



Annual Report 2025

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Our purpose

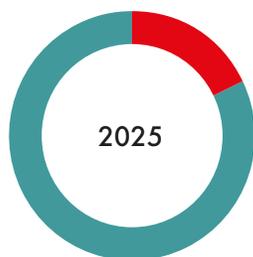
AO was founded in 1914 with the purpose of creating value for our customers. The purpose remains as relevant today as it was then.

In AO, we lend a hand. We are determined to contribute to making our customers' lives easier. No matter the market conditions or the current mega trends, walking an extra mile for the customer will always be the AO way. AO is proud to be part of the customer team!

At a glance

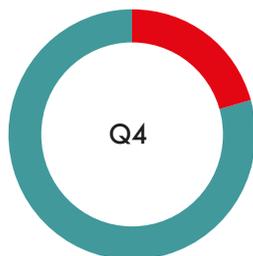
Segments

B2B ●
82.1%
 Serving the construction industry and professional tradesmen



B2C ●
17.9%
 Serving private DIY consumers

B2B ●
79.4%
 Serving the construction industry and professional tradesmen



B2C ●
20.6%
 Serving private DIY consumers

24 B2C Webshops and 2 showrooms

Denmark	11	Sweden	4	Other	2
Norway	5	Germany	2	Showrooms	2

Stores

DK East

30

DK West

25

Sweden

9

9,300

daily customer interactions in our stores

Our long-term ambitions

Beat the market by

2%

year by year

EBITDA margin of

10%

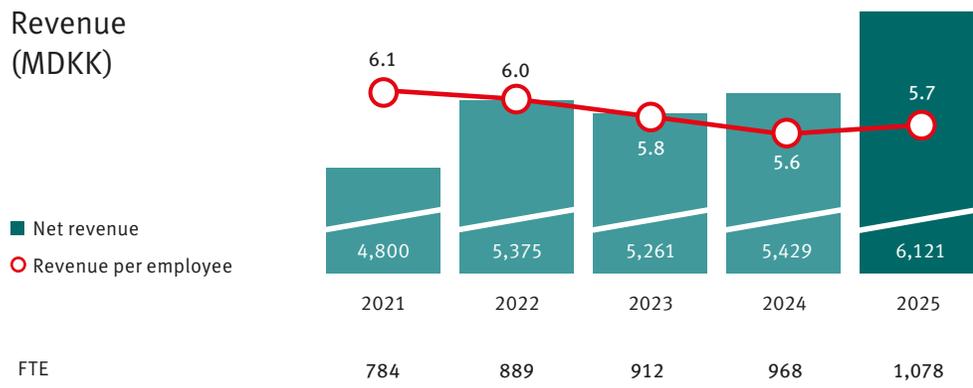
Solvency

40%+

and a net interest bearing debt of between 1.0-2.5 times EBITDA

Performance highlights

Revenue (MDKK)

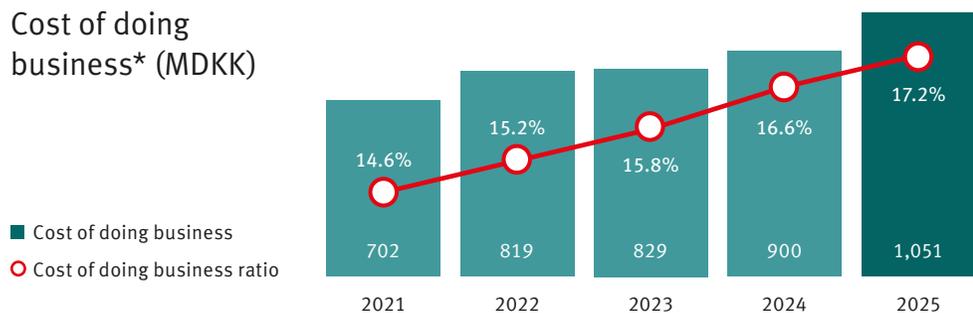


FTE	2021	2022	2023	2024	2025
	784	889	912	968	1,078

Gross profit (MDKK)



Cost of doing business* (MDKK)



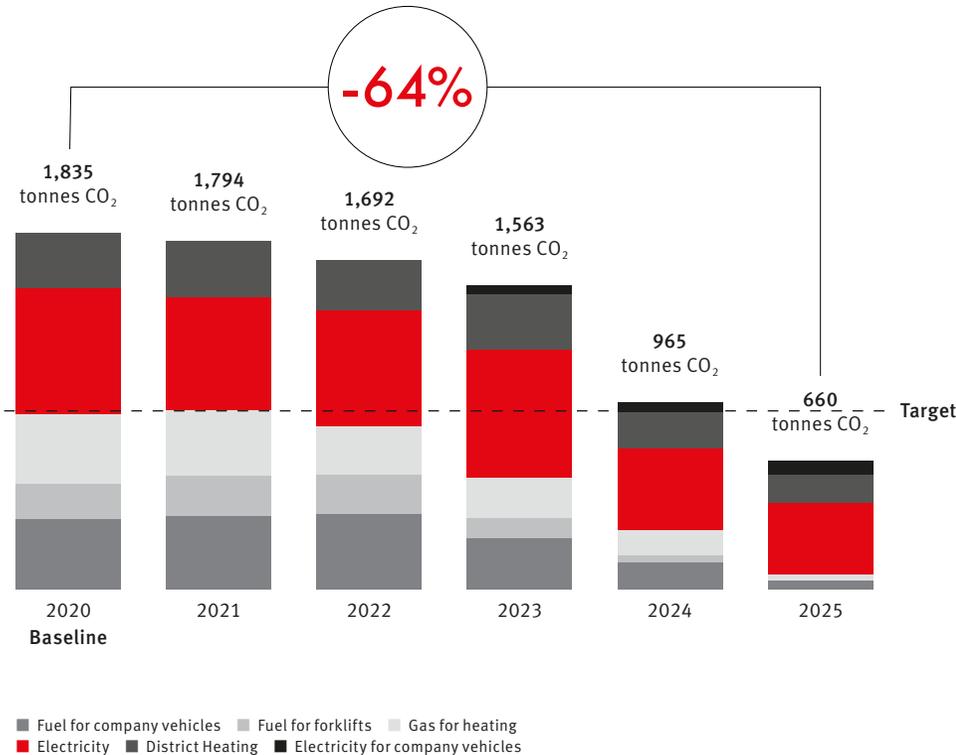
EBITDA (MDKK)



* Defined as the difference between Gross profit and EBITDA.

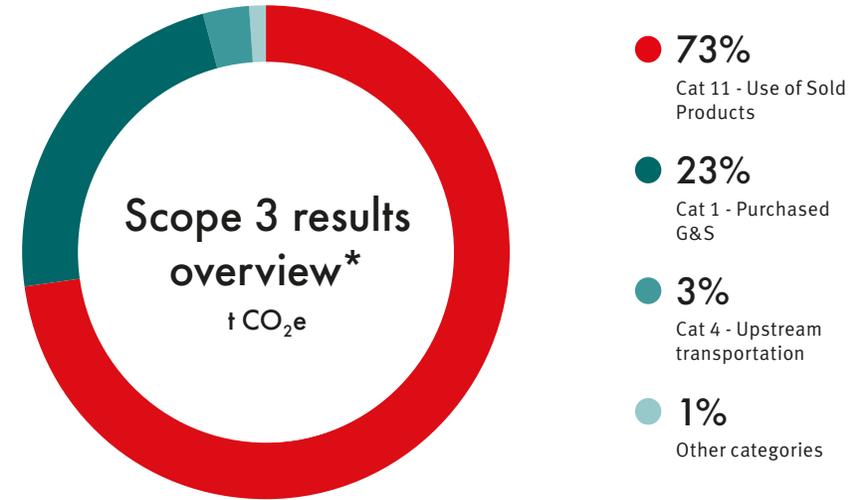
ESG highlights

AO's first official CO₂ reduction target was to reduce emissions in Denmark by 50% by 2025, which has now been achieved:

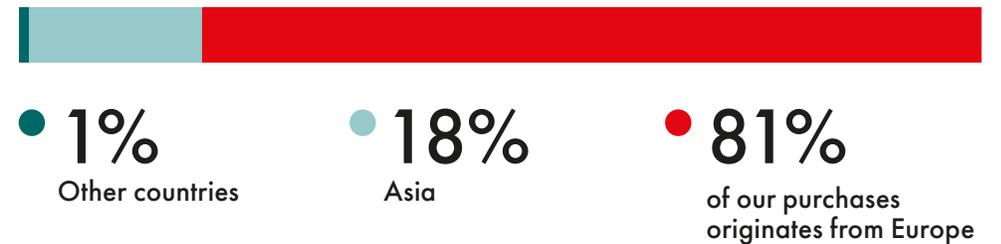


Scope 3 distribution on group level mapped for 2025:

Use of sold products is the main contributor to our scope 3 emissions



Purchasing patterns:



Letter from the CEO

AO reached important milestones in 2025

Geopolitical uncertainty remained unusually high throughout 2025. While we hope for a more stable environment, it is our assessment that rapid changes in business dynamics will continue to be a condition we must adapt to going forward.

I am pleased to note that AO delivered strong growth of 13% in 2025. Both organic growth and growth from acquired businesses contributed positively to the development.

For the first time ever, B2B activities surpassed the DKK 5 billion revenue milestone, and B2C exceeded DKK 1 billion in revenue.

I am particularly satisfied that AO strengthened its gross margin, which increased from 23.3% in 2024 to 24.3% in 2025. This development reflects the successful execution of several strategic initiatives.

Our new family members, AO Workwear, VVS Kupp and Svenska VA Grossisten, all delivered strong performances. We saw high growth across the companies, and both AO Workwear and VVS Kupp more than doubled earnings compared to 2024. In AO Sweden, 2025 was a historic year with three new sites opened in the Stockholm area.

In times of uncertainty, it becomes even more important to remain clear on what AO aims to achieve and how we position the company for the future.

In 2025, we reshaped our growth initiatives and the initiatives enabling future growth. Our ambition is to accelerate across all key areas – sales, profitability, speed and competencies.

In 2026, we will continue strengthening AO's core business while accelerating investments to prepare for the future. In addition to normal cost inflation, I expect extraordinary SG&A spending of at least DKK 25 million related to new technology, further IT modernisation and the addition of new competencies to support future growth. In the short term, this will impact results, but over time it will position AO even stronger to grow profitably and achieve our ambitions.

We expect the market in 2026 to show modest organic growth. However, as AO aims to grow faster than the market, we expect revenue growth of 5% to 8% in 2026 and an EBITDA in the range of DKK 460–500m.

Finally, I would like to personally thank all AO employees for their loyalty, dedication and hard work throughout 2025.

Best regards,
Niels A. Johansen
CEO



Niels A. Johansen CEO

Highlights of the year

Strategic steps preparing for the future

AO saw a high growth in 2025, with sales now 50% higher than in 2020.

During 2025, AO took important, strategic steps to facilitate our future growth agenda.



The acquisition of Svenska VA Grossisten in Vallentuna in 2024 marked AO's **entrance to the Stockholm area**. In 2025, three additional stores have been opened in Västerås, Uppsala and Örebro.



In mid-2025, AO announced the **acquisition of the Danish website VVS-Eksperten**, effective from 2 January 2026. The acquisition will further strengthen the portfolio of webshops within the Danish B2C business.



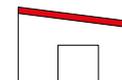
The **three companies acquired in 2024 have proved to be a valuable addition to AO**. Their combined revenues in 2025 have been 23% higher than their full year revenues for 2024, and their earnings improved 85% compared to full year numbers for 2024.



The **55 B2B stores in Denmark have ensured significant growth** in B2B and further strengthened the leading position AO holds within ReMoVe. Customer visits increased to an average of 9,300 daily customer interactions.



Two new B2C showrooms opened during 2025 in Lyngby and Ishøj. The showroom experience is a valued offering to customers seeking a "touch and feel" experience as part of their purchase decision.



Additional warehouse capacity of 5,500 m² (70,000 m³) is being established to facilitate further growth and efficiency.

Five year summary

(mDKK)	2025	2024	2023	2022	2021
Key figures					
Revenue	6,120.8	5,429.3	5,261.0	5,375.0	4,800.5
Gross margin	1,485.0	1,266.3	1,234.3	1,310.3	1,119.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	434.0	366.0	405.3	491.6	417.2
Operating profit or loss (EBIT)	292.6	246.1	292.2	383.6	316.7
Financial income and expenses, net	(32.5)	(36.0)	(30.4)	(6.1)	9.4
Profit or loss before tax (EBT)	260.1	210.1	261.8	377.4	326.1
Tax on profit or loss for the year	(59.4)	(46.7)	(55.7)	(83.0)	(72.3)
Net profit or loss for the year	200.7	163.4	206.1	294.5	253.8
Non-current assets	2,378.5	2,231.1	1,805.9	1,727.3	1,472.7
Current assets	1,717.5	1,556.3	1,436.5	1,591.0	1,235.9
Total assets	4,096.0	3,787.4	3,242.4	3,318.3	2,708.5
Share capital	28.0	28.0	28.0	28.0	28.0
Equity	1,668.0	1,536.3	1,475.3	1,407.5	1,239.9
Non-current liabilities	766.4	831.6	535.2	539.5	295.9
Net Interest bearing debt	1,049.0	992.6	521.7	542.5	331.7
Current liabilities	1,661.6	1,419.5	1,231.9	1,371.4	1,172.7
Cash flow from operating activities	312.4	199.2	346.4	215.8	308.1
Cash flow from investing activities	(200.1)	(465.4)	(130.2)	(333.3)	(212.7)
Of which investments in property, plant and equipment, net	(134.5)	(116.2)	(94.8)	(164.5)	(170.5)
Cash flow from financing activities	(106.3)	232.1	(161.7)	15.5	(91.6)
Cash flow for the year	6.0	(34.1)	54.5	(102.0)	3.7

	2025	2024	2023	2022	2021
Financial ratios					
Organic growth	8.4%	(1.0%)	(5.1%)	7.7%	16.3%
Gross profit margin	24.3%	23.3%	23.5%	24.4%	23.3%
EBITDA margin	7.1%	6.7%	7.7%	9.1%	8.7%
EBIT margin	4.8%	4.5%	5.6%	7.1%	6.6%
Return on capital employed	7.4%	7.0%	8.9%	12.7%	12.4%
Return on equity	12.5%	10.9%	14.3%	22.2%	22.4%
Net gearing	2.4	2.7	1.3	1.1	0.5
Solvency ratio	40.7%	40.6%	45.5%	42.4%	45.8%
Book value*	59.6	54.9	52.7	50.3	44.3
Share price at the end of the year**	94.4	78.6	70.3	83.1	136.0
Price Earnings Basic (P/E Basic)	12.8	13.1	9.3	7.7	14.6
Dividend per DKK 1 share **	3.75	3.0	3.75	5.25	4.5
Earnings per share (EPS Basic), DKK **	7.4	6.0	7.6	10.8	9.3
Diluted earnings per share (EPS-D), DKK **	7.3	6.0	7.6	10.8	9.3
Number of employees (FTE average)	1,078	968	912	889	784
Number of employees excluding temporary workers (FTE average)	1,004	899	841	822	705
Number of employees at year-end (FTE)	1,018	981	833	850	734

Basic EPS and diluted EPS have been calculated in accordance with IAS 33. Other financial ratios have been prepared in accordance with the CFA Society Denmark's 'Recommendations and Financial Ratios'. See definition of key figures on page 168

* Financial ratios for the respective periods have been restated retroactively for the share split.

** Comparative figures related to shares have been restated to reflect share split in 2022.

Outlook for 2026

Follow-up on previously announced outlook for 2025

Revenue ended at DKK 6,121m, corresponding to revenue growth of 13%.

EBITDA for the year amounted to DKK 434m, corresponding to 7.1% of net sales, and profit before tax amounted to DKK 260m, corresponding to 4.2% of net sales of DKK 6,121m. This is in line with the latest outlook announced on 29 October 2025 of net sales of DKK 6,000–6,100m, EBITDA of DKK 420–440m, and profit before tax in the range of DKK 245–265m.

2026 outlook

AO is in a strong position to continue growing the business, supported by the current momentum in the Group.

It remains AO's ambition to achieve annual growth at least 2% above market growth.

Market activity is expected to show moderate growth of 1–3% in 2026. AO's momentum and the full-year effect from acquired companies are expected to drive total revenue growth of 5–8%.

Competition and pressure on gross profit margins are expected to remain fierce. However, as residential construction and project activity are expected to increase and interest rates are expected to remain stable, customer demand and wholesale supply are expected to gradually become more balanced.

In addition to normal cost inflation, additional costs of at least DKK 25m are expected, primarily related to investments in new technology and the recruitment of new competencies to support future growth.

Depreciation and amortisation are expected to increase by approximately DKK 25m compared to 2025, reflecting the higher investment levels in previous years.

Based on the above estimates and assumptions, AO expects revenue of DKK 6,400–6,600m, EBITDA in the range of DKK 460–500m, and profit before tax in the range of DKK 260–300m.

The 2026 guidance is as follows

2025	Outlook 2026
Revenue, (mDKK)	
6,121	6,400 – 6,600 Growth 4.6% to 7.8%
EBITDA, (mDKK)	
434	460 – 500 EBITDA margin 7.0% to 7.8%
EBT, (mDKK)	
260	260 – 300 EBT margin 3.9% to 4.7%

Sensitivity to the outlook for 2026:

Geopolitical and macroeconomic tensions bring higher uncertainty to estimates than normally. Continued change in the geopolitical and macroeconomic climate, supply disruptions and developments in raw material prices and interest rates may impact outlook for 2026. Organic growth and gross margins are sensitive to revenue mix from ReMoVe versus projects and to price pressure driven by competition.

Strategy

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Business model

SBM-1 AO's omnichannel model meets customers wherever they are.

AO's omnichannel business model is designed to meet customers where they are, delivering a seamless customer experience across all touchpoints. By combining digital solutions with a strong physical presence, AO ensures accessibility, flexibility, and high service levels for both professional and private customers.

AO works with more than 1,000 suppliers and continuously expands its product range to support one-stop shopping. The automated central warehouse in Albertslund and the logistics centre in Horsens are the cornerstone of AO's operations. Approximately 90% of all products are picked automatically, ensuring high service quality, reliability, and efficiency.

AO's products and services are offered across multiple sales channels, enabling customers to interact with AO according to their individual preferences. Value-adding digital services are combined with close customer relationships through local stores, delivering the best of both worlds.

Modern wholesaling is about offering the right products at the right prices, delivered at the right time, while making customers' lives as simple and flexible as possible. The AO365 concept exemplifies this approach by providing customers with a digital key and 24/7 access to AO's locations.

AO's employees are a key resource in executing the business model. Their knowledge and experience create value across the entire value chain and support the delivery of AO's omnichannel offering.

1. Suppliers

More than 1,000 suppliers provide the widest product range in the wholesale business

2.

Central warehouse

Automated warehouse solution ready to serve growth. 600,000 SKUs available for sale

3.

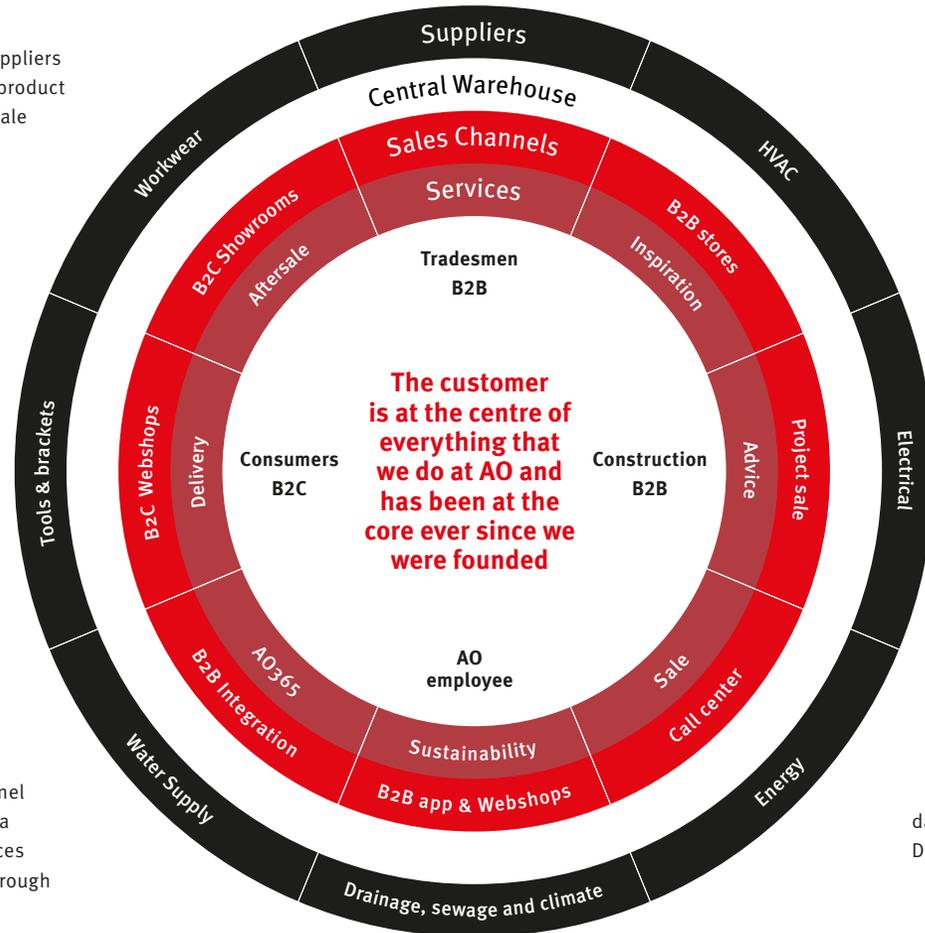
Sales channels

Omnichannel business with 55 physical stores in Denmark and nine in Sweden enabling 9,300 daily customer interactions. Digital share of sales makes up 53% of revenue. B2C customers are served out of more than 20 unique webshops

4.

Services

As a true omnichannel business AO offers a wide range of services from self-service through AO365 to advanced project advice via our competency centres



Industry and market trends

AO's strategy is shaped by the prevailing megatrends that exert influence on the current market landscape. These trends present both challenges and significant opportunities for AO's business development.

The dominant themes within these market trends revolve around the green transition, climate changes, and the escalating pace of digitalisation.

These trends have been categorised into six megatrends that steer our strategic focus areas.

Green transition

The construction sector is among the industries with the greatest negative climate and environmental impact. This increases the focus from legislators and builders on reducing CO₂ emissions and promoting circular solutions, including reuse and recycling.

Customers are increasingly choosing certified products and solutions. AO is Everyday's Green Partner, delivering concrete solutions that make the green transition a sound business case for customers and AO alike — while helping the planet

Digitalisation & AI

Digitalisation remains a key focus area for AO and the construction industry and will continue to drive growth and efficiency. The digital customer journey is shifting from basic solutions to AI-based services such as ChatGPT and AI agents. AO must deliver visibility and relevance across AI-driven purchasing journeys in both B2B and B2C.

AO aims to be at the forefront of leveraging AI to make digital systems smarter and more efficient. This creates significant opportunities to simplify everyday tasks and deliver more personalised solutions.

Consolidation

More installers are joining forces through mergers or by becoming part of purchasing associations. This enables them to buy at lower prices and offer a broader range of solutions.

Consolidation increases competition among the major players and poses a growing risk to AO's earnings, as it leads to a relatively weaker negotiating position.

AO will differentiate by clearly distinguishing between large and small customers, ensuring that customers seeking the lowest market prices are not over-served.

Climate adaptation

Climate change requires both Denmark and Sweden to invest in water infrastructure, local drainage systems, and stormwater management. Climate adaptation includes storing, treating, and reusing rainwater.

In urban environments, green roofs, façades, and trees can also help prevent flooding during heavy rainfall. AO is well positioned, together with its suppliers, to benefit from this trend once regulatory frameworks and investment willingness are clarified.

Electrification

Electrification involves replacing fossil fuels with electricity and the associated infrastructure. The transport sector plays a key role, alongside the electrification of buildings and industry, where fossil fuels are phased out in favour of electric solutions such as heat pumps and energy-efficient systems.

AO supports electrification by offering a broad product range that enables the electrification of society and will continue to expand its competencies and assortment.

Structural Shortage of Skilled Labour

The shortage of skilled labour is a structural megatrend in the installation sector and is expected to intensify. Capacity constraints are increasingly limiting customers' ability to take on new projects, with Denmark facing a projected shortfall of up to 10,000 electrical and technical workers by 2035. This drives demand for more efficient sales processes, logistics and digital solutions that help customers through streamlined sales processes, reliable and flexible logistics, and digital documentation solutions—enabling customers to do more with fewer resources.



Corporate strategy

At AO, the customer is at the heart of everything we do and develop. We want to create value for our professional and private customers. That's something we aim to do every single day, and why we say: "We lend a hand". It builds on AO's genuine and heartfelt interest in understanding the present and future needs of our customers and being able to support them.

The Group's strategy is to serve the professional market via AO in Denmark and Sweden and to serve the private markets in Denmark, Norway and Sweden via our portfolio of differentiated webshops run on a common platform.

In the professional market, it is AO's ambition to be the preferred supplier of technical installation materials for tradesmen and large construction customers. As a rule of thumb, the ReMoVe market represents about 70%, while project sales represent about 30%.

Part of the team

AO is as much a sparring partner as a wholesaler. And we are proud to be part of the team when the tradesmen renovate, modernise and maintain Denmark. It is our strategy to remain the leader in the ReMoVe business by continuing the development of the value creation in our omni-channel offerings.

Towards common goals

AO's projects department creates a secure framework for large construction projects. We are not only focused on the offer, but also on ensuring that your project gets done better, cheaper and faster. It is our strategy to become one of the best partners to construction customers, by developing new digital support services.



It pays to start in the right place

AO has the industry's most complete B2C offer within simple home improvements and DIY. We are close to the customers with all the inspiration, advice and service they need. It is our strategy to remain the online leader in DIY, by continuing to offer new product ranges and solutions, and thus making DIY easier.

Actively contributing to a sustainable world

AO wants to be the leading green wholesaler to the construction industry and make it easy for all installers to comply with climate requirements, and to ensure a minimal environmental impact. AO wishes to help promote a sustainable world by supporting and contributing to a sustainable construction sector.

Our strategy is to continue to innovate and develop our omni-channel offerings – a hybrid business strategy, embracing the human touch in physical and digital touch-points and securing efficiency, flexibility and scalability via digitalised stores and harvesting the best of two worlds. We will continue to expand our product range and utilise it across target groups.

We aim to increase the business in Sweden too as we see a strong potential for organic growth.

The larger construction projects are served via our Group projects department with competencies targeting the special needs of the construction industry. We will increase both the digital, logistics and advisory services, and we will make it easy to comply with the increasing sustainability needs and requirements.

In the private DIY market, it's AO's ambition to be the leading online trading platform for the sale of technical home improvement materials in Denmark and one of the leading online platforms in Sweden and Norway.

We will continue to evaluate opportunities within M&A in both B2B and B2C.

At AO, we believe that everyone has a responsibility to manage resources and opportunities in a responsible way, ensuring the best possible conditions for future generations. That is why our climate ambitions are aligned with science-based targets validated by the Science Based Targets initiative (SBTi), committing AO to significant reductions in greenhouse gas emissions across Scope 1, Scope 2 and Scope 3 as part of our long-term net-zero ambition.

“
At AO, the customer is at the heart of everything we do and develop. We want to create value for our professional and private customers. That's something we aim to do every single day, and why we say: "We lend a hand".

Strategic ambitions



Profitable growth

- It is a strategic priority for AO to maintain and expand the industry's best B2B opportunities and the market's best B2C opportunities.
- The pressure on profit margins is estimated to remain high in the future, but AO will pursue a profitable growth via an ambitious and data-driven purchasing and pricing strategy.
- AO has the widest installer coverage with increasing cross-sell across product categories. New growth opportunities await in new business segments and in AO Sweden.
- AO's omnichannel strategy secures both digital efficiency and close customer relations
- It's AO's ambition to beat the market with a minimum of 2% each year via organic and acquisitive growth

High efficiency

- AO aims to continuously optimise internal and external processes, enabling our teams to focus on complex, value-creating tasks for our customers while automating simpler manual activities.
- AI has been heralded as the most important technology of our time. We believe in a proactive approach to the use of artificial intelligence across AO.
- AO has made substantial investments in optimising efficiency and increasing capacity at the central warehouse in Albertslund and the Logistics Centre West in Horsens. We will continue to exploit these synergies.
- It's our ambition to have the highest efficiency in the market and to reach an EBITDA margin of 10%.

Solid foundation

- AO aims to attract and retain the industry's best employees, fostering a culture defined by agility, professionalism and well-being.
- At AO, we have the best team in the industry. An organisation rounded out by AO's culture and with the industry's most loyal and experienced employees. The most important thing for AO's future competitiveness is the employees.
- IT plays a decisive role in AO's transformational power. It is crucial that AO has an IT landscape that is agile, scalable and future-proof, so that we can use as many resources as possible on development rather than operation.
- AO has a strong balance sheet and a robust capital structure, enabling AO to resist headwind and to seize opportunities. AO has a gearing target of an interest-bearing debt in the range 1.0-2.5 times EBITDA.

Performance

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Financial results

Strong growth underpinned by organic momentum and full-year acquisition effects

In 2025, AO delivered strong revenue growth of 12.7%, underpinned by solid organic development and the full-year effect of acquisitions completed in 2024. Approximately one third of the growth was attributable to prior-year acquisitions. EBITDA amounted to DKK 434m (DKK 366m), and the gross profit margin ended at 24.3% (23.3%). Organic momentum was sustained throughout the year.

Revenue

Organic revenue development was +8.4% (-1.0%) and revenue for 2025 was DKK 6,121m (DKK 5,429m) just above latest outlook from the Q3 report. On an organic level, revenue development sustained the momentum with 8.4% growth in the second half of the year.

Gross profit

Gross profit ended at DKK 1,485m (DKK 1,266m) corresponding to a gross profit margin of 24.3% (23.3%). Adjusted for the one-off gain from sale of real estate in 2024 the gross profit margin improved by 1.2%-p. Despite intense competition, the margin erosion within

the B2B sector has been successfully halted. Margins in the B2C business have substantially improved helped by full year effect from acquisitions.

External costs and staff costs

In total, the cost of doing business measured as external operating costs and staff costs accounted for 17.2% of revenue (16.6%). Cost levels are structurally higher in the B2C business, and the increased share of B2C revenue therefore drove a higher cost of doing business for the Group. Approximately one third of the increase in external operating costs and staff costs related to the full-year effect of businesses acquired in 2024.

Year end FTEs were 1,018 (981) after opening additional stores in Sweden.

EBITDA

EBITDA ended at DKK 434m (DKK 366m), corresponding to an EBITDA margin of 7.1% (6.7%). Adjusted for the gain from the sale of a building in 2024 the EBITDA margin improved 0.6%-p. EBITDA margins have continued to improve in the B2C business where a new scale has been reached after the acquisitions during 2024. The results of the segments are presented in the following pages.

Financials

Net financials amounted to DKK -33m (DKK -36m). Interest rates have decreased slightly compared to 2024, while the average debt level has been kept stable.

Earnings before tax (EBT)

EBT ended at DKK 260m (DKK 210m).

Income tax

Income tax amounted to DKK -59m (DKK -54m), corresponding to an effective tax rate of 22.8% (22.2%).

Earnings after tax (EAT)

EAT ended at DKK 201m (DKK 163m).

Equity

At the end of the year equity amounted to DKK 1,668m (DKK 1,536m). Thus, the solvency ratio at year-end was 40.7% (40.6%) and the target of maintaining a solvency of 40%+ was achieved.

Cash flows

Average net working capital for the year was 7.0% (6.3%) of revenue. Net working capital at the end of the year was 7.6% (7.1%) of revenue.

Cash flow from operating activities totalled DKK 312m (DKK 199m) corresponding to 4.9% of revenue (3.7%).

Change in receivables was DKK -82m (DKK -65m) driven by the Q4 activity as well as timing of payments.

Change in inventories contributed with a cash flow of DKK -82m (DKK -2m).

Change in trade payables contributed with a cash flow of DKK +114m (DKK -12m)

Cash flow from investing activities totalled DKK -200m (DKK -465m) impacted by the investments in expansion of the automated warehouse in Albertslund as well as IT investments in integrations and new IT solutions.

Cash flow from financing activities was DKK -106m (DKK +232m) reflecting a high level of dividend payouts.

Net interest bearing debt amounted to DKK 1,048m (DKK 993m) at year-end. Financial gearing was 2.4 times EBITDA (2.7 times). AO has a target gearing between 1.0 and 2.5 times EBITDA.



Q4 financials

Organic momentum carried into Q4 resulting in revenue growth of 7.9%. Solid B2B sales and growth in market share was supported by satisfactory Black Week sales in the B2C segment. Margins improved compared to last year further increasing the earnings for the quarter.

Revenue

Organic revenue development was +7.9% (+4.1%) with growth in both segments. Q4 Revenue was DKK 1,673m (DKK 1,550m) and 2025 organic revenue growth has been achieved in all four quarters of 2025.

Gross profit

Gross profit of DKK 429m (DKK 374m) corresponds to a profit margin of 25.6% (24.1%). Strong B2C performance as well as margin initiatives have increased margins.

External expenses and staff costs

Driven by acquisitions external expenses and staff cost in Q4 increased to DKK 280m (DKK 251m) corresponding to a cost of doing business ratio of 16.7% (16.2%). Higher share of B2C revenue increases cost of doing business ratio driven by sales related costs.

EBITDA

EBITDA ended at DKK 149m (DKK 123m), corresponding to an EBITDA margin of 8.9% (7.9%).

Earnings before tax (EBT)

EBT of the quarter ended at DKK 106m (DKK 80m).

MDKK	Q4 2025	Q4 2024
Revenue	1,672.8	1,550.4
Cost of sales	(1,244.2)	(1,176.8)
Gross profit	428.6	373.6
Other operating income	0.4	0.4
Gross margin	429.1	374.0
External expenses	(108.0)	(92.2)
Staff costs	(171.8)	(158.7)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	149.3	123.1
Depreciation and amortisation	(37.1)	(32.5)
Operating profit or loss (EBIT)	112.2	90.6
Financial income	3.0	5.4
Financial expenses	(9.5)	(16.0)
Profit or loss before tax (EBT)	105.8	80.0
Tax on profit or loss for the year	(21.4)	(18.5)
Net profit or loss for the year	84.4	61.5

B2B

The B2B business services the professional tradesmen as well as large construction companies through our omni-channel business model. In Denmark, AO is the wholesaler with the broadest product range serving more trades than our competitors. The B2B segment has roughly 70% of its revenue within repair and maintenance and 30% within projects. AO has gained market share in the Danish B2B market for the full year as well as in Q4.

Revenue

Segment revenue was DKK 5,028m (DKK 4,623m) for the year and DKK 1,329m (DKK 1,246m) for the quarter. Organic momentum has been carried through the year and segment revenue exceeded 5bn for the first time.

Gross profit

Gross profit of DKK 1,123m (DKK 1,012m) corresponds to a profit margin of 22.3% (21.9%) for the year. Fierce competition remains but initiatives are taking effect. Gross profit margin in Q4 at 22.9% (22.2%).

Direct expenses

Cost inflation as well as new hires have contributed to an increase in direct expenses which ended at DKK 554m (DKK 508m). Three new stores have been opened in Sweden.

EBITDA

Segment EBITDA ended at DKK 568m (DKK 507m).

Distribution of sales channels



MDKK	2025	2024	Q4 2025	Q4 2024
Revenue	5,027.6	4,623.5	1,328.8	1,246.3
Cost of goods sold	(3,706.6)	(3,438.7)	(970.8)	(927.0)
Product margin	1,321.0	1,184.8	358.0	319.3
Distribution	(198.5)	(173.0)	(53.1)	(42.9)
Gross profit	1,122.5	1,011.8	304.9	276.4
Direct expenses	(554.3)	(504.7)	(141.2)	(128.2)
EBITDA before indirect expenses	568.2	507.1	163.7	148.2
Key figures				
Gross margin %	22.3%	21.9%	22.9%	22.2%
EBITDA %	11.3%	11.0%	12.3%	11.9%

B2C

AO is the market leader within online DIY sales in Denmark and has further strengthened its position across its core B2C categories during the year. The Group holds leading positions within online DIY bathroom sales in Norway and within workwear in Denmark. The B2C platform features an extensive portfolio of specialized websites that address diverse customer needs and markets. Supported by robust organic growth, this segment has consistently expanded its contribution to Group revenue.

Revenue

Segment revenue was DKK 1,093m (DKK 806m) for the year and DKK 344m (DKK 304m) for the quarter. The B2C segment delivered a strong Q4, supported by solid 'Black Week' sales. As a result, the B2C segment accounted for more than 20% of Group revenue in Q4.

Gross profit

Gross profit of DKK 363m (DKK 240m) corresponds to a profit margin of 33.2% (29.8%). A higher share of workwear and clothing increased the segment margins.

Direct expenses

In 2025, direct expenses increased to DKK 235m (DKK 168m). In the B2C segment, direct expenses comprise Google-related costs that correlate with revenue growth. Direct expenses in relation to the revenue were 21.5% (20.9%).

EBITDA

Segment EBITDA ended at DKK 127m (DKK 72m) for the year. New top line scale to the B2C business has shifted the earning margins to be higher in the B2C segment. Segment EBITDA margin grew to 15.8% (12.1%) in Q4.

Number of households serviced



MDKK	2025	2024	Q4 2025	Q4 2024
Revenue	1,093.2	805.8	344.0	304.1
Cost of goods sold	(658.0)	(504.7)	(197.7)	(182.7)
Product margin	435.2	301.1	146.3	121.4
Distribution	(72.7)	(60.8)	(22.3)	(23.6)
Gross profit	362.5	240.3	124.0	97.8
Direct expenses	(235.1)	(168.1)	(69.7)	(61.1)
EBITDA before indirect expenses	127.3	72.2	54.2	36.7
Key figures				
Gross margin %	33.2%	29.8%	36.0%	32.2%
EBITDA %	11.6%	9.0%	15.8%	12.1%

Corporate governance

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Risk management

The identification and management of business risks form part of the annual strategic plan for the Group, which is approved by the Board of Directors. The Executive Board and the Board of Directors also establish the framework for determination of credit risk, currency risk, interest rate risk and liquidity risk.

Risk management is an integral part of the business management at AO. We prioritise having the necessary competencies within the business areas in which we operate. A yearly reassessment of risks and methods for risk identification and management is conducted. To define risk appetite and assess risks, risks are mapped in a classical risk model based on probability (frequency) and financial impact.

Risk identification

The focus of the risk management process is to identify and evaluate operational and strategic risks for AO in the short, medium, and long term. These risks are defined as events or developments that have a significant negative impact on AO's ability to:

- achieve profit goals
- execute on the strategy
- maintain a 'license to operate'.

Both gross risks (inherent risk) and net risks (residual risk) are considered. Gross risks are defined as the product of the consequence and probability of a risk, assuming that no risk mitigation measures are in place. Net risks are the product of the remaining risk after risk-reducing measures. Net risks should align with AO's risk appetite.

Risk assessment

The significance of risks is assessed as a combination of the probability of the risk materialising and the consequences if it does. The probability is evaluated based on the frequency with which AO expects the risk to occur, while the consequences are assessed on various parameters:

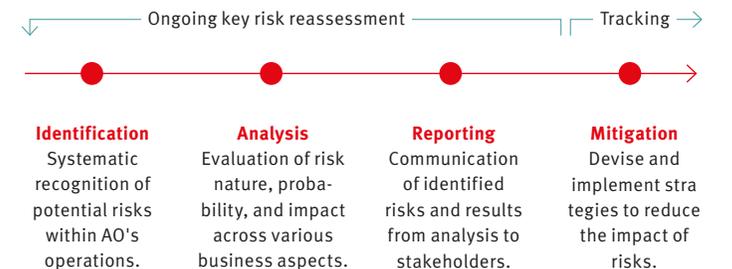
- impact on results (direct or indirect financial effect)
- impact on reputation
- compliance (license to operate, including personal safety).

Risk Management

The purpose of identifying, assessing, and subsequently managing risks is to reduce net risk to an acceptable level in accordance with the decided level of risk appetite. In the risk management system, we employ four strategies to handle risks:

- avoid – cease or make changes to activities that pose risks.
- transfer – shift risk to a third party.
- mitigate – seek to minimise identified risks to an acceptable level.
- accept – monitor risk and create contingency plans if the risk occurs.

Dynamic risk adaption



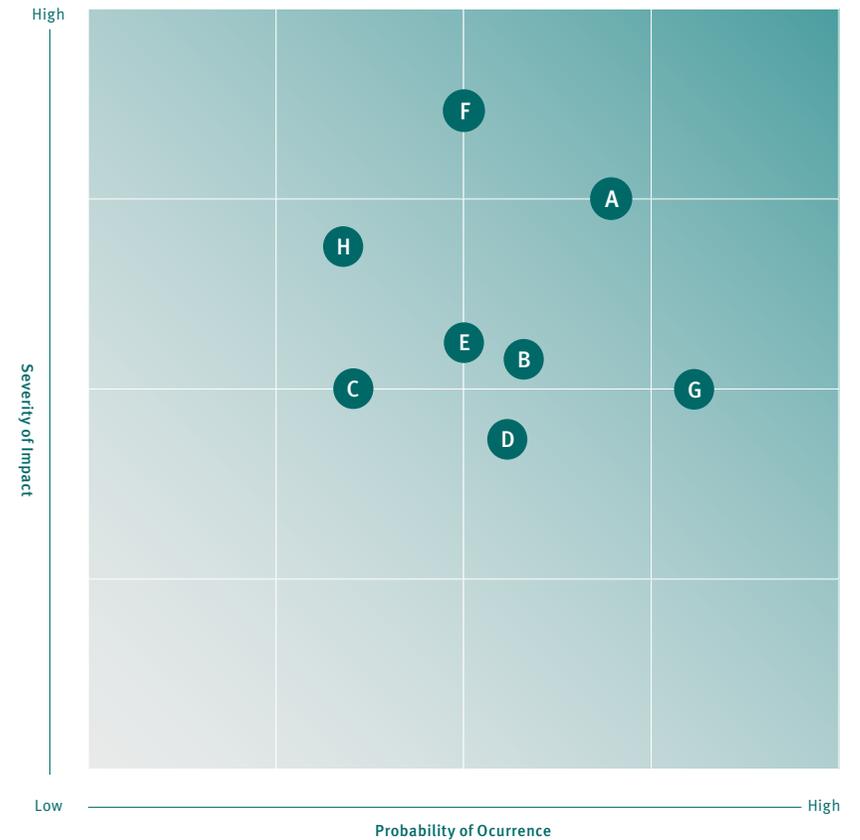
Net risks

Changes to previously identified risks

The risk assessment remains unchanged compared with the previous year, with the same key risks identified and with no material changes to the associated risk ratings.

- A** Market and competition dynamics
- B** Geopolitical and macroeconomic uncertainty
- C** Credit Management
- D** Global supply chain
- E** Environmental & products master data
- F** IT risks
- G** Cyberattack
- H** Dependency on service providers

Risk map



	A Market and competition dynamics	B Geopolitical and macroeconomic uncertainty	C Credit Management	D Global supply chain
Description	Risk of new competitors entering into or expanding in the Danish market. Continued and accelerating consolidation amongst customer groups.	Risk of market decline due to geopolitical or macro-economic uncertainties.	Risk of losses associated with extending credit to customers.	Risk of product unavailability due to supply chain uncertainties.
	The risk is unchanged	The risk is unchanged	The risk is unchanged	The risk is unchanged
Impact	<p>The risk of increased consolidation in the Danish market creating stronger competitors and customers with higher bargaining power could mean that AO loses competitive advantages and is unable to meet the goal of gaining market share or maintaining profit margins.</p> <p>Probability: ■ High Impact: ■ High</p>	<p>Geopolitical uncertainties can lead to macroeconomic downturns involving inflation, rising interest rates, increasing energy costs, etc. This could impact the construction industry overall and decrease market demand.</p> <p>Probability: ■ High Impact: ■ Medium</p>	<p>Customer credits are an established part of the wholesale industry, and the majority of the group's sales are conducted on credit. The risk increases during downturns in the construction industry, where the likelihood of sudden bankruptcies among the customer base rises.</p> <p>Probability: ■ Medium Impact: ■ Medium</p>	<p>In the event that AO cannot supply the products customers need, there is a risk of losing customers to competitors, ultimately affecting revenue and earnings.</p> <p>Probability: ■ High Impact: ■ Medium</p>
Risk response	<p>Mitigation To minimise the potential impact, AO aims to continue making it as easy and transparent as possible for customers to trade with AO. Emphasis on streamlining the supply chain and overhead costs is intended to ensure that AO can remain competitive in terms of pricing, even compared to larger competitors.</p> <p>Acceptance AO acknowledges that the risk cannot be entirely avoided and actively monitors the actions of existing and potential new competitors.</p>	<p>Acceptance AO acknowledges that the risk cannot be entirely avoided and actively works to monitor market developments. In budgets and forecasts, AO establishes the foundation for business initiatives. AO aims to have a scalable business with lower overhead costs than competitors, which can mitigate the impact.</p>	<p>Mitigation AO has established a credit policy and continuously monitors customers' outstanding balances. Accounts with overdue balances are closed, reducing the risk of further losses.</p> <p>Transfer AO insures larger customer engagements through credit insurance, providing coverage against significant individual losses.</p> <p>Acceptance There is an acceptance of a certain level of risk in customer credits.</p>	<p>Mitigation AO collaborates closely with its key suppliers, gaining an understanding of their supply situations. In dialogue with the sales and procurement organisation, min/max inventory levels are established, and shortages are monitored. Where possible, efforts are made to have alternative products and suppliers for essential items. During crisis periods, buffer stocks are built up to ensure AO can fulfil customer orders.</p>

■ High
■ Medium



Environmental & products master data



IT risks



Cyberattack



Dependency on service providers

Description

Risk of not being able to adhere to regulatory and customer driven demands for detailed data on environmental impact of the products sold.

Risk of breakdowns in business-critical systems, including the failure to fully leverage IT integrations.

Risk of IT breakdown due to a cyberattack.

Risk of discontinued service from key service providers causing business disruptions.

The risk is unchanged

The risk is unchanged

The risk is unchanged

The risk is unchanged

Impact

Inadequate product documentation can reduce transparency in the assortment, making it harder for customers to assess a product's environmental impact. This may lead to lost business opportunities as customers' expectations are not met. Additionally, the required data collection from suppliers can be challenging and requires significant effort in data registration and validation.

Frequent but short-term IT outages resulting in operational losses, leading to an inability to maintain the desired efficiency and service level for AO's customers. There is a risk that the lack of optimisation in operations could result in productivity loss.

Business disruption due to compromised data, denial-of-service attacks, ransomware, etc. are among the consequences of a cyberattack. The duration of such a business disruption can be lengthy and have significant impact on AO's ability to conduct business.

Sudden discontinued service from key service providers could disrupt AO's ability to deliver goods timely or negatively impact the efficiency of the logistics. A lack of ability to live up to AO's commitments towards customers could result in loss of business affecting revenue and earnings.

Probability: ■ Medium
Impact: ■ Medium

Probability: ■ Medium
Impact: ■ High

Probability: ■ High
Impact: ■ Medium

Probability: ■ Medium
Impact: ■ High

Risk response

Mitigation
AO works primarily with major suppliers and a professional collaboration is established in order to get high quality product documentation. Every effort is being made to get EPDs (Environmental Product Documentation) on the products as well as information relevant for certified construction projects such as Swan-labeled construction and DGNB.
AO is educating its own work force to support customers in their efforts towards legal and regulatory compliance. Master Data Governance plays an integral part in ensuring availability of documentation.

Mitigation
AO collaborates closely with its key partners and works on expanding a robust IT organisation to support AO's activities.

Mitigation
AO has established an IT Security Council reporting to AO's management, which provides guidelines for AO's IT security. Business Continuity Plans are in place to mitigate the impact.

Transfer
AO has obtained insurance coverage against cyberattacks, thus reducing but not eliminating the potential impact.

Mitigation
AO has a close collaboration with its key service providers. On an ongoing basis AO coordinates future demands for services with its suppliers in order to ensure that needs are met. Alternative suppliers are identified for key services.

■ High
■ Medium

Corporate governance

The Board of Directors/Audit Committee and the Executive Board have overall responsibility for the Group’s internal controls and risk management in connection with the financial reporting process, including compliance with applicable legislation and other regulations in relation to financial reporting.

AO has established internal control and risk management systems to ensure that financial reporting is carried out in accordance with IFRS and other accounting regulations applicable to listed Danish companies. In addition, the systems increase the certainty that the internal and external financial reporting provides a true and fair presentation that is free from material misstatement.

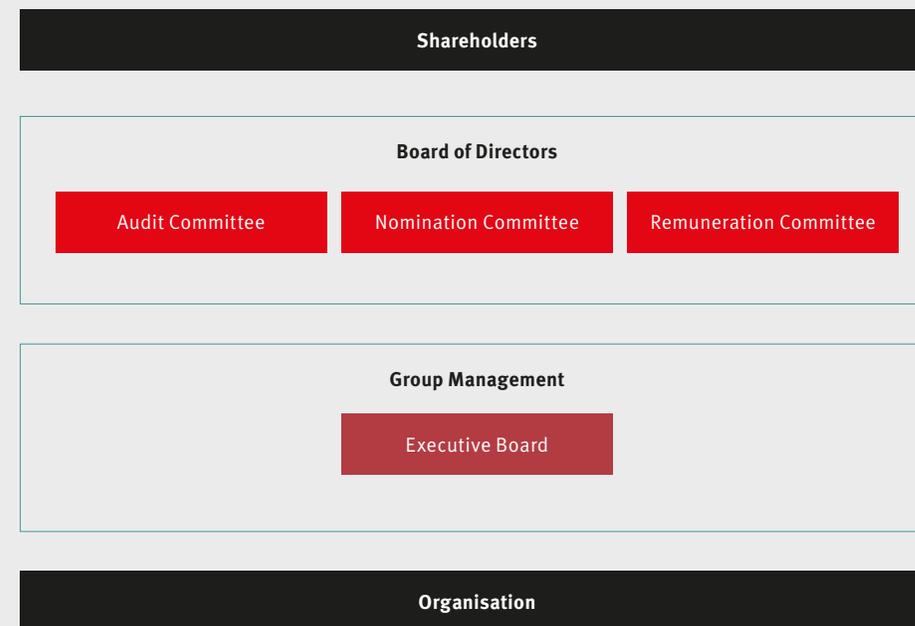
The Audit Committee monitors the control and risk management systems in the Group on an ongoing basis. In this context, risks that may affect the Group’s financial reporting process are likewise assessed on an ongoing basis. The risk assessment is based on significant items and other business-critical areas.

Recommendations on corporate governance

All recommendations have been analysed and considered by the Board of Directors and the Executive Board of Brødrene A & O Johansen A/S, and the Board of Directors is of the opinion that the management of Brødrene A & O Johansen A/S complies with the most important recommendations in the report.

The company has opted to implement another approach to five areas of the Danish Corporate Governance recommendations in 2025, unchanged compared to 2024.

Two-tier governance structure





A summary of the areas where the Group has chosen to follow a different practice is provided below:

- Given the company’s ownership structure, the Board reserves the right to reject takeover bids in certain cases without submission to shareholders.
- The Chief Executive Officer is responsible for the general management of the company while also serving as a member of the Board.
- 3 out of 5 of the Directors elected by the Annual General Meeting are not independent as they have been members for more than 12 years.
- 2 out of 4 of the members of the Audit Committee are not independent. This committee is made up solely of members of the company’s Board of Directors, which is why there is no requirement for independence. The chair of the Audit Committee is independent.

Brødrene A & O Johansen A/S has prepared a full report on corporate governance for the 2025 financial year under Section 107b of the Danish Financial Statements Act. This can be viewed or downloaded at:

→ Corporate Governance 2025
https://ao.dk/globalassets/download/regnskabsdata/2025/corporate_governance_2025-report.pdf

Reporting on the Danish Financial Statements Act 107f:

AO’s Board of Directors consists of eight members, of whom five are elected by the Annual General Meeting and three are employee-elected. Among the board members

elected by the Annual General Meeting, one member is female, and the underrepresented gender therefore represents 20%. Of the three employee-elected board members, one member is female, and the underrepresented gender therefore represents 33%.

Under the Danish Gender Balance Act, this composition is considered an even gender distribution with regard to the employee-elected board members, whereas AO does not yet have an even gender distribution among the members elected by the Annual General Meeting.

At present, the Executive Board consists of four members, of whom one member is female.

In accordance with the definition in the Danish Gender Balance Act, AO has six female members (30.0%) and 14 male members (70.0%) at other management levels. The gender distribution at other management levels is not yet considered even under the Danish Gender Balance Act. Management has set a target for 30 June 2026 to increase the representation of the underrepresented gender at other management levels to more than 30%.

During 2025, Management adjusted the hiring process and the internal promotion assessment process to support an increase in the representation of the underrepresented gender, including by ensuring that candidates from the underrepresented gender are explicitly included among the final candidates. Furthermore, the Board of Directors will be considering options to increase the representation of the underrepresented gender among the board members elected by the Annual General Meeting.

Board of Directors

GOV-1 Brødrene A & O Johansen A/S' Board of Directors comprises a total of eight members who have been elected to protect the interests of the shareholders as best as possible and to ensure an appropriate and balanced development of the company both in the short and the long term.

The Board of Directors oversees the overall and strategic management of the company.

- Five members are elected by the General Meeting.

The holders of Class B shares have the right to elect one Board member whereas the holders of Class A shares elect the remaining Board members. The election of Board members representing each individual share class is determined by a simple majority of votes. The Board members are elected for a period of one year after which they may be re-elected.

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In Denmark, the Company's employees elect three Board members according to the current provisions of the Danish Companies Act. Staff-elected Board members are elected for a term of four years. In addition, the

Company's employees also elect an equivalent number of alternates who are elected for a similar term.//

Staff-elected Board members have good knowledge of the Company's activities and contribute in a constructive way to the decisions of the Board, and they have the same rights, duties, and responsibilities as Board members elected by the General Meeting.

The Board of Directors holds meetings 6-7 times a year.

Audit Committee

The purpose of the Audit Committee's work is to make an independent assessment of whether the Company's financial reporting, internal control, risk management and statutory audit are appropriate in relation to the Company's and the Group's size and complexity. The

Board member elected by the Class B shareholders has been appointed Chair of the Audit Committee.

The Audit Committee has the following tasks:

- to monitor and report on the financial reporting process,
- to monitor and report on the sustainability reporting process,
- to monitor the efficiency of the Company's internal control, internal audit, if any, and risk management systems,
- to monitor the statutory audit of the financial statements and sustainability reports,
- to monitor and review the independence of the auditor, including reviewing and approving the nature and extent of the external auditor's non-audit services,
- to recommend the appointment of auditors including sustainability auditors,

Meetings

The Audit Committee consists of four members who are appointed from and among the Board of Directors. The Audit Committee hold meetings 4-5 times a year.

Nomination Committee

The Board of Directors has set up a Nomination Committee consisting of two members responsible for performing the following preparatory tasks:

- describing the required qualifications for a given member of the Board of Directors and the Executive Management, the estimated time required for performing the duties of this member of the Board of Directors and the competencies, knowledge and experience that are or should be represented in the two management bodies,
- on an annual basis evaluating the Board of Directors and the Executive Management's structure, size, composition, and results and preparing recommendations for the Board of Directors for any changes,
- in cooperation with the chairperson handling the annual evaluation of the Board of Directors and assessing the individual management members' competencies, knowledge, experience, and succession as well as reporting on it to the Board of Directors,
- handling the recruitment of new members to the Board of Directors and the Executive Management and nominating candidates for the Board of Directors' approval,
- ensuring that a succession plan for the Executive Management is in place,
- supervising Executive Management's policy for the engagement of executive employees, and
- supervising the preparation of a diversity policy for the Board of Directors' approval.

Remuneration committee

The Remuneration Committee is made up of two members who are appointed from among the Board of Directors. The committee is responsible for:

- preparing a draft remuneration policy for the Board of Directors' approval prior to the presentation at the general meeting,
- providing a proposal to the Board of Directors on the remuneration of the members of the executive management,
- providing a proposal to the Board of Directors on the remuneration of the Board of Directors prior to the presentation at the General Meeting,
- ensuring that the management's actual remuneration complies with the Company's remuneration policy and the evaluation of the individual member's performance, and
- assisting in the preparation of the annual remuneration report for the Board of Directors' approval prior to the presentation for the General Meeting's advisory vote.

Board evaluation procedure

The Board of Directors annually assess and evaluate the competence, knowledge, and experience of the individual members of the Board of Directors and the Executive Management and report their findings to the Board of Directors.

In 2025, the Board of Directors conducted an evaluation of the Board of Directors and its individual members. As in 2024, this year's evaluation was conducted through a questionnaire provided to each individual member of the Board of Directors by an external service provider. The evaluation included, effectiveness, performance, and composition of the Board of Directors. The evaluation concluded that the Board of Directors is working well, forwarded material is of high quality, the Board of Directors has the right competencies, and that there is a high degree of satisfaction with the cooperation between the Board of Directors and Executive Management.

2. Authorisation to acquire own shares

The Board of Directors proposes that it be authorised by the General Meeting during the period until 1 May 2027 to let the Company acquire own shares equivalent to a total of 10% of the Company's share capital at the time of being granted authorisation, provided that the Company's total holding of own shares at no point exceeds 10% of the Company's share capital. The consideration must not deviate by more than 10% from the official price quoted at Nasdaq Copenhagen at the time of acquisition.

3. Authorisation of the Chair

The Board of Directors proposes that the Chair of the Annual General Meeting (with the right of substitution) be authorised to register the resolutions passed by the Annual General Meeting with the Danish Business Authority and to make such alterations as the Danish Business Authority may require for registration or approval.

Participation in Board meetings in 2025

Board member	Board Meetings	Audit Committee	Remuneration Committee	Nomination Committee
Henning Dyremose	●●●●●●●●	●●●●●●	●	●
Erik Holm	●●●●●●●●	●●●●●●	●	●
Peter Gath	●●●●●●●●	●●●●●●		
Niels A. Johansen	●●●●●●●●			
Ann Fogelgren	●●●●●●●●	●●●●●●		
René Alberg	●●●●●●●●			
Leif Hummel	●●●●●●●●			
Marlene L. Jakobsen	●●●●●●●●			
Meeting participation in 2025 %	100%	100%	100%	100%

Proposals for the Annual General Meeting

The Annual General Meeting will be held completely electronically at 1 p.m. on March 20 2026.

1. Allocation of profits

The net profit for the year amounts to DKK 200.7m. The Board of Directors proposes to distribute a dividend of DKK 3.75 per DKK 1 share, corresponding to around 50% of the profit after tax for the year and 375% of the share capital.

Members of the Board of Directors

GOV-1

Henning Baunbæk Dyremose



Chair

Born: 1945

Joined: 1997, Chair since 2007

Nationality: Danish

Deputy Chair of the Audit Committee, Chair of the Remuneration and Nomination Committees

Elected by Class A shareholders

As Henning Dyremose has been a member of the Board of Directors for more than 12 years, he cannot, according to the 'Danish Recommendations on Corporate Governance', be characterised as being independent of special interests.

Qualifications

Broad leadership experience in business, finance and politics

Experience as managing director of a wholesale company with the same customers as Brødrene A & O Johansen A/S

Former Minister of Finance

Managerial Posts

CEO of Henning Dyremose ApS; HD Invest, Virum ApS; HCE Invest, Virum ApS; CD Invest, Virum ApS and Elly Dyremose ApS

Share ownership

71,240 (59,770) Class B shares. Acquired 11,470 Class B shares in 2025.

Erik Holm



Deputy Chair

Born: 1960

Joined: 2009

Nationality: Danish

Member of the Audit Committee, Deputy Chair of the Remuneration and Nomination Committees

Elected by Class A shareholders

As Erik Holm has been a member of the Board of Directors for more than 12 years, he cannot, according to the 'Danish Recommendations on Corporate Governance', be characterised as being independent of special interests.

Qualifications

Experience as managing director of a wholesale company with the same customers as Brødrene A & O Johansen A/S

Broad leadership experience in sales, finance, and logistics, both in Denmark and internationally

Experience of Board work in other listed companies

Managerial Posts

Chair of the Boards of CR EL & TEKNIK A/S, Norr11 Holding ApS, Norr11 International ApS, Hotel Kolding-fjord A/S

Deputy Chairman of the Boards of SP Group A/S, Arvid Nilssons Fond

Member of the Boards of Miluda Invest ApS, Dragsholm Slot P/S, Hotelselskabet af 8. februar 2018 K/S and Tokyo Topco Limited (Sticks 'n' Sushi)

CEO of Erik Holm Holding ApS and JU-CH Holding Aps

Share ownership

0 (0) Class B shares. No trades in AO shares in 2025.

Members of the Board of Directors

GOV-1

Ann Fogelgren



Member

Born: 1974
Joined: 2023
Nationality: Swedish
Member of the Audit Committee

Elected by Class A shareholders

According to the 'Danish Recommendations on Corporate Governance' Ann Fogelgren is considered to be independent of special interests.

Qualifications

PhD in Information Systems from Copenhagen Business School in 2005
Chief Information Officer of GN Store Nord A/S
Former CIO posts at a number of large Danish companies
Former CDO
In depth knowledge of strategic IT solutions and AI technology

Managerial Posts

Share ownership

0 (0) Class B shares. No trades in AO shares in 2025.

Peter Gath



Member

Born: 1965
Joined: 2023
Nationality: Danish
Chair of the Audit Committee

Elected by Class B shareholders

According to the 'Danish Recommendations on Corporate Governance' Peter Gath is considered to be independent of special interests.

Qualifications

State-authorized public accountant in 1996
Cand.jur. (Master of Law) in 1991
Certified Sustainability Auditor in 2024
Former long term Audit Partner at KPMG and EY and former Chair of FSR (The Institute of State-Authorised Public Accountants in Denmark)
Former external auditor for Brødrene A & O Johansen A/S

Managerial Posts

Chair of the Board of FSRs Studie- & Understøttelsesfond, Lyn Mildé A/S and Fonden Johannes Hages Hus
Member of the Board of Milde-Fonden, Konsolidator A/S and Board Office A/S
CFO of St. Jørgen Holding ApS and CEO of Strategia Finans ApS

Share ownership

7,000 (7,000) Class B shares. No trades in AO shares in 2025.

Niels A. Johansen



Member

Born: 1939
Joined: 1979
Nationality: Danish
Elected by Class A shareholders

As Niels A. Johansen has been a member of the Board of Directors for more than 12 years, he cannot, according to the 'Danish Recommendations on Corporate Governance', be characterised as being independent of special interests.

Qualifications

Long-time managerial experience as CEO
In-depth knowledge of the wholesale industry of installation materials in Denmark and the rest of Europe

Managerial Posts

Chair of the Board of Directors of Avenir Invest ApS.
Niels A. Johansen is the CEO and member of the Board of Directors of a consolidated company and the Chair of the Board of Directors of three consolidated companies

Share ownership

28,270 (28,270) Class A shares and 2,810,400 (2,810,400) Class B shares.
No trades in AO shares in 2025.

Members of the Board of Directors

GOV-1

René Alberg

Employee-elected member

Elected in 2022, term expires in 2026

Born: 1971

Joined: 2006

Nationality: Danish

Product Manager



Leif Hummel

Employee-elected member

Elected in 2022, term expires in 2026

Born: 1963

Joined: 2022

Nationality: Danish

Facility Manager



Marlene L. Jakobsen

Employee-elected member

Elected in 2022, term expires in 2026

Born: 1983

Joined 2022

Nationality: Danish

Store Manager



Share ownership

500 (500) Class B shares. No trades in AO shares in 2025.

Share ownership

5,200 (5,200) Class B shares. No trades in AO shares in 2025.

Share ownership

433 (364) Class B shares. Acquired 69 Class B shares in 2025.

Executive Board

GOV-1

Niels A. Johansen



CEO

Born: 1939

Chair of the Board of Directors of Avenir Invest ApS.

Niels A. Johansen is the CEO and member of the Board of Directors of a consolidated company and the Chair of the Board of Directors of three consolidated companies

Holds 28,270 (28,270) Class A shares and 2,810,400 (2,810,400) Class B shares either directly or indirectly

Per Toelstang



CFO, Deputy CEO

Born: 1966

CEO of MP Toelstang Holding ApS, Toelstang Invest ApS, Ridersclub ApS

Chair of the Board of Directors of Høvegaard ApS

Member of the Board of Directors of Kohberg Bakery Group A/S

Holds 34,340 (20,000) Class B shares either directly or indirectly

Stefan Funch Jensen



CTO

Born: 1974

Holds 9,300 (0) Class B shares either directly or indirectly

Lili Johansen



CHRO

Born: 1957

Member of the Board of Directors of Avenir Invest ApS.

Holds 28,110 (28,110) Class A shares and 371,565 (360,000) Class B shares either directly or indirectly

AO Management Team

Jeanette Roed Berthelsen

CSO, HVAC & Projects

Torben Christiansen

CSO, Construction

Lars Kestner

CSO, Electricals

Gitte Lindeskov

CIO

Ian Schlottmann

Director of Procurement Excellence

Søren Paaskesen

CPO / Director of Commercial Procurement

Sebastian Sigvaldason

Logistics Director

Shareholder information

Dividend

The Board of Directors proposes that a dividend of DKK 3.75 per DKK 1 share be distributed for 2025 corresponding to a payout ratio of 52.3%. The proposal is in line with the capital allocation policy which states a payout ratio of 33% - 50%.

Shareholders, capital, and voting rights

AO has two classes of shares. Class A shares cannot be negotiated without the approval of the Board, whereas Class B shares are freely negotiable. In addition, the B share class carries special rights in the form of payment of cumulative dividends.

The Company's nominal share capital is DKK 28,000k. Of which DKK 5,640k are Class A shares and DKK 22,360k are Class B shares. Each class A share of DKK 100 carries 1,000 votes, whereas each Class B share of DKK 1 carries 1 vote. In addition to the difference in the number of votes, the two share classes differ in the following respects:

The Class A shares are non-negotiable instruments, whereas the Class B shares are listed on Nasdaq Copenhagen under ID code DK0061686714.

The holders of Class B shares have a preferential cumulative dividend right of 6%. This means that no dividend will be paid for Class A shares until the Class B shares have achieved a cumulative dividend of 6%.

In the event of liquidation, Class B shares take precedence over Class A shares.

Changes to the Company's Articles of Association require that two thirds of cast votes and two thirds of the represented capital at a general meeting are in favour of the change.

The Company's Board of Directors consists of eight members who do not have to be shareholders. Five members are elected by the Annual General Meeting, and three members are elected by the staff. Holders of Class B shares are entitled to appoint and elect one Board member, while holders of Class A shares elect the remaining Board members elected by the Annual General Meeting.

AO shares

	A share	B share
Shares	56,400	22,360,000
Nominal value per share (DKK)	100	1
Nominal value (DKK)	5,640,000	22,360,000
Votes per share	1,000	1
Treasury shares		761,062
Stock Exchange		Nasdaq Copenhagen Ticker: AOJ B ISIN: DK0061686714
Share price year-end (DKK)		94.4
Market Cap year-end (MDKK)	532.4	2,110.8

Dividend payments

MDKK	2025	2024	2023	2022	2021
Dividend	105.0	84.0	105.0	147.0	126.0
Payout ratio	52%	51%	50%	50%	50%

Investor relations policy

By making factual, relevant, and reliable information available to shareholders and other stakeholders, the management of Brødrene A & O Johansen A/S aims at giving the share market the best possible basis for pricing the Company's shares fairly.

Brødrene A & O Johansen A/S's Investor Relations activities are designed to ensure that the disclosure of information is in accordance with the current disclosure requirements established by Nasdaq Copenhagen A/S.

Brødrene A & O Johansen A/S's financial communication with stakeholders takes place mainly through company announcements, quarterly webcasts, and investor meetings.

Brødrene A & O Johansen A/S does not comment on any information relating to financial results or expectations in the period between the end of an accounting period and the date on which results are published. The Company's management will refrain from holding investor meetings and the like in this period. The Company will also be reluctant to arrange meetings in periods where it is dealing with matters that could result in decisions that are to be announced to the public.

	Number of Class A shares (DKK 100)	Number of Class B shares (DKK 1)	Number of shares – nominal value	Capital, %	Votes, %
Avenir Invest ApS	56,220	208,000	5,830,000	20.82%	71.65%
Niels A. Johansen	160	2,706,400	2,722,400	9.72%	3.64%
Other registered shares	20	17,062,594	17,064,594	60.94%	21.69%
Unregistered shares	0	1,621,944	1,621,944	5.79%	2.06%
Total, excluding treasury shares	56,400	21,598,938	27,238,938	97.28%	99.03%
Treasury shares	0	761,062	761,062	2.72%	0.97%
Total	56,400	22,360,000	28,000,000	100.00%	100.00%



Financial calendar

- 26/2 2026 **Annual Report**
- 20/3 2026 **Annual General Meeting**
- 30/4 2026 **Quarterly Report Q1 2026**
- 17/8 2026 **Quarterly Report Q2 2026**
- 28/10 2026 **Quarterly Report Q3 2026**

Analysts

The AO share is covered by the following financial institutions:
 · SEB

Investor contacts

CEO Niels A. Johansen
 CFO, Deputy CEO Per Toelstang
 Head of IR Nicolaj Harmundal Petersen
 IR@AO.dk

Data ethics

Statutory Statement on Data Ethics, cf. Section 99d of the Danish Financial Statements Act

This statutory statement on data ethics of Brødrene A & O Johansen A/S is part of the Management's review in the Annual Report for 2025 and covers the accounting period from 1 January to 31 December 2025.

Scope and Group Coverage

Brødrene A & O Johansen A/S (Central Business Register (CVR) number 58210617) is the only Danish company in the Group subject to the requirements of section 99d of the Danish Financial Statements Acts. Pursuant to section 99d(3), this statement on data ethics is prepared at Group level and therefore also covers subsidiaries, including AO Workwear A/S (Central Business Register (CVR) number 32151922), even though these companies are not independently required to prepare a statement.

The described data ethics principles and measures therefore apply to both Brødrene A & O Johansen A/S (hereinafter referred to as 'AO') and AO Workwear A/S. The statement is published as part of the Management's review in AO's Annual Report for 2025 and is available on the company's website.

Data Ethics Principles and Measures

AO has a fundamental ambition to ensure that customers, employees, and business partners have confidence in the

company's use and processing of data. Digitalisation and the use of new technologies are crucial to AO's business development, and data ethics is therefore an integral part of the company's governance structure.

The Board of Directors has adopted a data ethics policy containing the following principles:

- Management's dedication to data ethics
- Responsible processing of data in accordance with rules and society's perception
- Ensure transparency of processing operations
- Avoid discrimination and exclusion
- Support privacy and information security
- Training of employees.

To ensure implementation and compliance, a data ethics working group has been established, which applies the principles when assessing new digitalisation and technology initiatives. In 2025, the working group placed particular emphasis on AO's use of artificial intelligence (AI). The working group conducted a mapping and data ethics assessment of AO's AI projects. No ethical issues were identified, and the use was assessed to be in compliance with AO's principles. As a follow-up, a procedure for the responsible use of AI has been developed, estab-

lishing the framework for development and application. At the same time, AO has worked systematically with the risk landscape associated with data processing and digitalisation. This supports the company's efforts in information security and data protection, where AO is certified in accordance with ISO/IEC 27001 and ISO/IEC 27701. AO has also implemented measures to ensure compliance with the NIS2 Directive.

AO recognises that data ethics is not solely about regulatory compliance, but also about actively taking a position on technological dilemmas and societal implications. The development of AI services is expected to continue at a rapid pace, and the primary focus in 2026 will therefore be the ongoing monitoring and assessment of AO's use of AI. This will include continued evaluation of which service models best support responsible development and ensure sustained trust from customers and business partners.

The data ethics working group will also continue to be responsible for updating policies, assessing new applications, and reporting to management.



Sustainability statement

- 41 Executive summary
- 49 General
- 65 Environment
- 83 Social
- 98 Governance



Executive summary

AO's Sustainability statement for 2025

AO believes that we all have a common responsibility to manage resources and opportunities in a responsible way to ensure the best possible conditions for the next generation to build upon.

AO is committed to participate in creating a positive change in the construction and installation industry by helping our customers achieving sustainable growth.

This can be done by setting a good example, by working with the value chain to reduce negative ESG impacts, and most importantly, by making it easy for the AO's customers to comply with sustainability demands and progress in their own sustainability efforts.

In 2025 AO continued to take significant steps towards integrating ESG further into its business strategy, by increasing our quality on environmental data to meet customers' demands and new regulations. AO initiated company-wide training for all employees to increase knowledge on products and services, sustainability

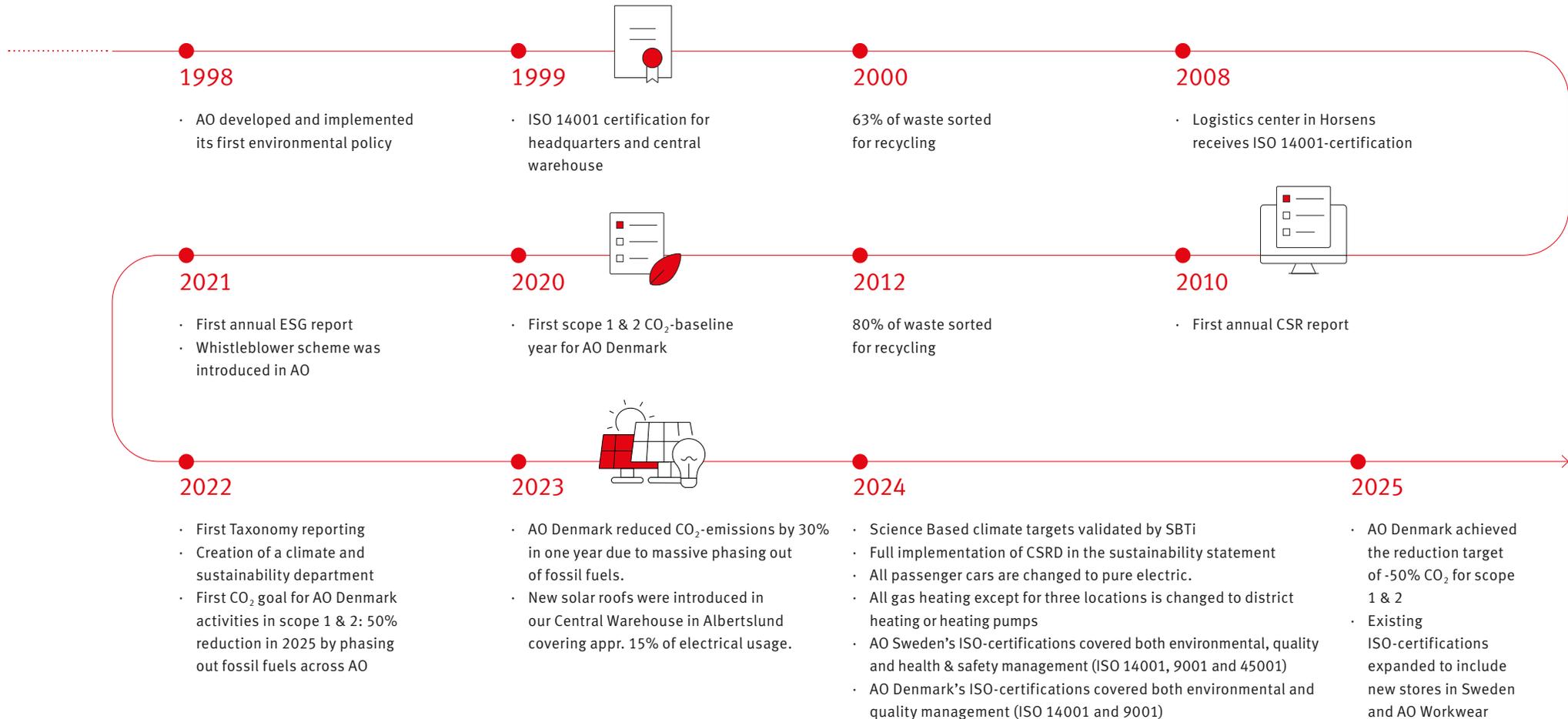
requirements and be the Everyday Green Partner for its customers.

The employees are the core of AO, and they are crucial to the company's success and results. AO is committed to being a socially responsible business and providing the best possible working conditions for our employees. In 2026 AO will continue to focus on increasing the overall employee satisfaction.

Following the acquisitions in 2024, AO focused in 2025 on integrating the new companies into its ESG framework and data collection processes to improve efficiency and ensure group-wide alignment on initiatives.

Highlights of 2025 include:

- AO Denmark has reached our original CO₂-target for Scope 1 & 2 by reduction CO₂-emissions by 64% from 2020-2025
- Fossil fuels across Denmark, Sweden, and Norway are almost eliminated with the only exceptions of gas heating in a few locations and a few heavy vehicles that cannot be electrified yet.
- ISO Certification expanded to include the new Swedish stores and AO Workwear
- 52% of AO's employees have worked for AO for more than 5 years
- AO implemented a supplier assessment system to support the risk assessment of our value chain
- AO continues to strengthen its position as the Everyday Green Partner by increasing the efforts to meet customers' demands for environmental data and services for sustainability certified construction projects. This will continue to be a key priority in the years to come



Sustainability is an integrated part of our strategic vision and business strategy

In line with our commitment to create a positive change in the construction and installation industry, AO helps the customers achieving sustainable growth. AO believe it can be done by setting a good example and by working with the value chain to reduce negative ESG impacts, and most importantly, by making it easy for the customers to choose the more sustainable path forward. ESG is now fully incorporated in our strategy and represents a cornerstone in the strategic vision. At AO sustainability is seen as a way to help customers reach their objectives more effectively and responsibly.

Part of the team

AO is as much a sparring partner as a wholesaler. And we are proud to be part of the team when the tradesmen renovate, modernise and maintain Denmark. It is our strategy to remain the leader in the ReMoVe business by continuing the development of the value creation in our omni-channel offerings.

Towards common goals

AO's projects department creates a secure framework for large construction projects. We are not only focused on the offer, but also on ensuring that your project gets done better, cheaper and faster. It is our strategy to become one of the best partners to construction customers, by developing new digital support services.



It pays to start in the right place

AO has the industry's most complete B2C offer within simple home improvements and DIY. We are close to the customers with all the inspiration, advice and service they need. It is our strategy to remain the online leader in DIY, by continuing to offer new product ranges and solutions, and thus making DIY easier.

Actively contributing to a sustainable world

AO wants to be the leading green wholesaler to the construction industry and make it easy for all installers to comply with climate requirements, and to ensure a minimal environmental impact. AO wishes to help promote a sustainable world by supporting and contributing to a sustainable construction sector.

AO's climate targets have been validated by the SBTi

The Science Based Targets initiative (SBTi) is a globally recognised organisation that validates corporate climate targets based on the latest climate science.

By having AO's targets validated by SBTi, AO demonstrates that our climate ambitions align with the necessary efforts to limit global warming to 1.5°C. This validation ensures that AO's near-term and net-zero goals are credible and in line with international climate action standards.

AO's targets represent a significant step forward in setting new benchmarks for climate ambition.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Near-term target

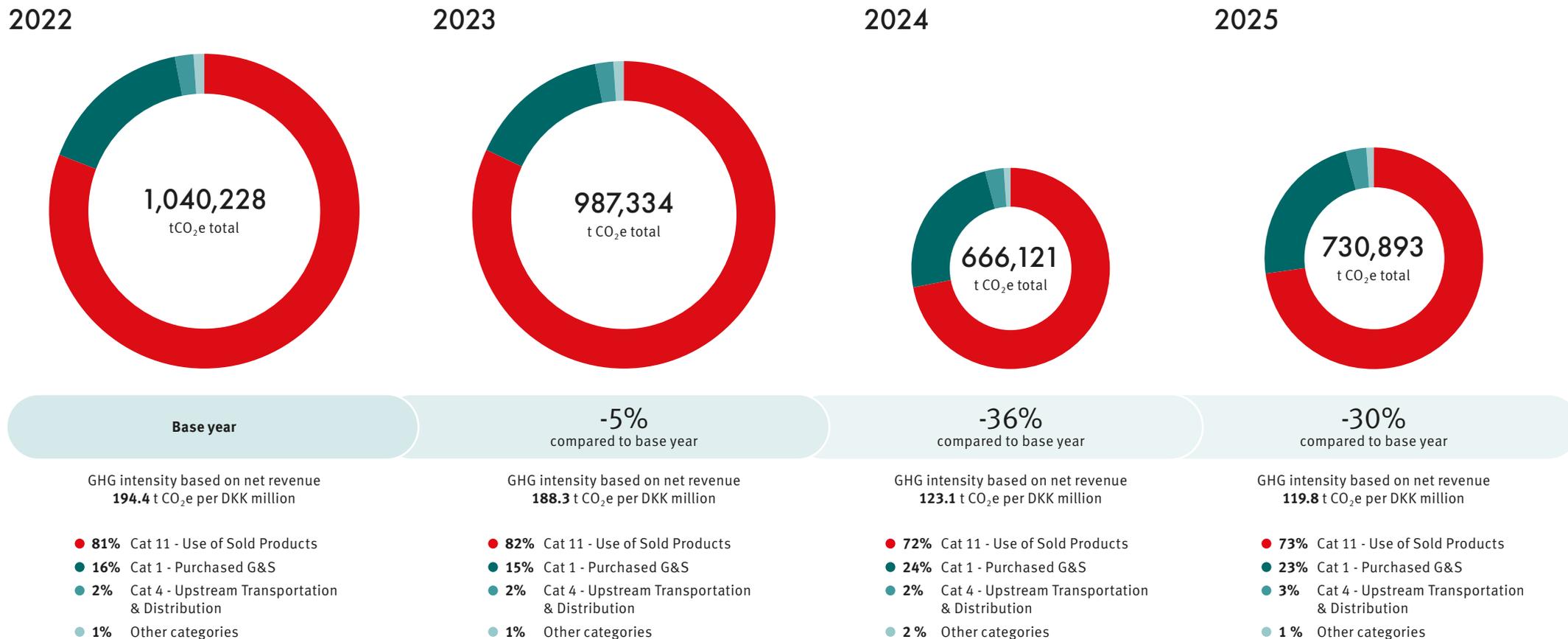
AO is committed to reducing absolute Scope 1 and 2 GHG emissions by 80% by 2030, using 2022 as the base year. Additionally, AO commits to a 42% reduction in absolute Scope 3 GHG emissions within the same timeframe.

Net-zero target

AO commits to reach net-zero greenhouse gas emissions across the value chain by 2045.

Progress on AO's Science Based Targets initiative validated CO₂-reduction targets

The change in the Group's GHG emissions from 2024 to 2025 reflects both higher revenue and an increase in emissions per kWh driven by a higher electricity grid emission factor. The development is therefore primarily volume- and factor-driven, with the grid emission factor mainly affecting Category 11 – use of sold products.



We are making significant progress in reaching AO's goal of sorting 90% of all waste

Waste sorting is the area where our employees have the greatest environmental impact.

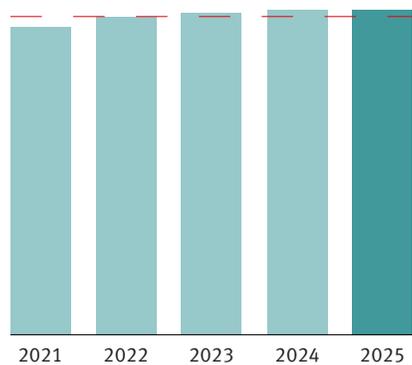
To strengthen our efforts, we have implemented a waste sorting scheme across AO, leading to a significant improvement — particularly in our stores, where the potential is highest. In the coming years, we will further enhance waste sorting across AO, working towards our long-term goal of achieving a 90% sorting rate.

Goal for waste sorting

90%

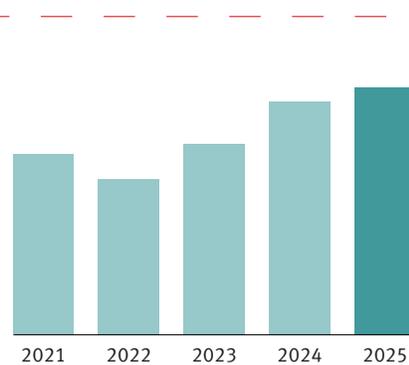
Warehouses

92%



Stores in Denmark

70%



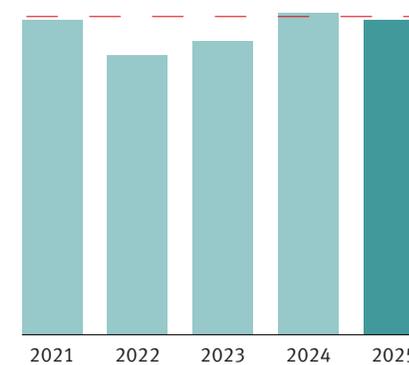
AO Workwear

96%



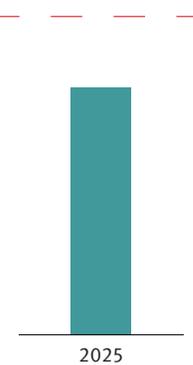
Stores in Sweden

89%



Stores in Norway

70%



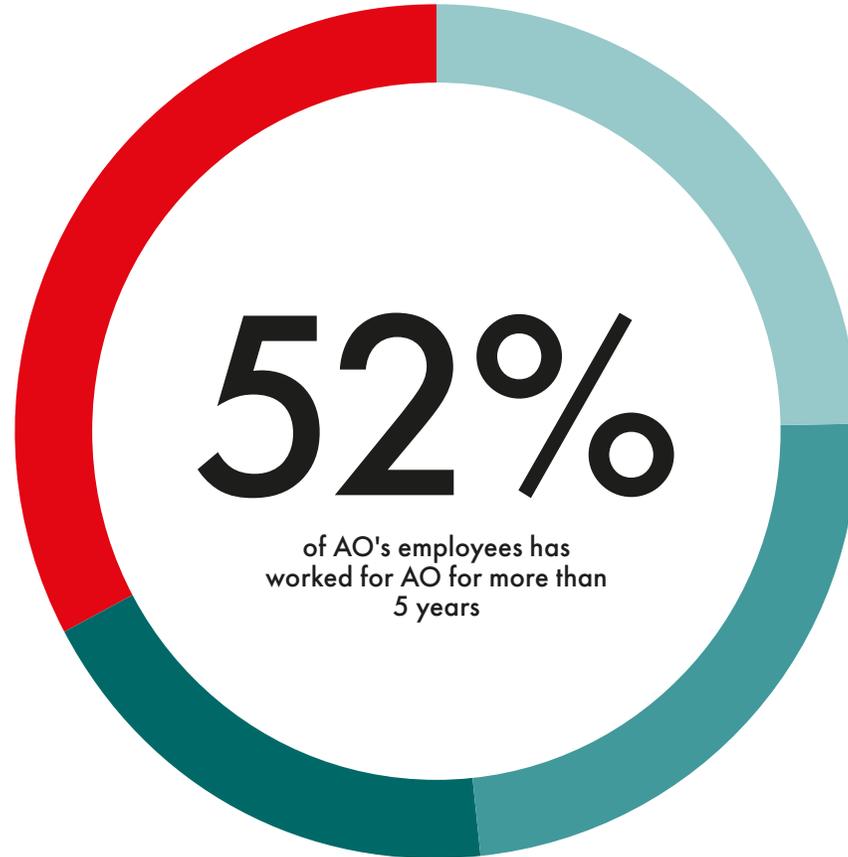
* Data consists of existing facilities excluding acquired facilities in 2024. / ** Sorting is defined as sorted waste excluding residual waste and landfill

The employees are the core of our business

There is room and opportunities in AO throughout life

5%

of AO Group staff are trainees. It is important to AO to ensure the right mix of skills and to help trainees get a good start in their career



Seniority levels in the workplace

- 25% 0-2 years
- 24% 3-5 years
- 19% 6-10 years
- 33% More than 10 years

Governance

Achieving progress through ISO management systems

AO believes that goals and best practices should set the standard across all aspects of the business. AO is committed to maintaining structured processes and continuous improvement in quality, environmental management, and occupational health and safety through internationally recognised ISO certifications.

In Denmark, AO currently holds ISO 9001, ISO 14001, ISO 27001 and ISO 27701 certifications. AO is actively working towards ISO 45001 certification in Denmark, which AO expect to achieve in 2026. This will further strengthen AO's commitment to a safe and healthy work environment for all employees. Operations in Sweden are certified according to ISO 9001, ISO 14001, ISO 27001, ISO 27701 and ISO 45001. In Norway AO is working towards achieving ISO 9001, ISO 14001 and ISO 45001, which is expected to be achieved in 2026.

ISO certifications also play a key role in tender processes, where they serve as a recognised framework for structured processes and continuous improvement.

Looking ahead to 2026, AO's goal is to ensure that all parts of the AO Group, including acquired businesses, are included in our ISO certifications, reinforcing AO's dedication to systematic management and long-term progress.



ISO 9001 and ISO 14001 certifications



General

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IRO-2 Cross-cutting and topical standards

ESRS 2 General disclosures		Section/ report	Page
BP-1	General basis for preparation of sustainability statements	SUS	51
BP-2	Disclosures in relation to specific circumstances	SUS	51-52
	Datapoints that derive from other EU legislation	SUS	62-64
GOV-1	The role of the administrative, management and supervisory bodies	SUS	54
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	SUS	53-54
GOV-3	Integration of sustainability-related performance in incentive schemes	SUS	54
GOV-4	Statement on sustainability due diligence	SUS	54
GOV-5	Risk management and internal controls over sustainability reporting	SUS	54
SBM-1	Strategy, business model and value chain	MR	13-17
SBM-2	Interests and views of stakeholders	SUS	56
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	58-61
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	SUS	57
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	SUS	50

ESRS E1 Climate change		Section/ report	Page
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	SUS	54
E1-1	Transition plan for climate change mitigation	SUS	67
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	58, 66
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	SUS	66
E1-2	Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation	SUS	67
E1-3	Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies	SUS	67-68
E1-4	Targets related to climate change mitigation and adaptation	SUS	68
E1-5	Energy consumption and mix	SUS	68
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	SUS	69-71
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-	-
E1-8	Internal carbon pricing	-	-
E1-9	Anticipated financial effects from material physical and transition risks and potential	-	-

ESRS E2 Pollution		Section/ report	Page
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	SUS	73
E2-1	Policies related to pollution	SUS	73
E2-2	Actions and resources related to pollution	SUS	74
E2-3	Targets related to pollution	SUS	74
E2-4	Pollution of air, water and soil	-	-
E2-5	Substances of concern and substances of very high concern	SUS	75
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	-

ESRS E5 Resource use and circular economy		Section/ report	Page
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	SUS	76
E5-1	Policies related to resource use and circular economy	SUS	76
E5-2	Actions and resources related to resource use and circular economy	SUS	76-77
E5-3	Targets related to resource use and circular economy	SUS	77
E5-4	Resource inflows	SUS	78
E5-5	Resource outflows	SUS	78
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	-	-

ESRS S1 Own workforce		Section/ report	Page
ESRS 2 SBM-2	Interests and views of stakeholders	SUS	84
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	84
S1-1	Policies related to own workforce	SUS	84-85
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	SUS	86
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	SUS	87
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	SUS	88
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SUS	89
S1-6	Characteristics of the undertaking's employees	SUS	89-90

S1-7	Characteristics of non-employees in the undertaking's own workforce	SUS	91
S1-8	Collective bargaining coverage and social dialogue	SUS	91
S1-9	Diversity metrics	SUS	90
S1-10	Adequate wages	SUS	85
S1-11	Social protection	SUS	85
S1-12	Persons with disabilities	-	-
S1-13	Training and skills development metrics	SUS	91
S1-14	Health and safety metrics	SUS	92
S1-15	Work-life balance metrics	SUS	92
S1-16	Remuneration metrics (pay gap and total remuneration)	SUS	93
S1-17	Incidents, complaints and severe human rights impacts	SUS	93

ESRS S2 Workers in the value chain		Section/ report	Page
ESRS 2 SBM-2	Interests and views of stakeholders	SUS	96
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	96
S2-1	Policies related to value chain workers	SUS	96
S2-2	Processes for engaging with value chain workers about impacts	SUS	96-97
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	SUS	-
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	SUS	97
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SUS	97

ESRS G1 Business conduct		Section/ report	Page
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	MR	99
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	SUS	99
G1-1	Business conduct policies and corporate culture	SUS	100
G1-2	Management of relationships with suppliers	-	101
G1-3	Prevention and detection of corruption and bribery	SUS	102-103
G1-4	Incidents of corruption or bribery	SUS	102-103
G1-5	Political influence and lobbying activities	-	-
G1-6	Payment practices	SUS	101

General disclosures

Basis of preparation

BP-1

General basis for preparation

The sustainability statement presented has been prepared on consolidated basis applying the same consolidation group as in the consolidated financial statements of this Annual Report. The consolidation group has been determined in accordance with IFRS 10 and includes the parent company of the Group (Brødrene A. & O. Johansen A/S) and the subsidiaries over which the Brødrene A. & O. Johansen A/S has operational control. The Group ('AO') has no associates or joint ventures. AO has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

The sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and covers AO's reporting obligation under article 99a of the Danish Financial Statements Act. In addition, a number of guiding frameworks have been applied supporting interpretations and disclosures made under the ESRS standards. These include the Greenhouse Gas Protocol and ISO 14083:2023 standard.

Value Chain Coverage

The sustainability statement explicitly includes impacts of upstream, own operations and downstream aspects of

AO's value chain, reflecting the company's role as major suppliers in the construction industry and towards private consumers. The upstream value chain encompasses the whole lifecycle of the upstream activities including extraction of raw materials, transportation and production and their associated impacts, risks, and opportunities (IROs), while the downstream value chain covers all impacts of AO's customers and end users including transportation, usage and disposal. The specific IRO disclosures for both upstream, own operations and downstream activities will be clearly identified at the outset of each ESRS-section in the sustainability statement. AO sustainability statement covers the whole upstream and downstream value chain informed by AO's double materiality assessment and an ESG-survey conducted as part of AO's due diligence process.

- **Upstream:** AO evaluates the sustainability performance of its suppliers through shared information and ongoing collaboration. Key IROs are identified based on desktop research of the impacts of the various parts of AO's value chain and knowledge about the environmental impact on the products AO purchase.
- **Downstream:** AO assesses the IRO's related to the use and disposal of its products by customers using desktop research about the impact of AO's industry as well as specific knowledge on the impact of the products AO sell.

Furthermore, AO has close cooperation with suppliers and customers as well as knowledge on the impact of its activities, including the products AO sell, which informs AO's assessments.

BP-2

Disclosures in relation to specific circumstances

Time horizons

AO has applied the definition in ESRS 1 section 6.4 for time horizons when identifying and assessing IRO's for the Group's double materiality assessment and material topics.

If estimation has been made with a time horizon deviating from the used definition, it will be clearly stated.

The time horizons applied for the sustainability statement comprise:

- Short-term (within reporting year)
- Medium-term (end of reporting year to 5 years)
- Long-term (5+ years)

Sources of estimation and outcome uncertainty

Preparation of ESG performance data requires Management to make estimates in certain areas, which affect the reported data. Management forms its estimates based on historical experience, independent advice, in-house specialists and other information believed to be reasonable under the circumstances. AO has identified that metrics related to Scope 3 emissions are subject to significant uncertainty and estimates as further described in section E1 Climate change. When estimates have been applied the basis and accuracy of the calculation is described along with uncertainty of estimations of the future in the related accounting practices.

Management periodically assess the use of estimates and judgements based on experience, the development of ESG reporting, and other factors.

Estimates and uncertainty

Some areas of ESG data require estimates, which affect the reported data. To reduce the risk of reporting errors AO have formed internal controls and validation processes. The estimates are based on external data, external advice, combined with internal specialists and experience.

Key areas with estimates	Impact level	Page
Product categories for purchased goods & services mass	● ● ○	70
Activity and transportation for upstream transportation	● ○ ○	70
Activity categories for business travel	● ○ ○	71
Modes of transport and split for employee commuting	● ○ ○	71
GHG emissions for processing of sold products, electricity consumption and product categories	● ● ●	71
Main material/waste type at the products end of life	● ○ ○	71
Product categories and amount of SCIP and SVHC	● ○ ○	75
Average working hours for health and safety accident rate	● ○ ○	92
Average working hours and pay levels for gender pay gap	● ○ ○	93

Impact level Low ●○○ Medium ●●○ High ●●●

Disclosure requirements incorporated by reference

Disclosure requirement	Datapoint	Sustainability statements	Section	Page
GOV-1	20(a)	Composition and diversity of administrative, management and supervisory bodies	Corporate governance	31 - 36
GOV-1	20(b)	The roles and responsibilities of the administrative, management and supervisory bodies	Corporate governance	31 - 36
GOV-1	"20(c) 23(a-b)"	The expertise and skills of its administrative, management and supervisory bodies	Corporate governance	31 - 36
GOV-1	21(a)	The number of executive and non-executive members	Corporate governance	31 - 36
GOV-1	21(b)	Representation of employees and other workers	Corporate governance	31 - 36
GOV-1	21(c)	Experience relevant to the sectors, products and geographic locations of the undertaking	Corporate governance	31 - 36
GOV-1	21(d)	Percentage by gender and other aspects of diversity that the undertaking considers	Corporate governance	31 - 36
GOV-1	21(e)	The percentage of independent board members	Corporate governance	31 - 36
SBM-1	40(a) i-ii	General strategy that relate to or affect sustainability matters	Strategy	13 - 17
SBM-1	42(a-c)	Business model and value chain	Strategy	13 - 17

Reporting errors in prior periods

In 2025, the pollution weight metric for substances of very high concern was corrected. As a result, figures from 2024 have been restated to reflect the correct numbers and the 2025 definition. See more on page 75 where the metrics for pollution – substances of very high concern is presented. No other metrics have been corrected in 2025.

Changes in reporting

In 2025, the health and safety incident metric was redefined. As a result, figures from 2024 have been restated to reflect the 2025 definition. See more on page 92 where the metrics for health and safety incidents is presented. No other metrics have been redefined in 2025.

List of disclosure requirements incorporated by reference

The items below provide an overview of where information can be found relating to ESRS disclosures that have been incorporated by reference and stated outside of the sustainability statement as part of other sections of this Annual Report.

The table below provides an overview of where information can be found relating to ESRS disclosures that have been incorporated by reference and stated outside of the sustainability statement as part of other sections of this Annual Report.

Sustainability governance

GOV-2

Governance structure

AO manages its business in a responsible manner ensuring honesty and integrity in its business conduct.

Sustainability in AO is governed by the ESG Council, which consists of the Executive Board and the head of Climate & Sustainability (1 female and 4 males).

Additionally, AO has a permanent taskforce for the green transition in AO, which reports to the head of Climate & Sustainability. The taskforce is responsible for initiatives related to the environment, while HR and Finance are responsible for initiatives related to social topics and governance topics, respectively.

Strategy and implementation of ESG initiatives as well as material IROs are discussed at quarterly meetings, or when necessary, in the ESG Council.

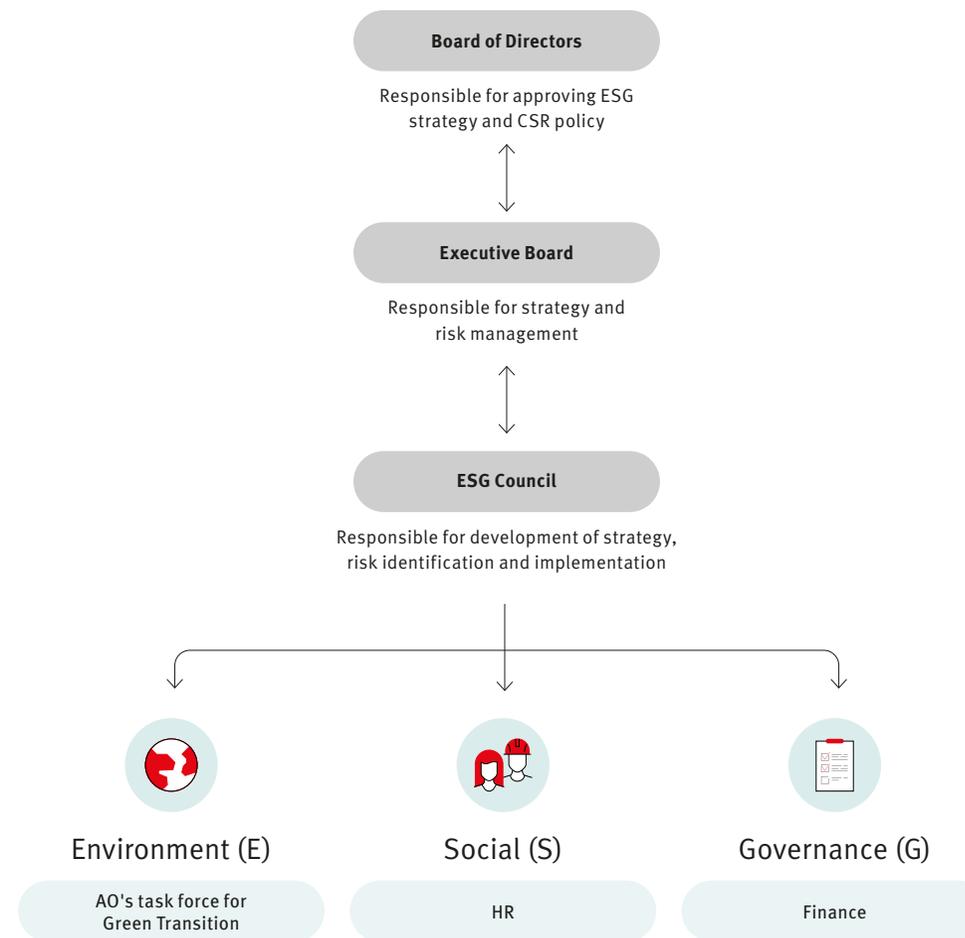
These meetings provide the possibility to inform and address views from affected stakeholders on sustainability-related impacts. The ESG Council reports to the Board of Directors multiple times a year. When presenting initiatives, no trade-offs have been identified during the assessment.

The ESG Council leverages the expertise of subject matter experts with in-depth knowledge of sustainability matters within the organisation.

- Governance of sustainability targets is embedded throughout the organisation from procurement to sales

and service, by assigning ownership to the permanent taskforce. This results in a matrix-based governance model. ESG-related topics are being monitored monthly by the ESG Council and regular risk assessments with ESG topics have been established and included, along with internal controls and documentation of ESG related data.

- A transition plan is endorsed by AO's management, with focus on energy efficiency and transition to renewable energy, both within AO's operations and across its value chain.
- The foundation for AO's environmental efforts is the ISO 14001 environmental management system, where AO's policies and procedures to support the climate and environmental policy are audited every year.
- AO's most significant climate and environmental impact lie within the value chain, meaning a crucial part of the task is collaborating with customers and suppliers to drive change in the industry.
- As the Everyday Green Partner, AO assists the customers in their green transition by offering environmental data, products, and services that support more sustainable constructions and societies.
- AO informs its Board of Directors and Executive Board about sustainability matters through robust governance mechanisms, business ethics training, whistleblower systems, audits, transparent communication, and proactive supplier management. These measures enable the company to address sustainability issues effectively and maintain high ethical standards.



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

Clear policies and guidelines for how to conduct and do business are important for AO. Management and other administrative bodies and leaders are expected to set a good example and are responsible for developing and implementing clear policies and guidelines for business conduct. These are built upon many years of experience doing business in the wholesale industry including sales, finance, logistics, and IT. In addition, valuable knowledge is available through the Board of Directors' experience with global standards. The available experience is important to maintain and keep relevant, both for AO and its business partners.

You can read more about AO's Board composition and governance structure in the Corporate Governance section on page 31-36, where you can also find information on the experience and background of the Board of Directors and Executive Board cf. DR ESRs GOV-1.

GOV-2
Sustainability matters addressed by AO's administrative, management and supervisory bodies

In 2025, the ESG Council advanced AO's sustainability agenda, focusing on strategic alignment, compliance readiness, and employee engagement across the organisation.

Climate action and resource management

AO achieved further CO₂ reductions across Group operations and improved waste sorting through a new monitoring dashboard. An updated roadmap for achieving SBTi targets, with a focus on Scope 3 Category 1 emissions, was presented and discussed.

Sustainable partnerships and innovation

The Council approved the adoption of Position Green as AO's ESG supplier management platform to improve our efforts in our value chain in collaboration with our direct suppliers. Collaboration with sector partners was explored to strengthen due diligence and enhance customer dialogue on sustainability.

Sustainability strategy and reporting

AO's updated ESG Roadmap was approved and aligned with business strategy. The Council enhanced CSRD reporting, streamlining disclosures and adding S2 – Workers in the value chain as a new material topic.

Environmental awareness and culture

Initiatives under the "Hverdagens Grønne Partner" programme continued to build engagement and embed sustainability in daily operations.

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

The incentive schemes related to the Executive Board are currently not linked to sustainability or climate-related targets. Inclusion of sustainability and climate-related targets in future incentive schemes are allowed for in the remuneration policy and will be considered annually.

GOV-4
Statement on sustainability due diligence

	Core elements of due diligence	Section/ report	Page
1	Embedding due diligence in governance, strategy and business model	General	54-55
2	Engaging with affected stakeholders in all key steps of the due diligence	General	56
3	Identifying and assessing adverse impacts	General Environment Social Governance	57-61, 66, 73, 76, 84, 96, 99
4	Taking actions to address those adverse impacts	Environment Social	66-67, 77-78, 88-89, 97
5	Tracking the effectiveness of these efforts and communicating	Environment Social	66-68, 74, 77-78, 88-89, 97

GOV-5
Risk management and internal controls over sustainability reporting

The business environment is becoming increasingly volatile, with economic fluctuations and societal changes occurring at a faster pace. In this context, managing risks and identifying potential threats to AO's business are crucial components of AO's governance. The most significant risks to the company are regularly monitored

and reviewed and are reflected in the Risk management section on page 25-28.

The constantly evolving nature of business risks has heightened the need for robust contingency plans to ensure that the company is prepared for potential incidents, such as cyberattacks or data breaches.

AO monitors these emerging risks on a regular basis and implements contingency measures to safeguard its operations. By staying vigilant and adaptable, AO ensures that the company is well-prepared to address current threats and protect the long-term sustainability of the business. AO's commitment to risk management reflects its broader dedication to responsible business conduct and maintaining the trust of stakeholders.

The sustainability statement is exposed to the risk of human error and incomplete data, as the process of data collection consists of data from multiple external sources and, in certain instances manual collection and handling of data. To best mitigate the risks, automated data collection processes has been established, where possible, and data is thoroughly analysed and reviewed.

Strategy

SBM-1
Strategy, business model and value chain

AO has established strategic sustainability focus areas which is linked to AO's material impacts, risks and opportunities. The focus areas are set to support AO's goals on CO₂e reduction, high employee satisfaction, strong supplier relationships and a solid value chain.

Please read more about AO's strategy, business model and value chain in the Strategy section on page 13-17.

Environment



Focus area
 AO has committed and been approved by SBTi to reduce GHG emissions, become carbon neutral in AO's own operations and enable the reduction of GHG emissions in AO's value chain. AO wants to phase out selling products containing SVHC.

- Actions**
- Phase out natural gas for heating
 - Phase out fossil fueled company cars
 - Decrease the number of chemical products with SVHC substances each year

- Targets**
- Reduce CO₂e in AO's own operations (Scope 1 & 2) with 80% (compared to base year) by 2030
 - Reduce CO₂e in scope 3 with 42% (compared to base year) by 2030
 - Net-zero across the value chain (scope 1, 2 & 3) by 2045
 - 100% of products sold are SVHC free by 2030

Social



Focus area
 Employees are the core at AO and crucial to the company's success and results, hence health and safety, education and job satisfaction are of high importance.

- Actions**
- Increased focus on reporting and reducing accidents with training and awareness
 - Invests in internal and external training options
 - Follow up on comments and low scores in customer satisfaction survey

- Targets**
- Rate of recordable work-related accidents below 10%
 - Zero fatalities as result of work-related injuries and work-related ill health

Governance



Focus area
 AO is committed to avoid corruption and bribery by educating all employees. It is important for AO to follow the payment terms and maintain a strong supplier relationship with AO's suppliers. Risk assessment of AO's direct suppliers, to reduce risk in the value chain.

- Actions**
- Corruption and bribery training is mandatory for all employees
 - Process to always sign a code of conduct with new suppliers
 - Implement supplier risk assessment system

- Targets**
- 100% of employees (employed more than 3 months) have completed corruption and bribery training
 - More than 95% of payments made within AO's payment terms
 - More than 95% of supplier spend is covered by a signed code of conduct
 - Have a risk assessment on 90% of all direct suppliers by 2030



Interests and views of stakeholders

SBM-2

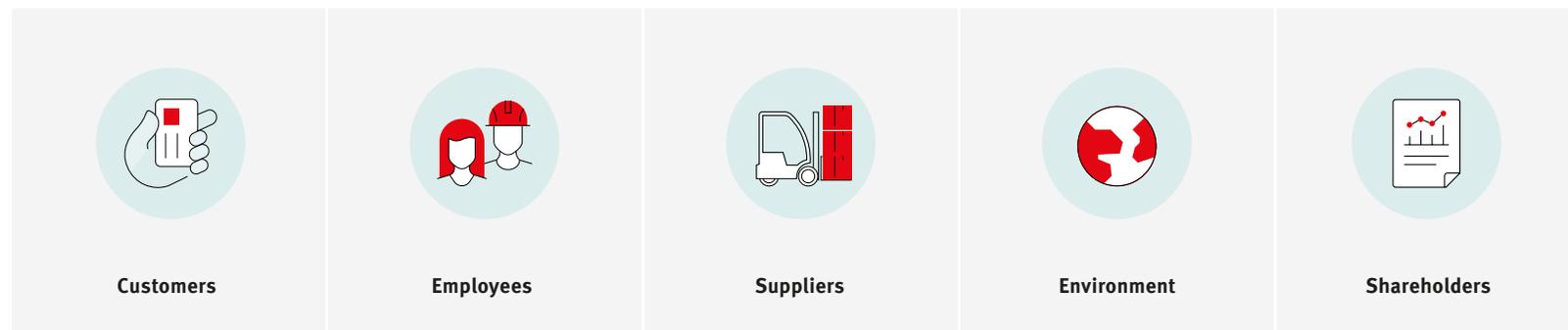
AO maintains continuous engagement with all key stakeholders, enabling us to gather insights into their expectations, concerns and emerging needs. These perspectives inform AO’s understanding of impacts and risks and support the development of initiatives that help us deliver on AO’s ESG commitments and targets.

In 2025, AO have strengthened this work by enhancing processes for engaging and documenting input from AO’s stakeholders. These efforts will ensure that stakeholder perspectives are systematically integrated into AO’s double materiality assessment and remain a core driver of AO’s ESG priorities going forward.

AO has identified five relevant main stakeholders and below the characteristics of them have been described, including how AO has assessed and engaged with them.

The Executive Board and Board of Directors are informed about the relevant views and interests of affected stakeholders when assessing various sustainability initiatives.

Significant decisions are presented to and discussed by the Executive Board and, where appropriate, the Board of Directors. This enables them to address views from affected stakeholders on sustainability-related impacts, when relevant.



Stakeholder engagement

In completing the DMA, AO engaged internal stakeholders from the start to secure understanding, provide ownership and benefit from the knowledge of the stakeholders. External consultation was included to support the process and helped ensure understanding of the requirements. While working on the DMA, AO approached external business partners and stakeholders to better understand how their business could impact AO and how AO’s decisions and activities could affect their business. AO’s main focus has been and continues to be with AO’s direct suppliers.

Customers

AO’s customers are the most important stakeholders. AO is customer-driven, guided by the principle ‘Customer is King’ in everything it does. AO strives to be the main and preferred partner for its customers and continuously aims to deliver first class service, by understanding their needs. Engagement happens through regular business interactions, collective actions and feedback.

Employees

AO’s employees are key to its success. AO is committed to provide the employees a meaningful and engaging workplace with room for growth and development in a safe and healthy environment for its employees.

AO engages its employees through different established channels, by sending updates on the business through the intranet, developments conversation with managers, the Worker Councils and employee surveys. AO also has a whistleblower system for own employees and employees in the value chain, to raise concerns and awareness of any issues.

Suppliers

AO relies on strong partnerships and open dialogue with its suppliers to operate effectively and profitably. Ongoing supplier relationships are crucial for AO to meet its targets, as its main ESG-impacts are closely linked to the production and use of the products it sells. AO engages with suppliers in various industry forums and networks, contract management and regular business interactions.

Environment

The environment is directly affected by the actual and potential negative impacts of AO’s business activities. From the extraction of raw materials to the energy consumed during product use and the challenges of waste disposal for outdated or damaged items, every stage of the lifecycle has environmental consequences. AO recognise its responsibility to minimise these impacts and adopt sustainable practices that protect the planet for future generations.

Shareholders

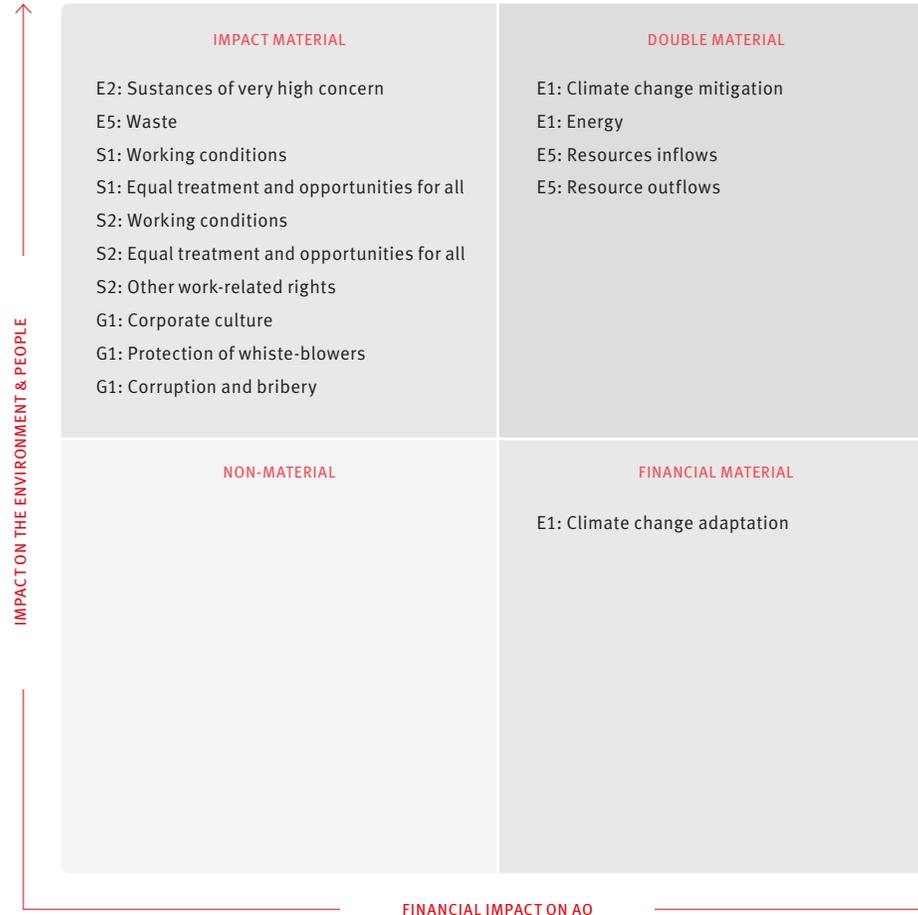
AO is listed on Nasdaq Copenhagen, an international marketplace for Danish Securities. It requires regular engagement with shareholders, analysts and others interested in AO’s business. This is managed through the investor relations department, which participates in conference calls, briefings, and general dialogue, to ensure clear financial communication.

Double Materiality Assessment

IRO-1

In 2023, AO began working towards CSRD readiness and compliance by completing AO's first Double Materiality Assessment (DMA) and GAP analysis. The process included engagement with multiple internal and external stakeholders. In 2024 AO performed a review of the DMA and GAP analysis along with the data collection, risk assessment and internal controls. During its review, assistance from specialised consultants has been used.

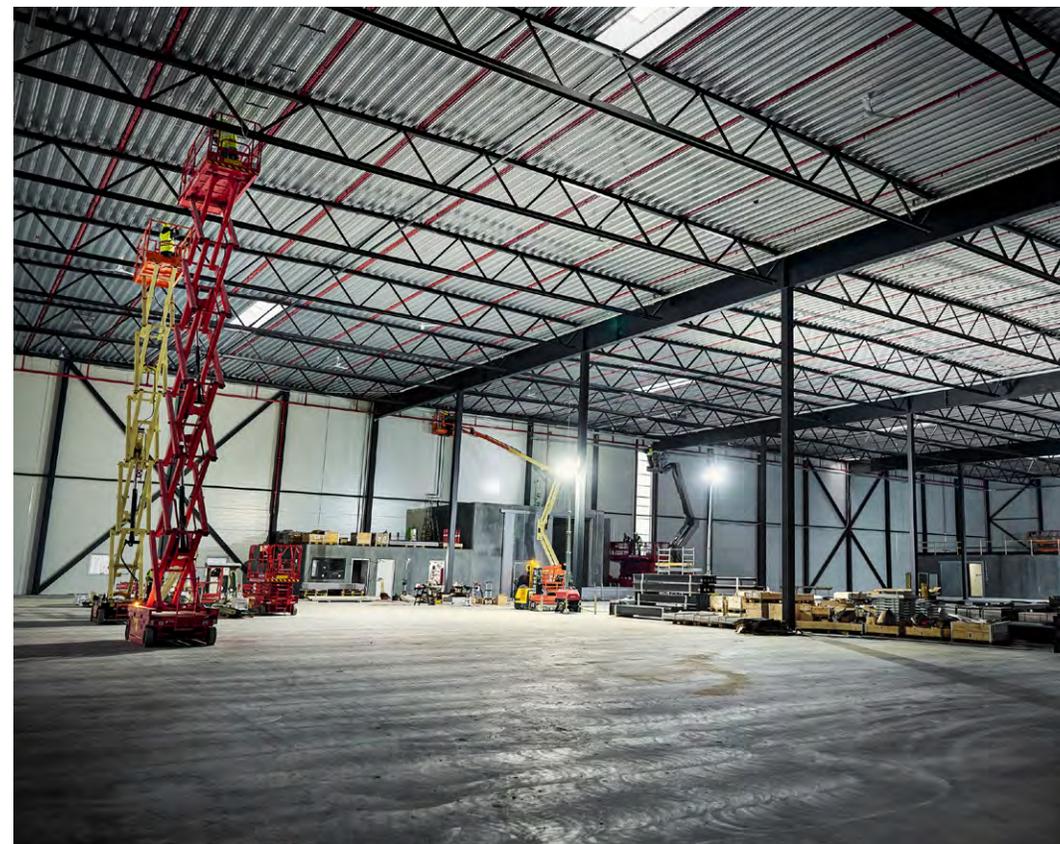
In 2025, following the acquisition of Work Wear Group (WWG - now AO Workwear), AO reassessed its IROs that could be impacted by AO's expanded business. The larger involvement in certain business areas, has increased focus on the related supply chain, which has led AO to determine that S2 is now material for reporting. Consequently, AO revisited the IROs to align with the new integrated group structure and the expanded supply chain.



Material impacts, risks and opportunities

SBM-3

	IRO	Location in value chain			Time horizon		
		↑	○	↓	S	M	L
E1 Climate change							
Climate change adaptation AO's product categories in VA, VAGA and VVS help respond to extreme weather events like floods, droughts, and sea level rise in our downstream value chain.	Opportunity			●			●
Climate change mitigation AO's direct CO ₂ emissions (scope 1 and 2) are limited. Most of our footprint comes from scope 3 emissions, largely from manufacturing, use and disposal.	Impact, Actual, Negative	●	●	●			● ●
Energy AO's direct CO ₂ emissions (scope 1 and 2) are limited. Most of our footprint comes from scope 3 emissions, largely from manufacturing, use and disposal.	Impact, Actual, Negative	●	●	●			● ●
E2 Pollution							
Substances of very high concern AO's connection to Substances of Very High Concern (SVHCs) is mainly indirect, tied to upstream and downstream activities, with products AO distributes.	Impact, Actual, Negative	●		●	●	●	● ●
E5 Ressource use and circular economy							
Resource inflows AO's operations rely on virgin resources for packaging and distribution, while sourced products may involve raw material extraction across the value chain.	Impact, Actual, Negative	●	●		●	●	● ●
Resource outflows Packaging materials become waste after delivery, while end-of-life construction products can lead to resource loss if not properly reused or recycled.	Impact, Actual, Negative		●	●	●	●	● ●
Waste Waste is generated from raw material extraction, manufacturing, packaging and end-of-lige waste, if not properly recycled, across the value chain.	Impact, Actual, Negative	●	●	●	●	●	● ●



Location in value chain

- ↑ Upstream
- Own operations
- ↓ Downstream

Time horizon

- S Short-term
- M Medium-term
- L Long-term

Material impacts, risks and opportunities

SBM-3

	IRO	Location in value chain			Time horizon		
		↑	○	↓	S	M	L
S1 Own workforce							
Working conditions Employee satisfaction, stress and occupational health and safety for all employees are of high importance and a priority to avoid negative impacts.	Impact, Actual, Negative		●		●	●	●
Equal treatment and opportunities for all AO supports employee development through training and education. A male-dominated workforce highlights the opportunity to improve gender balance.	Impact, Potential, Negative		●		●	●	
S2 Workers in the value chain							
Working conditions Limited visibility across the global value chain, especially in high-risk sectors. Risk remains even with a BSCI- and UN Global Compact-aligned Code of Conduct.	Impact, Potential, Negative		●		●	●	●
Equal treatment and opportunities for all AO is exposed to risks of unequal treatment in the value chain, including gender inequality and discrimination. Legal and cultural differences limit oversight.	Impact, Potential, Negative		●		●	●	●
Other work-related rights With a global value chain AO is of risk to be indirectly linked through suppliers of child and forced labour, especially in upstream mining and textile production.	Impact, Potential, Negative		●		●	●	●

	IRO	Location in value chain			Time horizon		
		↑	○	↓	S	M	L
G1 Business conduct							
Corporate culture With a complex global value chain, AO faces potential risks like corruption, bribery, harassment, or informal practices if not managed through a stable corporate culture.	Impact, Potential, Negative		●	●	●	●	●
Protection of whistleblowers Without proper protection, whistleblowers may face retaliation, leading to underreporting of issues, and lack of knowledge of incidents.	Impact, Potential, Negative		●	●	●	●	●
Corruption and bribery AO operates in countries with low corruption risk and has a policy and training in place to prevent it. Any cases could harm AO's reputation.	Impact, Potential, Negative			●		●	●

Location in value chain

- ↑ Upstream
- Own operations
- ↓ Downstream

Time horizon

- S Short-term
- M Medium-term
- L Long-term

Methodology and scoring

The process for the DMA followed the requirements of the European Sustainability Reporting Standards. For environment, AO considered how widespread the impact could be and how many areas or units could be affected. For social and governance, AO assessed how much of an impact it would have on affected people and how many people could be affected.

The Board of directors has approved the Double Materiality Assessment, the given threshold for materiality, and the list of material IROs and topics.

Scope

AO have identified and assessed impacts, risks and opportunities for AO's own operations and value chain across all topics, focusing on own operations, upstream and downstream activities. The value chain assessment has mainly based on direct suppliers and AO's internal knowledge complemented by data from external consultants and supplier information. As a wholesaler within the construction industry, and with a wide range of products and product types, AO sources goods from many suppliers. While AO acknowledges that the full value chain will extend all the way to material extractions, AO does not have extensive insight to the full value-chain across all the products, and suppliers. Therefore AO has made some assumptions about workers in the value chain based on SASB standards regarding raw material extraction, as AO does not have direct insight into the actual conditions. Those assumptions are theoretical and not necessarily directly linked to AO's value chain. AO has taken an approach to view the IROs at the group level.



	Environment	Social	Governance
Scale	The extent of the impact on the relevant individuals/ economy/environment - whether low or high.	The extent of the impact on the right to life/ health/basic life needs - whether low or high.	The extent of the impact on the right to life/ health/basic life needs - whether low or high.
Scope	How widespread the impact would be from immediate to global level	How widespread the impact would be on a population or employees	How widespread the impact would be on a population or employees
Irremediability	How difficult it would be to undo the damage based on time, effort, and costs	How difficult it would be to undo the damage based on time, effort, and costs	How difficult it would be to undo the damage based on time, effort, and costs
Likelihood	Assessment of likelihood on a scale from 'rare' to 'certain'.	Assessment of likelihood on a scale from 'rare' to 'certain'.	Assessment of likelihood on a scale from 'rare' to 'certain'.

AO has used external sources such as SASB to identify industry and supply chain risks based on the types of materials used to produce the products AO sell. Internally, the finance, HR and Sustainability teams were the main contributors to identify IROs. Management was regularly updated, and decisions were approved along the process.

AO's assessment included both positive and negative impacts, which AO considered actual and/or potential for AO's business related to environment, social and governance matters. AO's assessment was based on ESRS guidelines provided in 2024, to ensure alignment and compliance to CSRD. As AO's business develops, AO will

continue to review the double materiality assessment and activities with impacts, risks, and opportunities to maintain a relevant and actual assessment on the most material topics to AO.

Materiality scoring process

For actual impacts AO used the three parameters 'Scale,' 'Scope,' and 'Irremediability' for a combined scoring of Severity. For potential impacts, an additional parameter 'Likelihood' was added.

AO applied the same scale for impact and likelihood, from 1 (lowest) to 5 (highest). For financial impact, AO's existing enterprise risk scale was used, which is an

established framework already employed in the financial assessments, in the Risk management section.

Impact scoring weighed severity and likelihood equally to balance how severe an impact could be and how likely it was to occur. For human rights sub-topics, the severity became the final score if 4 or higher. If the severity score fell below 4, severity and likelihood score were combined with a 50/50 weighting, consistent with the general scoring approach. For financial considerations, AO's established enterprise risk scale was applied.

After the first round of impact and financial assessment scoring, an overview showing where each sub-topic

would place was created. Then different thresholds were applied to determine, which datapoints would be included or excluded, guided by pre-determined inclusion criteria. After reviewing various threshold values, the final threshold was set at 3. The list of material topics with a score equal to or higher than 3 was approved by the Board of Directors, along with the threshold value.

Material topics based on the DMA

The outcome of the DMA scoring shows that the following six out of the ten ESRS topics are material to AO:

- E1 Climate change
- E2 Pollution
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- G1 Business conduct

The outcome of the DMA is consistent with AO’s current sustainability strategy. For each material topic AO has identified IRO’s and assessed whether each subtopic was material or not. The material topics and subtopics are further specified and presented in the following sections, with more information on why AO finds them material and how they are embedded into the organisation and daily activities.

Changes to the material IRO’s compared to the previous reporting period

As part of the update of the DMA, AO has also refined the description/classification of the IRO’s (S1 - Own workforce and S2 - Workers in the value chain) compared to 2024, however the substance of the IRO’s remain materially unchanged.

Non-material topics and sub-topics based on DMA

The outcome of the DMA scoring shows that the following ESRS topics are not material to AO due to the nature of its business as a wholesale company:

- E2 Pollution (sub-topics): Pollution of air, Water & soil, Living organisms and food resources, Substances of concern, Microplastics
- E3: Water and marine resources
- E4: Biodiversity and ecosystems
- S1 Own workforce (sub-topics): Other work-related rights
- S4: Consumers and end-users

Topics and sub-topics reviewed as immaterial in early assessment and not included in the full Double Materiality Assessment:

- S3: Affected communities
- G1 Business conduct (sub-topics): Animal welfare, Political engagement and Lobbying activities



IRO-2

EU legislation data points

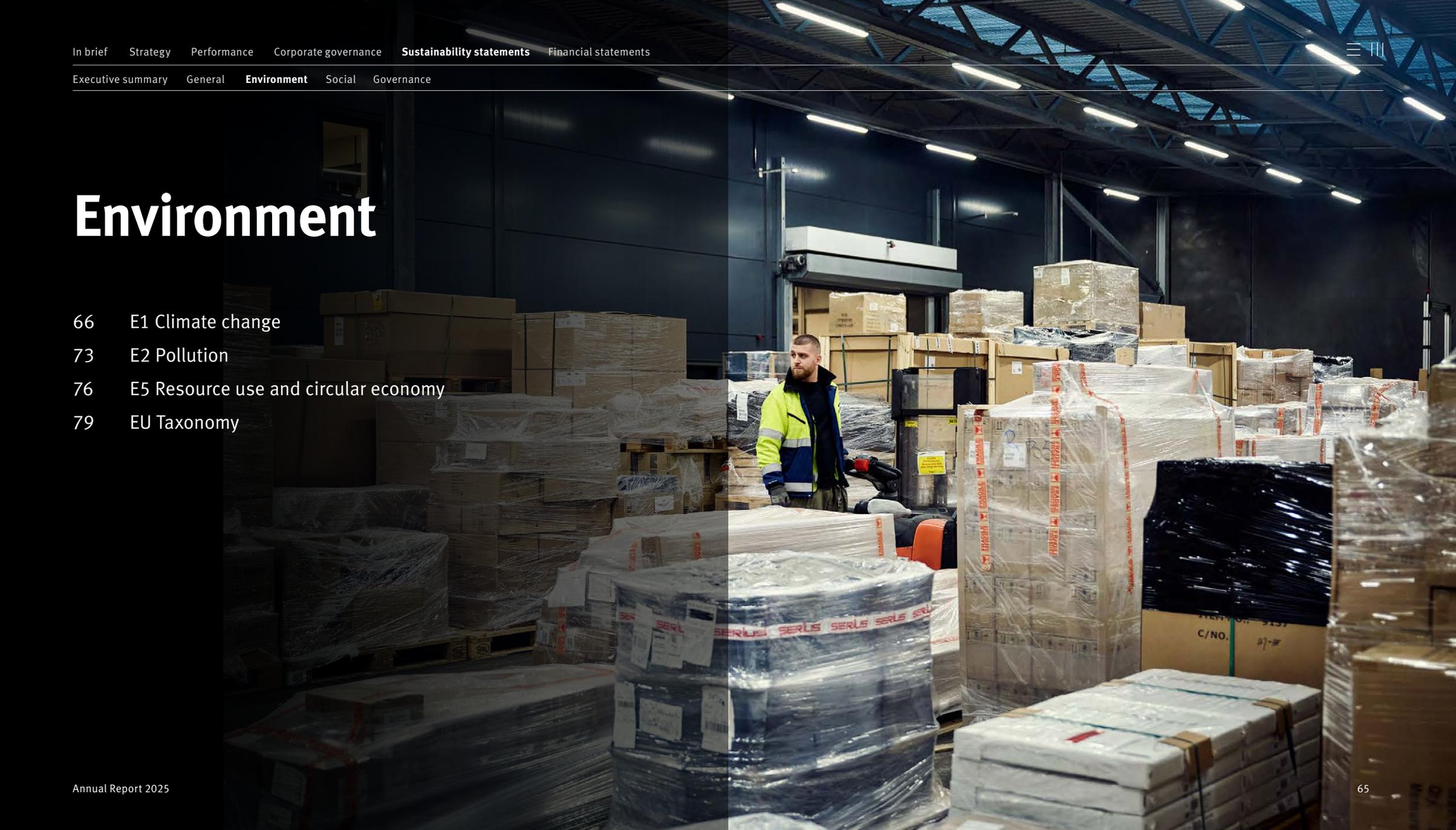
Disclosure requirement	Datapoint	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	●		●		MR	33-35
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			●		MR	33-35
ESRS 2 GOV-4	30	Statement on due diligence	●				SUS	54
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	●	●	●		Not relevant	-
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	●		●		Not relevant	-
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	●		●		Not relevant	-
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			●		Not relevant	-
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				●	SUS	67
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		●	●		Not relevant	-
ESRS E1-4	34	GHG emission reduction targets	●	●	●		SUS	67
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	●				Not relevant	-
ESRS E1-5	37	Energy consumption and mix	●				SUS	68
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	●				Not relevant	-
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	●	●	●		SUS	69
ESRS E1-6	53-55	Gross GHG emissions intensity	●	●	●		SUS	69
ESRS E1-7	56	GHG removals and carbon credits				●	Not material	-
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			●		Not material	-
ESRS E1-9	66 (a); 66(c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		●			Not material	-
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		●			Not material	-
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			●		Not material	-
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	●				Not material	-
ESRS E3-1	9	Water and marine resources	●				Not material	-

Disclosure requirement	Datapoint	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page
ESRS E3-1	13	Dedicated policy	●				Not material	-
ESRS E3-1	14	Sustainable oceans and seas	●				Not material	-
ESRS E3-4	28 (c)	Total water recycled and reused	●				Not material	-
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	●				Not material	-
ESRS 2 SBM-3 - E4	16 (a) i		●				Not material	-
ESRS 2 SBM-3 - E4	16 (b)		●				Not material	-
ESRS 2 SBM-3 - E4	16 (c)		●				Not material	-
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	●				Not material	-
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	●				Not material	-
ESRS E4-2	24 (d)	Policies to address deforestation	●				Not material	-
ESRS E5-5	37 (d)	Non-recycled waste	●				SUS	78
ESRS E5-5	39	Hazardous waste and radioactive waste	●				SUS	78
ESRS 2 SBM-3 - S1	14 (f)	Risk of incidents of forced labour	●				Not relevant	-
ESRS 2 SBM-3 - S1	14 (g)	Risk of incidents of child labour	●				Not relevant	-
ESRS S1-1	20	Human rights policy commitments	●				SUS	84-85
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			●		SUS	85
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	●				SUS	84-85
ESRS S1-1	23	Workplace accident prevention policy or management system	●				SUS	85
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	●				SUS	87
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	●		●		SUS	92
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	●				SUS	92
ESRS S1-16	97 (a)	Unadjusted gender pay gap	●		●		SUS	93
ESRS S1-16	97 (b)	Excessive CEO pay ratio	●				SUS	93
ESRS S1-17	103 (a)	Incidents of discrimination	●				SUS	93

Disclosure requirement	Datapoint	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section	Page
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	●		●		Not relevant	-
ESRS 2 SBM-3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	●				SUS	96
ESRS S2-1	17	Human rights policy commitments	●				SUS	96
ESRS S2-1	18	Policies related to value chain workers	●				SUS	96
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	●		●		SUS	96
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			●		SUS	96
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	●				SUS	97
ESRS S3-1	16	Human rights policy commitments	●				Not material	-
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	●		●		Not material	-
ESRS S3-4	36	Human rights issues and incidents	●				Not material	-
ESRS S4-1	16	Policies related to consumers and end-users	●				Not material	-
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	●		●		Not material	-
ESRS S4-4	35	Human rights issues and incidents	●				Not material	-
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	●				Not material	-
ESRS G1-1	§10 (d)	Protection of whistle- blowers	●				SUS	100
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	●		●		SUS	103
ESRS G1-4	§24 (b)	Standards of anti- corruption and anti-bribery	●				SUS	102-103

Environment

- 66 E1 Climate change
- 73 E2 Pollution
- 76 E5 Resource use and circular economy
- 79 EU Taxonomy



E1 Climate change

IRO-1

Impacts, risks and opportunities

AO has identified 1 opportunity and 2 negative impacts within climate change related to following sub-topics:

- Climate change adaptation
- Climate change mitigation
- Energy

Through AO’s double materiality assessment, the company identified its key climate-related impacts, risks, and opportunities across the value chain. The analysis included GHG emission calculations and a flood risk assessment of AO’s physical locations using external expertise and recognised flood risk tools. No full scenario analysis has been conducted. Only a few sites were found to be exposed to climate-related hazards.

AO has not yet completed a detailed financial quantification of climate-related risks and opportunities but plans to do so as data maturity improves. However, AO has found that in terms of its own operations, AO has limited direct opportunity to have any climate change adaptation strategy and implementation.

AO does see opportunities in product categories such as VA, VAGA, and VVS, which support climate adaptation by helping communities manage floods and rising sea levels. AO offers products in categories that actively contributes to assisting in the growing impact of extreme weather events.

AO’s GHG assessment shows that Scope 3 accounts for 99% of total emissions, primarily from production, transport, and use of sold goods. Scope 1 and 2, though limited with only 1% of total emission, remain material due to AO’s direct influence and the global nature of CO₂ impacts.

AO’s direct energy use is limited to its operations (offices, warehouses, vehicles), while most indirect energy use stems from manufacturing, transport and product use within AO’s value chain. To minimize emissions from its own operations, AO has taken strategic measures such as transitioning away from fossil-fuel company vehicles, installing solar panels, and adopting heating systems with lower emissions.

SBM-3

Resilience Analysis

AO has identified the following material climate-related risks impacting the operations:

- **Physical risk:** Two retail sites are located in high risk of flooding areas, which is posing limited operational and financial risk due to short downtime and proximity to alternative locations. No safety risks have been identified for employees or customers.
- **Transition risk:** Regulatory changes, evolving market preferences and technology shifts may affect operations. However, AO’s diverse supplier base and ability to substitute suppliers reduce exposure and support adaptability.

The resilience analysis, conducted internally in 2023, assessed the vulnerability of physical sites and the robustness of the supply chain to climate-related disruptions. The physical risk mapping was based on national climate risk zone data, while the supply chain assessment was performed at a high level without formal scenario analysis. In 2025 AO has reassessed whether the results of the 2023 analysis are still applicable and have concluded that the circumstances are not materially different, whereas no new analysis has been made in 2025.

AO anticipates a gradual transition toward a low-carbon economy, with increased renewable energy use and technological advancements affecting costs and operations. Financial impact on AO’s own operations is expected to be limited, while business opportunities are foreseen within climate adaptation and mitigation product areas.

The primary uncertainty in the resilience analysis lies in the lack of no formally documented scenario methodology behind the assessments. Additionally, timing and severity of climate-related events and regulatory changes is uncertain. While AO has identified assets at risk, incorporating these insights into the strategic planning and investment decisions is an evolving process also taking into consideration the limited amount of assets at risk.

AO has identified Global supply chain risks as one of the key risks for the Group. It is being evaluated whether

and how to integrate climate change resilience into the strategy.

AO is assessing its ability to adjust or adapt its strategy and business model to climate change in both short, medium, and long term as follows:

- **Strategic Flexibility:** AO’s diversified supply chain and flexible sourcing strategies position AO well to adapt to climate-related changes over the short, medium, and long term.
- **Access to finance:** AO is committed to maintaining strong relationships with financial partners to secure ongoing access to capital at affordable rates.
- **Asset management:** AO can redeploy, upgrade, or decommission assets as needed to respond to climate risks, which is currently very limited.
- **Product and service shifts:** The business model allows for adjustments in AO’s product and service offerings to meet changing market demands.
- **Workforce reskilling:** AO is prepared to invest in reskilling the workforce to support new operational needs arising from climate adaptation strategies.

E1-1
Transition plan for climate change mitigation & adaptation

AO recognises its responsibility to manage resources sustainably and reduce its climate impact across the value chain. As a major supplier within the construction industry and towards private consumers, AO's own operations and downstream are mainly in Denmark, Sweden, and Norway, while its upstream supply chain is global.

AO has developed a transition plan for climate change mitigation, endorsed by management and integrated into corporate governance and financial planning to ensure coordinated implementation and monitoring.

The Science Based Targets initiative (SBTi) has validated AO's targets as aligned with a 1.5°C trajectory:

- **Reduce Scope 1 and 2 emissions by 80% by 2030** from a 2022 base year.
- **Reduce Scope 3 emissions by 42% by 2030** from a 2022 base year.
- **Reach net-zero emissions across the value chain by 2045.**

No material locked-in emissions have been identified that could hinder target achievement. AO reports annually on progress, actions, and adjustments to maintain alignment with its SBTi-validated pathway and transparency with stakeholders.

Building on the transition plan, AOs Climate and Environmental Policy establish a structured framework to drive

sustainable progress across its entire value chain. Making the basis for AO's decarbonisation levers outlined below:

Climate change mitigation:

- Reducing CO₂e emissions in scope 1, 2, and 3 in accordance with the Science Based Targets initiative (SBTi)-validated goals
- Phasing out fossil fuels in heating, company vehicles and forklifts to meet the CO₂e targets for scope 1 and 2
- Increasing the share of more sustainable products when sourcing from suppliers to benefit customers. Through prioritisation and dialogue, AO aim to shift customer focus towards more sustainable products
- Inspiring partners and the industry to support a sustainable value chain, also leveraging AO's influence in industry associations

Climate change adaptation:

- Addressing the consequences of climate change by adapting locations to the climate
- Providing goods and solutions that assist customers and local communities with necessary climate adaptation

Energy efficiency and renewable energy deployment:

- Reducing the annual energy consumption and increasing the share of renewable energy
- Investing in energy-efficient solutions and promoting energy and CO₂e saving initiatives among both AO's customers and suppliers

AO wants to cooperate with its suppliers and encourage practices across the value chain that increase use of recycled material and encourage them on their transition from conventional electricity to renewables. This effort is essential for addressing emissions from purchased goods and services, and the use phase of sold products, which constitute most of AO's indirect emissions.

E1-2
Policies

The scope of AO's Climate and Environmental Policy is covering the entire value chain across all geographies and all identified stakeholders. The ESG Council is responsible for the implementation of the policy. The Environmental and Climate Policy solely covers climate change mitigation and adaptation, energy efficiency, pollution, waste management, circular economy.

AO's most significant climate and environmental impact lie within our value chain, meaning a crucial part of our task is collaborating with customers and suppliers to drive change in our industry. Through collaboration with our customers and suppliers, we aim to reduce negative climate and environmental impacts throughout the entire value chain, considering a lifecycle perspective.

As the Everyday Green Partner, AO assists its customers by offering environmental data, products, and services that support more sustainable constructions and societies.

AO is reducing its own climate and environmental impacts in its business, regardless of their significance across the value chain.

AO has committed to adhering to high standards across the entire group, from top management to stores. This work is supported by our ESG efforts and a certified environmental management system, following ISO 14001 standards.

E1-3
Actions

In 2025 AO continued to work towards implementing actions to achieve its SBTi-validated climate targets and net-zero goal. AO has developed a structured framework with expected decarbonisation levers, presented in AO's policy, for CO₂ reductions across Scopes 1, 2, and 3, with a particular focus on emissions from "purchased goods and services" as well as the "use of sold products".

Emission-reduction efforts are embedded in AO's transition plan and supported by both operational and capital investments, including energy-efficient buildings and low-emission company vehicles. There is no concrete actions to mention and are not significant resource-intensive investments compared to manufacturing industries. AO does not have an expected GHG emission reduction for the ongoing actions in the transition plan, beside the target approved by SBTi.

AO continues to analyse and address key emission sources across Scope 1, 2, and 3. The largest Scope 3 impacts stem from "use of sold products" from electricity usage and "purchased goods and services", particularly ceramics, plastics, and metals. Emission reductions therefore rely on engagement with direct suppliers and customers to drive behavioural and material changes.

AO is implementing a supplier assessment system to collect ESG-related data, aiming to gain a better understanding by having them directly verify and present their policies, actions and targets of their business practices regarding ESG.

Progress and investments are tracked annually, with detailed financial data disclosed in the Taxonomy section.

E1-4

Targets

Environmental targets on decarbonisation reductions in AO's own operations, and impact from products sold and circularity improvement targets have been approved by the ESG-Council and Board of Directors.

AO submitted a target to reduce absolute Scope 1 and 2 GHG emissions by 80% by 2030 from a 2022 base year and reach net-zero greenhouse gas emissions across the value chain by 2045, which was validated by SBTi. These targets reflect AO's broader, long-term climate strategy and are in line with global standards and the EU's sustainability regulations.

No additional E1-related targets have been defined beyond the SBTi-aligned reduction and net-zero goals as described on the previous page.

E1-5

Energy consumption and mix

Energy efficiency and the transition to renewable energy are central to AO's climate strategy, both within the operations and across the value chain. Internally, AO focuses on reducing energy consumption by implementing energy-efficient technologies and installing solar panels to

increase the share of renewable energy in the operations. Additionally, AO is committed to phasing out conventional fossil fuels in heating, company vehicles, and forklifts, directly supporting AO's Science Based Targets for scope 1 and 2. Externally, AO prioritises enabling customers to make more energy-efficient choices.

By sourcing and offering a broader range of energy-saving products, AO actively guides customers towards solutions that lower energy use and reduce CO₂e during the use phase. Through targeted dialogue with suppliers, AO will investigate the development and adoption of renewable energy technologies, particularly in industries reliant on ceramics, plastics, and metals. These efforts align with AO's ambition to reach our net-zero target.

§ Accounting policy

Energy consumption and mix

Energy from non-renewable sources covers fuel consumption related to the Group's leasing car fleet, natural gas consumption, electricity consumption and district heating related to the heating of office buildings, AO stores and office activities. For conversion from litre and m³ consumption to megawatt-hours, Energistyrelsen and Danmarks Statistik conversion factors have been used.

Renewable sources

Energy from renewable sources covers electricity generated, related to office activities.

Achieved and expected GHG emission reductions	UoM	2025	2024
Achieved GHG emission reductions (Scope 1, 2 & 3) vs base year	%	-29.8%	-36.0%
Expected GHG emission reductions by 2030			
Scope 1 & 2 vs 2022 base year	%	-80.0%	-80.0%
Scope 3 vs 2022 base year	%	-42.0%	-42.0%
Expected GHG emission reductions by 2045			
Scope 1, 2 & 3 vs 2022 base year		-90.0%	-90.0%

Energy consumption mix	2025	2024	2023
Fuel consumption from coal and coal products (MWh)	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	597.7	1,089.6	2,056.5
Fuel consumption from natural gas (MWh)	171.4	641.7	1,128.5
Fuel consumption from other fossil sources (MWh)	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	11,568.3	11,283.8	12,042.7
Total fossil energy consumption (MWh)	12,337.4	13,015.1	15,227.7
Share of fossil sources in total energy consumption (%)	97.9%	97.9%	99.9%
Consumption from nuclear sources (MWh)	0	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%	0%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0	0	0
The consumption of self-generated non-fuel renewable energy (MWh)	259.4	280.0	8.0
Total renewable energy consumption (MWh)	259.4	280.0	8.0
Share of renewable sources in total energy consumption (%)	2.1%	2.1%	0.1%
Total energy consumption (MWh)	12,596.8	13,295.0	15,235.7

E1-6

GHG emissions

The methodologies, assumptions and emission factors used to calculate AO Group's GHG emissions are disclosed in the accounting policies together with the presented data. The increase in the Group's GHG emissions is primarily driven by an unexpected rise in the electricity grid emission factor, which impacted Category 11 – use of sold products. In addition, Category 11 emissions increased due to CO₂ emissions from the washing of sold workwear products within AO Workwear. While the Group expects continued growth in sales volumes, emission intensity is expected to decline over time due to lower grid emission factors and the use of EPDs in the calculation of Category 1 – Purchased goods and services, reflecting lower emissions per product purchased and sold.

t CO ₂ e	Year					Target		Annual % target/ Baseline
	2025	2024	Baseline 2022	% vs LY	% vs Baseline	2030	2045	
Scope 1 GHG emissions								
Gross scope 1 GHG emissions	194	420	1,602	-53.8%	-87.9%	320	160	10.0%
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	2,108	1,941	3,093	8.6%	-31.8%	619	309	10.0%
Gross market-based Scope 2 GHG emissions	3,832	4,712	5,451	-18.7%	-29.7%	1,090	545	10.0%
Significant scope 3 GHG emissions								
<i>Category</i>								
1. Purchased Goods & Services	167,159	160,179	171,917	4.4%	-2.8%			
2. Capital Goods	1	2	2	-70.7%	-68.2%			
3. Fuel & Energy related Emissions	390	246	436	58.6%	-10.5%			
4. Upstream Transportation & Distribution	20,578	16,337	18,797	26.0%	9.5%			
5. Waste generated in Operations	393	374	703	5.1%	-44.1%			
6. Business Travel	76	63	89	20.3%	-14.5%			
7. Employee Commuting	812	753	642	7.8%	26.5%			
9. Downstream Transportation & Distribution	4,853	4,141	6,221	17.2%	-22.0%			
11. Use of Sold Products	533,415	480,877	838,255	10.9%	-36.4%			
12. End-of-life Treatment of Sold Products	3,215	3,146	3,162	2.2%	1.7%			
13. Downstream leased Assets	2	3	4	-22.8%	-52.0%			
Total scope 3 GHG emissions	730,893	666,121	1,040,228	9.7%	-29.7%	603,332		5.3%
Total GHG emissions								
Total GHG emissions location based	733,195	668,482	1,044,923	9.7%	-29.8%		66,850	3.2%
Total GHG emissions market based	734,919	671,253	1,047,281	9.5%	-29.8%		67,127	3.2%

GHG intensity based on net revenue		UoM	2025	2024	2023	2022
GHG intensity (location based)		t CO ₂ e per DKK million	119.8	123.1	188.3	194.4
GHG intensity (market based)		t CO ₂ e per DKK million	120.1	123.6	188.7	194.8

§ Accounting policy

GHG intensity (scope 1, 2 & 3)

GHG intensity has been calculated as gross scope 1, scope 2 location-based/market-based, and gross scope 3 CO₂e emissions divided by reported net revenue in DKK million.

§ Accounting policies for GHG emissions scope 1, 2 & 3

§ Direct GHG emissions (scope 1 & 2)

Scope 1 emissions are reported based on the Greenhouse Gas (GHG) Protocol and cover all direct emissions of greenhouse gases from AO. The direct carbon emissions from various fuels are determined based on the fuel quantities and the relevant emission factor.

Indirect GHG emissions (scope 2)

Scope 2 emissions are reported based on the GHG Protocol and include indirect GHG emissions from the generation of electricity and heat purchased and consumed by AO. Scope 2 emissions are primarily calculated as the power volumes purchased multiplied by the emission factor for electricity. For district heating, a central heating emission conversion factor is used and no local district emission factors are used. Location-based emissions are calculated based on average country-specific emission factors. Market-based emissions consider renewable power purchased and assume that regular power is delivered as residual power.

Indirect GHG emissions (scope 3)

Scope 3 emissions are reported based on the GHG Protocol, where the scope 3 inventory is split into 15 subcategories (C1-C15):

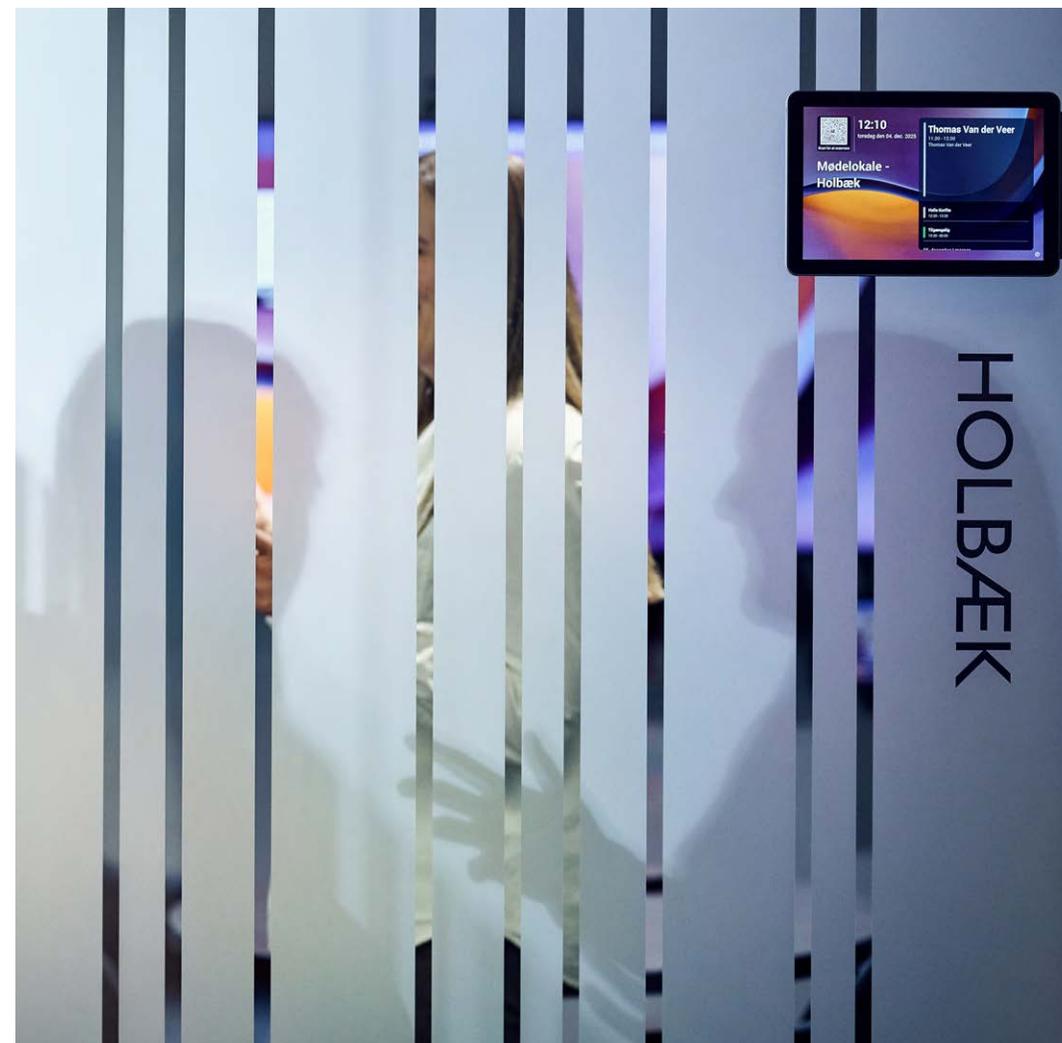
Category 1. Purchased goods for resale emissions were calculated using a physical data approach, where products were categorized based on weight and custom codes to estimate material composition and assign GWP emission factors. This covered 88% of the purchased goods list, with extrapolations applied to remaining items. For products lacking weight data, weight and

emissions were estimated using averages from the other comparable product categories. For remaining products and services not meant for resale, a spend-based approach was applied, using AO's financial data across entities and emission factors from the EEIO database, adjusted for inflation and currency conversion.

Category 2 includes GHG emissions from capital goods procurement. CO₂e were calculated using a spend-based approach and relevant emission factors were applied.

Category 3 includes the indirect emissions of fuels, electricity and district heating. They were calculated using data from scope 1 and 2. When location-specific emission factors were unavailable for Denmark, proxy factors were applied. The indirect share of the market-based emission factors was determined using the DK grid mix emission factor split.

Category 4 includes transportation emissions from suppliers, goods transportation between stores, warehouses, and direct deliveries to customers. For deliveries from AO to own facilities or customers CO₂e-reports were provided by the transportation-companies. For emissions deriving from delivery to AO these reports were not available. Therefore, the calculations were based on: Product origin, weight, and units and they were used to group suppliers by country and region. Transport distances were estimated using seadistance.org, with emissions calculated based on assumed distances and product weights. Where country of origin was not available emissions were extrapolated based on averages from the known data sources.



Category 5 includes emissions from waste disposal, based on data provided on waste type from AO’s waste handling partners. Relevant emission factors were multiplied by the waste amount.

Category 6 includes emissions from business travel, calculated using a spend-based approach. Travel spending was categorized into domestic, foreign, and client-related travel, with a statistical ratio applied as a proxy for other locations. Emissions were calculated using spend-based factors for air and land travel, while hotel stay emissions were estimated using an average hotel rate and a global emission factor per night.

Category 7 includes emissions from employee commuting, calculated based on average travel distance, transport mode, and the number of employees, including temporary workers. The transport split was derived from national statistics, with commuting distances adjusted for round trips and annual working days. Emission factors were applied except for foot and bike travel, which were set to zero.

Category 9 includes customer product pick-ups in 2025. The average shopping travel distance in Denmark (14.7 km/day) was used. Emissions were calculated without considering product weight.

Category 11 includes emissions from the use of sold products including the emissions related to the product’s entire lifetime. As no use-phase data was provided by suppliers, estimates were made. Estimations were made based on the list of purchased products, the available product category information and purchased units. The calculations were performed according to the following

steps: the total purchased products list was filtered into product categories with products (grouped by custom codes) assumed to consume electricity. The assumed electricity-consuming product categories were sorted by relevance in terms of units purchased. The top product categories of the list were analysed, and for those which were possible to assume electricity consumption, the following estimations were made: watts; product description; product’s life time in years; product’s daily usage. For some product categories not enough information was available to estimate the electricity consumption. As a conservative approach, an extrapolation has been made for the calculation of the total electricity consumption of the possibly electricity-consuming product categories. Where data was insufficient (about 10%), extrapolation was applied.

Category 12 includes emissions from the end-of-life treatment of sold products. Products were sorted by weight, with the most relevant categories covering 80% of the total. Material and waste type assumptions were made, and a waste ratio was applied to the full product

list. Waste treatment methods were based on statistical data, with emissions per kg of waste calculated.

Category 13 includes emissions from the operation of assets owned and leased to third parties. CO₂e were calculated using a spend-based approach, with emission factors adjusted for inflation.

The subcategories 8, 10, 14 and 15 are not relevant for AO and were therefore excluded. See table below.

The metrics for the scope 3 calculations will have higher level of uncertainty, as the data is based on extrapolations, estimates, judgments and conversion factors.

Scope 3 category ID	Scope 3 category	Justification
8	Upstream leased assets	The fuel and electricity consumption of leased items are accounted for in Scope 1-2 and Scope 3.3. Double accounting is avoided. The life cycle emissions associated with manufacturing or constructing leased assets are optional. SBT asks to exclude optional GHG activities from the Scope 3 GHG boundary.
10	Processing of Sold Products	AO does not sell products that (may) require further processing.
14	Franchises	AO does not operate a franchising business model.
15	Investments	AO does not have any investments that fall under the definition of this category.

Update on the original AO Denmark CO₂e-targets for scope 1 & 2

As part of AO's ongoing commitment to sustainability and reducing the environmental impact, ambitious climate targets were set for AO Denmark.

The fulfilment of the original target represents an important milestone in AO Denmark's climate transition and provides a solid foundation for continued progress under the Group's more ambitious, science-based climate targets.

AO Denmark original targets

Since 2020, AO Denmark has committed to reducing its Scope 1 and 2 carbon emissions by 50% by 2025, with a longer-term goal of achieving zero emissions in scope 1 & 2 by 2030. These targets were designed to align with AO Denmark's operational focus and are outlined in previous annual reports.

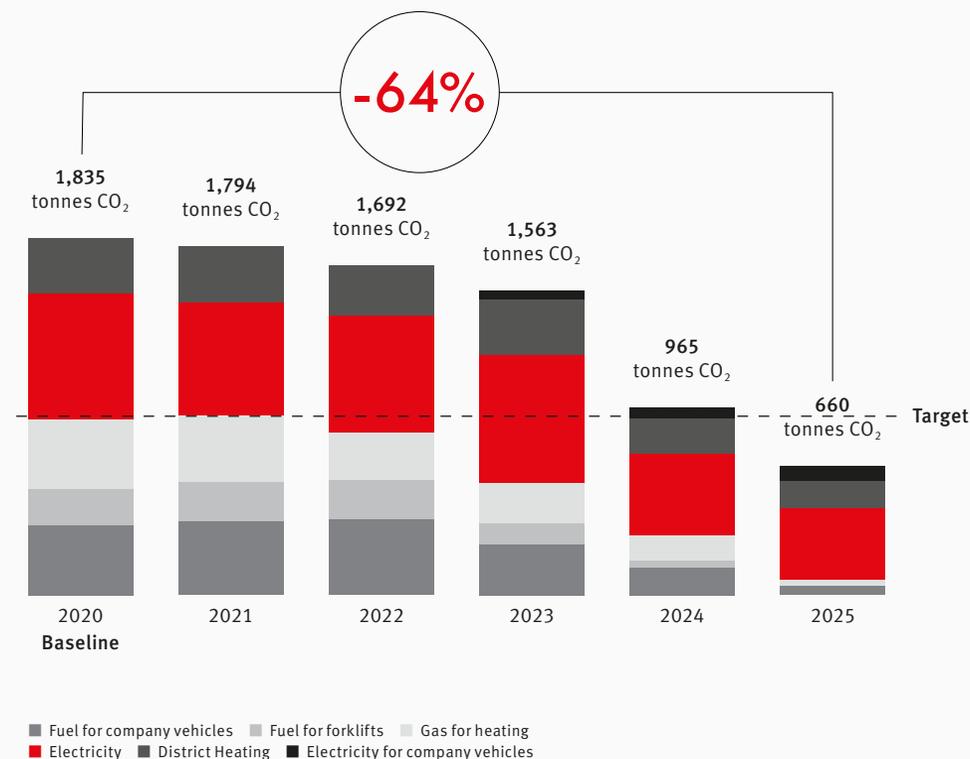
Fulfilment and phase-out of AO Denmark's original Scope 1 & 2 CO₂ target

In 2025, AO Denmark has achieved its original climate target to reduce Scope 1 and 2 carbon emissions for AO Danmarks activities by at least 50% compared to the 2020 baseline. The total reduction amounts to 64% exceeding the original target.

The reduction has been achieved through targeted actions, including electrification of vehicles and phase-out of fossil fuels for heating and forklifts.

As disclosed in last year's annual report, 2025 is the final year in which AO reports separately on this original Scope 1 and 2 target for AO Danmarks activities. Going forward, climate reporting will focus exclusively on the AO Group's Science Based Targets initiative (SBTi)-validated targets for Scope 1, 2 and 3, which constitute the primary framework for the Group's climate strategy.

**AO Denmark
The carbon emissions for scope 1 and 2**



E2 Pollution

IRO-1

Impacts, risks and opportunities

AO has identified one negative impact within pollution related to following sub-topics:

- Substances of very high concern

AO’s material impact on pollution relate to Substances of Very High Concern (SVHC) in products sold to customers, affecting both upstream and downstream activities. In 2024 an analysis was conducted across all operations to identify harmful substances and quantities stored at each site.

The impact is largely connected from activities in the value chain, e.g. the extraction and processing of raw materials, manufacturing process or components within the products AO acquire and distribute to customers. AO’s product line includes a multitude of chemicals commonly used in the construction industry.

Although the physical pollution risk from storage is limited, all sites comply with regulatory and ISO 14001 requirements for hazardous materials and fire safety. Some SVHCs, such as assembly foam and universal spray, may cause lasting environmental or health impacts, primarily affecting users in the downstream value chain.

Pollution topics were not deemed financially material due to the limited product range and strong regulation. However, AO continues to explore opportunities to reduce harmful substances in collaboration with customers.

The IRO assessment is reviewed annually, based on changes in supply chains or operations, using input from safety data sheets, REACH restriction lists, and the ECHA SCIP database.

The scope of AO’s climate & environmental policy is covering the whole value chain across all geographies and all identified stakeholders. The environmental and climate policy solely covers climate change mitigation and adaptation, energy efficiency, pollution, waste management, circular economy.

Process for analysing SVHC

Based on safety data sheets AO has conducted an analysis of all chemicals sold. The analysis was performed by internal and external specialists.

Based on the safety data sheet information all chemicals were divided into categories based on REACH restriction lists. All new chemicals are analysed to assess which restriction lists (if any) the substances are categorised into. Articles with SVHC-substances are monitored through the registration of goods that are listed in the SCIP-database by the European Chemicals Agency (ECHA).

The reported quantities of chemicals and articles containing SVHC substances reflect the total weight in kilograms of the products, regardless of the proportion of SVHC substances within them. The disclosure is not validated by an external body. The information and communication provided on these substances to customers follows the CLP-regulation.

E2-1

Policies on substances of very high concern

AO’s Climate and Environmental Policy and Corporate Social Responsibility Policy address pollution prevention and the management of harmful substances across the value chain. The CTO is responsible for implementation, supported by AO’s ISO 14001-certified environmental management system. Key contents of the policy are outlined below:

Pollution prevention and control

- AO works to minimise pollution of air, water, and soil through compliance with ISO 14001 procedures
- Continuous employee involvement, and performance monitoring
- Environmental considerations are integrated into management and procurement processes.

Substitution and phase-out of harmful substances

- AO annually analyses its product portfolio and engages suppliers to reduce and phase out Substances of Very High Concern (SVHCs)
- Targeting a full phase-out by 2030, especially for consumer-facing products

- AO prioritises purchasing and promoting more sustainable product alternatives

Incident prevention and control

- AO maintains strict compliance with hazardous materials and fire safety regulations
- Emergency handling and spill prevention are embedded in the ISO 14001 system to ensure rapid response and mitigation of potential impacts

The policy applies globally across AO’s operations and value chain and is regularly reviewed in dialogue with suppliers and customers to align with evolving standards and regulations.

E2-2

Actions

Reducing harmful substances in the chemicals AO sells relates to both upstream and downstream activities, and is addressed in the following way:

- Annually analyse and reduce the amount of environmentally harmful substances by engaging in dialogue with suppliers on how to replace or phase them out, particularly in products sold to private consumers and substances of very high concern (SVHC).
- Increasing the share of sustainable products when purchasing from suppliers to benefit AO's customers. Through prioritisation and dialogue, AO aim to shift customer focus towards sustainable products.
- AO reduces environmentally harmful substances for the benefit of both people and the environment.

AO works with monitoring harmful substances both in terms of reduction of harmful substances as well as handling emergency situations and is a part of the certified ISO 14001-management system. The entire AO, from top management to stores, is certified in the ISO 14001 environmental management system, which includes:

- Actively involving employees in environmental efforts
- Including environmental topics on the agenda of internal sales, board, and management meetings
- Measuring departments on environmental performance, just as they are measured on other outcomes

- Ensuring that initiatives with environmental impact are planned, implemented, and evaluated in collaboration with AO's responsible environmental unit
- Assisting AO's customers in making green choices when shopping with us

AO has consulted stakeholders by interviewing customers about their view on AO's customer-related work with sustainability including harmful substances. Neighbours were not consulted regarding the matter, but as harmful substances are a well-regulated field, AO are following regulation on the matter including requirement to warehouse setup.

E2-3

Targets

AO's target is to eliminate all SVHC-substances in products AO sell by 2030 and reduce substances of concern, where substitutes are technically and commercially viable.

As 2030 is a medium time frame, the interim target is to decrease the sales of chemical products with SVHC substances each year.

No official methodology and no significant assumptions has been used to set the target. The target are related to the EU's chemicals strategy for sustainability towards a toxic-free environment and the scientific evidence proposed in the strategy.

AO plans to track the effectiveness of its actions yearly by analysing the substances in chemicals using specialised software and track the amounts sold of SVHC

substances as well as substances of other REACH restriction lists. The Target was set in 2024. AO has consulted stakeholders by customer interview during the fall of 2023 about their view on AO's customer-related work with sustainability including harmful substances. They were not a part of the target setting process.

The target relates directly to the climate and environmental policy as stated above. AO follows regulation updates using software and updates its list of relevant regulation each year.

Progress towards SVHC 2030 target



E2-5 entity specific

Pollution - Substances of very high concern	UoM	2025		2024 (restated)		2024 (original)	
		SCIP	SVHC	SCIP	SVHC	SCIP	SVHC
Amount of substances of very high concern that leave facilities as part of products by main hazard classes of substances of concern	Weight tonnes	1,226.1	34.1	913.3	26.1	679.8	9.6
Percentage of net revenue generated by products and services that are or that contain substances of very high concern	%	8.5%	0.03%	5.8%	0.04%	5.8%	0.04%

* The 2025 reporting period introduces a revised number for Pollution - Substances of very high concern. The metric in last year's report did not capture the total weight of all sold products. In contrast, the 2025 metric now reflects the total weight for all sold products classified as substances of very high concern. As a result, figures from 2024 have been updated to reflect the same definition as the 2025 figures to be comparable.



§ Accounting policy

Substances of very high concern (SVHC)

Substances of Very High Concern (SVHC) are particularly hazardous substances identified under the EU REACH Regulation.

SCIP is the EU database under the Waste Framework Directive in which suppliers must register articles containing SVHC above 0.1% weight by weight. Information on SVHC in chemical substances and mixtures is instead provided in Safety Data Sheets (SDS).

Provided are the total weight (in tonnes) and percentage of net revenue of SVHC as part of

substances or articles (ingredients in final products) sold in AO.

The volume of SVHC is presented as the total weight (in tonnes) of all substances or articles containing SVHC, not the total weight of the actual SVHC ingredient.

The weight of a substance or article is included if the SVHC concentration exceeds 0.1% weight by weight.

E5 Resource use and circular economy

IRO-1

Impacts, risks and opportunities

AO has identified three negative impacts within resource use and circular economy related to following sub-topics:

- Resource inflows
- Resource outflows
- Waste

AO's assessment of resource use and circular economy impacts is based on extensive industry knowledge, continuous desk research, and internal and external knowledge sharing. The assessment incorporates general data from the construction industry and product-specific supplier data on waste and packaging.

AO monitors international legislation and market trends to identify emerging risks and opportunities, particularly related to compliance and circular business models.

Although AO's own operations have limited local environmental impact and are not classified as polluting, as defined by the Danish Environmental Protection Act, upstream activities in the value chain does have an impact on the stakeholders due to resource extraction and material production. These impacts are difficult to trace and mitigate given value chain complexity.

Regarding AO's own activities, AO's main resource impacts stem from purchased packaging, involving the

use of energy, water, and raw materials. Internal resource use primarily relates to energy for facilities and packaging production. Going forward, AO aims to strengthen risk assessments and stakeholder management related to resource use and circular economy.

While identifying IROs relevant for resource use and circular economy, all types of resource inflows and outflows were considered, including energy and water consumption in own operations as well as in upstream and downstream activities. Water was deemed non-material (see non-material topics based on DMA). Energy consumption and impact of resource use of AO's value chain are covered in section E1 Climate change on page 66.

AO calculate and analyse its waste and packaging with product-specific supplier data. However, due to the complexity of the value chain and no direct influence on the initial stages of product production, the negative impacts in upstream activities are difficult to mitigate, as well as downstream activities regarding resource loss if products are not properly managed or recycled.

E5-1

Policies

AO's Climate and Environmental Policy cover the full value chain and all stakeholders across geographies. Given that most material impacts occur upstream, the policy primarily targets supplier and product-related activities, while also addressing AO's own waste reduction and resource efficiency efforts.

The ESG Council is responsible for the implementation of the policy, which focuses on climate change mitigation and adaptation, energy efficiency, pollution prevention, waste management, and circular economy. It is publicly available on AO's website and intranet.

All employees must complete online training on environmental and climate practices and are encouraged to engage with the sustainability team for questions or ideas.

In addition to the Climate and Environmental Policy AO prioritises waste reduction and minimising the use of virgin resources operations through reducing own packaging amounts and procuring reusable transport packaging or packaging made of recycled materials if possible. This is an ongoing effort, supported by Packaging and Packaging Waste Regulation timeline.

E5-2

Actions

AO has implemented a company-wide waste sorting system, continuously optimised for each location. Employees complete training on proper sorting and receive updates as new information becomes available. Monthly waste data is visualised and shared internally to track progress, identify best practices, and support underperforming sites.

In Q2 2025, packaging flows at the central warehouse were mapped to identify challenges and opportunities regarding reduction of used packaging. Various initiatives for packaging reduction were suggested. Some of them were investigated and implemented in Q4 2025. In Q4 2025, damaged and defective goods were investigated as well, to identify potential for resell options.

Related to the Extended Producer Responsibility for Packaging, AO is continuously working on collecting correct packaging data from relevant suppliers. Furthermore, in Q4 2025, relevant requirements and targets set in Packaging and Packaging Waste Regulation were mapped and will in 2026 contribute to setting packaging reduction targets. AO has also mapped packaging design criteria according to the Extended Producer Responsibility, which will help identify and encourage procurement of packaging with the least environmental impact. Due to the complexity

of AO's value chain, AO is currently not focusing on circular resources in the products' value chain.

These initiatives form the foundation for AO's developing circular strategy, focusing on waste prevention, value retention, and procurement of recycled materials. Actions are reviewed continuously and adjusted based on results.

E5-3

Targets

AO has defined one target regarding circular economy, which is specified in the Climate and Environmental Policy:

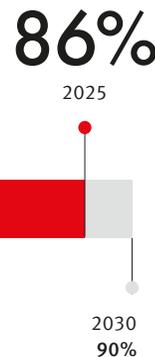
AO has set a target to sort at least 90% of its total waste. Sorted waste is defined as all waste streams that are not classified as residual waste or waste sent to landfill (deponi). Consequently, the share of sorted waste is calculated as total waste generated minus residual waste and landfill waste, expressed as a percentage of total waste. The calculation is based on data from waste management providers.

AO plans to track the effectiveness of its actions yearly by analysing the amount of waste that is sorted for further treatment and amount of residual waste. The baseline for the calculation will be 2024, as the target has been set during 2024.

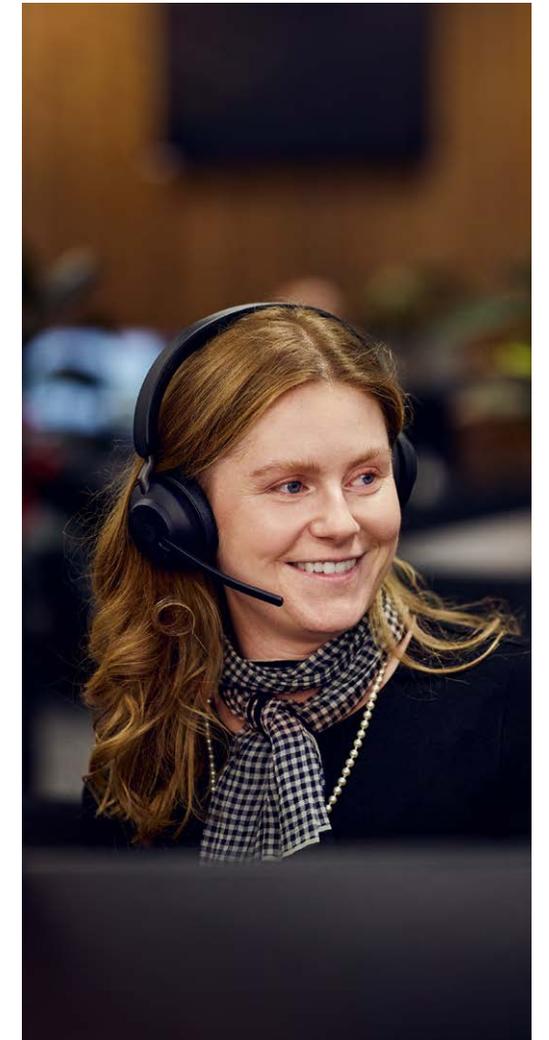
Danish legislation does not set any specific waste sorting targets that companies must reach. AO's waste sorting targets are not based on any significant assumptions but inspired by legislation and driven by AO's environmental ambitions. Regarding packaging targets, AO will in 2026 take point of departure in targets set in Packaging and Packaging Waste Regulation.

Due to the complexity of AO's value chain, AO is currently not focusing on circular resources in the products' value chain.

“AO's target is to have 90% of waste sorted for further treatment by 2030 and residual waste should be no more than 10 % of all waste produced by AO. This relates to recycling in the waste hierarchy.”



Waste sorted for further treatment



E5-4
Resources inflows

Due to the extent of AO’s product range and consequently its wide-reaching and complex value chain, AO has not executed an analysis of its full resource inflows.

Regarding own operations, AO mapped its own packaging consumption to start working on reduction of procured packaging. These are the resource inflows that are within AO’s full control. AO is also in the process of collecting detailed packaging data from its suppliers in line with Extended Producer Responsibility for Packaging. However, these resource inflows are outside AO’s control.

The impact of resource use in AO’s value chain is elaborated in the E1 Climate change section on page 66.

E5-5
Resources outflows and waste

AO’s main activities are procurement and sales, with limited own production, making waste management a key environmental focus area.

AO generates some waste, in connection with its normal operations. Cardboard packaging is AO’s largest material waste stream, accounting for 38% of its total waste. The second largest material waste stream is wood, at around 27%, followed by incinerated waste, which makes up about 20%. Plastic account for 4% and steel, other metals, and ceramics combined account for 3% of AO’s total waste. Other material waste streams do not exceed 1.5% of annual waste.

Waste data is collected from certified waste management partners who sort, weigh, and report data monthly based on verified measurements and invoices. Reporting covers all AO locations in Denmark, Sweden, and Norway.



Small projects encouraging reduction of waste

NEXT

Whenever AO has materials and products that are still intact and useful but not eligible for sale, such as screws that have expired and are in old packaging, AO sends them to a vocational school that can use them for training and education of future carpenters, rather than disposing of the screws.

RED project

The 'RED' project, initiated by our customer Finn L. & Davidsen, receives donations several times a year from AO. We provide slow-moving stock items and return products with cosmetic damage, which are handed out to DIY enthusiasts once a year.

Waste	UoM	2025	2024
Total amount of waste generated	Weight tonnes	1,714	1,708
Non-recycled waste	Weight tonnes	329	315
Percentage of non-recycled waste	%	19.2%	18.4%

Waste	UoM	2025		2024		
		Hazardous	Non-hazardous	Hazardous	Non-hazardous	
Diverted from disposal	Preparation for reuse	Weight tonnes	0	5	0	0
	Recycling	Weight tonnes	2	1,383	3	1,390
	Other recovery operations	Weight tonnes	1	201	3	209
Directed to disposal	Incineration	Weight tonnes	0	112	0	82
	Landfill	Weight tonnes	0	10	0	21
	Other disposal operations	Weight tonnes	0	0	0	0

§ Accounting policy

Waste weight

Waste treatment volumes are reported in absolute tonnage (in tonnes) of waste collected from AO's location during the reporting period. All data is third-party and actual data.

Non-recycled waste

Total weight in tonnage (in tonnes) and percentage of waste that has not been recycled.

EU Taxonomy

Under the EU Taxonomy Regulation, listed companies employing more than 500 people must disclose the share of their revenue, expenses and capital employed in 2025 that are defined as environmentally sustainable under the Taxonomy Regulation.

For the 2025 financial year, reporting is required in relation to “Countering climate change”, “Adapting to climate change”, “Water”, “Pollution”, “Circular Economy”, and “Biodiversity and ecosystems”.

AO is an environmentally aware and climate conscious company. As stated previously, AO’s direct carbon footprint is limited, as we are a wholesaler and conduct neither major production nor other activities that could potentially harm the environment and climate. That is why reporting on the environmental sustainability of AO’s activities as defined in the EU Taxonomy Regulation is limited and does not present a complete view of AO’s environmental and climate efforts, as they extend beyond AO’s own activities. See section E1 Climate change on page 66 for more information about AO’s activities.

AO has conducted an analysis of its activities to identify if any of the activities are eligible as defined in the Annexes 1-2 of the Climate delegated act or in the Annexes 1-4 of the Environmental delegated act in the EU Taxonomy Regulation. The aim of this has been to identify whether AO has any reportable turnover, investments or expenses to be included in the report for 2025.

Wholesale trading is not included as a separate activity in the EU Taxonomy Regulation. Hence AO only has sub-activities that are covered by the Regulation.

Identified areas with eligible economic activities during the reporting period were further assessed for alignment. However, AO does not claim alignment for 2025 due to insufficient documentation in the relevant areas.

Reporting in accordance with the taxonomy

According to the classification system in the EU Taxonomy, AO is required to submit a report in relation to activity “CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles” and “CCM 7.7 Acquisition and ownership of buildings”. Both activities are deemed to have the potential to contribute to the environmental and climate objective “Adapting to climate change”.

AO has compared the two identified activities “CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles” and “CCM 7.7 Acquisition and ownership of buildings” with technical screening criteria according to the Delegated Regulation 2021/2139 and have identified 0% of the revenue, 55% of the investments, and 26 % of the total maintenance expenses to be eligible according to the classification system, cf. below in the taxonomy form for turnover, capital expenditure (CapEx) and operating expenses (OpEx). None of the turnover, investments or operating expenses have been assessed as being environmentally sustainable activities.

As yet, no capital expenditure plan for upgrading AO’s investments to become environmentally sustainable in the longer term has been made.

This is illustrated below in the mandatory tables in accordance with Delegated Regulation (EU) 2021/852.

Conclusion

AO has specifically assessed the do no significant harm requirement for both eligible activities (CCM 6.5 and CCM 7.7) and does not claim alignment for any of the activities in 2025 due to insufficient documentation in the relevant areas.

Nuclear and fossil gas related activities

Nuclear energy related activities

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

Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Taxonomy form for AO

	Total ² mDKK	Proportion of Taxonomy eligible activities ³	Taxonomy aligned activities ⁴ Currency	Proportion of Taxonomy aligned activities ⁵	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities ¹²	Proportion of transitional activities ¹³	Not assessed activities considered non-material ¹⁴	Taxonomy aligned activities in previous financial year (N-1) ¹⁵ mDKK	Proportion of Taxonomy aligned activities in previous financial year (N-1) ¹⁶
					Mitigation Climate Change ⁶	Adaptation Climate Change ⁷	Water ⁸	Economy Circular ⁹	Pollution ¹⁰	Biodiversity ¹¹					
Financial year (2025)															
KPI¹															
Turnover	6,120.82	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%	
CapEx	234.55	54.9%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%	
OpEx	65.70	28.0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%	

Taxonomy form for turnover, OpEx and CapEx

Financial year (2025) Economic Activities ¹	Code ²	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover, OpEx & CapEx) ³	Taxonomy aligned KPI (monetary value of Turnover, OpEx & CapEx) ⁴ MDKK	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, OpEx & CapEx) ⁵	Environmental objective of Taxonomy aligned activities						Enabling activity ¹²	Transitional activity ¹³	Proportion of Taxonomy aligned in Taxonomy eligible ¹⁴
					Mitigation Climate Change ⁶	Adaptation Climate Change ⁷	Water ⁸	Circular Economy ⁹	Pollution ¹⁰	Biodiversity ¹¹			
Reported KPI (Turnover)													
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.0%	0	0%	0%	0%	0%	0%	0%	0%		T	0%
Acquisition and ownership of buildings	7.7	0.0%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total KPI (Turnover)		0.0%	0	0%	0%	0%	0%	0%	0%	0%			0%
Reported KPI (OpEx)													
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	2.3%	0	0%	0%	0%	0%	0%	0%	0%		T	0%
Acquisition and ownership of buildings	7.7	25.8%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total KPI (OpEx)		28.0%	0	0%	0%	0%	0%	0%	0%	0%			0%
Reported KPI (CapEx)													
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	6.1%	0	0%	0%	0%	0%	0%	0%	0%		T	0%
Acquisition and ownership of buildings	7.7	48.8%	0	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total KPI (CapEx)		54.9%	0	0%	0%	0%	0%	0%	0%	0%			0%

§ Accounting policies

§ Accounting policies for taxonomy

All KPIs have been calculated on Group level in accordance with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 220/852 of the European Parliament and of the Council, Annex 1. The accounting policies below are described in detail to allow a better understanding of how the proportion of AO's taxonomy-aligned and taxonomy-eligible activities has been calculated.

Turnover

Turnover is calculated on the same basis as the turnover in the financial statements. No turnover has been identified for activity "CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles" and activity "CCM 7.7 Acquisition and ownership of buildings".

CapEx

Capital expenditure for activity "CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles" is calculated based on Annex 1, section 1.1.2 and includes the purchase and lease of company cars and other vehicles. This is viewed in relation to the total investments in "Intangible assets" (excluding goodwill), "Property, plant and equipment" and "Right-of-use assets", cf. notes 3.1-3.3 of AO's Annual Report for 2025.

Capital expenditure for activity "CCM 7.7 Acquisition and ownership of buildings" is calculated based on Annex 1, section 1.1.2 and includes all acquisitions and property leases. This is viewed in relation to the total investments in "Intangible assets" (excluding goodwill), "Property, plant

and equipment" and "Right-of-use assets", cf. notes 3.1-3.3 of AO's Annual Report for 2025.

OpEx

Operating expenses for activity "CCM 6.5 Transport by motorbikes, passenger cars and commercial vehicles" are calculated based on Annex 1, section 1.1.3. and include all direct maintenance expenses associated with the Group's company cars and other vehicles.

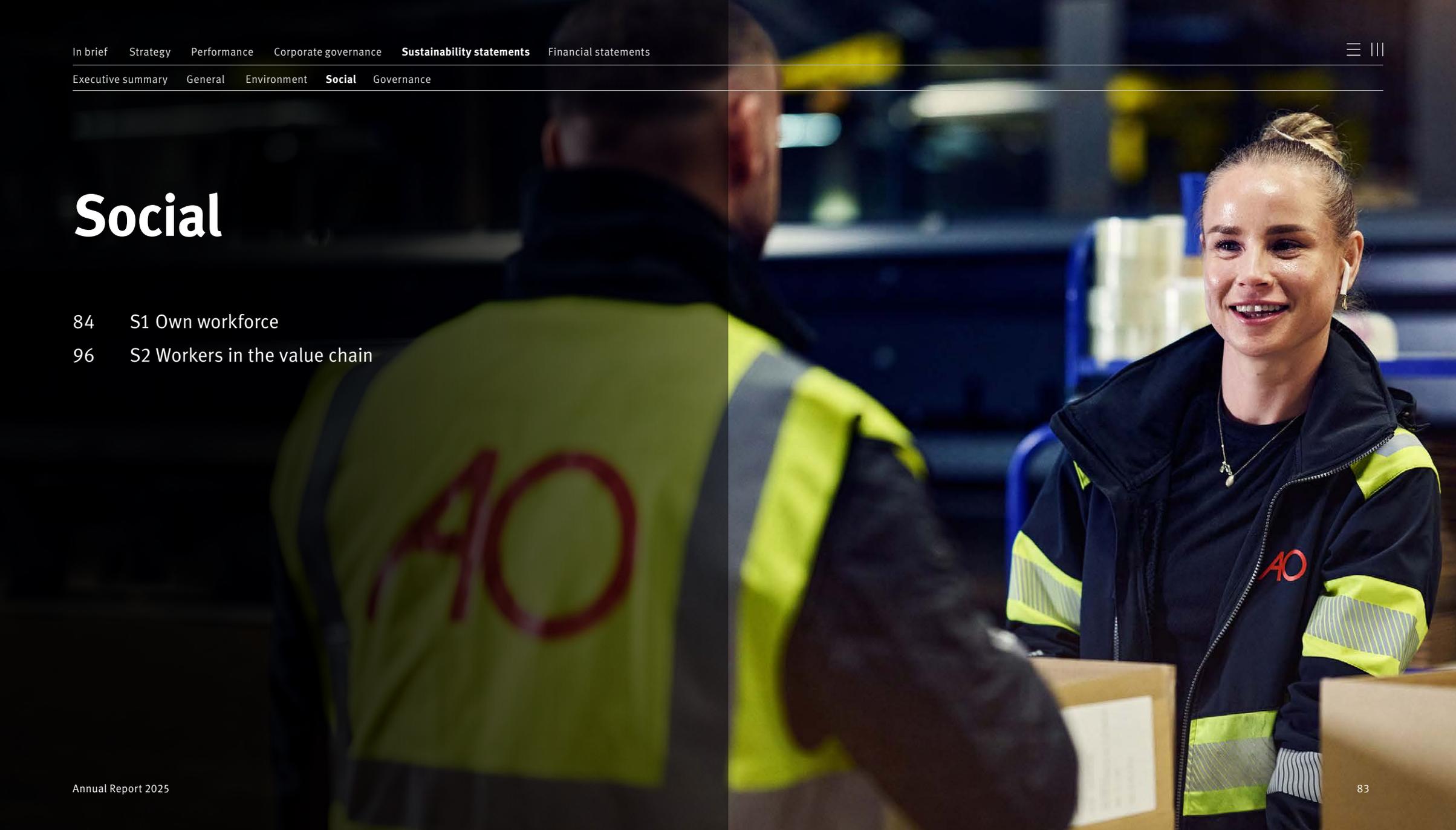
The proportion of operating expenses is calculated as direct maintenance expenses, viewed in relation to the Group's total operating expenses.

Operating Expenses for activity "CCM 7.7 Acquisition and ownership of buildings" are calculated based on Annex 1, section 1.1.3. and include all direct maintenance expenses associated with the operative administration of own and leased property. The proportion of maintenance expenses is calculated as direct maintenance expenses, which are viewed in relation to the Group's total operating expenses.

Through cross checking with the Annual Report for 2025, it has been ensured that there is no duplication of the components included in the calculation of revenue, capital expenditure and operating expenses.

Social

- 84 S1 Own workforce
- 96 S2 Workers in the value chain



S1 Own workforce

SBM-3

Impacts, risks and opportunities

AO has identified two negative impacts within own workforce related to following sub-topics:

- Working conditions
- Equal treatment and opportunities for all

The employees are the core of AO, and they are crucial to the company’s success and results. AO is committed to being a socially responsible business and ensuring that every employee is satisfied and has the best working conditions.

Potential impacts can lead to the loss of talented employees and a challenge of recruiting and developing the necessary resources and expertise. Economic downturns and business acquisitions can potentially lead to negative impacts on the workforce.

Through targeted activities in own working environment and employee development, AO strives to create long-term opportunities. AO focuses on building a dynamic and flexible workforce capable of adapting to changes and supporting the company’s ambitions of being an attractive, inclusive, and socially responsible workplace.

AO operate in an industry that traditionally did not have many women, making it difficult to achieve equal gender

distribution, however, AO focuses on equality and development for all.

Health and safety can potentially have large negative impacts for AO’s employees, which makes it a high priority for AO management to mitigate amount and severity.

The company’s CHRO is responsible for the implementation of all HR policies applying to the entire AO Group, unless anything else is stated.

The measurement of the metrics related to characteristics of own employees is based on the AO Group and is not validated by an external body, unless otherwise else is stated.

SBM-2

Interests and views of stakeholders

AO’s employees are the foundation for the company’s success and results. Channels for open communication and daily interaction present AO’s employees with an opportunity to engage and share meaningful insights, giving all employees a voice at the company, as well as in the Works Council and the Board of Directors.

Employees have an increasing expectation of transparency in relation to well-being, work pressure and management culture, as well as an interest in how the company supports work-life balance. AO focuses on offering employees a healthy and safe working envi-

ronment, opportunities for skills development and an inclusive culture with respect for human rights, including diversity and equal opportunities for all employees. The above is part of AO’s strategy and business model with a focus on, e.g., creating an attractive, inclusive and socially responsible workplace.

Customers and business partners are showing increasing attention to social responsibility in the value chain. They demand documentation of decent working conditions, respect for human rights and active efforts against discrimination - both internally and with subcontractors.

AO uses inputs from stakeholders to determine the most important social topics in its CSRD reporting and to define goals and initiatives that support the responsible and sustainable development of the organisation and its employees.

No special impacts or dependencies have been identified. See Stakeholder section on page 56.

S1-1

Policies related to own workforce

While not covered directly in the policies mentioned below, AO prioritises employee well-being, retention, and development, and will continue to strengthen its efforts in the identified areas to ensure a workplace that promotes both well-being and motivation among employees.

AO is dedicated to advancing its initiatives and achieving its ambitious social goals so that the company can maintain a supportive and diverse work environment that contributes to the sustainable development of all employees, the company, and society.

AO takes pride in a strong corporate culture, reflected in low employee turnover and a commitment to ensuring the health and safety of everyone.

AO’s employee code of conduct, including guidelines and company’s ethics and compliance policy defines and establishes the expected behaviour in both internal and external situations.

All employees are expected to act in accordance with this code of conduct, respecting AO’s principles and commitments regarding health and safety, discrimination, anti-corruption and bribery, environment, data protection, etc. Managers are responsible for ensuring the implementation and adherence to the code of conduct.

HR activities are managed by a central HR function headed by the company’s CHRO. The HR function is tasked with the management of the material impacts affecting AO’s own workforce.

Human and labour rights

AO complies with and upholds fundamental international human rights standards, including the UN Universal

Declaration of Human Rights, the core principles on human rights as described in the UN Guiding Principles on Business and Human Rights, the EU Convention on Human Rights, and the basic conventions adopted by the International Labour Organization (ILO), which is an agency of the UN dealing with labour issues.

AO's policy on respect for human rights specifically addresses the right to freely associate, organise, and engage in collective bargaining. AO does not tolerate forced labour, child labour, or discrimination. AO's policies do not address trafficking in human beings as AO complies with national and local rights as well as EU legislation.

AO's policy on respect for human rights and supplier code of conduct, which are part of AO's broader sustainability strategy set out by the ESG Council, apply to all employees and business partners, ensuring that respect for human rights is upheld naturally throughout the company.

Health and safety

Ensuring a safe and healthy work environment is one of AO's top priorities and health and safety guidelines were implemented with standards to protect and ensure the safety of its employees.

AO focuses on sick leave management, with an absence management policy aimed at supporting an early and proactive approach to help retain employees. Low absence rates and the prevention of workplace accidents are essential for AO employees' well-being and the overall efficiency of the company.

Through the company's EarlyCare programme, the organisation and/or employee who is on sick leave or at risk of

taking sick leave can contact EarlyCare and speak with Health Guides who can offer treatment guidelines. Early intervention can minimise the risk of illness developing into a long-term absence. The goal is to help the employee return to work in a safe, quick, and successful manner.

Diversity and equal treatment

Diversity is regarded as a strength that contributes to innovation and AO's long-term success. AO has developed policies to ensure equal opportunities for all employees, regardless of background, to foster a workplace where all employees feel valued and respected. Through the company's ethics and compliance policy, AO actively supports diversity with a focus on respecting human rights.

AO offers equal opportunities regardless of ethnicity, race, religion, age, gender, disability, sexual orientation, political views, or social status. In addition, AO has a policy for increasing the underrepresented gender at the company's other management levels, a diversity policy for the company's management, and a diversity policy for all employees.

AO's statutory report on diversity in management can be viewed here:

Statutory report on diversity in management 2025
<https://ao.dk/globalassets/download/regnsk-absdata/2025/statutory-report-on-diversity-in-management-2025.pdf>

AO's approach to well-being includes both physical and mental health, flexible working hours, and meaningful opportunities for personal and professional develop-

ment. The flexibility policy is outlined in the employee handbook available on the company intranet. To support employees approaching retirement, AO has a senior policy that allows employees to plan their retirement well in advance, e.g., changes in working hours.

All AO employees have employment contracts that clearly state their rights and obligations. Salaried employees and workers paid by the hour are covered by collective agreements. Managers' employment terms are governed by the National Salaried Employees Act and are aligned with the collective agreement for salaried employees on specific issues.

AO pays a fair wage to their employees in line with national legislation, market trends and agreements with trade unions. All employees are covered by social protection, through public programmes in both Denmark, Sweden and Norway. AO respects employees' rights to organise and to engage in collective bargaining.

Historically, more men have pursued careers within the construction sector, in which AO operates, and the majority of the talent pool is therefore made up of men, which is evident in AO's leadership levels and throughout the organisation. This is also reflected in the gender pay gap. Many of AO's diversity initiatives aim to balance gender representation in leadership and throughout the organisation and to achieve pay equity for equal qualifications and jobs. For instance, when AO seeks candidates for an open position, the company strives to have at least one woman among the last three candidates for the job in question. In this way, the proportion of women in the organisation is expected to increase over time, and

as AO practices equal pay for equal work, the gender pay gap is expected to be reduced as well.

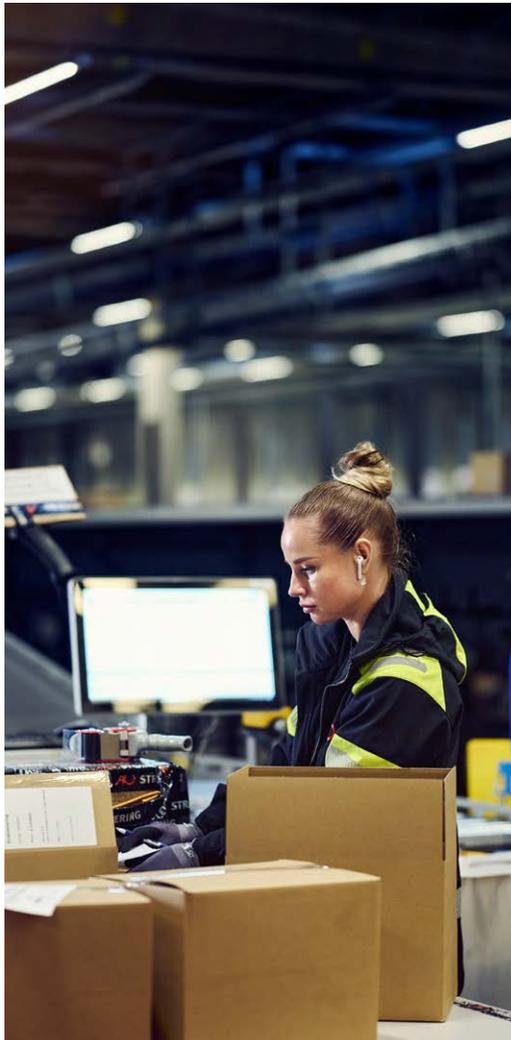
Skill enhancement and further training

AO encourages ongoing learning and offers a wide range of educational opportunities through its "Learning Universe" on the intranet, and here information regarding the company's training strategy is also available. Training and education are crucial for AO to remain competitive and adapt to ever-changing market needs.

AO offers a trainee programme that provides young people with hands-on learning, professional development, and mentorship programmes that help them build the skills and experience needed for a successful career. This initiative is part of AO's social responsibility and an important step toward supporting the future workforce.

Non-employees (substitutes)

Non-employees working through an external agency are entitled to similar basic conditions as direct hires.



S1-2

Engaging with own workforce

To foster trust and open communication regarding working conditions, the company’s guidelines and policies are made accessible to all employees on the company intranet and in the employee handbook. Additionally, AO has implemented an e-learning portal, 'AO Campus', where all new employees complete mandatory e-learning courses, including the ‘Ethics and Compliance’ course which helps protect and safeguard employees against discrimination, harassment, and unsafe working conditions.

Employee involvement

AO continuously promotes employee involvement and transparency through regular updates via the company intranet, kick-off meetings, team and department meetings, as well as virtual presentations covering topics such as company performance (financial review), IT security, training opportunities, and e-learning courses.

AO actively involves employees in shaping and improving company processes, often through project-based initiatives and evaluations of new systems.

AO’s goals and results are communicated in part through mandatory reports, ensuring the maintenance of stakeholder trust. This strengthens the shared understanding of the company’s goals and reinforces its culture, which brings the organisation closer together.

With a focus on improving working conditions and ensuring high job satisfaction, AO conducts job satisfaction surveys where employees can provide feedback to the company. AO puts value in sharing knowledge and information with its employees.

AO assesses the effectiveness of its engagement with its own workforce through the job satisfaction surveys, direct communication channels, and workplace assessments (APVs).

Works Council

According to the Danish rules for works councils, which are set out in the Cooperation Agreement between the Confederation of Danish Employers and the Danish Confederation of Trade Unions (now merged into the Danish Trade Union Confederation), companies with more than 35 employees must establish a works council.

AO has therefore set up a Works Council, which meets every two months. The Works Council consists of six management representatives and six employee representatives, the latter being elected by the employees. Employee representatives are elected from among employees without managerial responsibilities within the Danish parent company for a term of two years.

The Works Council ensures mutual information-sharing and dialogue about workplace matters, both actual and potential impacts, so that management and employees can achieve a common understanding, thereby promoting a positive workplace culture and efficient operations.

Employees can contact their workers’ representatives and ask them to bring up issues at the Work Council meetings.

AO has not entered into an agreement with its employees to set up a European Works Council.

Employee representatives on the Board of Directors

AO’s Board of Directors consists of eight members, three of whom are employee representatives, elected by the

employees for a term of four years. The employee representatives ensure that employees have a direct voice in the top management of the company. The employee representatives are, among other things, involved in identifying and assessing actual and potential impact on AO’s workforce. Thus, AO’s employees can influence decisions that directly affect their work environment, working conditions, setting targets and the company’s future development. Approximately six ordinary Board meetings are held each year.

Employee goals, HR-systems and data collection

The company has a structured approach to HR data management, where various HR systems serve as a main data warehouse. Here employee information such as contracts, working hours, job transfers, management levels, salaries, holiday and absence registration, including sick leave, etc., is collected. HR data is updated frequently.

In addition, the company has data collection for workplace accidents, extended illness, performance reviews, and job satisfaction surveys, enabling AO to monitor well-being and safety, identify areas for improvement, and respond quickly to risks and changes.

This ensures expectations for responsible behaviour are clear from the outset.

S1-3
Remediate negative impacts and channels for own workforce to raise concerns

AO has established processes to ensure that employees have effective and safe mechanisms to raise concerns, seek remediation, and have adverse impacts addressed in line with AO's Policy for Respect for Human Rights.

Employees are encouraged to report any irregularities, breaches of law, or concerns about working conditions through several channels. The primary mechanism is AO's whistleblower portal, accessible via AO's intranet and websites, which guarantees confidentiality and independence. In addition, employees may address grievances directly with their line manager or the HR department. These mechanisms ensure that employees have both formal and informal pathways to raise issues.

Remediation measures are designed to address not only the individual case but also to prevent recurrence and mitigate systemic risks. By embedding these processes into the broader governance framework, AO strengthens transparency, supports employee rights, and advances its ambition for a fair, diverse, and inclusive workplace.

AO continuously evaluates the effectiveness of these initiatives and adjusts them based on employee feedback and market developments.

Whistleblower system

The established whistleblower system provides an effective grievance and feedback mechanism that is externally managed, allowing employees to report issues without fear of retaliation.

Grievances are handled in accordance with established procedures, ensuring timely responses. The effectiveness of these channels is evaluated on an ongoing basis through the monitoring of cases.

Health and safety

Accidents in the workplace are reported through the health and safety committee, which receives information about incidents and reports them to the public authorities via a safety management system.

In AO's occupational health and safety organisation, a key focus is on safety protocols to minimise risks and prevent injuries.

By focusing on these elements, AO is committed to providing its employees a socially responsible and supportive work environment that not only promotes employee well-being throughout their careers but also enhances the company's overall performance and reputation.

In addition, employees have the option to enrol in the company's health insurance plan, which gives them quick and professional treatment or assessment if they experience discomfort, illness, or injury. This insurance also covers the employee's children, and employees can opt to extend the insurance to their spouses, partners, or registered partners.



S1-4

Actions

AO proactively addresses potential challenges as they are identified. Implemented measures to mitigate identified risks include enhanced well-being initiatives, flexible work arrangements, health programmes, and a clearly defined code of conduct through guidelines and policies that are regularly updated based on employee feedback and business needs. By combining job satisfaction initiatives with a clear code of conduct and employee involvement, AO fosters a workplace community built on trust, respect, and engagement.

The HR department monitors the implementation of improvements and adjustments by conducting assessments of the employees involved and affected. This process ensures that the changes have achieved the desired outcomes and identifies whether additional actions are required to meet expectations.

AO has implemented a range of initiatives aimed at enhancing employee engagement and creating a work environment where all employees thrive and feel valued. AO's retention strategy includes flexible working conditions, competitive salary packages with an annual individual salary review, health benefits, and extensive opportunities for skill enhancement and further training.

Health and safety

AO actively works to create a safe and healthy work environment that enhances the company's reputation. Through strategic workforce planning, compliance with policies, health programmes, and continuous evaluations via job satisfaction surveys and workplace assessments, areas for improvement are identified to reduce risks asso-

ciated with work-related stress and physical safety. AO has implemented preventive measures, including flexible working arrangements and mental health initiatives, to help employees achieve a good work-life balance.

AO's occupational health and safety committee continuously works to prevent accidents by updating and establishing new standards and policies to safeguard employees. The committee actively addresses safety challenges in the workplace, especially in high-risk areas such as logistics and stores. It provides safety briefings to management and conducts regular audits in departments and stores to identify and address potential safety risks.

The health and safety committee implements regular safety training for all employees, including refresher courses, to maintain awareness of best practices. Interactive workshops and hands-on exercises are held to ensure proper equipment use and risk management. Procedures are updated regularly to keep employees informed and equipped with the necessary knowledge to work safely.

AO conducts regular workplace assessments (APVs), which allow employees to provide feedback on their physical and psychological working conditions. Action plans are developed based on feedback, enabling ongoing improvements and the implementation of both existing and new safety protocols to protect employees from injury and stress.

AO has implemented ergonomic workstations and robotic technology in its warehouses to reduce physical strain. In other company functions, ergonomic workspaces have been introduced to prevent work-related ailments.

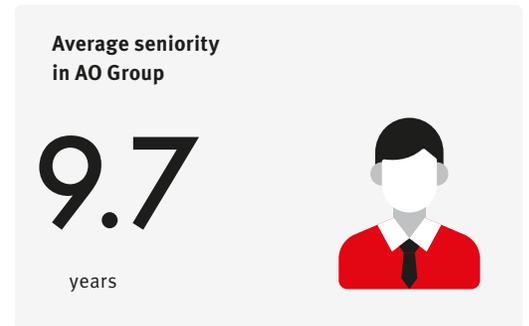
All employees can enrol in a health insurance plan that provides quick and professional assistance for treatment or diagnosis of discomfort, illness, or injury. In addition, an EarlyCare programme is offered, where employees who are on sick leave or at risk of taking sick leave can receive support for treatment. Enrolled employees pay an annual premium which is lower than the normal rate, as it has been negotiated by AO.

Skill enhancement

To minimise risks associated with the loss of key competencies and ensure long-term competitiveness, AO invests in training programmes and courses that allow employees to develop their skills, expand their competencies, and grow professionally. This includes both internal and external training options giving employees access to professional and personal development.

Unskilled warehouse workers are offered a skills assessment, enabling them to pursue a training programme in warehouse and terminal operations and thereby become skilled workers.

To prepare managers for their roles and promote AO's values, managers are offered a company-tailored leadership programme at academy level, developed with a societal focus, closely following trends and values in leadership and management.



Seniority levels amongst our employees



S1-5

Targets

Through AO's focus on building a safe and attractive workplace, a set of targets are being developed.

In early 2026 AO will conduct an employee satisfaction survey which will be the baseline for a future target.

Targets for training and development for AO is in development, as systems regarding employees training and development for the group's subsidiaries is not integrated with the parent company in 2025.

There are courses with special/specific content that are only mandatory for certain employee groups. AO is continuously developing new courses, and existing courses are updated so that they are always up to date.

AO's health and safety goal is to establish a zero-accident culture, partly through risk assessments of work processes to identify potential hazards and initiate preventive actions. This approach enhances employee awareness, engagement, and accountability, fostering a culture of safe behaviour. The target for AO is to reduce the rate of recordable work-related accidents for all employees, including non-employees.

The health and safety of AO's employees is always a high priority for AO and believe that these work-related incident targets reflect the focus on good working conditions and safety for all employees.

AO's overall goal is to remain an attractive workplace where talented employees choose to stay and contribute to the Group's success and sustainability.

AO believes that setting targets for overall satisfaction, health and safety, and training hours are reliable indicators to monitor the effect of AO's actions and to support the focus on a safe and attractive workplace.

S1-6

Targets related to own workforce	UoM	Target 2026	2025	2024
Rate of recordable work-related accidents for own workforce (incl. Non-employees)	Rate	<10	12.2	7.5
Amount of work-related fatalities	No.	0	0	0

Employees by gender	UoM	2025	2024
Male	Headcount	773	744
Female	Headcount	297	285
Other	Headcount	0	0
Not reported	Headcount	0	0
Total employees	Headcount	1070	1029

Employees by country	UoM	2025			2024		
		Female	Male	Total	Female	Male	Total
Denmark	Headcount	286	708	994	274	697	971
Norway	Headcount	3	5	8	3	5	8
Sweden	Headcount	8	60	68	8	42	50

Employee turnover	UoM	2025	2024
Number of employee who have left undertaking	Headcount	134	130
Percentage of employee turnover	%	12.5%	12.6%

S1-6

Employees by contract type: by gender	UoM	2025					2024				
		Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Total employees	Headcount	297	773	0	0	1,070	285	744	0	0	1,029
Permanent employees	Headcount	286	734	0	0	1,020	268	701	0	0	969
Temporary employees	Headcount	11	39	0	0	50	17	43	0	0	60
Non-guaranteed hours employees	Headcount	0	0	0	0	0	0	0	0	0	0

Employees by contract type: by country	UoM	2025				2024			
		DK	NO	SE	Total	DK	NO	SE	Total
Total employees	Headcount	994	8	68	1,070	971	8	50	1,029
Permanent employees	Headcount	944	8	68	1,020	911	8	50	969
Temporary employees	Headcount	50	0	0	50	60	0	0	60
Non-guaranteed hours employees	Headcount	0	0	0	0	0	0	0	0

S1-9

Gender distribution at top management	UoM	2025			2024		
		Female	Male	Total	Female	Male	Total
Gender distribution in number of employees (head count) at top management level	Headcount	3	8	11	3	7	10
Gender distribution in percentage of employees at top management level	%	27%	73%	100%	30%	70%	100%

Age groups	UoM	2025	2024
Distribution of employees (head count) under 30 years old	Headcount	186	182
Distribution of employees (head count) between 30 and 50 years old	Headcount	450	436
Distribution of employees (head count) over 50 years old	Headcount	434	411

S1-8

Coverage rate	2025		2024					
	Collective bargaining agreements		Social dialogue		Collective bargaining agreements		Social dialogue	
	Countries (<50 employees)	Regions	Countries (<50 employees)	Countries (<50 employees)	Regions	Countries (<50 employees)	Countries (<50 employees)	
0-19%	-	-	-	-	-	-	-	
20-39%	-	-	-	-	-	-	-	
40-59%	-	-	-	-	-	-	-	
60-79%	-	-	-	-	-	-	-	
80-100%	Denmark, Norway, Sweden	-	Denmark, Norway, Sweden	Denmark, Norway, Sweden	-	Denmark, Norway, Sweden	Denmark, Norway, Sweden	

Workers' representatives	UoM	2025		2024	
		DK	SWE	DK	SWE
Percentage of employees in each country with significant employment (in the EEA) covered by workers' representatives	%	100%	100%	100%	100%

S1-7

Non-employees	UoM	2025	2024
Number of non-employees in own workforce	FTE	71	65
Number of non-employees in own workforce - self-employed people	FTE	0	0
Number of non-employees in own workforce - people provided by undertakings primarily engaged in employment activities	FTE	0	0

S1-13

Development and training	UoM	Gender	2025	2024
Percentage of employees that participated in regular performance and career development reviews	%	Female	14.1%	18.2%
		Male	15.9%	19.6%
		Total	15.4%	19.2%

Development and training	UoM	Gender	2025	2024
Average number of training hours per person for employees	Avg.	Female	17.1	5.0
		Male	24.5	9.0
		Total	22.4	7.9

S1-14

Health and safety incidents	UoM	2025			2024 (restated)			2024 (original)		
		DK	SWE	Total	DK	SWE	Total	DK	SWE	Total
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	No.	0	0	0	0	0	0	0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	No.	0	0	0	0	0	0	0	0	0
Number of recordable work-related accidents for own workforce	No.	15	1	16	11	0	11	20	0	20
Number of recordable work-related accidents for non-employees	No.	6	0	6	2	0	2	4	0	4
Rate of recordable work-related accidents for own workforce	Rate	9.6	9.4	9.5	7.3	0	6.9	12.3	0	12.3
Rate of recordable work-related accidents for non-employees	Rate	52.1	0	52.1	15.5	0	15.5	30.6	0	30.6
Number of cases of recordable work-related ill health of employees	No.	0	0	0	0	0	0	0	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	No.	55	0	55	48	0	48	48	0	48

*The 2025 reporting period introduces a revised definition of health and safety incidents. The metric in last year's report captured all incidents without distinction. In contrast, the 2025 metric reflects a new five-tier severity classification, with reporting limited to incidents falling within the three highest severity tiers. As a result, figures from 2024 have been updated to reflect the same definition as the 2025 figures to be comparable.

Health and safety management system	UoM	2025	2024
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100%	100%

S1-15

Family-related leave	UoM	2025			2024		
		Female	Male	Total	Female	Male	Total
Percentage of employees entitled to take family-related leave	%	100%	100%	100%	100%	100%	100%
Total of entitled employees that took family-related leave by gender	No.	17	30	47	17	36	53
Percentage of entitled employees that took family-related leave by gender	%	5.0%	3.5%	3.9%	6.0%	4.8%	5.2%

S1-16

Pay-gap	UoM	2025	2024
Gender-pay gap (male vs female)	%	19.7%	20.4%

Remuneration	UoM	2025	2024
Annual total remuneration ratio	Ratio	24.3	23.2

S1-17

Discrimination, human rights, etc.	UoM	2025	2024
Number of incidents of discrimination including harassment	No.	0	0
Number of complaints filed through channels for people in own workforce to raise concerns	No.	1	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	No.	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	Amount	0	0
Number of severe human rights issues and incidents connected to own workforce	No.	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	No.	0	0
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	No.	0	0



§ Accounting policies

§ Accounting policies for own workforce

S1-6

Employees: Data consists of full-time, part-time and temporary employees (students +maternity substitutes), at the end of the reporting period.

Permanent employees: Data consists of full-time and part-time employees, at the end of the reporting period.

Employees by country: Data consists of full-time, part-time and temporary employees (students +maternity substitutes), at the end of the reporting period.

Temporary employees (students + maternity substitutes): Students and maternity substitutes are employees who are hired on a limited-period contract.

Employee turnover: The rate of employee turnover is calculated as the number of employees who left voluntarily or due to dismissal, retirement, or death in service during the reporting period to the headcount at the end of the reporting period.

Full time equivalent (FTE): The total number of hours worked divided by the standard number of hours for a full-time employee.

S1-7

Non-employees: Non-employees (substitutes) are defined as people who are hired on hourly basis with no contract, end of the reporting period.

S1-8

Collective bargaining agreements: Data consists of full-time, part-time and temporary employees (students + maternity substitute), at the end of the reporting period. The split between employees covered and not covered by collective bargaining agreements, is determined by the position of the employee. All employees except managers with staff responsibilities are covered by a collective bargaining agreement. No assumptions are made.

Non-employees are covered under Danish legislation, market trends and agreements with trade unions, through the bureau the non-employees are employed.

The social protection through the public programs cover sickness, unemployment, employment injury and acquired disability, parental leave and retirement.

Workers' representatives: Data consists of full-time, part-time and temporary employees (students + maternity substitutes), at the end of the reporting period.

S1-9

Gender distribution at top management: Data consists of members of the Executive Board and the Group Management. Diversity split and number of members is disclosed at the end of the reporting period.

Age groups: Data consists of full-time, part-time, temporary employees (students + maternity substitutes), at the end of the reporting period.

S1-13

Development and training: Data consists of full-time, part-time and temporary employees (students + maternity substitutes), at the end of the reporting period.

Performance and career development reviews: All employees performance and development reviews is registered, allowing tracking of the total of completed, ongoing and planned reviews.

Training hours: Data is combined from two data sources.
First source: AO internal education system with mandatory and voluntary training courses.
Second source: Manual tracking of external education and courses.

The total hours from both sources are used to calculate the average training hours.

S1-14

Health and safety management system: Data includes:

- *Employees:* full-time, part-time, and temporary employees (including students and maternity cover staff).
- *Non-employees:* external substitutes.

All data is reported as of the end of the reporting period.

Health and safety incidents: Data includes:

- *Employees:* full-time, part-time, and temporary employees (including students and maternity cover staff).
- *Non-employees:* external substitutes.

Reported incidents cover the number of: fatalities, lost-time injuries, restricted work cases, and incidents requiring medical treatment.

The recordable incident rate is calculated as the number of recordable work-related incidents per 1 million hours worked.

Lost days are exclude non-employees (external substitutes) working in storage facilities.

S1-15

Family-related leave: Data consists of full-time, part-time, temporary employees (students + maternity substitutes), at the end of the reporting period.

Data collection is done in HR systems and is reviewed and approved by employee managers. Additional data registration is done in government systems required by law.

§ Accounting policies

S1-16

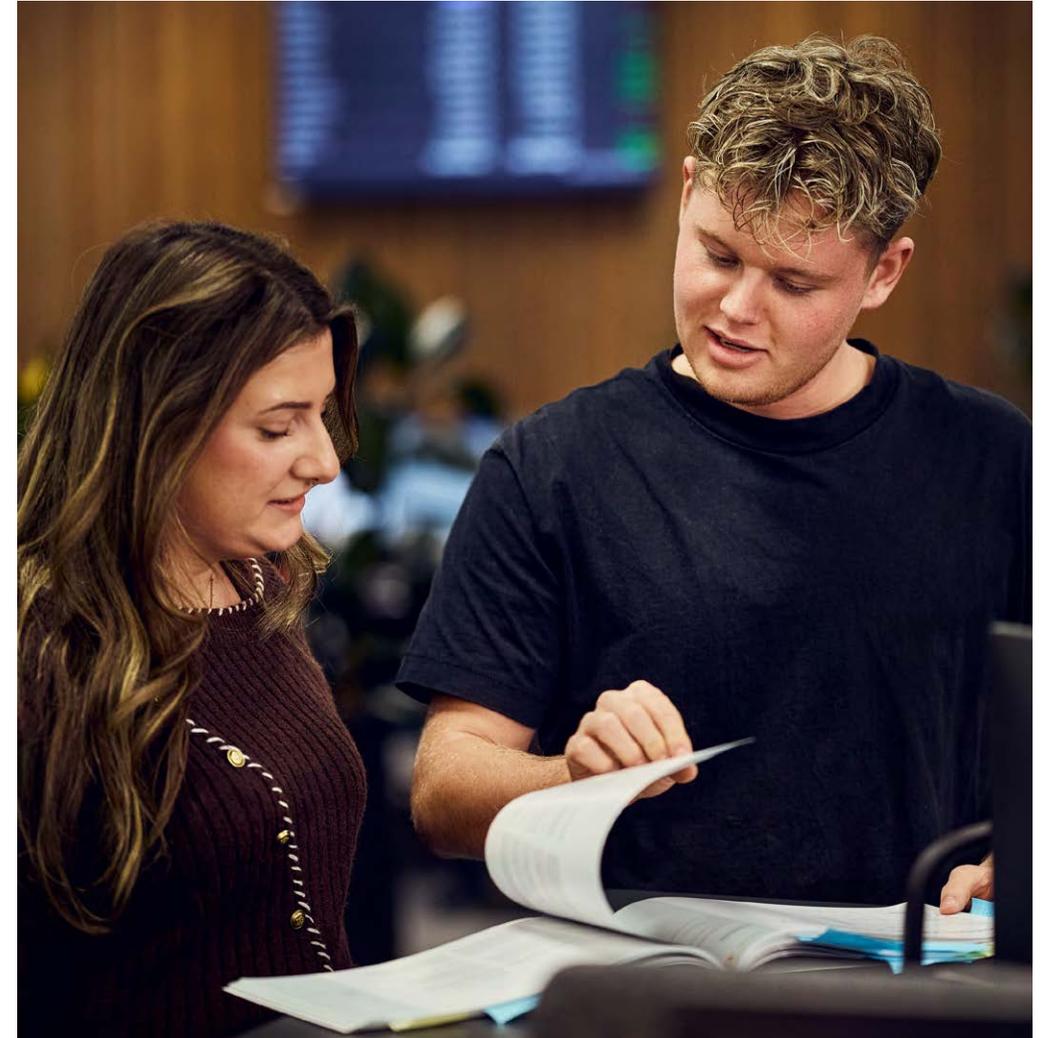
Gender-pay gap: Data consists of full-time, part-time, temporary employees (students + maternity substitutes), for the reporting period. Data used for the calculation is a "full salary package" i.e. salary, bonus, holiday pay, pension, benefits. Calculation is based on the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees (data includes all employees' gross hourly pay level).

Annual total remuneration ratio: Data consists of full-time, part-time, temporary employees (students + maternity substitutes), for the reporting period. Calculation is based on the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). Data used for the calculation is a "full salary package" i.e. salary, bonus, holiday pay, pension, benefits.

S1-17

Discrimination, human rights etc.: Data consists of full-time, part-time, temporary employees (students + maternity substitutes) and non-employees (substitutes), at the end of the reporting period.

Data collection is from AO whistleblower system, formal complaints given to own manager or to HR. All formal complaints are registered regardless of channel. Incidents can only be counted if a formal complaint has been made through the whistleblower system, through the employees own manager or through HR.



S2 Workers in the value chain

SBM-3

Impacts, risks and opportunities

AO has identified three negative impacts within workers in the value chain related to following sub-topics:

- Working conditions
- Equal treatment and opportunities for all
- Other work-related rights

AO’s business model relies on its business partners and suppliers, to meet AO’s own targets, by supplying their products and transportation across AO’s value chain. Respect and alignment with international human and labor rights standards is a requirement as well as supporting more sustainable solutions.

AO sources from a complex global value chain, where material risks related to labor conditions may occur. Recent expansion into the textile sector has further increased exposure to these risks.

These risks may result in adverse human rights impacts, reputational damage, and non-compliance with international standards or evolving regulatory expectations under EU supply chain laws. Legal and cultural differences across sourcing countries also limit transparency and control, particularly beyond direct suppliers.

To address this, AO requires suppliers to sign and comply with its Supplier Code of Conduct based on ILO

(International Labour Organisation) conventions. In AO’s textile division, BSCI (Business Social Compliance Initiative)-aligned standards are applied, as well as require third-party social audits, and request updated documentation. AO is currently implementing a supplier assessment system to collect ESG-related data, including labor practices, enabling broader visibility and proactive risk management. There have not been any incidents reported to us linked to AO’s products sold.

These efforts support AO’s strategy to strengthen responsible sourcing, improve due diligence, and promote better working and living conditions across the value chain. At the same time, AO see opportunities to influence supplier behavior through active engagement and monitoring – positioning due diligence as both a compliance responsibility and a driver of long-term value.

AO’s CCPO is responsible for the implementation of all value chain policies and code of conduct applying to all suppliers and business partners, unless anything else is stated.

The measurement of the metrics related to characteristics of workers in the value chain is based on the AO Group value chain and is not validated by an external body, unless anything else is stated.

SBM-2

Interests and views of stakeholders

AO is committed to a safe and healthy workplace and

expects its business partners to be compliant with the national laws they operate in and the international labor and human rights standards. The insights gained from value chain workers and strong partnerships with suppliers help AO understand the interests, views and conditions of the workers in its value chain and are used as valuable input for AO’s strategy and business model and continuing engagement in its value chain.

AO demand that all direct suppliers provide fair wages, secure employment and safe working conditions. AO has a whistleblower system for employees and workers in the value to raise concern and awareness of any issues. Strong relationships and open dialog are necessary to reduce the risk of negative impacts.

AO’s commitment to human rights, labor rights and environmental responsibility is outlined in its Supplier Code of Conduct.

No actual or potential impacts on value chain workers have been identified that would impact on AO’s strategy and business model. See Stakeholder section on page 56.

S2-1

Policies related to value chain workers

AO’s commitment to comply with national laws and international labor and human rights standards is also expected by all its business partners and suppliers, which is outlined in AO’s supplier code of conduct.

AO’s code of conduct explicitly states that forced and child labor are not accepted under any circumstances along with respect for human rights, health and safety and ethical conduct is expected and can be documented. The policy is aligned with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

AO ensures that its suppliers and business partners are informed of its code of conduct and inform them about AO’s whistleblower system which is open for them to report incidents.

AO operates in low-risk markets and with an initial analysis from the supplier assessment system, the risk assessment of direct suppliers is considered low regarding human and labor rights.

S2-2

Engaging with value chain workers about impacts

Suppliers and business partners are required to agree and live up to AO’s code of conduct; however, AO does not have direct engagement with the workers in its value chain but has a whistleblower system in place that is accessible for all value chain workers.

The supplier assessment system requires AO’s suppliers to yearly verify and present their policies, actions and targets regarding human and labor rights as well as other ESG areas. The system allows us to collect

ESG-related data, including human and labor practices, enabling broader visibility and proactive risk management. It grants AO better insights to prevent and mitigate negative impacts, and possibility to monitor and follow up if needed.

The purpose of the supplier assessment system is not only to assess and monitor, but also to support AO's suppliers with identifying risks and reduce or mitigate them through some targeted actions. AO's textile section has an additional level of assessment with third-party social audits and requesting updated documentation.

In case a supplier or business partner fails to comply with AO's code of conduct and to live up to a set threshold within some focus areas, a corrective action plan will be initiated, and AO will offer their support to solve the issue. However, if they refuse or fail to comply with the code of conduct or corrective actions, AO will ultimately have to terminate the collaboration.

S2-3 Remediate negative impacts and channels for value chain workers to raise concerns

Signing and living up to AO's code of conduct is mandatory, and AO expects its suppliers to require the same level of commitment and standards from their own suppliers.

Reporting any concerns or complaints related to a possible breach of AO's code of conduct through its whistleblower system are encouraged by suppliers, business partners and their employees. The system is managed by an external partner and ensures that you can anonymously report without risk of retaliation.

At this time AO has not been made aware of any incidents or complaints that have or could have a negative impact. In case a concern is raised, the issue will be presented to the Board of Directors and Executive Board to investigate and remediate the issue.

AO assesses and monitors the effectiveness of the actions for remediation, as well as the mechanisms, use of its channels and the type of inquiries received.

S2-4 Actions

AO has defined a set of actions to mitigate incidents, but by following its policies and code of conduct. The ongoing communication with AO's suppliers and business partners helps monitor potential risks through daily engagement.

In case an incident occurs or is reported, it will be handled through the supplier assessment system or whistleblower program, depending on the channel it is reporting on and the severity of the incident.

To reduce the risk of incidents AO will continue to:

- Inform about its whistleblower system to workers in the value chain
- Monitor and communicate about potential issues identified in the supplier assessment system
- Support suppliers and business partners to mitigate risks
- Continue with third-party social audits and request updated documentation for AO's textile sector

AO has not received any reports of severe human or labor rights incidents connected to its value chain. Appropriate

resources are assigned to AO's whistleblower system and supplier assessment system to manage any incidents, should it arise.

S2-5 Targets

In connection with the implementation of the supplier assessment system, AO has defined one target and is working additional targets regarding risk assessment and supplier audits on AO's own textile production.

The target for 2025 will help gain better insight and monitor the efforts to show how many of its suppliers and business partners agree to AO's code of conduct, help mitigate risks and contribute to a positive impact on human and labor rights for workers in the value chain.

The targets are defined by the Senior Management Team and approved by the Board of Directors. They are tracked and assessed quarterly using data from AO's contract system and risk assessment system.

§ Accounting policy

Share of direct suppliers with an agreed and signed Code of Conduct

AO Groups total spend from direct suppliers who are covered by an agreed and signed code of conduct, of the reported year.

Target at 95% is set as some suppliers will be small Danish local suppliers who are subject to Danish legislation which already meets the same requirements as our code of conduct.

Share of direct suppliers with a risk assessment

AO Groups total spend from direct suppliers, of the reported year, who have answered our ESG survey.

Target at 90% is set as some suppliers will be small local suppliers in low risk countries or not a strategic supplier, not being required to answer a ESG survey.

S2-5

Code of conduct & Risk assessment	UoM	Target 2030	2025	2024
Share of direct suppliers with an agreed and signed Code of Conduct	%	95.0%	85.0%	-
Share of direct suppliers with a risk assessment	%	90.0%	-	-

Governance

99 G1 Business Conduct



G1 Business Conduct

IRO-1

Impacts, risks and opportunities

AO has identified three negative impacts within business conduct related to following sub-topics:

- Corporate culture
- Protection of whistleblowers
- Corruption and bribery

AO is committed to conducting its business responsibly and fairly and to ensure that the company maintains the highest standards of business conduct, AO has assessed the impacts and financial risks across its operations in Denmark, Sweden and Norway.

As a major supplier in the Danish construction industry, AO's operations span over 600,000 products sourced from more than 1,000 suppliers, creating both opportunities and potential risks when managing the complexities of international business value chains.

Long payment terms on smaller suppliers could potentially impact and destabilise their financial health. Maintaining fair payment terms supports the suppliers and create a sustainable partnership.

In a large and complex business network, there are inherent risks such as corruption, bribery, harassment, and participation in an informal economy if not properly managed. Compliance with international guidelines and local legis-

lation on ethical business conduct is important because of potential negative effects and legal consequences.

The assessment has identified potential negative impact on corporate culture with its complex international value chain, lack of whistleblower protection and trust in the systems, supplier relationships with unfair treatment and late payments, and lack of compliance with corruption and bribery legislation.

By ensuring ethical business conduct and mitigating risks related to corruption, supplier relations, and whistleblower protection, AO upholds its reputation as a fair and responsible player in the industry.

Without adequate whistleblower protection, individuals may hesitate to report misconduct due to fear of retaliation. Lack of trust can lead to unreported incidents and negative impacts unresolved for workers in the value chain.

GOV-1

The role of the administrative, management and supervisory bodies

The administrative, management and supervisory bodies of AO play a significant part in ensuring good business conduct. They are responsible for assuring a clear definition and approach in its corporate governance.

For more information about the role and expertise of the administrative, management and supervisory bodies, please see the Corporate Governance section on page 24-36.



G1-1
Business conduct policies and corporate culture
Business practice and ethics

To ensure that AO's business conduct aligns with its values and those of its partners, AO has developed a Supplier Code of Conduct. This Code is a key part of the commercial agreements between AO and its suppliers, serving as a framework to align expectations regarding business practices and ethics. The Supplier Code of Conduct outlines essential provisions for compliance with internationally recognised standards on workers' rights, human rights, environmental protection, and the prevention of bribery and corruption. AO holds both its suppliers and their subcontractors accountable to these high standards.

AO places emphasis on keeping its policies relevant and up to date, ensuring they remain aligned with international standards, including UN conventions.

In 2025, AO recorded no breaches or instances of non-compliance with its Supplier Code of Conduct, reflecting the commitment of its partners to uphold these values.

The Supplier Code of Conduct has been approved by the Board of Directors and can be accessed here:

The Supplier Code of Conduct 2025
<https://ao.dk/globalassets/download/regnskabsdata/2025/2025-supplier-code-of-conduct.pdf>

AO commits to a culture of honesty, transparency, and accountability to reduce risks and enhance its relationships with stakeholders, from suppliers to customers and employees.

In 2025, AO initiated a supplier assessment system as part of AO's ongoing effort to strengthen risk management and enhance its due diligence processes, ensuring that sustainability and ethical standards are integrated into every aspect of its operations

AO believes that strong partnerships with its customers and suppliers provide the foundation for focusing on sustainable solutions across its entire value chain. At AO, the customer is paramount, and this commitment extends to offering products that meet high environmental standards.

Looking ahead, AO aims to pass on sustainability awareness from its suppliers to its customers through information sharing and expertise training for its staff. AO also seeks to inspire and encourage its partners to adopt sustainable solutions. AO will continue to advocate for sustainability through industry associations, employers' associations, and in collaboration with public authorities, contributing to a more sustainable future in the construction industry.

Tax policy
 Taxes play an important role in society and the development of the countries in which AO operates. AO contributes to this by taking on its share of social responsibility regarding common welfare and sustainability through tax.

AO pursues a responsible and transparent tax practice and does not support tax evasion, contribute to tax speculation, or misuse of tax laws. AO complies with applicable tax laws in the countries in which AO operates.

The company has zero tolerance for tax evasion or abuse. AO expects its customers, suppliers, and other partners to have the same view on tax payment as the company.

AO's tax policy can be viewed here:

Tax Policy 2025
<https://ao.dk/globalassets/download/regnskabsdata/2025/2025-tax-policy.pdf>

Protection of whistleblowers
 AO has established a whistleblower scheme for employees and external stakeholders to report serious violations or suspicion thereof in a confidential matter.

Employees are informed about the whistleblower system and where to access it. Other stakeholders may access the system through the Group's websites.

Information about AO's policy on and usage of the whistleblower system is available on AO's intranet and the Group's websites. No formal training is conducted or required to use the reporting system.

The scheme is administered by an independent third party to secure the anonymity and confidentiality of the reporting person.

Incidents will be managed by the independent third party and forwarded to AO where they will be processed and investigated in accordance with AO's whistleblower procedure.

AO ensures that whistleblowers are protected from any negative consequences, thereby fostering a culture of open-

ness and accountability. Without adequate whistleblower protection, individuals may hesitate to report misconduct due to fear of retaliation. A lack of trust in whistleblower systems can lead to unreported incidents. Extending these practices to AO's value chain also strengthens its oversight of suppliers and partners, allowing AO to detect and address any potential issues early.

One whistleblower report was received in 2025.

Once a year, the Board of Directors will assess whether the scheme works as intended. In 2024, it was decided to extend the scheme to include external stakeholders.

The whistleblower system is an integral part of AO to prevent, detect and address allegations and incidents of corruption and bribery.

AO's whistleblower policy can be viewed here:

Whistleblower Policy 2025
<https://ao.dk/om-ao/whistleblower>

G1-2 + G1-6

Payment Practice

AO is committed to fair and transparent payment practices for all suppliers, regardless of their size including SMEs. AO ensures that all suppliers, whether SME or a large company, across all categories, are treated equally with respect to payment terms, maintaining consistent conditions.

AO upholds equal treatment in all supplier transactions. On average, AO can calculate the number of days before payments are processed through its system, further ensuring timely and reliable payments to its partners. This approach strengthens AO's relationships with suppliers and reinforces its commitment to responsible business practices.

By maintaining fair payment practices, AO not only supports the sustainability of its suppliers but also preserves its reputation as a trusted and reliable partner.

With the implementation of a supplier assessment system, the risk assessment of its supply chain provides an opportunity for both AO and its suppliers to better understand the risks and improve on the challenged areas for both social and sustainability matters.

AO expects its suppliers to comply with the code of conduct consisting of human and labor rights, impact on the environment, corruption among other international standards.

AO accepts reverse factoring as a payment option. This allows the supplier to be paid within a few days from delivery.

G1-6

Payment practices	UoM	Target 2030	2025	2024
Average number of days to pay invoice	Days	<1.5	1.3	1.5
Percentage of payments aligned with standard payment terms	%	≥95%	94.3%	94.9%
Number of outstanding legal proceedings for late payments	No.	0	0	0

§ Accounting policy

Standard payment terms

AO Groups standard payment terms are "Current month plus 60 days." unless other payment terms are agreed with the supplier.

Payment practices

Payments to suppliers are made twice a week in accordance with agreed payment terms.



G1-3 + G1-4

Corruption and bribery

AO complies with applicable legislation and international conventions on corporate governance, including workers’ rights, human rights, environment, bribery, and corruption, in the countries in which AO operates. AO maintains a zero-tolerance approach to violations of these conditions or breaches of rights. AO enforces strict anti-corruption policies and regularly audits its business practices to ensure compliance with all relevant laws and ethical standards.

Rules on anti-corruption and bribery are covered by the company’s own rules and ethical guidelines.

AO regularly monitors purchasing patterns and the origin of its goods to ascertain the risk of non-compliance with AO’s Supplier Code of Conduct.

Given the current distribution of its purchases, AO is of the opinion that the company is only at a limited risk of being indirectly involved in violations of workers’ rights, human rights and rules on anti-corruption and bribery, given that AO operates only in well-regulated countries and that 81% of the company's purchases originate (2024: 82%) from Europe.

Purchase patterns



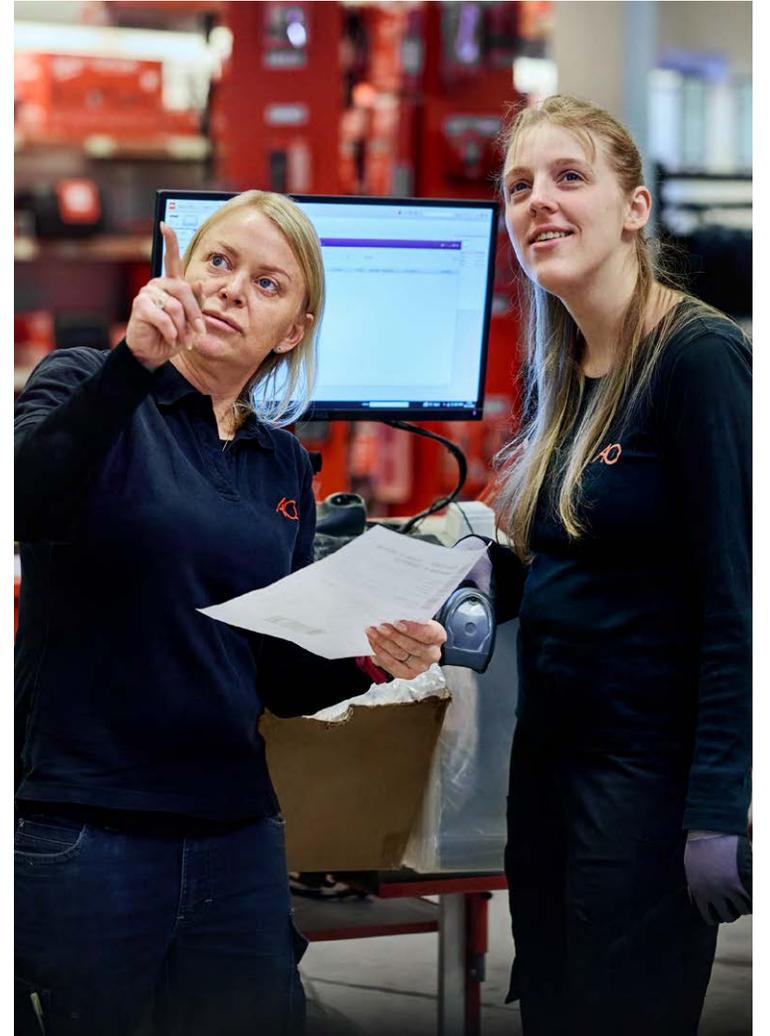
1%
Other countries

18%
Asia

§ Accounting policy

Purchase origins

AO’s purchase origin analysis is based exclusively on direct supplier purchases. The purchase pattern is calculated using the total volume of goods procured, allocated to the country of origin declared by the AO’s direct suppliers.



G1-4

Incidents of corruption or bribery	UoM	2025	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	No.	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	No.	0	0
Any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.	No.	0	0

In 2024, AO decided to implement a mandatory online corruption and bribery course for all employees. The purpose is to give every employee the necessary knowledge on how to act in difficult situations or who to ask for guidance if there is any confusion or uncertainty. It is the target that all employees undergo the training within 3 months after joining AO.

The number of incidents reported are limited, but all incidents will be followed up with the direct involvement of the CHRO.

AO takes business conduct seriously and does not tolerate violations in relation to corruption and bribery.

G1-3

Prevention and detection of corruption and bribery	UoM	Target	2025	2024
The percentage of functions-at-risk covered by training programmes (Corruption and Bribery) - Passed	%	100.0%	86.0%	92.0%
Not started / In progress	%	0.0%	14.0%	8.0%



§ Accounting policy

Incidents of corruption or bribery

Number of incidents is based on reported incidents that has led to conviction for a violation. Incidents are included if considered substantiated cases.

If any actions are necessary, further details will be presented.

Prevention and detection of corruption and bribery

Completion share of all functions-at risk employees, end of the reporting period. Functions-at-risk consists of purchasing department, sales management & IT management.

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Income statement

For 1 January – 31 December

DKK millions	Note	2025	2024
Revenue	2.1	6,120.8	5,429.3
Cost of sales	2.2	(4,637.5)	(4,179.4)
Gross profit		1,483.3	1,249.9
Other operating income	2.3	1.7	16.4
Gross margin		1,485.0	1,266.3
External expenses	2.4	(398.0)	(331.1)
Staff costs	2.5	(653.0)	(569.2)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		434.0	366.0
Depreciation and amortisation	2.6	(141.4)	(119.9)
Operating profit or loss (EBIT)		292.6	246.1
Financial income	4.4	8.0	12.3
Financial expenses	4.5	(40.5)	(48.3)
Profit or loss before tax (EBT)		260.1	210.1
Tax on profit or loss for the year	2.7	(59.4)	(46.7)
Net profit or loss for the year		200.7	163.4
Earnings per share	3.6		
Earnings per share (EPS)		7.4	6.0
Diluted earnings per share (EPS-D)		7.3	6.0

Statement of comprehensive income

For 1 January – 31 December

DKK millions	Note	2025	2024
Other comprehensive income			
Net profit or loss for the year		200.7	163.4
Items which will be reclassified to the income statement			
Foreign currency translation adjustment relating to foreign entities		8.3	(4.1)
Tax on other comprehensive income		0	0
Other comprehensive income after tax		8.3	(4.1)
Total comprehensive income		209.0	159.4

Balance sheet as at 31 December

Assets

DKK millions	Note	2025	2024
Non-current assets			
Intangible assets	3.1		
Goodwill		760.9	757.5
Intellectual property rights		60.4	63.9
Software		138.6	106.6
		959.9	928.0
Property, plant and equipment	3.2		
Land and buildings		1,041.4	941.9
Leasehold improvements		12.7	15.2
Fixtures and operating equipment		233.0	254.7
Right-of-use assets	3.3	131.3	91.1
		1,418.4	1,302.9
Other non-current assets			
Other investments		0.2	0.2
		0.2	0.2
Total non-current assets		2,378.5	2,231.1

DKK millions	Note	2025	2024
Current assets			
Inventories	2.2, 3.4	896.6	814.5
Trade receivables	3.5	696.6	608.2
Joint tax contribution		7.0	16.4
Other receivables		29.9	36.5
Prepayments and accrued income		26.0	25.3
Cash and short-term deposits		61.4	55.4
Total current assets		1,717.5	1,556.3
Total assets		4,096.0	3,787.4

Balance sheet as at 31 December

Equity and liabilities

DKK millions	Note	2025	2024
Equity	4.1		
Share capital		28.0	28.0
Reserve for foreign currency translation adjustments		(3.5)	(11.7)
Retained earnings		1,538.5	1,436.0
Proposed dividend for the financial year		105.0	84.0
Total equity		1,668.0	1,536.3
Non-current liabilities			
Deferred tax	3.8	94.5	83.2
Credit institutions	4.2	548.0	643.6
Lease liabilities	3.3, 4.2	113.5	93.7
Other non-current liabilities		10.4	11.1
Total non-current liabilities		766.4	831.6

DKK millions	Note	2025	2024
Current liabilities			
Credit institutions	4.2	401.0	278.9
Lease liabilities	3.3, 4.2	47.9	31.8
Trade payables	4.2, 4.3	1,127.2	1,036.8
Corporation tax payable	3.7	2.8	8.2
Provisions for liabilities	3.9	0.5	0.5
Other payables	3.9	82.2	63.3
Total current liabilities		1,661.6	1,419.5
Total liabilities		2,428.0	2,251.1
Total equity and liabilities		4,096.0	3,787.4
Segment information	2.1		
Contingent liabilities, security, etc.	5.1		
Notes without reference	5.2-5.5		

Cash flow statement

DKK millions	Note	2025	2024
Cash flow from operating activities			
Operating profit or loss (EBIT)		292.6	246.1
Depreciation and amortisation	2.6	141.4	119.9
Other non-cash operating items, net		4.3	3.5
Cash flow from operations before change in working capital		438.3	369.5
Change in inventories		(82.1)	(2.4)
Change in receivables		(82.4)	(65.0)
Change in trade payables and other current payables		113.7	(11.7)
Change in working capital		(50.8)	(79.1)
Cash flow from operations		387.5	290.4
Financial income received		8.0	12.3
Financial expenses paid		(42.1)	(48.3)
Corporation tax paid		(41.0)	(55.2)
Cash flow from operating activities		312.4	199.2

DKK millions	Note	2025	2024
Cash flow from investing activities			
Purchase of intangible assets		(65.7)	(44.1)
Purchase of property, plant and equipment		(134.4)	(116.2)
Acquisition of enterprise		0	(305.1)
Cash flow from investing activities		(200.1)	(465.4)
Cash flow from financing activities			
Change of debt to credit institutions		26.6	16.0
Raising of loans from credit institutions		0	359.7
Repayment of lease liabilities		(51.2)	(41.7)
Dividends paid		(81.6)	(101.9)
Cash flow from financing activities		(106.3)	232.1
Cashflow for the year		6.0	(34.1)
Cash and short-term deposits at beginning of year		55.4	89.5
Cash and short-term deposits at end of year		61.4	55.4

Consolidated statement of changes in equity

DKK millions	Share capital	Foreign currency translation adjustment	Proposed dividend for the year	Retained earnings	Total equity
Equity at 1 January 2025	28.0	(11.7)	84.0	1,436.0	1,536.3
Net profit for the year	0	0	105.0	95.7	200.7
Foreign currency translation adjustment	0	8.3	0	0	8.3
Total comprehensive income	0	8.3	105.0	95.7	209.0
Dividend distribution	0	0	(81.6)	0	(81.6)
Dividend, treasury shares	0	0	(2.4)	2.4	0
Sharebased remuneration	0	0	0	4.3	4.3
Total transactions with owners	0	0	(84.0)	6.7	(77.3)
Equity at 31 December 2025	28.0	(3.4)	105.0	1,538.5	1,668.0
Equity at 1 January 2024	28.0	(7.6)	105.0	1,349.9	1,475.3
Net profit for the year	0	0	84.0	79.4	163.4
Foreign currency translation adjustment	0	(4.1)	0	0	(4.1)
Total comprehensive income	0	(4.1)	84.0	79.4	159.4
Dividend distribution	0	0	(101.9)	0	(101.9)
Dividend, treasury shares	0	0	(3.1)	3.1	0
Sharebased remuneration	0	0	0	3.5	3.5
Total transactions with owners	0	0	(105.0)	6.6	(98.4)
Equity at 31 December 2024	28.0	(11.7)	84.0	1,436.0	1,536.3

Notes – Section 1

Basis of preparation

1.1 Accounting policies

1.2 Significant estimated uncertainties and judgements

Notes – Section 1

1.1 Accounting policies

Brødrene A & O Johansen A/S is a limited company domiciled in Denmark. The financial part of the annual report for the period 1 January to 31 December 2025 comprises both the consolidated financial statements of Brødrene A & O Johansen A/S and its subsidiaries (the Group) and separate annual financial statements for the parent company.

The consolidated financial statements of Brødrene A & O Johansen A/S for 2025 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

On 26 February 2026, the Board of Directors and the Executive Board discussed and approved the annual report for 2023 for Brødrene A & O Johansen A/S. The annual report will be presented to the shareholders of Brødrene A & O Johansen A/S for approval at the annual general meeting on 20 March 2026.

Basis of preparation

The annual report is presented in Danish kroner, rounded to the nearest DKK 1,000,000. In previous years amounts were rounded to the nearest DKK 1,000 so comparison figures have been restated.

The annual report has been prepared in accordance with the historical cost principle except financial instruments presented at fair value.

The accounting policies as described below have been applied consistently throughout the financial year and to the comparative figures. For standards implemented prospectively, the comparative figures will not be restated.

Changes in accounting policies

Effective as of 1 January 2025, Brødrene A & O Johansen A/S has implemented:

- IAS 21 The Effects of Changes in Foreign Exchange Rates regarding "Lack of Exchangeability". The changed standards have had no effect on recognition and measurement in the annual report.

iXBRL reporting

The annual report is published in the European Single Electronic Format (ESEF), xHTML, that can be opened by all standard web browsers. The annual report has been tagged using inline eXtensible Business Reporting Language (iXBRL) in accordance with the ESEF taxonomy. The annual report has been submitted in a XHTML document along with specific technical files all included in the file 5299004B6ZEG-VCR9ZR75-2025-12-31- en.zip.

Consolidated financial statements

The consolidated financial statements consist of the parent company Brødrene A & O Johansen A/S and subsidiaries in which Brødrene A & O Johansen A/S has a controlling influence.

The Group has a controlling influence over a company if the Group is exposed or entitled to variable returns from its

involvement in the company and has the ability to influence these returns through its control over the company.

In assessing whether the Group exercises a controlling influence, account is taken of de facto control and potential voting rights, which are real and have substance at the balance sheet date.

The consolidated financial statements have been prepared as a summary of the parent company's and the individual subsidiaries' financial statements, prepared according to the Group's accounting policies, with intra-group income and expenses, shareholdings, internal balances and dividends, as well as realised and unrealised gains on transactions between the consolidated companies, all eliminated.

Business combinations

Newly acquired or newly established companies are recognised in the consolidated financial statements as of the date of acquisition. Companies sold or liquidated are recognised in the consolidated financial statements as of the date of disposal. Comparative figures are not corrected for newly acquired companies. Discontinued activities are presented separately.

The acquisition method is applied when the Group acquires control over the newly acquired company. The acquired companies' identifiable assets, liabilities, and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they can be segregated or arise from a contractual right. Deferred tax is recognised on the revaluations made.

The acquisition date is the point at which control is actually gained over the acquired company.

Positive differences (goodwill) between the purchase price and the fair value of acquired identifiable assets, and the liabilities and contingent liabilities, are recognised as goodwill under intangible assets. Goodwill is not amortised but is tested for impairment at least annually. The first impairment test is performed before the end of the year of acquisition.

Upon acquisition, goodwill is allocated to cash-generating units, which subsequently form the basis for impairment testing. Negative differences (negative goodwill) are recognised in profit/(loss) for the year as at the acquisition date.

The purchase price for a company consists of the fair value of the agreed price. If parts of the purchase price are contingent on future events, this part of the price is recognised at fair value as at the acquisition date and is classified as either a financial liability or equity according to its content. A contingent purchase price, which is classified as a financial liability, is regularly remeasured at fair value and adjusted directly in the income statement.

Costs attributable to business combinations are recognised in profit/(loss) for the year when incurred.

If, at the time of acquisition, there is uncertainty about the measurement of the acquired identifiable assets, liabilities, and contingent liabilities, initial recognition takes place on the basis of preliminarily calculated fair values. If subsequently it turns out that identifiable assets, liabilities, and

Notes – Section 1

1.1 Accounting policies (continued)

contingent liabilities had a different fair value at the time of acquisition than first assumed, goodwill is adjusted for up to 12 months after the acquisition. The effect of the adjustments is recognised in opening equity and the comparative figures are adjusted.

Gains or losses on the disposal or liquidation of subsidiaries are calculated as the difference between the sales price or the settlement amount, and the carrying amount of net assets including goodwill at the time of sale and costs of the sale or liquidation.

Foreign currency translation

A functional currency is set for each of the reporting companies in the Group. The functional currency is the currency used in the primary economic environment in which each reporting company operates. Transactions in currencies other than the functional currency are foreign currency transactions. The functional currency of the parent company is DKK.

Foreign currency transactions are initially translated into the functional currency at the exchange rate on the transaction date.

Receivables, payables, and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the time of the

occurrence or recognition of the receivable or payable in the latest annual report is recognised in the income statement under financial items.

When recognised in the consolidated financial statements of companies with a functional currency other than Danish kroner, the income statements are translated at the exchange rate on the transaction date, and the balance sheet items are translated at the exchange rates at the balance sheet date. The average rate for the individual month in question is used for the exchange rate on the transaction date to the extent that this does not give a significantly different picture.

Exchange rate differences arising from the translation of the equity of these companies at the beginning of the year at the exchange rates at the balance sheet date and when translating income statements from average exchange rates to the exchange rates at the balance sheet date are recognised in other comprehensive income on a separate provision for exchange rate adjustments under equity.

Exchange rate adjustments of outstanding balances which are considered part of the total net investment in companies with a functional currency other than Danish kroner are recognised in the consolidated financial statements in other comprehensive income on a separate provision for exchange rate adjustments under equity.

Description of accounting policies in notes

Descriptions of accounting policies in the notes form part of the overall description of accounting policies. These descriptions are found in the following notes:

2.1	Segment information
2.2	Cost of sales
2.4	External expenses
2.5	Staff costs
4.4	Financial income
4.5	Financial expenses
2.7	Tax on profit or loss for the year
3.1	Intangible assets
3.2	Property, plant and equipment
3.3	Right-of-use assets and lease liabilities
3.4	Inventories
3.5	Trade receivables
3.7	Corporation tax receivable/payable
3.8	Deferred tax
4.2	Financing activities
4.3	Financial risks

Notes – Section 1

1.1 Accounting policies (continued)

§ Accounting policy

Prepayments

Prepayments recognised under assets consist of costs paid for subsequent financial years and are measured at cost price.

Equity

Dividend

Proposed dividend is recognised as a liability at the time of adoption at the annual general meeting. Dividend that is expected to be paid for the year is shown as a separate item under equity.

Treasury shares

Acquisition and disposal amounts and dividends for treasury shares are recognised directly in retained earnings under equity. Gains and losses on sales are thus not recognised in the income statement.

Proceeds from the sale of treasury shares in connection with the exercise of share options are recognised directly in equity.

Reserve for foreign currency translation adjustments

The reserve for foreign currency translation adjustments consists of exchange rate differences arising on translation of the financial statements of foreign companies from their functional currency to DKK.

Accruals and deferred income

Accrued expenses recognised under liabilities consist of deferred income and are measured at their cost price.

Cash flow statement

The cash flow statement shows cash flows from operating, investing, and financing activities for the year, the change in cash and cash equivalents for the year, and cash and cash equivalents at the beginning and end of the year.

The liquidity effect of business acquisitions and sales is shown separately under cash flow from investing activities. Cash flow from acquired companies is recognised in the cash flow statement from the date of acquisition, and cash flows from sold companies are recognised up to the point of sale.

Cash flow from operating activities

Cash flows from operating activities are calculated as profit/ (loss) before tax adjusted for non-cash operating items, changes in working capital, interest received and paid, and corporate taxes paid.

Cash flow from investing activities

Cash flows from investing activities include payments in connection with: the purchase and sale of companies and activities; the purchase and sale of intangible, tangible, and other non-current assets; and the purchase and sale of securities that are not included as cash and cash equivalents.

The conclusion of finance leases is considered a non-cash transaction.

Cash flow from financing activities

Cash flows from financing activities include changes in the size or composition of share capital and related costs, as well as the raising of loans, the repayment of interest-bearing debt, the purchase and sale of treasury shares, and the payment of dividends to shareholders.

Cash flows from assets held under finance leases are recognised as the payment of interest and repayment of debt.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits.

Financial ratios

Financial ratios have been prepared in accordance with IAS 33 and the CFA Society Denmark's 'Recommendations and Financial Ratios'.

When presenting figures, parentheses are used to indicate negative results and deductions.

Notes – Section 1

1.2 Significant estimated uncertainties and judgements

When calculating the carrying amount of certain assets and liabilities, estimates are made of how future events affect the value of these assets and liabilities at the balance sheet date.

The estimates and assumptions may have a significant effect on the financial reporting and can be categorised as significant accounting judgements or significant accounting estimates and assumptions.

The estimates made are based on historical experience and other factors that the management considers reasonable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the company is subject to risks and uncertainties that may cause actual results to differ from those estimates.

It may be necessary to change previous estimates due to changes in the circumstances underlying them or due to new knowledge or subsequent events.

Significant accounting judgements, estimates and assumptions

Significant accounting estimates and judgements include assumptions and estimates of the future and other uncertainty, that could potentially affect the company within the next 12 months. Estimates that are material to the financial reporting are made, inter alia, by valuing the impairment

testing of goodwill, receivables, and inventories and by calculating depreciation and impairment.

The following estimates and accompanying assessments are deemed material for the preparation of the financial statements:

- Impairment testing for goodwill and other intangible assets
- Valuation of receivables
- Inventory valuation

These estimates and assessments are described in the following notes:

Note 3.1 Intangible assets

Note 3.4 Inventories

Note 3.5 Trade receivables

Notes – Section 2

Income statement

- 2.1 Segment information
- 2.2 Cost of sales
- 2.3 Other operating income
- 2.4 External expenses
- 2.5 Staff costs
- 2.6 Depreciation and amortisation
- 2.7 Tax on profit or loss for the year

Notes – Section 2

2.1 Segment information

DKK millions	B2B	B2C	Total
2025			
Revenue	5,027.6	1,093.2	6,120.8
Cost of goods sold	(3,706.6)	(658.0)	(4,364.6)
Product margin	1,321.0	435.2	1,756.2
Distribution	(198.5)	(72.7)	(271.2)
Gross margin	1,122.5	362.5	1,485.0
Direct expenses	(554.3)	(235.1)	(789.4)
EBITDA before indirect expenses	568.2	127.4	695.6
Indirect expenses			(261.6)
EBITDA			434.0
Depreciation and amortisation			(141.4)
EBIT			292.6
Financial income and expenses			(32.5)
EBT			260.1
Key figures	B2B	B2C	Total
Gross margin %	22.3 %	33.2 %	24.3 %
EBITDA (before indirect expenses) %	11.3 %	11.6 %	11.4 %
EBITDA %			7.1 %

The Group operates within the professional B2B segment and the private B2C segment. The same products are sold to both segments; however, the customer base and pricing structures differ significantly, and B2B and B2C have therefore been identified as separate operating segments.

Geographical information

The Group operates primarily in Denmark. International revenue amounted to DKK 768.1m (2024: DKK 549.3m), representing just over 10% of the Group's total revenue, and relates to sales outside Denmark. Revenue from Sweden amounted to DKK 591.4m (2024: DKK 443.0m), corresponding to 9.7% of the Group's total revenue. B2B Sweden accounted for DKK 481.5m (2024: DKK 378.4m) and B2B Denmark accounted for DKK 4,546.8m (2024: 4,245.0m).

Long-term assets in Denmark amounted to DKK 1,995.1m (2024: DKK 2,072.3m).

Less than 10% of the Group's total assets, measured by book value, are located outside Denmark.

Sales channels

The Group uses both digital and physical sales channels. Digital sales channels are defined as sales through websites and apps. In 2025, sales through digital channels amounted to DKK 3,808.1m (2024: DKK 2,891.1m), while sales through physical channels amounted to DKK 2,312.7m (2024: DKK 2,538.2m). In the B2C segment, all sales are considered digital.

Major customers

As in 2024, the Group did not generate more than 10% of its total revenue from any single customer in 2025.

Notes – Section 2

2.1 Segment information (continued)

DKK millions	B2B	B2C	Total
2024			
Revenue	4,623.5	805.8	5,429.3
Cost of goods sold	(3,438.7)	(504.7)	(3,943.4)
Product margin	1,184.8	301.1	1,485.9
Distribution	(173.0)	(60.8)	(233.8)
Gross margin	1,011.8	240.3	1,252.1
Direct expenses	(504.7)	(168.1)	(672.8)
EBITDA before indirect expenses	507.1	72.2	579.3
Sale of property			14.2
Indirect expenses			(227.5)
EBITDA			366.0
Depreciation and amortisation			(119.9)
EBIT			246.1
Financial income and expenses			(36.0)
EBT			210.1
Key figures	B2B	B2C	Total
Gross margin %	21.9 %	29.8 %	23.1 %
EBITDA (before indirect expenses) %	11.0 %	9.0 %	10.7 %
EBITDA %			6.7 %

Reconciliation of segment reporting

The segment reporting is a specification of the Group's income statement, prepared to provide a clear view of EBITDA for the two operating segments. A further specification of cost of sales has been made, as distribution costs are not evenly distributed across segments.

Direct and indirect expenses, in aggregate, correspond to the external expenses and staff costs presented in the Group income statement.

Revenue, gross margin and EBITDA are identical in the segment reporting and the Group income statement.

Notes – Section 2

Accounting policy

Revenue

Revenue consists of the sale of goods that is recognised in the income statement. Revenue is recognised when the control of the individual identifiable delivery obligation is transferred to the customer, and if the income can be calculated reliably and is expected to be received. Control is transferred at delivery of the products sold. The recognised revenue is measured at the fair value of the agreed consideration excluding VAT and taxes, and after the deduction of discounts made in connection with the sale.

Revenue consists of contracts with a single delivery obligation, and where the individual components of the transaction price are separately identifiable. There are no material differences in relation to sales channels or operating segments.

Discounts are deducted from the consideration based on an estimate of the total discounts during the measurement period.

Customer bonus due to customers is calculated at the time of sale and deducted from the recognised revenue. Subsequent adjustments to customer bonus is also recognised as revenue.

In the B2C segment sales are mostly done without credit while the Group offers market-conform payment terms to customers.

Segment information

The Group has activities within the professional B2B segment and the private B2C segment. The two segments share the same chief operating decision maker but are identified as separate operating segments in the internal management reporting with separate budgets. Direct expenses are allocated based on the section of the Group that bears the salaries or the external expenses.

Notes – Section 2

2.2 Cost of sales

DKK millions	2025	2024
Cost of goods purchased during the year	(4,442.6)	(3,996.0)
Distribution costs	(271.1)	(233.8)
	(4,713.7)	(4,229.8)
Change in inventories:		
Inventory at the beginning of the year	814.5	757.4
Change in inventory during the year	4.1	(1.3)
Inventory writedown, net	1.8	8.0
Inventory at the end of the year	896.6	814.5
Change in inventory for the year	76.2	50.4
Cost of sales for the year	(4,637.5)	(4,179.4)

§ Accounting policy

Cost of sales

Cost of sales consists of the cost price of goods sold during the financial year, as well as distribution costs, which are variable in direct relation to revenue.

2.3 Other operating income

The item includes property rental income. In 2024 other operating income included a one-time gain of DKK 14.2m from sale of a property while 2025 only included rental income.

2.4 External expenses

DKK millions	2025	2024
Remuneration for the auditor elected by the annual general meeting:		
Total remuneration may be specified as follows:		
Statutory audit	(1.9)	(1.7)
Tax and VAT related advisory services	(0.1)	(0.1)
Other assurance engagements	(0.9)	(0.9)
Other services	(0.1)	(0.1)
Total	(3.0)	(2.8)

Other assurance engagements' primarily included statutory limited assurance over the sustainability statements and to a limited degree assurance services related to WEEE declaration. Tax and VAT related advisory services related to minor advice on general tax and VAT matters.

§ Accounting policy

External expenses

External expenses include costs for internal transport, administration, advertising and exhibition costs, etc., including costs for the operation of real estate and losses to debtors.

Notes – Section 2

2.5 Staff costs

DKK millions	2025	2024
Wages and salaries	(527.5)	(465.3)
Pension contributions	(49.4)	(41.1)
Share-based remuneration	(4.3)	(3.5)
Other social security costs	(16.4)	(12.0)
Other staff expenses	(4.3)	(3.7)
Staff costs excl. temporary employees	(601.9)	(525.6)
Wages temporary employees	(51.1)	(43.6)
Staff costs total	(653.0)	(569.2)
Wages and salaries include remuneration for:		
Board of Directors	(4.0)	(3.8)
Board of Directors total	(4.0)	(3.8)
Executive Board	(28.3)	(25.4)
Share-based remuneration	(1.5)	(1.2)
Pension contributions	(1.6)	(1.6)
Benefits	(0.6)	(0.6)
Executive Board total	(32.0)	(28.8)
Board of Directors and Executive Board total	(36.0)	(32.6)
Average number of full-time employees, incl. temporary employees	1,078	968
Average number of full-time employees	1,004	899

The Group only has defined contribution plans.

§ Accounting policy

Staff costs

Staff costs include salaries and wages to employees, costs related to defined pension contribution plans, social security costs and other staff expenses such as training and education expenses.

Employee benefits

The Group has entered into agreements to provide defined contribution pension schemes for the majority of the Group's employees.

Liabilities relating to defined contribution pension schemes for which the Group regularly pays fixed pension contributions to independent pension companies are recognised in the income statement during the period in which they are earned, and payments due are recognised in the balance sheet under other liabilities.

Restricted stock units are measured at fair value at the date of issue and are recognised in the income statement under staff costs. The counter item is recognised directly in equity. The fair value of the granted share options is calculated using the option price model (Black & Scholes). RSU programmes are described in note 5.2.

Notes – Section 2

2.6 Depreciation and amortisation

DKK millions	2025	2024
Intangible assets	(35.8)	(26.0)
Property, plant and equipment	(55.1)	(52.7)
Right-of-use assets	(51.9)	(41.4)
Gains/losses from the disposal of assets	1.4	0.2
Total	(141.4)	(119.9)

Notes – Section 2

2.7 Tax on profit or loss for the year

DKK millions	2025	2024
Current tax for the year	(46.0)	(35.7)
Adjustment related to previous years	(2.6)	(0.6)
	(48.6)	(36.3)
Adjustment of deferred tax for the year	(10.8)	(10.2)
Adjustment of deferred tax for previous years	0	(0.2)
Total	(59.4)	(46.7)
Tax on profit/loss for the year can be explained as follows:		
Calculated tax on profit/loss before tax	56.0	45.4
Tax effect of:		
Non-taxable income	(0.5)	(0.8)
Other non-deductible costs	1.3	0.6
Adjustment of tax for previous years	2.6	1.6
	59.4	46.7
Effective tax rate	22.8%	22.2%
Taxes paid during the financial year	(41.0)	(55.2)

§ Accounting policy

Tax on profit/(loss) for the year

Brødrene A & O Johansen A/S is taxed jointly with all Danish subsidiaries as well as with the parent company Avenir Invest ApS. The full liability is shown in the financial statements of Avenir Invest ApS.

The current Danish corporation tax is distributed by settling joint tax contributions between the jointly taxed companies in proportion to their taxable income. In connection with this, companies with a tax loss receive a joint tax contribution from companies that have been able to use these losses to reduce their own taxable profits. (Full distribution). The jointly taxed companies are included in the Danish Tax Prepayment Scheme.

Tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement for tax attributed to profit/(loss) for the year, and in equity for tax attributable to items directly in equity.

Notes – Section 3

Invested capital

3.1 Intangible assets

3.2 Property, plant and equipment

3.3 Right-of-use assets and lease liabilities

3.4 Inventories

3.5 Trade receivables

3.6 Earnings per share

3.7 Corporation tax receivable/payable

3.8 Deferred tax

3.9 Other payables

Notes – Section 3

3.1 Intangible assets

DKK millions	Intellectual property		
	Goodwill	rights	Software
Cost at 1 January 2025	757.5	92.9	335.2
Foreign currency translation adjustment	3.4	0	0.2
Additions during the year	0	0	65.7
Disposals during the year	0	0	(1.5)
Cost at 31 December 2025	760.9	92.9	399.6
Amortisation and depreciation at 1 January 2025	0	(29.0)	(228.6)
Foreign currency translation adjustment	0	0	(0.2)
Amortisation and depreciation for the year	0	(3.5)	(32.3)
Disposals during the year	0	0	0.1
Amortisation and depreciation at 31 December 2025	0	(32.5)	(261.0)
Carrying amount at 31 December 2025	760.9	60.4	138.6

DKK millions	Intellectual property		
	Goodwill	rights	Software
Cost at 1 January 2024	508.5	70.1	330.4
Foreign currency translation adjustment	0	0	0
Additions from acquisitions	249.0	22.8	2.2
Additions during the year	0	0	44.1
Disposals during the year	0	0	(41.4)
Cost at 31 December 2024	757.5	92.9	335.2
Amortisation and depreciation at 1 January 2024	0	(25.5)	(247.5)
Foreign currency translation adjustment	0	0	0
Amortisation and depreciation for the year	0	(3.5)	(22.5)
Disposals during the year	0	0	41.4
Amortisation and depreciation at 31 December 2024	0	(29.0)	(228.6)
Carrying amount at 31 December 2024	757.5	63.9	106.6

In 2024, additions to goodwill derive from the acquisition of Svenska VA-Grossisten, DesignKupp and Workwear Group.

Apart from goodwill, all intangible assets are considered to have definite useful lives. No significant changes have been made in estimates relating to intangible assets. Intellectual property rights relate to trademarks and domain names related to Billig VVS, Greenline, LampeGuru EA Værktøj, VVSKupp and Billig Arbejdstøj.

Notes – Section 3

3.1 Intangible assets (continued)

Goodwill

At 31 December 2025, Management performed an impairment test of goodwill. Separate cash-generating units (CGUs) were tested for impairment including an sensitivity analysis for future cash flows. The carrying amount of goodwill and key assumptions may be specified per CGU in the following way:

DKK millions	Goodwill 2024	Goodwill 2025	Pre-tax WACC	Terminal growth rate
B2B Denmark	197.1	200.4	10%	1.5%
B2B Sweden	101.3	101.4	10%	1.5%
B2C	459.1	459.1	10%	2.5%

The applied pre-tax WACC has been set 10% same as in 2024 due to perceived unchanged risk-free interest rates. Terminal growth rates are unchanged for all CGUs.

Goodwill has been allocated to the two operating segments B2B and B2C, which is reflected above. In addition, goodwill in the B2B segment is further allocated into Danish and Swedish goodwill in order to reflect the CGUs and the level at which goodwill is monitored.

The recoverable amount is based on the value in use, which is determined by means of expected net cash flows on the basis of budgets for 2026 and forecasts for 2027-2030 approved by Management, and an adjusted discount rate of 7.8% (after tax). The applied discount rate reflects the specific risks

related to the Group, including geography, capital structure, etc. The applied terminal growth rate is not expected to exceed the long-term average growth rate of the markets in which the company operates.

The applied 5-year growth rate and growth in terminal values are not expected to exceed the long-term average growth rate of the Group's operating segments. For both operating segments profit margins and market shares are expected to reflect the financial targets of outgrowing the market by 2 percentage points and increasing the EBITDA margin.

By comparing the budgets for the respective Group companies and the expected market development it has been concluded that the recoverable amount will be considerably higher than the carrying amount.

Development costs

Development costs are included in "Software". The net value of capitalised development costs may be illustrated as follows:

DKK millions	2025		2024	
	Completed	Work in progress	Completed	Work in progress
Consolidated				
Cost at 1 January	167.0	32.2	162.2	36.8
Additions during the year	0.5	65.1	0	47.5
Transfer	51.8	(53.2)	47.9	(52.1)
Disposal	0	0	(43.1)	0
Cost at 31 December	219.3	44.1	167.0	32.2
Amortisation and depreciation at 1 January	(113.1)	0	(118.3)	0
Amortisation and depreciation for the year	(28.1)	0	(23.1)	0
Transfer	0	0	(12.4)	0
Amortisation and depreciation related to disposals	0	0	40.7	0
Amortisation and depreciation at 31 December	(141.2)	0	(113.1)	0
Carrying amount at 31 December	78.1	44.1	53.9	32.2

Notes – Section 3

3.1 Intangible assets (continued)

§ Accounting policy

Intangible assets

Goodwill is initially recognised in the balance sheet at cost price as described under 'Business combinations'. Goodwill is subsequently measured at cost price less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. The determination of cash-generating units follows the management structure and internal financial management.

Rights are measured at cost price less accumulated amortisation and impairment losses. Rights are amortised on a straight-line basis over their expected useful life, for a maximum of 20 years.

Software is measured at cost price less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over its expected useful life, for a maximum of 10 years.

Impairment of non-current assets

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, the first time before the end of the year of acquisition.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-gener-

ating unit to which goodwill is allocated and is written down over the income statement if the carrying amount is higher than the recoverable amount.

The recoverable amount is generally calculated as the present value of the expected future net cash flow from the activity to which goodwill is linked. The impairment of goodwill is recognised in a separate item in the income statement.

The carrying amount of the other non-current assets is assessed annually to determine whether there is any indication of impairment. When such an indication is present, the asset's recoverable amount is calculated. The recoverable amount is the asset's fair value less the expected cost of disposal or net present value. The net present value is calculated as the present value of expected future cash flows from the asset or the cash-generating unit which the asset is part of.

An impairment loss is recognised when the carrying amount exceeds the asset's recoverable amount. Impairment losses are recognised in the income statement under depreciation.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that changes have occurred in the assumptions and estimates that led to the impairment. Impairment losses are reversed only to the extent that the new carrying amount does not exceed the carrying amount after depreciation if an impairment loss has not been recognised for the asset.

! Key accounting judgments and estimates

Impairment testing for goodwill and other intangible assets

Impairment testing of goodwill requires significant judgement and estimation, as it involves assessing whether the carrying value of goodwill remains recoverable based on future economic benefits. Since goodwill is not amortized but tested annually for impairment, management must evaluate whether the associated cash-generating units (CGUs) will generate sufficient future cash flows to support the recorded value of goodwill.

A key judgement lies in defining CGUs and determining how goodwill is allocated to them. This allocation impacts the impairment assessment, as a CGU's performance is the basis for determining whether goodwill remains recoverable. Estimating future cash flows requires assumptions about revenue growth, profitability, cost structures, and market conditions over a multi-year period, often influenced by broader economic factors and industry-specific risks.

Another significant estimate is the discount rate applied to projected cash flows, which reflects both the time value of money and the risk associated with achieving forecasted performance. Given the inherent uncertainty in long-term projections, small changes in key assumptions, such as future earnings growth, discount rates, or terminal values, can significantly impact the impairment outcome.

Management reviews these estimates annually, adjusting them based on changes in market conditions, operational performance, and economic forecasts. However, due to the forward-looking nature of impairment testing, there is always an element of uncertainty, and deviations from projected outcomes may lead to future impairments.

Notes – Section 3

3.2 Property, plant and equipment

DKK millions	Land and buildings	Leasehold improvements	Fixtures and operating equipment
Cost at 1 January 2025	1,194.6	29.1	627.8
Foreign currency translation adjustment	1.2	0	0.5
Transfers	(1.1)	(10.4)	11.5
Additions during the year	114.4	4.0	16.2
Disposals during the year	(0.1)	(0.4)	(11.2)
Cost at 31 December 2025	1,309.0	22.3	644.8
Amortisation and depreciation at 1 January 2025	(252.7)	(13.9)	(373.1)
Foreign currency translation adjustment	(0.4)	0	(0.4)
Transfer	0	6.2	(6.2)
Amortisation and depreciation for the year	(14.5)	(2.2)	(42.2)
Disposals during the year	0	0.5	10.0
Amortisation and depreciation at 31 December 2025	(267.6)	(9.6)	(411.9)
Carrying amount at 31 December 2025	1,041.4	12.7	232.9

DKK millions	Land and buildings	Leasehold improvements	Fixtures and operating equipment
Cost at 1 January 2024	1,077.5	31.5	603.8
Foreign currency translation adjustment	(0.7)	0	(0.2)
Additions from acquisitions	39.9	0	44.9
Additions during the year	87.2	3.8	25.2
Disposals during the year	(9.3)	(6.2)	(45.9)
Cost at 31 December 2024	1,194.6	29.1	627.8
Amortisation and depreciation at 1 January 2024	(245.2)	(16.0)	(381.8)
Foreign currency translation adjustment	0.2	0	0.2
Amortisation and depreciation for the year	(11.8)	(4.0)	(36.8)
Disposals during the year	4.1	6.1	45.3
Amortisation and depreciation at 31 December 2024	(252.7)	(13.9)	(373.1)
Carrying amount at 31 December 2024	941.9	15.2	254.7

Notes – Section 3

3.2 Property, plant and equipment (continued)

Specification of land and buildings

Address	Use	Year of acquisition	Building area (sqm)	Carrying amount	Mortgage loans
Administration and central warehouse					
Rørvang 1-9, DK-2620 Albertslund	Administration		8,140		
Rørvang 1-9, DK-2620 Albertslund	Central warehouse		29,687		
Rørvang 11, DK-2620 Albertslund	Central warehouse		5,600		
Herstedvang 9-13, DK-2620 Albertslund	Central warehouse		3,694		
Herstedvang 6, DK-2620 Albertslund	Central warehouse		5,674		
Ølstрупvej 2A, DK-6971 Spjald	Central warehouse		6,611		
Mossvej 2, DK-8700 Horsens	Central warehouse		19,167		
Administration and central warehouse total			78,573	543.2	290.9
Stores					
Østbanegade 169, DK-2100 Østerbro	Store	1990	478		
Rørvang 1-9, DK-2620 Albertslund	Store	1990	1,907		
Gl. Køge Landevej 362, DK-2650 Hvidovre	Store	1999	619		
Håndværkervænget 18-20, DK-2670 Greve	Store	1995	713		
Englandsvej 360, DK-2770 Kastrup	Store	1996	437		
Kokkedal Industripark 42A, DK-2980 Hørsholm	Store	2014	702		
Industrivej 16, DK-3000 Helsingør	Store	2013	736		
Herredsvejen 12, DK-3400 Hillerød	Store	2013	751		
Sigrunsvej 1, DK-3400 Hillerød	Store	2024	1,494		
Centervej 44, DK-3600 Fr.sund	Store	2020	700		
Sandemandsvej 10, DK-3700 Rønne	Store	2003	768		
Københavnsvvej 205, DK-4000 Roskilde	Store	2022	1,448		
Industriparken 1, DK-4100 Ringsted	Store	2022	864		
Japanvej 16, DK-4200 Slagelse	Store	2014	700		
Tækkemandsvej 3, DK-4300 Holbæk	Store	2000	1,307		

Specification of land and buildings (continued)

Address	Use	Year of acquisition	Building area (sqm)	Carrying amount	Mortgage loans
Stores (continued)					
Valdemarshaab 15, DK-4600 Køge	Store	2014	862		
Holsted Park 6, DK-4700 Næstved	Store	2000	1,185		
Herningvej 23, DK-4800 Nykøbing F	Store	2013	700		
Middelfartsvej 8, DK-5000 Odense	Store	2000	1,111		
Ove Gjeddes Vej 18, DK-5220 Odense SØ	Store	2017	800		
Mandal Alle 5, DK-5500 Middelfart	Store	2022	1,343		
Mønten 5, DK-6000 Kolding	Store	1990	1,359		
Næstmark 21, DK-6200 Aabenraa	Store	2005	987		
Kattegatvej 1, DK-6705 Esbjerg	Store	2013	800		
Ibæk Strandvej 8, DK-7100 Vejle	Store	2022	1,564		
Ibæk Strandvej 12, DK-7100 Vejle	Store	2014	702		
Søren Frichs Vej 24, DK-8000 Århus	Store	2004	1,089		
Tomsagervej 3-7, DK-8000 Århus	Store	2022	1,596		
Jens Juuls Vej 7, DK-8260 Viby	Store	2014	700		
Lillehøjvej 42, DK-8600 Silkeborg	Store	2018	800		
Allégade 40, DK-8700 Horsens	Store	1990	1,500		
Toldbodgade 24, DK-8930 Randers	Store	2004	1,337		
Brodalsvågen 15, SE-433 38 Partille	Store and warehouse	2003	1,660		
Bronsyxegatan 6A, SE-213 75 Malmö	Store and warehouse	2000	1,350		
Total stores			35,069	399.5	126.2
Buildings under construction				98.7	
Land and buildings			113,642	1,041.4	417.1

Notes – Section 3

3.2 Property, plant and equipment (continued)

§ Accounting policy

Property, plant and equipment, including leases

Land and buildings, leasehold improvements, operating equipment, and fixtures and fittings are measured at their cost price less accumulated depreciation and impairment losses.

The cost price consists of the acquisition price and costs directly related to the acquisition until the time when the asset is ready for use. The cost price of a total asset is divided into separate components, which are depreciated separately if the useful life of the individual component is different.

Subsequent costs, such as when replacing components of a tangible asset, are recognised in the carrying amount of the asset in question when it is probable that the holding will result in future economic benefits for the Group. All other general repair and maintenance costs are recognised in the income statement as they are incurred.

The assets are depreciated on a straight-line basis over their expected useful lives, based on the following assessment of the expected life of assets:

Buildings:	up to 50 years
Installations:	10 years
Leasehold improvements:	Maximum 5 years
Fixtures and operating equipment:	Normally 5 years. 15 years for mini-load storage systems and high bay systems.

Land is not depreciated.

The basis for depreciation is calculated by taking into account the asset's scrap value and is reduced by any impairment losses. The depreciation period and the scrap value are determined at the time of acquisition and are reviewed annually. If the scrap value exceeds the carrying amount, depreciation ceases.

Gains and losses on the disposal of property, plant, and equipment are calculated as the difference between the sale price less selling costs and the carrying amount at the time of sale.

Notes – Section 3

3.3 Right-of-use assets and lease liabilities

Right-of-use assets	Land and buildings	Fixtures and operating equipment	Total
Balance at 1 January 2025	42.2	48.9	91.1
Foreign currency translation adjustment	0.1	0.3	0.4
Additions during the year	20.1	26.9	47.0
Disposals during the year	(5.4)	(1.9)	(7.3)
Remeasurement of lease liability	48.9	3.0	51.9
Amortisation and depreciation for the year	(28.6)	(23.2)	(51.8)
Carrying amount at 31 December 2025	77.3	54.0	131.3

Right-of-use assets	Land and buildings	Fixtures and operating equipment	Total
Balance at 1 January 2024	59.1	40.7	99.8
Foreign currency translation adjustment	(0.2)	(0.2)	(0.4)
Additions during the year	2.3	25.4	27.7
Disposals during the year	(0.6)	(0.8)	(1.4)
Remeasurement of lease liability	5.9	0.9	6.8
Amortisation and depreciation for the year	(24.3)	(17.1)	(41.4)
Carrying amount at 31 December 2024	42.2	48.9	91.1

Lease liabilities	2025	2024
Maturity of lease liabilities		
0-1 year	52.4	38.4
1-5 years	99.0	80.1
>5 years	21.4	11.9
Total un-discounted lease liabilities at 31 December	172.8	130.4
Short-term lease liabilities, less than 1 year	47.9	31.8
Long-term lease liabilities, more than 1 year	113.5	93.7
Lease liabilities recognised in the balance sheet	161.4	125.5

Amounts recognised in the income statement	2025	2024
Interest expenses on lease liabilities	(5.2)	(1.6)
Expenses related to low value leasing arrangements	(0.3)	(0.3)
Expenses related to short term leasing arrangements	(0.3)	(1.0)
Depreciation related to right-of-use assets	(51.8)	(38.3)
Total	(57.6)	(41.2)

In relation to leases, including low-value and short-term leasing arrangements, the Group has paid DKK 52.4m towards leasing contracts in 2025 (2024: DKK 37.0m). Hereof interest payments related to leasing liabilities amount to DKK 5.3m (2024: DKK 3.0m) and instalments on leasing liabilities amount to DKK 51.8m (2024: DKK 41.3m)

Notes – Section 3

3.3 Right-of-use assets and lease liabilities (continued)

§ Accounting policy

Leases

Right-of-use assets and lease liabilities are recognised in the balance sheet at the time when a lease for a specific identifiable asset is made available to the Group for the lease term and when the Group obtains the right to most of the financial benefits from the use of the identified asset and the right to decide the use of the identified asset.

On initial recognition, lease liabilities are measured at the present value of future lease payments using the incremental borrowing rate as the discount factor. The following lease payments are recognised as part of the lease liability:

- Fixed payments.
- Changes in variable lease payments which fluctuate with changes in an index or interest rate based on the current index or interest rate.
- Amounts payable under a residual value guarantee.
- The exercise price of call options reasonably certain to be exercised by the Group.
- Payments made in periods covered by an option to extend the lease which the Group is reasonably certain to exercise.
- Penalties related to a termination option, unless the Group is reasonably certain not to exercise the option.

Lease liabilities are measured at amortised cost using the effective interest rate method. A remeasurement is made when changes in the cash flow as a result of changes in

an index or interest rate is identified, if the estimate of a residual guarantee is changed or if the Group is changing the assessment of whether it is reasonably certain to exercise an extension or termination option, or a call option.

Initially right-of-use assets are recognised at cost which is equal to the lease liabilities adjusted for prepaid lease payments and estimated cost of demolition, repairs etc less received discounts or other types of incentive payments from lessor.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use asset. The depreciation is recognised on a straight-line basis in the income statement.

Adjustments are made to the right-of-use asset in case of changes in the lease liability due to changes in the conditions of the leases or changes in the cash flow from fluctuations in an index or an interest rate.

The right-of-use assets are amortised on a straight-line basis over their expected lease periods which constitute:

Operating equipment	3 – 10 years
Warehouse properties with associated administration	3 – 10 years
Stores	3 – 10 years

Right-of-use assets and leasing liabilities are presented separately in the Group's balance sheet.

The Group has chosen not to recognise leases with a term of less than 12 months or a present value of less than DKK 30,000. Instead lease payments are recognised on a straight-line basis in the income statement.

Furthermore, the Group has chosen to determine a discount rate on a portfolio of lease agreements with uniform characteristics.

Notes – Section 3

3.4 Inventories

DKK millions	2025	2024
Carrying amount of inventories recognised at net selling price	47.0	47.5

§ Accounting policy

Inventories

Inventories are measured at cost price, which is calculated on the basis of average prices. If the net realisable value is lower than the cost price, an impairment loss is made to the net realisable value.

The cost price includes the acquisition price plus the cost of repatriation.

The net realisable value is calculated as the expected sale price less costs to execute the sale and is determined on the basis of marketability, obsolescence, and expected development in the sales price. The value of inventories accounted for at fair value is specified in note 3.4 of the annual report.

! Key accounting judgments and estimates

Inventories

The estimated uncertainty of inventories relates primarily to slow-moving goods and thus to impairment to the net realisable value.

Impairment requirements are continuously assessed on inventories based on historical sales and the assessment of future sales.

Supplier bonus

Reporting from suppliers as well as AO's own records are used when assessing the supplier bonus that is due to AO. Estimates are used when reporting from suppliers have not been received or when the reporting from suppliers do not reconcile with AO's records. Ongoing retrospective reviews are performed to ensure that supplier bonus is included correctly in the financial statements.

Notes – Section 3

3.5 Trade receivables

Trade receivables consist of sale of goods to business customers which, in essence, have the same risk profile. Provisions for bad debts are made in accordance with the simplified expected credit loss model, taking into account AO's credit policy and debt collection procedure. AO has taken up credit insurance on customers with large balances.

Historically, the Group has incurred no losses on receivables from subsidiaries, and is not expected to going forward.

Calculated on the basis of a weighted loss ratio, the Group's expected credit losses on trade receivables are as follows:

DKK millions	Loss ratio	Receivable amount	Expected loss	Total
2025				
Not yet due	0.1%	652.3	(0.9)	651.4
Due within 1-30 days	1.3%	29.1	(0.4)	28.7
Due within 31-60 days	6.1%	2.5	(0.1)	2.4
Due in more than 60 days	71.3%	49.2	(35.1)	14.1
Total at 31 December 2025		733.1	(36.5)	696.6
2024				
Not yet due	0.4 %	576.7	(2.4)	574.3
Due within 1-30 days	1.2 %	23.3	(0.3)	23.0
Due within 31-60 days	28.9 %	3.2	(0.9)	2.3
Due in more than 60 days	77.7 %	38.6	(30.0)	8.6
Total at 31 December 2024		641.8	(33.6)	608.2

* Expected losses are shown including VAT.

DKK millions	2025	2024
Provision for losses on receivables:		
Provision for losses on receivables at 1 January excl. VAT	27.0	35.0
Realised loss during the year - use of previous provision	(4.9)	(15.1)
Adjustment of provisions for losses	7.3	7.1
Provision for losses on receivables at 31 December	29.4	27.0
Recognised previously written-off receivables	(0.3)	(0.3)
Losses recognised in the year and not previously provided for	(0.1)	0
Operating effect, net from loss and provision for losses on receivables	6.9	6.8

§ Accounting policy

Receivables

Receivables are measured at their amortised cost price. Impairment to counter losses is conducted according to the simplified expected credit loss model, after which the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the balance sheet on the basis of the expected loss over the total life of the receivable. Intra-group receivables are measured at the amortised cost price.

Notes – Section 3

3.5 Trade receivables (continued)

Key accounting judgments and estimates

Receivables

Estimates are used when assessing the probability of receivables. Due to the financial situation in society, the risk of losses on doubtful receivables remains high, which has been taken into account when assessing new customers, by way of impairment losses at the balance sheet date, and in the day-to-day governance and control of the receivables as described in note 4.3.

Customer bonus

Estimates are used in relation to the determination of the bonus levels reached on bonus agreements with a duration of more than one year. The applied estimates are reviewed on an ongoing basis to ensure a correct valuation of bonus due to customers.

3.6 Earnings per share

DKK millions	2025	2024
Net profit or loss for the year	200.7	163.4
Average number of shares in circulation	28,000,000	28,000,000
Average number of own shares	(761,062)	(823,900)
Average number of shares in circulation	27,238,938	27,176,100
The average dilution effect of outstanding RSU's	86,338	93,977
Diluted average number of outstanding share options	27,325,276	27,270,077
Earnings per share (EPS) of DKK 1 (DKK)	7.4	6.0
Diluted earnings per share (EPS-D) of DKK 1 (DKK)	7.3	6.0

3.7 Corporation tax receivable/payable

DKK millions	2025	2024
Corporation tax paid on account during the year	11.8	8.5
Tax on taxable profit for the year	(9.8)	(14.4)
Tax payable relating to previous years	(4.8)	(2.3)
Total corporation tax receivable/payable	(2.8)	(8.2)

Accounting policy

Corporation tax

Current tax liabilities and receivables are recognised in the balance sheet as calculated tax on taxable income for the year, adjusted for tax on previous years' taxable income and tax paid on account.

Notes – Section 3

3.8 Deferred tax

DKK millions	2025	2024
Deferred tax at 1 January	83.2	70.1
Foreign currency translation adjustment	0.7	0.3
Merger / acquisition of enterprise	0	3.6
Change in deferred tax for the year	10.6	9.4
Change in deferred tax relating to previous years	0	(0.2)
Deferred tax at 31 December	94.5	83.2
Deferred tax relates to:		
Intangible assets	52.2	31.8
Property, plant and equipment	50.6	57.7
Receivables/inventory	(3.3)	(4.2)
Liabilities	(5.0)	(2.1)
Tax deficit	0	0
Deferred tax at the end of the year	94.5	83.2

Accounting policy

Deferred tax

Deferred tax is measured according to the balance sheet liability method of all temporary differences between the net asset value and tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and other items where temporary differences – other than business acquisitions – have arisen at the time of acquisition without affecting profit/(loss) or taxable income.

Deferred tax is measured based on the tax rules and at the tax rate that will apply as per the legislation on the balance sheet date when the tax liability is expected to be triggered as current tax. Changes in deferred tax as a result of changes in the tax rate are recognised in the income statement.

Deferred tax assets are recognised under non-current assets at the value that is expected to be realised, either by set-off against deferred tax liabilities or by offsetting tax on future earnings.

Deferred tax assets are assessed annually and recognised only to the extent that it is probable that they will be utilised.

3.9 Other payables

DKK millions	2025	2024
Holiday allowance	27.8	23.5
Salary-related items	17.2	16.0
VAT and taxes	20.5	18.4
Frozen holiday allowance	0	1.4
Earn out liability	10.4	9.7
Other payables	16.7	5.4
Total	92.6	74.4

At the end of 2025, provisions for liabilities were DKK 0.5m (2024: DKK 0.5m). Of other payables DKK 10.4m is classified as non-current on the balance sheet while DKK 82.2m is classified as current.

Notes – Section 4

Capital structure and financing

4.1 Equity

4.2 Financing activities

4.3 Financial risks

4.4 Financial income

4.5 Financial expenses

Notes – Section 4

4.1 Equity

Capital management

The Group regularly assesses the need for adapting the capital structure with a view to balancing a higher required rate of return on equity with the increased uncertainty associated with loan capital. At the end of 2025, the equity share of total equity and liabilities amounted to 40.9% (2024: 40.6%). The target is to obtain an equity ratio of a minimum

of 40%. The financial gearing as at December 31 2025 was 2.4 (2024: 2.7). The Group target is to maintain a financial gearing within the range of 1.0 and 2.5. Capital is managed for the Group as a whole.

The share capital consists of the following classes:

		k DKK
Class A share capital: 56,400 shares of	DKK 100 each	5,640
Class B share capital: 22,360,000 shares of	DKK 1 each	22,360
Total share capital		28,000

Of the Company's share capital of DKK 28,000k DKK 5,640k is in the form of Class A-shares and DKK 22,360k is in the form of Class B-shares. Each Class A-share of DKK 100 carries 1,000 votes whereas each Class B-share of DKK 1 carries one vote. In addition to the the difference in the number of voting rights, the two share classes differ in the following respects:

The Class A-shares are non-negotiable securities. The Class B-shares are listed on Nasdaq Copenhagen. The Class B-share capital has a preferential dividend right of 6%. In case of liquidation, Class B-shares take precedence over Class A-shares. As at December 31 2025, there are no outstanding obligations related to preferential dividends to Class B-shares.

An alteration to the Company's Articles of Association requires that two thirds of cast votes and two thirds of the represented capital at a general meeting are in favour of the alteration.

Holders of Class B-shares are entitled to appoint and elect one member of the Board of Directors, while holders of Class A shares elect the remaining Board members.

Treasury shares	Number of shares		Nominal value (DKK thousands)		% of share capital	
	2025	2024	2025	2024	2025	2024
1 January	823,900	823,900	824	824	2.9%	2.9%
Holding at 31 December	761,062	823,900	761	824	2.7%	2.9%

In 2025 62,838 treasury shares have been transferred to employees as part of the long term incentive programme. According to the authorisation of the annual general meeting, Brødrene A & O Johansen A/S is allowed to acquire treasury shares up to a total holding of 10% of the share capital.

Notes – Section 4

4.1 Equity (continued)

Dividend

The payment of dividends to the Company's shareholders has no tax implication for Brødrene A & O Johansen A/S. Proposed dividend for 2025 amounts to DKK 105,000 corresponding to DKK 3.75 per share.

Other reserves

Reserve for net revaluation according to the equity method contains value adjustments related to investments in subsidiaries. Included in reserve for development costs is an amount corresponding to capitalised intangible assets meeting the criteria for being defined as a development project.

Reserve for net revaluation according to the equity method and reserve for development costs are unavailable for distribution to shareholders.

Reserve for foreign currency translation adjustment

The reserve for foreign currency translation adjustments includes all translation adjustments that arise as a result of the translation of the financial statements of entities using a functional currency other than Danish kroner. There are no translation adjustments in connection with assets and liabilities constituting a part of the Group's net investment in such entities.

4.2 Financing activities

DKK millions	2025	2024
Mortgage loans – floating interest rate – 5 years	416.9	442.6
Revolving credit facility – floating short-term interest rate	532.1	479.8
Lease liabilities – floating interest rate	161.4	125.5
	1,110.4	1,047.9
Payables relating to financing activities:		
Beginning-of-year	1,047.9	611.2
Repayment of debt to credit institutions, net	26.6	16.0
Raising of loans from credit institutions	0	359.7
Debt from acquisition	0	38.7
Addition, lease liabilities, net	87.1	64.0
Repayment, lease liabilities	(51.2)	(41.7)
Year-end	1,110.4	1,047.9

According to the leases there are no contingent rents. The contractual cash flows appear from note 4.3.

§ Accounting policy

Financial liabilities

Debt to mortgage-credit institutions and credit institutions is recognised at the time of borrowing at the value of the proceeds received less transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost corresponding to the capitalised value using the effective interest rate, so that the difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Other payables, which include debt to suppliers, are measured at their amortised cost price, and other liabilities at net realisable value.

Notes – Section 4

4.3 Financial risks

The Group's risk management policies

As a result of its operations, investments and financing, the Group is exposed to changes in exchange rates and interest-rate levels. It is Group policy not to engage in any active speculation in financial risks. The Group's financial management therefore only concentrates on the management of the financial risks that are directly linked to the Group's operations and financing. Financial risks are managed centrally by the Group's finance function.

The overall framework for the financial risk management is defined in the Group's finance policy, which has been approved by the Board of Directors. The finance policy covers the Group's finance policy as well as its policy relating to credit risks associated with financial counterparties and contains a description of the approved risk framework. Management monitors the Group's risk concentration on customers, currencies and other areas on a regular basis.

Currency risks

The Group's currency risk in connection with Danish operations is limited as revenue is generated in Danish kroner, and goods are primarily purchased in DKK or EUR.

The Group's foreign operations are not much affected by currency fluctuations, as income and expenses are largely paid in local currency. Consolidated results will be affected by exchange differences arising on translation of foreign operations' results and on translation of net assets.

The Group uses derivative financial instruments to a very limited extent. The derivative financial instruments consist of forward exchange contracts for the purchase of EUR. At 31 December 2025 there were no forward exchange contracts, and therefore no further information is provided.

The Group had no significant currency risks relating to receivables or payables in foreign currencies at 31 December 2025, and the consolidated results would therefore not be affected to any major extent by changes in exchange rates at 31 December 2025.

The Group has the following currency exposure at 31 December:

DKK millions	2025			2024		
	EUR	OTHER*	TOTAL	EUR	OTHER*	TOTAL
Trade payables	56.3	57.1	113.4	47.1	49.6	96.7
Payables to credit institutions	22.9	(9.2)	13.7	6.6	(19.5)	(12.9)
Net exposure	79.2	47.9	127.1	53.7	30.1	83.8
Risk in exchange rate fluctuation	1%	10%		1%	10%	
Estimated effect on income statement and equity	0.8	4.8	5.6	0.5	3.0	3.5

* The allocation of other is related to SEK, NOK and other is as follows: SEK is totalled to DKK 49.3m (2024: DKK 31.3m), for NOK the total amount is DKK 0.6m (2024: -0.7m) and other the total is DKK -2.1m (2024: -1.2m)

The Group's currency exposure related to financial instruments is primarily a result of the Group's financing activities.

Notes – Section 4

4.3 Financial risks (continued)

Interest rate risks

As a result of its investing and financing activities, the Group has a risk exposure relating to fluctuations in the interest-rate level in Denmark. The main interest rate exposure is related to fluctuations in CIBOR.

In 2025, the Group's interest-bearing debt, determined as payables to credit institutions and lease liabilities less negotiable securities and cash increased by DKK 55.6m to DKK 1,048.2m at the end of the year.

Based on the debt, a decrease of one percentage point in the general interest-rate level would result in a decrease in the Group's annual interest expenses before tax of approximately DKK 10.5m (2024: approximately DKK 10.1m).

Liquidity risks

In connection with borrowing, it is the Group's policy to ensure the greatest possible flexibility by spreading the loans on different maturity/renegotiation dates and on different lenders to ensure the best possible terms. The Group's cash resources comprise cash and short-term deposits, securities and undrawn credit facilities. It is the Group's aim to have sufficient cash resources in order to make appropriate decisions also in connection with unforeseen liquidity fluctuations.

The Group's payables fall due as follows:

DKK millions	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
2025					
Mortgage loans	416.9	522.1	37.9	151.1	333.0
Revolving credit facility	532.1	532.1	364.4	167.7	0
Lease liabilities	161.4	172.8	52.4	99.1	21.3
Trade payables	1,127.2	1,127.2	1,127.2	0	0
Total at 31 December	2,237.6	2,354.2	1,581.9	417.9	354.3
2024					
Mortgage loans	442.6	567.9	38.1	153.4	376.4
Revolving credit facility	479.8	479.8	254.0	225.8	0
Lease liabilities	125.5	130.4	38.4	80.1	11.9
Trade payables	1,036.8	1,036.8	1,036.8	0	0
Total at 31 December	2,084.8	2,304.8	1,389.5	478.2	437.1

Assumptions regarding the maturity analysis:

- The maturity analysis is based on all undiscounted cash flows, including estimated interest payments according to contractual basis.
- Interest payments are estimated on the basis of current market conditions.

Based on the Group's expectations for future operations and the Group's current cash resources, no material liquidity risks have been identified. Agreements containing Supply Chain Finance programmes have been concluded. The Supply Chain Finance programmes typically has a credit time of two months longer than comparable financial liabilities. At the balance sheet date liabilities related to Supply Chain Finance programmes amount to DKK 294.3m (2024: DKK 235.5m) of which DKK 275.8m has been settled from the third-party finance provider. In the balance sheet the Supply Chain Finance programmes are classified as trade payables.

Group loans and committed credit facilities are not subject to any special terms or conditions (covenants).

Credit risks

The Group's credit risks relate to receivables and cash and short-term deposits. The maximum credit risk associated with financial assets corresponds to the values recognised in the balance sheet.

Notes – Section 4

4.3 Financial risks (continued)

The Group has no material risks relating to individual customers or business partners. Credit rating is based on an individual assessment of customers and business partners and their respective financial situation. The management of the credit risk is based on internal credit limits determined according to the customers' credit rating. As a result of the current market conditions, the Group has amended its credit limits for a number of customers. If the credit rating of a customer is assessed as being insufficient, the terms of payment are amended or security is provided.

The Group's credit exposure to customers is monitored on an ongoing basis as part of the Group's risk management. Of the DKK 696.6m in trade receivables DKK 208.0m are credit-insured thus the maximum credit risk was DKK 488.6m at the balance sheet date.

In general, no security has been received for overdue or impaired receivables.

Categories of financial instruments, and methods and assumptions for determining fair values

The carrying amount and fair value of financial instruments are identical with the exception of loans measured at amortised cost, and where the carrying amount at 31 December 2025 amounts to DKK 1,110.4m (2024: DKK 1,047.9m) incl. lease liabilities at the end of the year.

The methods and assumptions applied in determining fair values of financial instruments are presented below for each

class of financial instrument. The methods used have not been changed compared to last year.

The fair value of mortgage debt is determined on the basis of the underlying bonds. Short-term floating-rate bank loans are measured at nominal value.

Trade receivables, cash and short-term deposits, and trade payables are subject to a short credit period and are considered to have a fair value that corresponds to the carrying amount. No further fair value information for financial assets is given when the carrying amount is assumed to be a proper measure of the fair value of the assets.

§ Accounting policy

Financial instruments

Derivative financial instruments are recognised on the trade date and measured at fair value in the balance sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively, and the offsetting of positive and negative values is only made when the company is entitled to and intends to settle several financial instruments net. Fair values of derivative financial instruments are calculated on the basis of current market data and recognised valuation methods.

Hedge accounting is only used in connection with currency futures.

4.4 Financial income

DKK millions	2025	2024
Interest income from current assets	5.0	11.8
Foreign exchange gains, net	3.0	0.5
Total	8.0	12.3

4.5 Financial expenses

DKK millions	2025	2024
Interest expenses on liabilities	(34.5)	(44.3)
Expenses, lease liabilities, external	(5.3)	(3.3)
Other interest expenses	(0.7)	(0.7)
Foreign exchange losses, net	0	0
Total	(40.5)	(48.3)

§ Accounting policy

Financial income and expenses

Financial income and expenses include interest and realised and unrealised capital gains and losses, as well as write-downs on securities and debt, the amortisation of financial assets and liabilities, including supplements and reimbursements under the advance tax scheme, etc.

Borrowing costs from general or specific loans attributable to the construction period of qualifying assets are recognised at the cost price of the relevant assets.

Notes – Section 5

Other notes

- 5.1 Contingent liabilities, security, etc.
- 5.2 Share based remuneration
- 5.3 Related parties
- 5.4 Subsequent events
- 5.5 New accounting regulation

Notes – Section 5

5.1 Contingent liabilities, security, etc.

Land and buildings with a total carrying amount of DKK 752.0m (2024: DKK 763.6m) are provided as security for the Group's payables to mortgage credit institutions and finance lease liabilities.

As a normal part of doing business AO can be involved in disputes or legal proceedings. The outcome of pending legal actions is not expected to have any material impact on the financial position of the Group.

The parent company is jointly taxed with AO Workwear A/S and the ultimate Danish parent company Avenir Invest ApS, which is the administration company for joint taxation purposes. The company and therefore the Group is unlimited, jointly and severally liable with other jointly taxed companies towards the Danish tax authorities for the total corporation tax. Payable corporation taxes within the joint taxation group amounted to DKK -7.0m at 31 December 2025 (2024: DKK -16.4m).

Any adjustment to the taxable income subject to joint taxation might entail an increase in the Company's liability. Group companies are not subject to withholding tax on dividends.

5.2 Share based remuneration

In order to motivate and retain members of the Executive Board and other managers in the Group, Brødrene A & O Johansen A/S has introduced an incentive programme based on the shares of the company. The programme is designed to align the interests of the participants of the share programme with the interests of the shareholders. The intention is to promote long-term value creation in the Group.

In 2025 123,939 Restricted Stock Units (RSUs) have been granted (2024: 0).

The RSUs are measured at fair value at the time of the grant using a Black & Scholes model. The fair value is recognised as staff costs and equity on a straight line basis over the vesting period of 36 months.

The RSUs can only be settled in shares and no subsequent measurement of the fair value is performed. The vesting conditions for all RSUs are related to continued employment with the Group.

Restricted Stock Units 2025	Out-standing RSUs Jan 1	Released during the year	Granted during the year	Out-standing RSUs Dec 31	Fair value at the time of the grant	Vesting date
Executive Board						
Grant 2022	44,370	44,370	0	0	4.4	March 2025
Grant 2025	0	0	63,842	63,842	4.9	March 2028
Executive Board total	44,370	44,370	63,842	63,842		
Other employees						
Grant 2022	18,468	18,468	0	0	1.8	March 2025
Grant 2023	56,935	0	0	56,935	4.4	January 2026
Grant 2025	0	0	60,097	60,097	4.6	March 2028
Other employees total	75,403	18,468	60,097	117,032		
Total	119,773	62,838	123,939	180,874		

Notes – Section 5

5.3 Related parties

The Group's related parties comprise the parent company Avenir Invest ApS (Axeltorv 2, DK-1607 Copenhagen V, Denmark), the Board of Directors, the Executive Board and management employees.

Avenir Invest ApS has control over the company through its ownership of the majority of the voting rights. During the year, no transactions were carried out with Avenir Invest ApS apart from payment of dividends and corporate tax.

During the year, no significant transactions were carried out with the Board of Directors, the Executive Board, management employees or major shareholders apart from normal management remuneration, cf. note 2.5, and dividend payments.

5.4 Subsequent events

No events have occurred after 31 December 2025 that are considered to have a material effect on the annual report for 2025.

5.5 New accounting regulation

At the time of publication of this annual report, IASB has issued the following new and amended financial reporting standards and interpretations that are not compulsory for Brødrene A & O Johansen A/S in preparing the annual report for 2025:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
 - Amendments to the classification and measurements of financial instruments.
 - Amendments to "Contract Referencing Nature-dependent Electricity", which deals with power purchase agreements.
- IFRS 18 Presentation and Disclosures in Financial Statements – new IFRS standard for presentation and disclosures in financial statements
- IFRS 19 Non Public Interest Subsidiaries – Disclosures – new IFRS disclosure standard for entities that are subsidiaries of public interest entities
- Annual Improvements Volume 11

None of the standards and interpretations mentioned above except for IFRS 18 have been adopted by the EU.

The adopted standards and interpretations that have not yet come into effect will be implemented as they become compulsory for Brødrene A & O Johansen A/S. It has been assessed that none of the above-mentioned standards and interpretations apart from IFRS 18 will affect recognition and measurement for Brødrene A & O Johansen A/S.

Management is currently assessing the detailed implications of applying the new IFRS 18 standard on the group's consolidated financial statements. Line items presented on the primary statements might change and there may be a change in the definition of operating profit. The group does not expect significant changes in the information currently disclosed in the notes; however, the way in which the information is grouped might change. From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

Financial ratio definitions as recommended by CFA Society Denmark

Gross profit margin
(Gross margin / Revenue) * 100

Profit margin
(Operating profit or loss (EBIT) / Revenue) * 100

Return on capital employed
(EBIT / Average total assets) * 100

Return on equity
(Net profit or loss for the year / Average equity) * 100

Net gearing
(Net interest bearing debt (NIBD) / EBITDA)

Solvency ratio
(Equity / Total assets) * 100

Price Earnings Basic (P/E Basic)
Share price at the end of the year / Earnings per share

Earnings per share (EPS Basic), DKK
Profit after tax / Average number of shares in circulation

Diluted earnings per share (EPS-D), DKK
Profit after tax / Diluted average number of outstanding share options

Book value
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2.5 Depreciation and amortisation
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4 Capital structure and financing

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5 Other notes

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Income statement

For 1 January – 31 December

DKK millions	Note	2025	2024
Revenue		5,283.7	4,907.7
Cost of sales	2.1	(4,071.6)	(3,824.3)
Gross profit		1,212.1	1,083.4
Other operating income	2.2	1.4	1.3
Gross margin		1,213.5	1,084.7
External expenses	2.3	(321.3)	(284.8)
Staff costs	2.4	(566.6)	(520.4)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		325.6	279.5
Depreciation and amortisation	2.5	(123.7)	(153.5)
Operating profit or loss (EBIT)		201.9	126.0
Subsidiaries' profit after tax	3.4	72.9	80.7
Financial income	4.4	4.4	17.3
Financial expenses	4.5	(38.8)	(36.4)
Profit or loss before tax (EBT)		240.4	187.6
Tax on profit or loss for the year	2.6	(39.7)	(24.2)
Net profit or loss for the year		200.7	163.4

Sales channels

The Company uses both digital and physical sales channels. Digital sales channels are defined as sales through websites and apps. In 2025, sales through digital channels amounted to DKK 3,302.2m (2024: DKK 2,630.1m), while sales through physical channels amounted to DKK 1,981.5m (2024: DKK 2,277.6m).

Statement of comprehensive income

For 1 January – 31 December

DKK millions	Note	2025	2024
Other comprehensive income			
Net profit or loss for the year		200.7	163.4
Items which will be reclassified to the income statement			
Foreign currency translation adjustment relating to foreign entities		8.3	(4.1)
Tax on other comprehensive income		0	0
Other comprehensive income after tax		8.3	(4.1)
Total comprehensive income		209.0	159.4

Balance sheet as at 31 December

Assets

DKK millions	Note	2025	2024
Non-current assets			
Intangible assets	3.1		
Goodwill		464.8	464.8
Intellectual property rights		37.2	40.7
Software		137.0	104.6
		639.0	610.1
Property, plant and equipment	3.2		
Land and buildings		984.6	146.7
Leasehold improvements		12.4	16.2
Fixtures and operating equipment		185.3	208.0
Right-of-use assets	3.3	107.8	168.7
		1,290.1	539.6
Other non-current assets			
Investments in subsidiaries	3.4	549.4	675.1
Other investments		0.2	0.2
		549.6	675.3
Total non-current assets		2,478.7	1,825.1

DKK millions	Note	2025	2024
Current assets			
Inventories	2.1, 3.5	772.7	721.0
Trade receivables	3.6	647.9	571.6
Receivables from subsidiaries	3.6	0	167.5
Joint tax contribution		17.7	26.3
Other receivables		25.8	31.4
Prepayments and accrued income		20.9	22.3
Cash and short-term deposits		8.1	26.8
Total current assets		1,493.1	1,566.8
Total assets		3,971.8	3,391.9

Balance sheet as at 31 December

Equity and liabilities

DKK millions	Note	2025	2024
Equity	4.1		
Share capital		28.0	28.0
Reserve according to the equity method		233.0	284.4
Reserve for development costs		95.3	67.2
Retained earnings		1,206.7	1,072.7
Proposed dividend for the financial year		105.0	84.0
Total equity		1,668.0	1,536.3
Non-current liabilities			
Deferred tax	3.7	88.8	40.0
Credit institutions	4.2	548.0	306.1
Lease liabilities	3.3, 4.2	74.1	114.9
Other non-current liabilities			
Total non-current liabilities		710.9	461.0

DKK millions	Note	2025	2024
Current liabilities			
Credit institutions	4.2	391.3	263.8
Lease liabilities	3.3, 4.2	38.9	57.2
Trade payables	4.2	1,040.9	979.3
Amounts owed to subsidiaries		68.0	48.3
Provisions for liabilities		0.5	0.5
Other payables	3.8	53.3	45.6
Total current liabilities		1,592.9	1,394.6
Total liabilities		2,303.8	1,855.6
Total equity and liabilities		3,971.8	3,391.9
Contingent liabilities, security, etc.	5.1		
Notes without reference	5.2 - 5.3		

Cash flow statement

DKK millions	Note	2025	2024
Cash flow from operating activities			
Operating profit or loss (EBIT)		201.9	126.0
Depreciation and amortisation	2.5	123.7	153.5
Other non-cash operating items, net		4.3	3.5
Cash flow from operations before change in working capital		329.9	283.0
Change in inventories		(51.7)	2.9
Change in receivables		(69.1)	(69.1)
Change in trade payables and other current payables		75.1	(9.9)
Change in working capital		(45.7)	(76.1)
Cash flow from operations		284.2	206.9
Financial income received		4.4	17.3
Financial expenses paid		(38.1)	(36.4)
Corporation tax paid		(30.4)	(46.5)
Cash flow from operating activities		220.1	141.4

DKK millions	Note	2025	2024
Cash flow from investing activities			
Purchase of intangible assets		(65.7)	(44.1)
Purchase of property, plant and equipment		(123.8)	(35.9)
Change in receivables from subsidiaries		48.0	(32.5)
Dividends received		0	14.0
Acquisition of enterprise		0	(263.0)
Cash flow from investing activities		(141.4)	(361.5)
Cash flow from financing activities			
Repayment of debt to credit institutions		25.2	70.5
Raising of loans from credit institutions		0	319.8
Repayment of lease liabilities		(40.9)	(88.4)
Dividends paid		(81.6)	(101.9)
Cash flow from financing activities		(97.3)	200.0
Cashflow for the year		(18.7)	(20.0)
Cash and short-term deposits at beginning of year		26.8	46.8
Cash and short-term deposits at end of year		8.1	26.8

Company statement of changes in equity

DKK millions	Share capital	Equity method	Reserve for development costs	Proposed dividend for the year	Retained earnings	Total equity
Equity at 1 January 2025	28.0	284.4	67.2	84.0	1,072.7	1,536.3
Net profit for the year	0	72.9	0	105.0	22.8	200.7
Movement for the year	0	0	28.1	0	(28.1)	0
Foreign currency translation adjustment	0	8.3	0	0	0	8.3
Total comprehensive income	0	81.2	28.1	105.0	(5.3)	209.0
Disposals due to merger	0	(132.6)	0	0	132.6	0
Dividend distribution	0	0	0	(81.6)	0	(81.6)
Dividend treasury shares	0	0	0	(2.4)	2.4	0
Dividend received	0	0	0	0	0	0
Sharebased remuneration	0	0	0	0	4.3	4.3
Total transactions with owners	0	(132.6)	0	(84.0)	139.3	(77.3)
Equity at 31 December 2025	28.0	233.0	95.3	105.0	1,206.7	1,668.0
Equity at 1 January 2024	28.0	221.8	62.9	105.0	1,057.6	1,475.3
Net profit for the year	0	80.7		84.0	(1.3)	163.4
Movement for the year	0	0	4.3	0	(4.3)	0
Foreign currency translation adjustment	0	(4.1)	0	0	0	(4.1)
Total comprehensive income	0	76.6	4.3	84.0	(5.5)	159.4
Dividend distribution	0	0	0	(101.9)	0	(101.9)
Dividend treasury shares	0	0	0	(3.1)	3.1	0
Dividend received	0	(14.0)	0	0	14.0	0
Sharebased remuneration	0	0	0	0	3.5	3.5
Total transactions with owners	0	(14.0)	0	(105.0)	20.6	(98.4)
Equity at 31 December 2024	28.0	284.4	67.2	84.0	1,072.7	1,536.3

Notes – Section 1

Basis of preparation

1.1 Accounting policies

1.2 Significant estimated uncertainties and assumptions

Notes – Section 1

1.1 Accounting policies

The financial statements of the parent company Brødrene A & O Johansen A/S for 2024 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

The accounting policies of the parent company remain unchanged from last year. Significant accounting policies are identical to those applied by the AO Group except for those mentioned below. A general description of accounting policies can be found in note 1.1 of the consolidated financial statements.

Result of investments in subsidiaries

In the parent company's income statement, the proportionate share of the individual subsidiaries' profit/(loss) after tax is recognised after the full elimination of internal gains/losses.

Investments in subsidiaries in the parent company's financial statements

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the companies' net worth calculated according to the Group's accounting policies with the addition or deduction of unrealised intra-group profits and losses, and the addition or deduction of the remaining value

of positive or negative goodwill calculated according to the acquisition method.

1.2 Significant estimated uncertainties and assumptions

When calculating the carrying amount of certain assets and liabilities, estimates are made of how future events affect the value of these assets and liabilities at the balance sheet date.

The estimates and assumptions may have a significant effect on the financial reporting and can be categorised as significant accounting judgements or significant accounting estimates and assumptions.

The estimates made are based on historical experience and other factors that the management considers reasonable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the company is subject to risks and uncertainties that may cause actual results to differ from those estimates.

It may be necessary to change previous estimates due to changes in the circumstances underlying them or due to new knowledge or subsequent events.

Significant accounting judgements, estimates and assumptions

Significant accounting estimates and judgements include assumptions and estimates of the future and other uncertainty, that could potentially affect the company within the next 12 months. Estimates that are material to the financial reporting are made, inter alia, by valuing the impairment testing of goodwill, receivables, and inventories and by calculating depreciation and impairment.

The following estimates and accompanying assessments are deemed material for the preparation of the financial statements:

- Impairment testing for goodwill and other intangible assets
- Valuation of receivables
- Inventory valuation

These estimates and assessments are described in the following notes:

- Note 3.1 Intangible assets
- Note 3.5 Inventories
- Note 3.6 Trade receivables

Notes – Section 2

Income statement

- 2.1 Cost of sales
- 2.2 Other operating income
- 2.3 External expenses
- 2.4 Staff costs
- 2.5 Depreciation and amortisation
- 2.6 Tax on profit or loss for the year

Notes – Section 2

2.1 Cost of sales

DKK millions	2025	2024
Cost of goods purchased during the year	(3,895.8)	(3,599.1)
Distribution costs	(220.8)	(203.6)
	(4,116.6)	(3,802.7)
Change in inventories:		
Inventory at the beginning of the year	721.0	723.9
Change in cost during the year	4.3	13.9
Inventory writedown, net	2.4	4.7
Inventory at the end of the year	772.7	721.0
Change in inventory for the year	45.0	(21.6)
Cost of sales for the year	(4,071.6)	(3,824.3)

2.2 Other operating income

The item includes property rental income.

2.3 External expenses

DKK millions	2025	2024
Remuneration for the auditor elected by the annual general meeting:		
Total remuneration may be specified as follows:		
Statutory audit	(1.4)	(1.3)
Tax and VAT related advisory services	(0.1)	(0.1)
Other assurance engagements	(0.9)	(0.9)
Other services	(0.1)	(0.1)
Total	(2.5)	(2.4)

Other assurance engagements' primarily included statutory limited assurance over the sustainability statements and to a limited degree assurance services related to WEEE declaration. Tax and VAT related advisory services related to minor advice on general tax and VAT matters.

Notes – Section 2

2.4 Staff costs

DKK millions	2025	2024
Wages and salaries	(462.2)	(427.7)
Pension contributions	(40.6)	(37.4)
Share-based remuneration	(4.4)	(3.5)
Other social security costs	(6.7)	(5.8)
Other staff expenses	(3.3)	(3.3)
Staff costs excl. temporary employees	(517.2)	(477.7)
Wages temporary employees	(49.5)	(42.7)
Staff costs total	(566.7)	(520.4)
Wages and salaries include remuneration for:		
Board of Directors	(4.0)	(2.6)
Board of Directors total	(4.0)	(2.6)
Executive Board	(28.3)	(25.4)
Share-based remuneration	(1.5)	(1.2)
Pension contributions	(1.6)	(1.6)
Benefits	(0.6)	(0.6)
Executive Board total	(32.0)	(28.8)
Board of Directors and Executive Board total	(36.0)	(31.4)
Average number of full-time employees incl. temporary employees	915	884
Average number of full-time employees	841	815

The Company only has defined contribution plans.

2.5 Depreciation and amortisation

DKK millions	2025	2024
Intangible assets	(35.4)	(25.8)
Property, plant and equipment	(49.6)	(39.7)
Right-of-use assets, external	(39.7)	(38.6)
Right-of-use assets, subsidiaries	0	(49.8)
Gains/losses from the disposal of assets	1.0	0.4
Total	123.7	(153.5)

Notes – Section 2

2.6 Tax on profit or loss for the year

DKK millions	2025	2024
Current tax for the year	(27.3)	(16.1)
Adjustment related to previous years	(1.7)	(0.5)
	(29.0)	(16.6)
Adjustment of deferred tax for the year	(10.7)	(7.3)
Adjustment of deferred tax for previous years	0	(0.3)
Total	(39.7)	(24.2)
Tax on profit/loss for the year can be explained as follows:		
Calculated tax on profit/loss before tax, not incl. subsidiaries' profits	37.2	23.5
Tax effect of:		
Non-taxable income	(0.5)	(0.7)
Other non-deductible costs	1.3	0.6
Adjustment of tax for previous years	1.7	0.8
	39.7	24.2
Effective tax rate	23.7%	22.2%
Taxes paid during the financial year	(30.4)	(46.5)

Notes – Section 3

Invested capital

- 3.1 Intangible assets
- 3.2 Property, plant and equipment
- 3.3 Right-of-use assets and lease liabilities
- 3.4 Investments in subsidiaries
- 3.5 Inventories
- 3.6 Trade receivables
- 3.7 Deferred tax
- 3.8 Other payables

Notes – Section 3

3.1 Intangible assets

DKK millions	Intellectual property		
	Goodwill	rights	Software
Cost at 1 January 2025	464.8	68.5	333.1
Additions during the year	0	0	65.7
Disposals during the year	0	0	(1.4)
Cost at 31 December 2025	464.8	68.5	397.4
Amortisation and depreciation at 1 January 2025	0	(27.8)	(228.4)
Amortisation and depreciation for the year	0	(3.5)	(31.9)
Disposals during the year	0	0	0
Amortisation and depreciation at 31 December 2025	0	(31.3)	(260.3)
Carrying amount at 31 December 2025	464.8	37.2	136.9

DKK millions	Intellectual property		
	Goodwill	rights	Software
Cost at 1 January 2024	464.8	68.5	330.4
Additions during the year	0	0	44.1
Disposals during the year	0	0	(41.4)
Cost at 31 December 2024	464.8	68.5	333.1
Amortisation and depreciation at 1 January 2024	0	(24.3)	(247.5)
Amortisation and depreciation for the year	0	(3.5)	(22.4)
Disposals during the year	0	0	41.4
Amortisation and depreciation at 31 December 2024	0	(27.8)	(228.4)
Carrying amount at 31 December 2024	464.8	40.7	104.6

Apart from goodwill, all intangible assets are considered to have definite useful lives. No significant changes have been made in estimates relating to intangible assets. Intellectual property rights relate to Billig VVS', Greenline's, LampeGuru's and EA Værktøj's trademarks, domain names, etc.

Notes – Section 3

3.1 Intangible assets (continued)

Development costs

Development costs are included in "Software". The net value of capitalised development costs may be illustrated as follows:

DKK millions	2025		2024	
	Completed	Work in progress	Completed	Work in progress
Company				
Cost at 1 January	167.0	32.2	162.2	36.8
Additions during the year	0.5	65.1	0	47.5
Transfer	51.8	(53.2)	47.9	(52.1)
Disposals	0	0	(43.1)	0
Cost at 31 December	219.3	44.1	167.0	32.2
Amortisation and depreciation at 1 January	(113.1)	0	(118.3)	0
Amortisation and depreciation for the year	(28.1)	0	(23.1)	0
Transfer	0	0	(12.3)	0
Amortisation and depreciation related to disposals	0	0	40.7	0
Amortisation and depreciation at 31 December	(141.2)	0	(113.1)	0
Carrying amount at 31 December	78.1	44.1	53.9	32.2

§ Accounting policy

Impairment testing for goodwill and other intangible assets

In the annual impairment tests of intangible assets, including goodwill and rights, estimates are made of how the parts of the business (cash-generating units) to which goodwill and rights are attributed will be able to generate sufficient positive net cash flows in the future to support the value of the goodwill and rights.

Due to the nature of the business, expected cash flows must be estimated for many years to come, leading to some uncertainty. This uncertainty is reflected by the chosen discount rate.

Impairment testing has been described in note 3.1 of the consolidated financial statements.

Notes – Section 3

3.2 Property, plant and equipment

DKK millions	Land and buildings	Leasehold improvements	Fixtures and operating equipment
Cost at 1 January 2025	205.3	31.8	565.2
Changes due to merger	925.3	0	0
Additions during the year	113.8	3.6	6.4
Disposals during the year	0	(0.4)	(4.4)
Change of classification	0	(11.5)	11.5
Cost at 31 December 2025	1,244.4	23.5	578.7
Amortisation and depreciation at 1 January 2025	(58.6)	(15.6)	(357.2)
Changes due to merger	(187.7)	0	0
Change of classification	0	6.2	(6.2)
Amortisation and depreciation for the year	(13.5)	(2.1)	(33.9)
Disposals during the year	0	0.4	4.0
Amortisation and depreciation at 31 December 2025	(259.8)	(11.1)	(393.3)
Carrying amount at 31 December 2025	984.6	12.4	185.4

DKK millions	Land and buildings	Leasehold improvements	Fixtures and operating equipment
Cost at 1 January 2024	195.2	34.2	588.9
Additions during the year	10.2	3.8	21.9
Disposals during the year	(0.1)	(6.2)	(45.6)
Cost at 31 December 2024	205.3	31.8	565.2
Amortisation and depreciation at 1 January 2024	(56.4)	(17.7)	(369.2)
Amortisation and depreciation for the year	(2.4)	(4.0)	(33.2)
Disposals during the year	0.2	6.2	45.2
Amortisation and depreciation at 31 December 2024	(58.6)	(15.6)	(357.2)
Carrying amount at 31 December 2024	146.7	16.2	208.0

Notes – Section 3

3.3 Right-of-use assets and lease liabilities

Right-of-use assets	Land and buildings	Fixtures and operating equipment	Total
Balance at 1 January 2025	122.1	46.6	168.7
Additions during the year	2.6	18.6	21.2
Disposals during the year	(66.3)	(0.5)	(66.8)
Remeasurement of lease liability	24.2	0.3	24.5
Amortisation and depreciation for the year	(22.0)	(17.7)	(39.7)
Carrying amount at 31 December 2025	60.6	47.3	107.9

Right-of-use assets	Land and buildings	Fixtures and operating equipment	Total
Balance at 1 January 2024	157.1	38.9	196.0
Additions during the year	30.5	23.8	54.3
Disposals during the year	(1.2)	(0.8)	(2.0)
Remeasurement of lease liability	8.0	0.8	8.8
Amortisation and depreciation for the year	(72.3)	(16.1)	(88.4)
Carrying amount at 31 December 2024	122.1	46.6	168.7

Lease liabilities	2025	2024
Maturity of lease liabilities		
0-1 year	40.2	57.9
1-5 years	68.5	98.1
>5 years	15.0	30.9
Total un-discounted lease liabilities at 31 December	123.7	186.8
Short-term lease liabilities, less than 1 year	38.9	57.8
Long-term lease liabilities, more than 1 year	74.1	114.3
Lease liabilities recognised in the balance sheet	113.0	172.1
Amounts recognised in the income statement		
Interest expenses on lease liabilities	(4.1)	(5.1)
Expenses related to low value leasing arrangements	(0.1)	(0.2)
Expenses related to short term leasing arrangements	(0.3)	(1.0)
Depreciation related to right-of-use assets	(41.0)	(85.2)
Total	(45.5)	(91.5)

Notes – Section 3

3.4 Investments in subsidiaries

DKK millions	2025	2024
Cost at 1 January	390.7	127.6
Additions during the year	0	263.1
Disposal due to merger	(74.3)	0
Cost at 31 December	316.4	390.7
Value adjustment at 1 January	284.4	221.8
Disposal due to merger	(132.6)	0
Dividends	0	(14.0)
Foreign currency translation adjustments	8.3	(4.1)
Subsidiaries' results	72.9	80.7
Value adjustment at 31 December	233.0	284.4
Carrying amount at 31 December	549.4	675.1

Name	Registered office	2025	2024
		Ownership interest	Ownership interest
AO Invest A/S*	Denmark	N/A	100%
AO Sverige AB	Sweden	100%	100%
VVSochBAD Sverige AB	Sweden	100%	100%
Billig VVS AS*	Norway	N/A	100%
LampeGuru AS*	Norway	N/A	100%
Designkupp AS	Norway	100%	100%
AO Workwear A/S	Denmark	100%	100%

* Merged with other Group companies in 2025.

3.5 Inventories

DKK millions	2025	2024
Carrying amount of inventories recognised at net selling price	33.7	32.3

§ Accounting policy

Inventories

The estimated uncertainty of inventories relates primarily to slow-moving goods and thus to impairment to the net realisable value.

Impairment requirements are continuously assessed on inventories based on historical sales and the assessment of future sales.

! Key accounting judgments and estimates

Supplier bonus

Reporting from suppliers as well as AO's own records are used when assessing the supplier bonus that is due to AO. Estimates are used when reporting from suppliers have not been received or when the reporting from suppliers do not reconcile with AO's records. Ongoing retrospective reviews are performed to ensure that supplier bonus is included correctly in the financial statements.

Notes – Section 3

3.6 Trade receivables

Trade receivables consist of sale of goods to business customers which, in essence, have the same risk profile. Provisions for bad debts are made in accordance with the simplified expected credit loss model, taking into account AO's credit policy and debt collection procedure. AO has taken up credit insurance on customers with large balances.

Historically, the Company has incurred no losses on receivables from subsidiaries, and is not expected to going forward.

Calculated on the basis of a weighted loss ratio, the expected credit losses on trade receivables are as follows:

DKK millions	Loss ratio	Receivable amount	Expected loss	Total
2025				
Not yet due	0.1%	613.7	(0.9)	612.8
Due within 1-30 days	1.7%	22.1	(0.4)	21.7
Due within 31-60 days	7.0%	2.2	(0.2)	2.0
Due in more than 60 days	73.9%	43.4	(32.1)	11.3
Total at 31 December 2025		681.4	(33.6)	647.8
2024				
Not yet due	0.4%	547.2	(2.4)	544.7
Due within 1-30 days	1.8%	15.4	(0.3)	15.2
Due within 31-60 days	34.8%	2.7	(0.9)	1.7
Due in more than 60 days	73.0%	37.1	(27.1)	10.0
Total at 31 December 2024		602.4	(30.7)	571.6

* Expected losses are shown including VAT.

Notes – Section 3

3.6 Trade receivables (continued)

DKK millions	2025	2024
Provision for losses on receivables:		
Provision for losses on receivables at 1 January excl. VAT	24.7	33.5
Realised loss during the year - use of previous provision	(4.7)	(14.5)
Adjustment of provisions for losses	7.0	5.7
Provision for losses on receivables at 31 December	27.0	24.7
Recognised previously written-off receivables	(0.3)	(0.3)
Losses recognised in the year and not previously provided for	(0.1)	0
Operating effect, net from loss and provision for losses on receivables	6.6	5.4

Accounting policy

Receivables

Estimates are used when assessing the probability of receivables. Due to the financial situation in society, the risk of losses on doubtful receivables remains high, which has been taken into account when assessing new customers, by way of impairment losses at the balance sheet date, and in the day-to-day governance and control of the receivables.

Customer bonus

Estimates are used in relation to the determination of the bonus levels reached on bonus agreements with a duration of more than one year. The applied estimates are reviewed on an ongoing basis to ensure a correct valuation of bonus due to customers.

3.7 Deferred tax

DKK millions	2025	2024
Deferred tax at 1 January	39.9	32.4
Foreign currency translation adjustment	0	0
Merger / acquisition of enterprise	38.2	0
Change in deferred tax for the year	10.7	7.3
Change in deferred tax relating to previous years	0	(0.3)
Deferred tax at 31 December	88.8	40.0
Deferred tax relates to:		
Intangible assets	46.4	31.7
Property, plant and equipment	49.8	14.4
Receivables	(3.7)	(4.1)
Liabilities	(3.7)	(2.0)
Tax deficit	0	0
Deferred tax at the end of the year	88.8	40.0

Notes – Section 3

3.8 Other payables

DKK millions	2025	2024
Holiday allowance	22.8	19.7
Salary-related items	13.2	12.1
VAT and taxes	5.4	10.7
Other payables	11.8	3.1
Total	53.3	45.6

Notes – Section 4

Capital structure and financing

- 4.1 Equity
- 4.2 Financing activities
- 4.3 Financial risks
- 4.4 Financial income
- 4.5 Financial expenses

Notes – Section 4

4.1 Equity

Share capital

The share capital consists of the following classes:

	k DKK
Class A-share capital:	
56,400 shares of DKK 100 each	5,640
Class B-share capital:	
22,360,000 shares of DKK 1 each	22,360
Total share capital	28,000

Of the Company's share capital of DKK 28,000k DKK 5,640k is in the form of Class A-shares and DKK 22,360k is in the form of Class B-shares. Each A-share of DKK 100 carries 1,000 votes whereas each Class B-share of DKK 1 carries one vote. In addition to the the difference in the number of voting rights, the two share classes differ in the following respects:

The Class A-shares are non-negotiable securities. The Class B-shares are listed on Nasdaq Copenhagen. The Class B-share capital has a preferential dividend right of 6%. In case of liquidation, Class B-shares take precedence over Class A-shares. As at December 31 2025 there are no outstanding obligations related to preferential dividends to Class B-shares.

An alteration to the Company's Articles of Association requires that two thirds of cast votes and two thirds of the represented capital at a general meeting are in favour of the alteration.

Holders of Class B-shares are entitled to appoint and elect one member of the Board of Directors, while holders of Class A-shares elect the remaining Board members.

	Number of shares		Nominal value (DKK thousands)		% of share capital	
	2025	2024	2025	2024	2025	2024
Treasury shares						
1 January	823,900	823,900	824	824	2.9%	2.9%
Holding at 31 December	761,062	823,900	761	824	2.7%	2.9%

In 2025, treasury shares were used to settle share awards under the RSU programme. Pursuant to the authorisation granted by the Annual General Meeting, Brødrene A & O Johansen A/S is permitted to acquire treasury shares up to a total holding of 10% of the share capital.

Dividend

The payment of dividends to the Company's shareholders has no tax implication for Brødrene A & O Johansen A/S. Proposed dividend for 2025 amounts to TDKK 105,000 corresponding to DKK 3.75 per share.

Other reserves

Reserve for net revaluation according to the equity method contains value adjustments related to investments in subsidiaries. Included in reserve for development costs is an amount corresponding to capitalised intangible assets meeting the criteria for being defined as a development project.

Reserve for net revaluation according to the equity method and reserve for development costs are unavailable for distribution to shareholders.

Notes – Section 4

4.2 Financing activities

DKK millions	2025	2024
Mortgage loans - floating interest rate - 5 years	405.2	85.7
Revolving credit facility - floating short-term interest rate	534.2	484.2
Lease liabilities - floating interest rate	112.9	172.1
	1,052.3	742.0
Payables relating to financing activities:		
Beginning-of-year	742.0	378.9
Repayment of debt to credit institutions	25.3	390.3
Raising of loans from credit institutions	344.2	0
Addition, lease liabilities, net	(18.2)	61.2
Repayment, lease liabilities	(41.0)	(88.4)
Year-end	1,052.3	742.0

According to the leases there are no contingent rents. The contractual cash flows appear from note 4.3.

4.3 Financial risks

The companies payables fall due as follows:

DKK millions	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
2025					
Mortgage loans	405.2	510.3	37.3	148.1	324.9
Revolving credit facility	534.2	534.2	366.5	167.7	0
Lease liabilities	112.9	123.7	40.2	68.5	15.0
Trade payables	1,040.9	1,040.9	1,040.9	0	0
Intra-group balances	67.9	67.9	0	67.9	0
31 December	2,161.1	2,277.0	1,484.9	452.2	339.9
2024					
Mortgage loans	85.7	109.9	7.8	30.9	71.3
Revolving credit facility	484.2	484.2	258.4	225.8	0
Lease liabilities	172.1	186.8	57.9	98.1	30.9
Trade payables	979.3	979.3	979.3	0	0
Intra-group balances	48.3	48.3	0	48.3	0
31 December	1,769.6	1,808.5	1,303.3	403.1	102.1

Notes – Section 4

4.4 Financial income

DKK millions	2025	2024
Interest income from current assets	3.7	10.2
Interest income from subsidiaries	0	5.9
Foreign exchange gains, net	0.8	1.3
Total	4.4	17.4

4.5 Financial expenses

DKK millions	2025	2024
Interest expenses on liabilities	(34.1)	(31.3)
Expenses, lease liabilities, external	(3.5)	(2.4)
Expenses, lease liabilities, subsidiaries	(0.6)	(2.6)
Other interest expenses	(0.6)	(0.1)
Total	(38.8)	(36.4)

Notes – Section 5

Other notes

- 5.1 Contingent liabilities, security, etc.
- 5.2 Related parties
- 5.3 Subsequent events

Notes – Section 5

5.1 Contingent liabilities, security, etc.

Land and buildings with a total carrying amount of DKK 752.0m (2024: DKK 106.1m) are provided as security for the Company's payables to mortgage credit institutions and finance lease liabilities.

As a normal part of doing business AO can be involved in disputes or legal proceedings. The outcome of pending legal actions is not expected to have any material impact on the financial position of the Company.

The company is jointly taxed with AO Workwear A/S and the ultimate Danish parent company Avenir Invest ApS, which is the administration company for joint taxation purposes. The company is unlimited, jointly and severally liable with other jointly taxed companies towards the Danish tax authorities for the total corporation tax. Payable corporation taxes within the joint taxation group amounted to DKK -7.0m at 31 December 2025 (2024: DKK -16.4m).

Any adjustment to the taxable income subject to joint taxation might entail an increase in the Company's liability. Group companies are not subject to withholding tax on dividends. Transactions appear from note 5.2.

The company manages cash pooling for the Group entities and is jointly and severally liable for this. At 31 December 2025, the cash-pool arrangement amounts to DKK 46.4m (2024: DKK 43.9m).

5.2 Related parties

The Company's related parties comprise the parent company Avenir Invest ApS (Axeltorv 2, DK-1607 Copenhagen V, Denmark), the Board of Directors, the Executive Board and management employees.

Avenir Invest ApS has control over the company through its ownership of the majority of the voting rights. During the year, no transactions were carried out with Avenir Invest ApS apart from payment of dividends and corporate tax.

DKK millions

	2025	2024
Sale of goods	143.0	114.1
Rental expenses	0.0	53.1
Management fee	3.1	5.1

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies.

The Company's balances with subsidiaries at 31 December can be seen in the balance sheet. Balances with subsidiaries comprise ordinary trading balances related to the sale of goods. Ordinary trading balances attract no interest and are subject to the same terms of trade as other customers of the Company. Balances with subsidiaries also comprise the construction and conversion of buildings. Return on balances appears from notes 4.4 and 4.5.

During the year, no significant transactions were carried out with the Board of Directors, the Executive Board, management employees or major shareholders apart from normal management remuneration, cf. note 2.4, and dividend payments.

In addition, related parties are the Company's subsidiaries to whom letters of subordination have been submitted. Trading with subsidiaries comprises the following:

As the Company is jointly taxed with other Danish Group entities, it is liable to pay taxes of DKK 7.8m (2024: DKK -26.3m).

5.3 Subsequent events

No events have occurred after 31 December 2025 that are considered to have a material effect on the annual report for 2025.

Management's statement and Auditor's reports

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- 180 Independent Auditor's limited assurance report on the Sustainability Statement

Management's statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Brødrene A & O Johansen A/S for the financial year 1 January – 31 December 2025.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's Review has been 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 at 31 December 2025 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2025.

In our opinion, Management's Review includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

Additionally, the sustainability statement, which is part of Management's Review, has been prepared, in all material

respects, in accordance with paragraph 99 a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS) including that the process undertaken by Management to identify the reported information (the "Process") is in accordance with the description set out in the section titled Double Materiality Assessment. Furthermore, disclosures within EU Taxonomy section of the sustainability statement are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

The sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of Brødrene A & O Johansen A/S for the financial year 1 January to 31 December 2025 with the file name 5299004B6ZEG-VCR9ZR75-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Albertslund, 26 February 2026

Executive Board

Niels A. Johansen
CEO

Per Toelstang
CFO/Deputy CEO

Stefan Funch Jensen
CTO

Lili Johansen
CHRO

Board of Directors

Henning Dyremose
Chair

Erik Holm
Deputy Chair

René Alberg

Ann Fogelgren

Peter Gath

Leif Hummel

Marlene L. Jakobsen

Niels A. Johansen

Independent Auditor's Reports

To the shareholders of
Brødrene A & O Johansen A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2025 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Brødrene A & O Johansen A/S for the financial year 1 January to 31 December 2025 comprise income statement and statement of comprehensive income, balance sheet,

statement of changes in equity, cash flow statement and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark. We have also fulfilled our other

ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Brødrene A & O Johansen A/S on 19 March 2021 for the financial year 2021. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 5 years including the financial year 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Recognition of revenue

Revenue is measured at fair value of the consideration agreed exclusive of VAT and duties and after deduction of discounts and customer bonus.

We focused on revenue recognition because revenue is the most significant financial statement line item, consists of a large number of IT-dependent transactions and is based on many individual contracts.

We refer to note 2.1 of the Financial Statements.

How our audit addressed the key audit matter

We carried out risk assessment procedures to gain an understanding of relevant IT systems, business procedures and controls for revenue recognition, including customer bonus. For relevant controls we assessed whether they were designed and implemented to effectively address the risk of material misstatement.

For selected controls, which we planned to rely on in our audit, we tested whether they had been carried out on a consistent basis.

We analysed revenue transactions and identified transactions that did not follow the usual or expected transaction pattern. On a sample basis we tested the transactions to the underlying contractual basis.

We performed analytical procedures over revenue and discussed significant fluctuations with management and obtained corroborating evidence of material fluctuations, where deemed necessary.

We reviewed Management's calculation of customer bonus and on sample basis tested it to the underlying contracts as well as to subsequent and historical settlements.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not as part of the audit express any form of assurance conclusion thereon.

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

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99 a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99 a related to the sustainability statement, cf. above. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company

financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exer-

cise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
 - Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements 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.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Brødrene A & O Johansen A/S for the financial year 1 January to 31 December 2025 with the filename 5299004B6ZEGVCR9ZR75-2025-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material

departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Brødrene A & O Johansen A/S for the financial year 1 January to 31 December 2025 with the file name 5299004B6ZEGVCR9ZR75-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 26 February 2026
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Anders Stig Lauritsen
State Authorised Public Accountant
mne32800

Daniel Sitch
State Authorised Public Accountant
mne47889

Independent Auditor's limited assurance report on the Sustainability Statement

To the shareholders of Brødrene A & O Johansen A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Brødrene A & O Johansen A/S (the Group) included in the Management's review (the "Sustainability Statement"), page 40 – 103, for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement

(the "Process") is in accordance with the description set out in Double Materiality Assessment; and

- compliance of the disclosures in EU Taxonomy of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in Double Materiality Assessment of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Groups' activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustaina-

bility matters by selecting and applying appropriate thresholds; and

- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the ESRS;
- preparing the disclosures as included in the section EU Taxonomy of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual

outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's

description of its Process, as disclosed in the section Double Materiality Assessment.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the section Double Materiality Assessment.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;

- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and management's review;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 26 February 2026
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Anders Stig Lauritsen	Daniel Sitch
State Authorised Public Accountant	State Authorised Public Accountant
mne32800	mne47889

Company information

Brødrene A & O Johansen A/S

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DK-2620 Albertslund

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Website: www.ao.dk

CVR number: 58 21 06 17
LEI code 5299004B6ZEGVCR9ZR75
ID code: DK0060803831

Founded: 1914
Registered Office: Albertslund

Board of Directors

Henning Dyremose, Chair
Erik Holm, Deputy Chair
René Alberg
Ann Fogelgren
Peter Gath
Leif Hummel
Marlene L. Jakobsen
Niels A. Johansen

Executive Board

Niels A. Johansen, Chief Executive Officer
Stefan Funch Jensen, Chief Transformation Officer
Lili Johansen, Chief Human Resources Officer
Per Toelstang, Chief Financial Officer/Deputy Chief Executive Officer

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Annual General Meeting

The Annual General Meeting will be held on 20 March 2026.



Brødrene A & O Johansen A/S
Rørvang 3, DK-2620 Albertslund, Denmark
CVR no. 58 21 06 17