in respect of products supplied to customers. The provision for warranty obligations relates to warranties provided in respect of products supplied prior to the balance sheet date. The warranty period varies depending on normal practice in the markets in question. The warranty period is typically between one and five years. Warranty obligations have been determined separately for each company based on normal practice in the market in question and historical warranty costs. On 31 December 2025, warranty obligations relate predominantly to Germany and Poland.

The obligation in respect of restoration of sites relates to H+H's sites in Germany and Poland. The obligation has been calculated on the basis of external assessments of the restoration costs.

Accounting policies

Provisions are recognised when, as a result of an event occurring before or at the balance sheet date, the H+H Group has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

The measurement of provisions is based on Management's best estimate of the amount expected to be required to settle the obligation.

In connection with the measurement of provisions, the costs required to settle the obligation are discounted to net present value if this has a material effect on the measurement of the obligation. A pre-tax discount rate is applied that reflects the general interest rate level plus the specific risks attached to the provision. The changes in present values during the financial year are recognised under financial expenses.

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data.

Provision for restructuring is recognised when a detailed formal plan for the restructuring has been made public, no later than the balance sheet date, to those affected by the plan.

If the H+H Group has an obligation to dismantle or remove an asset or restore the site on which the asset has been used, a provision equivalent to the present value of the expected future expenses is recognised.

Notes to the consolidated financial statements

22 Credit institutions

(DKK million)	2025	2024
Bank loans, non-current	842	1,048
Bank loans, current	-	-
Amortised borrowing costs	(1)	(2)
Total	841	1,046

Change in borrowings from financing activities:

(DKK million)	2025	2024
Borrowings 1 January	1,047	908
Change in proceeds	-	-
Bank overdraft and other debt	(205)	140
Borrowings 31 December	842	1,048

Change in lease liabilities:

(DKK million)	2025	2024
Lease liabilities 1 January	98	119
Cash flows	(30)	(32)
New/disposed/remeasured lease	57	10
Foreign exchange adjustments	1	1
Lease borrowings 31 December	126	98

Maintenance of the committed credit facilities is conditional upon compliance with a number of financial covenants; see note 26.

Accounting policies

Bank loans etc. are recognised at the date of borrowing at the proceeds received net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest rate method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

The lease liability is measured at the present value of the remaining lease payments at the reporting date, discounted using the incremental borrowing rate for similar assets, taking into account the terms of the leases. A remeasurement of the lease liability, for example a change in the assessment of an option to purchase, results in a corresponding adjustment of the related right-of-use assets.

Extension or termination options are included in the lease term if the lease is reasonably certain to be extended or not terminated. Consequently, all cash outflows that are reasonably certain to impact the future cash balances are recognised as lease liabilities at initial recognition of lease contracts. The Group reassesses the circumstances leading to it not recognising extension or termination options on an ongoing basis.

23 Contingent liabilities

Operating leases

Material leases for the H+H Group are recognised in accordance with IFRS 16 "Leases". An amount of DKK 2 million (2024: DKK 2 million) has been recognised in the consolidated income statement for 2025 in respect of operating leases and rental obligations.

Financial guarantee

Subsidiaries drawdowns at 31 December 2025 amounts to DKK 633 million (2024: DKK 823 million).

In addition, hereto, third party guarantees provided by H+H International A/S and its subsidiaries amounts to DKK 46 million at 31 December 2025 (2024: DKK 45 million).

Other

The H+H Group is not a party of any material legal proceedings.

Notes to the consolidated financial statements

24 Auditors' remuneration

(DKK million)	2025	2024
Total fees for H+H International A/S's auditors elected at the annual general meeting:		
Fee	4.4	5.0
Total	4.4	5.0
The total fee can be broken down as follows:		
Statutory audit	3.5	3.5
Other assurance engagements	0.9	1.5
Tax and VAT services	-	-
Other services	0.0	0.0
Total	4.4	5.0

A few Group enterprises are not audited by the Parent's appointed auditors (PwC) or the auditors' foreign affiliates.

Non-audit services provided by PwC Denmark amounted to DKK 0.9 million in 2025 (2024: DKK 1.5 million), relating to assurance services on sustainability matters and other advisory services.

25 Non-cash adjustments

(DKK million)	2025	2024
Impairment of assets and inventory write down	609	-
Gain / loss on sale of assets	(1)	(158)
Other non-cash adjustments	10	2
Total	618	(156)

26 Financial instruments and financial risks

H+H's financial risk management policy

As a result of its operations, H+H is exposed to various financial risks i.e. foreign exchange risks, as well as capital structure and cash flow risks, bad debt exposure and financial covenants.

H+H's financial risk management policy and procedures is aimed at managing the financial risks that are a direct consequence of H+H's operations. This note relates only to financial risks directly associated with H+H's financial instruments.

Foreign exchange risks

H+H presents its consolidated financial statements in DKK. Most of H+H's products are produced and sold outside Denmark. Sales in markets outside Denmark account for approximately 90% of revenue, with the UK, Germany and Poland being the largest markets.

All H+H entities do mainly trade in local currencies, such as GBP, EUR and PLN, as all raw materials are sourced locally, and the majority of customers are within the given region. The Nordic subsidiaries make their purchases in EUR. Therefore the currency exposure is assessed limited on ordinary activities. Material foreign exchange exposure does only relate to specific events, such as dividend payments within the group or significant transactions.

H+H's foreign exchange hedging policy and procedures states that an individual group subsidiary must not take foreign exchange positions. Instead, Treasury needs to be consulted, and if relevant, financial instruments in foreign currencies are entered into if the foreign exchange exposure exceeds certain thresholds, also depending on the character of exposure. Due to the nature of H+H activities, financial instruments in foreign currencies are only limitedly used. None were entered in 2025.

Commodity price risks

Commodity price risks in H+H mainly relate to fluctuations in Energy prices which are used either directly in the production or through purchase of components such as lime, where the price could be linked to the certain energy prices. The risk is managed in accordance with the H+H Hedging Policy, primarily by entering into fixed price agreements with suppliers for a shorter timeframe or passing development in energy prices on to the customers. No fixed price agreements exceeding 12 months from the time of entering the contract are allowed.

Capital structure and cash flow risks

The H+H Group has significant net interest-bearing debt. An increase in the interest rate level will lower the Group's pre-tax result. It is H+H's policy to hedge interest rate risks on H+H's loans if it is assessed that the interest payments can be hedged at a satisfactory level. Historically, the interest rate has only to a very limited extent been hedged. None interest hedges were entered in 2025.

The H+H Group's liquidity risk is defined as the risk that the H+H Group will not, in a worst-case scenario, be able to meet its financial obligations due to insufficient liquidity. It is the H+H Group's policy that all surplus funds flow upwards to be managed centrally by the parent company.

H+H's capital structure contains a Global Cash Pool arrangement supported by individual loans. Most group subsidiaries participate in the Global Cash Pool arrangement and the parent company sets limits for all overdraft facilities included herein. H+H aims that financing of group subsidiaries are managed within the Global Cash Pool arrangement, or via intercompany loans from the parent com-

Notes to the consolidated financial statements

26 Financial instruments and financial risks – continued

pany to the relevant group subsidiary. If necessary, the parent company may decide to approve that financing of a group subsidiary is obtained externally.

H+H regularly evaluates the capital structure on the basis of expected cash flows with a view to ensuring an appropriate balance between adequate future financial flexibility and a reasonable return to shareholders.

Bad debt exposure

As consequence of it's ordinary activities, H+H is exposed to the risk of bad debt. This risk is primarily related to receivables in respect of sales of H+H's products, which for the majority is invoiced through a number of builders' merchants across several countries. This reduces the H+H's risk of bad debt exposure towards contractors and house builders, but consequently increases it to builders' merchants.

In line with H+H's credit risk hedging procedures, all customers are subject to mitigating actions, i.e. credit rating, assessment of payment terms or credit limits etc., which all constitutes that H+H's risk of bad debt are at a very low level, which also is supported by the very modest bad debt losses realised in previous years. The maximum related credit risk corresponds to the carrying amounts recognised in the balance sheet. The H+H Group does not have any material risks relating to a single customer or business partner. Refer to note 18.

Loan agreements and financial covenants

H+H Group's financing is a committed credit facility with Nordea Danmark, a branch of Nordea Abp, Finland. The Group facility is subject to covenants related to debt leverage, defined as adjusted net interest-bearing debt (NIBD) divided by 12 months rolling adjusted EBITDA and an interest cover defined as adjusted net interest-bearing debt (NIBD) divided by 12 month rolling net interest paid. The covenants are tested and reported end of each quarter until the maturity of the facility. The Group fulfilled all financial covenants in 2025. In February 2026, an amendment was made to the H+H Group's bank agreement reflecting the current market conditions and provide the H+H Group with reasonable financing allowing H+H Group to focus on long-term value creation. The covenants are expected to be fulfilled in 2026. The total net debt to Nordea as of 31 December 2025 amounts to DKK 684 million.

Monetary items in foreign currency

(DKK million)	2025						
	EUR	GBP	PLN	Others	Total	DKK	Total
Trade receivables	3	37	37	19	96	14	110
Other receivables	45	-	7	2	54	2	56
Cash	38	43	49	21	151	15	166
Trade payables	(35)	(121)	(57)	(5)	(218)	(13)	(231)
Other payables	(67)	(17)	(59)	(53)	(196)	6	(190)
Deferred payment	(92)	-	-	-	(92)	-	(92)
Credit institutions	(56)	(32)	-	(2)	(90)	(751)	(841)
Gross exposure	(164)	(90)	(23)	(18)	(295)	(727)	(1,022)
Net exposure	(164)	(90)	(23)	(18)	(295)	(727)	(1,022)

(DKK million)	2024						
	EUR	GBP	PLN	Others	Total	DKK	Total
Trade receivables	20	38	25	14	97	16	113
Other receivables	26	2	6	2	36	3	39
Cash	30	137	259	36	462	-	462
Trade payables	(45)	(143)	(45)	(30)	(263)	(9)	(272)
Other payables	(35)	(95)	(50)	(8)	(187)	7	(181)
Deferred payment	(99)	-	-	-	(99)	-	(99)
Credit institutions	(242)	(31)	(1)	-	(274)	(772)	(1,046)
Gross exposure	(345)	(92)	194	14	(229)	(755)	(984)
Net exposure	(345)	(92)	194	14	(229)	(755)	(984)

Sensitivity of result and equity to market fluctuations

(DKK million)	2025		2024	
	Result	Equity	Result	Equity
5% increase in GBP/DKK	2	16	(3)	14
5% increase in PLN/DKK	8	38	13	43
	10	54	10	57

Notes to the consolidated financial statements

26 Financial instruments and financial risks – continued

The table above shows the sensitivity of result and equity to market fluctuations. A decline in the GBP/DKK and PLN/DKK exchange rates would result in a corresponding decrease in result after tax and equity. The sensitivity analysis has been calculated at the balance sheet date on the basis of the exposure to the stated currencies at the balance sheet date. The calculations are based solely on the stated change in the exchange rate and do not take into account any knock-on effects on interest rates, other exchange rates etc.

Interest rate exposure

(DKK million)	2025				2024			
	Net interest-bearing debt	Interest hedged	Net position	Weighted time to maturity of hedging	Net interest-bearing debt	Interest hedged	Net position	Weighted time to maturity of hedging
DKK	744	-	744	-	776	-	776	-
EUR	49	-	49	-	254	-	254	-
PLN	14	-	14	-	(211)	-	(211)	-
CHF	(12)	-	(12)	-	(28)	-	(28)	-
GBP	14	-	14	-	(101)	-	(101)	-
Other	(7)	-	(7)	-	(8)	-	(8)	-
Total	802	-	802	-	682	-	682	-

The table above illustrates H+H's interest rate exposure on financial instruments at the balance sheet date. At 31 December 2025, the Group was not involved in any interest rate swaps.

All other things being equal, based on the H+H's average net interest-bearing debt (expressed by quarter), an increase of 1 percentage point per year in the interest rate level relative to the average interest rate level in 2025 would reduce result for the year before tax and equity by DKK 8 million (2024: DKK 9 million).

The interest rate is variable, changing in accordance with the performance relative to the covenants contained in the loan agreement.

H+H's financial liabilities fall due as follows:

(DKK million)	2025			
Financial instruments:	Carrying amount	0-1 year	1-5 years	Over 5 years
Non-derivative financial instruments				
Credit institutions and banks	841	28	879	-
Lease liability	127	25	53	122
Deferred payment	92	7	27	68
Trade payables	231	231	-	-
Other payables	190	190	-	-
Total	1,481	481	959	190

(DKK million)	2024			
Financial instruments:	Carrying amount	0-1 year	1-5 years	Over 5 years
Non-derivative financial instruments				
Credit institutions and banks	1,046	28	1,094	-
Lease liability	98	25	42	32
Deferred payment	99	7	27	74
Trade payables	272	272	-	-
Other payables	181	181	-	-
Total	1,696	513	1,162	107

Notes to the consolidated financial statements

26 Financial instruments and financial risks – continued

Derivative financial instruments

As of 31 December 2025, H+H did not have any derivative financial instruments (2024: None). H+H Group enters on regular basis in fixed price and volume agreement with energy suppliers. All contracts entered in 2024 and 2025 met the 'own use exemption' and consequently recognised in the income statement as incurred.

No assets or liabilities are measured at fair value as of 31 December 2025 (2024: None), and thus no assets or liabilities are measured at level 1, 2 or 3 in the fair value hierarchy.

Classification and assumptions for the calculation of fair value for non-derivative financial instruments measured at amortised cost

Current bank loans at variable interest rates are valued at a rate of 100. The fair value of long-term loans and finance leases is calculated using models that discount all estimated and fixed cash flows to net present value. The expected cash flows for the individual loan or lease are based on contractual cash flows. Financial instruments relating to sale and purchase of goods etc. with a short credit period are considered to have a fair value equal to the carrying amount. The methods are unchanged from last year.

Accounting policies

Fixed price and volume contracts for energy such as gas and electricity are accounted for using the 'own use' exemption and recognised in the income statement upon realisation of the usage. These contracts are on frequent basis assessed if the 'own use' assumptions are still valid. If contracts are in breach with the 'own use' assumption a 'day one loss/gain' corresponding to the fair value of the underlying derivative as of the date of identifying the breach are recognised, and the contracts are subsequently accounted for using the hedge accounting principles for derivative financial instruments. The day one loss/gain are transferred to the profit and loss statement upon realisation of the underlying hedged item.

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future cash flows are recognised in other comprehensive income. Gains and losses relating to such hedging transactions are transferred from other comprehensive income to the income statement upon realisation of the hedged item or when the hedge relationship is no longer effective. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement.

Categories of financial instruments

(DKK million)	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	110	110	113	113
Other receivables	56	56	39	39
Cash	166	166	462	462
Total financial assets measured at amortised costs	332	332	614	614
Credit institutions and banks	841	841	1,046	1,046
Trade payables and other payables	422	422	453	453
Total financial liabilities measured at amortised cost	1,263	1,263	1,499	1,499
Total financial instruments, net	931	931	885	885

Notes to the consolidated financial statements

27 Related parties

The Group's related parties are the Executive Board and the Board of Directors.

Apart from contracts of employment, no agreements or transactions have been entered into between the Company and the Executive Board. Remuneration to the Board of Directors and the Executive Board is disclosed in note 4.

H+H International A/S has no controlling shareholders.

28 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 Group's financial position.

Notes to the consolidated financial statements

Financial ratios

Other financial ratios have been prepared in accordance with the Danish Finance Society's guidelines.

The financial ratios under Key figures in the Management's review have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{EBIT} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{EBIT bsi}}{\text{Average invested capital}}$
Earnings per share (EPS)	$\frac{\text{Result for the year}}{\text{Average number of shares outstanding}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Diluted earnings}}{\text{Diluted average number of shares outstanding}}$
Solvency ratio	$\frac{\text{Equity at year-end (attributable to H+H)} \times 100}{\text{Total equity and liabilities, year-end}}$
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA bsi}}$

Glossary

bsi	Before special items
CAPEX	Capital expenditure
SG&A	Selling, general and administrative expenses
EBITDA	Operating profit before depreciation, amortization and financial items
EBIT	Operating profit before financial items
Special items	Refer to note 7 for accounting policy for special items
Margins before special items	Consists of defined margins adjusted for special items re above and note 7
Organic growth	Revenue growth excluding effects from changes in foreign exchange rates and revenue from acquisitions and divestments
FTE and average FTE	Full-time employees and average number of full-time employees
Free cash flow	The sum of cash flow from operating and investing activities
Net working capital	Net working capital is inventories, trade receivables, and other receivables less trade payables and other payables.
Invested capital	Invested capital is calculated as net working capital plus tangible assets and intangible assets deducted by provisions and operating non-current liabilities.
Net interest-bearing debt	Net interest-bearing debt is credit institutions and lease liabilities less cash funds
CSRD	Corporate Social Responsibility Directive
ESRS	European Sustainability Reporting Standards
SBM	Strategy and Business Model
MDR	Minimum Disclosure Requirement
IRO	Impacts, Risks and Opportunities
GOV	Governance
REC	Renewable Energy Certificate
BP	Basis for Preparation
EEA	European Economic Area

Parent company financial statements

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Income statement

Note	(DKK million)	2025	2024
3, 4	Administrative costs	(62)	(65)
14	Other income	58	64
	EBITDA before special items	(4)	(1)
	Depreciation and amortisation	(9)	(6)
	EBIT before special items	(13)	(7)
	Special items	(4)	(3)
	EBIT	(17)	(10)
5	Financial items	(1,029)	(257)
	Result before tax	(1,046)	(267)
6	Tax	(11)	-
	Result for the year	(1,057)	(267)
	Result for the year attributable to:		
	H+H International A/S' shareholders	(1,057)	(267)
	Result for the year	(1,057)	(267)

Statement of comprehensive income

Note	(DKK million)	2025	2024
	Result for the year	(1,057)	(267)
	Other comprehensive income after tax	-	-
	Total comprehensive income for the year	(1,057)	(267)

Balance sheet at 31 December

Assets

Note	(DKK million)	2025	2024
	Intangible assets	40	37
7	Intangible assets	40	37
	Office lease, cars and equipment	6	2
8	Property, plant and equipment	6	2
9	Deferred tax assets	-	11
10	Equity investments in subsidiaries	978	1,660
13	Receivables from subsidiaries	633	1,072
	Other non-current assets	1,611	2,743
	Total non-current assets	1,657	2,782
13	Receivables from subsidiaries	101	92
	Other receivables and prepayments	2	5
	Cash	56	233
	Current assets	159	330
	Total assets	1,816	3,112

Equity and liabilities

Note	(DKK million)	2025	2024
	Share capital	165	165
	Retained earnings	247	1,301
	Equity	412	1,466
11	Lease liabilities	5	1
11	Credit institutions	782	968
	Non-current liabilities	787	969
	Trade payables	5	5
11	Lease liabilities	1	1
13	Payables to subsidiaries	591	660
	Other payables	20	11
	Current liabilities	617	677
	Total liabilities	1,404	1,646
	Total equity and liabilities	1,816	3,112

Statement of changes in equity

Note	(DKK million)	Share capital	Retained earnings	Total
	Equity at 1 January 2025	165	1,301	1,466
	Result for the year		(1,057)	(1,057)
	Share-based payment	-	3	3
	Total changes in equity	-	3	3
	Equity at 31 December 2025	165	247	412
	Equity at 1 January 2024	165	1,565	1,730
	Result for the year		(267)	(267)
	Share-based payment	-	3	3
	Total changes in equity	-	3	3
	Equity at 31 December 2024	165	1,301	1,466

Cash flow statement

Note	(DKK million)	2025	2024
	Operating profit (EBIT)	(17)	(10)
	Depreciation, amortisation and impairment	9	6
	Change in receivables	(7)	(17)
	Change in trade payables and other payables	8	(1)
	Other non-cash adjustments	3	3
	Operating activities before financial items and tax	(4)	(19)
5	Financial items, net	(12)	8
	Operating activities	(16)	(11)
	Change in borrowings to subsidiaries	(258)	57
	Capital increase in subsidiaries	(1)	(5)
10	Dividend from subsidiaries	294	44
7	Acquisition of equipment and intangible assets	(10)	(11)
	Investing activities	25	85
	Free cash flow	9	74
11	Proceeds in borrowings	-	-
	Bank overdraft and other debt	(186)	132
	Payment of lease liabilities	(1)	(1)
	Purchase of treasury shares	-	-
	Financing activities	(187)	131
	Cash flow for the year	(178)	205
	Cash at 1 January	233	33
	Foreign exchange adjustments of cash	1	(5)
	Cash at 31 December	56	233

Notes to the parent company financial statements

1 General accounting policies

The financial statements of H+H International A/S for 2025 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

The accounting policies are consistent with those applied in the consolidated financial statements for 2025, with the following additions:

- Shares in subsidiaries are measured at cost or a lower recoverable amount
- Dividends from subsidiaries and associated companies are recognised as income at the time of declaration unless considered a return of capital in subsidiary

2 Significant accounting estimates and judgements

Management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of the Company's assets and liabilities. The estimates and judgements made are based on historical experience and other factors that management assesses to be reliable, but that by their very nature are associated with uncertainty and unpredictability. Estimates and judgements may therefore prove incomplete or incorrect, and unexpected events or circumstances may arise.

Management assesses impairment indicators for investments in subsidiaries and in general determines the recoverable amounts consistent with the assumptions described in note 2 of the consolidated financial statements.

3 Staff costs and remuneration

The Remuneration of the Board of Directors and Executive Board are described in detail in the Remuneration Report.

The Executive Board in the Parent Company are the same as for the H+H Group. Please refer to note 4 in the consolidated financial statements for share-based incentive programs.

(DKK million)	2025	2024
Wages and salaries	36	42
Share-based payment	3	3
Other staff costs	1	1
	40	46
Staff costs are recognised as follows:		
Administrative costs	36	43
Special items	4	3
	40	46
Average full-time employees	18	20
Total Remuneration:		
Remuneration to the Executive Board	12	14
Remuneration to the Board of Directors	3	3
	15	17

4 Auditors remuneration

(DKK million)	2025	2024
Total fees to the auditors elected at the annual general meeting:		
Statutory audit	1.3	1.2
Other assurance engagements	0.9	1.3
Other services	-	-
Total	2.2	2.5

Notes to the parent company financial statements

5 Financial items

(DKK million)	2025	2024
Interest income from subsidiaries, net	4	33
Dividend from subsidiary	294	44
Write-down of investment in subsidiaries*	(1,311)	(302)
Interest expenses, net	(13)	(26)
Foreign exchange rate adjustments, net	1	(5)
Other financial expenses	(4)	(1)
Total	(1,029)	(257)

* Relates to subsidiaries in Germany and Sweden. See note 10 for details.

6 Tax

(DKK million)	2025	2024
Current tax for the year	-	-
Adjustment of deferred tax	(11)	-
Total	(11)	-
Current joint taxation contribution for the year	-	-
Tax for the year can be broken down as follows:		
Calculated 22.0% (2024: 22.0%) tax on income from ordinary activities	(230)	(59)
Tax effect of:		
Non-deductible expenses/non taxable income	189	59
Unrecognised tax losses	41	-
Change in tax valuation of tax losses	(11)	-
Total	(11)	-

H+H International A/S is taxed jointly with all its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies in proportion to their taxable income.

The parent company is the administration company for the jointly taxed Danish companies. Pursuant to the rules on this contained in the Danish Corporation Tax Act, all companies that are jointly taxed are thus liable to withhold tax at source on interest, royalties and dividends for the jointly taxed companies for contingent liabilities. The Danish companies are further jointly and severally liable for joint registration of VAT.

7 Intangible assets

Intangible assets recognised in the parent company comprises mainly software.

(DKK million)	2025	2024
Total cost at 1 January	46	35
Additions during the year	10	11
Total cost at 31 December	56	46
Total amortisation at 1 January	(9)	(4)
Amortisation for the year	(7)	(5)
Total amortisation at 31 December	(16)	(9)
Carrying amount at 31 December	40	37

8 Property, plant and equipment

Property, plant and equipment of DKK 6 million (2024: DKK 2 million) comprised office leases, cars and equipment.

Lease liabilities and interest relating to recognised lease contracts are included in note 11.

9 Deferred tax

(DKK million)	2025	2024
Deferred tax at 1 January	11	11
Change in deferred tax	(11)	-
Deferred tax at 31 December	-	11

A tax value of loss carry-forwards of DKK 51 million at 31 December 2025 (2024: DKK 0 million) has not been recognized as deferred tax assets, as these are not considered likely to be utilized within the next 3-5 years. The carry-forward losses does not have an expiry date.

In addition, the parent company has special carried-forward losses related to sale of property and shares with limited possibilities of use with a taxable value of DKK 11 million (2024: DKK 11 million) which are not recognised. The losses in question have no expiry date.

Under the joint taxation rules, H+H International A/S, as the administration company, becomes liable to the tax authorities for the subsidiaries' income taxes as the subsidiaries pay their joint taxation contributions. Joint taxation contributors payable and receivable are recognised in the balance sheet under receivables from/payables to subsidiaries.

Notes to the parent company financial statements

10 Investments in subsidiaries

(DKK million)	2025	2024
Acquisition cost at 1 January	2,029	1,299
Additions	629	730
Disposals	-	-
Cost at 31 December	2,658	2,029
Impairment losses at 1 January	(369)	(67)
Write-down for the year	(1,311)	(302)
Reversal of previous write-down	-	-
Impairment losses at 31 December	(1,680)	(369)
Carrying amount at 31 December	978	1,660

As part of the restructuring of the German business, an intercompany receivable of DKK 629 million from H+H Deutschland GmbH were converted to equity, and therefore transferred from an intercompany receivable to investments in subsidiaries.

Impairment tests of investment in subsidiaries are performed at the end of 2025 for investment in subsidiaries when impairment indications exist. The recoverable amount of investments in subsidiaries subject to impairment testing as of 31 December 2025 is based on the value in use, which has been determined using expected net cash flows based on estimates for the years 2026-2030 and a WACC after tax of 8.6% (2024:8.8%). The weighted average growth rate used for expected future net cash flows for the years after 2030 has been estimated at 2.0% (2024: 2.0%). It is estimated that the growth rate will not exceed the long-term average growth rate in the respective company's markets. The impairment tests are performed by applying the same principles as the tests for impairment of goodwill in the Group for CWE, cf. Note 13 in the consolidated financial statements.

Based on the impairment test 2025 an impairment loss of DKK 1,311 million has been recognised relating to the investments in H+H Deutschland GmbH (DKK 1,253 million) and H+H Sverige AB (DKK 58 million). The impairment in H+H Deutschland is driven by partly the internal re-financing converting debt to equity and the market conditions in the German markets as described in Note 13 for the impairment test of CWE. Similar, the impairment of the investment in H+H Sverige AB is driven by the market conditions within the European construction industry. In addition, the penetration of the Swedish housing market has not materialised and the Swedish building sector remained a small concrete market compared to timber.

		2025	2024
	Registered office	Equity interest, %	Equity interest, %
KWAY Holding Limited*	UK	100	100
H+H Deutschland GmbH**	Germany	100	100
Hunziker Kalksandstein AG	Switzerland	100	100
H+H Nordics A/S	Denmark	100	100
HHI A/S af 3. maj 2004****	Denmark	-	100
H+H Sverige AB	Sweden	100	100
H+H Polska Sp. z o.o.***	Poland	100	100
H+H Benelux B.V.	Netherlands	100	100
Diverse af 29.9.2011 ApS*****	Denmark	-	100

* This activity comprises ownership of H+H UK Holding Limited and thus the activities of H+H UK Limited.

** This activity comprises 51 % ownership of Baustoffwerke Dresden GmbH & Co. KG, 51% ownership of Porenbetonwerk Lausnitz GmbH & Co. KG. and 52.5% ownership of DOMAPOR Baustoffwerke GmbH.

*** This activity comprises ownership of Grupa Prefabet S.A.

**** Merged with H+H Nordics A/S per 15 December 2025

The above list does not include indirectly owned companies without any activities.

Accounting policies

Equity investments in subsidiaries are measured at cost. If there is any indication of impairment or reversal of prior year's impairment, an impairment test is carried out as described in note 13. Cost is written down to the recoverable amount whenever the carrying amount is higher.

Notes to the parent company financial statements

11 Credit institutions and lease liabilities

(DKK million)	2025	2024
Bank loans, non-current*	784	970
Amortised borrowing costs	(2)	(2)
Total	782	968

Change in borrowings from financing activities:

(DKK million)	2025	2024
Borrowings 1 January	968	836
Change in proceeds	-	-
Bank overdraft	(186)	132
Borrowings 31 December	782	968

Change in lease liabilities:

(DKK million)	2025	2024
Lease liabilities 1 January	2	3
Cash flows	(1)	(1)
New/disposed/remeasured lease	5	-
Lease borrowings 31 December	6	2

* See note 26 in the consolidated financial statements for details of the bank loan.

12 Contingent liabilities

Taxes and duties

The parent company is the administration company for the jointly taxed Danish companies. Pursuant to the rules on this contained in the Danish Corporation Tax Act, the parent company is thus liable to withhold tax at source on interest, royalties and dividends for the jointly taxed companies for contingent liabilities, and to withhold corporation tax from 1 January 2013. The Group's Danish companies are further jointly and severally liable for joint registration of VAT.

Financial guarantee

The parent company H+H International A/S acts as guarantor for the subsidiaries' drawdowns on the Group's Global Cash Pool facility.

Other

The H+H International A/S is not a party of any legal proceedings.

Shares in some subsidiaries as well as some specific land and buildings have been pledged as security for a loan agreement with Nordea Danmark, branch of Nordea Abp, Finland.

13 Financial instruments and risk

The parent company's activities expose it to various financial risks

- Currency risk and interest rate risk
- Credit risk
- Liquidity risk

Monetary items and sensitivity*

(DKK million)	2025				2024			
	Position		Sensitivity		Position		Sensitivity	
	Financial instruments Net exposure	Currency rate change	Effect on profit (loss) before tax	Hypothetical impact on equity	Financial instruments Net exposure	Currency rate change	Effect on profit (loss) before tax	Hypothetical impact on equity
EUR/DKK	485	5%	24	19	750	5%	37	29
GBP/DKK	(77)	5%	(4)	(3)	(80)	5%	(4)	(3)
PLN/DKK	(329)	5%	(16)	(13)	(228)	5%	(11)	(9)
	79				442			

* The impact on result and equity is significant to the parent company's financial statements but not necessarily to the consolidated financial statements.

Notes to the parent company financial statements

13 Financial instruments and risk – continued

H+H international A/S is exposed to foreign currency risk primarily through intercompany balances and cash pool balances denominated in currencies other than DKK. The most significant exposures relate to PLN, EUR, and GBP. Currency risk is managed in accordance with the parent company’s hedging policy.

The sensitivity analysis in the table shows the effect of changes in currency rate, assuming a change at 31 December. A positive exposure represents a net asset position; a negative exposure represents a net liability.

Based on the parent company’s net interest-bearing debt, an increase of 1 percentage point per year in the interest rate level relative to the average interest rate level in 2025 would reduce result for the year before tax and equity by DKK 8 million (2024: DKK 9 million).

Credit risk

Loans to subsidiaries and other related parties are considered to have a low credit risk and therefore the impairment provision to be recognised during the period is limited to 12 months of expected credit losses.

The credit risk has not increased significantly since the initial recognition and is considered low based on the investment grade credit rating for the Group and the financial strength of the subsidiaries in the Group. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets. Loans to subsidiaries are denominated in EUR and therefore not exposed to foreign exchange risks.

Liquidity risk

Main focus for the parent company is to maintain a financial reserve to cover its obligations and investments.

H+H International A/S’s financial liabilities fall due as follows:

(DKK million)		2025			
Financial instruments:	Carrying amount	0-1 year	1-5 years	Over 5 years	
Non-derivative financial instruments					
Credit institutions and banks	782	33	830	-	-
Payables to subsidiaries	591	593	-	-	-
Lease liability	6	1	5	-	2
Trade payables	5	5	-	-	-
Other payables	20	20	-	-	-
Total	1,404	652	835	2	2

(DKK million)		2024			
Financial instruments:	Carrying amount	0-1 year	1-5 years	Over 5 years	
Non-derivative financial instruments					
Credit institutions and banks	968	28	1,002	-	-
Payables to subsidiaries	660	660	-	-	-
Lease liability	2	1	2	-	-
Trade payables	5	5	-	-	-
Other payables	11	11	-	-	-
Total	1,646	706	1,004	-	-

14 Related parties

A management fee totalling DKK 58 million (2024: DKK 64 million) was received by the parent Company from the remainder of the Group.

15 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 International A/S’s financial position.

Statement by the Executive Board and the Board of Directors

The Executive Board and the Board of Directors have today discussed and approved the annual report of H+H International A/S for the financial year 2025.

The consolidated financial statements and the parent company financial statements has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2025 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2025.

In our opinion, the management's review includes a fair review of the development in the parent company's and the Group's operations and financial conditions, the results for the year and the parent company's financial position, and the position as a whole for the entities included in the consolidated financial statements, as well as a description of the more significant risks and uncertainty factors that the parent company and the Group face.

Additionally, the sustainability statement, which is part of Management's review, has been prepared, in all material respects, in accordance with paragraph 99a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS) including that the process undertaken by Management to identify the reported information (the "Process") is in accordance with the description set out in the section titled "Double materiality assessment". Furthermore, disclosures within the section "EU taxonomy" are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"). The sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group.

Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of H+H International A/S for the financial year 1 January to 31 December 2025 with the file name HH-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

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

Copenhagen, 3 March 2026

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

Independent Auditor's Reports

To the shareholders of H+H International A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2025 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements (pp 89-121) and Parent Company Financial Statements (pp 123-130) of H+H International A/S for the financial year 1 January to 31 December 2025 comprise income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

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

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of H+H International A/S on 31 March 2022 for the financial year 2022. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of four years including the financial year 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Revenue recognition

Revenue is measured at fair value of the consideration agreed exclusive of VAT and duties and after deduction of quantum rebates and customer bonus.

We focused on revenue recognition because revenue is the most significant financial statement line item, consists of a large number of IT-dependent transactions and measurement of revenue includes management estimates regarding provisions for quantum rebates and customer bonuses.

Consequently, there is a risk that the estimates including methods, applied data or assumptions made by Management are inaccurate.

Reference is made to note 3 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

Our audit procedures included considering the appropriateness of the accounting policies for revenue recognition applied by Management and assessing compliance with applicable IFRS Accounting Standards, including disclosure requirements.

We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, business procedures and relevant controls related to revenue recognition. For relevant controls we assessed whether they were designed and implemented to effectively address the risk of material misstatement.

For controls, on which we planned to rely, we tested whether these controls were operating effectively. We analysed revenue transactions and identified transactions that did not follow the usual or expected transaction pattern. On a sample basis we tested the transactions to the underlying contractual basis.

We tested revenue recognition on a sampling basis to underlying evidence for consistency with terms and conditions of the underlying customer contracts. Further, we selected a sample of transactions at year-end and traced these to underlying evidence to determine whether recognised in the correct period.

We reviewed Management's calculations for quantum rebates and customer bonuses, including the evaluation of Management's applied methods, assumptions and data for preparing the estimates.

Key audit matter

Impairment of non-current assets

In 2025, Management identified indicators of impairment in respect of various non-current assets, including property, plant and equipment ("production assets"), customer relationships, other intangible assets and goodwill. This followed the strategic decision to reorganise the Group's German operations, which was driven by persistently low market volumes and the lack of anticipated recovery in the short- to mid-term.

On this basis, Management has initially conducted impairment tests for the individual production asset cash-generating units (CGU). Subsequently, an impairment test was performed for the operating segment Central Western Europe, addressing the remaining carrying amount of production assets, customer relationships, other intangible assets and goodwill for the group of CGUs. These assessments resulted in recognition of impairment losses for production assets, customer relationships, other intangible assets and goodwill.

For the impairment tests related to closed production asset CGUs, Management has determined the recoverable amount as the fair value less cost of disposal. The fair value less cost of disposal for each closed production asset CGU is determined based on anticipated sale or re-use by applying historical data from previous plant closures, external land value sources, and letters of intent received from potential buyers. Determination of fair value as well as costs of disposal is associated with significant estimation uncertainty.

For the impairment tests related to continuing production asset CGUs, Management has determined the recoverable amount as the value in use. The value in use for each continuing production asset CGU has been determined based on Management's assumptions regarding expected cash inflows and outflows which are discounted using appropriate discount rates.

Subsequently, Management has conducted an impairment test for the group of CGUs containing the remaining carrying amount of closed production assets, production assets for continuing plants, customer relationships, other intangible assets and goodwill. Value in use has been determined based on Management's assumptions regarding expected cash inflows and outflows which are discounted using appropriate discount rates.

The value in-use impairment tests involve significant estimates particularly in relation to the determination of revenue, gross margin and terminal growth rates as well as discount rates (WACC).

We focused on this area because the impact on the profit for the year is significant, and because the impairment tests of non-current assets are considered complex non-routine transactions and require significant judgment in determining the assumptions etc. applied in the significant estimates.

Reference is made to notes 13 and 14 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

Impairment of non-current assets (continued)

As part of our audit, we considered the appropriateness of the CGUs defined by Management and the methodology used by Management to assess the recoverable amount of property, plant and equipment as well as customer relationships, other intangible assets and goodwill assigned to the production asset CGUs and the group of CGUs, hence the operating segment Central Western Europe.

We carried out risk assessment procedures in order to obtain an understanding of business processes and relevant controls regarding data and assumptions used in the impairment tests. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement.

We challenged the fair value less costs of disposal model for valuation of closed production asset CGUs, including the expected possibilities for sale or re-use of assets as well as documentation for the expected market prices and costs used in the assessment of fair value less costs of disposal.

We challenged both the impairment models applied by Management for continuing production assets and the group of CGUs constituting the operating segment Central Western Europe and tested the mathematical accuracy of the relevant value-in-use impairment tests. Furthermore, we challenged the data and significant assumptions, including growth rates and discount rates (WACC). In assessing the discount rate (WACC) and the overall methodology applied, we involved our valuation specialists.

We assessed the appropriateness and tested the related disclosures provided in the Consolidated Financial Statements, including the sensitivity analysis, expressing the significant estimation uncertainty related to the valuation of the CGU's.

Statement on Management's Review

Management is responsible for Management's Review (pp 4-87).

Our opinion on the Financial Statements does not cover Management's Review, and we do not as part of the audit express any form of assurance conclusion thereon.

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

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99 a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99 a related to the sustainability statement, cf. above.

We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of H+H International A/S for the financial year 1 January to 31 December 2025 with the filename HH-2025-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of H+H International A/S for the financial year 1 January to 31 December 2025 with the file name HH-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 3 March 2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
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Independent auditor’s limited assurance report on the Sustainability Statement

To the stakeholders of H+H International A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of H+H International A/S (the “Group”) included in Management’s Review (the “Sustainability Statement”), pages 47-87, for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the “Process”) is in accordance with the description set out in the section “Description of the processes to identify and assess material impacts, risks and opportunities”
- compliance of the disclosures in the section “EU Taxonomy” of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* (“ISAE 3000 (Revised)”) and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited

assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor’s responsibilities for the assurance engagement section of our report.

Our independence and quality management

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

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information with a footnote for 2023 and 2022 included in the Sustainability Statement of the Group was not subject to an assurance engagement. Our conclusion is not modified in respect of this limitation of scope.

Management’s responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the section “Double Materiality Assessment” of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the ESRS;
- preparing the disclosures as included in the section “EU Taxonomy” of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor’s responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group’s description of its Process, as disclosed in the section in section “Double Materiality Assessment”.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement,

including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group’s internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in section “Double Materiality Assessment”.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Sustainability Statement, including the consolidation processes, by obtaining an understanding of the Group’s control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the Financial Statements and Management’s Review;

- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and

- Obtained an understanding of the Group’s process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 3 March 2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
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