

VKR HOLDING A/S

Annual Report 2024



Connecting
buildings with
nature





Renovated house in Denmark with large panoramic windows from Krone.

femte.til.venstre, 2023.

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In 2024, the VKR Group demonstrated the agility of its business model once again.

→ [Letter to our stakeholders](#)

Front page: Rationel AURAPLUS windows and VELUX roof windows in house in Aberdeenshire, Scotland. Annie Kenyon Architects Ltd., 2018.

In Brief

- Letter to our stakeholders
- Continue to lead by example
- Financial performance 2024
- 5-year overview
- Non-financial performance 2024
- Highlights 2024 – Cases



VELUX roof windows in renovated industrial complex in Barcelona, Spain.

Estudio Harquitectes.

Adrià Goula Photo, 2024.

LETTER TO OUR STAKEHOLDERS

We consider our financial performance to be satisfactory and wish to acknowledge the outstanding efforts of our employees in achieving these results.

Thomas Thune Andersen

Gyrithe Lemche, 2025.

Thomas Thune Andersen
Chair, VKR Holding A/S

Mads Kann-Rasmussen
CEO, VKR Holding A/S

In 2024, the VKR Group demonstrated the agility of its business model once again. Despite a continued and persistent slowdown in the European construction industry, the business areas avoided a major decline in operating profit margins and the Group protected the bottom line. We consider our financial performance to be satisfactory and wish to acknowledge the outstanding efforts of our employees in achieving these results.

This year, the Group navigated macroeconomic conditions that challenged our top line. High interest rates perpetuated the crisis in European construction, and sales remained below expectations and last year's levels in several key markets. Despite considerable obstacles, the VKR Group continued to manufacture durable and energy-efficient products that benefit society and ensure profitability, thus successfully preparing us for future challenges.

Both business areas faced extreme weather events. The DOVISTA Group endured flooding in Rudersberg, Germany, while the US VELUX operations in Greenwood, South Carolina were hit by Hurricane Helene. In both cases, the Employee Foundation of the VKR Group provided immediate support to employees affected by these events.

Despite the turmoil, the business areas successfully maintained business continuity and avoided a significant decline in operating profits while continuing to implement strategic initiatives.

The financial markets also performed strongly throughout the year. Following the outcome of the US presidential elections, the listed equity portfolio yielded significant positive returns.

While the VELUX Group generated a revenue increase, the DOVISTA Group experienced a revenue decline due to its greater exposure to the downturn in the new build sector. Despite a lower topline for the VKR Group, the year ended with a higher annual profit compared to 2023:

- Revenue reached DKK 28.8 billion, representing a 2.4% decline compared to 2023. This was primarily organically driven, with an impact of 1.6%.
- Revenue in the VELUX Group increased 1.8%, while revenue in the DOVISTA Group decreased 14.1%, some of which was caused by the full-year effect of divestments.
- Operating profit margin (EBITA%) fell to 13.8%, compared to 14.3% last year.
- The return on financial investments was DKK 1.9 billion, compared to DKK 1.4 billion in 2023.

- Profit for the year was DKK 4.3 billion in 2024, an improvement of DKK 0.2 billion from last year.
- The business areas invested a net total of DKK 1.6 billion in tangible fixed assets.
- Carbon emissions from the Group's own operations (Scope 1 and 2) were reduced by 12% in 2024 and by 64% since 2021.
- Scope 3 emissions were calculated for our financial investment portfolio with 661 kilotonnes CO₂e.

Improving well-being by connecting buildings with nature

Recognising that people spend 90% of their time inside, we understand the importance of fostering well-being indoors. The Group's mission is to connect buildings with nature by providing superior products that enhance daylight and fresh air in our customers' homes.

The work of our dedicated employees and the strength of our business model provides us with the financial capacity to invest in sustainability. This is ingrained in our DNA as we try to be an exemplary company.

For the past two years, VELUX has demonstrated how to build with a lower environmental impact by showcasing Living Places low-carbon houses in Copenhagen. A key priority was to find partners that would build affordable low-carbon houses on commercial terms according to Living Places principles. Four partnership agreements were signed thus far, three in Denmark and one in the Netherlands. In 2024, Bouwgroep Dijkstra Draisma completed Smûk House, which was inaugurated by Queen Máxima of the Netherlands.

In 2024, we formally included biodiversity as part of the Group's sustainability efforts. This commitment started at our company's workplaces. The VELUX Group established baseline biodiversity measurements at its sites in Italy, Hungary and Poland. Meanwhile, at VKR Holding and VELUX Group headquarters in Hørsholm, Denmark, Campus LKR is serving as a test case for enhancing biodiversity and ecological certification has been sought. As an acknowledgment of her design of Campus LKR's beautiful park and other projects, landscape architect Charlotte Skibsted won Nykredit's prestigious Architecture Award in 2024.

Carbon emissions from the Group's own operations (Scope 1 and 2) were reduced by 12% in 2024 and 64% since 2021.

The DOVISTA Group continued to implement sustainability goals as a part of its business strategy. Since the approval of the Group's sustainability targets by the Science based targets initiative (SBTi) last year, DOVISTA has been documenting the environmental impact of its products through Environmental Product Declarations (EPDs).

In 2024, DOVISTA created 15 new EPDs covering 60% of its revenue. These EPDs reflect the carbon reduction efforts in both operations and the value chain. They provide customers with transparent, verified data for

Life Cycle Assessments, which are increasingly required for investments, building regulations and certifications. Partly as a result, customer satisfaction increased, as reflected in an improvement of the Net Promoter Score.

For years, DOVISTA has been working on significantly reducing work place accidents. In 2024, accidents* decreased by double digits for the third consecutive year.

To further accelerate environmental and efficiency improvements within the building industry, VKR Holding is the cornerstone

investor of KOMPAS venture capital fund. This year, KOMPAS made five direct investments. One of these was TREBLE, whose software can help to alleviate unhealthy acoustics indoors and create a better living environment. KOMPAS also achieved its first exit when Sustain.Life was acquired by Workiva, a US-listed company.

Ideally, KOMPAS wishes to invest in startups that also bring strategic value to the VKR Group. Prewave is one such company. In 2024, VELUX and DOVISTA both began using its supply chain risk intelligence software.

A family company prepared for the future

VKR Holding is owned by the philanthropic trust Villum Foundation and members of the founding family. To secure the role of the family for the next generation, a transfer of Class A shares was executed in 2024. The shares were acquired by Villum Kann Rasmussen's grandsons, Jens and Mads Kann-Rasmussen.

As a consequence, Mads Kann-Rasmussen will step down as CEO of VKR Holding and, instead, be nominated as Chair of the Board at the Annual General Meeting in March 2025.

Despite significant macroeconomic uncertainty, we remain optimistic about a return to growth in 2025. We believe that our operational performance will improve as interest rates decline and some markets begin to recover. While challenges and uncertainties will persist in certain regions, we are well positioned to seize any opportunity that arises.

In December 2024, the DOVISTA Group seized such an opportunity by announcing an agreement to acquire the Swiss window company 4B. This acquisition will enhance DOVISTA's position among Europe's largest manufacturers of vertical windows and will contribute to the Group's long-term strategic aims.

We know that the agility of our business model depends on the performance of our 17,100 employees who comprise the VKR Group. We are impressed by their efforts every day and wish to extend our deep gratitude to every one of them.

As we continue to innovate to enhance the well-being of people and the planet globally, we welcome input from our colleagues, inventors, suppliers, students, and others who share our ambition of striving to become a Model Company. We look forward to embracing new ideas and preparing for the future.



In 2024, VKR Holding A/S executed a transfer of Class A-shares to the third generation of the founder Villum Kann Rasmussen. From the left: Mads Kann-Rasmussen, Jens Kann-Rasmussen, Lars Kann-Rasmussen and Hans Kann Rasmussen.
Søren Bidstrup/Ritzau Scanpix, 2024.

Thomas Thune Andersen
Chair, VKR Holding A/S

Mads Kann-Rasmussen
CEO, VKR Holding A/S

* Number of accidents per 1 million work hours

Continue to lead by example

In March 2025, Thomas Thune Andersen will step down as Chair of VKR Holding to hand over the reins to Mads Kann-Rasmussen. Thomas Thune Andersen has been a valued member of the VKR Holding Board for 15 years – as Vice Chair since 2011 and as Chair since 2020.

“It has been a privilege to help shape one of Denmark’s large global, family-owned companies, which has developed significantly over the last 15 years. This applies both in terms of the business areas, which have shown healthy growth, the development of ambitious sustainability targets, and the further development of the governance model”, said Thomas Thune Andersen.

“The VKR Group is founded on solid values with the Model Company Objective and a commitment to giving back to society. It is also built on innovation and strong business acumen, and it needs to maintain this mindset to ensure that people all over the world continue to recognise the relevance of the products providing daylight and fresh air to people in the buildings where they live and work.”

Building on a solid foundation, Thomas Thune Andersen sees both challenges and opportunities in the world right now and in the future.

“VELUX is in a good place with a unique position in the market, and DOVISTA is likewise moving in the right direction after several acquisitions – which is an achievement in itself, integrating different brands and cultures. With the investment in the independent venture capital fund, KOMPAS, the Group also supports new approaches to improving construction and buildings with a lower environmental impact. But it is important, that we never take success for granted, we have to stay innovative, curious and hungry – while at the same time alert to the changes in the world.”

“Currently, there is significant instability and uncertainty in the world and the market. My advice to my successor and the rest of the VKR Group would be to continue balancing the dual focus of driving the core business with greater operational excellence than ever before, while also planning long-term for the evolving world, the challenges of the building environment, product development, innovation and opportunities. Fortunately, the Group, as a foundation- and family-owned company, has the solid values and platform to do this while leading by example. I would like to thank the shareholders, the rest of the board as well as the business areas for the collaboration over the last 15 years. I will always look back with gratitude and pride at what we have accomplished together”, Thomas Thune Andersen concluded.



Gyrithe Lemche, 2025.

Thomas Thune Andersen

VKR Holding A/S

Chair, 2020-2025
Vice Chair, 2011-2020
Board of Directors, 2010-2025

Selected Board positions

Chair: Lloyd's Register Group Ltd./ Foundation, 2010-
Non-executive Director: IMI Plc., 2018-
Non-executive Director: BW Group Ltd., 2019-
Chair: Ørsted A/S, 2014-2024

Professional experience

A.P. Moller Maersk, 1979-2009
CEO Maersk Oil, 2004-2009
Partner and Executive Vice President, A.P. Moller Maersk, 2004-2009

Renovation of one of our old warehouses into an innovation hub that will unite VELUX research and development areas within a unique collaborative environment. LKR Innovation House will represent a significant step forward in sustainable transformation and the reuse of original materials.

LKR Innovation House, Østbirk, Denmark.

Adam Mørk, 2024.

OUR ASPIRATION

We have set a goal to restore the connection between buildings and nature.

We strive to achieve this by producing and developing building components that:



Contribute to a lower carbon footprint



Enable a healthy indoor climate



Bring the outside in



Are increasingly recyclable

OUR PURPOSE

Our approach to business is rooted in the Model Company Objective, written by our founder. This vision drives us to lead by example, let our actions speak for themselves, and create products that benefit society.

Model Company Objective

"The purpose of the VKR Group is to establish a number of model companies, which cooperate in an exemplary manner.

A model company works with products useful to society and treats its customers, suppliers, employees of all categories and shareholders better than most other companies.

A model company makes a profit which can finance growth and maintain financial independence."

Villum Kann Rasmussen
Founder of the VKR Group, 1965

Employees at the WERU factory in Thuringia, Germany. WERU is a DOVISTA company.

Jeibmann Photographik, 2024.

VKR Holding

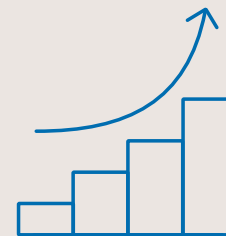
VKR Holding is a holding and investment company with a mission of creating value through the ownership of companies that bring daylight, fresh air and a better environment into people's everyday lives.

Guided by this mission, VKR Holding centres its activities around the six following areas.



Support for business areas

We provide financial, legal, tax and M&A services and advice to our business areas.



Financial investments

We manage a diverse portfolio of financial investments.



KOMPAS

We are the cornerstone investor of KOMPAS, an independent venture capital fund.



Brand Protection

We actively and systematically develop and protect our intellectual property rights, such as patents and brands.



Model Company Support

We support alignment with our Model Company Objective.



Employee Foundation

We grant financial assistance to VKR Group employees, their families and local communities.

Business Areas in brief

38

Countries with company representation

34

Production sites in 14 countries

2,843

Number of active patents

17,100


Employees worldwide



TWO BUSINESS AREAS WITH LEADING POSITIONS



ROOF WINDOWS & SKYLIGHTS

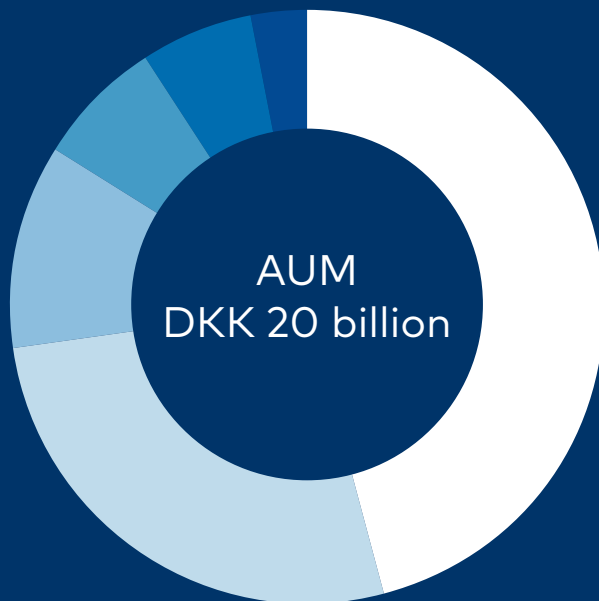


VERTICAL WINDOWS

Financial investments

VKR Holding manages a diverse portfolio of financial assets, which includes listed equities, fixed income, and alternative investments in credit, real assets, and private equity funds. Our investment portfolio aims to achieve the highest possible risk-adjusted return. Simultaneously, we are committed to responsible investing, which involves incorporating environmental, social, and governance (ESG) factors into our investment decisions.

- 3% KOMPAS Ventures
- 6% Real Assets
- 7% Private Credit
- 11% Private Equity
- 27% Fixed Income
- 46% Equities



KOMPAS Ventures

In 2021, VKR Holding became the cornerstone investor of KOMPAS, a specialist venture capital firm focused on the built environment and the manufacturing industry. By backing innovative, high-growth businesses that reduce emissions, enhance productivity, and mitigate enterprise risk, KOMPAS supports efforts to improve the built environment and the manufacturing industry, making them more resource-efficient and resilient while delivering strong financial returns and adding strategic value to VKR Holding and its subsidiaries.

The team at KOMPAS. From the left: Pauline Jimenez, Simay Arikan, Talia Rafaeli, Sebastian Peck, Ilena Mece, Andreas Winter-Extra, Summit Rosenberg, Nick Gosen, Victoria Burrows and guest.

KOMPAS, 2024.



Two generations of the Kann Rasmussen family at VKR Holding A/S. From the left: Lars Kann-Rasmussen, Mads Kann-Rasmussen, Hans Kann Rasmussen and Jens Kann-Rasmussen.

Søren Bidstrup/Ritzau Scanpix, 2024.

A company prepared for the future

The VKR Group is owned by members of the founding family and the philanthropic trust Villum Foundation. Our three-tiered governance model promotes active ownership by setting clear rules for collaboration between the shareholders, VKR Holding and the business areas. We believe in delegating as much decision-making power as possible to the VELUX and DOVISTA Groups because they are in charge of serving our customers.

In 2024, our founder's grandsons, Jens and Mads Kann-Rasmussen, acquired the family's Class A shares. Influence continues to be shared with the Villum Foundation, which has ensured a long-term perspective and the right balance between dynamism and stability for decades. With the new generation in place, the company is prepared for the future.

FINANCIAL

Performance 2024



Revenue
(DKK billion)

28.8 DKK billion

2024 28.8

2023 29.5

22.1 DKK billion



6.8 DKK billion



EBITDA margin
(%)

16.9%

2024 16.9

2023 17.1



EBITA margin
(%)

13.8%

2024 13.8

2023 14.3



Profit for the year (EAT)
(DKK billion)

2024 4.3

2023 4.2

4.3 DKK billion

VKR GROUP

5-year overview

Key figures (DKKm)

Year	2024	2023	2022	2021	2020
Revenue	28,835	29,543	31,889	26,093	22,610
Profit before depreciation (EBITDA)	4,875	5,064	5,251	4,844	4,837
Profit before goodwill amortisation (EBITA)	3,980	4,212	4,341	4,074	4,199
Profit before financial items and tax (EBIT)	3,777	4,002	4,130	3,907	4,049
Net financials	1,852	1,410	-2,151	2,410	734
Profit for the year (EAT)	4,347	4,175	1,573	4,997	3,703
Investments in tangible fixed assets (net)	1,640	1,404	354	627	604
Free cash flow before tax	2,987	4,594	2,956	198	5,221
Total assets	39,552	36,568	34,227	35,036	27,334
Total equity	33,157	29,780	26,022	25,320	22,009

Financial ratios

EBITDA margin	16.9%	17.1%	16.5%	18.6%	21.4%
EBITA margin	13.8%	14.3%	13.6%	15.6%	18.6%
Return on invested capital	27.2%	29.8%	32.2%	38.8%	48.1%
Equity ratio	83.8%	81.4%	76.0%	72.3%	80.5%
Average number of employees	17,113	18,181	20,007	17,104	15,267

Reference is made to the accounting policies for the financial ratios.

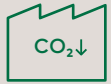
Key figures (EURm)

Year	2024	2023	2022	2021	2020
Revenue	3,866	3,965	4,286	3,509	3,033
Profit before depreciation (EBITDA)	654	680	706	651	649
Profit before goodwill amortisation (EBITA)	534	565	583	548	563
Profit before financial items and tax (EBIT)	506	537	555	525	543
Net financials	248	189	-289	324	98
Profit for the year (EAT)	583	560	211	672	497
Investments in tangible fixed assets (net)	220	188	48	84	81
Free cash flow before tax	400	617	397	27	700
Total assets	5,302	4,907	4,603	4,711	3,674
Total equity	4,445	3,996	3,499	3,405	2,958

The above figures in EUR are converted from DKK.

NON-FINANCIAL

Performance 2024



Scope 1 and 2 market-based CO₂e
Development in own emissions

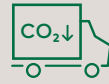
↓ 12%

VELUX

↓ 11%

DOVISTA
windows and doors

↓ 14%



Scope 3 CO₂e
Development in value chain emissions (excl. VKR Holding)

↓ 6%

VELUX

↓ 1%

DOVISTA
windows and doors

↓ 16%



Accidents per one million work hours
Development in the frequency of accidents

↓ 6%

VELUX

↑ 16%

DOVISTA
windows and doors

↓ 18%

Highlights 2024 - Cases



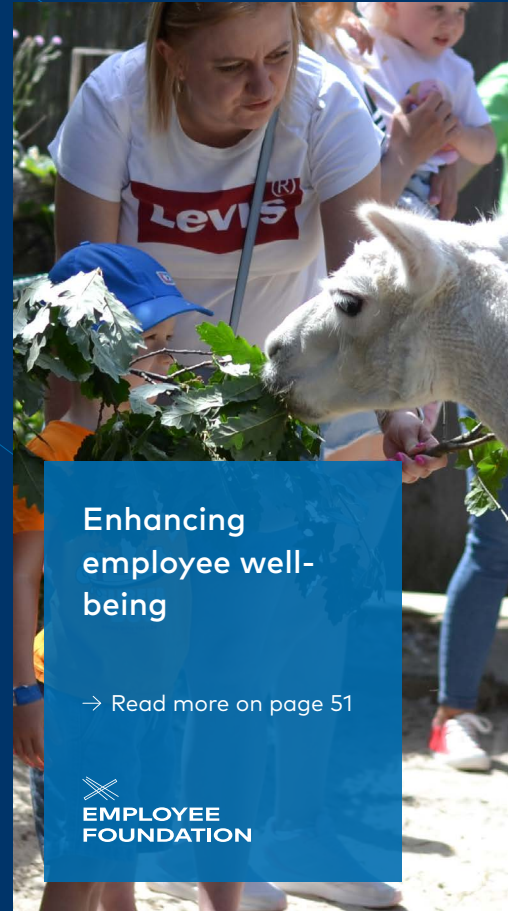
Supporting biodiversity – starting with our own sites

→ Read more on page 45





Windows that contribute to sustainability ambitions

→ Read more on page 46

Enhancing employee well-being

→ Read more on page 51




Innovative idea secures global supply chains

→ Read more on page 54



Our Business

- Value creation in the VKR Group
- VKR Holding's activities
- Roof windows & skylights
- Vertical windows
- Financial review
- Risk management
- Outlook 2025

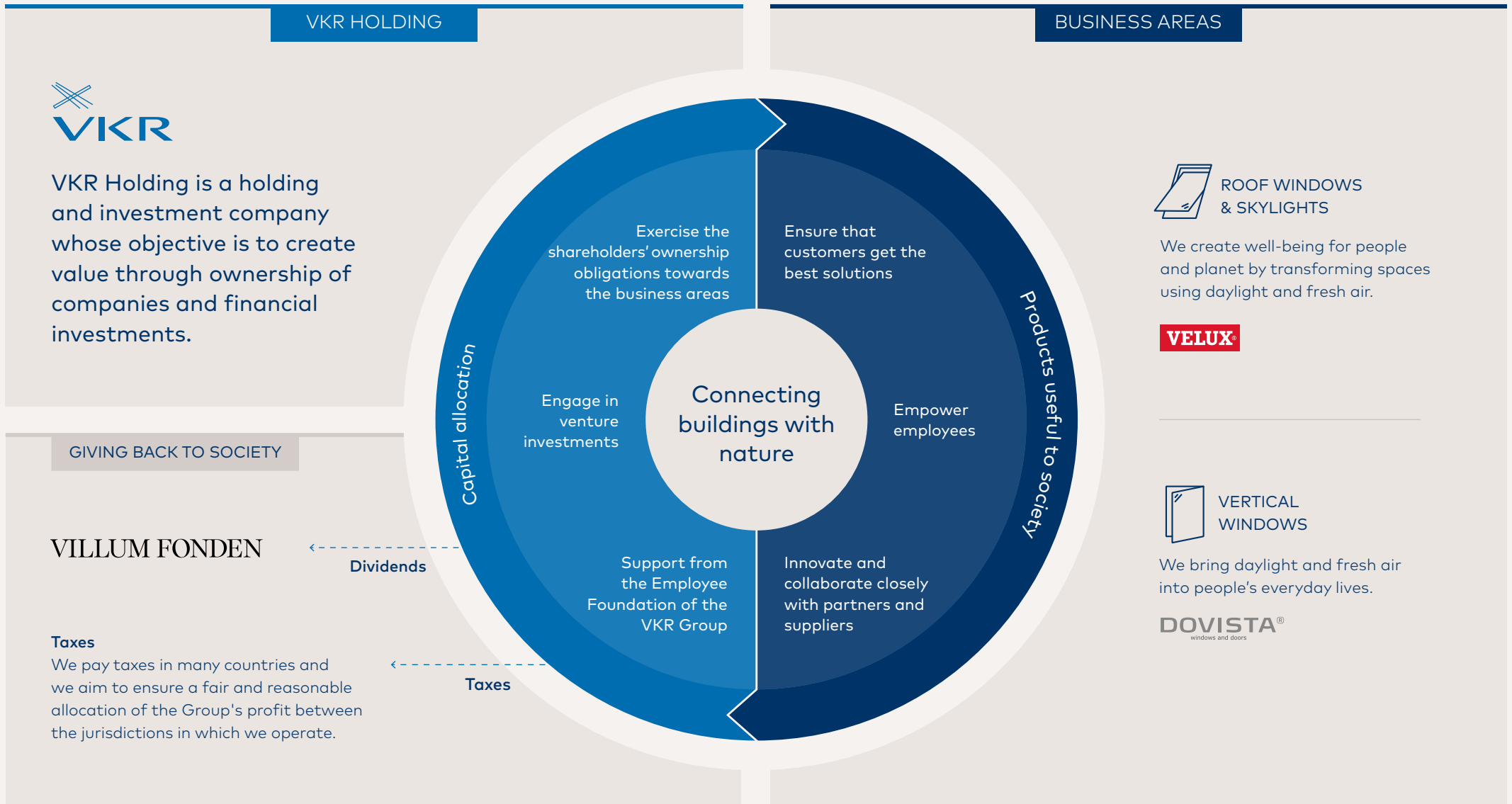
VELUX Modular Skylights at the Royal Veterinary College, London, England.

NORR.

VELUX, 2025.



Value creation in the VKR Group



The purpose of the VKR Group is to establish a number of model companies which cooperate in an exemplary manner

VKR Holding's activities

VKR Holding is a holding and investment company with a mission of creating value through the ownership of companies that bring daylight, fresh air and a better environment into people's everyday lives.

Our core activity is the active ownership of companies in the business areas of Roof windows & skylights and of Vertical windows, which are our primary product groups. Windows connect buildings to nature by providing daylight and fresh air indoors, while enabling a view of the outside from the comfort of a home or an office. We also manage a diverse portfolio of financial investments that consists of listed equities and fixed income as well as alternative investments in private credit, real assets and private equity funds. Lastly, VKR Holding is the cornerstone investor of KOMPAS, an independent venture capital firm.

VKR Holding practises active ownership of our business areas through the Model Company Objective, current Group policies and our governance structure (→ [Governance](#)). Within this framework, the business areas and their respective Boards operate with a high degree of autonomy and independence. This includes responsibilities within operations, strategy, reputation and risk management, among others. These responsibilities, along with capital resources, ESG and other organisational-related topics, are regularly aligned with VKR Holding.

A primary goal of VKR Holding is to generate the highest possible risk-adjusted return on investments. To achieve this, and in accordance with our approach to corporate social responsibility and the Model Company Objective, we maintain a responsible investment policy aimed at gradually incorporating more ESG considerations into our financial portfolio.



Slovakian windows in a Slovakian residence.
Miro Pochyba, 2022.

At VKR Holding, we adhere to four key ownership principles:

- 1. Financial independence:**
 The business areas of the VKR Group must generate a profit that can finance growth and development over time.
- 2. Active investment strategy:**
 Investments in the business areas are made on an ongoing basis, and acquisitions of companies are made to supplement and complement existing business for long-term ownership.
- 3. Support of innovation:**
 VKR Holding actively fosters innovation in the business areas through financing of R&D costs, applications for and protection of patent rights, and venture investments.
- 4. Active ownership:**
 VKR Holding supports compliance with VKR Group policies and the Group's values, including the Model Company Objective.



The VELUX Group

Satisfactory results despite persistent headwinds

In 2024, the VELUX Group managed to increase its revenue by 1.8% despite continued headwinds in the building industry. Revenue amounted to DKK 22.1 billion in 2024, compared to DKK 21.7 billion in 2023. Growth was driven by a combination of increased window sales and price adjustments.

In 2024, the VELUX Group continued to invest in strategic growth initiatives partly based on solid efficiency programmes, as well as in environmental improvements, product development, and innovation. The goal is to deliver attractive solutions featuring high quality products to our customers.

In 2024, international turmoil and macro-economic challenges persisted, leading to a declining activity level in the building industry. In light of that drop and the VELUX Group's successful adjustment to the downturn, the overall result is considered satisfactory.

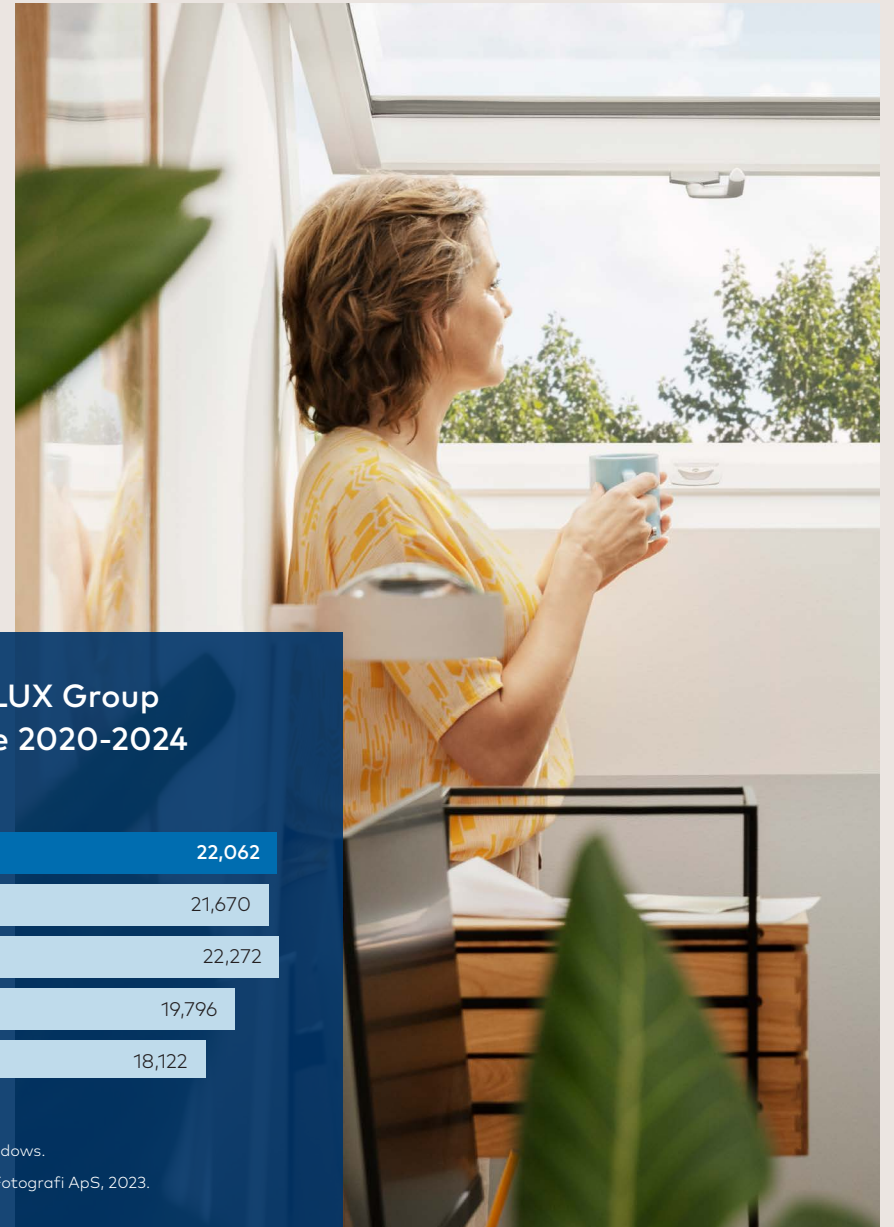
The VELUX Group will continue to invest in innovation and long-term growth. The Group also remains committed to further strengthening collaboration with its professional partners and to increasing its relevance to homeowners in the home improvement category.

Even though macroeconomic challenges may continue to impact the building industry in 2025, the company maintains ambitious long-term growth plans.

Buildings of the Future

After the successful opening of Living Places Copenhagen in 2023, VELUX continued to receive visits from professional partners and other important stakeholders. In 2024, Living Places also received several awards, including the MIPIM Award for Best Residential Project, the Danish Design Award and two Architizer A+Awards.

The goal of Living Places has always been to scale and share the unique concept of building liveable houses that combine record low carbon footprints with a comfortable and healthy indoor climate. In 2024, the VELUX Group signed two important partner agreements with Danish house builder, HusCompagniet, and the Danish developer, Thylander Group. In addition, 19 September 2024 marked the first opening of a Living Places prototype outside of Denmark: Smøk house, located in Dokkum, Netherlands. Her Majesty Queen Máxima of the Netherlands was one of the first guests to visit. Dutch builder, Bouwgroep Dijkstra Draisma, constructed Smøk house after entering into a partner agreement in 2023.



The VELUX Group Revenue 2020-2024 (DKKm)

2024	22,062
2023	21,670
2022	22,272
2021	19,796
2020	18,122

VELUX roof windows.
Jesper Jørgen Fotografi ApS, 2023.

In 2024, Children’s Living Places was initiated by SOS Children’s Villages Denmark. The project seeks to reform the childcare sector in Ukraine by building new low-carbon, healthy homes where children displaced by the war can live with foster families. The VELUX Group shared its Living Places concept and joined a coalition of partners behind the project.

The next step is to apply the Living Places principles to commercial buildings and renovation projects. The VELUX Group has experimented with the principles on its own large-scale transformation project, the LKR Innovation House in Østbirk, Denmark. The former warehouse was originally built in

timber in 1995 and is now being repurposed into an innovation hub based on the principles of adding plenty of light and ventilation to secure a best-in-class indoor climate. It was named after Lars Kann-Rasmussen, who had the original idea of constructing a warehouse primarily from untreated timber for environmental reasons.

The LKR Innovation House will open in 2025. The idea is to assemble most VELUX research and development activities under one roof, to create an inspirational, innovative workplace and to secure many more years of life in the building.



Scope 1 and 2 emissions were reduced by 11%, which is a reduction of 61% since 2020.

The first Living Places prototype outside of Denmark, the Smøk house, opened in the Netherlands. Her Majesty Queen Máxima visited the Smøk house as one of the first guests. From the left Her Majesty Queen Máxima and Lone Feifer, Director, Sustainable Buildings at the VELUX Group.

Progress on ESG initiatives

The VELUX Group is committed to reducing its own emissions (Scope 1 and 2) by 100% and to halving emissions from its value chain (Scope 3) by 2030, compared to a 2020 baseline. Its goals are validated by the Science Based Targets initiative (SBTi), and thereby aligned with climate science. In 2024, the VELUX Group continued to make headway on its targets by reducing Scope 1 and 2 emissions by 11%, a decrease of 61% since 2020. The progress made on Scope 1 and 2 was primarily the result of a switch to renewable energy sources and of energy savings across operations.

In 2024, the VELUX Group took its first steps towards safeguarding and enhancing biodiversity at its workplaces. The company utilised a comprehensive methodology to assess the state of biodiversity at six VELUX Group sites, thus setting a baseline for the first time.

Efforts to implement a circular economy within the VELUX Group also accelerated this year. VELUX is working to integrate circularity into its product development processes

through guidelines and an internal circularity assessment tool. Furthermore, the Group initiated four pilot projects to test circular business opportunities.

The VELUX Group aims to foster a diverse and inclusive workplace that enables everyone to thrive, develop and perform at their very best. In 2024, 35% of senior management positions and 31% of management positions were held by women. Both are improvements of 3%-points, as compared to 2023. The company is actively working to raise awareness and to reduce bias and inequality in its business, manufacturing and decision-making processes, and governing structures.

Further strengthening the leadership team

In September 2024, Barnabas Szabo joined VELUX as Executive Vice President for Operations & Supply. Barnabas became part of the Executive Group Management Team and is responsible for developing and leading the operations and supply team to ensure that the company remains competitive, delivers value to partners and customers, and achieves VELUX sustainability targets.

Roof windows and skylights





The DOVISTA Group

Financial performance in line with expectations

The DOVISTA Group faced a challenging year in 2024, due to a decline in the European building industry. The year began with a low order pipeline. Despite the gradual improvement of macroeconomic indicators, such as inflation and interest rates, demand declined and competition remained intense in the window and door market. As a result, revenue decreased by 14% to DKK 6.8 billion.

Despite the market turmoil, the DOVISTA Group successfully adjusted its business activities while maintaining strong performance. By effectively balancing demand and capacity, the Group emerged stronger in 2024. This highlighted the DOVISTA Group's resilience and ability to navigate challenging conditions. It is considered satisfactory.

At the same time, the DOVISTA Group continued to industrialise and strengthen its operations, creating a more scalable and resilient company within the entire manufacturing process. 2024 priorities included pricing excellence, procurement improvement, manufacturing efficiency, and optimisation of sales and operations planning. Additionally, transformative projects were completed, such

as simplifying the supply chain setup in the Nordics and DACH regions, and consolidating the manufacturing footprint.

Sustainability in action: progress towards 2030 goals

Despite difficult global market conditions, the DOVISTA Group continued efforts to reduce environmental impact by integrating responsible practices into various aspects of its business, from product design to supplier selection. This is essential for long-term success.

The Group is focused on achieving its 2030 science-based targets. In 2024, it made significant strides in reducing Scope 1 and 2 emissions by 14% year-over-year and 77% since 2021. Additionally, Scope 3 emissions were reduced by 16% through supplier partnerships. By the end of 2024, 15% of the glass and 80% of the aluminium used in DOVISTA's products demonstrated low carbon impact compared to industry standards.

Satisfied customers

In 2024, the DOVISTA Group improved its customer value proposition. The Group's annual Global Customer Survey revealed the success of these efforts. Insights from invoicing customers across Europe showed



The DOVISTA Group Revenue 2020-2024 (DKKm)

2024	6,772
2023	7,880
2022	9,625
2021	6,285
2020	4,474

Upcycled windows from Krone in Denmark's tallest building with load-bearing timber structures.

Lendager Architects.

Krone, 2024.



At the end of 2024, the DOVISTA Group announced an agreement to acquire 4B.

4B windows in a children's hospital in Zürich, Switzerland.
Herzog & de Meuron.
4B, 2024.

a satisfactory increase in the Net Promoter Score. The survey highlights the importance of local customer value initiatives and of investments in digitisation and environmentally responsible practices.

Continuous focus on safety and people development

The DOVISTA Group values its employees highly and believes that continuously improving health and safety performance is paramount. By strongly focusing on clearly defined initiatives for improvement, the Group successfully reduced work place accidents again in 2024.

In addition, significant efforts were made to further professionalise leadership. A company-wide program was implemented, which emphasised cross-functional leadership and the development of key leadership skills.

Swiss acquisition

At the end of 2024, the DOVISTA Group announced an agreement to acquire 4B. This Swiss company is a renowned family-owned provider of reliable, sustainable window and exterior door solutions, which employs approximately 650 people. The strategic acquisition

represents a significant milestone in the DOVISTA Group's commitment to delivering quality products and services throughout Switzerland and Europe.

Poised to seize opportunities in 2025

In 2024, the DOVISTA Group reviewed its CLEAR strategy, reaffirming its vision of making Europe its home market and becoming the #1 choice for Vertical windows and exterior doors in the region. To achieve this goal, DOVISTA will continue to build distinctive brands while leveraging the advantages of shared excellence throughout the entire production process.

Despite a challenging market environment in 2024, the DOVISTA Group approaches 2025 with optimism, as key macroeconomic indicators could begin to improve. The DOVISTA Group remains prepared to seize any new opportunities in the market that may arise.

Vertical windows

DOVISTA®
windows and doors

VELFAC®

DOOR & PANELS

rational®

dobroplast®

web.com

weru

Mockfjärds

EgoKiefer
Fenster und Türen

natre

Svenska Fönster

KRONE

okná a dvere
Slovaktual®

Financial review

The VKR Group delivered a solid performance despite headwinds in key markets.

We expected that the VKR Group's revenue would remain in line with that of 2023. This was challenged as the slowdown in the European construction sector continued in 2024. The business areas proactively addressed these challenges, avoiding a significant decline in operating profits compared to last year.

Additionally, the financial markets performed strongly throughout the year. This led to a more favourable return on the financial portfolio compared to 2023, and was the primary reason that profit for the year improved.

Revenue

The VKR Group's revenue declined by 2.4% to DKK 28.8 billion. This decrease was mainly organically driven, with an impact of 1.6%. The full year effect of the DOVISTA Group's divestment of some activities in Norway in November 2023 negatively affected revenue by 0.8%-points.

In 2024, the VELUX Group increased revenue by 1.8%, while revenue decreased in the DOVISTA Group by 14.1%, which was mainly organically driven. DOVISTA was more exposed to the slowdown in building activity,

as a higher proportion of its sales is related to project sales and the new build segment. Revenue was positively affected by exchange rates, particularly the GBP, CHF and PLN.

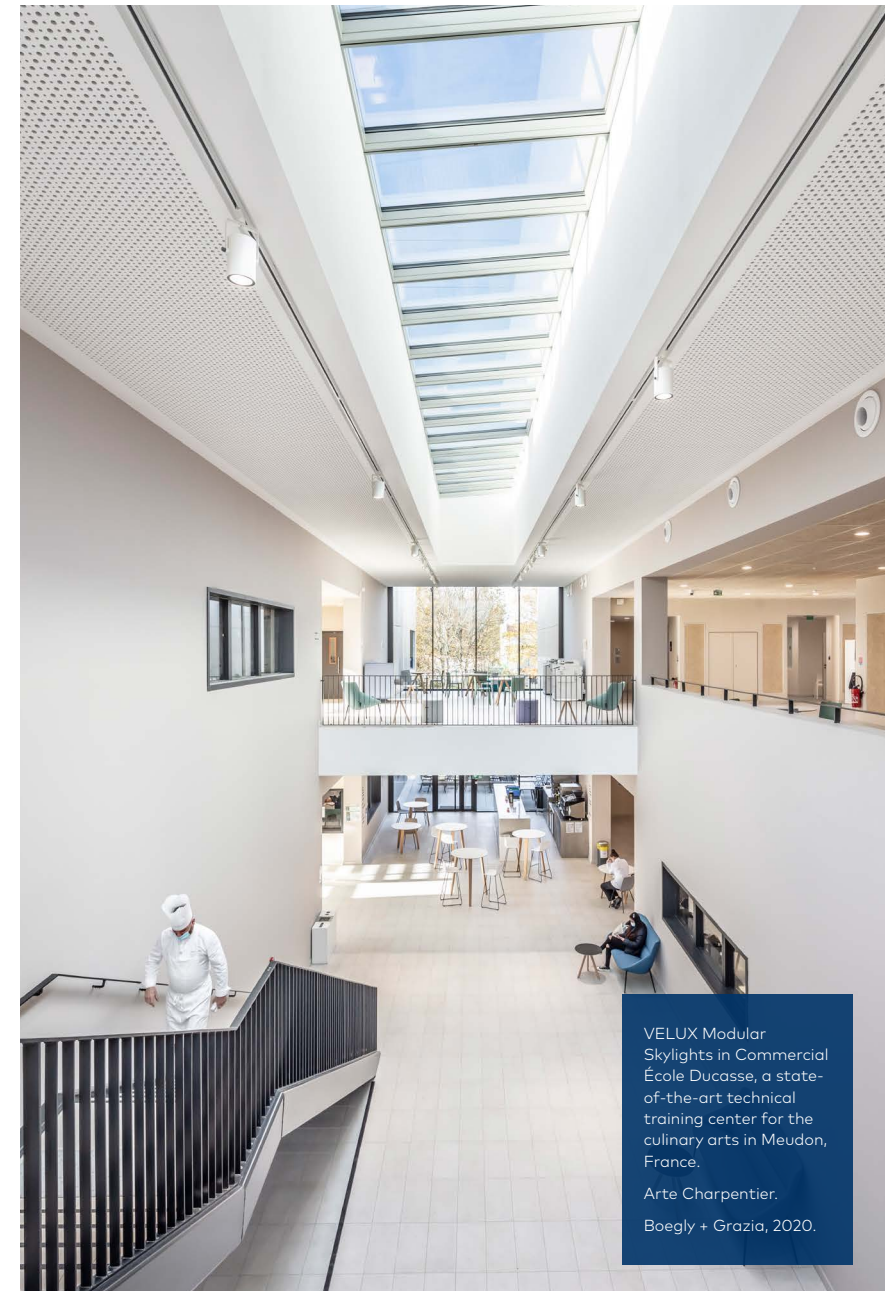
Operating profit

In 2024, operating profit before depreciation (EBITDA) was DKK 4.9 billion, which was slightly below last year's DKK 5.1 billion. The EBITDA margin experienced a slight decline, decreasing to 16.9% from 17.1% last year. The reduction in revenue was partially offset by lower raw material prices, adjustments to capacity in response to reduced demand and cost prudence in the business areas.

In 2024, profit before goodwill amortisation (EBITA) was DKK 4.0 billion compared to DKK 4.2 billion the year before. The EBITA margin decreased to 13.8%, from 14.3% in 2023. This development was partially due to higher depreciations related to increased investments.

Financial investments

VKR Holding maintains a substantial portfolio of financial investments. In any given year, the return from those investments can significantly impact results. In 2024, the return on



VELUX Modular Skylights in Commercial École Ducasse, a state-of-the-art technical training center for the culinary arts in Meudon, France. Arte Charpentier. Boegly + Grazia, 2020.

VKR Holding's financial portfolio was DKK 1.9 billion (11%). This represents an improvement of DKK 0.5 billion, compared to 2023.

This year's return was primarily driven by unrealised capital gains on listed shares and fixed-income assets. The listed equity portfolio delivered particularly positive returns following the result of the US presidential election.

Overall, we achieved a return on financial investments that exceeded expectations and last year's results. In 2024, the return on our financial investment portfolio was very satisfactory.

Tax

In 2024, the annual tax amounted to DKK 1.3 billion, which was similar to the previous year.

Earnings

The VKR Group's profit for the year (EAT) was DKK 4.3 billion in 2024, compared to DKK 4.2 billion the year before. This exceeded our expectations and can be attributed to the strong return of the financial portfolio in 2024. The higher return more than offset the slightly lower operating profit in the business areas. Management considers this year's profit satisfactory, given the decline in revenue.

Operating investments

In 2024, the VKR Group invested a net total of DKK 1.6 billion in tangible fixed assets, comprising 5.7% of revenue. This amounted to an increase of DKK 0.2 billion, and can be attributed to increased investments in the business areas as well as VKR Holding's funding of the LKR Innovation House in Østbirk, Denmark. Scheduled to open in spring 2025, the LKR Innovation House will be the future centre of most R&D activities for the VELUX Group.

In 2024, the VELUX Group continued investing in renewable power supplies, including bio boilers, as part of its journey towards 100% reduction in Scope 1 and 2 emissions by 2030. The VELUX Group also invested in digital tools and new products, as well as factory improvements that increased efficiencies across the value chain.

The DOVISTA Group made investments across production sites to standardise and enhance operational efficiency, while further improving health and safety. One of the larger initiatives launched in 2024 was the modernisation of one of its Norwegian production facilities by elevating it to a state-of-the-art operation. This project will extend into 2025. Additionally, IT infrastructure was upgraded to support DOVISTA's future growth.

Cash flow from operating activities and working capital

In 2024, cash flow from operating activities before taxes was DKK 4.7 billion, down from DKK 6.1 billion the previous year. This decline was primarily due to an increase in working capital in 2024. The increase in working capital was

mainly driven by an unfavourable development in customer receivables and trade creditors.

Cash flow from operating activities after taxes decreased to DKK 3.6 billion in 2024, compared to DKK 5.2 billion in 2023.

In 2024, paid taxes increased DKK 0.3 billion, which can primarily be attributed to a higher return on our financial investments in 2024.

Financial resources

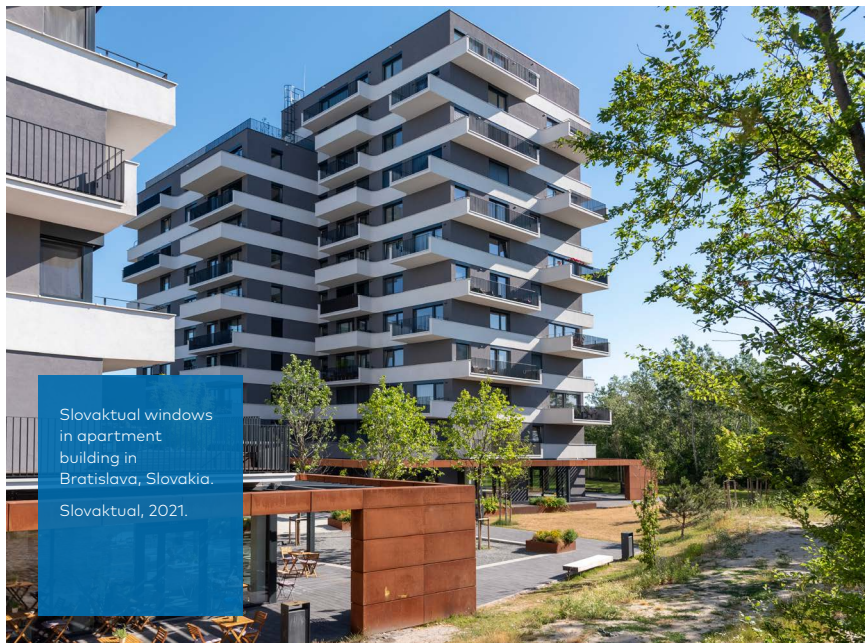
On 31 December 2024, the VKR Group's financial resources were DKK 15.8 billion, compared to DKK 14.5 billion in 2023. This increase was mainly due to unrealised capital gains on listed equities and fixed income assets.

Total assets in the VKR Group were DKK 39.6 billion in 2024, compared to DKK 36.6 billion the year before. This can be attributed to an increase in tangible fixed assets and financial resources.

Equity was DKK 33.2 billion, an increase from DKK 29.8 billion the previous year. The equity ratio rose by 2.4%-points to 83.8% in 2024.

The VKR Group manages a portfolio of listed investments that can be used to invest in the Group's existing companies and to finance potential acquisitions. For optimisation purposes, external financing is taken into consideration when acquiring companies.

Following the Annual General Meeting in March 2024, a dividend of DKK 1.5 billion was distributed. At the Annual General Meeting in March 2025, a dividend of DKK 1.5 billion will be proposed.



Innovation and development activities

The VKR Group's business areas are committed to developing new solutions and to improving product performance. Our goal is to create a long-term portfolio of innovative products and solutions that meet our customers' growing expectations and demands for energy efficiency and improved indoor climate, both today and in the future.

In 2024, the VELUX Group introduced the adjustable middle gutter as part of its Pro+ combination flashing set. Developed in collaboration with installers, the innovative patented solution makes the installation of roof window combinations even easier. The product not only delivers the best solution for our professional partners, it also streamlines the installation process and reduces complexity by consolidating 5,000 product codes into just four gutter widths.

The VELUX Group also entered into a new partnership to secure low carbon steel. During the 10-year agreement, ArcelorMittal will supply its XCarb® recycled and renewably produced steel. To further contribute to the green transition of its windows, VELUX is gradually increasing order intake of XCarb®. By 2025, XCarb® will be used in several of the steel components of VELUX Roof windows. This will replace the conventionally produced steel that was previously used.

Steel is one of several key materials that the VELUX Group is experimenting with together with its suppliers. The goal is to lower CO₂ in its products and in its overall carbon footprint. By 2030, the VELUX Group's target is to reduce its Scope 3 upstream emissions by 50%.

Opening in spring 2025, the LKR Innovation House in Østbirk, Denmark, will serve as the VELUX Group's future hub for research and development.

Opening in spring 2025, the LKR Innovation House in Østbirk, Denmark, will serve as the VELUX Group's future hub for research and development. It will provide a noteworthy place to innovate and build upon our decades of experience in expanding the amount of daylight and fresh air indoors. This former warehouse will be transformed into a first-class innovation centre for developing the newest and best products in the building industry.

The DOVISTA Group continues to apply advanced system engineering and modularisation principles to lower internal complexity, while simultaneously strengthening the product portfolio it offers to local markets.

In 2024, the DOVISTA Group successfully launched the first Norwegian variants of its new modular Scandinavian Wood/Wood-Alu product platform. The Group also launched a next generation PVC/PVC-Alu product platform for the German market, designed with improved resource efficiency.



Installation of a VELUX flexible gutter.
Christian Geisnæs.



VELFAC windows in a residence near Horsens, Denmark.

Inhouse Studios, 2024.

Reducing CO₂ emissions is central to DOVISTA's activities. To meet market demands and provide a transparent, detailed perspective on the carbon footprint of each product platform, product-specific Environmental Product Declarations (EPDs) have been rapidly developed, and are now covering the majority of DOVISTA's products.

In 2024, the DOVISTA Group also introduced a new framework for structured product development, called 'DOVISTA Idea-2-Market'. This model ensures that innovation occurs cross-functionally, and is based on critical market and technology expertise. This allows for thorough assessment and prioritisation to be completed before starting the structured execution phase.

To maintain the Group's competitive advantage, innovations are actively and systematically protected with patent applications, as well as with other intellectual property rights.

The VKR Group's innovative product development results in numerous patent applications each year. As of 31 December 2024, VKR Holding owned and managed 2,843 active patents distributed among 629 unique inventions.

Digitalisation

At the VKR Group, we strategically embrace new technologies to effectively align our workforce with business objectives. Throughout 2024, both business areas further accelerated their adoption of artificial intelligence (AI) in daily operations to improve the digital experience for customers and employees.

In 2024, the business areas continued their journey to enhance IT infrastructure for future-proofing operations. SAP serves as the ERP backbone for both, thus enabling efficient operations. For one and a half years, the VELUX Group prepared for a significant upgrade to SAP S/4HANA, which successfully went live on 2 January 2025. This upgrade was necessary because the previous version, SAP ECC, would be unsupported after 2027.

The DOVISTA Group's implementation of SAP ERP in Poland strengthened its technological foundation, while preparing the Group to unify the IT landscape in the EgoKiefer Cluster in order to enhance the customers' experience.

Employees

By the end of 2024, the VKR Group employed approximately 17,100 people, which was a slight decrease compared to 2023. The majority of employees worked in Denmark, Germany and Poland (54%). In addition, the Group has a significant number of employees in France, Hungary, Slovakia and the United States.

Risk management

We view risk management as an essential part of our business operations.

We are committed to the effective identification, assessment and mitigation of risks to ensure the long-term success and sustainability of our Group. The Board of Directors of VKR Holding is responsible for overseeing risk management, while the Audit Committee evaluates the effectiveness of our risk management processes. Executive Management is tasked with implementing risk management strategies and ensuring that policies and procedures are effective across all levels.

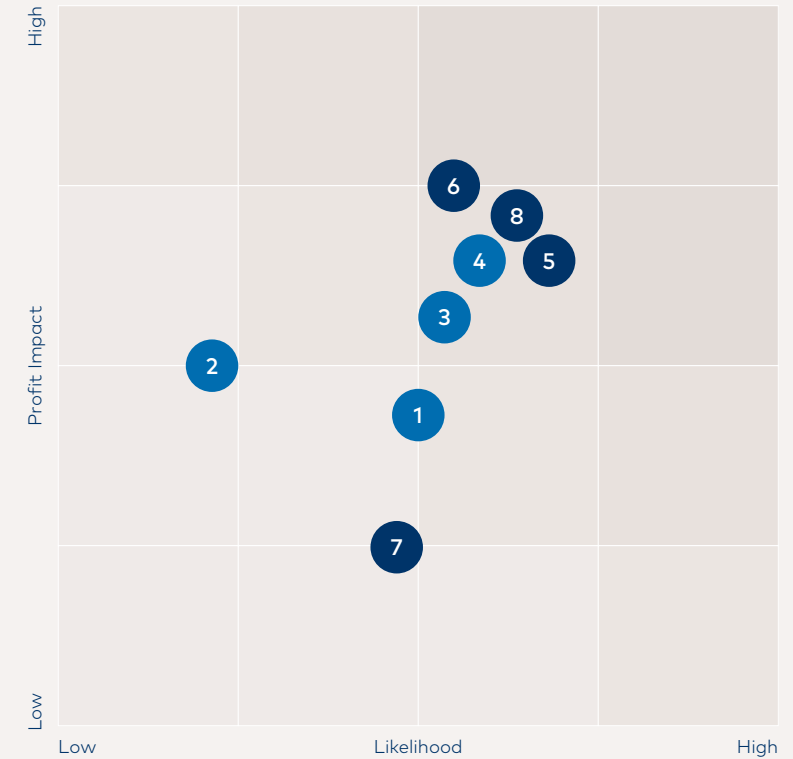
While the VKR Group, like its industry peers, faces several risks, no single risk is believed to pose a threat to the Group's existence in present or future circumstances. However, we acknowledge the presence of external risk conditions that we must address on an ongoing basis.

The VKR Group faces a wide array of risks in its business areas and its financial investment portfolio. We categorise these risks into two broad categories: 'Business area specific risks' and 'Macro specific risks'. The following section provides a detailed description of these risks, including their impact on the VKR Group and the mitigation measures in place. Additionally, the VKR Group risk matrix illustrates our estimate of the likelihood of the risks materialising and their potential adverse impact on the Group's profitability.

VKR Group risk matrix

Illustrative

Status as of December 31, 2024



● Business area specific risks

- 1 Subpar product quality & product liability
- 2 Disruptive competition
- 3 Cyber attack
- 4 Supply chain disruption

● Macro specific risks

- 5 Equity market downturn
- 6 Macroeconomic downturn
- 7 Currency volatility
- 8 Geopolitical instability

Business area specific risks

RISK AREA	DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>1</p> <p>Subpar product quality & product liability</p>	<ul style="list-style-type: none"> The VKR Group's market share and customer trust is dependent on the superior quality of products across business areas. Sustaining and growing superior market positions requires adherence to stringent quality benchmarks. 	<ul style="list-style-type: none"> Subpar products could result in direct financial losses due to returns, warranties and damage to brand reputation. Potential safety risk for customers and installers. 	<ul style="list-style-type: none"> Risk management involves robust quality and environmental management systems. Products from both the Group's own production and from suppliers are inspected. Ongoing and thorough product testing is a key component. Testing is conducted both internally and by independent, certified external institutions.
<p>2</p> <p>Disruptive competition</p>	<ul style="list-style-type: none"> A general focus on changes in the competitor landscape; for example, competitors stepping into the space between the business areas and homeowners. 	<ul style="list-style-type: none"> The risk is primarily related to losing market share, as competitors may focus more on price and bigger companies may become 'the owner of the house' by offering a 'one-stop' complete range of building materials. Customers may choose to utilise their roof space for solar panels, for example, or spend their home improvement budget on other products. 	<ul style="list-style-type: none"> Continuous innovation in our business areas to always be on the forefront of new and emerging technologies. Monitoring the M&A market for opportunities that may improve customer demand for our products. Strengthening our brands among homeowners. Developing initiatives that encourage partners to use our products; for example, Living Places and the Activate Professional Partners strategy, which focus on expanding sales channels to Professional House Builders (PHBs), Architects, Dealers and Installers.
<p>3</p> <p>Cyber attack</p>	<ul style="list-style-type: none"> The Group's efficiency and success depend on robust IT systems that manage all aspects of the value chain, from product development to delivery. Ensuring secure access to confidential data is crucial both for meeting GDPR requirements and for protecting the businesses' strategic interests, including sensitive information from customers and employees. 	<ul style="list-style-type: none"> Compromised IT systems or IT system crashes could have a severe impact on VKR Group's ability to maintain operations for an extended period of time and, consequently, its financial performance. Data leaks may compromise employees and/or lead to fraudulent activity against the Group. Significant fines due to violation of the General Data Protection Regulation. 	<ul style="list-style-type: none"> Prioritise high IT security with ongoing security monitoring supported by incident response teams. Maintain and improve current technical platforms and ongoing cyber and information security awareness training for employees. Assess third-party vulnerability and security maturity. Adapt contingency plans for system and data restoration in case of failures.
<p>4</p> <p>Supply chain disruption</p>	<ul style="list-style-type: none"> Disrupted supply chains limit access to procurement of raw materials and semi-finished goods, such as semiconductors, at the correct time, quantity and quality. 	<ul style="list-style-type: none"> Operational disruption due to limited access to essential supplies will impact lead times and the ability to produce and distribute finished goods, resulting in a potential loss of revenue. Unfavourable price development of commodities and raw materials, leading to increased production costs. 	<ul style="list-style-type: none"> Diversify supply chains by including dual sourcing of critical components, where feasible, and bringing suppliers closer to production sites. Implement robust contingency plans and maintain a stock buffer. Locate other potential supply chain disruptions by using screening tools.

Macro specific risks

RISK AREA	DESCRIPTION	IMPACT	MITIGATION ACTIONS
<p>5</p> <p>Equity market downturn</p>	<ul style="list-style-type: none"> VKR Holding's financial investment portfolio includes a substantial number of equities. These are exposed to risks related to geography, market conditions, industry factors and the type of financial instruments. 	<ul style="list-style-type: none"> Share price fluctuations affect VKR Holding's profits in any given year. 	<ul style="list-style-type: none"> Established framework of permitted allocations regarding geography, sector, etc. Highly diversified portfolio across sector, geography, size and style. Continuous monitoring of investment performance. Minimal use of leveraged investments.
<p>6</p> <p>Macroeconomic downturn</p>	<ul style="list-style-type: none"> Macroeconomic downturn affecting the broader economy, including interest rates, which can significantly impact financial investments and building sector activity. External financing can be beneficial for large investments, acquisitions and seasonal negative cash flows. 	<ul style="list-style-type: none"> Decreasing demand for building materials and, thereby, business area activity. The Group's fixed income value and equity portfolios may also change. 	<ul style="list-style-type: none"> Business areas operate with agile business models, balanced business activities and contingency plans. Rare use of external interest-bearing debt, resulting in a high equity ratio and a limited debt-related interest rate risk. External financing is assessed in conjunction with the interest rate risk associated with financial investments, which incorporates factors such as loan type and duration.
<p>7</p> <p>Currency volatility</p>	<ul style="list-style-type: none"> The VKR Group conducts global sales and production operations, with a substantial exposure to the EUR. This results in minor fluctuations due to Denmark's pegged exchange rate policy against the EUR. Primary risk exposures are associated with the USD, GBP, CHF and PLN. 	<ul style="list-style-type: none"> Currency deterioration impacts sales prices and production costs in the individual markets and, potentially, business area competitiveness. Return on financial investments is affected by currency fluctuations. 	<ul style="list-style-type: none"> Currency exposure is centrally assessed and potentially hedged. Financial investments face a derived currency risk due to global portfolio diversification, leading to diverse currency exposure. When acquiring or divesting companies or assets, currency risk may be externally hedged subject to a case-by-case evaluation.
<p>8</p> <p>Geopolitical instability</p>	<ul style="list-style-type: none"> After the outcome of the US elections, the probability of a potential trade conflict between US and Europe has increased significantly. Concerns over the recent conflict in the Middle East, fears of an escalation in US-China tensions over Taiwan and the Russian invasion of Ukraine. Other risks, such as relations between the EU Commission and countries such as Poland, Hungary and Slovakia, may create uncertainty in important sales and/or manufacturing countries. 	<ul style="list-style-type: none"> Direct financial loss caused by, for example, increased US/EU tariffs and production costs, and the possibility of reduced sales due to increased consumer uncertainty. 	<ul style="list-style-type: none"> Conduct regular geopolitical risk assessments to identify vulnerable markets and adjust strategies accordingly. Collaborate with local businesses and stakeholders to enhance market understanding and navigate regulatory environments. Develop flexible operational strategies that allow for quick adjustments in response to changing geopolitical conditions.



The focus is on both organic expansion and strategic acquisitions.

VELUX roof windows in a renovated room in Madrid, Spain.
Gustavo Huerta, 2024.

Outlook 2025

In 2025, we anticipate a gradual recovery in market conditions, as continued lower inflation and interest rates are assumed to increase consumer and investor confidence. However, ongoing uncertainty in the geopolitical landscape and a potential deterioration of US/EU trade relations resulting in increased tariffs, may delay this positive development.

The business areas are well-positioned for growth. The focus is on both organic expansion and, particularly within the DOVISTA Group, strategic acquisitions. This dual approach is expected to enhance our market position and drive revenue growth.

We foresee an improvement in operating profit (EBITDA) as operational efficiencies and strategic investments continue to deliver results in combination with revenue growth. However, we anticipate a lower return on our financial investments in 2025 after two years of extraordinarily strong market performance. As always, our expectations regarding the financial result is subject to much uncertainty due to market volatility and a multitude of macroeconomic and geopolitical uncertainties.

Overall, while profit for the year is expected to be slightly below 2024 levels, the foundation laid in previous years will support a resilient performance. Our commitment to long-term growth and innovation remains steadfast, ensuring that we are adequately prepared to navigate the evolving market landscape.

Sustainability

- Message from our CEO
- Sustainability as part of our value creation
- Sustainability at the VKR Group
- Double materiality assessment
- Environment
 - Climate change (E1)
 - Circular economy (E5)
- Social
 - Own workforce (S1)
 - The Employee Foundation of the VKR Group
- Governance
 - Business conduct (G1)
 - VKR Holding's Responsible Investments Policy
 - Corporate governance
 - Tax governance
 - The Board of Directors
- ESG data
- ESG reporting principles

Head gardener Carla Prip and chef Henrik Paulsen inspect the kitchen garden at Campus LKR, Hørsholm, Denmark.
Janus Frost, 2023.



Message from our CEO

In 1942, the young engineer and VKR Group founder Villum Kann Rasmussen invented the first modern roof window. The VELUX window allowed access to daylight and fresh air in previously unused attics, enabling the use of space under the roof for living, working and learning. Creating new living spaces under an existing roof was not only more affordable than new construction, it was also more 'sustainable' – although at the time, no one used that term, it was just plain good sense.

This idea was so powerful that it would change the architecture of Europe. Even today, bringing the attic to life with roof windows is one of the most affordable and sustainable ways to utilise real estate, a scarce resource. Similarly, replacing old windows with new energy-efficient windows and doors from a DOVISTA company remains one of the quickest, easiest and safest ways to improve a building's energy performance. If done right, both these renovations can improve indoor environments by providing free daylight and natural ventilation. In this way, our founder's ideas and visions live on in the company to this day.

In 1971, Villum Kann Rasmussen established what would become the Villum Foundation, a philanthropic trust that supports research and education, as well as social and cultural purposes in Denmark and internationally.

To this day, the Villum Foundation is our biggest shareholder. However, Villum Kann Rasmussen's descendants are also highly involved in ownership. Our unique governance model consists of the founding family sharing control with the Villum Foundation in a 'checks-and-balances' system fostering consultation and cooperation.

In 1965, Villum Kann Rasmussen formulated the Model Company Objective, which was his idea of how an exemplary company should operate for the benefit of all stakeholders. Since then, our commitment to sustainability and the planet has only grown stronger.

In the early 1990's our founder's son Lars Kann-Rasmussen took sustainability to the next level. He ensured that the Group would work systematically on reducing the unintended consequences of our operations in terms of emissions, harmful substances, work-related accidents, etc. At the same time, we would continuously improve our products' energy efficiency and performance.

Today, I'm proud to see how the business areas still work to integrate sustainability into their businesses and operations. Both VELUX and DOVISTA have committed to reducing their CO₂ emissions significantly and have signed up to the science-based targets. I hope this year's sustainability report will give the



Mads Kann-Rasmussen CEO, VKR Holding A/S.
Gyrithe Lemche, 2025.

reader an opportunity to understand just a few of the many exciting initiatives taking place today throughout the VKR Group.

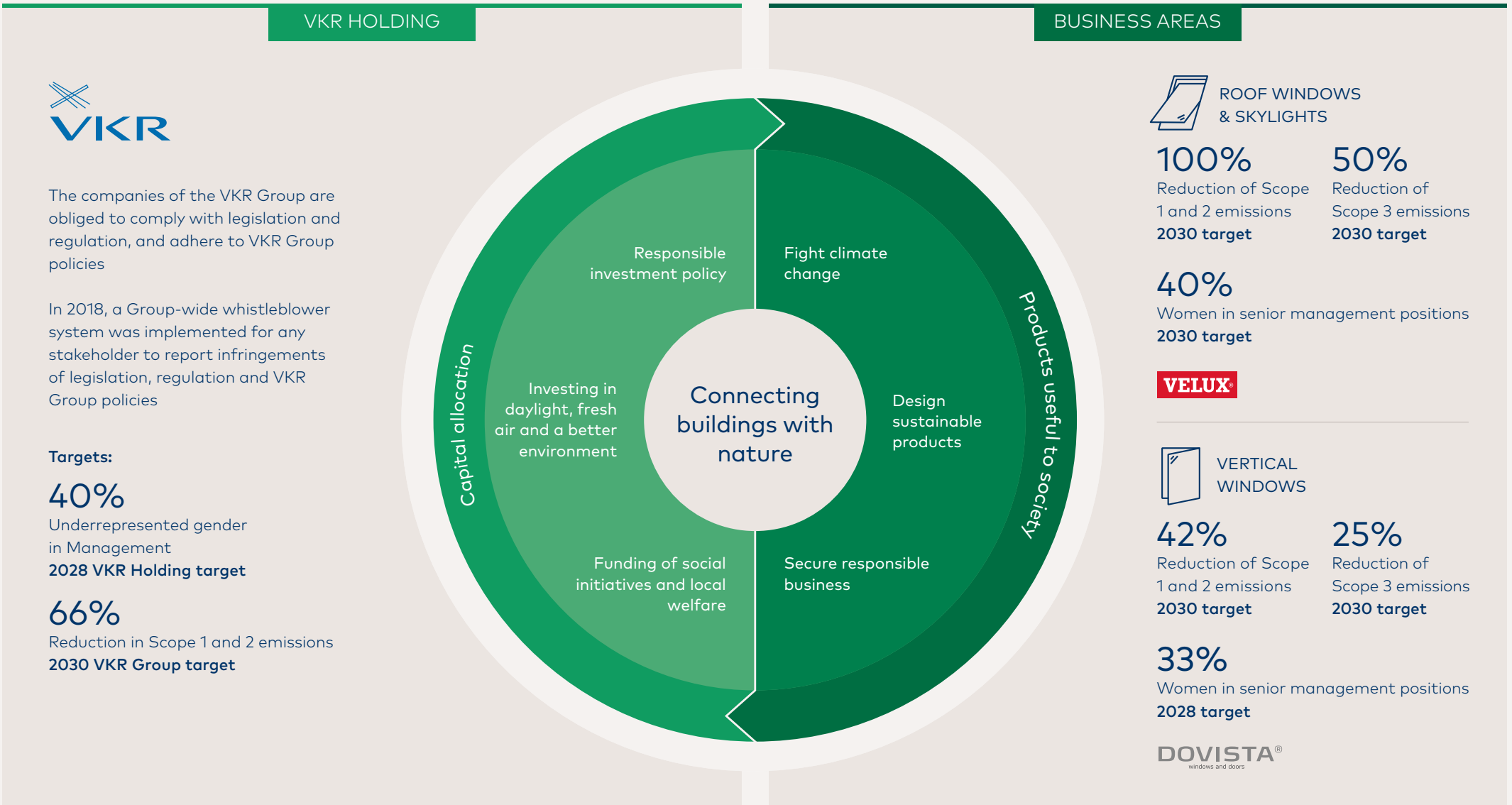
Since its founding, the VKR Group has developed from a small Danish start-up into a Global company with operations in 38 countries. But it all started with one person with one great idea.

To ensure that we continue to interact with today's inventors and dreamers, we established and remain the cornerstone investor in the independent Venture fund KOMPAS. Here,

we support great people with innovative ideas on how to revolutionise the built environment, decarbonise supply chains, and optimise manufacturing processes.

And who knows what new and exciting idea VELUX, DOVISTA or KOMPAS may come up with next? Maybe such an idea could change the everyday lives of millions of people across the globe for the better - just as the VELUX window has done for more than 80 years.

Sustainability as part of our value creation



The purpose of the VKR Group is to establish a number of model companies which cooperate in an exemplary manner

Sustainability at the VKR Group

VKR Holding, owns and develops companies that bring daylight, fresh air and a better environment into people’s everyday lives. We consider sustainability to be an integral part of our value creation. Guided by our Model Company Objective, the business areas of the VKR Group continuously seek to improve operations by integrating sustainability into their corporate strategies.

The key goal of the VKR Group is to restore the connection between buildings and nature. We aim to achieve this connection by producing and developing building components that:

1. contribute to a lower carbon footprint;
2. enable a healthy indoor climate;
3. bring the outside in; and
4. are increasingly recyclable.

While we have not yet fully reached our goal, we remain committed and are working diligently towards reaching it. We acknowledge that pollution occurs at every stage of the construction process from material production to building, usage and eventual disposal.

Both business areas have addressed this responsibility for a long time. They committed to their ambitious decarbonisation journeys by signing up for the Science Based Targets initiative (SBTi) and by setting clear targets for carbon reduction in line with the Paris Agreement. By 2030, the VELUX Group aims to reduce Scope 1 and 2 emissions by 100% and Scope 3 emissions by 50% compared to base year 2020. The DOVISTA Group is committed to decreasing Scope 1 and 2 emissions by 42% and Scope 3 emissions by 25% compared to base year 2021.

As active participants in the UN Global Compact, VKR Holding, the VELUX Group and the DOVISTA Group are committed to

This section, including the business model on pages 20-21, addresses the requirements of the statutory annual report, cf. section 99a of the Danish Financial Statements Act. We are progressing towards aligning our reporting with the European Sustainability Reporting Standards (ESRS) and the EU Corporate Sustainability Reporting Directive (CSRD), with full adoption planned by 2025.



VELUX roof windows.
Michael Lanhgoff, 2023.

upholding the Ten Principles within the four issue areas of human rights, labour, environment and anti-corruption, and strive to realise the Sustainable Development Goals (SDGs).

The VELUX Group aims to create well-being for people and planet by transforming spaces using daylight and fresh air. Their sustainability efforts focus on three themes: Customer Solutions, Climate & Nature and Inclusive Workplace. VELUX is committed to running a responsible business, striving for zero accidents, respecting human rights, ensuring responsible sourcing and maintaining ethical business practices.

The purpose of the DOVISTA Group is to bring fresh air and daylight into people's everyday lives, and to be part of the solution for a more sustainable future where both people and planet can prosper. Their sustainability strategy is built on four strategic drivers: Conducting Responsible Business, Enabling the Customer, Fighting Climate Change and Growing Our People. These drivers are supported by long-term actions to ensure these commitments are fulfilled.

Sustainability principles

The VKR Group's commitment to sustainability is deeply rooted in the Model Company Objective, which should guide all actions across the Group. It is our policy that VKR Group companies, ultimately controlled by VKR Holding A/S, contribute to sustainable development in line with their respective corporate strategies. In addition, VKR Group companies and their business relations must,

at all times, comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct that cover the subject matters of the UN Global Compact's Ten Principles.

Responsible business conduct is a natural extension of the Group's business model as governed by VKR Group policies. Accordingly, sustainability principles apply to VKR Group companies and their business partners. They are defined as follows:

- **Respect and uphold human rights**
This requires establishing and maintaining human rights due diligence processes to identify, prevent or mitigate potential human rights violations. We adhere to the definition of human rights in UN's International Bill of Human Rights, which also aligns with the International Labour Organization's Declaration on the Fundamental Principles of Rights at Work. We also recognise human rights relating to the prohibition of modern slavery and the right to safe and healthy working conditions.
- **Systematically manage significant adverse environmental impacts**
This entails establishing and maintaining environmental due diligence processes to identify, mitigate and prevent adverse environmental impacts, and to inform relevant authorities of any significant impacts in accordance with OECD guidelines.

Responsible business conduct is a natural part of the Group's business model governed by VKR Group policies.

- **Systematically manage risks related to corruption, money laundering and anti-trust violations**
This calls for establishing and maintaining due diligence processes to identify, mitigate and prevent corruption, money laundering and anti-trust violations. In accordance with OECD guidelines, relevant authorities must be informed of any significant impacts.

Each business area defines its own strategic objectives for contributing to sustainable development, which reflects its organisation, geographical presence and market position. These objectives form part of an ongoing process that guides the VKR Group's strategic planning, execution, and continual improvement of its sustainability efforts within the framework of UN Global Compact's Ten Principles. Other UN initiatives, such as the Sustainable Development Goals (2015-2030) and the Blueprint for Corporate Sustainability Leadership, provide inspiration for concrete objectives and actions.

The Boards of Directors of the business areas receive regular reports on upholding the sustainability principles, while VKR Holding's Board of Directors receives a comprehensive update in connection with year-end reporting.

To comply with OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, Group companies and their business partners are expected to regularly identify, mitigate and prevent the potentially adverse impacts of their business operations. This includes, but is not limited to, anti-competitive behaviour, corruption, money laundering and compliance with social and human rights obligations. These requirements are outlined in codes of conduct for suppliers and employees. In the event of an incident, appropriate authorities must be informed.

Double materiality assessment

From the financial year 2025, VKR Holding will be obligated to report on progress in accordance with the EU Corporate Sustainability Directive (CSRD). Our Double Materiality Assessment (DMA) identifies the material sustainability topics most critical to the VKR Group, both from a financial and a 'impact on the planet' perspective.

Through close collaboration between VKR Holding and the business areas, we have developed a unified DMA Playbook to ensure compliance with the directive and to guarantee a consistent methodology across the organisation. The material sub-topics have been aligned with the relevant disclosure requirements and indicators as outlined in the European Sustainability Reporting Standards (ESRS).

Our efforts in this area are ongoing, and we are progressively implementing the required qualitative and quantitative metrics. Utilising our

DMA Playbook, we incorporated the individual DMA results from VKR Holding, the VELUX Group and the DOVISTA Group, resulting in a consolidated DMA for the entire VKR Group.

The preliminary DMA for 2024 is a first step in VKR Holding's journey to comply with the EU directive. Apart from offering a structured approach to uncovering material sustainability matters, the DMA Playbook is also a prerequisite for selecting the topical standards (ESRS) to report under the CSRD. In the spring of 2024, the VKR Group embarked on DMA consolidation and began working with the reporting obligations regarding data collection and disclosure preparation, which will continue in 2025.

VKR Holding chose a bottom-up approach, which is in line with official guidance on the matter.

DMA Consolidation methodology

01 Identification of highest scored IROs

VKR Holding, the VELUX Group and the DOVISTA Group identified which Impact Risks and Opportunities (IROs) have the highest scores in terms of both impact and financial materiality.

02 Weight factor calculation

Subsequently, a weight factor was calculated for each company based on their contribution to the VKR Group's overall earnings before tax (EBT) and revenue for environmental and governance topics. For social topics, the full-time equivalent (FTE) employee count was applied.

03 Weighted scoring

The highest scoring IRO for each company was multiplied by their respective weight factor to obtain a weighted score for each sub-topic. This process ensured that the significance of each company's impact was proportionally represented in the VKR Group's consolidated results.

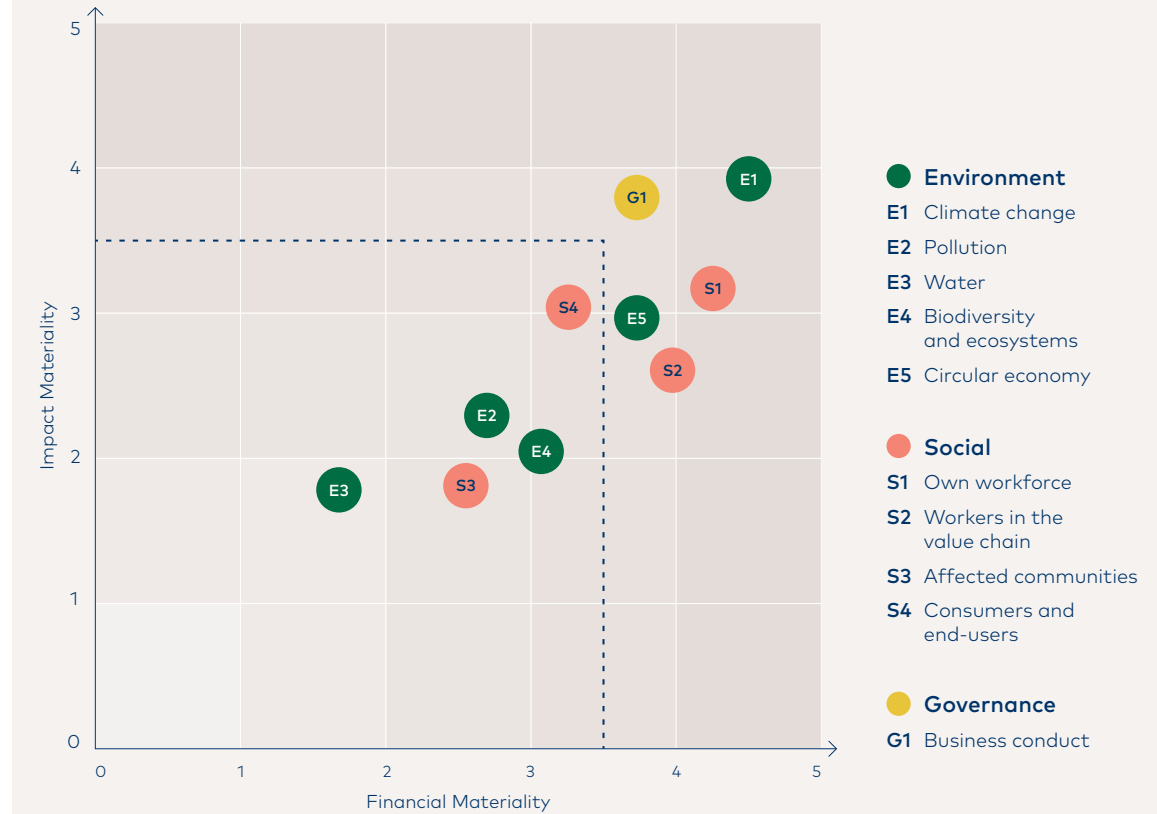
Double materiality assessment process





VELUX flat roof windows in Bruges, Belgium.
Dick Holthuis, 2023.

VKR Group Double Materiality Assessment



To a large extent, the results confirmed that our sustainability approach covers the topics most critical to our business. However, the directive places additional reporting requirements on the VKR Group. Furthermore, some topics necessitate a step change in approach and focus.

In order to comply with the directive, we are further strengthening how we integrate the requirements into our business by addressing the strategy, governance and reporting. With regards to the topics above, our materiality threshold is 3.5, as illustrated in the graph.

ENVIRONMENT

Climate change (E1)

Combating the effects of climate change is one of the defining challenges of our generation. It demands urgent collective action. At the VKR Group, we recognise the critical importance of supporting decarbonisation and are firmly committed to reducing our own emissions and those across our value chain.

Our initiatives align with climate science and the goals set forth by the Science Based Targets initiative (SBTi). This ensures that our strategies contribute meaningfully to global efforts fighting climate change. Through innovative practices and sustainable solutions, we aim to lead by example, thereby fostering a resilient future for both our businesses and the communities we serve.

The VKR Group's mission is to bring daylight, fresh air and a better environment into people's everyday lives. Its purpose is inherently linked to environmental sustainability. The decision to prioritise climate change is strategically rooted in the substantial environmental impact of our production activities, as well as the need to manage climate-related risks and to leverage opportunities for sustainable innovation.

Decarbonising our own emissions

In 2024, the VKR Group's combined Scope 1 and 2 emissions amounted to 32,124 tonnes CO₂e. Driven by reductions at both business areas, it is a decrease of 12% compared to 2023, and of 64% since 2021.

VKR Holding A/S increased Scope 1 and 2 emissions by 33% (10 tonnes CO₂e), driven by a higher emission factor on district heating in Denmark. Since our base year 2021, we have reduced Scope 1 and 2 emissions by 45%. In 2024, we maintained a 100% share of renewable electricity. We acquired Renewable Energy Guarantees of Origin (REGOs), which document that electricity comes from renewable sources. REGOs covered 100% of our electricity usage.

In 2024, the VELUX Group's Scope 1 and 2 emissions declined by 11% compared to the previous year. This reduction was achieved by energy savings across operations and by



Hardwood
Krone windows,
Denmark.
N+P Arkitektur.
Fotograferne Nibe,
2024.

switching to renewable energy sources on company sites, where 100% of electricity is certified as coming from renewable sources. Since 2020, the Group's Scope 1 and 2 emissions have decreased by 61%, keeping them on track to meet their targets.

The DOVISTA Group reduced its Scope 1 and 2 emissions by 14% compared to the year before and by 77% since 2021. The reduction is partly driven by energy optimisation initiatives, with lower production activity also contributing to the decline. As part of the DOVISTA Group's efforts to decarbonise their own operations, 80% of their energy consumption is covered by renewable electricity through guarantees of origin.

The DOVISTA Group's efforts to decarbonise their own operations concentrate on reducing energy consumption, particularly electricity, which constitutes the majority of its energy emissions. Moreover, a unified roadmap directed production sites to identify energy-saving opportunities and to establish common standards and routines for energy management. When implemented, this roadmap will further reduce energy consumption.

This is the first year that Scope 3 emissions related to VKR Holding's portfolio of financial investments is included.

Decarbonising our value chain

In 2024, the VKR Group's combined Scope 3 emissions amounted to 2.3 million tonnes CO₂e. This is the first year that Scope 3 emissions related to VKR Holding's portfolio of financial investments is included, which results in a technical increase compared to the previous year. The business areas reduced their combined Scope 3 emissions by 6% this year (95,835 tonnes CO₂e).

In 2024, the Scope 3 emissions of the VELUX Group was reduced by 1%. More than 98% of the VELUX Group's carbon footprint relates to Scope 3 emissions, which are derived primarily from raw materials used in production. A main driver in reducing Scope 3 emissions is to decarbonise such materials.

Collaboration with suppliers is key. The goal is to transform standard materials so that they contain a higher percentage of recycled content thereby achieving a lower carbon footprint. This is an ongoing process requiring technical innovation and testing. Partnerships with aluminium suppliers, such as Hydro and Novelis, look promising.

In 2024, the VELUX Group signed a long-term commercial agreement with partner, ArcelorMittal, to supply recycled and renewably produced steel. Additional supplier partnerships are being explored, which will help strengthen the business and further decarbonise the supply chain.

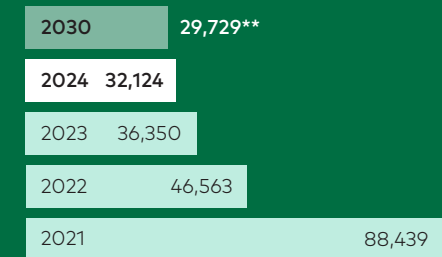
The DOVISTA Group also reduced Scope 3 emissions by 16%. This reduction was partly driven by the DOVISTA Group's efforts to use glass and aluminium with a lower carbon footprint in their products. Further, a lower production activity significantly contributed to the decline. Recognising its responsibility to minimise environmental impact, DOVISTA is actively responding to customer demand for products with a lower carbon footprint.

Glass, aluminium, plastic and steel are the materials with the highest emissions in DOVISTA's windows and doors. Through strategic partnerships with suppliers, DOVISTA successfully implemented the sourcing of low-carbon materials. In 2024, DOVISTA converted 2,898 tonnes of aluminium and 6,227 tonnes of glass to low-carbon variants saving 13,969 tonnes CO₂e. DOVISTA plans to scale its efforts to further reduce Scope 3 emissions and partner with customers and suppliers to accelerate decarbonisation in the construction industry.

To document the environmental impact of its products, the DOVISTA Group utilises Environmental Product Declarations (EPDs), which reflect carbon reduction efforts in operations and in the value chain. EPDs

THE VKR GROUP

Scope 1 and 2* CO₂e emissions (Tonnes)



* Scope 2 market-based
** Target with current business areas

Scope 3 CO₂e* emissions (Tonnes)**



*** 2024 includes CO₂e emissions from VKR Holding's investment portfolio, while 2023 does not. The business areas reduced their combined Scope 3 emissions by 6% (95,835 tCO₂e).

provide customers with transparent, verified data for Life Cycle Assessments, which are often required by investors, building regulators and certifiers. DOVISTA created 15 new EPDs, which cover 60% of its revenue. Next year's goal is to have 90% of revenue under EPDs.

Actions beyond our value chain

In a 20-year partnership with WWF, the VELUX Group is financing forest projects to reduce and remove the equivalent of its historical carbon footprint – around 4.5 million tonnes CO₂. This means that by 2041, the Group will have reduced and removed the CO₂ equivalent of its historical carbon emissions since the company was founded in 1941. All projects are designed to deliver Nature-based Solutions for climate mitigation, which are aligned with WWF's Blueprint for High Quality Interventions that Work for People, Nature and Climate.

In 2024, these joint efforts progressed significantly. The first and most advanced forest project in Uganda, now in its third year, protects and restores the tropical forest and fosters alternative livelihood activities for members of the local communities. At the second project, in Madagascar, community members concluded their first year of restoring degraded mangroves. The third forest project in Vietnam has secured government approval and is being prepared for implementation.



The first and most advanced project in Uganda, now in its third year, protects and restores the tropical forest.

Natural forest regeneration and protection in Uganda, WWF Denmark.
Jonas Lysholdt Ejderskov, 2022.

ENVIRONMENT

Circular economy (E5)

We believe that circularity is essential to promoting responsible resource management and to minimising waste throughout a product's lifecycle. By embracing circular principles, we enhance product durability, facilitate recycling and reduce our environmental footprint.

Circularity not only aligns with our commitment to responsible resource use, but also drives innovation, thus enabling us to create value for our customers and stakeholders. By integrating circularity into our operations, we contribute to a more resource-efficient economy and ensure that our products and practices support a healthier planet for future generations.

From principles to practice

To accelerate the shift towards a more circular economy, the VELUX Group established circularity design guidelines and an internal circularity assessment tool this year. These resources help to ensure that circular principles are integrated into product design.

VELUX also initiated pilot projects in various markets regarding recycling, refurbishing, and maintenance of installed windows. Such projects provide valuable lessons on realising the full potential of a window's lifetime and

on the importance of product design for the circular economy. These lessons can be used to guide our circularity work going forward.

DOVISTA have started to gain experience with circularity through various pilot projects. At select factories, DOVISTA works closely with suppliers and recycling companies on schemes to ensure waste recycling. For example, in Edsbyn, Sweden, they started collecting aluminium cutoffs and returning them to their supplier to be remanufactured into low-carbon aluminium. In Triptis, Germany, they set up a glass take-back scheme with a recycling partner and glass supplier to remanufacture waste glass into low-carbon float glass. In addition to these pilot projects, DOVISTA PVC window factories return the vast majority of PVC cutoffs to their supplier. In 2025, DOVISTA will focus on creating a clear ambition and plan for circularity.



Living Places in Copenhagen demonstrated a new way of building homes with a CO₂ footprint 3x lower than today's standard.
EFFEKT and Artelia.
Adam Mørk, 2023.

CASE STORY

Supporting biodiversity – starting with our own sites

Over the past 50 years, nearly 70% of the world’s biodiversity has been lost, largely due to human activities*. The United Nations and WWF have highlighted the urgency of addressing this biodiversity loss and emphasised that the private sector must take proactive steps to integrate biodiversity conservation into their operational practices.

In 2024, we accelerated our work on our strategic project to assess and improve global biodiversity. We started this by creating baselines at six VELUX Group sites in Denmark, Italy, Hungary and Poland.

To create the baselines, we applied a comprehensive methodology using many of the mechanisms from an existing international tool developed for larger restoration projects by the Society for Ecological Restoration. The process was guided by the international framework for Science-Based Targets for Nature. It is fit for purpose for both small and large VELUX Group sites worldwide.

Viewing the site through the biodiversity lens

The onsite biodiversity assessments involved relevant employees who began with a walk and talk to discuss project goals and to encourage involvement. It was an eye opener for many employees who became aware of the valuable native plant and animal life at their work site. The facilitators explained the

biodiversity value of the different species and how, for example, a typical weed could provide pollen for important native insects. On some sites, employee teams registered flora and fauna using the iNaturalist app.

To start work on enhancing biodiversity on their site, the employee teams used the newly-created Biodiversity Initiative Catalogue. It contained a range of suggestions to improve three main habitat types: grassland, wetland and forest. Suggestions

In 2024, we stepped up our work on our strategic project to assess and improve global biodiversity and created baselines at the first six VELUX Group sites.

included creating a butterfly garden, nature paths, exercise areas, ponds, orchards and living fences.

Some of the sites capitalised on the goodwill and enthusiasm that arose from the project and have already started implementation of

a project. For example, in Hørsholm, Denmark, the team is looking into expanding freshwater areas, while in Namysłów, Poland, awareness of the project has spread beyond the VELUX Group site to the wider local community thanks to the town Mayor’s participation and support at the start-up meeting.



Measuring and documenting biodiversity efforts around the VELUX production facilities in Namysłów, Poland. VELUX, 2024.

* WWF (2024) Living Planet Report 2024 – A System in Peril. WWF, Gland, Switzerland.

CASE STORIES

Using windows to drive change

In order for the building industry to reduce CO₂ emissions in line with EU's goals, we need to rethink our approach to building design and to focus more on energy renovation. This is only possible by working together across the value chain. We have been involved in partnerships in both the B2B and B2C segments to help our customers drive sustainable change – from constructing ambitious low-carbon new builds to enhancing energy efficiency in people's homes.



Windows that contribute to sustainability ambitions

In Copenhagen, Denmark, the Ripple Residence is an ambitious residential project designed to minimise CO₂ emissions. When completed in 2026, it is expected to have an annual CO₂ emission of just 5 kilo CO₂e per sqm. This is well below the 7.5 kilo CO₂e per sqm annual threshold for multi-story buildings set by the Danish building regulation applicable from July 2025.

To achieve its emission goals, the contractor, 5E BYG A/S, searched for building materials and elements with lower carbon footprints, including windows. For this reason, they partnered with the DOVISTA Group company, VELFAC, early in the specification stage. This led to a close collaboration throughout the entire process.

Based on advice from VELFAC, 5E BYG chose a window solution that uses low-carbon glass. By incorporating recycled glass cullet, VELFAC was able to cut the carbon footprint of the window by up to 30%. Furthermore, VELFAC could document this reduction in an Environmental Product Declaration (EPD) so it could easily be included in the total Life Cycle Assessment of the building.

"Access to low-carbon materials in our buildings is becoming increasingly important to us and to our customers. VELFAC provided us with their expertise and advice from the initial



Piloting low-carbon materials in a Danish multi-story building in Nordhavn, Copenhagen. Henning Larsen. Nrep, 2024.

5 kilo CO₂e

per sqm per year is expected to be the annual emission

specification and design phases of the project all the way through the implementation and documentation phases. The VELFAC windows provided us with documented carbon reductions without compromising performance in any way," said Flemming Blom Kjærgaard, Head of Department, 5E BYG A/S.

CASE STORIES

Replace your windows and save on your mortgage

In Sweden, Mockfjärds has partnered with a leading financial partner to encourage their customers to invest in energy-efficient initiatives, including replacing old windows with new energy-efficient ones. This type of partnership reflects Mockfjärds sustainability ambitions and desire to promote energy renovation.

Using an online energy calculator, customers of the financial partner can see which home improvements will have the greatest impact on their energy consumption and costs. They enter data about their homes and the calculator creates suggestions. For example, typically 20% of heat from a building is lost through the windows. If the energy calculator shows that the customer would benefit from upgrading their windows, they are directed to the Mockfjärds partner website, where Mockfjärds offers a discount on new energy-efficient windows.

Replacing older windows with more energy-efficient ones is just one of the options suggested by the energy calculator. Depending on the customer's situation, an investment in a heat pump or solar panels on their property may be shown to give a greater effect.

Once the consumer has decided on the investment that will create the greatest impact, the customer can apply for a loan with a discounted interest rate or increase their mortgage to pay for it.

Mockfjärds has a strong commitment to sustainability, making this partnership particularly compelling for them. All Mockfjärds windows carry the Nordic Swan eco-label, and the company has also set up a take-back system to buy back old windows and recycle the glass into low-carbon float glass.

Replacing older windows with more energy-efficient ones is just one of the options suggested by the energy calculator.

DOVISTA®
windows and doors



Installation of windows from Mockfjärds, Sweden. Mockfjärds, 2018.

SOCIAL

Own workforce (S1)

At the VKR Group, we are committed to fostering a workplace where every employee has the opportunity to thrive, develop and perform at their very best.

Our unified goals are to eliminate workplace accidents and to promote initiatives that enhance diversity and inclusion. Together, we strive to cultivate a work environment that ensures every team member feels valued and supported and that promotes innovation and success.

An inclusive workplace

At VKR Holding A/S, we are dedicated to promoting gender diversity at the workplace. We are also focused on achieving a more balanced gender representation within the two highest management levels below the Board. In 2024, senior management included two women and seven men. This is the same level as last year due to the absence of open senior management positions. By 2028, our target is to have 40% of senior management positions occupied by women.

At the holding company, we are committed to promoting diversity and inclusion in all aspects of our business. We believe that a diverse and inclusive leadership team is critical for nurturing a culture of innovation, creativity and competitiveness. We also recognise the importance of providing equal opportunity

to all employees, regardless of gender. Our recruitment processes are designed to be fair, transparent and unbiased, and we strive to create an environment where everyone feels that they belong. We continuously work towards this goal through effective recruitment, retention and representation strategies.

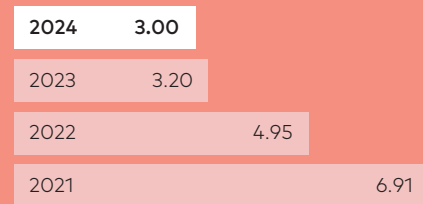
In 2024, we established a Diversity and Inclusion Community to intensify our strategic focus in this area. The decision was based on our 2023 employee satisfaction survey, in which an analysis of the generally positive results revealed a gender gap in the satisfaction scores. The community engaged employees in discussions, proposed initiatives and recommended focus areas to Management. Subsequently, the community helped formulate a VKR Holding Diversity and Inclusion Policy, which received the Board's approval and is available on our website. In 2024, we conducted an additional employee satisfaction survey which indicated that the initiatives implemented by the Diversity and Inclusion Community may already have made a positive impact on employee satisfaction and reducing the gender gap.



VELUX Vario fall-through protection systems provide safety on the roof. Jan Karow, 2024.

Number of accidents in the VKR Group

(per 1 million work hours)

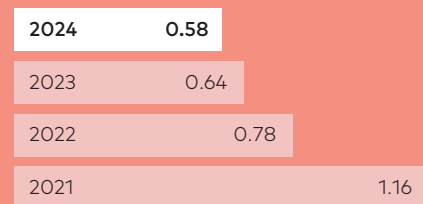


The VELUX Group is equally committed to increasing the representation of women in management roles throughout the business. The goal is for women to occupy 40% of senior management positions and 45% of all management positions by 2030. As of 2024, women held 35% of senior management roles and 31% of management positions, meaning that both scores increased by 3%-points from 2023. So far, the increase of women in senior management stands at 12%-points since the 2020 baseline year.

To achieve a more inclusive workplace, the VELUX Group focuses on raising awareness and mitigating bias and inequality in its business, manufacturing and decision-making processes and governing structures. Initiatives such as psychological safety and unconscious bias training are initial steps in the journey toward cultivating a more inclusive workforce.

Absence following an accident in the VKR Group

(per 1,000 work hours)



By prioritising inclusion, the DOVISTA Group aims to establish a basis for diversity. In 2024, the Group incorporated this into the DOVISTA Engage employee survey. The results were discussed in focus groups, and insights from these discussions were used to develop a DOVISTA-wide approach to inclusion, along with tailored plans to address local needs. To challenge management perspectives and equip leaders with tools to reduce bias during recruitment and development discussions, DOVISTA launched a new leadership training programme focused on unconscious bias. In 2024, the share of women in senior management positions was 18%, compared to 13% the prior year. The target is at least 33% women in senior management positions by 2028.

Safety

The VKR Group has a long-term vision of zero accidents. This is rooted in the Model Company Objective, which states that the company should treat employees better than most other companies do.

One of DOVISTA's highest priorities is to foster a preventive safety culture that identifies and mitigates potential hazards before resulting in accidents. At production sites, safety mappings are conducted to detect issues and identify areas for improvement. This contributes to a more standardised approach to safety where best practises are shared across the Group. Furthermore, health and safety managers review accidents and near-misses at monthly meetings and track recommendations for improvement to ensure their implementation.

DOVISTA made significant progress towards our goal of zero accidents, successfully reducing accidents per million working hours by 18%, from 5.39 last year to 4.41 in 2024. Four safety standards were developed to cover on-site workstations, protective equipment, transport and walkways, which enhanced safety culture across all sites. To visibly demonstrate leadership's commitment, the management team increased the number of safety walks. Going forward, DOVISTA will continue to strive for reduced accident rates by sharing lessons learned and implementing best practices.

The VELUX Group has a strong focus on safety and an overall vision of zero accidents. The Group has a strong and industry leading

safety record, however, 2024 saw a slight increase in the lost workday case rate to 2.40 and an increase in hours of absence to 0.43. Even though the increases were quite small, preventive actions and action to improve performance have been taken.

By 2030, the VELUX Group aims to achieve less than one accident per million working hours and fewer than 0.2 lost working hours per 1,000 working hours. The Group launched pilot tests of a new reporting system with real-time dashboards in its Residential supply division, enhancing a proactive safety approach through better hazard reporting. This system will facilitate manager involvement in reports and follow-up actions, allowing for effective analysis of trends to plan global safety initiatives and programmes, with a rollout to the rest of the business starting in 2025.

In addition to implementing an improved risk assessment process for new non-routine operations, the VELUX Group remains committed to achieving its safety targets by focusing on training and activities that enhance safety leadership and raise awareness throughout the organisation.

SOCIAL

The Employee Foundation of the VKR Group

Established in 1991, the Employee Foundation provides financial assistance to VKR Group employees, their families and local communities.

Since its inception, the Foundation has awarded over 11,000 grants totalling more than DKK 250 million and benefiting more than 8,000 employees. Support has been directed towards:

- Unforeseen events
- Educational grants for employees' children
- Community projects
- Volunteer opportunities
- Senior clubs
- Employee honorary awards
- Long-term initiatives, including the development of outdoor areas

Promoting well-being through Green Spaces

In a world where individuals spend approximately 90% of their time indoors, access to natural light and fresh air is critical. To celebrate the Employee Foundation's 30th anniversary in 2021, we launched a €6 million initiative to create green areas and outdoor recreational facilities. This program encouraged employees and communities to submit their ideas, resulting in innovative projects.

In 2024, several new green spaces were opened across Europe, including:

- Poland:** Recreational parks in Gniezno and a wooden tower in Raszyn, that may benefit health.
- Lithuania:** An outdoor park near our DOVISTA factory in Marijampole, featuring walking paths, a playground and an outdoor amphitheatre.
- Germany and Denmark:** Natural areas adjacent to workplaces for employee and community use.
- France:** A wooden chalet for educational activities, such as gardening lessons and environmental exhibitions.
- Hungary:** A riverside park with pathways, fitness equipment and recreational areas promoting biodiversity.
- Slovakia:** A new cycle path connecting residential and industrial areas, which encourages non-motorised commuting.



Facts

The Employee Foundation was founded in 1991. Since then, more than DKK 250 million has been granted.

DKK 27 million
was granted in 2024

1,089
employees across the VKR Group received grants in 2024

Marij Park Island in Marijampole, Lithuania at the inauguration event in September 2024. The project was supported by the Employee Foundation as part of the Green Areas and Outdoor Life programme. 2024

United Kingdom: A former industrial site in Glasgow transformed into a prize-winning cultural hub.

Italy: Revitalised public spaces featuring an urban forest park, a bike pump track and a scenic trail leading to Soave Castle.

Developed from employee suggestions, these projects demonstrate our commitment to improving outdoor environments and collaborating with local communities and authorities.

Building on the valuable experiences gathered from the Green Areas and Outdoor Life program, we launched a permanent grant program, 'Reconnect with Nature'. This initiative supports outdoor spaces and trails that are open to the public and are designed for activities such as education, hiking, exercising and enjoying the outdoors.

CASE STORY

Enhancing employee well-being

The Employee Foundation Fosters a Culture of Care

In light of increasing climate and geopolitical challenges, the Employee Foundation is committed to providing immediate support when it is needed most. As climate-related incidents increase, we seek to mitigate the impact on our employees and their families.

The Foundation is dedicated to assisting those affected by unforeseen circumstances by ensuring that our employees receive the necessary support during difficult times. Our unwavering commitment to their well-being fosters a culture of solidarity and care as we navigate these turbulent times together.

Immediate Support for Employees Impacted by Climate Change

Climate change-related incidents are becoming more frequent. In June 2024, 18 employees at our WERU factory in Rudersberg, Germany, lost their homes and personal belongings due to severe flooding. In September, five employees from VELUX-USA experienced hurricane damage. While there were no casualties, these events caused considerable distress for those affected. In response, the Employee Foundation expedited emergency applications and provided one-time payments, which assisted employees during challenging times.

"Our continued commitment to supporting our employees, their immediate families and their local communities is unwavering. Through our initiatives, we foster a culture of care and solidarity that strengthens and enhances well-being for all."

- Michel Langrand, Chair of Employee Foundation of the VKR Group



The Employee Foundation of the VKR Group funded a summer camp near lake Balaton in Hungary for children of employees from VELUX Ukraine. Mateusz Żukowski, 2024.



Summer Camp for Children of our Ukrainian Colleagues at Lake Balaton

A summer camp for the children of our Ukrainian colleagues in Hungary was held at the scenic Lake Balaton. This project was inspired by a spirit of solidarity and support from our Central and Eastern Europe team.

The camp provided a safe and enjoyable environment, allowing children to engage in various activities, make new friends and experience moments of normalcy. This initiative reflects our commitment to positively impact the lives of employees and their families, thereby reinforcing our dedication to community support and well-being.

On a Mission

The Employee Foundation's mission closely aligns with the VKR Group's commitment to the Model Company Objective which mandates us to treat our employees, their families, and local communities better than most others. Through innovative projects and community collaboration, we proactively enhance the well-being of our employees and contribute positively to society. Together, we are building a sustainable future that prioritises health, happiness and environmental stewardship.

GOVERNANCE

Business conduct (G1)

The VKR Group is dedicated to being a responsible business, rooted in our Model Company Objective. Group policies reflect our core values and ensure that human rights, business ethics and anti-corruption are fundamental to our corporate behaviour. We strive to uphold these principles in every interaction. This fosters a culture of integrity and respect throughout our organisation.

Supply chain due diligence, including human rights risk management

In line with our supply chain due diligence processes, suppliers to the VKR Group must complete a self-assessment. This includes compliance with our Code of Conduct and guidelines on basic working conditions.

For certain high-volume or critical suppliers, VKR Group companies conduct assessments using an AI tool developed by Prewave, a KOMPAS portfolio company. This tool generates supply chain risk intelligence reports focused on compliance with our sustainability targets, which include human rights and general labour conditions as outlined in the UN's Guiding Principles on Business and Human Rights. Reports are compiled from various sources, such as local online news and social media, and are verified by Prewave compliance officers.

Once selected, suppliers undergo audits as part of our Supplier Evaluation and Approval Process. Scheduled re-evaluations are conducted to monitor compliance. In cases of non-compliance, additional audits, including onsite visits, may be required to address issues identified.

The VELUX Group's Code of Conduct and Basic Working Conditions for Suppliers sets clear expectations by opposing forced labour, human trafficking and child labour, while promoting freedom of association and collective bargaining, proper working conditions, non-discrimination and employee privacy. Reviewed annually, this code was updated in January 2024 by placing greater emphasis on vendor sanctions and embargoes.

At the DOVISTA Group, the Code of Conduct for Suppliers forms the cornerstone of the supply chain due diligence process, outlining positions on environmental responsibilities, human rights and expectations of suppliers.



VELUX logistics in warehouse in Kolding, Denmark. Christian Alsing, 2023.

In 2024, the percentage of direct material suppliers signing the Code of Conduct was 100% for the VELUX Group and 97% for the DOVISTA Group.

Compliance

To ensure responsible business conduct, the VKR Group has established a compliance culture throughout the organisation. Employees adhere to Group policies, including the VKR Group's ESG Policy, Anti-Corruption Policy, Legal Compliance Policy, Sanctions Compliance and Export Control Policy, and Competition Law Compliance Policy. These policies require adherence to all applicable international and national legislation, and include guidelines to prevent unethical or illegal behaviour.

In 2024, VKR Holding's Board of Directors conducted a comprehensive review of all VKR Group policies, resulting in the approval of 13 new policies and the adoption of a Policy Management Framework. The new policies were based on 18 previous Group policies. These were improved structurally and linguistically, and consolidated to avoid overlap. The Policy Management Framework provides a structured and transparent approach to policy creation, implementation and maintenance. It achieves this by defining clear roles and responsibilities, ensuring alignment with the VKR Group's Model Company Objective and mandating regular reviews to maintain relevance and effectiveness.

Both the VELUX Group and the DOVISTA Group employ Global Compliance teams who report directly to their respective CFOs and work under the guidance of VKR Holding

Corporate Affairs. Their responsibilities include data privacy and ethics (in compliance with section 99d of the Danish Financial Statements Act), sanctions and export control, competition law, whistleblowing, anti-corruption and adherence to Group policies.

In 2024, compliance programmes across the VKR Group became more deeply embedded in governance and decision-making processes. The programmes included clear guidelines and standard operating procedures, due diligence and risk assessment processes, training and communication initiatives, and monitoring measures. They heightened accountability and improved the Group's ability to proactively manage compliance risks.

Further improvements were made on transparency, tracking and decision-making, which were built on the standardised compliance methodology introduced in 2023. Updates on compliance status, long-term plans and activities ensured timely oversight by the Group's Boards and Management teams.

The Group's whistleblower system continues to serve as a vital channel for employees and stakeholders to report concerns confidentially and, if preferred, anonymously. In 2024, the system was further strengthened through the dedicated efforts of Whistleblower Committees within VKR Holding and both business areas, thus ensuring a structured and consistent approach to case management. Extensive communication and awareness initiatives enhanced accessibility, leading to increased engagement and a higher number of reported concerns. Regular updates on whistleblower activities are provided to the

The Group's whistleblower system continues to serve as a vital channel for employees and stakeholders to report concerns confidentially and anonymously.

VKR Group Audit Committee, underlining the Group's commitment to transparency, accountability, and promoting a strong ethical culture.

The VKR Group upholds a strong compliance framework, ensuring adherence to sanctions, anti-corruption policies, and ethical business practices. Since 2022, VELUX has stopped all sales and exports to Russia and Belarus due to the war in Ukraine, implementing strict measures to prevent resales to sanctioned entities. With increasing EU trade regulations and a focus on preventing sanctions circumvention, VKR remains committed to due diligence, ensuring restricted products, such as VELUX windows and accessories, do not reach prohibited markets.

DOVISTA's Anti-Corruption and Sanction Compliance Program strengthens this commitment by ensuring compliance in business relationships, payments, and financial transactions to prevent corruption, terrorism financing, money laundering, and tax evasion. In 2024, DOVISTA continued implementing its anti-corruption, sanction screening, and fraud prevention measures, introducing additional control checks, including a bank trust score assessment against relevant databases, to supplement its four-eye principle and approval

processes. Additionally, in 2024, VELUX Group marked International Anti-Corruption Day to raise awareness about corruption. Recognising unethical behaviour can stem from a lack of awareness, employees were encouraged to stay informed and seek guidance. This initiative reinforced VKR Group's zero-tolerance approach to corruption and the importance of continuous education. Together, these efforts demonstrate VKR Group's dedication to integrity, compliance, and responsible business conduct.

VKR Holding owns a portfolio of financial investments. In order to maintain the highest compliance standards, we carefully review all investments to ensure that none exist in non-cooperative countries or in those 'black-listed' by the EU.

In line with the Model Company Objective and UN Sustainable Development Goals, VKR Holding continues to focus on minimising compliance risks in areas such as anti-corruption, sanctions compliance and export control, competition law compliance and data protection. These priorities remain deeply integrated into the VKR Group's global business operations, thereby ensuring responsible and ethical conduct throughout the organisation.



CASE STORY

Innovative idea secures global supply chains

The Austrian SaaS* company Prewave is revolutionising how global brands safeguard their supply chains. Specialising in proactive risk management, its client list is growing and includes the VELUX Group and the DOVISTA Group. The company identifies threats before they escalate, with funding from VKR's venture capital arm, KOMPAS Ventures. Founder Lisa Smith praised KOMPAS' support, "We already had a few investors, but getting access to KOMPAS' industry network was instrumental to our growth".

Founded in 2017, Prewave built on Smith's PhD research, which explored how social media could predict supply chain disruptions. This concept was 'unconventional' at the time. "Linking social media with incredibly complex global supply chains was unusual", she explained. Yet, Smith quickly discovered that platforms like social media often provide early warnings about potential issues. "Planned labour strikes are often discussed online before being announced to their union leaders", she noted.

Co-founder Harald Nitschinger complements Smith's technical focus with an expertise in economics and sales. Now employing over 200, Prewave utilises advanced AI and

researchers tracking global news to provide unique insights into potential threats to supply chains.

Businesses subscribe to Prewave's platform. Beyond securing logistics and raw materials, the company prioritises sustainability. "Climate change impacts our work too. Deforestation and forest fires can disrupt timber supplies, halting production for weeks and disappointing customers globally", Smith said.

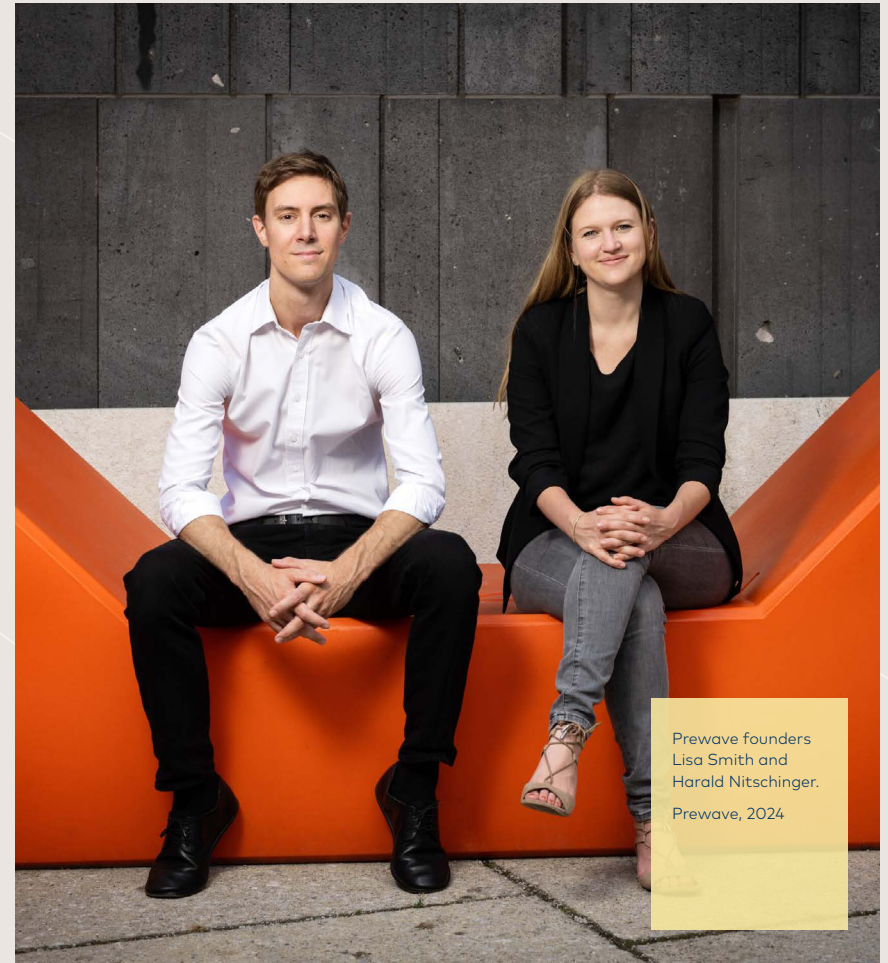
"Prewave's timely alerts enabled us to act swiftly after a supplier's environmental violation"

- Alice Eppinger, Procurement Excellence & Sustainability Analyst, DOVISTA Group

The supply chain monitoring platform is a powerful tool for companies in a globalised economy. The platform helps to mitigate the adverse effects of small disruptions in one

part of the world which can ripple across the globe. "Our mission is to make supply chain management stress-free by providing timely information to prevent disruptions", Smith

stated. She credits her creative upbringing for her success. Looking ahead, Prewave aims to monitor the entire ecosystem within the next decade.



Prewave founders Lisa Smith and Harald Nitschinger. Prewave, 2024

* Software as a Service.

VKR Holding's Responsible Investments Policy

VKR Holding manages a substantial portfolio of financial investments aimed at achieving the highest possible risk-adjusted returns within the investment allocation strategy set by its Board. We are committed to responsible investing, which entails incorporating ESG factors into our investment decisions.

The Board of Directors has approved our Responsible Investments Policy, which outlines specific objectives for transitioning from classic investments, which do not account for ESG factors, to those investments that prioritise sustainability. The Company's current Investment Spectrum illustrates these objectives and details our plan to increase the proportion of ESG-related investments over time. The spectrum consists of four categories: Classic, Responsible, Sustainable and Thematic. The Responsible Investments Policy, along with a description of the investment spectrum, can be found on our website: → www.vkr-holding.com/governance/.

As the cornerstone investor of KOMPAS Ventures, VKR Holding aims to invest in start-ups that actively promote sustainability in the built environment. This initiative has

increased the share of Thematic investments, and we anticipate further increases as more capital is allocated and deployed.

At the end of 2024, Classic investments represented 2.6% of our total financial portfolio, while Responsible and Sustainable represented 52.8% and 40.0%, respectively. Thematic investments accounted for 4.6%, indicating that the vast majority of our investments adhere to ESG criteria.

VKR Holding tracks the progress of our responsible investments policy through a quarterly portfolio assessment conducted by a professional external engagement provider. The provider analyses the holdings of our listed investment portfolio and provides an assessment of potential violations of international norms such as UNGC Principles

and OECD Guidelines for Multinational Enterprises. Our investee companies' progress on these specific ESG-related topics are reported directly to us. The external provider also engages with said companies to push them to do better. If they neglect to address these issues and fail to improve, we request our fund managers to divest.

VKR Holding expects external fund managers to pursue ESG objectives. We aim for at least 95% of the value of our investments to be allocated to external fund managers who have committed to the United Nations Principles for Responsible Investment (UNPRI). We already achieved this target with 100% commitment*.

* KOMPAS Ventures excluded.



Corporate governance

VKR Holding is committed to upholding exemplary corporate governance aligned with the recommendations of the Danish Committee on Corporate Governance (→ www.corporategovernance.dk), as applicable to non-listed entities. While primarily aimed at listed companies, the fundamental principles are relevant to our company.

The Model Company Objective, articulated by the VKR Group's founder, Villum Kann Rasmussen in 1965, serves as our guiding philosophy. It mandates responsible action towards all stakeholders while ensuring profitability for sustained growth. All companies within the Group strive to fulfil this objective.

This Model Company Objective underlies our approach to corporate social responsibility. It guides us towards being a responsible and sustainable business and contributes to our efforts to comply with the UN Sustainable Development Goals and the UN Global Compact initiative.

In addition, VKR Holding's Board of Directors has approved 13 Group policies that form the cornerstone of our corporate governance framework. Our business areas' Management groups and Boards are responsible for compliance with these policies, which can be accessed on our website: → www.vkr-holding.com/governance/.

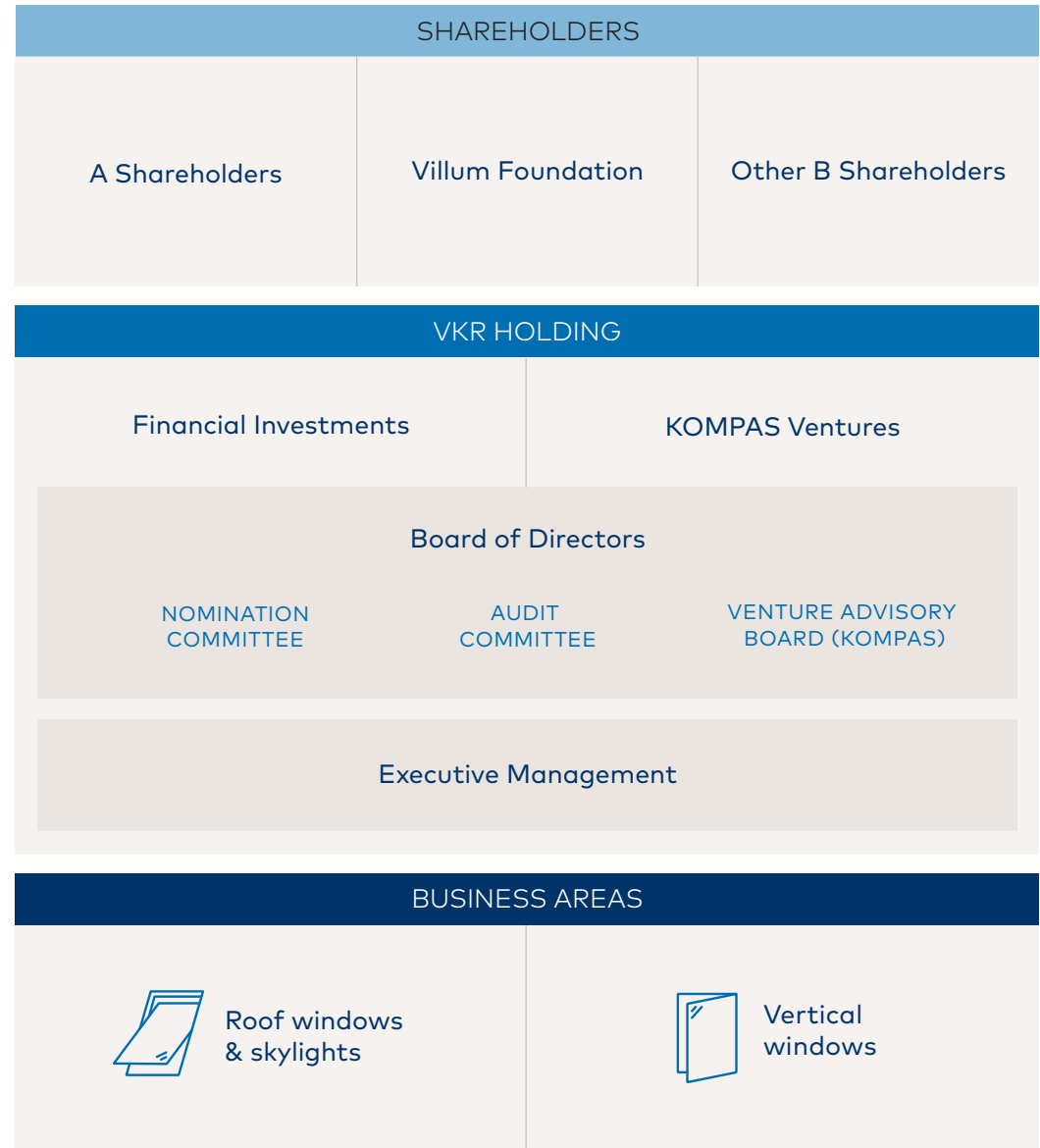
The VKR Group operates within a three-tiered governance structure comprising shareholders, VKR Holding A/S, and the business areas. The structure is supported by a formalised agreement on active ownership and collaborative engagement among the governance levels.

Since 1971, the Villum Foundation has been our biggest shareholder. Villum Foundation is a non-profit philanthropic foundation founded by Villum Kann Rasmussen with funds generated from the VKR Group. In line with our founder's ambitions of giving back to society, it has been a large contributor to society by donating more than DKK 14 billion since its inception.

The donations are made within 5 grant areas: 'Technical and natural sciences', 'European youth and education', 'Children, youth and science', 'Culture and society' as well as 'Climate and environment'.

In 2024, DKK 1.0 billion was donated by Villum Foundation, including DKK 100 million to nine projects supporting vocational business schools and at-risk youth in the Czech Republic and Slovakia. The Foundation also received the French honorary award, 'Palme d'Or du Mécénat' and 'Diplôme de Mérite et de Prestige Européen', for its longtime contribution to reconstructing French buildings with cultural heritage.

VKR Corporate Governance Model



SHAREHOLDERS

A and B Shareholders

Role

- The shareholders perform all the functions bequeathed to the owners of the company at the general meetings.
- At the Annual General Meeting, shareholders approve the annual report and the dividends for the year, elect the Board and its Chair, and select its auditor.
- Voting at the Annual General Meeting is based on the two types of VKR Holding shares: Class A shares (9% of the capital) carry ten votes each and Class B shares (91% of the capital) carry one vote each.
- The different classes of shares are distributed in such a way that any combination of two of the three main shareholders will hold a majority of voting rights. This is the core of our 'checks-and-balances' system.
- Villum Foundation is the largest shareholder and owns the majority of Class B shares - however, it is not the controlling shareholder. It is a philanthropic foundation that supports technical and scientific research as well as environmental, social and cultural projects in Denmark and internationally (→ www.villumfonden.dk)
- Villum Foundation ownership and influence is shared with the founder's grandsons, Jens Kann-Rasmussen and Mads Kann-Rasmussen, both of whom became Class A shareholders in 2024.
- To maintain a 'checks-and-balances' system of governance, former Chair of VELUX and VKR Holding, Søren Bjerre-Nielsen, will vote on behalf of Jens Kann-Rasmussen's A-shares, as long as Jens Kann-Rasmussen is the Chair of Villum Foundation.
- Four ordinary shareholder meetings are held each year between shareholder representatives and VKR Holding's Chair, Vice Chair and Executive Management. The meetings are always held according to a pre-approved agenda.
- The shareholder representatives are informed of developments in the VKR Group, including the strategy, risk profile, performance, ESG factors and other organisational topics of the Group's companies.
- As of 31 December 2024, no Directors in VKR Holding A/S held shares in VKR Holding A/S or its subsidiaries. However, this has not always been the case and, in general, shareholder engagement on the Board level is encouraged.

VKR HOLDING

Board of Directors

Composition

- The Board of VKR Holding currently consists of six Directors. Two Directors are women (33%) and four Directors are men (67%). The target is to achieve an equal distribution, cf. the Danish Business Authority, which was met once again in 2024.
- Up to two Directors are elected from the company's shareholders, including Directors from the Board of Villum Foundation.
- One Director elected from the group of shareholders should also serve on the Board of Villum Foundation, with Jørgen Tang-Jensen currently fulfilling this requirement.
- A majority, and at least three Directors, are elected independently of the shareholders, including from Villum Foundation.
- All Directors must meet normal 'fit and proper' guidelines.
- The Chair is elected by the shareholders at the Annual General Meeting.
- The Vice Chair is elected by the Board of Directors at the Board meeting following the Annual General Meeting.

Key responsibilities

- The Board is responsible for the overall strategic direction of VKR Holding and operates according to an annual plan.
- Significant strategic, financial and operational matters are addressed at Board meetings. Furthermore, initiatives in relation to the environment, employees and the organisation are discussed.
- The Board of Directors of VKR Holding is responsible for Group policies and facilitates ongoing communication between the company and its shareholders so that expectations and positions are aligned.
- Four ordinary Board meetings are held each year according to the annual plan, with a 100% Board attendance rate in 2024.
- Extraordinary Board meetings are held when necessary, and one was held in August 2024.
- The Executive Management regularly reports and updates the Board on business developments.

Evaluation

- External evaluation of the Board is carried out every 3 or 4 years.
- In 2023-2024, an internal Board evaluation was carried out focusing on Board composition, contribution and results, as well as the Board's agenda and cooperation between the Board and Executive Management.
- Satisfaction was generally high for both the Board and Management, but several improvement areas were identified including the process for remuneration, the balance between reporting and discussion, and risk management.

VKR HOLDING (CONTINUED)

Preparatory bodies to the Board of Directors of VKR Holding

AUDIT COMMITTEE

Composition

- Appointed by the Board, comprising two Directors: Anne Broeng (Chair) and Lise Kaae.
- Two ordinary meetings annually.

Key responsibilities

- Supervises the company's risk management processes, including its internal control systems, financial and sustainability reporting and external audits.
- Assists the Board of Directors in evaluating the VKR Group's aggregate risks and the VKR Group's non-audit services.
- The Audit Committee charter is available on VKR Holding's website: → www.vkr-holding.com/governance/.

NOMINATION COMMITTEE

Composition

- Comprises the Chair and Vice Chair of VKR Holding A/S, while the CEO participates in meetings.
- Convenes at least once a year.

Key responsibilities

- Ensures the appropriate size and composition of the Directors of VKR Holding A/S, its committees, and of the Boards of the business areas' parent companies.
- Identifies and nominates Director candidates.
- Evaluates and recommends the remuneration of Directors in the Group.
- Responsible for the principles and approval of long-term incentive programmes in the Business areas.
- Suggests candidates for the Board of the VKR Employee Foundation. The Employee Foundation Board is appointed by the Boards of VKR Holding and of Villum Foundation.
- The Nomination Committee charter is available on VKR Holding's website: → www.vkr-holding.com/governance/.

VENTURE ADVISORY BOARD (KOMPAS)

Composition

- Consists of at least three and a maximum of six members, including the Chair.
- VKR Holding's CEO acts as Chair and VKR Holding Directors Jørgen Falkebo Jensen and Lise Kaae also serve.

Key responsibilities

- Assists with venture capital investments, including VKR Holding's role as cornerstone investor in KOMPAS Ventures.
- Supervises corporate governance of the partnership and its investments.

BUSINESS AREAS

Ownership obligations

- VKR Holding's business areas operate with a high degree of independence.
- The Boards of Directors of the business areas are responsible for operations, strategy, reputation and risk management of their respective companies. The strategies, capital resources and risk profiles of the business areas are regularly aligned with VKR Holding.
- As part of the interaction between VKR Holding and the business areas, the Boards of the business areas should include a representative from VKR Holding's Board of Directors or its Executive Management.
- As of 31 December 2024, only independent Directors of VKR Holding's Board serve on the Board of a business area. This will potentially change on 20 March 2025, when Mads Kann-Rasmussen is nominated for Chair of VKR Holding A/S at the Annual General Meeting.
- Group policies support the operational independence of the business areas by allowing the Boards of the business areas to implement supplemental or more comprehensive policies where appropriate.

Tax governance

VKR Holding’s Board of Directors has approved the VKR Group Tax Policy, which states that tax management is grounded in the Model Company Objective. The tax policy requires timely compliance with all relevant national and international legislation, tax practices and OECD guidelines, as well as an evaluation of all tax risks and implications related to the VKR Group.

The VKR Group is a global company that pays taxes in many countries and aims to maintain a fair and reasonable allocation of Group profit between the jurisdictions in which we operate. It is important for the Group to have a responsible approach to taxes because we view direct and indirect taxes as an essential part of a well-functioning society. Our approach to the timely payment of taxes directly and/or indirectly supports several UN Sustainable Development Goals (SDGs), including SDG 1 'No poverty', SDG 4 'Quality education' and SDG 16 'Peace, justice and strong institutions'.

The VKR Group cooperates with tax authorities in a timely, open and honest manner and has voluntarily joined the Danish tax authorities’ Tax Governance programme to increase knowledge sharing and transparency. We also engage with governments on proposed changes to tax legislation, where appropriate,

either directly or via representative bodies such as the Danish Industry’s Tax Panel and VAT network. We believe that this, and any other cooperative relationship related to tax, must be based on mutual respect, professionalism and trust.

VKR Holding’s Board of Directors is ultimately responsible for taxes at VKR Holding and the VKR Group. However, the Board of VKR Holding delegated the specific responsibility for tax policy and compliance reviews to the Chair of the Audit Committee. The Boards of the business areas are responsible for taxes in the individual business areas. They must make sure that relevant procedures are established for reporting to VKR Holding on compliance with tax policies, tax risks and related trends.

Internally, the Group employs tax experts at VKR Holding and both business areas who are either qualified to determine the tax implications of transactions or are able to assess the need for external tax advice. VKR Group tax experts have an internal forum for knowledge sharing, including legislative changes and new directives. This supports the management of tax risks.

Business in the VKR Group is driven by a commercial rationale in which the tax implications of commercial transactions are

evaluated and relevant deductions and incentives are applied, all within the framework of relevant legislation. Below is a list of tax deductions and incentives used within the VKR Group. The Group does not engage in artificial, non-business-driven planning of transactions and operations or in business structures used solely for the purpose of saving taxes.

We only operate in countries included in the EU list of non-cooperative jurisdictions where there are sound business reasons for doing so. After the liquidation of our Group company in Russia in 2023, there are no Group companies in any countries on the EU list of non-cooperative jurisdictions (based on the EU list adopted on 8 October 2024).

Tax incentive programmes used by the VKR Group

Country	Tax incentive
Denmark	Increased depreciation basis for certain assets Expat tax scheme Super deduction of 8% for R&D activities
France	R&D tax credits
Italy	ECO Bonus tax credit programme
Lithuania	Tax free or reduced corporate income tax until the end of 2032
Poland	'Polish Investment Zone' tax benefits
Slovakia	Partial tax holiday until the end of 2024
Switzerland	Partial tax holiday until the end of 2024
United Kingdom	Annual investment allowance
United States	R&D credits Incentives related to sustainability (clean energy) South Carolina CAPEX incentive scheme

VKR Group policies

In 2024, VKR Group policies were reviewed and updated. The revisions primarily involved consolidating related policies within Tax, Treasury and Communication. In addition, the updates included clarifications, simplifications, modernisation and alignment of language across policies, which focused on linguistic improvements and more precise definitions. The policy updates mark an important milestone and reflect strong collaboration across the organisation.

The policies are critical to the entire VKR Group. They apply to all companies ultimately owned or controlled by VKR Holding A/S. Some also extend to all business connections of the VKR Group. In addition to the Group policies, each business area may issue additional policies, sub-policies, guidelines and instructions that detail or supplement VKR Group policies.

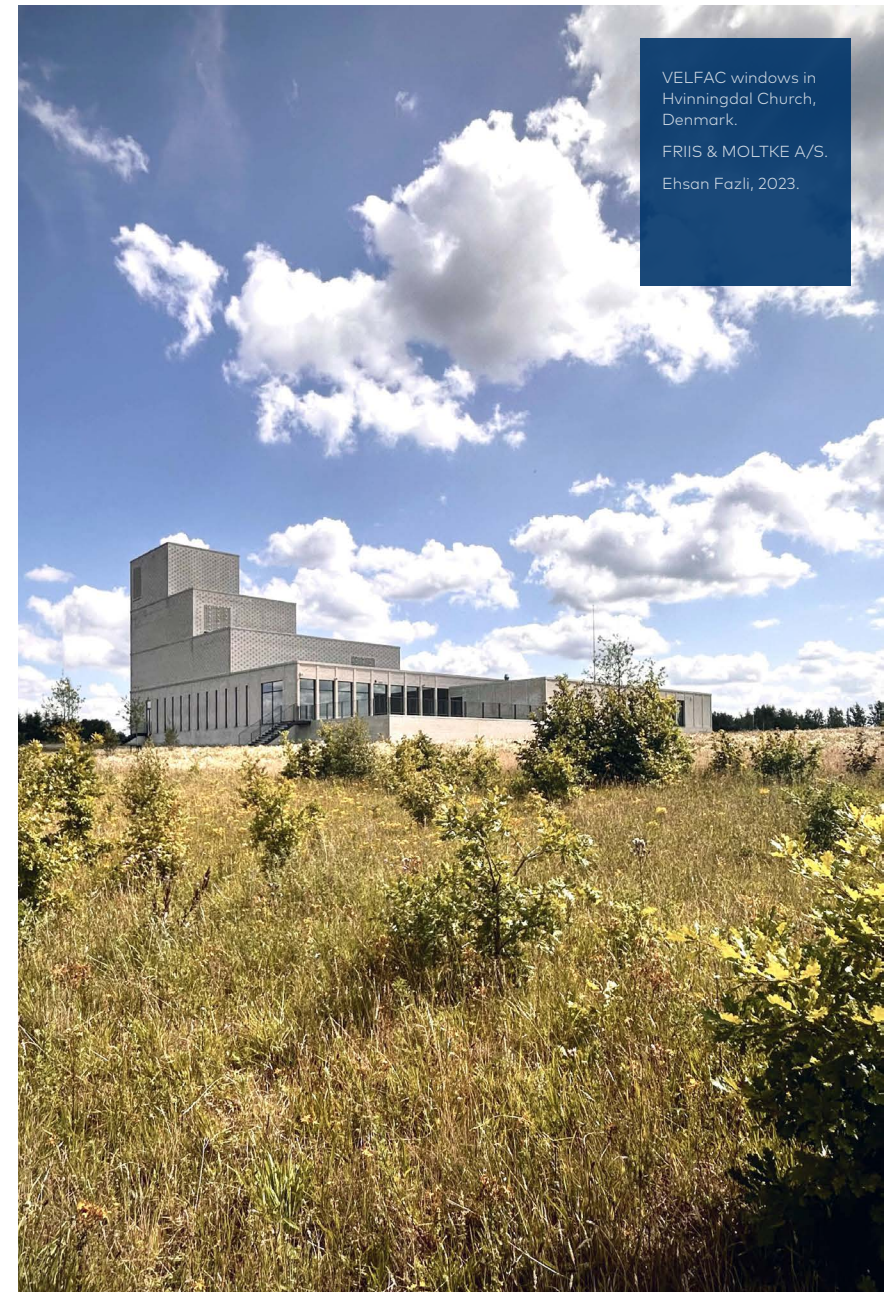
Two of the policies only apply to VKR Holding: the Responsible Investments Policy and the Diversity and Inclusion Policy. However, both business areas have their own Diversity and Inclusion policies.

The following policies apply to all companies within the VKR Group:

- Anti-Corruption and Fraud Prevention Policy
- Crisis Management Policy
- Competition Law Compliance Policy
- Communication Policy
- Data Privacy and Data Ethics Policy
- ESG Policy
- Insurance Policy
- IPR Policy
- Legal Compliance Policy
- Risk Management Policy
- Sanctions Compliance and Export Control Policy
- Tax Policy
- Treasury Policy

The Group Policies support the economic sustainability of the Group, the Ten Principles of the UN Global Compact and the UN's Sustainable Development Goals.

The Group policies have been approved by the Board of Directors and made public. They are available on VKR Holding's webpage: → www.vkr-holding.com/governance/.



The Board of Directors of VKR Holding A/S



Board of Directors and Management

The VKR Board visits a construction site near Zürich, Switzerland.

From the left: Lars Petersson, CEO VELUX Group; Jørgen Falkebo Jensen, Vice Chair; Jesper Green Schou, Group General Counsel VKR Holding; Anne Brøeng, Director; Sandro Beccari, Market Director VELUX Switzerland; Lise Kaae, Director; Jacob Madsen, EVP Region North Europe VELUX; Thomas Thune Andersen, Chair; Per Skovsted, Director; Jørgen Tang-Jensen, Director and Mads Kann-Rasmussen, CEO VKR Holding.

Martin Schmitter, 2024.

The Board of Directors of VKR Holding A/S

THOMAS THUNE ANDERSEN

Chair

Appointed Chair 2020,
Appointed Director 2010

Expertise

Extensive experience at the international executive and board level; plus sustainability, ESG, DEI and corporate governance experience

Chair of the Nomination Committee

Honorary positions

Chair: Lloyd's Register Group Limited / Lloyd's Register Foundation

Vice Chair: Tænketanken Hav

Director: IMI plc (Senior Independent Director) / BW Group Ltd. / Cadeler A/S / Lambert Energy Advisory Ltd. / The Danish Committee on Corporate Governance

Participated in all Board and Nomination Committee meetings in 2024

JØRGEN FALKEBO JENSEN

Vice Chair

Appointed Vice Chair 2020,
Appointed Director 2020

Expertise

Extensive experience at the executive and board level; plus strategy, M&A, operations and venture capital investment experience

Nomination Committee and Venture Advisory Board (KOMPAS)

Honorary positions

Chair: VELUX A/S / 3Shape A/S / Ambu A/S / Weibel Scientific A/S / Micro Matic A/S / Healthcare DANMARK

Director: Armacell International S.A.

Participated in all ordinary Board and Nomination Committee meetings in 2024

ANNE BROENG

Board of Directors

Appointed 2012

Expertise

Extensive board and operational experience within strategy, finance, IT, risk management, asset management, M&A and ESG

Chair of the Audit Committee

Honorary positions

Chair: Velliv / SleepCycle AB

Vice Chair: Børns Vilkår

Director: Rambøll Group / Energi Danmark A/S / Aquaporin A/S

Special Advisor: NASDAQ Nordic

Participated in all Board and Audit Committee meetings in 2024

JØRGEN TANG-JENSEN

Board of Directors

Appointed 2018,
Non-independent

Expertise

Extensive international executive and board level business experience within the building industry, including in sales, R&D, production and supply chains

Elected as the representative of the Board of Villum Foundation

Honorary positions

Chair: Tænketanken Europa

Vice Chair: ROCKWOOL A/S

Director: Villum Foundation / Maj Invest Holding

Participated in all Board meetings in 2024

LISE KAAE

Board of Directors

Appointed 2020

Expertise

Extensive experience as a finance professional, including in M&A and venture capital investments

Audit Committee and Venture Advisory Board (KOMPAS)

CEO of HEARTLAND A/S

Honorary positions

Director: Klarna Group Plc and Klarna Bank AB / Novonesis A/S / Various board positions in the subsidiaries of the HEARTLAND Group

Participated in all Board and Audit Committee meetings in 2024

PER SKOVSTED

Board of Directors

Appointed 2022

Expertise

Extensive experience as a finance professional, including asset management, family office management, ESG and impact investments

Honorary positions

Chair: Danish National Research Foundation's Investment Committee

Vice Chair: Nordea Invest

Director: A/S Stryhns Familieselskab / True Content Entertainment ApS / Wide Invest ApS / Spinnewco ApS / Helsefonden (Investment Committee)

Participated in all Board meetings in 2024

ESG data

ESG key figures for the VKR Group	Assurance level	Unit	2024	2023	2022	2021
Environment						
Scope 1		Tonnes	25,652	28,873	33,203	37,818
- VELUX Group		Tonnes	19,749	22,290	25,524	28,496
- DOVISTA Group		Tonnes	5,901	6,577	7,645	9,263
- VKR Holding	●	Tonnes	2	6	35	58
Scope 2 (Location based)		Tonnes	53,508	56,628	70,543	72,802
- VELUX Group		Tonnes	37,272	36,578	41,496	45,049
- DOVISTA Group		Tonnes	16,185	20,011	29,021	27,730
- VKR Holding	●	Tonnes	52	39	26	23
Scope 2 (Market based)		Tonnes	6,472	7,477	13,360	50,621
- VELUX Group		Tonnes	780	665	1,847	8,609
- DOVISTA Group		Tonnes	5,652	6,786	11,500	41,994
- VKR Holding	●	Tonnes	40	26	13	19
Scope 3		Tonnes	2,289,929	1,718,663	N/A	2,151,347
- VELUX Group		Tonnes	1,153,020	1,159,210	1,455,054	1,454,999
- DOVISTA Group		Tonnes	469,807	559,453	N/A	696,347
- VKR Holding	●	Tonnes	667,101	N/A	N/A	N/A
Energy consumption		GJ	1,382,644	1,458,220	1,728,630	1,639,571
- VELUX Group		GJ	921,430	951,972	1,058,541	944,862
- DOVISTA Group		GJ	459,411	504,468	668,130	692,465
- VKR Holding	●	GJ	1,803	1,779	1,959	2,244
Share of renewable electricity		%	94	93	91	54
- VELUX Group		%	100	100	98	78
- DOVISTA Group		%	80	81	80	14
- VKR Holding	●	%	100	100	100	0
Share of certified wood		%	93	92	90	90
- VELUX Group		%	99	100	96	96
- DOVISTA Group		%	84	78	79	79

ESG data

(CONTINUED)

ESG key figures for the VKR Group	Assurance level	Unit	2024	2023	2022	2021
Social						
Accidents per million working hours		#	3.00	3.20	4.95	6.91
- VELUX Group		#	2.40	2.07	1.63	2.58
- DOVISTA Group		#	4.41	5.39	10.73	14.20
- VKR Holding		#	0	0	0	0
Absence following an accident per 1,000 work hours		Hours	0.58	0.64	0.78	1.16
- VELUX Group		Hours	0.43	0.39	0.45	0.49
- DOVISTA Group		Hours	0.93	1.13	1.37	2.29
- VKR Holding		Hours	0	0	0	0
VKR Holding A/S specific KPI's						
Number of employees in the workforce	●	HC	62	56	53	46
Underrepresented gender, all employees	●	%	48	45	49	48
Number of employees in Management	●	HC	9	9	9	8
Underrepresented gender of employees in Management	●	%	22	22	22	25
Absence due to sickness	◐	%	3.1	3.9	2.7	2.0
Governance						
Code of conduct for suppliers signed		%	99	99	98	30
- VELUX Group		%	100	100	98	100
- DOVISTA Group		%	97	97	96	30
Whistleblower cases		#	41	14	13	7
- VELUX Group		#	23	14	12	7
- DOVISTA Group		#	18	0	1	0
- VKR Holding	●	#	0	0	0	0
VKR Holding A/S specific KPI's						
Number of Directors on the Board	●	HC	6	6	6	5
Underrepresented gender of Directors on the Board	●	%	33	33	33	40
Board meeting attendance rate	●	%	100	100	100	100

Limited Assurance ◐ Reasonable Assurance ●

ESG reporting principles

The report covers the period 1 January 2024 – 31 December 2024.

ENVIRONMENT

Energy consumption

The total energy consumption from all energy sources related to VKR Holding's Scope 1 and 2 activities.

Scope 1 CO₂e

Direct emissions from owned or controlled sources measured in carbon-dioxide equivalents (CO₂e). The emission factors used are sourced from the Department for Energy Security & Net Zero and from the Department for Environment, Food & Rural Affairs.

Scope 2 CO₂e

Indirect emissions from the generation of consumed energy, based on average emission factors on the specific grid on which the energy is consumed. Location-based emissions are calculated based on the International Energy Agency's most recent emission factors, while market-based electricity emission factors are assigned using the following hierarchy: supplier specific data (including certificates), residual mix data, and location-based data.

Scope 3 CO₂e

Indirect emissions that are located in the company's value chain and are divided into 15 categories in the GHG Protocol. The VELUX Group included categories 1-9 and 11-12. The DOVISTA Group included categories 1-7, 11-12 and 15. VKR Holding included categories

1-3, 5-6 and 15. Category 15 in VKR Holding includes the carbon footprint of our financial investment portfolio thus excluding the investments and ownership of the business areas in the VKR Group and KOMPAS Ventures. The carbon footprint of our investments are estimated using MSCI's GICS sector classifications, market data and emission data for listed investments. For our alternative investments each asset in all our funds was manually mapped to the most comparable sector on the listed markets, using the MSCI data as a proxy.

Share of renewable electricity

Consumed electricity covered by retired Energy Attribute Certificate (EACs) relative to total electricity consumption.

Share of certified wood

Ratio of certified wood and total wood consumed. Certified wood lives up to PEFC or FSC standards and is sourced from forests with replanting.

SOCIAL

Total number of employees in the workforce

The headcount at the end of the year reflects the number of employees legally employed at VKR Holding. Employees do not include temporary and seasonal employees or interns, apprentices and students.

Underrepresented gender, all employees

Number of underrepresented gender relative to the total number of employees.

Total number of employees in Management

The headcount at year's end reflects the two highest management levels below the Board of Directors. This includes the Executive Management and direct reports. A manager is defined as a person who supervises at least one person.

Underrepresented gender in Management

Number of underrepresented gender in Management relative to the total number of managers at the two highest management levels below the Board of Directors.

Absence due to sickness

Average number of days absent due to one's own or one's children's sickness relative to the total number of possible work days, excluding vacation days and maternity leave. This comprises full-time employees registered in the Bitabiz system.

Accidents per million work hours

Average number of accidents per 1,000,000 work hours. A work-related accident is only included if the employee is required to take at least one full day of absence.

Absence following an accident per 1,000 work hours

Average number of hours absent from work per 1,000 work hours. Hours of absence are only included if the employee is required to take at least one full day of absence.

GOVERNANCE

Total number of Directors on the Board

The headcount at year's end reflects the number of Directors on the Board elected by the general assembly.

Underrepresented gender of Directors on the Board

Number of underrepresented gender of Directors on the Board relative to total number of Directors on the Board.

Board meeting attendance rate

Number of ordinary Board meetings attended relative to all ordinary Board meetings in the reporting period (combined for all Directors).

Code of Conduct for suppliers signed

Number of direct material suppliers signatory to the Code of Conduct.

Whistleblower cases

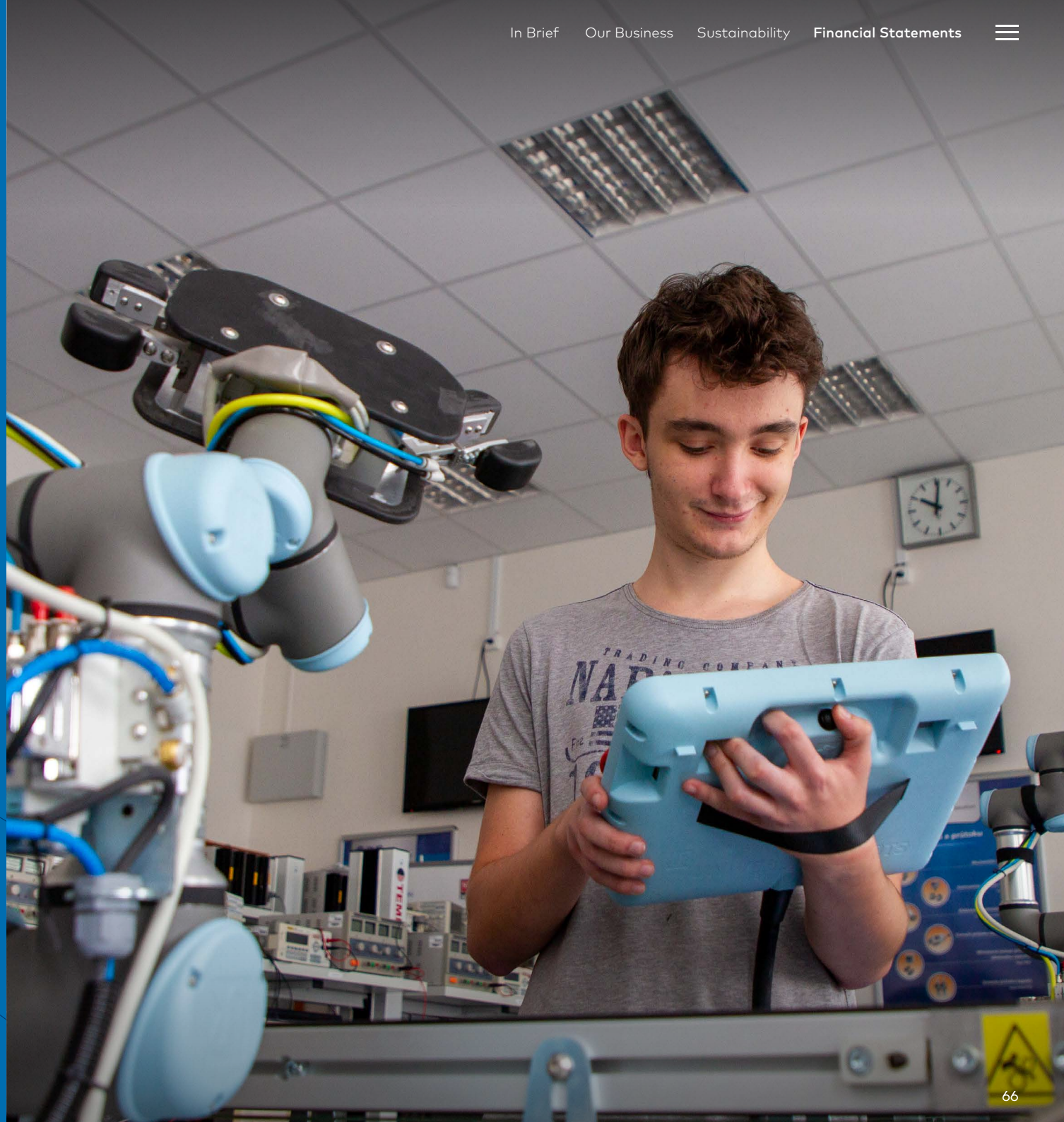
Number of cases filed and pursued through the internal whistleblower system in the reporting period.

Financial Statements

- Income statement
- Balance sheet
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- Accounting policies
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In 2024, Villum Foundation supported vocational schools and at-risk youth in the Czech Republic and Slovakia - see also page 56.

Jakub Pryček, 2020



Income statement 1 January – 31 December

DKKm	Note	Group		Parent Company	
		2024	2023	2024	2023
Revenue	1	28,835	29,543		
Changes in inventories of finished goods and work in progress		-425	-117		
Work performed for own account and capitalised		172	119		
Other operating income		184	91	3,688	3,716
		28,767	29,635	3,688	3,716
Costs of raw materials and consumables		8,479	9,552		
Other external costs		7,480	7,371	1,081	931
Employee costs	2	7,933	7,648	88	78
Depreciation, amortisation and impairment losses		1,099	1,061	138	147
Profit before financial items and tax		3,777	4,002	2,381	2,559
Income from investments in subsidiaries	9			712	760
Income from investments in participating interests	9	6	8		
Financial income	3	2,300	1,856	2,576	2,239
Financial expenses	4	448	446	293	416
Profit before tax		5,634	5,421	5,376	5,143
Tax for the year	5	1,288	1,246	1,030	969
Profit for the year		4,347	4,175	4,346	4,174
Attributable to:					
Shareholders of VKR Holding A/S	6	4,346	4,174		
Non-controlling interests		1	0		
Profit for the year		4,347	4,175		
Distribution of profit:					
DKKm					
Proposed dividend				1,500	1,500
Transferred to equity reserves				2,846	2,674
Total distribution of profit				4,346	4,174

Balance sheet 31 December

DKKm	Note	Group		Parent Company	
		2024	2023	2024	2023
ASSETS					
Fixed assets					
Intangible assets	7	2,241	2,510	922	1,031
Property, plant and equipment	8	7,299	6,391	445	279
Investments	9	6,174	5,016	12,574	9,326
Total fixed assets		15,715	13,918	13,942	10,636
Current assets					
Inventories	10	3,877	4,344		
Receivables					
Trade receivables		2,201	2,127		
Contract work in progress	11	265	253		
Receivables from subsidiaries				5,822	7,490
Corporation tax receivable		238	135	10	0
Deferred tax assets	12	359	307		
Other receivables		823	766	17	42
Prepayments	13	294	253	1	1
Total receivables		4,180	3,841	5,851	7,533
Securities		14,769	13,397	14,538	13,141
Cash and cash equivalents		1,012	1,067	609	574
Total current assets		23,837	22,650	20,997	21,248
TOTAL ASSETS		39,552	36,568	34,938	31,884

Balance sheet 31 December (CONTINUED)

DKKm	Note	Group		Parent Company	
		2024	2023	2024	2023
EQUITY AND LIABILITIES					
Equity					
Share capital	14	110	110	110	110
Exchange rate and hedging reserve		205	96	-5	6
Retained earnings		31,337	28,071	30,410	27,834
Proposed dividend		1,500	1,500	1,500	1,500
Reserve for net revaluation according to the equity method				1,137	327
Non-controlling interests		6	3		
Total equity		33,157	29,780	33,152	29,777
Provisions					
Deferred tax liabilities	15	454	416	121	111
Other provisions	16	788	919		
Total provisions		1,242	1,336	121	111
Liabilities					
Non-current liabilities other than provisions	17	27	33		
Current liabilities other than provisions					
Current portion of non-current liabilities other than provisions	17	17	7		
Credit institutions		2	1		
Prepayments from customers		260	265		
Trade payables		1,750	2,075	29	32
Payables to subsidiaries				1,559	1,677
Payables to participating interests		8	11		
Corporation tax payable		144	106		190
Other current liabilities		2,943	2,955	78	96
Total current liabilities other than provisions		5,125	5,419	1,666	1,995
Total liabilities other than provisions		5,153	5,452	1,666	1,995
TOTAL EQUITY AND LIABILITIES		39,552	36,568	34,938	31,884

18 Contractual obligations and contingencies etc.

19 Related parties

20 Currency risks and use of derivative financial instruments

21 Fair value information

22 Fee to auditors appointed by the Company in general meeting

Statement of changes in equity

Group DKKm	Share capital	Exchange rate reserve	Retained earnings	Proposed dividend	Non-controlling interests	Total
Equity at 1 January 2024	110	96	28,071	1,500	3	29,780
Dividend paid				-1,500	-0	-1,500
Profit for the year			2,846	1,500	1	4,347
Exchange rate adjustments, foreign subsidiaries		109				109
Actuarial gains and losses on pension			147			147
Tax on equity transactions			-24			-24
Additions					2	2
Other adjustments			297		0	297
Equity at 31 December 2024	110	205	31,337	1,500	6	33,157

Parent Company DKKm	Share capital	Hedging reserve	Retained earnings	Proposed dividend	Reserve for net revaluation according to the equity method	Total
Equity at 1 January 2024	110	6	27,834	1,500	327	29,777
Dividend paid				-1,500		-1,500
Profit for the year			2,036	1,500	810	4,346
Exchange rate adjustments, foreign subsidiaries			243			243
Adjustment of hedging instruments at fair value		-15				-15
Tax on equity transactions		3				3
Other adjustments			297			297
Equity at 31 December 2024	110	-5	30,410	1,500	1,137	33,152

Cash flow statement

DKKm	Group	
	2024	2023
Operating cash flow before changes in working capital	4,850	5,087
Changes in working capital	-106	969
Corporation tax paid	-1,142	-841
Cash flow from operating activities	3,602	5,215
Acquisitions and disposals of enterprises and activities	0	27
Acquisitions and disposals of intangible and tangible fixed assets	-1,757	-1,490
Cash flow used in operating investing activities	-1,757	-1,463
Purchase and sale of securities	-725	-1,580
Cash flow used in investing activities	-2,482	-3,043
Financial income and financial expenses	280	267
Net proceeds from loans	8	-1,264
Dividends from participating interests	5	7
Capital increase from non-controlling interests	2	2
Dividend paid	-1,500	-1,000
Cash flow used in financing activities	-1,206	-1,988
Total cash flow for the year	-85	185
Cash and cash equivalents at 1 January	1,067	890
Exchange rate adjustments	29	-7
Cash and cash equivalents at 31 December	1,012	1,067

Notes



WERU IMPREO PVC-aluminium windows.
WERU, 2024.

Notes

1	Revenue	Group	
		2024	2023
	DKKm		
	Revenue by business segments:		
	Roof windows & skylights	22,062	21,670
	Vertical windows	6,772	7,880
	Other areas and eliminations	1	-8
	Total revenue	28,835	29,543

Revenue	Group	
	2024	2023
DKKm		
Revenue by geographical segments:		
Europe	25,646	26,442
Rest of the world	3,189	3,100
Total revenue	28,835	29,543

2	Employee costs	Group		Parent Company	
		2024	2023	2024	2023
	DKKm				
	Wages and salaries	6,622	6,376	80	72
	Pensions	413	368	7	6
	Other social security costs	898	904	0	0
	Total employee costs	7,933	7,648	88	78
	Average number of full time employees	17,113	18,181	57	54

Employee costs include remuneration of the Executive Management and of the Board of Directors in the parent company DKKm 14 (2023: DKKm 13).

Notes (CONTINUED)

3 Financial income

The parent company's interest income from subsidiaries amounted to DKKm 512.0 (2023: DKKm 620.5).

The Group's bank interest income amounted to DKKm 21.9 (2023: DKKm 13.5), while the parent company's bank interest income amounted to DKKm 16.9 (2023: DKKm 11.0).

4 Financial expenses

The parent company's interest expense from subsidiaries amounted to DKKm 65.2 (2023: DKKm 63.0).

The Group's bank interest expense amounted to DKKm 6.2 (2023: DKKm 16.0), while the parent company's bank interest expenses amounted to DKKm 3.9 (2023: DKKm 14.3).

5 Tax for the year

DKKm	Group		Parent Company	
	2024	2023	2024	2023
Current tax for the year	1,344	1,207	1,029	991
Prior year adjustment	-24	-19	2	-8
Change in deferred tax for the year	-33	59	-1	-15
Total tax for the year	1,288	1,246	1,030	969

The Group's current and deferred tax including prior year adjustments amounted to DKKm 1,288 (2023: DKKm 1,246), equivalent to an effective tax rate of 22.9% (2023: 23.0%).

The Group has applied the temporary exception under Danish Financial Statements Act and does thus not recognise nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has performed a preliminary calculation of the Transitional Safe Harbours (TSH) and have conducted impact assessments in jurisdiction where TSH will not be met. Based on this analysis, no significant impact in terms of potential top up tax for 2024 is expected. During 2024, no Pillar Two taxes were paid.

Notes (CONTINUED)

6	Distribution of profit	Parent Company	
		2024	2023
	DKKm		
	Proposed dividend	1,500	1,500
	Transferred to equity reserves	2,846	2,674
	Total distribution of profit	4,346	4,174

7	Intangible assets	Group				Total
		Completed development projects	Acquired patents, licences, trademarks, etc.	Goodwill	Prepayments and development projects in progress	
	DKKm					
	Cost at 1 January	664	1,847	3,799	20	6,330
	Exchange rate and other adjustments	3	3	-13	-0	-7
	Additions	55	34	0	29	118
	Disposals		-74	-28	-3	-105
	Transferred		4		-4	-0
	Cost at 31 December	722	1,814	3,758	41	6,335
	Amortisation and impairment losses at 1 January	640	883	2,296		3,819
	Exchange rate and other adjustments	3	4	-10		-3
	Amortisation	7	171	203		382
	Impairment losses					
	Disposals		-76	-28		-104
	Amortisation and impairment losses at 31 December	651	981	2,461		4,093
	Carrying amount at 31 December	71	833	1,296	41	2,241
	Carrying amount at 31 December, last year	24	965	1,503	20	2,511

Notes (CONTINUED)

7 Intangible assets (continued)	Parent Company
DKKm	Acquired patents, licences, trademarks, etc.
Cost at 1 January	1,688
Additions	26
Cost at 31 December	1,713
Amortisation and impairment losses at 1 January	657
Amortisation	134
Amortisation and impairment losses at 31 December	791
Carrying amount at 31 December	922
Carrying amount at 31 December, last year	1,031

Notes (CONTINUED)

8 Property, plant and equipment

DKKm	Group					Total
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments and assets under construction	
Cost at 1 January	5,272	7,838	1,148		867	15,125
Exchange rate and other adjustments	19	19	18		-10	46
Additions	162	389	92	71	946	1,659
Disposals	-21	-515	-199		-2	-737
Transferred	74	253	-22	76	-381	0
Cost at 31 December	5,507	7,983	1,037	147	1,419	16,094
Depreciation and impairment losses at 1 January	2,534	5,363	837			8,734
Exchange rate and other adjustments	11	21	16			48
Impairment losses		0	0			0
Depreciation	152	478	81	5		717
Disposals	-13	-509	-182			-704
Transferred	-12	1	4	7		
Depreciation and impairment losses at 31 December	2,672	5,354	756	12		8,795
Carrying amount at 31 December	2,835	2,629	281	135	1,419	7,299
Carrying amount at 31 December, last year	2,738	2,474	312		867	6,391
Included capital leased assets	14	1	19			34

Notes (CONTINUED)

8 Property, plant and equipment (continued)

DKKm	Parent Company			Total
	Land and buildings	Other fixtures and fittings, tools and equipment	Prepayments and assets under construction	
Cost at 1 January	445	43	98	586
Additions	1	1	168	170
Cost at 31 December	446	43	266	755
Depreciation and impairment losses at 1 January	267	40		307
Depreciation	3	1		4
Depreciation and impairment losses at 31 December	270	40		310
Carrying amount at 31 December	176	3	266	445
Carrying amount at 31 December, last year	178	3	98	279

Notes (CONTINUED)

9 Investments	Group			Total
	Investments in participating interests	Other investments	Other receivables	
DKKm				
Cost at 1 January	16	3,916	476	4,407
Exchange rate and other adjustments			-9	-9
Additions		1,097	0	1,097
Disposals		-402		-402
Cost at 31 December	16	4,610	468	5,094
Value adjustments at 1 January	22	610	-23	609
Exchange rate and other adjustments	0	-0		
Profit for the year	6	385		391
Dividends received	-5			-5
Disposals		-75		-75
Other adjustments			160	160
Value adjustments at 31 December	24	920	137	1,081
Carrying amount at 31 December	39	5,531	604	6,174
Carrying amount at 31 December, last year	38	4,526	452	5,016

Notes (CONTINUED)

9	Investments (continued)	Parent Company		
		Investments in subsidiaries	Other investments	Total
	DKKm			
	Cost at 1 January	5,219	3,233	8,452
	Additions	1,731	835	2,566
	Disposals	-4	-334	-337
	Cost at 31 December	6,946	3,735	10,681
	Value adjustments at 1 January	327	547	874
	Exchange rate and other adjustments	243		243
	Profit for the year	712	297	1,010
	Dividends received	-148		-148
	Disposals	3	-88	-85
	Value adjustments at 31 December	1,137	756	1,893
	Carrying amount at 31 December	8,083	4,491	12,574
	Carrying amount at 31 December, last year	5,546	3,780	9,326

For specification of investments in subsidiaries and participating interests, refer to the company overview in the end of the annual report.

10	Inventories	Group	
		2024	2023
	DKKm		
	Raw materials and consumables	1,266	1,316
	Work in progress	623	713
	Finished goods and goods for resale	1,987	2,315
	Inventories at 31 December	3,877	4,344

Notes (CONTINUED)

11	Contract work in progress	Group	
DKKm	2024	2023	
Selling price of work performed	822	856	
Progress billings	-597	-654	
Contract work in progress at 31 December	224	203	
Recognised as follows:			
Contract work in progress (assets)	265	253	
Prepayments from customers (liabilities)	-40	-51	
Contract work in progress at 31 December	224	203	

12	Deferred tax assets	Group	
DKKm	2024	2023	
Deferred tax assets at 1 January	307	374	
Exchange rate adjustments	-0	3	
Deferred tax adjustments for the year recognised in the income statement	52	-69	
Tax on equity transactions			
Deferred tax assets at 31 December	359	307	

On 31 December 2024, the Group has recognized deferred tax assets of DKKm 359. The deferred tax assets include the tax value of tax loss carry forwards etc. of DKKm 77 covering the nominal value of tax loss carry forwards of DKKm 286. Based on budgets and estimates, management has assessed that future taxable income will be available to utilise the recognised deferred tax assets within the foreseeable future. In addition to the recognised tax losses, the Group has total unrecognised tax losses of a nominal value of DKKm 89 in Austria, Germany, Norway and UK which due to uncertainty of the future utilisation have not been recognised in the balance sheet. The tax value of the unrecognised tax losses amounts to DKKm 24.

13 Prepayments

Prepayments comprise prepaid costs regarding rent, insurance premiums, marketing and subscriptions.

Notes (CONTINUED)

14 Share capital

At 31 December 2024, the share capital comprises:

10,000,000 A shares of DKK 1 each

99,869,000 B shares of DKK 1 each

The share capital has not changed during the past five years.

Each A share carries 10 voting rights, and each B share carries 1 voting right.

15 Deferred tax liabilities

DKKm	Group		Parent Company	
	2024	2023	2024	2023
Deferred tax liabilities at 1 January	416	380	111	148
Exchange rate adjustments	-4	5		
Acquisition of enterprises				
Change in deferred tax for the year recognised in the income statement	13	5	9	-37
Tax on equity transactions	29	26		
Deferred tax liabilities at 31 December	454	416	121	111

16 Other provisions

The provisions mainly relate to warranty provisions, and DKKm 284.7 are expected to fall due within a year after the end of the financial year (2023: DKKm 286.7).

17 Non-current liabilities other than provisions

DKKm	Group			
	Total debt at 31 December 2024	Repayment next year	Long-term portion	Outstanding debt after 5 years
Non-current liabilities other than provisions are recognised as follows:				
Lease liabilities	34	7	15	12
Other non-current liabilities	10	10		
Total liabilities other than provisions at 31 December	45	17	15	12

Notes (CONTINUED)

18	Contractual obligations and contingencies etc.	Group		Parent Company		
		DKKm	2024	2023	2024	2023
	Lease obligations (operating leases) falling due within five years, total		386	304	2	2
	Commitment relating to investment in equity funds		3,365	3,139	3,433	3,360
	Rental obligations		1,542	1,495	11	13
	Guarantees		208	229	5	12
	Other contractual obligations		407	331		

The parent company is jointly taxed with the other Danish companies in the VKR Group. The Company has unlimited joint and several liabilities with the other jointly Danish taxed companies for company taxes, interest thereon, etc. and for Danish tax withheld at source for dividend, interest and royalties within the joint taxation group. The parent company's rental obligations include DKKm 6 to subsidiaries (2023: DKKm 7), and the parent company's commitment relating to investments in equity funds include DKKm 395 to subsidiaries (2023: DKKm 626).

19 Related parties

Transactions between VKR Holding A/S and its related parties are settled on an arm's length basis. Pursuant to section 98c of the Danish Financial Statements Act, the Company has chosen to disclose transactions not conducted on an arm's

length basis. In 2024 capital increases in subsidiaries of DKKm 1,500 were performed. The Company has not had any other transactions of this type during the financial year.

20 Currency risks and use of derivative financial instruments

The parent company uses hedging instruments such as forward exchange contracts and currency swaps to hedge recognised and unrecognised transactions.

The parent company is included as a counterparty in forward exchange contracts and commodity futures contracts with individual subsidiaries regarding the hedging of those companies' foreign exchange risks and price risks. Hedging of recognised transactions mainly comprises receivables and liabilities.

Hedging is also made regarding expected foreign exchange risks related to goods purchased and sale of goods within the next year and for commodity price risks within 1-2 years. Moreover, foreign exchange risks are hedged externally on an ad hoc basis for individual financial transactions.

A subsidiary in the Group has entered into power purchase agreements with sellers of electricity arising from solar renewable electric generating facilities. In these agreements the company has an obligation to purchase electricity from these facilities for 10 years. The facilities deliver electricity directly to the grid and no physical exchange of energy or sale of energy will occur between the company and the generating facilities.

The company will settle a net amount with the generating facilities based on the difference between the spot price and an agreed minimum price. If the spot price is below the minimum price, then the company shall pay the difference. If the spot price exceeds the minimum price, then the company shall receive the difference up to an agreed maximum price.

Notes (CONTINUED)

21 Fair value information

DKKm	Group		
	Other investments	Securities	Derivative financial instruments
Fair value at 31 December	5,531	14,769	20
Value adjustments in the income statement	310	1,151	0
Changes recognised in the reserve for hedging transactions			0
Fair value level	3	1	3

DKKm	Parent Company		
	Other investments	Securities	Derivative financial instruments
Fair value at 31 December	4,491	14,538	-9
Value adjustments in the income statement	210	1,148	-2
Changes recognised in the reserve for hedging transactions			-7
Fair value level	3	1	2

The Company's investments in 'Other investments' (level 3 in the fair value hierarchy) primarily include investments in loan funds, property funds, private equity (capital funds) and similar passive investments (collectively referred to as 'investment funds') as well as investments in non-listed start-up companies. For this type of investments, fair value cannot be measured on basis of observations in an active market but is based on information of valuation from the funds themselves. At the conclusion of new investments in investment funds, VKR Holding receives information about the funds' overall principles for valuation and these are accepted if the Company chooses to invest in the investment fund. The fair value of its investments in investment funds is based on quarterly reports

received. The fair value for non-listed start-ups is based on third party transactions, where available, or management's assessment of each start-up.

VKR Holding neither receives detailed information about fair value calculation of the investment funds, nor information about the key assumptions used in the fair valuation. The fair value of all investment funds is calculated based on non-observable inputs.

The valuation method is unchanged from 2023.

The fair value of the derivative financial instruments (level 3 in the fair value hierarchy) open on the balance sheet date is calculated by using the contracted

minimum price, maximum price, and observable rates as of the balance sheet date combined with forward projections of the spot price for electricity. In the fair value assessment it is assumed that the spot price is above the maximum price for the majority of the remaining duration of the contract.

The fair value of the derivative financial instruments (level 2 in the fair value hierarchy) open on the balance sheet date is calculated using observable rates as of the balance sheet date. Value adjustments are calculated on the basis of the contracted prices. If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Notes (CONTINUED)

22 Fee to auditors appointed by the Company in general meeting

DKKm	Group		Parent Company	
	2024	2023	2024	2023
Fee to auditor appointed by the Company in general meeting	35	30	4	2
Other auditors	1	2		
Total fee	36	32	4	2
The fee can be specified as follows:				
Statutory audit	18	18	0	0
Other assurance engagements	5	6	0	1
Tax consultancy	3	2	2	1
Non-audit services	10	6	1	0
Total fee	36	32	4	2

Accounting policies



VELUX Modular Skylights in Dulon College, Netherlands.

cepezed.

Lucas van der Wee, 2025

Accounting policies

The annual report of VKR Holding A/S for 2024 is presented in accordance with the provisions of the Danish Financial Statements Act applying for class C (large) companies.

The accounting policies used in the preparation of the financial statements remain unchanged in comparison with last year.

The financial statements are presented in Danish kroner rounded to the nearest million. Due to this rounding, the sum of the individual items may differ from the totals.

Consolidated financial statements

Consolidation

On consolidation of the parent company, VKR Holding A/S, and the subsidiaries, intra-group income and expenses, shareholdings, intra-group balances and dividends, realised and unrealised gains and losses on intra-group transactions are eliminated.

External business combinations

Recently acquired or established enterprises are recognised in the parent company financial statements from the date of acquisition. Divested companies are recognised in the parent company financial statements up to the date of divestment. Comparative figures are not restated for newly acquired companies. Discontinued operations are presented separately.

The date of acquisition is the date when the Company actually obtains control of the acquiree.

When acquiring new enterprises, the purchase method is applied, if controlling influence is achieved upon acquisition. The identifiable assets and liabilities of the acquired companies are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The excess of the total consideration transferred, the value of non-controlling interests and the fair value of any equity investments previously held in the acquired company over the total identifiable assets and liabilities measured at fair value is recognised as goodwill under 'Investments in subsidiaries' or 'Investments in participating interests'.

Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The purchase consideration transferred as payment for the acquired company consists of the fair value of assets transferred, liabilities assumed, and equity instruments issued. If the contingent purchase consideration depends on future events, or the performance of contractual obligations forms part of the total consideration transferred, such part of the consideration transferred is recognised at fair value at the acquisition date. Subsequent adjustments of contingent considerations are recognised in the income statement.

Transactions costs incurred as part of the acquisition are recognised in the income statement as incurred.

If determination of the consideration transferred or measurement of the identifiable assets, liabilities or contingent liabilities is uncertain at the date of acquisition, initial recognition is made at provisional fair values. Adjustments to the provisional amounts (including change of goodwill) may be made retrospectively for up to 12 months following the date of acquisition and comparative figures are restated.

Whenever the disposal of a subsidiary leads to a loss of controlling influence, the profit or loss is calculated as the difference between the selling price less transaction costs and the carrying amount of net assets.

If put options are issued as part of the consideration transferred regarding a business combination, the put options received by the non-controlling interests are considered redeemed at the acquisition date. The non-controlling interests is removed, and a liability is recognised at fair value at initial measurement. The fair value is calculated as the present value of the exercise price of the option. The subsequent measurement is carried at amortised cost with ongoing recognition of interest expenses in the income statement and revaluation of goodwill.

Intra-group business combinations

The book value method is applied to business combinations, such as acquisition and disposal of investments, mergers, demergers, contribution of assets and share conversions etc., in

which companies controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Foreign currency translation

On initial recognition, transactions denominated in foreign currency are translated at the exchange rates at the transaction date. Foreign exchange differences are recognised in the income statement as 'Financial income' or 'Financial expenses'.

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

On recognition of foreign enterprises, the income statements are translated at average exchange rates and the balance sheet items are translated at the exchange rates at the balance sheet date. Exchange rate differences arising on translation are recognised directly in equity.

Exchange rate adjustments of intra-group balances with independent foreign enterprises considered part of the total investment in the subsidiary are recognised directly in equity.

Accounting policies (CONTINUED)

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at fair value.

Fair value adjustments of derivative financial instruments designated and qualifying as fair value hedges of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedges of future assets or liabilities are recognised as separate items in the balance sheet and in the 'Hedging reserve' under equity.

If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement. Fair value adjustments at derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition. Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been

transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method). Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and costs and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the costs incurred is recognised only in so far as it is probable that such costs will be recoverable from the counterparty.

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

Change in inventories of finished goods

Changes in inventories of finished goods and work in progress comprise reduction or increase of inventories due to cost of raw materials and consumables as well as employee costs, but does not include changes in inventories of raw materials or prepayments for goods.

Raw materials and consumables, etc.

Raw materials and consumables include costs relating to raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprise items of secondary nature relatively to the core activities of the companies, including gains and losses on disposal of fixed assets.

Other external expenses

Other external expenses comprise the year's expenses relating to the core activities of the companies, including distribution costs and costs relating to sale, advertising, administration, premises, bad debt losses, operating leases etc.

Employee costs

Employee costs include wages and salaries and pension to the Group's employees as well as other social security contributions etc.

Income from investments in subsidiaries and participating interests

The proportionate share of the result after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profit/loss according to the equity method. The proportionate share of the result after tax of participating interests is recognised in both the parent company and the consolidated income statements after elimination of the proportionate share of intra-group profit/loss.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that

concern the financial year. Financial items include interest income and interest expenses, financial costs of finance leases, realised and unrealised gains and losses on securities, debt and transactions in foreign currencies etc.

Tax for the year

Tax for the year includes current tax and deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, whereas the tax expense relating to changes in equity transactions is recognised directly in equity.

Changes in deferred tax as a consequence of changes in tax rates are recognised in the income statement.

The Company is jointly taxed with all Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated between profit- and loss-making companies in proportion to their taxable income (full absorption with refunds for tax losses). The jointly taxed companies are taxed under the on-account tax scheme. The Company manages the joint taxation and consequently settles the total Danish tax from the jointly taxed companies' taxable income.

Balance sheet

Assets

Intangible assets

Gains and losses on sale of intangible assets are recognised in the income statement as other operating income or other operating expenses.

Accounting policies (CONTINUED)

Goodwill

Goodwill is measured at cost less accumulated amortisation and is amortised on a straight-line basis over the amortisation period, which is 5-15 years. The amortisation period is determined based on the expected repayment period, and this is longest for strategic acquisitions with strong market positions and a long-term earnings profile.

Development projects

Development costs comprise costs, salaries and amortisation directly and indirectly attributable to the companies' development activities. Development projects that are clearly defined, identifiable and with evidenced future utilisation are recognised as intangible assets if there is sufficient assurance that future earnings will be generated. Other development costs are recognised in the income statement as incurred. Capitalised development costs are measured at cost less accumulated amortisation and impairment losses. Development costs are amortised on a straight-line basis over the expected useful life. The amortisation period is usually 3-5 years.

Acquired patents, licences, trademarks etc.

Acquired patents, licences, and trademarks – including software – are measured at cost less accumulated amortisation and impairment losses. Acquired patents are amortised on a straight-line basis over the remaining patent period. Licences, trademarks and software are amortised over the agreement period. For licenses and trademarks, the period is between 5-10 years, while software is typically amortised over 3-5 years. Additional impairment is made when deemed necessary.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Property, plant and equipment are written down to the net realisable value if this is lower than the carrying amount. Land is not depreciated.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	30-40 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	Maximum the remaining rental period

Depreciation is calculated taking into account any residual value after useful life and impairment losses. The depreciation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

Gains and losses on sale of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under 'Contingent liabilities'.

Investments in subsidiaries and participating interests

Investments in subsidiaries and participating interests are measured according to the equity method. The Company considers the equity method a consolidation method.

On initial recognition, investments in subsidiaries and participating interests are measured at cost excluding costs of

acquisition. The cost is allocated in accordance with the acquisition method, see the accounting policies regarding business combinations.

The cost is adjusted by the share of profit/loss after tax calculated according to the Group's accounting policies eliminated for unrealised intra-group profits/losses, as well as subsequent adjustments to the fair value of contingent purchase considerations. Investment properties in participating interests are measured at fair value.

Dividend received is reduced from the carrying amount.

Subsidiaries and participating interests with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the negative net asset value if the amount owed is considered irrecoverable. If the negative net asset value exceeds the receivable, the remaining amount is recognised as 'Other provisions' in the balance sheet, if there is a legal or actual obligation to cover the imbalance.

Other investments

Other investments that do not have fixed expiry dates and are recognised as fixed assets are measured at fair value at the balance sheet date. The fair value represents the market value of the assets forming part of an active market. Other securities that the Company intends to hold until maturity and with fixed expiry dates are measured at amortised cost.

Accounting policies (CONTINUED)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and participating interests is assessed for impairment on an annual basis. Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life. Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Current assets

Inventories

Inventories are recognised at cost in accordance with the FIFO method. If the net realisable value is lower than cost, inventories are written down to this lower value. The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs. The cost of manufactured goods and work in progress includes direct and indirect production costs.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and

management. Borrowing costs are not recognised in the cost price.

Receivables

Receivables are measured at amortised cost. The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis. Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows.

Contract work in progress

Contract work in progress is measured at the market value of the work performed less progress-billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the costs incurred relative to the expected total costs relating to the relevant contract. If the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under 'Provisions' and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments relates to goods and services not yet received and expenses incurred for goods and services which will not be used until the subsequent financial year.

Securities

Listed securities recognised as current assets are measured at fair value (market price) at the balance sheet date.

Equity

Exchange rate reserve

The exchange rate reserve comprises the share of exchange rate differences arising on translation of financial statements of subsidiaries and participating interests with a functional currency other than DKK and exchange rate adjustments of assets and liabilities considered part of the Company's net investments in such companies. The reserve is dissolved by divestment of the foreign enterprises.

Hedging reserve

The hedging reserve comprises accumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and when the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging is no longer effective. The reserve does not represent a company law commitment and may therefore be negative.

Dividend

Dividend expected to be distributed for the

financial year is presented as a separate item under 'Equity'.

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Liabilities

Deferred tax

Deferred tax is measured by the balance sheet liability method of all temporary differences between the accounting and taxable value of assets and liabilities. Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation. That will be either by elimination in tax on future earnings or against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of tax rules and rates in the respective countries at the balance sheet date when the deferred tax is expected to become current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement except for items recognised directly in 'Equity'.

Other provisions

Other provisions comprise anticipated costs related to warranties, losses on work in progress, restructurings, pension obligations etc.

Accounting policies (CONTINUED)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing, net of transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost. Premiums/discounts are accrued over the term of the liability. Capitalised obligations on finance leases are recognised as liabilities other than provisions. Other liabilities other than provisions are measured at net realisable value.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information)

Cash flow statement

The cash flow statement shows the Group's cash flow from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents, and the Group's cash and cash equivalents at the beginning and at the end of the year. The cash flow effect of acquisitions and disposals of enterprises is included in cash flows used in investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of enterprises is recognised up until the date of disposal.

Cash and cash equivalents comprise cash and cash in banks.

Financial highlights

The financial ratios as stated under 'Financial highlights' have been calculated as follows:

$$\text{EBITDA margin: } \frac{\text{EBITDA} \times 100}{\text{Revenue}}$$

$$\text{EBITA margin: } \frac{\text{EBITA} \times 100}{\text{Revenue}}$$

$$\text{Return on invested capital: } \frac{\text{EBITA} \times 100}{\text{Average invested capital, including goodwill}}$$

$$\text{Equity ratio (Solidity): } \frac{\text{Equity excluding non-controlling interests} \times 100}{\text{Total equity and liabilities}}$$

EBITDA:

Earnings before depreciations, goodwill amortisation, financial items and tax.

EBITA:

Earnings before goodwill amortisation, financial items and tax.

Free cash flow before tax:

Cash flow from operating activities corrected for corporation tax paid less cash flow used in operating investing activities.

Invested capital, including goodwill:

Intangible assets + property, plant and equipment + other receivables + working capital.

Goodwill is recognised at carrying amount + accumulated amortisation.

Management's statement

Today the Board of Directors and the Executive Board have discussed and approved the annual report of VKR Holding A/S for 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at 31 December 2024 and of the results of the Group's and the parent company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters and the results of the Group's and the parent company's operation and financial position.

We recommend that the annual report be approved at the Annual General Meeting.

Hørsholm, 7 March 2025

Executive Board:

Mads Kann-Rasmussen
CEO

Board of Directors:

Thomas Thune Andersen
Chair

Jørgen Falkebo Jensen
Vice Chair

Anne Broeng

Jørgen Tang-Jensen

Lise Kaae

Per Skovsted

Independent auditor's report

To the shareholders of VKR Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of VKR Holding A/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the parent company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at 31 December 2024 and of the results of the Group's and the parent company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent company financial statements' (hereinafter collectively referred to as '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) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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 in preparing the financial statements 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 and the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report (CONTINUED)

- 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 group financial statements and the parent company 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.

Statement on Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 7 March 2025

EY

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen

State Authorised Public Accountant
mne24687

Morten Østergaard Koch

State Authorised Public Accountant
mne35420

Independent auditor's assurance report on the ESG Key Figures for VKR Holding

To the shareholders of VKR Holding A/S

As agreed, we have performed an examination with a combined reasonable and limited assurance, as defined by the International Standards on Assurance Engagements, on ESG Key Figures for the VKR Group table in VKR Holding A/S' Sustainability section for the period from 1 January to 31 December 2024.

Specifically, we are to conclude on the marked Key Performance Indicators in the ESG Key Figures for VKR Group tables on pages 63-64 ('ESG Data'):

- Reasonable assurance over the Key Performance Indicators identified in the table ESG Key Figures tables for 2024 on pages 63-64, marked with a 'Reasonable Assurance Icon' ●
- Limited assurance over the Key Performance Indicators identified in the table ESG Key Figures tables for 2024 on pages 63-64, marked with a 'Limited Assurance Icon' ○

In preparing the ESG Key Figures, VKR Holding A/S ('VKR') applied the ESG reporting principles described on page 65. The ESG Key Figures needs to be read and understood together with the ESG reporting principles, which management is solely responsible for selecting and applying. The absence of an

established practice on which to derive, evaluate, and measure the ESG Key Figures allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability section of the Annual Report, and accordingly, we do not express an opinion on this information.

Management's responsibilities

VKR's Management is responsible for selecting the ESG reporting principles, and for presenting the ESG Key Figures in accordance with the ESG reporting principles, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the ESG Key Figures, such that it is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion based on our examinations on the presentation of the ESG Key Figures in accordance with the scope defined above.

We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews

of Historical Financial Information and additional requirements under Danish audit regulation to obtain assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, 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.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

Description of procedures performed

In obtaining reasonable assurance over the Key Performance Indicators identified in the ESG Key Figures in the tables on pages 63-64, marked with a 'Reasonable Assurance Icon', our objective was to perform such procedures and to obtain such evidence which we consider necessary in order to provide us with sufficient appropriate evidence to express an opinion with reasonable assurance.

In obtaining limited assurance over the Key Performance Indicators identified in the ESG Key Figures in the tables on pages 63-64, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance. The procedures performed in connection with our limited assurance engagement are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

As part of our examination, we performed the below procedures:

- Interviewed those in charge of ESG Key Figures to develop an understanding of the process for the preparation of the Sustainability section of the Annual Report and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the ESG Key Figures with a significant risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.
- Based on inquiries we evaluated the appropriateness of ESG reporting

Independent auditor's assurance report on the ESG Key Figures for VKR Holding (CONTINUED)

principles used, their consistent application and related disclosures in the ESG Key Figures. This includes the reasonableness of estimates made by management.

- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Sustainability section of the Annual Report and, in doing so, considered whether the other sustainability information is materially inconsistent with the ESG Key Figures or our knowledge obtained in the review or otherwise appear to be materially misstated.

In addition to the above we performed the following procedures for the ESG Key Figures marked with a 'Reasonable Assurance Icon' subject to reasonable assurance:

- Agreed key items and representative samples based on generally accepted sampling methodology to source information to check accuracy and completeness of the data.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.

Conclusion

In our opinion the Key Performance Indicators identified in the ESG Key Figures for VKR Holding in the tables on page 63-64, marked with a 'Reasonable Assurance Icon' for the period from 1 January to 31 December 2024 which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the ESG reporting principles on page 65.

Based on the limited assurance examinations and the evidence obtained, nothing has come to our attention that causes us to believe that the Key Performance Indicators identified in the ESG Key Figures for VKR Holding in the tables on pages 63-64, marked with a 'Limited Assurance Icon' for the period 1 January to 31 December 2024, has not been prepared, in all material respects, in accordance with the ESG reporting principles described on page 65.

Copenhagen, 7 March 2025

EY

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch

State Authorised Public Accountant
mne35420

Lars Fermann

State Authorised Public Accountant
mne45879

Company overview December 2024

■ Subsidiary □ Participating interests or joint venture

Argentina

- VELUX Argentina S.A.

Australia

- VELUX Australia Pty. Ltd.

Austria

- VELUX Commercial Österreich GmbH
- VELUX Österreich GmbH

Belgium

- VELUX Belgium S.A.

Bosnia and Herzegovina

- VELUX Bosna i Hercegovina d.o.o.

Bulgaria

- VELUX Bulgaria EOOD

Canada

- VELUX Canada Inc.

Chile

- VELUX Chile SpA

China

- Dovista (Guangzhou) Windows and Doors Technology Co. Ltd.
- VELUX (CHINA) CO., Ltd.

Croatia

- VELUX Hrvatska d.o.o.

Czech Republic

- BKR ČR, s.r.o.
- VELUX Česká republika, s.r.o.

Denmark

- A/S Østbirk Bygningsindustri
- DOVISTA A/S
- Gåsdal Bygningsindustri A/S
- Homecontrol A/S
- KOMPAS Management ApS
- KOMPAS Ventures Fund II K/S
- KOMPAS Ventures Fund II Komplementar ApS
- KOMPAS Ventures K/S - 99%
- KOMPAS Ventures Komplementar ApS
- Krone Vinduer A/S
- O.H. Industri A/S
- Thyregod Bygningsindustri A/S
- VELUX A/S
- VELUX Commercial Danmark A/S
- VELUX Danmark A/S
- VELUX NewCo A/S
- Vitral A/S
- VKR Invest ApS

Estonia

- VELUX Eesti OÜ

Finland

- Kurikka Timber OY - 50%
- VELUX Suomi Oy

France

- KH-SK France S.A.S.
- Velsol France S.A.S.
- VELUX France S.A.S.
- VKR France S.A.S.

Germany

- BEW Bauelemente Werratal GmbH
- Finestra GmbH
- JET Schaumstoff-Formteile GmbH
- JTJ Sonneborn Industrie GmbH
- VELUX Commercial Deutschland GmbH
- VELUX Commercial GmbH & Co. KG
- VELUX Commercial Grundbesitz GmbH & Co. KG
- VELUX Commercial Grundbesitz Holding GmbH
- VELUX Commercial Holding GmbH
- VELUX Commercial Production DE Hüllhorst GmbH
- VELUX Commercial Production DE Voerde GmbH

- VELUX Commercial Vermögensverwaltungsgesellschaft mbH
- VELUX Deutschland GmbH
- webcom Management Holding GmbH
- Wertbau GmbH
- WERU Fenster und Türen GmbH
- WERU GmbH

Hungary

- Altaterra Kft.
- VELUX Magyarország LKR Korlátolt Felelősségű Társaság

Ireland

- DOVISTA IRL Ltd.

Italy

- VELUX Italia s.p.a.

Japan

- VELUX-Japan Ltd.

Latvia

- VELUX Latvia SIA

Lithuania

- UAB "DOVISTA"
- UAB "Vitral"
- "VELUX Lietuva", UAB

Company overview December 2024 (CONTINUED)

■ Subsidiary □ Participating interests or joint venture

The Netherlands

- Dakvenster.com B.V.
- VELUX Commercial Benelux B.V.
- VELUX Commercial Group B.V.
- VELUX Commercial International B.V.
- VELUX Nederland B.V.
- WERU Nederland B.V.

New Zealand

- VELUX New Zealand Ltd.

Norway

- Natre Vinduer AS
- VELUX Commercial Bramo AS
- VELUX Norge AS

Poland

- Altaterra Polska Sp. z o.o.
- Dobroplast Fabryka Okien Sp. z o.o.
- Dobroplast Bis Sp. z o.o.
- Dobroplast Bis Sp. z o.o. Sp. k. w likwidacji
- DOVISTA Polska Sp. z o.o.
- NB Polska Sp. z o.o.
- NM Polska Sp. z o.o.

- VELUX Commercial Polska Sp. z o.o.
- VELUX Polska Sp. z o.o.

Portugal

- VELUX Portugal, Unipessoal Lda.

Romania

- S.C. VELUX România S.R.L.

Serbia

- VELUX Srbija d.o.o.

Slovakia

- Partizánske Building Components-SK s.r.o.
- SLOVAKTUAL s.r.o.
- VELUX Slovensko spol. s.r.o.

Slovenia

- VELUX Slovenija d.o.o.

Spain

- VELUX Spain, S.A.

Sweden

- DOVISTA Sverige AB
- Mockfjärds Fönster AB
- Svenska Fönster AB
- VELFAC AB
- VELUX Svenska AB

Switzerland

- DOVISTA Windows AG
- EgoKiefer AG
- VELUX Commercial Schweiz AG
- VELUX Schweiz AG

Türkiye

- VELUX Çati Pencereleeri Ticaret Limited Şirketi

Ukraine

- VELUX Ukraina TOV

United Kingdom

- DOVISTA UK Ltd.
- JET Cox Ltd.
- VELUX Commercial Xtralite Ltd.
- VELUX Company Ltd.
- V.U.K. HOLDINGS LIMITED

USA

- TVC Holdings LLC
- VELUX America LLC
- VELUX Design and Development USA LLC
- VELUX Greenwood LLC
- VELUX Group USA Inc.
- VELUX Sky Forwarding LLC
- VELUX Solutions LLC

Information in the company overview is provided pursuant to section 97a (3) of the Danish Financial Statements Act.

The companies are 100% owned by VKR unless otherwise stated after the company name.

VELUX NewCo A/S is included in the consolidated financial statements of VKR Holding A/S. The company is without activity and does not present an annual report, cf. section 6 (1.6) of the Danish Financial Statements Act.



VELUX roof windows in a small hotel in Aldingham, Great Britain.
Blee Halligan.
Sarah Blee, 2020.

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