20230529100178

Årsredovisning
Dovista Sverige AB

Org.nr 556588-7840
Räkenskapsår 2022-01-01 - 2022-12-31

Fastställelseintyg

Jag intygar att resultaträkningen och balansräkningen i årsredovisningen
har fastställts på årsstämma den 15 maj 2023
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Edsbyn den 15 maj 2023

Allan Lindhard Jørgensen

20230529101179

Årsredovisning
Dovista Sverige AB

Org.nr 556588-7840

Räkenskapsår 2022-01-01 - 2022-12-31

FOTOKOPIAN
Överensstämmer med originalet intygas

Helen Livegård

Dovista Sverige AB
556588-7840

20230529101800

Årsredovisning

för räkenskapsåret 2022-01-01 - 2022-12-31

Styrelsen för Dovista Sverige AB avger härmed följande årsredovisning.

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Styrelsens säte: Edsbyn
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

FOTOKOPIANS
överensstämmer med originalet i övrigt

20230529101851

Förvaltningsberättelse

Information om verksamheten
Dovista Sverige AB utvecklar, tillverkar och säljer fönster i de helägda dotterbolagen Svenska Fönster AB och Mockfjärds Fönster.

Väsentliga händelser under räkenskapsåret
Bolaget bedriver verksamhet i begränsad omfattning.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer
Ledningen för Dovista Sverige följer kontinuerligt utvecklingen på en utmanande marknad och är vid behov redo att anpassa verksamheten för bolaget och dess dotterbolag.

Ägarförhållanden
Bolaget är helägt dotterbolag till Dovista A/S, CVR-nr 21147583 i Danmark.

Flerårsöversikt*	**2022**	**2021**	**2020**	**2019**
Nettoomsättning (tkr)	0	0	0	0
Resultat efter finansiella poster (tkr)	27 068	133 224	166 597	5 348
Rörelsemarginal (%)	-	-	-	-
Avkastning på eget kapital (%)	11,4%	41,4%	60,7%	2,1%
Balansomslutning (tkr)	487 381	582 635	652 037	494 100
Soliditet (%)	39,0%	48,9%	54,9%	38,6%
Antal anställda	0	0	0	0

Specifikation över förändringar i eget kapital

	Bundet eget kapital		*Fritt eget kapital*		
	Aktie-kapital	Överkursfond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2022-01-01	50 100	46 000	43 244	145 494	**284 838**
Omföring resultat föregående år	0	0	145 494	-145 494	**0**
Lämnad utdelning	0	0	-143 000	0	**-143 000**
Årets resultat	0	0	0	48 248	**48 248**
Utgående balans 2022-12-31	**50 100**	**46 000**	**45 738**	**48 248**	**190 086**

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Förslag till resultatdisposition
Styrelsen föreslår att till förfogande stående medel (kr)

Balanserat resultat	45 738 268
Årets resultat	48 247 576
	93 985 844
disponeras så att	
till aktieägare utdelas (87,82 kronor per aktie)	44 000 000
i ny räkning överföres	49 985 844
	93 985 844

Styrelsens yttrande över den föreslagna värdeöverföringen
Utdelning har, under förutsättning av årsstämmans godkännande, lämnats till DOVISTA A/S med 44 000 tkr.

Den föreslagna värdeöverföringen i form av utdelning medför att bolagets soliditet uppgår till 30 (39) procent. Soliditeten är mot bakgrund av att bolagets verksamhet fortsatt bedrives med lönsamhet betryggande. Likviditeten i bolaget bedöms kunna upprätthållas på en likaledes betryggande nivå.

Styrelsens uppfattning är att den föreslagna utdelningen ej hindrar bolaget från att fullgöra sina förpliktelser på kort och lång sikt, ej heller att fullgöra erforderliga investeringar. Den föreslagna värdeöverföringen kan därmed försvaras med hänsyn till vad som anförs i ABL 17 kap 3 § 2-3st. (försiktighetsregeln).

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Resultaträkning

	Not	2022-01-01-2022-12-31	2021-01-01-2021-12-31
Nettoomsättning		0	0
		0	**0**
Rörelsens kostnader			
Övriga externa kostnader	2,3	-442	-262
		-442	**-262**
Rörelseresultat	4	**-442**	**-262**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	5	35 000	143 000
Övriga ränteintäkter och liknande resultatposter		1	0
Räntekostnader och liknande resultatposter	6	-7 491	-9 515
		27 510	**133 485**
Resultat efter finansiella poster		**27 068**	**133 224**
Bokslutsdispositioner	7	26 000	13 000
Resultat före skatt		**53 068**	**146 224**
Skatt på årets resultat	8	-4 820	-730
Årets resultat		**48 248**	**145 494**

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Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	9,10	426 372	426 372
		426 372	**426 372**
Summa anläggningstillgångar		**426 372**	**426 372**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag	11	61 000	156 252
Aktuell skattefordran		0	0
Övriga fordringar		9	11
		61 009	**156 263**
Summa omsättningstillgångar		**61 009**	**156 263**
SUMMA TILLGÅNGAR		**487 381**	**582 635**

Balansräkning

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (501 000 aktier med kvotvärde 100 kr)	12	50 100	50 100
Överkursfond		46 000	46 000
		96 100	**96 100**
Fritt eget kapital			
Balanserat resultat		45 738	43 244
Årets resultat		48 248	145 494
		93 986	**188 738**
Summa eget kapital		**190 086**	**284 838**
Kortfristiga skulder			
Leverantörsskulder		0	5
Skulder till koncernföretag	13	293 488	297 692
Aktuella skatteskulder		3 787	81
Upplupna kostnader och förutbetalda intäkter	14	20	19
		297 295	**297 797**
SUMMA EGET KAPITAL OCH SKULDER		**487 381**	**582 635**

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Kassaflödesanalys

	2022-01-01-2022-12-31	2021-01-01-2021-12-31
Den löpande verksamheten		
Rörelseresultat	-442	-262
Erhållen ränta	1	0
Erhållen utdelning	35 000	143 000
Erlagd ränta	-7 491	-9 515
Betald inkomstskatt	-1 114	6 109
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital	**25 954**	**139 332**
Förändring av rörelsefordringar	95 254	62 564
Förändring av rörelseskulder	-4 208	3 774
Kassaflöde från den löpande verksamheten	**117 000**	**205 670**
Investeringsverksamheten		
Avyttring av andelar i dotterföretag	0	0
Kassaflöde från investeringsverksamheten	**0**	**0**
Finansieringsverksamheten		
Utbetald utdelning	-143 000	-218 670
Erhållna koncernbidrag	26 000	13 000
Kassaflöde från finansieringsverksamheten	**-117 000**	**-205 670**
Årets kassaflöde	**0**	**0**
Likvida medel vid årets början	**0**	**0**
Kursdifferens i likvida medel	**0**	**0**
Likvida medel vid årets slut	**0**	**0**

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Noter

Not 1 Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3):

Koncerntillhörighet
Dovista Sverige AB ägs till 100% av Dovista A/S (CVR-nr 21147583) med säte i Horsens, Danmark. Dovista A/S ägs i sin tur av VKR Holding A/S (CVR-nr 30830415) med säte i Hörsholm, Danmark. VKR Holding A/S upprättar koncernredovisning för hela koncernen, återfinns på deras hemsida.

Hållbarhetsredovisning
Bolaget upprättar enligt 7 kap 31 a§ inte någon lagstadgad hållbarhetsrapport. Dovista A/S, CVR-nr 21147583, Horsens, Danmark upprättar hållbarhetsrapport för koncernen där bolaget ingår. Koncernens hållbarhetsrapport finns tillgänglig från 7 april 2023 på deras hemida www.dovista.dk.

Koncernredovisning
Dovista Sverige AB är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Låneutgifter
De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Andelar i koncernföretag
Andelar i koncernföretag redovisas till anskaffningsvärde med avdrag för eventuella nedskrivningar. Utdelningar redovisas som intäkt, även om utdelningen avser ackumulerade vinster innan förvärvstidpunkten. Utdelningen redovisas i normalfallet när behörigt organ fattat beslut

Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Leverantörsskulder, övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Bedömningar och uppskattningar
Följande av styrelsens bedömningar har en betydande effekt på redovisade belopp i årsredovisningen, andelar i koncernbolag:
Framtida utveckling av dotterbolagen.

Följande antaganden om framtiden och andra väsentliga källor till osäkerhet i uppskattningar på balansdagen skulle kunna innebära en

betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår:
Om dotterbolagens framtida utveckling avviker från bolagets bedömningar.

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Not 2 Arvode till revisorer

	2022	2021
Ernst & Young AB		
Revisionsuppdraget	20	19
Övriga tjänster	4	18
	24	**37**

Not 3 Anställda och personalkostnader

Bolaget har inte haft några anställda och inga löner har utbetalats.

Not 4 Inköp och försäljning mellan koncernföretag

	2022	2021
Andel av årets totala inköp som skett från andra företag inom koncernen	0%	0%
Andel av årets totala försäljning som skett till andra företag inom koncernen	0%	0%

Not 5 Resultat från andelar i koncernföretag

	2022	2021
Erhållna utdelningar	0	0
Anteciperade utdelningar	35 000	143 000
Resultat vid avyttringar	0	0
	35 000	**143 000**

Not 6 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-7 491	-9 513
Övriga räntekostnader	0	-1
	-7 491	**-9 515**

Not 7 Bokslutsdispositioner

	2022	2021
Erhållna koncernbidrag	26 000	13 000

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Not 8 Skatt på årets resultat

	2022	2021
Aktuell skatt	-3 806	-81
Justering avseende tidigare år	-1 014	0
Förändring av uppskjuten skattefordran avseende underskottsavdrag	0	-648
Summa redovisad skatt	**-4 820**	**-730**
Genomsnittlig effektiv skattesats	**-**	**-**

Avstämning av effektiv skattesats

Redovisat resultat före skatt	**53 068**	**146 224**
Skatt på redovisat resultat enligt gällande skattesats (20,6 %):	10 932	30 122
Skatteeffekt av:		
Ej avdragsgilla kostnader	84	41
Utnyttjat underskottsavdrag	0	-624
Ej skattepliktiga intäkter	-7 210	-29 458
Redovisad skatt	**3 806**	**81**
Effektiv skattesats	7,2%	0,1%

Not 9 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	426 372	426 372
Försäljningar/utrangeringar	0	0
Utgående ackumulerade anskaffningsvärden	**426 372**	**426 372**
Utgående redovisat värde	**426 372**	**426 372**

Not 10 Specifikation av andelar i koncernföretag

Direkt ägda	**Kapital-andel**	**Rösträtts-andel**	**Antal andelar**	**Bokfört värde**
Svenska Fönster AB	100%	100%	1 400	244 833
Mockfjärds Fönster AB	100%	100%	5 000	181 539
				426 372

	Org.nr.	**Säte**	**Eget kapital***	**Årets resultat***
Svenska Fönster AB	556064-8429	Ovanåkers kommur	302 373	77 618
Mockfjärds Fönster AB	556519-5723	Borlänge kommun	65 513	55 101

*I Eget kapital ingår 79,4% av obeskattade reserver
Med Årets resultat avses resultat efter finansiella poster

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Not 11 Fordringar hos koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	156 252	218 670
Tillkommande fordringar	61 000	156 252
Amorteringar, avgående fordringar	-156 252	-218 670
Utgående ackumulerade anskaffningsvärden	**61 000**	**156 252**

Not 12 Antal aktier

	2022-12-31 Kvotvärde	2021-12-31 Kvotvärde	2022-12-31 Antal	2021-12-31 Antal
Aktier	100	100	501 000	501 000

Not 13 Skulder till koncernföretag

Koncernkonto för finansiering av verksamheten, löper med ränta.

Not 14 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Övriga upplupna kostnader	20	19
	20	**19**

Not 15 Ställda säkerheter

2022-12-31	2021-12-31
Inga	**Inga**

Not 16 Eventualförpliktelser

2022-12-31	2021-12-31
Inga	**Inga**

Not 17 Förslag till resultatdisposition

Styrelsen föreslår att till förfogande stående medel (kr)

	2022-12-31	2021-12-31
Balanserat resultat	45 738 268	43 244 245
Årets resultat	48 247 576	145 494 023
	93 985 844	**188 738 268**
disponeras så att		
till aktieägare utdelas, 87,82 kronor per aktie (fg år 286,42 kronor per aktie)	44 000 000	143 000 000
i ny räkning överföres	49 985 844	45 738 268
	93 985 844	**188 738 268**

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Not 18 Nyckeltalsdefinitioner

Rörelsemarginal
Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Soliditet
Justerat eget kapital i procent av balansomslutning

Edsbyn den 3 maj 2023

Allan Lindhard Jørgensen
Styrelseledamot

Vår revisionsberättelse har lämnats den 15/5 - 2023

Ernst & Young AB

Andreas Pettersson
Auktoriserad revisor

FOTOKOPIAN
Kopian överensstämmer med originalet i övrigt

Building a better working world

20230529103153

Revisionsberättelse

Till bolagsstämman i Dovista Sverige AB, org.nr 556588-7840

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Dovista Sverige AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Dovista Sverige ABs finansiella ställning per 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Dovista Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

FOTOKOPIAN
överensstämmer med originalet intygas

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av Dovista Sverige AB för räkenskapsåret 2022-01-01 - 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamot ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Dovista Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om styrelseledamoten i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Västerås den 15 maj 2023

Ernst & Young AB

Andreas Pettersson
Auktoriserad revisor

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PROTOKOLLAN
Justerad och godkänd vid sammanträdet

20230529l0193

ANNUAL REPORT 2022

Dato for godkendelse af årsrapport: 23. marts 2023 Således godkendt på selskabets ordinære generalforsamling

Dirigent: **Henrik Dahl, Bruun & Hjejle**

Regnskabsperiode: 1. januar 2022 - 31. december 2022
Breeltevej 18, 2970 Hørsholm, CVR nr. 30 83 04 15

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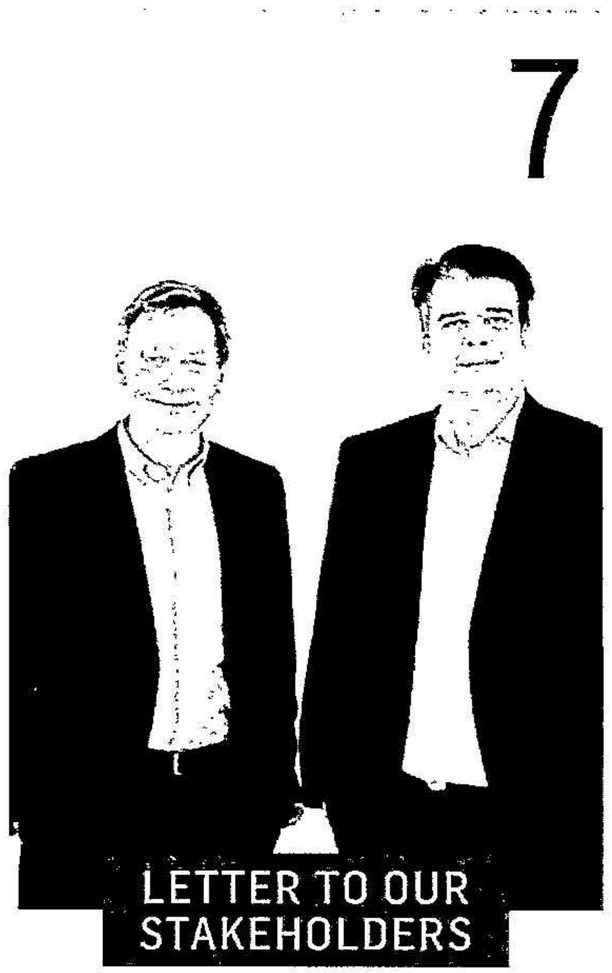
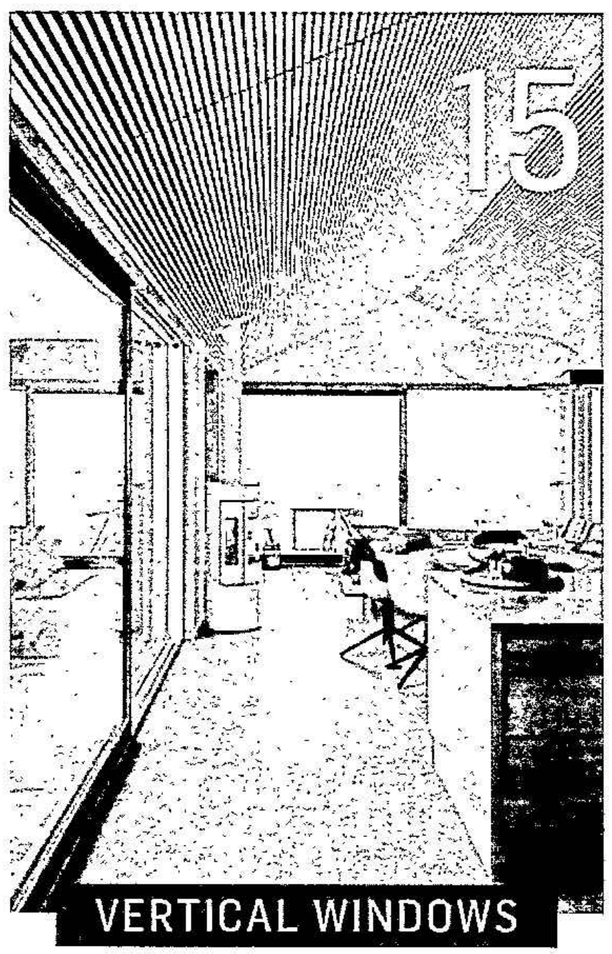
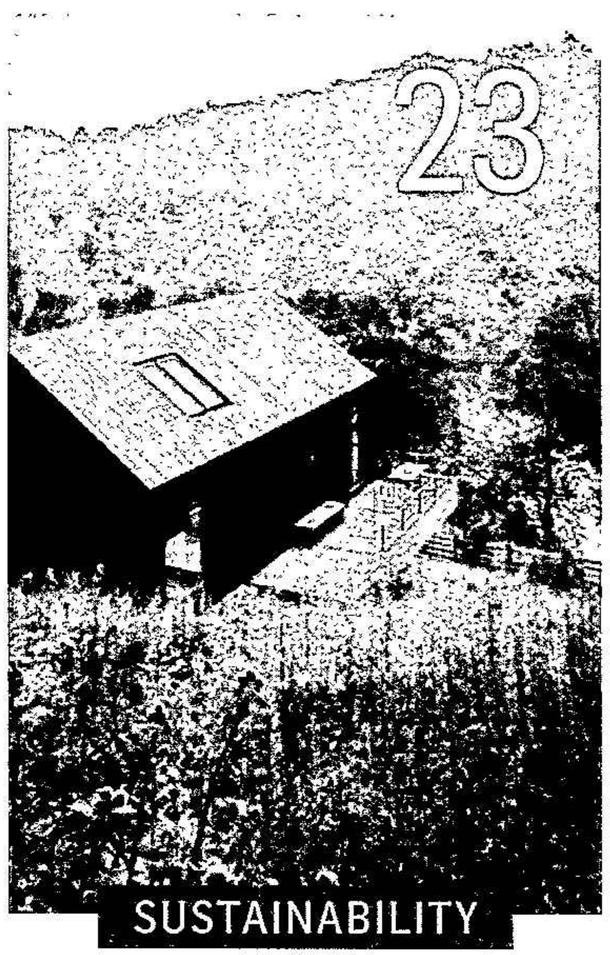
Front page:
Adding extra space and daylight to a loft conversion enhanced with VELUX roof windows.

Martin Sølyst, 2022







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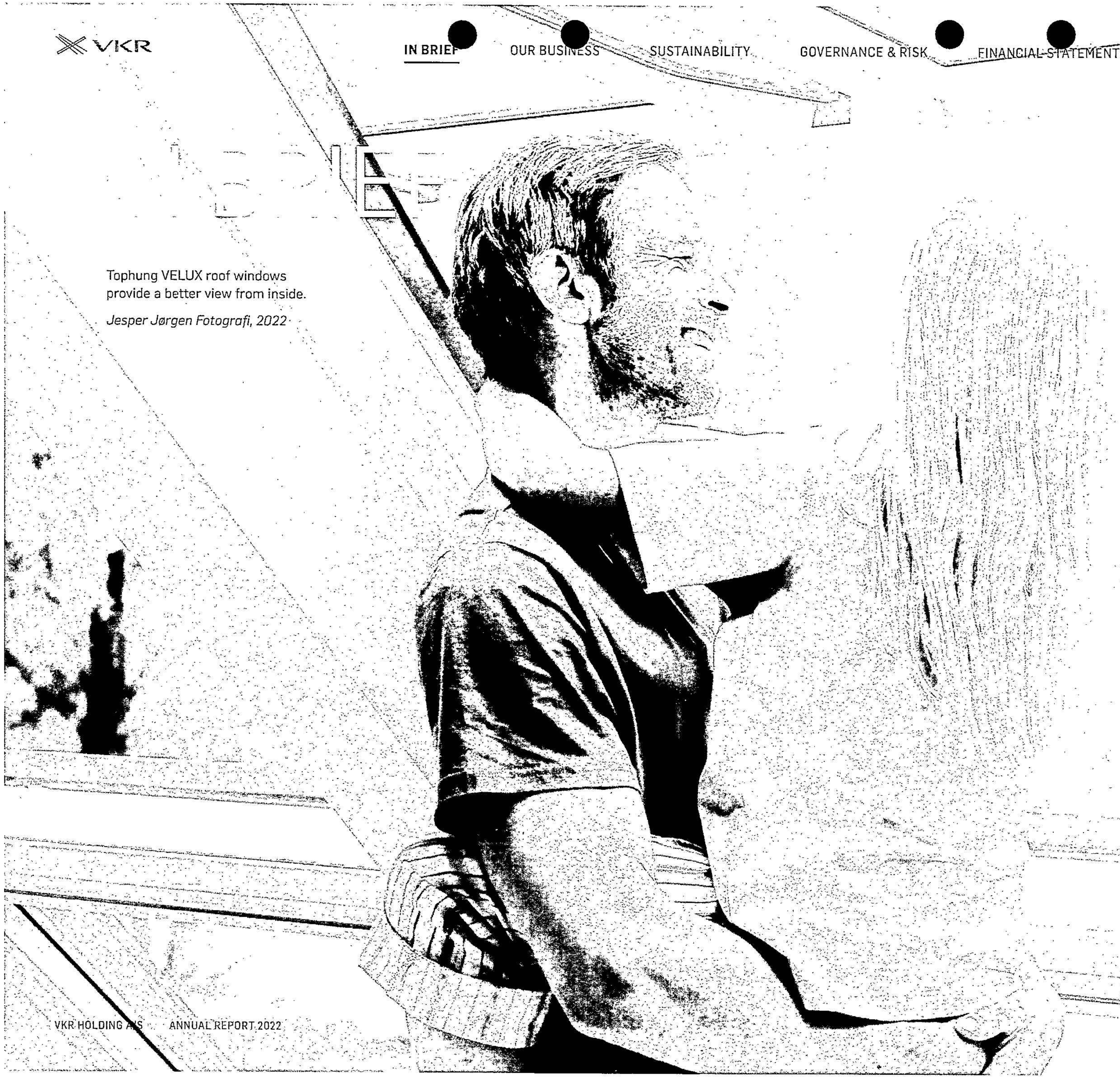

Tophung VELUX roof windows provide a better view from inside.

Jesper Jørgen Fotografi, 2022

MODEL COMPANY OBJECTIVE

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

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

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

Villum Kann Rasmussen, 1965

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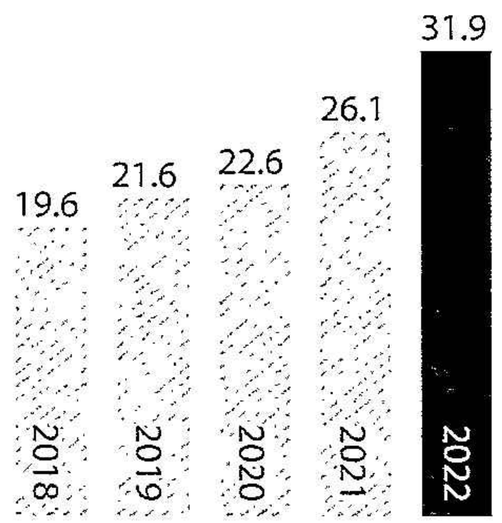
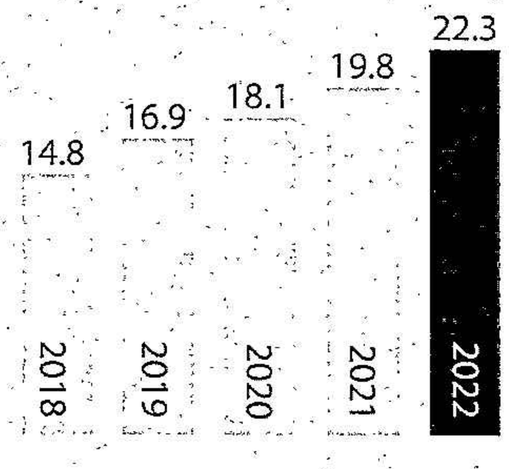
FINANCIAL HIGHLIGHTS

REVENUE

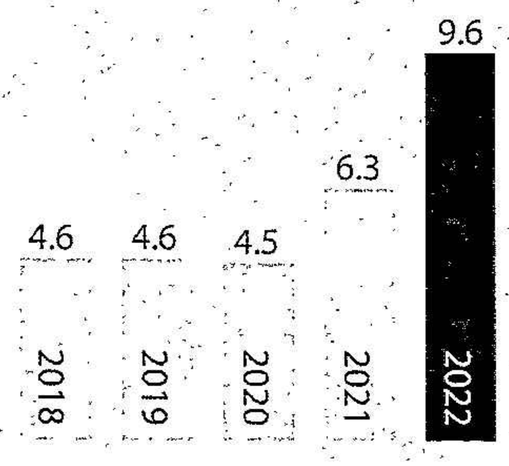
31.9
DKK billion



THE VELUX GROUP

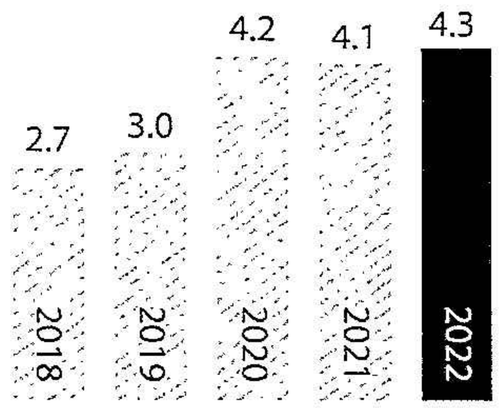


THE DOVISTA GROUP



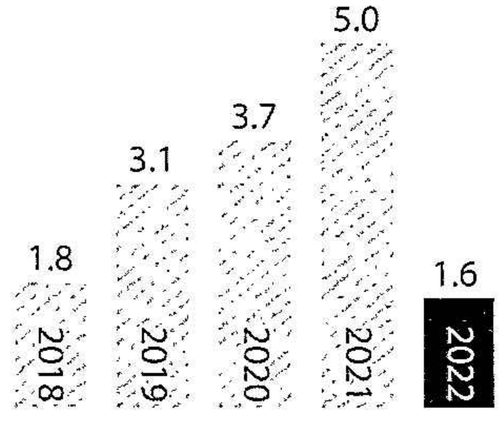
OPERATING PROFIT (EBITA)

4.3
DKK billion



PROFIT FOR THE YEAR (EAT)

1.6
DKK billion



SUSTAINABILITY HIGHLIGHTS

VKR HOLDING

100%

Renewable electricity

The Employee Foundation launched the Lars Kann-Rasmussen Safety Award in recognition of employees who promote a safe work environment

KOMPAS Ventures made nine direct investments in start-ups with a focus on breakthrough innovations that accelerate the digital transformation and decarbonisation of the built environment and the manufacturing industry

VKR

ROOF WINDOWS & SKYLIGHTS

98%

Share of renewable electricity increased from 78% to 98%

26%

Reduction in Scope 1 & 2 CO2e emissions

Two new partnerships with long-standing suppliers, Hydro and Novelis, to provide more low-carbon aluminium for use in VELUX products

VELUX®

VERTICAL WINDOWS

80%

Share of renewable electricity increased from 14% to 80%

62%

Reduction in Scope 1 & 2 CO2e emissions

Officially signed on to the Science Based Targets initiative (SBTi) to reduce carbon emissions according to Paris Agreement goals

DOVISTA®
windows and doors

OUR PURPOSE

Improving living spaces

OUR VISION

Bring **daylight, fresh air and a better environment** into people's everyday lives

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LETTER TO OUR STAKEHOLDERS

In **2022**, we proudly highlight several noteworthy activities within **sustainability** and **safety** that are rooted in the **Model Company Objective**.

Martin Juul
Photography,
2023

Thomas Thune Andersen
Chair, VKR Holding A/S

Mads Kann-Rasmussen
CEO, VKR Holding A/S

In 2022, the VKR Group demonstrated its resilience and resolve to build a sustainable and profitable future. A strong first six months helped to deliver a solid top-line growth of 22%. Even though global crises challenged our bottom-line, overall business performance was satisfactory.

From the outset, VKR Group products have brought daylight, fresh air and a better environment into people's everyday lives. In 1965, our founder Villum Kann Rasmussen formulated the Model Company Objective as follows: "A model company works with products useful to society and treats its customers, suppliers and employees of all categories better than most other companies." It is, therefore, only natural that we actively support sustainability and safety as an integral part of our business.

In 2022, we are proudly highlighting several noteworthy activities that are rooted in the Model Company Objective. Because we value our employees, we work hard to maintain a safe and healthy work environment. This year, the VKR Group's Employee Foundation introduced the Lars Kann-Rasmussen safety award to honour employees for their extraordinary efforts in health and safety. The first awards were distributed in January 2023, but health and safety is, and always has been, a top priority for VKR Holding and the entire VKR Group.

Visibly leading the way on sustainability is one of the pillars of the VELUX Group's business strategy. The Group's ambitious sustainability goals for 2030 include a 100% reduction in carbon emissions from its own activities (Scope 1 and 2) and a 50% reduction in carbon emissions from its value chain (Scope 3). Towards this end, the Group signed the first global partnerships with upstream suppliers to ensure the co-development and introduction of materials that will have a significant impact on reducing CO2 emissions in the value chain. In addition, VELUX entered into a collaboration agreement to produce enough renewable electricity to power all European operations.

The DOVISTA Group is also leading the way to prevent climate change. CEO Allan Lindhard Jørgensen officially signed on to the Science Based Targets initiative (SBTi) to reduce carbon emissions according to Paris Agreement goals. VELUX made the same commitment in 2020.

To further accelerate the green transition within the building industry, VKR Holding became the cornerstone investor of KOMPAS venture capital fund in 2021. This year, the fund made nine direct investments in start-ups with a focus on breakthrough innovations that will help accelerate the digital transformation and decarbonisation of the built environment and the manufacturing industry.

These noteworthy activities showcase our ongoing prioritisation of sustainability in a year of challenges caused by supply chain constraints and the war in Ukraine. Indeed, the VKR Group's economic resilience enabled the continuation of such long-term value creation.

In 2022, the VKR Group delivered a record high revenue of DKK 31.9 billion, which we consider satisfactory. This growth of 22.2% was partially driven by the full-year effect of acquisitions from the previous year.

Our business areas achieved significant revenue growth and satisfying business performances. This was the case despite lower product demand in the second half of the year, higher raw material prices and supply chain constraints. Both business areas managed to navigate in this uncertain environment through close relations with suppliers and necessary price adjustments.

In 2022, operating profit (EBITA) was DKK 4.3 billion compared to last year, which was DKK 4.1 billion. A one-time effect from the sale and leaseback agreement for the majority of our Danish properties positively impacted profit in 2022.

In the midst of this remarkable business performance, DOVISTA was busy consolidating its businesses and VELUX had a change in top leadership. The DOVISTA Group worked on integrating its business after nearly doubling in size in 2021, thus becoming the largest producer of Vertical windows in Europe. It will take a tremendous effort to integrate across borders, cultures and marketing strategies. The process will no doubt strengthen DOVISTA and its position in European markets.

The VELUX Group welcomed new management with the addition of CEO Lars Petersson and CFO Anders Götzsche. The VELUX Board did a tremendous job in identifying these two new leaders who instantly felt at home in our company culture and who each bring valuable new perspectives.

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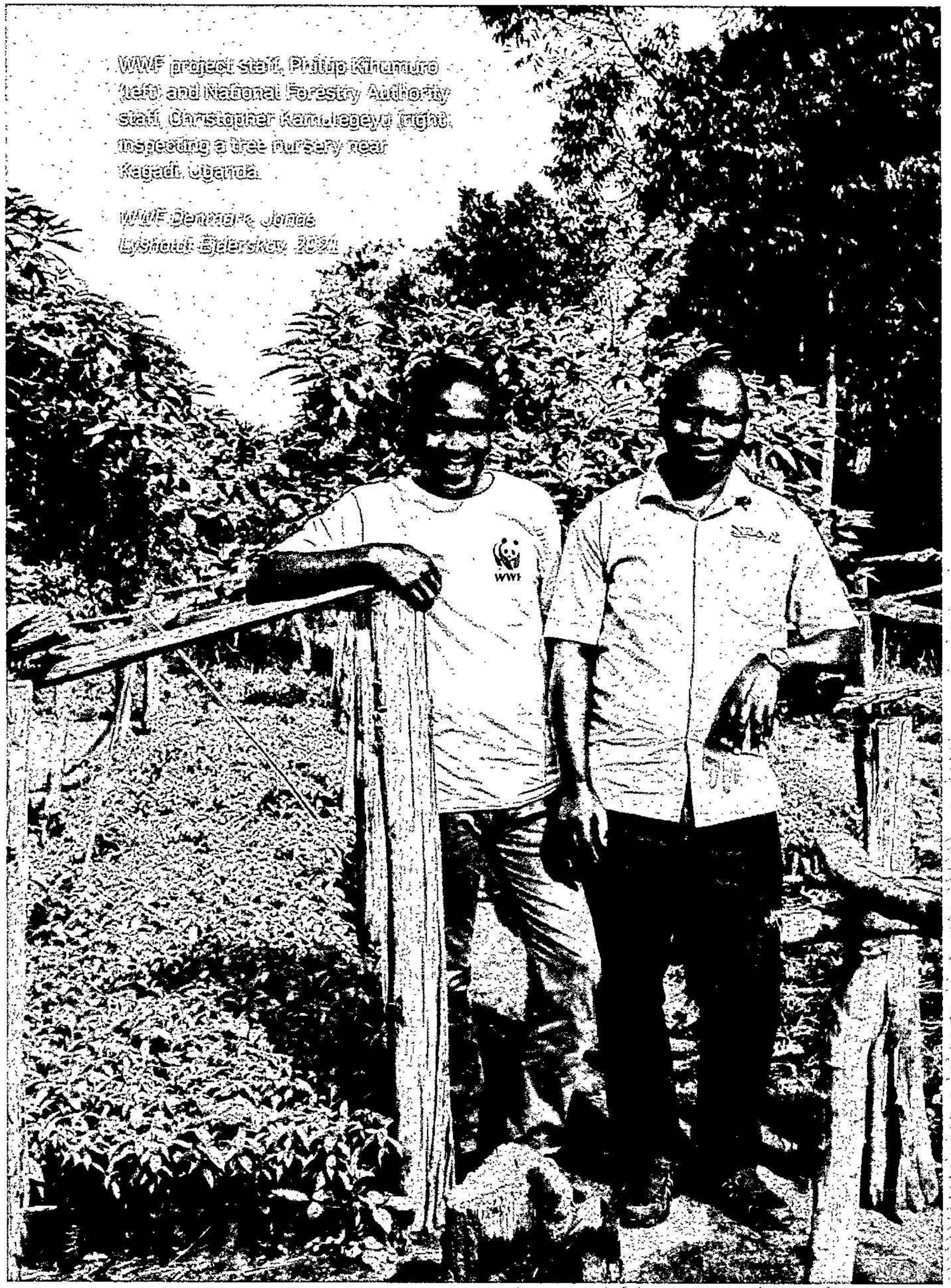

WWF project staff, Philip Kinumuro (left) and National Forestry Authority staff, Christopher Kamulegeya (right), inspecting a tree nursery near Kagadi, Uganda.

WWF Denmark, Jonas Lyshoel Bjerskov, 2021

Profound thanks should also be extended to retiring CEO David Briggs and CFO Peter Bang for their fantastic contributions over a combined 60 years in the Group.

After a record high return in 2021, we had anticipated a decrease in the return on our financial investments. However, the 2022 return was even worse than expected. This was mainly due to the efforts of central banks to curtail inflation, the war in Ukraine, increasing energy prices and supply chain constraints. The result was a severe decrease in the return on our financial investments in 2022, which was a difference of DKK 4.6 billion compared to the year before.

Consequently, the VKR Group's profit declined to DKK 1.6 billion compared to DKK 5.0 billion in 2021. We consider this to be satisfactory given the increasingly distressed and disrupted global financial markets of 2022.

Looking ahead, our expectations for 2023 are uncertain. Already, a recession within the building sector is underway in several important markets, which is causing a slowdown in consumer demand. Accordingly, the top line is not expected to increase next year.

At the same time, profit is predicted to improve. This is because the substantial negative return on the financial investment portfolio is not expected to be repeated on the same scale.

Despite these uncertainties, we know that the Group possesses a solid business foundation with strong company values, products and services that are highly relevant, and the ability to pursue long-term value creation. Such strength enables us to have the resilience and resolve to create sustainable products and a profitable business performance.

In yet another unpredictable year, we would like to thank our customers and all our other partners for their cooperation, as well as our employees for their tremendous effort. Together, we look forward to continuing to build a promising and sustainable future.

Thomas Thune Andersen
Chair, VKR Holding A/S

Mads Kann-Rasmussen
CEO, VKR Holding A/S

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VKR HOLDING'S ACTIVITIES

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

VKR Holding's main activity is the ownership of companies in the business areas of Roof windows & skylights and of Vertical windows. The Company also manages a substantial portfolio of financial investments that comprise listed equities and fixed income as well as alternative investments in credit, real assets and private equity funds. Lastly, VKR Holding is the cornerstone investor of KOMPAS, an independent venture capital fund.

VKR Holding practises active ownership of our business areas through the Model Company Objective, current group policies and the governance structure (see section on Governance). Within this framework, the business areas operate with a high degree of independence, and the responsibilities of their Boards of Directors include operations, strategy, reputation and risk management of their respective companies. The strategy, capital resources, risk profile, ESG and organisational-related topics of the business areas are regularly aligned with VKR Holding.

One of VKR Holding's primary objectives is to generate the highest possible risk-adjusted return on investments. In accordance with our approach to corporate social responsibility and the Model Company Objective, the holding company maintains a responsible investment policy that aims to gradually transform the financial portfolio into increasingly sustainable investments. Learn more about this policy under the 'Sustainability' section later in the report.

E.D.F.C windows at Kronborg, Strandby, Denmark, Arkitema. *Michael Ettehammer, 2020*

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OUR BUSINESS

HEALTH & SAFETY

Health and safety is and has always been a top priority within our Group.

We are highly dependent on our **employees** and on keeping a safe and healthy **work environment**.

Production of windows at the Slovaktual production facilities. From the right, Ľubica Bošková and Martin Potměšil. Slovakia.

Slovaktual, 2022

THE VKR BUSINESS MODEL

VKR HOLDING

VKR Holding is a holding and investment company whose objective is to create value through ownership of companies and financial investments. We invest in daylight, fresh air and a better environment.

FINANCIAL INVESTMENTS

Active investment strategy
VKR Holding and the business areas actively pursue suitable acquisition opportunities that supplement and complement existing business.

Long-term horizon
Investments in the business areas are made on an ongoing basis, and acquisitions of companies are made for long-term ownership.

Financial independence
The companies in the VKR Group must generate a profit that can finance growth and development over time.

Active ownership
VKR Holding practices active ownership to ensure compliance with the Group's values.

KOMPAS VENTURES

ROOF WINDOWS & SKYLIGHTS

The business area comprises:
The VELUX Group

The business area sells its products to both residential buildings and commercial buildings such as offices, warehouses, and industrial and public buildings across the globe.

The product range includes:
- Roof windows & skylights and solutions for sloped and flat roofs
- Blinds and shutters
- Products for remote control and for home automation

Improving living spaces

Model Company Objective
The purpose of the VKR Group is to establish a number of model companies which cooperate in an exemplary manner. A model company works with products useful to society and treats its customers, suppliers, employees of all categories and shareholders better than most other companies. A model company makes a profit which can finance growth and maintain financial independence.

VERTICAL WINDOWS

The business area comprises:
The DOVISTA Group

The business area sells its products to both residential buildings and commercial buildings such as offices and public buildings, mainly in Europe.

The product range includes:
- Vertical windows
- Exterior doors

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VELUX top-hung roof windows with solar awning blinds, Denmark.

Jesper Jørgen Fotografi, 2022

ROOF WINDOWS & SKYLIGHTS VELUX

THE VELUX GROUP

Leadership change and revenue growth in a turbulent market

The VELUX Group experienced the highest ever revenue and a satisfying performance in 2022, but with large business fluctuations due to a challenging macroeconomic environment.

The year began with strong growth and demand for Roof windows and skylights – to some extent caused by delayed deliveries from the end of 2021 due to shortages of materials and a subsequent backlog in customer orders. Product demand continued to be strong until the second half of 2022, when the impact of the war in Ukraine and economic uncertainty dented consumer confidence. This resulted in end users deprioritising home improvements and a subsequent slowdown in sales.

The VELUX Group took mitigating actions by cutting production days and reducing the workforce. It was a difficult decision to let go of valued and dedicated employees, but it was necessary to prepare the company for an uncertain future.

Throughout 2022, market conditions were challenged by a general rise in the cost of raw materials, which resulted in a squeeze on margins. To counter this, price adjustments were implemented in the market.

COMMITTED TO LONG-TERM GROWTH

Despite inflationary pressure and recessions in several markets, the VELUX Group remains committed to their long-term growth strategy to create more well-being for people and planet by adding daylight and fresh air to homes, offices and public buildings, while reducing carbon emissions.

The VELUX Group is on track to reach their sustainability targets for 2030 of cutting 100% of carbon emissions from their own activities (Scope 1 and 2) and of halving carbon emissions in their value chain (Scope 3). In 2022, the VELUX Group announced two new partnerships with long-standing suppliers, Hydro and Novelis, to supply low-carbon aluminium for use in VELUX products. Additional partnership agreements to

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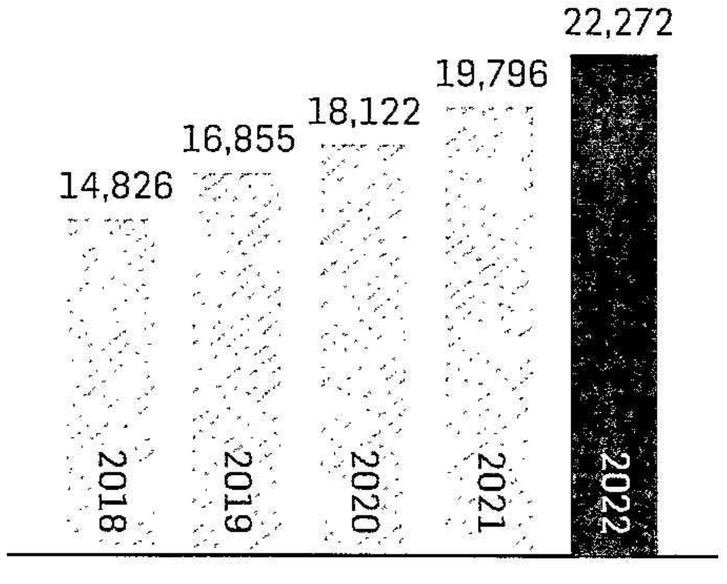
reduce carbon emissions from the value chain are expected in 2023.

This year, the VELUX Group also announced a partnership with BayWa r.e. to build two solar plants in Spain, one of which will integrate agriculture, biodiversity and community with renewable energy generation. The electricity generated will power the equivalent of all the VELUX Group's European operations and up to 90% of the Group's global consumption.

Moreover, the Group is on track with its plan to capture the equivalent of its own historical emissions through a strategic partnership with WWF. The first forest project in Uganda is progressing as planned and more projects are expected in 2023.

In September, the VELUX Group was named the winner of the Sustainability Awards 2022 in the climate strategy category, hosted by EY and the Danish Chamber of Commerce. VELUX won the award for its focus on drastically reducing emissions in both its own operations and across the value chain and also for striving to capture the equivalent of its historical emissions from operations since the start in 1941.

THE VELUX GROUP'S REVENUE
2018-2022 (DKKm)



NEW LEADERSHIP

In 2022, there was a change in top leadership at the VELUX Group.

Lars Petersson became the new CEO on November 1, 2022. Previously, he was President and CEO of Hempel, a global leader in the coating industry. Lars has previously held top positions in the building materials industry and was a member of the Board of the DOVISTA Group since 2019.

Lars brings extensive experience from the industry and from working in international companies with ambitious sustainability strategies.

Lars Petersson replaced David Briggs, who decided to retire after 30 years in the VELUX Group, including the last five years as CEO. Under David's leadership, the VELUX Group experienced robust growth, while developing and implementing an ambitious business strategy with a particular focus on sustainability. Furthermore, Anders Götzsche joined the VELUX Group as CFO on April 1, 2022, which had already been announced in 2021.

Anders comes from a position as Executive Vice President and CFO in the global pharmaceutical company, Lundbeck A/S.

In collaboration with the rest of the VELUX Management Group, Lars Petersson and Anders Götzsche are committed to pursuing the strategy for continued long-term growth and sustainability and an improved customer experience.

Lars Petersson, CEO of the VELUX Group.
René Løkkegaard Jepsen

Vario by VELUX is bespoke flat rooflights. Essex, UK.
Tony Ellis Photography, 2022

THE BUSINESS AREA ROOF WINDOWS & SKYLIGHTS

VELUX®
VELUX Commercial
alfaterra
dakvenster.com

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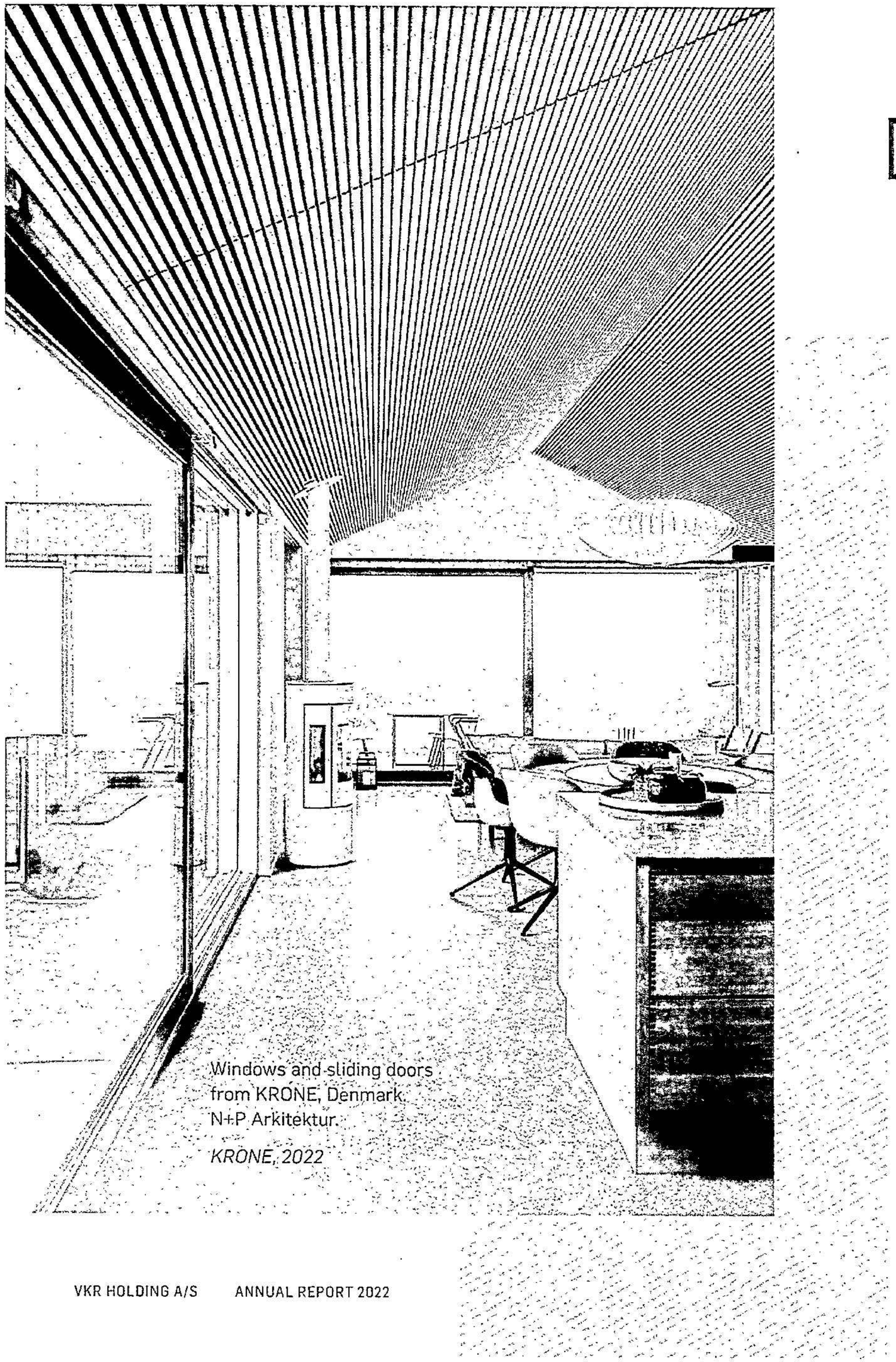


Windows and sliding doors from KRONE, Denmark. N+P Arkitektur.

KRONE, 2022

VERTICAL WINDOWS DOVISTA® windows and doors

THE DOVISTA GROUP

Consolidating the position as the largest window and door manufacturer in Europe

In 2022, the consolidation and long-term strengthening of DOVISTA became a key priority after last year's acquisitions of Arbonia Windows and Weru Group. The DOVISTA Group introduced several initiatives to build organisational resilience, take sustainability and compliance to the next level, digitalise core business processes and strengthen the entire end-to-end value chain.

To realise scalability and build a more resilient organisation, the DOVISTA Group implemented a functional organisational structure. In addition, considerable effort was dedicated to the refinement of DOVISTA's operating model, constantly pursuing improved service delivery models, governance structures, joint performance management and digitisation efforts.

During 2022, the DOVISTA Group completed a pan-European customer survey. Overall, there were promising results for further dialogue with customers around future collaboration. In addition, the Group conducted a global employee survey to help build a stronger DOVISTA by bringing employees closer together.

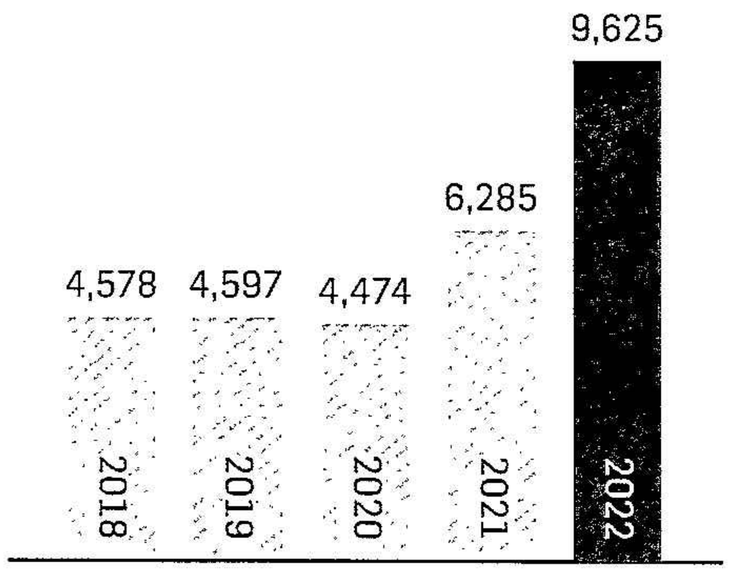
DOVISTA succeeded in delivering record-high sales in 2022. Revenues were up 53% compared with 2021. Organic growth was 10%.

In October 2022, the DOVISTA Group officially committed to the Science Based Targets initiative (SBTi), thus setting clear targets for carbon reduction in line with the Paris Agreement's goal to be net zero by 2050. This commitment, led by CEO Allan Lindhard Jørgensen and the rest of the management team, puts DOVISTA on a clearly defined path to reduce emissions in order to prevent the worst effects of climate change. The Group's efforts to be part of the solution for a more sustainable world are essential for the future and constitute a strong stance in the industry.

Still, 2022 presented challenging market conditions. The war in Ukraine created uncertainty for most businesses, and DOVISTA dealt with supply chain constraints, volatile raw material prices and increasing freight rates. Nevertheless, the DOVISTA Group never questioned their priority to always serve customers better than most others with high-quality products and superior customer experiences.

Despite the challenges, DOVISTA succeeded in delivering record-high sales in 2022. Revenues were up 53% compared with 2021. This growth was a combination of last year's acquisition of several companies and organic growth of 10% across all markets. Operating profit was satisfactory despite significant raw material price increases.

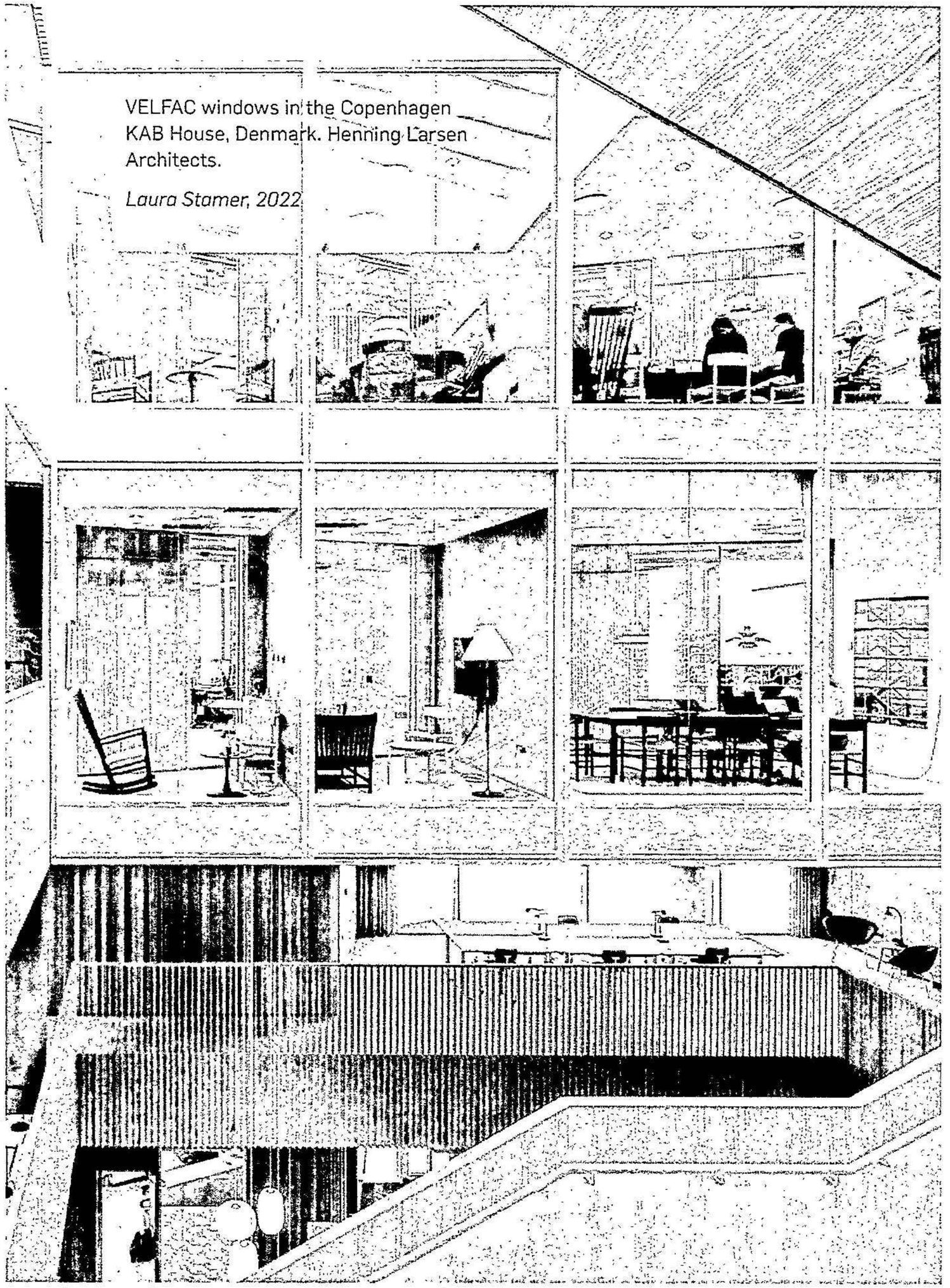
THE DOVISTA GROUP'S REVENUE
2018-2022 (DKKm)



THE BUSINESS AREA VERTICAL WINDOWS

DOVISTA®
windows and doors

VELFAC®
Mockfjärds
DOORS & PANELS
rationel
dobroplast
EgoKiefer
Fenster und Türen
natre®
WERTBAU
Mehr Licht zum Leben
KRONE
weru
Lian
SVENSKA FÖNSTER
okná a dvere
Slovaktual



VELFAC windows in the Copenhagen KAB House, Denmark. Henning Larsen Architects.

Laura Stamer, 2022

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FINANCIAL REVIEW

The VKR Group experienced a challenging year of global economic volatility

The VKR Group's revenue growth was partially impacted by the full-year effect of acquisitions finalised by the DOVISTA Group in the second half of 2021, and by organic growth. Operating profit (EBITDA) increased compared to last year. The business areas reached an operating profit approximately at the same level as last year. In December 2022, the VKR Group signed a sale and leaseback agreement for most of our production and logistics properties in Denmark. This action positively impacted profit in 2022. At the same time, profit for the year decreased significantly due to a considerable negative return on the financial portfolio compared to last year's high return.

REVENUE AND OPERATING PROFIT

In 2022, the VKR Group's revenue totalled DKK 31.9 billion compared to DKK 26.1 billion the previous year. The growth in revenue was 22.2% of which organic growth comprised 11.7%. The rest was related to the full-year effect of DOVISTA's acquisitions from 2021. Europe contributed most of the growth, and revenue was positively affected by exchange rates, particularly the USD and CHF.

Profit before depreciation (EBITDA) was DKK 5.3 billion in 2022, which was an increase compared to last year's DKK 4.8 billion. The one-time effect from the sale and leaseback agreement for most of our Danish production and logistic properties impacted profit positively in 2022. At the same time, increasing prices of raw materials, as well as energy and overall cost inflation, impacted profit negatively. To some degree, this development was counter-balanced by necessary prices adjustments in the market.

In 2022, profit before goodwill amortisation (EBITA) was DKK 4.3 billion compared to DKK 4.1 billion the year before, again positively affected by the sale of Danish properties.

OPERATING INVESTMENTS

The VKR Group invested a net total of DKK 0.4 billion in tangible fixed assets in 2022, corresponding to 1.1% of revenue. Net investments were lower compared to last year due to the sale of Danish production and logistic properties.

VELUX Circularlights at the CO2 neutral Wageningen University & Research (WUR) Centre, Netherlands. Broekbakema Architects.

Jasper Leonard, 2022

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CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE VKR GROUP

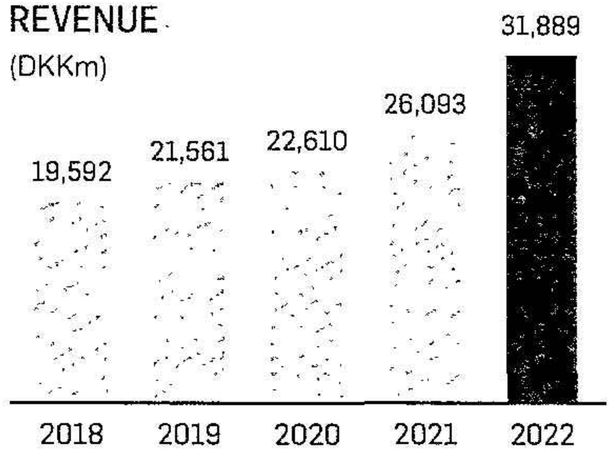
Key figures (DKKm)					
Year	2022	2021	2020	2019	2018
Revenue	31,889	26,093	22,610	21,561	19,592
Profit before depreciation (EBITDA)	5,251	4,844	4,837	3,689	3,225
Profit before goodwill amortisation (EBITA)	4,341	4,074	4,199	3,005	2,669
Profit before financial items and tax (EBIT)	4,130	3,907	4,049	2,857	2,617
Net financials	-2,151	2,410	734	1,175	-281
Profit for the year (EAT)	1,573	4,997	3,703	3,075	1,785
Investments in tangible fixed assets (net)	354	627	604	599	592
Free cash flow before tax	2,956	198	5,221	3,226	663
Total assets	34,227	35,036	27,334	23,812	21,102
Equity	26,022	25,320	22,009	19,230	16,914
Financial ratios (%)	**2022**	**2021**	**2020**	**2019**	**2018**
EBITA margin	13.6	15.6	18.6	13.9	13.6
Return on invested capital	32.2	38.8	48.1	31.8	31.0
Equity ratio	76.0	72.3	80.5	80.8	80.2
Average number of employees	**20,007**	**17,104**	**15,267**	**16,123**	**15,459**

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

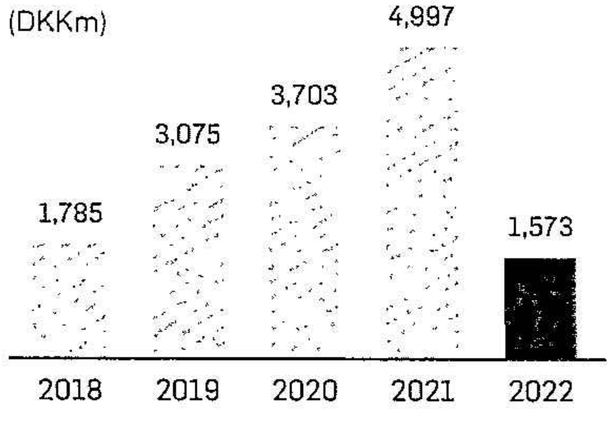
Key figures (EURm)					
	2022	2021	2020	2019	2018
Revenue	4,286	3,509	3,033	2,888	2,629
Profit before depreciation (EBITDA)	706	651	649	494	433
Profit before goodwill amortisation (EBITA)	583	548	563	402	358
Profit before financial items and tax (EBIT)	555	525	543	383	351
Net financials	-289	324	98	157	-38
Profit for the year (EAT)	211	672	497	412	239
Investments in tangible fixed assets (net)	48	84	81	80	79
Free cash flow before tax	397	27	700	432	89
Total assets	4,603	4,711	3,674	3,188	2,826
Equity	3,499	3,405	2,958	2,574	2,265

The above figures in EUR are converted from DKK.

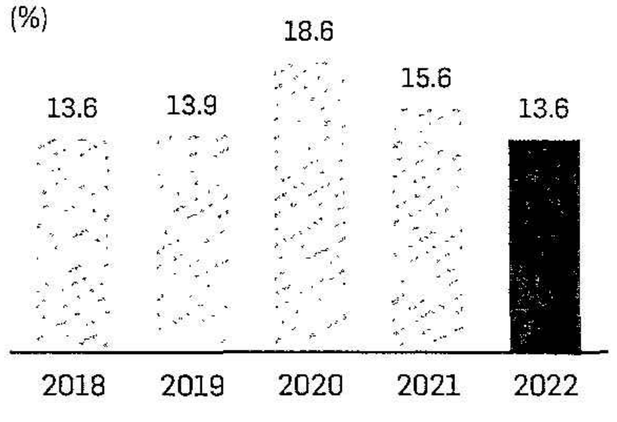
REVENUE
(DKKm)



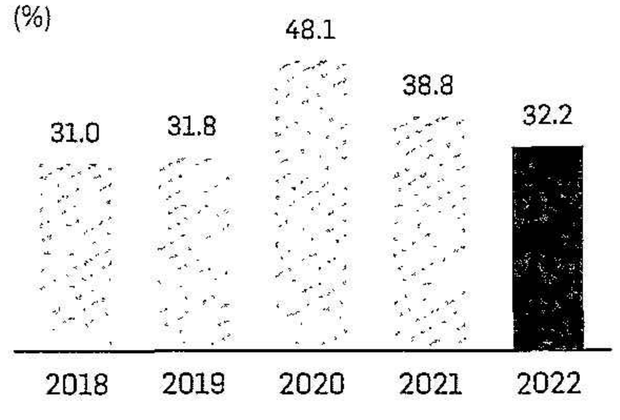
PROFIT FOR THE YEAR (EAT)
(DKKm)



EBITA MARGIN
(%)



RETURN ON INVESTED CAPITAL
(%)



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VELUX Modular Skylights at the Chard Leisure Centre, England. AHR Architects.

Diane Auckland, Fotohaus Ltd, 2022

The goal is to meet increasing expectations and requirements regarding energy efficiency and improved indoor climate in new buildings and renovations.

Specifically, investments in tangible fixed assets in the business areas increased in 2022.

In 2022, the VELUX Group's investments were primarily focused on production equipment to improve efficiency in factories and to add capacity in areas where demand was moving towards more energy efficient products. Additionally, investments were made to ramp-up production of new products and to improve energy efficiency in production as part of ongoing efforts to reduce CO2 emissions.

The DOVISTA Group's investments in 2022 were mainly centred on replacement of assets at production sites to ensure operational efficiency. Furthermore, investments were made in strategic optimisation and synergy projects as part of the process of consolidating a new and much larger DOVISTA Group. This also entailed investments in IT infrastructure for the improvement of digitised processes.

CASH FLOWS FROM OPERATING ACTIVITIES AND WORKING CAPITAL

In 2022, cash flows from operating activities before taxes amounted to DKK 3.4 billion, compared to DKK 3.8 billion in 2021. This development was primarily due to a higher drag on working capital. In 2022, the greater amount of working capital was driven by increased inventories, relating to both higher raw material prices and ongoing production activity, despite a decline in market demand. Cash flows from operating activities after taxes rose to DKK 2.8 billion in 2022 compared to DKK 2.6 billion the previous year. This increase can be attributed to the lower payment of taxes due to the negative return on our financial investments in 2022.

FINANCIAL INVESTMENTS

VKR Holding owns a substantial portfolio of financial investments. In any given year, the return from those investments can significantly affect results.

In 2022, the return on VKR Holding's financial portfolio was DKK -2.0 billion, corresponding to a -12% rate of return. This was a significant decline of DKK 4.6 billion from the record-high return of DKK 2.6 billion in 2021.

The return in 2022 was primarily driven by unrealised capital losses on listed shares and fixed income assets partly offset by

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unrealised positive value adjustments of alternative investments. The return on shares and fixed income assets was negative due to high inflation, significantly rising interest rates and the short-term outlook of recessions across many markets.

Further, most central banks altered behaviour from providing financial stimuli in 2021 to increasing interest rates in 2022.

In 2022, the return on our financial investment portfolio was not satisfactory. However, the return should be assessed over a longer period of time and the development in any given calendar year is less important to our overall performance.

TAXATION

In 2022, the annual tax amounted to DKK 0.4 billion, compared to DKK 1.4 billion the previous year. The development was, to a large extent, affected by the negative return on financial investments in 2022, compared to the record-high return on financial investments in 2021.

PROFIT

The VKR Group reported a profit of DKK 1.6 billion in 2022, compared to DKK 5.0 billion in 2021.

This development can almost entirely be attributed to the negative return on financial investments, which significantly impacted our result. Profits for 2022 were expected to be approximately at the same level as last year. Indeed, the business areas delivered an operating income close to the level in 2021, which is considered satisfactory given the headwinds and the highly volatile business environment.

However, the loss on the financial portfolio of DKK 2.0 billion (a negative deviation from last year of DKK 4.6 billion) resulted in a profit which did not fulfil expectations. Nonetheless, Management considers this year's profit to be satisfactory given the deteriorating global financial markets in 2022.

FINANCIAL RESOURCES

On 31 December 2022, the VKR Group's financial resources amounted to DKK 11.9 billion, compared to DKK 14.6 billion in 2021. This decrease primarily reflects a dividend distribution of DKK 1.0 billion and unrealised capital losses on listed equities and fixed income assets.

Total assets in the VKR Group reached DKK 34.2 billion in 2022, compared to DKK 35.0 billion last year. This development was related to the decrease in financial resources.

On 31 December 2022, equity in the VKR Group totalled DKK 26.0 billion. This is an increase compared to DKK 25.3 billion the previous year. In 2022, bank loans were reduced. The equity ratio increased to 76.0% in 2022 from 72.3% in 2021.

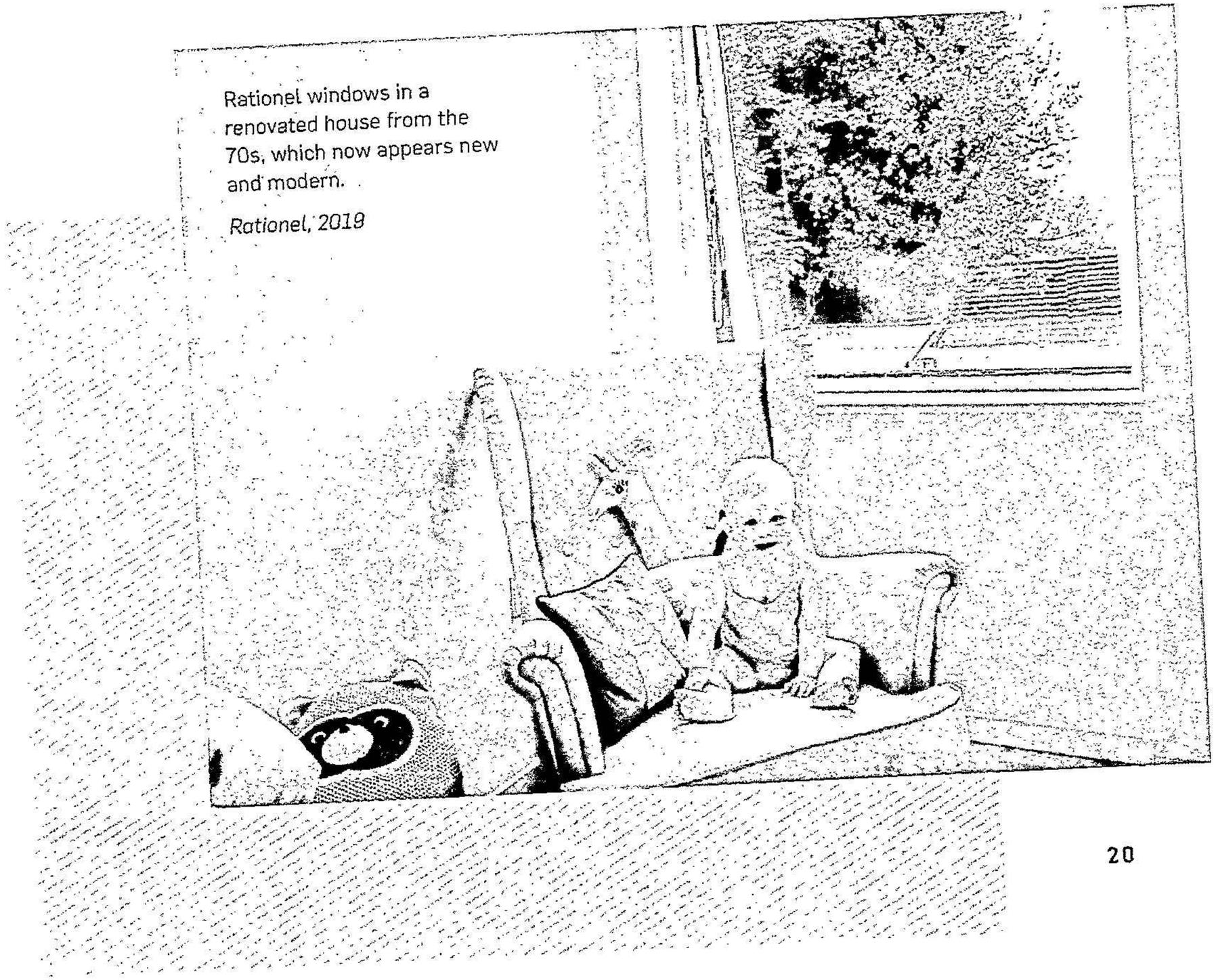
The VKR Group manages a portfolio of listed investments that can be used to invest in the Group's existing companies and to finance potential acquisitions. For optimisation purposes, external financing is taken into consideration when acquiring companies.

Following the annual general meeting in March 2022, a dividend of DKK 1.0 billion was distributed. At the annual general meeting in March 2023, a dividend of DKK 1.0 billion will likewise be proposed.

INNOVATION AND DEVELOPMENT ACTIVITIES

In 2022, the VKR Group's business areas maintained focus on continuously developing and improving their product ranges. The goal is to meet increasing expectations and requirements regarding energy efficiency and improved indoor climate in new buildings and renovations.

The VELUX Group continued to deliver on their strong commitment to sustainability



Rationel windows in a renovated house from the 70s, which now appears new and modern.

Rationel, 2019

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VELFAC windows in the award winning building Brf Prostkvarnen, Jönköping, Sweden. Yellon Arkitektur.

VELFAC, 2022

in 2022. Among other activities, the VELUX Group announced that 90% of its sloped roof window packaging is now plastic-free. Instead, it is made of paper-based material. The VELUX Group is using the new packaging for its most popular sloped Roof windows. This will make it much easier to recycle packaging for customers and also save up to 900 tonnes of plastic per year.

Furthermore, the VELUX Group continued to launch products to ensure growth and relevancy in the market. Most important was the introduction of top-hung and electrical versions of the 2-in-1 and 3-in-1 windows with multiple sashes in a single frame (see page 91). These products allow even more daylight and have been well received by customers who consider them to be highly aesthetic and key to the transformation of indoor living spaces.

Through a range of other launches in 2022, the VELUX Group enhanced its portfolio of offerings to customers with flat roofs. Notably, a solar-ventilated version of the new flat roof window platform was launched. This product, powered by solar cells, constitutes a highly attractive and strongly differentiated offer compared to existing market solutions.

The Group's innovative product development results in numerous patent applications each year. As of 31 December 2022, VKR Holding owns and manages 2,667 active patents distributed among 574 unique inventions. To maintain the Group's competitive advantage, these patents are actively and systematically protected, together with other intellectual property rights.

EMPLOYEES

By the end of 2022, the VKR Group comprised approximately 19,800 employees, which was similar to 2021. The majority of employees worked in Denmark, Germany and Poland. In total, about 55% of our employees worked in these three countries. In addition, there were a significant number of employees in France, Hungary, Slovakia, Sweden and the United States.

OUTLOOK 2023

Expectations for 2023 are highly uncertain due to the war in Ukraine, high inflation, increasing interest rates, the energy crisis and a potential building sector recession. All these factors impact consumer confidence and dampen the desire to make home improvements. As a result, the activity level in the building industry is expected to be lower than normal.

It will be challenging for the business areas to navigate in this business environment. As a consequence, the VKR Group's top-line is not expected to grow in 2023.

Despite this, profit for 2023 is expected to be somewhat better. This is because the significantly negative return on the financial portfolio in 2022 is not expected to be repeated. Given the current macroeconomic environment, however, the return on our financial portfolio is subject to a high level of uncertainty.

Steering the business through a potential recession in the building industry will require strict cost control and prioritisation. However, Management remains confident in the business areas' strategies. In 2023, it will be particularly critical for the business areas to balance short-term initiatives to secure performance during a recession in various markets with the readiness to increase activity once the building industry recovers. Management is confident that both the VELUX Group and the DOVISTA Group have strong foundations that will enable us to deliver long-term growth and value creation.

Despite a recession in the building sector on several markets, VKR Holding is resilient and our acquisition strategy remains unchanged. Potential acquisitions will be pursued both as additions to the existing business areas and with a view towards establishing a third business area should the right opportunity become available.

VELUX roof window in a home office.

Jesper Jørgen Fotografi, 2022

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SUSTAINABILITY

OUR VISION

Bring daylight, fresh air and a better environment into people's everyday lives

VELUX roof windows in a converted loft provides extra space and daylight. Denmark.

Martin Sølyst, 2022.

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THE VKR SUSTAINABILITY MODEL

VKR HOLDING

GROUP-WIDE WHISTLEBLOWER SYSTEM

In 2018, a group-wide whistleblower system was implemented for any stakeholder to report infringements of legislation, regulation and VKR Group policies.

<5%

'Classic' investment share
2025 target

>10%

'Thematic' investment share
2025 target

>40%

of employees reporting to the CEO (Management) to be female managers
2025 target

LEGISLATION, REGULATION & INTERNAL GROUP POLICIES

The companies of the VKR Group are obliged to comply with legislation and regulations, and adhere to VKR Group policies.

ROOF WINDOWS & SKYLIGHTS

100%

carbon neutrality (Scope 1 and 2)
2030 target

50%

reduction in the carbon emissions of the supply chain (Scope 3)
2030 target

40%

of senior management to be women
2030 target

100%

capture of emissions equivalent to historical footprint (Scope 1 and 2)
2041 target

Commitment to the Science Based Targets initiative was made in 2020.

FIGHT CLIMATE CHANGE
DESIGN SUSTAINABLE PRODUCTS
SECURE RESPONSIBLE BUSINESS

Model Company Objective

The purpose of the VKR Group is to establish a number of model companies which cooperate in an exemplary manner. A model company works with products useful to society and treats its customers, suppliers, employees of all categories and shareholders better than most other companies. A model company makes a profit which can finance growth and maintain financial independence.

VERTICAL WINDOWS

THE SCIENCE BASED TARGETS

Commitment to the Science Based Targets initiative was made in 2022, committing to set both short and long term targets for reaching net zero carbon emissions.

33%

of senior management to be women
2028 target

100%

aligned with Paris Agreement goals
Before 2050

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SUSTAINABILITY AT THE VKR GROUP

Fighting climate change, designing sustainable products and securing a responsible business

The VKR Group addresses climate-related opportunities and risks as an integral part of daily business. This is directly linked to our vision of bringing daylight, fresh air and a better environment into people's everyday lives. We actively strive to combat climate change by investing in the development of green products that showcase sustainable buildings and communities. At the same time, we seek to reduce climate-related risks by developing and implementing innovative production technologies that reduce the carbon footprint. In 2022, the Group's companies also signed partnership agreements with key suppliers to lower carbon emissions within the value chain.

In accordance with the Model Company Objective, we believe that it is of utmost importance to reduce what is taken from the planet, to protect the environment and to treat all stakeholders better than most other companies. It is also important for the success of the business areas to maintain their leading positions in the building sector in terms of brand and reputation, and to attract and retain a talented workforce.

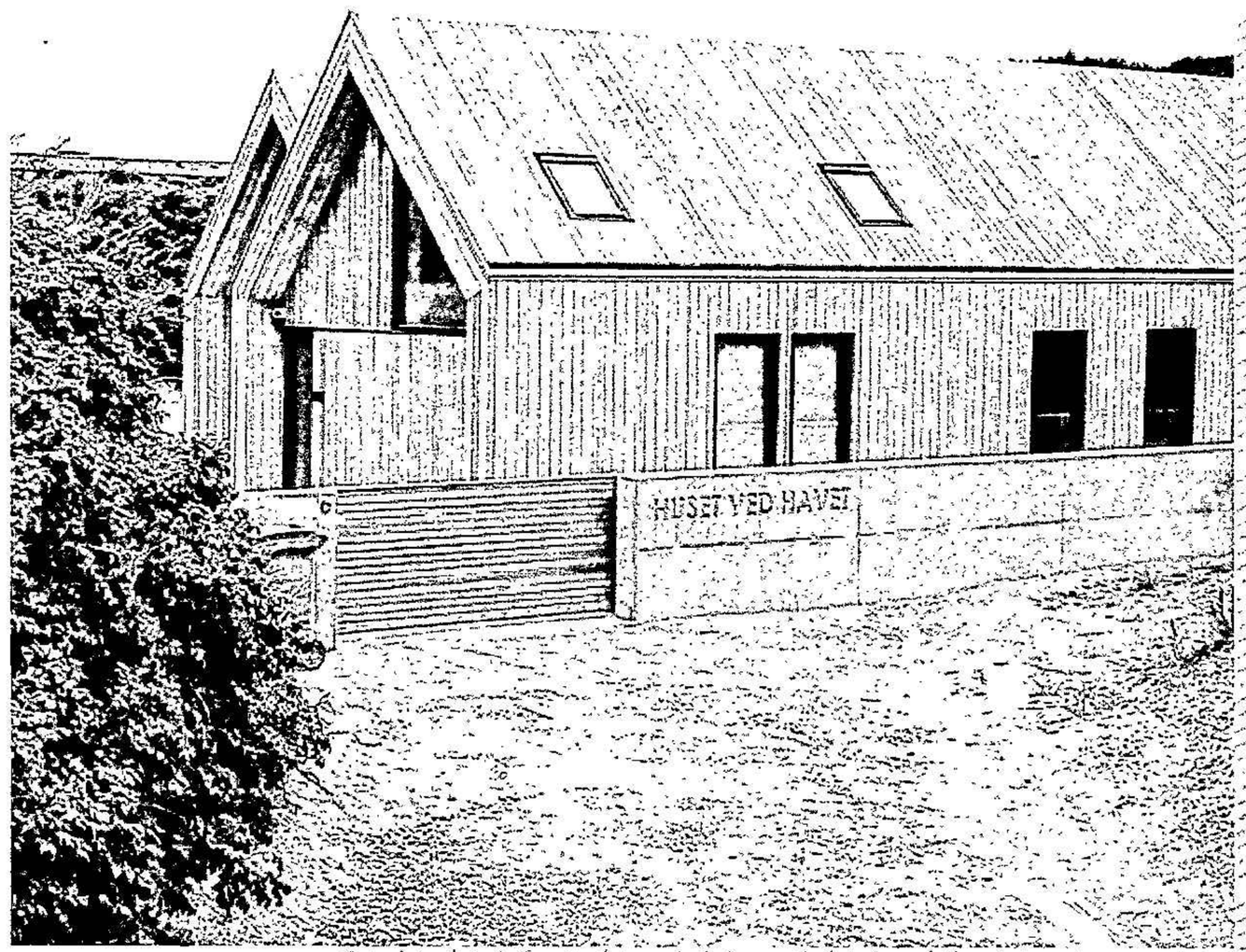
The VELUX Group is two years into its ambitious sustainability strategy for 2030 and beyond. Through their strategy, 'It's our nature', VELUX aims to reduce Scope 1 and 2 emissions by 100% and Scope 3 emissions by 50% by 2030. On top of that, VELUX aims to capture carbon emissions equivalent to its entire historical footprint from its own operations by 2041.

Joining VELUX as a signatory, the DOVISTA Group committed to the Science Based

This section, including the business model on page 12, addresses the requirements of the statutory report, cf. section 99a and 99b of the Danish Financial Statements Act.

Windows from KRONE and roof windows from VELUX, Denmark. N+P Arkitektur.

KRONE, 2022



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Targets initiative (SBTi) this year, and to setting clear targets for carbon reduction in line with the Paris Agreement.

VKR Holding's mission is to own and develop companies that bring daylight, fresh air and a better environment into people's everyday lives. This mission makes sustainability a natural and important driver for all companies in the Group. All business is governed in accordance with our sustainability principles and by the holding company's group-wide policies (see page 42 for a full list of policies or our webpage: www.vkr-holding.com/governance/).

VKR Holding, the VELUX Group and the DOVISTA Group are all active participants in the United Nations Global Compact and are proud to contribute to its initiatives. We are dedicated to upholding the Ten Principles embodied in the four issue areas of human rights, labour, the environment and anti-corruption, and we strive to realise the Sustainable Development Goals (SDGs).

The founder of the VKR Group, Villum Kann Rasmussen in his office in his characteristic white lab coat.

VKR Archives, 1954

SUSTAINABILITY PRINCIPLES

Environmental sustainability is a natural extension of the Group's business model. Thus, the following internal principles have been defined and apply to all companies in the VKR Group:

- Evaluate and, when possible, reduce the environmental impacts of products using a lifecycle approach
- Minimise waste of raw materials in production, and improve energy and water efficiency to reduce negative environmental impacts
- Increase the use of renewable electricity

In addition, VKR Group companies are expected to use their position and unique knowledge to influence external relations by:

- Endorsing relevant standards and environmental certification systems
- Working systematically on environmental issues in the construction sector
- Committing to the improvement of the energy efficiency of buildings
- Forming strategic partnerships which contribute to the development of new standards in sustainable construction and which influence the environmental agenda in general

VKR Holding believes that human rights must always be respected. Accordingly, we have formulated the following owner principles that apply to the entire Group:

- Maintain zero tolerance for universal human rights violations
- Operate under a code of conduct with suppliers

Part of our founder's vision was to strive to treat employees of all categories better than most other companies do. The VKR Group's business areas have a strong focus on a positive and safe work environment. Towards this end, VKR Holding has formulated the following principles that apply to the entire VKR Group:

- Maintain zero tolerance of child labour
- Continuously improve occupational health and safety in line with ISO 45001, the international standard for working conditions
- Create conditions and opportunities conducive to the personal and professional development of all employees

The business areas' Board of Directors receive regular reports on the work environment and VKR Holding's Board of Directors receive frequent updates on the subject from the CEOs of the business areas.

To comply with OECD Guidelines for Multinational Enterprises, all Group companies and their business partners are expected to regularly identify and prevent or mitigate the potentially adverse impacts of our business operations, including but not limited to anti-competitive behaviour, corruption and money laundering. In case of an incident, the appropriate authorities must be informed.

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To ensure responsible business conduct, the VKR Group has embedded a compliance culture within the entire organisation. All employees are bound by a number of Group policies, incl. the VKR Group CSR Policy, the VKR Group Anti-Corruption Policy, the VKR Group Legal Policy, the VKR Group Tax Policy and the VKR Group Competition Law Compliance Policy. These policies require all Group companies to comply with all relevant international and/or national legislation and contain guidelines for best practices to avoid unethical or illegal behaviour. The Board of Directors of VKR Holding regularly review the Group policies and make adjustments if necessary.

Furthermore, compliance programs have been implemented, including e-learning programs, instructions and guidelines. To monitor compliance and to avoid unethical or illegal behaviour, including cases of bribery or anti-trust violations, whistleblower systems have been set up in the VKR Group.

SUSTAINABILITY-RELATED RISKS

The building and real estate sectors comprise the largest single contributor of carbon emissions in the world. Even though the VKR Group's products are mostly carbon positive over their lifetimes (from sourcing of raw materials, production and installation to use and later dismantling and disposal), the Group is still obligated to address its impact. The business and the planet depend on it.

The VKR Group owns and invests in goods, services and assets worldwide. All our business activities are subject to laws, regulations and contractual obligations that can expose the company to the risk of misconduct. To mitigate this exposure, standard processes and guidelines are put in place to enable the entire VKR Group to identify risks and to promptly initiate corrective actions.

VKR Holding has a sizeable portfolio of financial investments. Any potential risks for bribery are addressed by VKR Holding's established compliance program. Moreover, VKR Holding carefully reviews planned financial investments to ensure that they do not directly take place in countries which are on the EU list of non-cooperative countries (EU blacklist).

In line with the Model Company Objective and the goal to continuously increase focus on the United Nations Sustainable Development Goals, VKR Holding is working on minimising relevant compliance risks in areas such as anti-corruption, sanctions compliance and data protection. Compliance within these areas is embedded in the VKR Group's global business operations.

MATERIALITY ASSESSMENT

Since 2015, the 'Healthy Homes Barometer'[1], an annual research-based report taking the pulse of Europe's building stock, has been published by VELUX and written in collaboration with third-party researchers.

[1] Link: VELUX Healthy Homes Barometer

In 2022, the combined Scope 1 and 2 emissions for VKR Holding and the business areas amounted to 47,069 tonnes CO2e. This is a reduction of 47% compared to 2021.

This year's report found that a third of the European population consider themselves to be negatively affected by poor indoor climate. In addition, they are exposed to at least one of the following indoor climate hazards: dampness and mould, air and noise pollution, inadequately heated homes and lack of daylight. Exposure to these dangers contributes to the development of mental and physical health conditions, including but not limited to depression, low sleep quality, and cardiovascular and respiratory diseases. At the same time, buildings are responsible for almost 40% of European energy consumption. Therefore, it is very important to improve the building stock's energy efficiency alongside improving indoor living spaces since people spend the majority of their time inside.

The VKR Group is dedicated to continuously advocating for and developing sustainable buildings through the development of products that contribute to relieving health and energy issues.

The business areas continuously update their materiality assessment to ensure that they stay focused on the most important issues for their business and their stakeholders.

The following sections highlight the VKR Group's 2022 ESG performance for VKR Holding, the VELUX Group and for the DOVISTA Group, respectively. In 2022, the combined Scope 1 and 2 emissions for VKR Holding and the business areas amounted to 47,069 tonnes CO2e. This is a reduction of 47% compared to 2021.

Due to differences in risks and impacts, the reporting of the VKR Holding, the VELUX Group and the DOVISTA Group's individual progress and actions on the VKR Group's sustainability policy are detailed in separate sections.

For more information about the VELUX Group and the DOVISTA Group's approaches to sustainability, please refer to their individual Sustainability Reports. We want to be transparent and report on sustainability towards customers and products specifically for each business area.

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VKR HOLDING A/S

As the parent company of the VKR Group, we are obliged to live up to sustainability principles as well as to Group policies

Despite having no sales or production activities, we regularly assess our own impact on sustainability and strive to fulfil the sustainability objectives that are of utmost importance to the company and our stakeholders.

This year's annual impact assessment highlights selected ESG key figures and targets. The assessment also reports on the holding company's progress in transitioning to a financial investment portfolio with a particular focus on sustainability. In 2022, the venture capital firm, KOMPAS, advanced this transition by backing nine start-ups that are dedicated to sustainability. VKR Holding is the cornerstone investor in KOMPAS.

In 2022, we reduced our Scope 1 and 2 emissions by 44%. This development was mainly driven by increasing the share of renewable electricity to 100% in 2022. In 2022, we bought Renewable Energy Guarantees of Origin. In 2022, one building has shifted from natural gas to district heating, which explains the reduction in Scope 1 compared to 2021.

In the Model Company Objective, the VKR Group strives to treat employees of all categories better than most, which is why mutual respect is a core value. Therefore, the Group easily identifies with the UN Global Compact's 'Target Gender Equality' initiatives. However, we view this initiative from a broader perspective by striving to treat everyone equally and with respect, regardless of age, race, gender, religion or sexual orientation. In the VKR Group, gender discrimination and/or any other form of discrimination or offensive behaviour is not tolerated.

In VKR Holding, we are committed to gender diversity among employees and the Board of Directors. Therefore, we have set targets on diversity on the Board of Directors and on other levels of management. Information is disclosed in accordance with section 99b of the Danish Financial Statements Act. By 2024, there shall be an even gender distribution on the Board of VKR Holding A/S in accordance with the guidance of the Danish Business Authority (March 2016). This year, VKR Holding already achieved this target with two female and four male directors. By 2025, we are targeting the percentage of women on the Board to be at least 40%.

By the end of 2022, the number of employees at VKR Holding was 50 employees compared to 45 by the end of 2021. VKR Holding's 2025 targets on gender equality mandate that more than 40% of employees are women. This was achieved in 2022, with 48% being women. Moreover, we have an ambition that more than 40% of managers reporting to the CEO (Management) are women. We always aspire to have every gender represented in recruiting processes. At the same time, employees and Board members are always selected based on qualifications and skills.

ESG KEY FIGURES FOR VKR HOLDING

	Unit	Assurance level 2022	2022	2021
Environment				
Scope 1 CO2e	Tonnes	◔	30.4	58.4
Scope 2 CO2e (location based)	Tonnes	◔	26.2	23.3
Scope 2 CO2e (market based)	Tonnes	◔	12.5	18.6
Energy consumption	GJ	◔	1,896	2,244
Share of renewable electricity	%	◔	100	0
Social				
Percentage of women in the workforce	%	●	48	49
Percentage of female managers reporting to the CEO (Management)	%	●	25	29
Absence due to sickness	%	◑	2.7	2.0
Governance				
Percentage of women on the Board	%	●	33	40
Board meeting attendance rate	%	●	100	100

ESG reporting principles are described on page 43.

◑ Limited Assurace
● Reasonable Assurance

WINDOWOLOGY: NEW ARCHITECTURAL VIEWS FROM JAPAN

Inauguration of the exhibition, 'Windowology: New Architectural Views from Japan', by the Tokyo-based Window Research Institute and curated under the direction of architect and critic, Igarashi Tarō. With sliding screens and transformative spaces, Japanese windows are part of a long architectural tradition that affect people's everyday lives. 'New Architectural Views from Japan' examines how windows influence our view of the environment, modern urban life, craftsmanship, architecture and literature.

From the left: Chair of VILLUM FONDEN, Jens Kann-Rasmussen; architect Igarashi Tarō; Japanese ambassador to Denmark, Manabu Miyagawa; Chair of VKR Holding A/S, Thomas Thune Andersen.

RESPONSIBLE INVESTMENT POLICY

VKR Holding manages a large portfolio of financial investments with the goal of generating the highest possible risk-adjusted return within a framework set by the Board. At the same time, we strive to be a responsible investor, which means that management take sustainability factors into account when making investment decisions.

In 2020, VKR Holding's 'Responsible Investment Policy' was approved by the Board of Directors. The policy sets tangible goals for a transition from 'Classic' investments, which do not take sustainability into account, towards investments that specifically focus on it.

The Company's 'Investment Spectrum' illustrates the tangible goals for increasing the share of ESG-related investments over time. It has four categories: 'Classic', 'Responsible', 'Sustainable' and 'Thematic'.

The purpose of 'Classic' investments is to generate an attractive risk-adjusted return without a specific focus on ESG factors. Investments in the categories further to the right increasingly take such factors into account. The 'Responsible' category employs ESG criteria to minimise risk exposure, while the 'Sustainable' category uses such criteria to increase positive value. Finally, 'Thematic' investments directly focus on fighting climate change and on improving environmental sustainability.

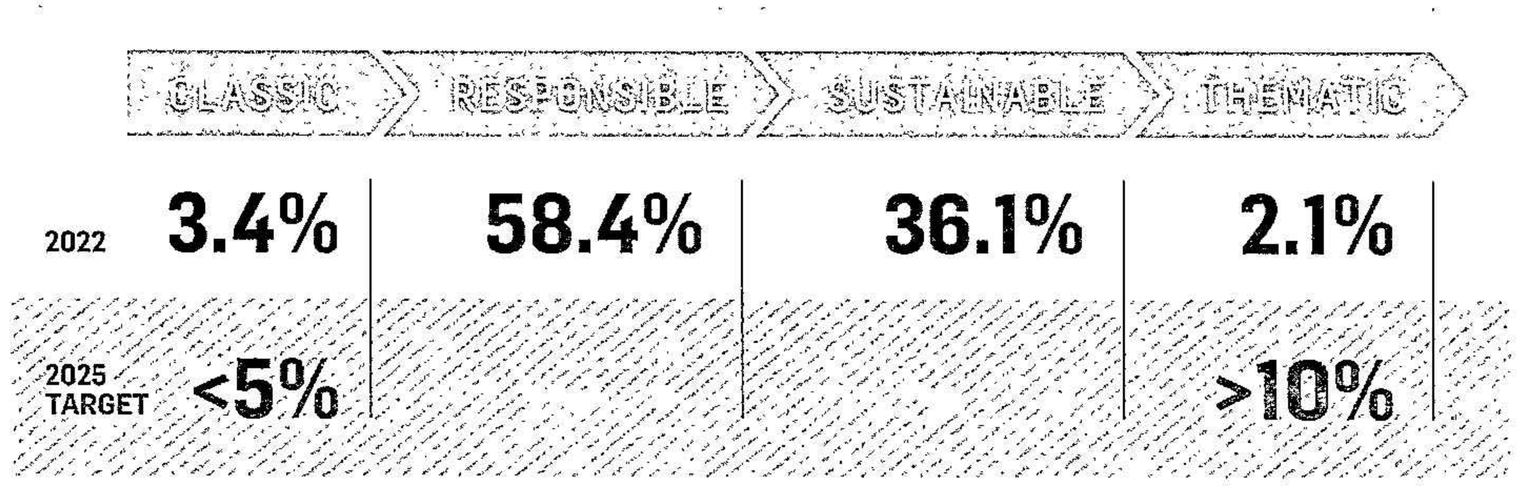
VKR Holding is fully committed to moving towards investments that particularly focus on sustainability. The targets are to maintain 'Classic' investments at a maximum of 5% and to increase 'Thematic' investments to a minimum of 10% by the end of 2025.

Since implementing our responsible investment policy, VKR Holding has all but eliminated 'Classic' investments. However, the majority of our portfolio is categorised as 'Responsible' and 'Sustainable'. This is because finding the right 'Thematic' investments is difficult and does not happen overnight. To accelerate this process, VKR Holding launched the KOMPAS venture capital fund in late 2021. The fund's goal is to invest in start-ups that specifically promote sustainability within the built environment.

VKR Holding monitors progress of our responsible investment policy by ensuring independent and professional external screening of the financial portfolio twice a year. The policy is available at our website: www.vkr-holding.com/governance/.

We are committed to almost eliminating 'Classic' investments with no sustainability focus. In 2022, 'Classic' investments comprised only 3.4% of the total financial portfolio, while 'Responsible' and 'Sustainable' investments increased to 58.4% and 36.1%, respectively. This year, 'Thematic' investments reached 2.1%, largely attributable to our investments in KOMPAS Ventures. This means that the vast majority of investments are undertaken according to ESG criteria.

Currently, we are reviewing the 'Investment Spectrum' for a potential revision. There are



challenges in achieving unbiased and professional ratings for all investments. This issue will be addressed with the purpose of preparing the ratings for an external validation.

Moreover, VKR Holding expects external fund managers to pursue sustainability goals. Our target is that by 2025, 95% of the value of investments will be allocated to external fund managers who have committed to the United Nations Principles for Responsible Investment (UNPRI). This year, the target reached 100% (KOMPAS Ventures not included).

KOMPAS VENTURES

KOMPAS Ventures is an early-stage venture capital firm with offices in Amsterdam, Berlin, Copenhagen and Tel Aviv. Backed by EUR 135 million, Fund I supports breakthrough innovations that accelerate the digital transformation and decarbonisation of the built environment and the manufacturing industry. KOMPAS works with exceptional founders who disrupt the way buildings are designed, built and managed. This will be achieved by eliminating emissions from building and manufacturing activity, reducing energy consumption, promoting sustainable building materials, eliminating waste and supporting a circular economy.

For example, the AI platform of KOMPAS' portfolio company, *Makersite*, enables companies to perform in-depth product lifecycle analyses and obtain a detailed understanding of their Scope 3 greenhouse gas emissions. Through the company's partnership with CAD software provider, Autodesk, *Makersite* customers can optimise their product design and supplier footprint in real time to create more sustainable products.

KOMPAS also invests in automation solutions to make industrial processes more efficient – from procurement to manufacturing. The KOMPAS portfolio company, *Fruitcore Robotics*, lowers the threshold for SMEs to automate production tasks with its no code, low-cost robotics platform.

Another portfolio company, *Prewave*, provides supplier risk management and performance monitoring solutions.

KOMPAS initially invests EUR 1.0 – 5.0 million and provides continued support throughout the company's entire lifecycle. VKR Holding is the firm's cornerstone investor.

In addition to supporting *Makersite*, *Fruitcore Robotics*, and *Prewave*, the KOMPAS investment team completed investments in the following six early-stage technology companies in Europe, Israel and the US:

- **Modulize** develops software for modular construction
- **Viridian** aggregates ESG data for asset managers
- **Minut** provides non-intrusive home monitoring solutions
- **Sustain.Life** develops a carbon accounting platform for SMEs
- **Findable's** organises building documentation using an AI platform
- **Structshare** offers a procurement platform for trade contractors

2022 was characterised by a challenging macroeconomic environment and a downward adjustment of valuations across the technology sector. Despite these headwinds, the KOMPAS investment team is optimistic that it will continue to see strong deal flow in 2023. As the building and manufacturing industry transition towards net zero, the team is convinced that it will benefit from regulatory pressure favouring sustainability and the need to adopt digital technology to improve efficiency and decarbonise.

KOMPAS' vision is a world where buildings are a self-sustaining, carbon-neutral, connected and widely accessible asset class which provides the comfort, safety, and well-being all humans crave and deserve. Our mission is to identify and financially back the most talented and ambitious entrepreneurs who share our vision, and through their innovations help realise a zero-emission, zero-waste building and manufacturing industry. We operate with purpose whilst delivering strong financial returns to our investors.

To learn more, please visit:
www.kompas.vc.

The KOMPAS team and business partners visit Lendager Architects in Copenhagen.

KOMPAS, 2022

KOMPAS

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THE EMPLOYEE FOUNDATION OF THE VKR GROUP

The Employee Foundation seeks to be visible, to proactively encourage well-being and a sense of belonging among employees and retirees, and to be a positive element in employer branding.

Through grants, campaigns and projects, the Employee Foundation supports the well-being of employees and their immediate families. The foundation supports:

- Employees and their families in difficult times, children's education, senior clubs and proactive health-related initiatives
- Non-profit community clubs and organisations located near VKR Group companies
- Awards for extraordinary employees who have displayed exceptional values or actions

The Employee Foundation will continue offering their support to all employees by launching a range of new initiatives in 2023.

UKRAINE EMERGENCY FUND

In spring 2022, the Employee Foundation established an emergency fund to support employees affected by the consequences of the war in Ukraine, regardless of their seniority.

In total, 162 grants worth approximately EUR 200,000 were distributed. Grants ranged from the provision of financial support to employees who hosted refugees to the procurement of power stations in order to secure a steady supply of electricity.

SAFETY AWARD

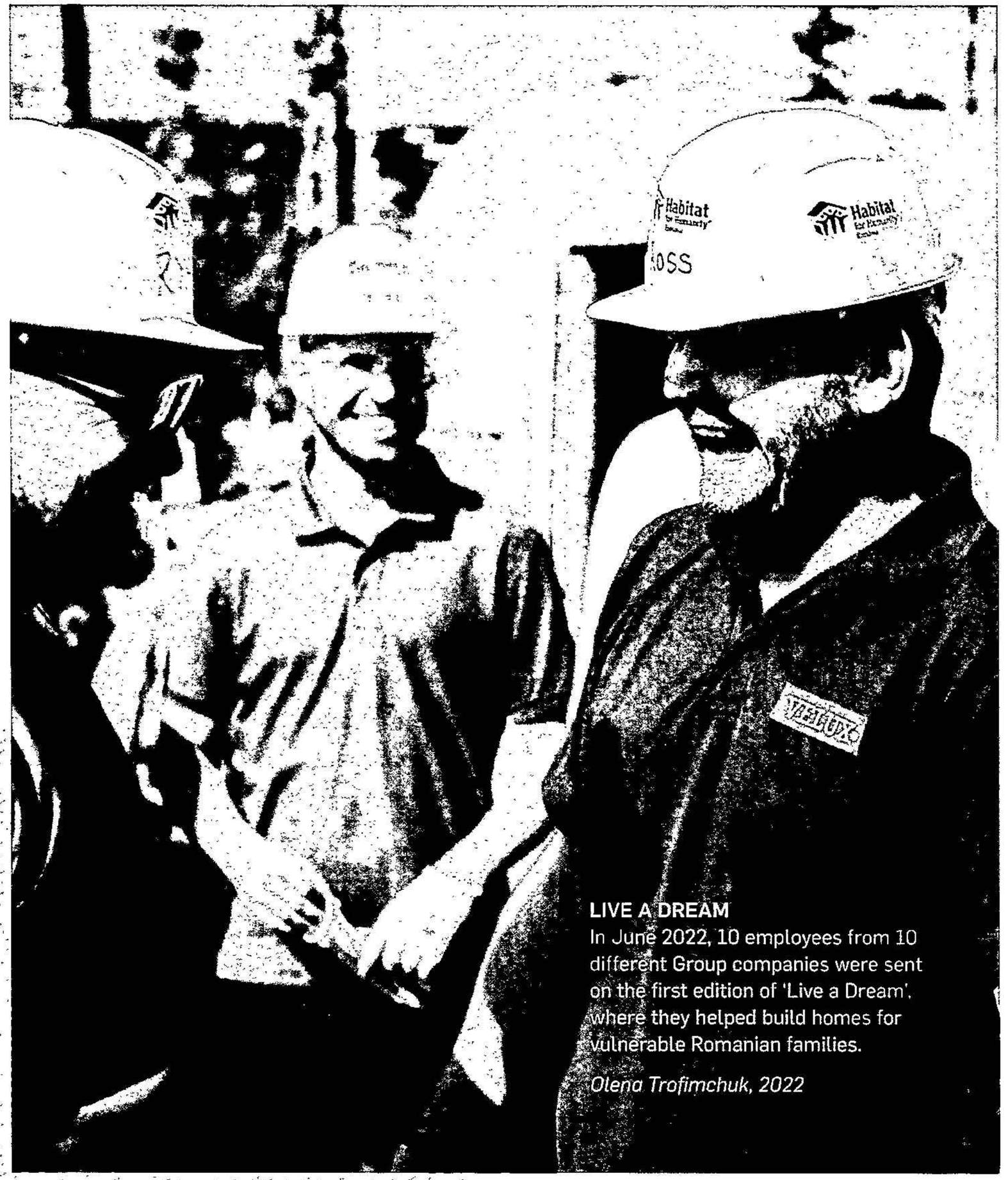
The importance of safety for employees was highlighted by the launch of the Lars Kann-Rasmussen Safety Award in recognition of employees who excel in safety. Recognising inspirational and proactive conduct, and courageous actions that break convention and prevent accidents, will make the VKR Group a strong business and great place to work. The safety award was awarded in January 2023 for the first time.

FACTS:

The VKR Group's Employee Foundation was founded in 1991. Since then, more than DKK 213 million has been distributed.

In 2022, DKK 39 million was distributed. A total of 932 employees received a grant.

EMPLOYEE FOUNDATION



LIVE A DREAM
In June 2022, 10 employees from 10 different Group companies were sent on the first edition of 'Live a Dream', where they helped build homes for vulnerable Romanian families.

Olena Trofimchuk, 2022

THE VELUX GROUP

'IT'S OUR NATURE' – TWO YEARS IN

In 2020, the VELUX Group introduced a new sustainability strategy, 'It's our nature'. The strategy covers 15 targets that will guide our 10-year transformational journey towards greater sustainability in 2030.

The strategy is formed as a house. The top of the house contains the targets that will enable us to pioneer climate and nature action, including the two targets, 'Capture our historical footprint' and 'Reduce our future carbon footprint'. The targets in the middle of the house apply to our products and how we can innovate to increase sustainability. Finally, the base of the house covers targets that promote responsible business practices.

ACTION CANNOT WAIT

As the world's leading manufacturer of Roof windows, we feel a strong sense of responsibility to lead the way in the industry and take action to tackle climate change. We want to include sustainability in every business decision, which is why we have made sustainability an integrated part of our corporate strategy and subject to rigorous governance.

Making change on this scale is too ambitious to be undertaken by VELUX alone. To overcome the environmental challenges we all face, collaboration across the value chain is needed. For this reason, we have started a number of partnerships. For example, we have partnered with the aluminium suppliers, Hydro and Novelis, on joint decarbonisation roadmaps for aluminium. We have also partnered with WWF to establish forest conservation areas around the world to capture CO2 and increase biodiversity.

CONTRIBUTING TO THE WORLD WE WANT

Each target in the sustainability strategy is linked to one or more of the 17 United Nations Sustainable Development Goals (SDGs) that outline a broad spectrum of urgent global challenges. In particular, we contribute to SDG 3 'Good health and well-being', because our products contribute to health and well-being in buildings, SDG 11 'Sustainable cities and communities' as we continue to advocate for and demonstrate sustainable buildings and SDG 13 'Climate action' as we are stepping up to address climate change through ambitious carbon reduction targets.

Our strategy is focused on the social and environmental issues of most importance to our business. In 2023, we will update our materiality assessment to ensure continued focus on the most important issues for the VELUX Group.

ENVIRONMENT

CONTINUING THE DECARBONISATION JOURNEY

During 2022, we continued our efforts towards our 2030 goals to achieve a 100% reduction in Scope 1 and 2 emissions and a 50% reduction in Scope 3 emissions, as well as our goal of capturing the entire historical carbon footprint from our operations (Scope 1 and 2) by the 100th year anniversary of the VELUX Group in 2041. To achieve the carbon reduction targets, we are investing in renewable energy and energy efficiency and engaging with our supply chain, including through strategic partnerships.

In the VELUX Group, we have formed a 20 year partnership with the international conservation organisation World Wide Fund for Nature (WWF) to capture the equivalent of our historical emissions through forest projects. This carbon will be donated to the respective countries' conditional Nationally Determined Contributions (NDCs).

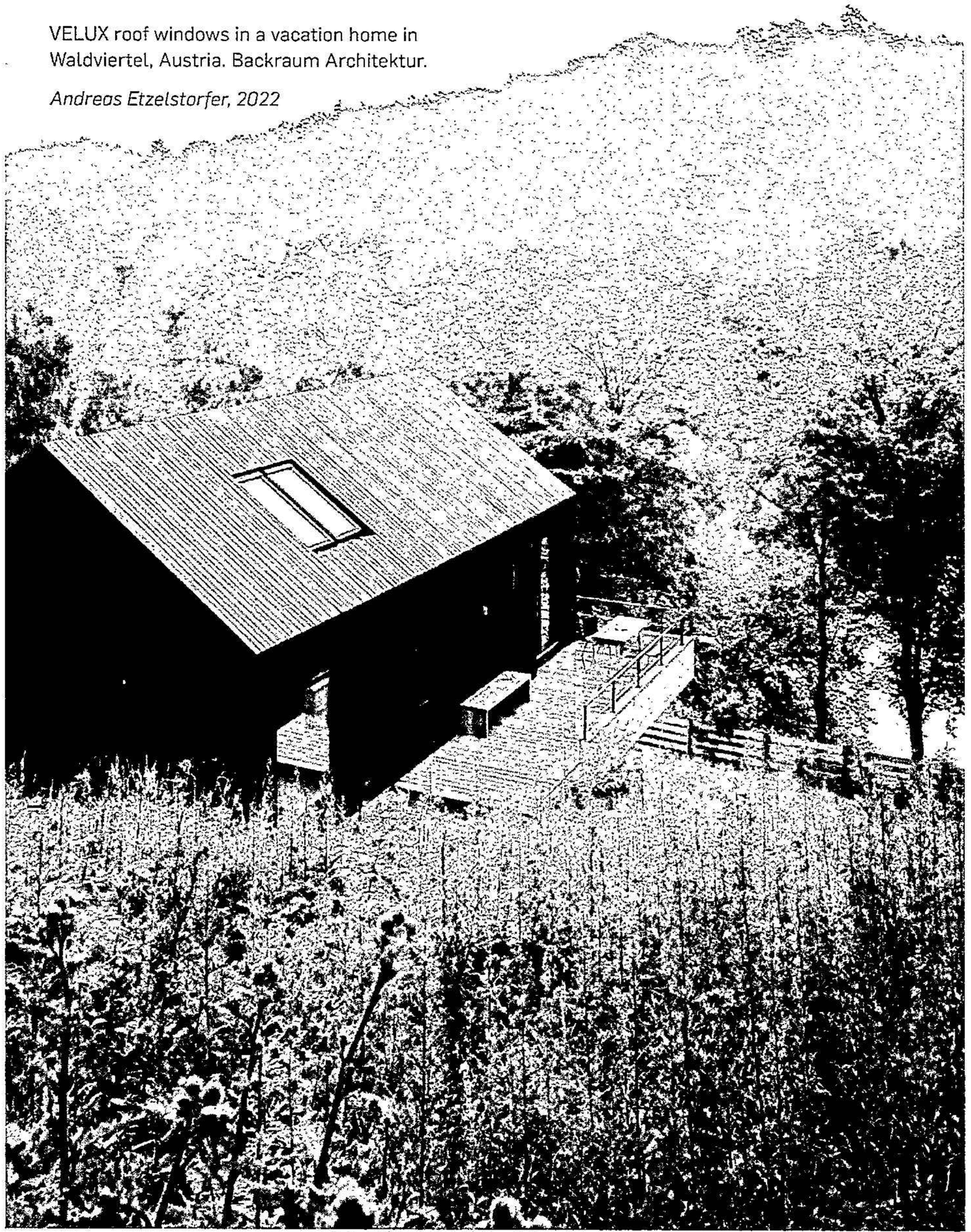
The first of the forest projects started in Uganda last year. In 2022, WWF established the project office in the country and the team together with its implementation partners and communities planted more than 100,000 native tree seedlings. Over the next 20 years, the project will capture carbon and deliver significant benefits to nature and the local community.

The design of the projects will be validated and its impacts verified in line with the requirements for projects under the VERRA Verified Carbon Standard (VCS) and the Climate, Community and Biodiversity standard (CCB). In the coming years, we plan to launch the remaining projects in the portfolio.

SUPPORTING THE TRANSITION TO RENEWABLE ENERGY

We are working to achieve a 100% reduction in Scope 1 & 2 carbon emissions from our operations by 2030 through our global decarbonisation programme. This supports the transition from fossil fuels, like natural gas and oil, to renewable energy. The first carbon neutral plans for two pilot production sites were delivered in 2022, and in the coming years all sites will have similar plans and start implementation. A new global program to map out the potential for all factory and warehouse sites to install onsite solar PV was also launched.

We experienced a positive trend in reducing Scope 1 and 2 emissions from 37,105 tonnes CO2e emissions in 2021 to 27,371 tonnes CO2e emissions in 2022. This positive development was primarily driven by increasing our renewable power purchase program and replacing gas with waste wood from production as a fuel source for heating. As a consequence of this, the total amount of renewable energy increased from 54.2% in 2021 to 58.7% in 2022.



VELUX roof windows in a vacation home in Waldviertel, Austria. Backraum Architektur.

Andreas Etzelstorfer, 2022

The majority of these reductions relate to significant progress in 2022 towards our goal of sourcing all electricity from renewable sources by 2023. In 2022, the share of renewable electricity in the consumption mix reached 98.4% of total consumption compared to 77.9% in 2021.

In 2022, we invested in Power Purchase Agreements (PPAs) with global renewable energy developer BayWa r.e., which will enable the construction of two new solar plants in southern Spain. One of the plants will partially include Agri-PV technology, which will allow crops to grow between the solar panels. This will be made possible using rows of rotational solar panels with wider spacing between them to enable farming machinery to pass. In this way, the crops are grown with better climate resilience as they are shaded by the solar panels and thereby more protected against extreme weather conditions. Furthermore, water can be collected to save valuable water resources.

The VELUX Group wins the EY Sustainability Award 2022 for its ambitious goals and actions in its strategic approach to climate change. Anders Gotzsche received the award on behalf of the VELUX Group.

EY, 2022

When both solar projects are completed in 2023 and 2025 respectively, they will generate enough additional renewable energy to power all of the VELUX Group European power-based operations, with the excess adding additional renewable electricity to the European power grid.

STRATEGIC PARTNERSHIPS

Achieving our goal to reduce emissions from our value chain by 50% will require close collaboration with suppliers, customers and the industry as whole. Therefore, we are working closely with a number of key suppliers on reducing carbon emissions. For example, we worked with the aluminium suppliers, Hydro and Novelis, to reduce carbon emissions in the materials used in our products. These types of partnerships benefit the VELUX Group by enabling us to provide lower carbon products while supporting our suppliers on their ambitious journey to bring more sustainable products to market.

Development in our reported Scope 3 emissions was broadly flat from 2020 to 2022. There are three main reasons for the development in 2022. Firstly, the macroeconomic environment led to a reduction in sales and thereby reduced the need for raw materials during 2022. Secondly, we made progress in engaging our suppliers with CDP (Carbon Disclosure Project), which has given us more precise data and, thirdly, we increased our sourcing of low carbon materials.

SOCIAL

MAKING VELUX A GREAT PLACE TO WORK – FOR EVERYONE

We continually strive to achieve a good working environment across all our production sites and offices and to work towards achieving the goal of zero accidents.

Making workplaces safe has always been a goal for the VELUX Group.

The prioritised focus on safety throughout the VELUX Group improved the lost workday case rate from 2.6 in 2021 to 1.6 in 2022. This result compares favourably with the average of Danish production companies from 2017-2021 of 13.7 lost workday cases per million working hours[2].

We are continually prioritising spreading the knowledge and best practices around safety throughout the organisation.

During the past year, we increased the frequency of accident reporting from a biannual to a monthly Health, Safety and Environment report for all business areas. With this information, we can take fast action to effectively prevent any similar incidents occurring again.

Throughout the VELUX Group, we are strongly committed to increasing diversity, equity and inclusion (DEI) among all employees. This requires a strong and consistent focus from leadership and well-anchored

[2] Confederation of Danish Industry

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policies and processes to promote organisational change. In 2022, we launched a new DEI policy that lays out our commitment and assigns clear responsibility with functional leaders. In the coming years, this will be implemented in all aspects of the business.

SUPPORT TO PROTECT HUMAN RIGHTS

The VELUX Group is committed to respecting human rights. The VELUX Group mainly produces and sells products within Europe and North America, and we assess that the primary risks are located in our upstream supply chains. Therefore, we have strengthened our supplier due diligence procedures and policies in 2022. By doing so, we increased expectations towards suppliers and strengthened dialogue with them to ensure they live up to international expectations and guidelines on human rights and labour rights.

Sometimes unforeseen events take place which require us to take a stand. Russia's invasion of Ukraine in 2022 was one such event. The VELUX Group decided to permanently close operations in Russia and Belarus due to the unprecedented humanitarian conditions imposed on the Ukrainian population.

In Ukraine, VELUX colleagues moved to safer regions, however, as the situation around Kyiv stabilised, they chose to move back and resume work. When war broke out in Ukraine, the Employee Foundation established a fast-track emergency fund for colleagues in Ukraine[3].

GOVERNANCE

GOOD GOVERNANCE ACROSS ALL ORGANISATIONAL LEVELS OF VELUX

The VELUX Group's governance structure follows the principles of good governance across all organisational levels of the organisation and complies with Group policies. Each target in the Sustainability Strategy 2030 is owned by a Senior Manager and progress is reported and approved by the VELUX Management Group (VMG) and the Board of Directors. Additionally, independent third-party assurance of ESG data in the VELUX Sustainability Report has been further strengthened in 2022.

In 2022, the Group Sustainability team was strengthened to support the delivery of our sustainability strategy.

POLICIES THAT ENSURE RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES

During 2022, the VELUX Sustainability Policy was updated, as well as the Code of Conduct for Employees and the Code of Conduct for Suppliers. Simultaneously, due diligence processes of suppliers and across the value chain was strengthened. The most relevant policies related to sustainability are available on the VELUX website. Management reviews these policies each year.

[3]The DOVISTA Group has no activities in Ukraine, Russia or Belarus.

The VELUX Anti-corruption policy sets out a clear stance against all forms of corruption and bribery. We provide training and awareness activities using a risk based approach. In 2022, all employees reporting to Vice President Procurement and Vice President External Relations & Sustainability, as well as top level management and relevant Sales & Marketing employees were requested to complete an annual training course. In 2022, 77% of employees in these groups completed the training. This result is lower than targeted mainly due to technical reporting issues. These are now resolved so the target is expected to be met in 2023.

WHISTLEBLOWER PROGRAMME

Since 2018, we have operated a whistleblower programme. Any criminal or illegal activities violating national regulation or Group policies can be reported anonymously through the third-party whistleblower system. The whistleblower system recorded 90 reports, of which 84 reports were dismissed as not requiring further investigation. The majority of reported cases were more relevant as customer service enquiries and were rerouted accordingly. Six cases were further investigated. None of these cases confirmed corruption or anti-competitive behaviour in 2022.

ESG KEY FIGURES FOR THE VELUX GROUP

	Unit	2022	2021	2020
Environment				
Scope 1 CO2e	Tonnes	25,524	28,496	24,302
Scope 2 CO2e (location based)	Tonnes	41,496	45,049	42,088
Scope 2 CO2e (market based)	Tonnes	1,847	8,609	27,835
Scope 3 CO2e	Tonnes	1,991,408	2,055,646	1,893,548
Share of renewable electricity	%	98	78	39
Share of certified wood	%	96	96	95
Social				
Accidents per million work hours	#	1.63	2.58	2.89
Absence following an accident per 1,000 work hours	Hours	0.45	0.49	0.39
Governance				
Code of conduct for suppliers signed	%	98	100	100
Anti-corruption e-learning completion	%	77	76	86

CASE STORY VELUX

LIVING PLACES

PIONEERING AFFORDABLE LOW-CARBON HOUSING

In August 2022, the VELUX Group partnered with EFFEKT architects, engineering consultancy MOE and contractor Enemærke & Petersen, and started construction of a full-scale experiment to demonstrate how low carbon housing can be built at standard market cost.

The Living Places concept provides a valuable opportunity to test new techniques and change working practices by using sustainability as a parameter when designing and choosing materials. The concept is prototyped in central Copenhagen using readily available materials and technologies. This gives valuable insights and learnings for how we can develop new solutions for low carbon construction and optimal indoor climate.

When completed, the project will include seven full-scale prototype buildings – five open pavilions and two completed houses. Although the buildings are still under construction at the time of writing, Living Places have already achieved outstanding results. In 2022, an independent third party verified that the Living Places concept has a carbon footprint three times lower compared to a typical newbuild Danish home. Furthermore, calculations show that this way of building will reduce the environmental footprint by approximately 60% – from extraction of materials through to end of life. At the same time, the indoor climate of these houses has achieved the highest European rating of class 1. By way of comparison, a typical Danish home has a class 3 indoor climate.

In the coming years, the project can be scaled into affordable and sustainable housing that can reduce CO2 and support the goals of the Paris Agreement to limit global warming to 1.5°C. We are already working with a developer to create a community of low-carbon housing and test the principles used in the Living Places project on a larger scale.

Living Places Copenhagen will open to the public in spring 2023 as a partner project for Copenhagen as 'World Capital of Architecture'.

BUILDING PRINCIPLES FOR THE 'LIVING PLACES' CONCEPT

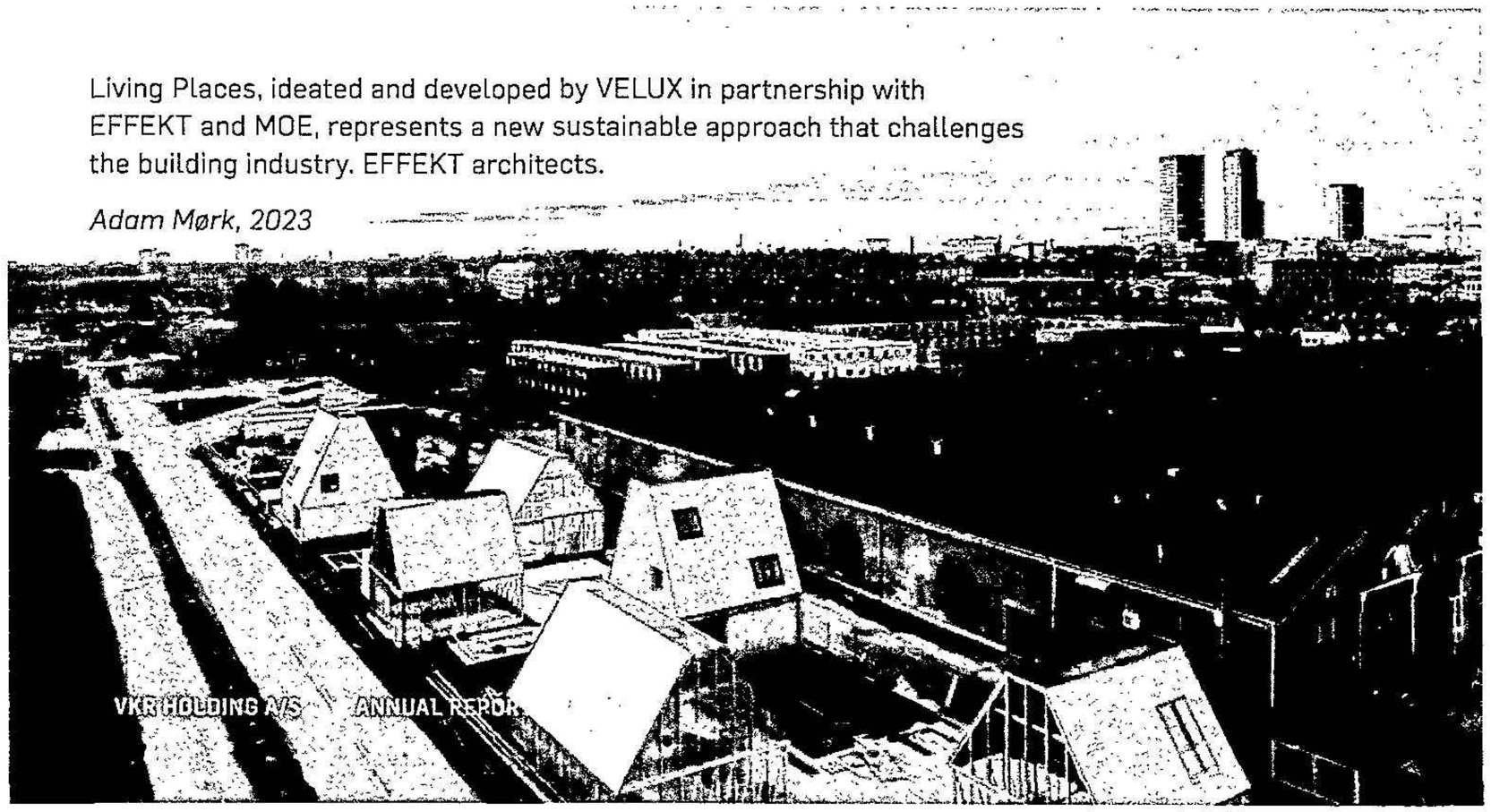
Healthy – healthy for people and planet

Shared – strengthen sense of community

Simple – enable easy upgrades and a longer lifespan

Adaptive – respond to more ways of living

Scalable – rethink the design, plan and finance of homes



Living Places, ideated and developed by VELUX in partnership with EFFEKT and MOE, represents a new sustainable approach that challenges the building industry. EFFEKT architects.

Adam Mørk, 2023

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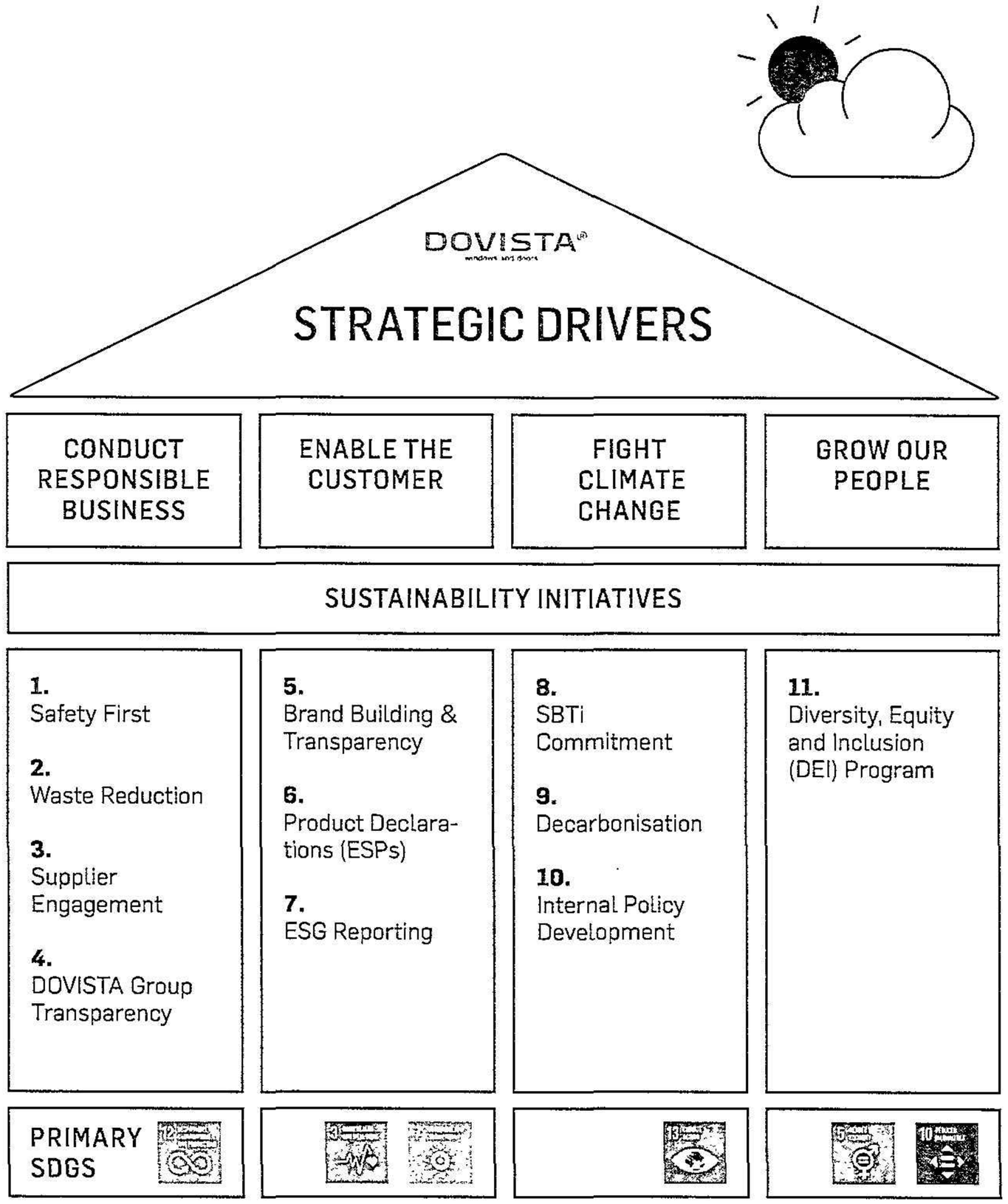
VERTICAL WINDOWS DOVISTA® windows and doors

THE DOVISTA GROUP



SUSTAINABILITY STRATEGY

The DOVISTA Group's focus on sustainability is mirroring what is seen in society. Our work actively contributes to achieving sustainable impact and the United Nations Sustainable Development Goals.

FRAMEWORK

DOVISTA's Sustainability Strategy has four strategic drivers centred on Conducting Responsible Business, Enabling the Customer, Fighting Climate Change, and Growing Our People. In 2022, these strategic drivers were supported by a portfolio of 11 sustainability initiatives, which provided the opportunity to maintain focus and ensure progress.

SDG IMPACT

Our pillar to **Conduct Responsible Business** supports a strategic approach to sustainability by working in support of sustainable consumption and production (SDG 12). As a key part of this, we work towards the ambition of zero accidents across our plant network and ensuring that suppliers understand what is expected by signing a supplier code of conduct.

To **Enable the Customer**, good health and wellbeing (SDG 3) is supported by the Group's purpose of bringing fresh air and daylight into people's everyday lives. Our products provide the opportunity to capitalise on sustainable passive energy, while ensuring energy efficiency in new and renovated buildings (SDG 7). The DOVISTA Group has established Environmental, Social and Governance (ESG) baselines, and is in the process of creating Environmental Product Declarations (EPDs) to document product impact in a transparent and comparable way.

Our strategic driver to **Fight Climate Change** contributes to climate action (SDG 13) by setting important CO2 reduction targets to limit global temperature increases. In 2022, we committed to the Science Based Targets initiative (SBTi) to make reductions in line with climate science and the goals of the Paris Agreement.

To **Grow Our People**, we are committed to a culture of diversity, equity and inclusion; thus promoting an environment where our people can do their best work, achieve career aspirations and thrive (SDG 10). Equity drives value by enabling a diverse line of thought and increasing creativity, leading to better and more nuanced decisions and stronger risk management (SDG 5). The DOVISTA Group is currently developing a program to work with these issues in a targeted way.

DOUBLE MATERIALITY

While sustainability reporting has typically focused on how businesses impact society and stakeholders around them, there is a growing focus on how businesses are being impacted as well. DOVISTA has conducted a double materiality assessment to evaluate and inform our strategy and develop new initiatives to align the Group's vision and advance our sustainability journey.

Our findings support both our current strategic work with sustainability and the identification of upcoming trends and stakeholder expectations. With regard to environmental indicators, it is no surprise that climate action and internal company decarbonisation in Scope 1 and 2 are the highest priorities for all stakeholder groups. These priorities are aligned with DOVISTA's strategic driver to Fight Climate Change and represent the area in which we can make the biggest impact. Regarding social indicators, it is clear that health & safety is in the hearts and minds of both internal and external stakeholders. For DOVISTA, this is also a big part of our strategic objective to Conduct Responsible Business. Diversity, equity & inclusion, non-discrimination and working conditions are all priority areas for our stakeholders as well and are all focus areas within the Group's strategic driver to Grow Our People.

Governance, product safety and quality is also a high priority for all stakeholders. Product documentation and ESG measurement are areas of extremely high and growing importance and a key focus area for DOVISTA in working with the strategic driver to Enable the Customer. We look forward to conducting an assessment of our progress at regular intervals and see it as a valuable exercise to better understand the perspectives of stakeholders, generate consensus and improve.

ENVIRONMENT

SBTI COMMITMENT

Creating a sustainable future cannot be achieved alone. Keeping this in mind, we have set clear direction for contributing positively to people and planet, thus enabling humans to prosper in balance with nature. Following climate science, we have committed to the Science Based Targets initiative (SBTi) and are setting clear targets for carbon reduction in line with the Paris Agreement goals to be net zero by 2050. As part of the SBTi, we are on a continued path to reduce carbon throughout production processes in collaboration with value chain partners. This will be a journey of learning for DOVISTA as a company, for the industry, as well as for the global network of thousands of businesses worldwide working to limit global temperature increases to 1.5°C.

HIGHLIGHTS IN 2022

The DOVISTA Group delivered a strong CO2 reduction per unit produced as we improved from 19.7 kg CO2e per unit produced in 2021 to 7.6 kg CO2e in 2022. This reduction is, in large part, due to the purchase of Renewable Energy Certificates (RECs) covering electricity consumption in Poland, Germany and Slovakia.

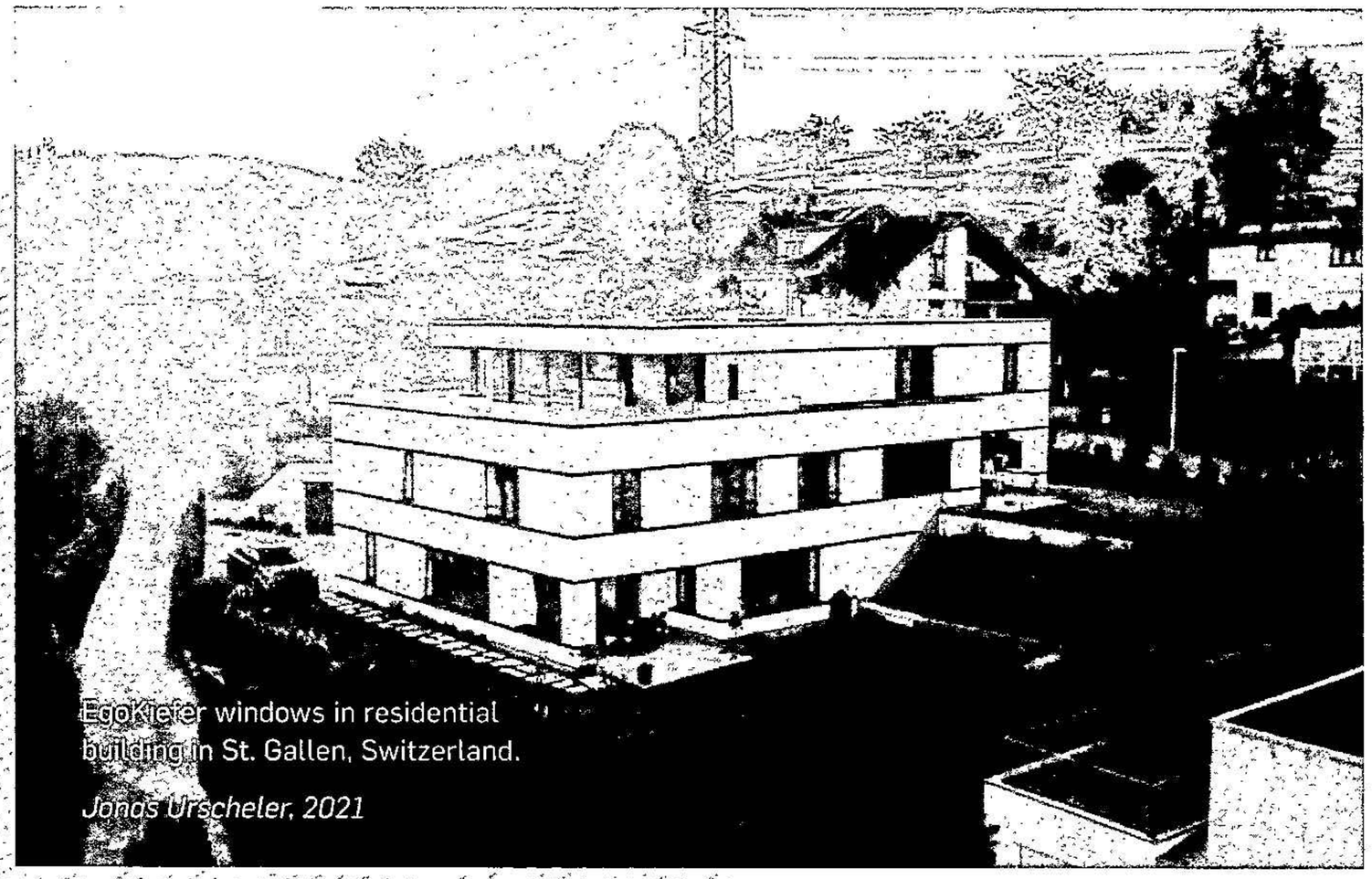
In 2022, Scope 1 and 2 emissions represented 19,655 tonnes CO2e compared to 52,227 tonnes CO2e in 2021. This represents a very significant reduction in emissions from our own production, a reduction of over 60%.

WHAT WE DID IN 2022

This year, we developed robust methods for more consistently measuring waste fractions across all production locations.

We also made constant improvements to reach targets and achieve CO2 reductions. Contributing to carbon reduction targets on a broader scale, we purchased RECs that currently cover 80% of our annual electricity consumption.

In the coming months and years, we will remain deeply committed to decarbonisation and work to reduce our own carbon emissions (Scope 1 and 2) and the carbon emissions within our value chain (Scope 3). We will also continue to work on our ability to provide data-driven transparency and documentation to customers, partners, and stakeholders in our broader network.



Egoklefer windows in residential building in St. Gallen, Switzerland.

Jonas Urscheler, 2021

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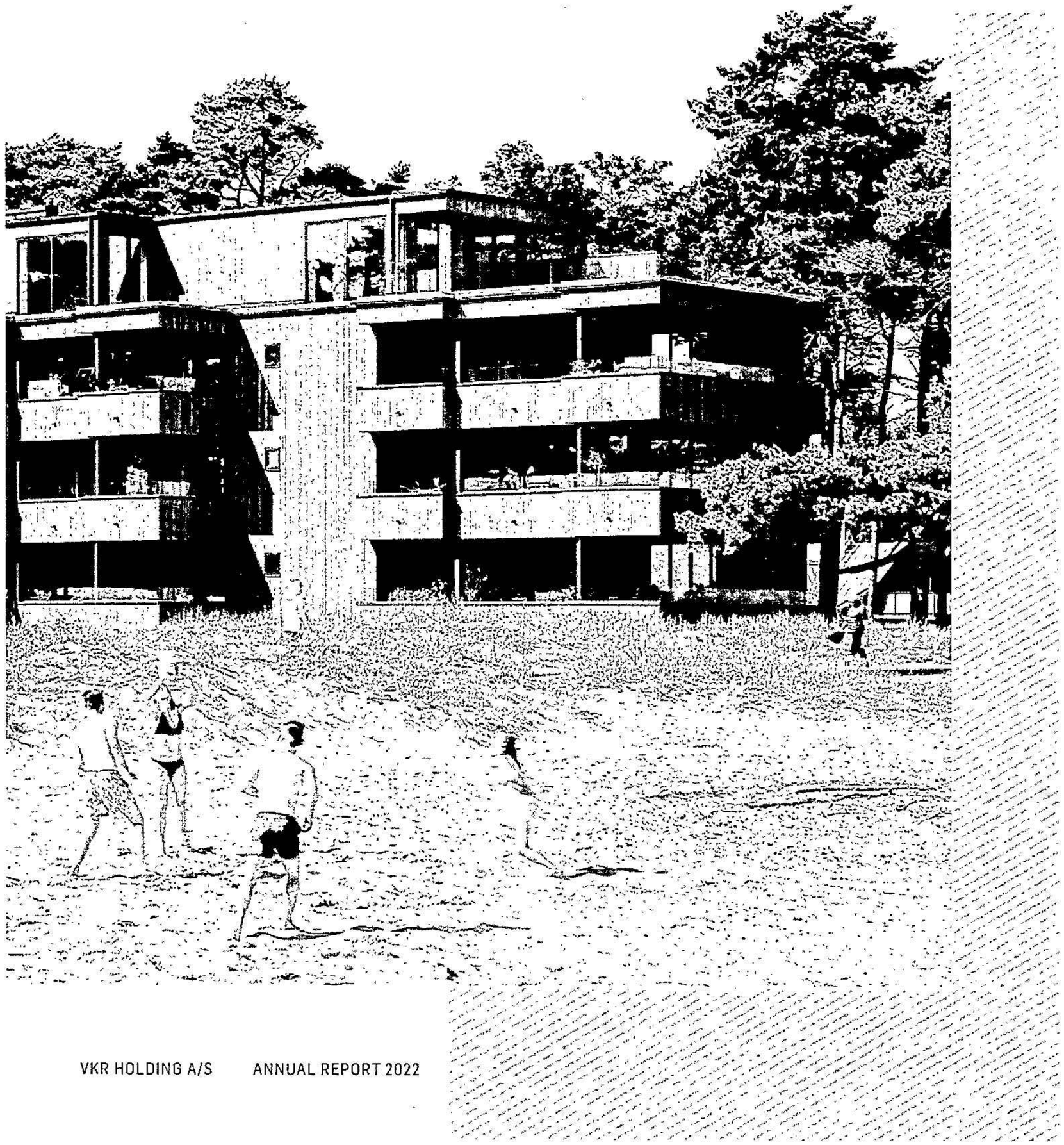
VELFAC windows in Åhus Seaside in Skåne, Sweden. Krook & Tjäder.

Felix Gerlach, 2021



SOCIAL

At DOVISTA, we operate with a Safety First culture and a zero-accident ambition. This goal speak directly to our strategic driver of Conducting Responsible Business by focusing on healthy and safe workplaces, which is underpinned by the Group's Model Company Objective.

HIGHLIGHTS IN 2022

- DOVISTA's locations producing wood-aluminium windows went from 39 accidents in 2021 to 30 accidents in 2022, an improvement of 23%
- DOVISTA's largest production facility in Poland went from 12 accidents in 2021 to 8 accidents in 2022, an improvement of 33%

WHAT WE DID IN 2022

At DOVISTA, safety is our highest priority. In line with our zero-accident ambition, employee health and safety is a topic that is in constant focus, particularly this year as we welcomed many new colleagues from recent acquisitions. In order to ensure a common understanding across the DOVISTA Group, critical sites have been identified that constitute the majority of accidents and are generally less mature in their work with health and safety. These sites have received a lot of support from top management to create the conditions for reducing the number of accidents and a five-priority action plan has been created:

- Leadership: senior leadership participation
- Personal accountability
- Skills and training
- Availability and reliability of information
- Auditing

Each of these priority areas are measured on an ongoing basis and an improvement roadmap complements the journey. To accelerate the zero-accident goal at other sites, we continue to promote clear medium-term HSE (Health, Safety and Environment) transformation roadmaps. This ensures both continuous improvement in response to pre-existing working conditions, as well as investment support for preventative measures.

The Quality, Health, Safety and Environment function has also created a HSE Cockpit that is now the reference point for traceability regarding all reported incidents across all DOVISTA locations. This has significantly improved transparency, reliability and the capability to conduct analyses of accident data. Furthermore, data quality has been greatly improved by a focused effort within the Group reporting function. Over the course of the year, the DOVISTA Group has also prioritised accident prevention by:

- Raising team awareness on near misses by developing a QR code solution to better monitor near misses across the Group, thus increasing transparency and leveraging cross-location solution sharing
- Increasing transparency and leveraging cross-location solution sharing throughout DOVISTA

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- Deploying the problem-solving methodology used in Quality functions to the HSE network, helping to prevent accident re-occurrence
- Improving cross-location communication, to make the most of the Group's experience and know-how by creating opportunities to share best practices

WHAT IS NEXT

In 2023, we will continue to work with critical sites by finalising the implementation of the first stage of the maturity improvement roadmap, and by initiating the second stage focused on standardisation. To achieve this, we will develop standards based on best practices. Focus will be maintained at other locations by continuing to work with medium-term roadmaps, and by further accelerating the near-miss reduction program. To further accelerate improvement, we will also initiate a mapping of best standards and systems across all locations. This will be based on current quality mapping.

Since occupational safety is a matter of leadership, change of attitude and behaviour, the Group's common safety culture will be boosted through a number of initiatives in 2023. We will initiate Group-wide training for all middle managers, including local HSE Managers. We will also develop and deploy a new 'DOVISTA Safe' program, to shift the mindset across DOVISTA towards the common goal of zero accidents.

GOVERNANCE

In alignment with the strategic driver to Conduct Responsible Business, we have developed an Anti-Corruption Compliance Program. The goal is to ensure timely training, awareness and compliance among employees, and to conduct business partner screening throughout the supply chain.

HIGHLIGHTS IN 2022

- Sanctions screening and fraud prevention prepared for automation
- Anti-corruption compliance control processes implemented
- Fraud alert program implemented
- Screening of all new supplier contracts based on DOVISTA's Sanctions Compliance Program

WHAT WE DID IN 2022

We have developed an Anti-Corruption Compliance Program to guide employees, ensure good business conduct and live up to legal requirements. A Code of Conduct for employees was developed and published with clear guidelines for anti-corruption mitigation and ethical behaviour. We have also established processes and systems for a fraud alert program. Preparations are being made to implement sanctions screening with automated processes in 2023. This includes sanctions screening according to the Corruption Perception Index, and the provision of comprehensive documentation of Group policies, rules, processes and ownership guidelines, which have been activated including bank data checks and trust score validations. DOVISTA also operates with an anonymous whistleblower system, ensuring that any concerns can be reported and handled confidentially. Out of the cases reported in 2022, DOVISTA processed one case.

WHAT IS NEXT

- Implementation of additional compliance control checks
- Roll-out of the DOVISTA Anti-Corruption Compliance program
- Awareness training in accordance with the DOVISTA Anti-Corruption Compliance Program
- Continuous roll-out of approved Sanctions Compliance solutions across DOVISTA entities
- Secure quarterly batch screenings of all DOVISTA Group business partners

ESG KEY FIGURES FOR THE DOVISTA GROUP

	Unit	2022	2021
Environment			
Scope 1 CO2e	Tonnes	8,155	10,233
Scope 2 CO2e (location based)	Tonnes	24,482	27,730
Scope 2 CO2e (market based)	Tonnes	11,500	41,994
Scope 3 CO2e	Tonnes	863,557	930,939
Share of renewable electricity	%	80	14
Share of certified wood	%	79	79
Social			
Accidents per million work hours	#	10.7	14.2
Absence following an accident per 1,000 work hours	Hours	9.6	12.3
Governance			
Code of conduct for suppliers signed	%	96	30
Whistleblower cases	#	1	0

For comparability, 2021 figures have been restated to include full-year data for the 2021 acquisitions.

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CASE STORY DOVISTA® windows and doors

MEASURING THE ENVIRONMENTAL IMPACT OF OUR WINDOWS AND DOORS

Being the customer's preferred choice is a clear ambition across the DOVISTA Group. This means being a first mover in the ability to provide data-driven documentation, while always complying with current building regulations and requirements for Life Cycle Assessment (LCA) and product carbon emissions data.

The foundation for a LCA is created through the use of Environmental Product Declarations (EPDs), which are documents containing detailed third-party qualified data. As such, EPDs show the environmental impact of DOVISTA's windows and doors, including GWP (Global Warming Potential).

Being the **customer's preferred choice** is a clear ambition across the **DOVISTA Group.**

LCAs are then used as documentation for building regulations and certifications such as DGNB and LEED.

PERFORMANCE IN 2022

The DOVISTA Group has:

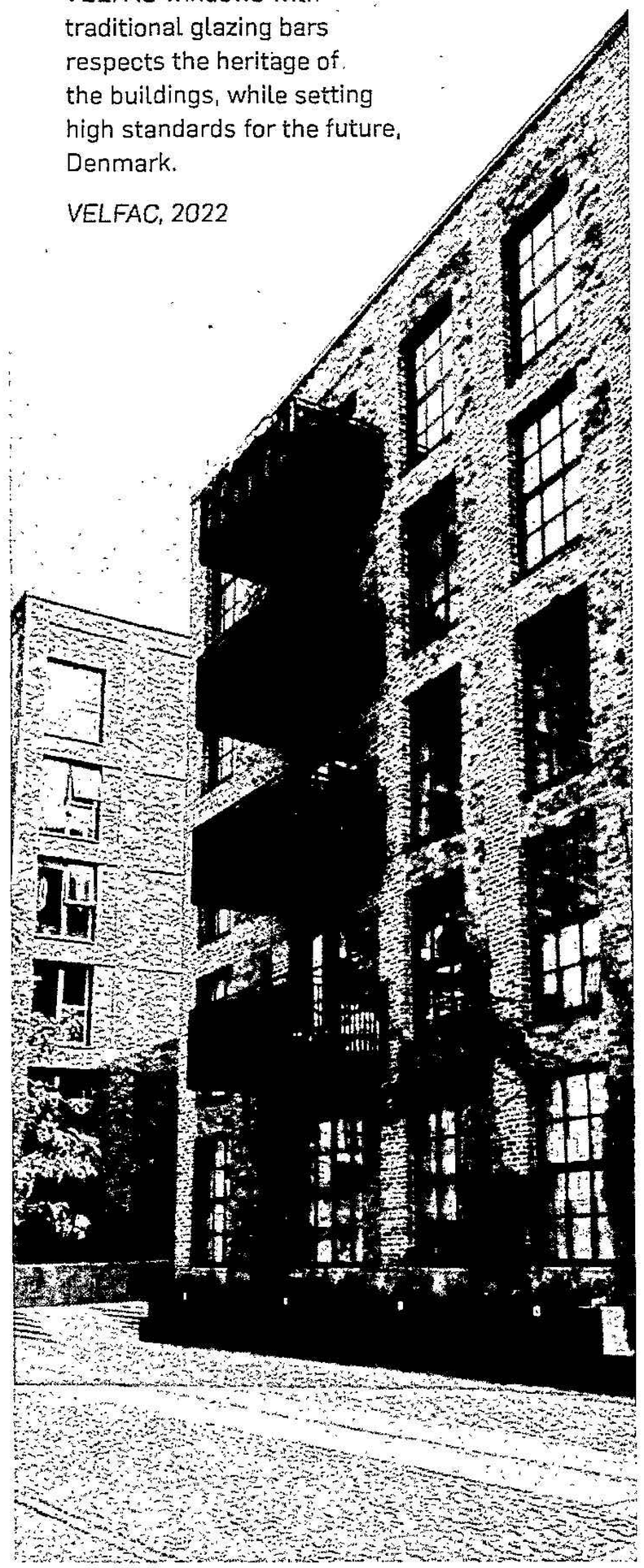
- Built the necessary capabilities and expertise to both provide EPDs and advise customers and business partners on EPDs and LCAs
- Gained transparency into the product value chain, enabling identification of areas for future carbon footprint reductions
- Established a baseline consistent with product level CO2e emission reductions

WHAT WE DID

To support DOVISTA's strategic driver of Enabling the Customer, our Product Management team built up the necessary capabilities and expertise. In consolidating raw material data from our suppliers, we were able to specify weight, material type and surface treatment. We also calculated the distance from suppliers to production sites, and did a deep-dive into transportation. Our waste calculation methodology was also reviewed. This work resulted in the ability to generate highly reliable Environmental Product Declarations.

FUTURE INITIATIVES

Since DOVISTA has several product platforms across multiple countries, the next step will be to broaden coverage. This will enable DOVISTA to provide EPDs for all platforms and all geographical areas – always keeping in mind local legal requirements, building traditions and climate conditions. In parallel, DOVISTA will investigate the environmental impact of its main window components. It will also work closely with suppliers on their sustainability journey to ensure the consistent improvement of EPD performance and to support the reduction of embodied carbon in building materials.



VELFAC windows with traditional glazing bars respects the heritage of the buildings, while setting high standards for the future, Denmark.

VELFAC, 2022

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VKR GROUP POLICIES

The following 17 Group Policies and one sub-policy apply to the VKR Group. These policies cover areas that are important or critical to the entire VKR Group. The policies apply to all companies ultimately owned or controlled by VKR Holding. Some of the policies, including the CSR Policy, also extend to business connections of the VKR Group.

- Anti-Corruption Policy
- Cash Management Policy
- Communication Policy
- Competition Law Compliance Policy
- Crisis Management Policy
- CSR Policy
- Data Privacy & Ethics
- Dividend Policy
- Financial Information Policy
- Foreign Currency Exposures Policy
- Insurance Policy
- IPR Policy
- Legal Policy
- Risk Management Policy
- Sanctions Compliance Policy
- Tax Policy
- Transfer Pricing Policy
- Policy on the Prevention of Facilitation of Tax Evasion (sub-policy of the Tax Policy)

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

In 2020, the Board of VKR Holding decided to make the Group policies public. They can be found at this webpage: www.vkr-holding.com/governance/.

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ESG REPORTING PRINCIPLES

The report covers the period 1 January 2022 – 31 December 2022.

ENVIRONMENT

Energy consumption
Total energy consumption is calculated in accordance with the Greenhouse Gas Protocol (GHGP).

Scope 1 CO2e
Direct emissions from owned or controlled sources measured in carbon-dioxide equivalents (CO2e).

Scope 2 (location based) CO2e
Indirect emissions from the generation of consumed energy, based on average emission factors on the specific grid on which the energy is consumed.

Scope 2 (market based) CO2e
Calculated as residual mix emission factors taking into account retired Renewable Electricity Certificates (RECs) or Renewable Energy Guarantees of Origin (REGOs).

Scope 3 CO2e
Indirect emissions that are located in the company's value chain. The VELUX Group includes indirect emissions from purchased goods and services, business travel, capital goods, transportation, waste, as well as the use of our sold products and end of life treatment thereof. The DOVISTA Group includes indirect emissions from purchased goods and services, as well as transportation.

Share of renewable electricity
Consumed electricity, including retired RECs or REGOs relative to total electricity consumption.

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

SOCIAL

Percentage of women in workforce
Number of female employees relative to number of total employees. An employee is defined as a full-time employee. Employees exclude temporary and seasonal employees as well as interns, apprentices and students.

Percentage of female managers reporting to the CEO (Management)
Number of female managers reporting to the CEO relative to the total number of managers reporting to the CEO at year end. A manager is defined as a person who supervises at least one person.

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

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

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

GOVERNANCE

Percentage of women on the Board
Number of female Board members relative to the total number of Board members at year end.

Board meeting attendance rate
Number of Board meetings attended relative to all Board meetings in the reporting period (combined for all Board members).

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

Anti-corruption e-learning completion
Completion rate of the anti-corruption e-learning training module for select employees, based on their risk of exposure to corruption and bribery.

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

GOVERNANCE & RISK

OUR OBJECTIVE

We create **value** through **the ownership of companies** and **financial investments**

VELUX Modular skylights are the perfect way to provide daylight through the roof. Austria.

Gerd Perauer. 2021

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VELFAC windows at Kronborg Strandby, Denmark. Arkitema. *Michael Ellehammer, 2020*

RISK FACTORS

Global economic trends affect the VKR Group's business areas and the built environment in which they operate. As a result, the business areas are highly dependent on their ability to maintain strong market positions. This is achieved, among other things, through a dedicated focus on product development and by streamlining the value chain. The business areas continue to be well-positioned in relevant markets.

VKR Holding has a portfolio of financial investments of which returns are dependent on financial market developments.

This exposes the VKR Group to both operating and financial risks. Sustainability risks are addressed in the section 'Sustainability at the VKR Group' on page 27.

Furthermore, there is always a risk of unforeseen events, such as the coronavirus pandemic and, more recently, the war in Ukraine. These crises are examples of risks that highlight the need for business model agility. In 2022, the VKR Group's business areas managed this difficult and highly volatile economic environment with great skill. Business remained strong and with a solid focus on long-term value creation.

OPERATING RISKS

The level of activity in the construction industry is one of the VKR Group's greatest risks. The industry's primary growth drivers are macroeconomic conditions on individual markets. In 2022, business was affected by increasing prices of raw materials and energy, as well as by higher interest rates. This led to a lower activity level within the building industry, especially during the second half of the year.

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In 2023, this trend is expected to continue. On the other hand, energy price inflation could increase demand for the Group's products due to a heightened focus on energy efficiency in buildings. Increased demand could also be fuelled by the desire for daylight and fresh air in both the residential and commercial sectors.

Energy-efficient buildings and renewable energy sources are key to the Group as it sets the framework for future business opportunities. The VKR Group's business areas continuously focus on ensuring that products and services live up to current and future demands, as well as to societal expectations. Accordingly, the Group has an interest in ambitious political goals for energy-efficient solutions and for free and open competition.

Climate-related risks are addressed in greater detail in the 'Sustainability' section of this report.

PRODUCT QUALITY AND PRODUCT LIABILITY

The VKR Group is highly dependent on the quality of the products sold by the business areas. Failure to maintain high-quality standards may expose the Group to reputational risks, potential warranty expenses and lower earnings. Moreover, high product quality is necessary to secure and extend market positions.

Products that do not live up to expected quality are a costly burden. This risk is managed by comprehensive quality and environmental management systems that monitor all products from both the Group's own production and from suppliers. The testing of products is thorough and ongoing. It is carried out both internally and by independent and certified external testing institutions.

CREDIT RISK

The VKR Group's customer receivables are widely diversified, both in terms of geography and number of customers. Standard procedures have been established to manage customer credit agreements.

Due to the broad geographical distribution of the Group's activities, VKR Holding utilises a variety of banks around the world. It generally relies on large international banks to obtain the required services and to minimise the risk related to investing in cash and cash equivalents. The most important of these banks are credit rated on an ongoing basis.

IT SECURITY

In daily operations, the business areas are highly dependent on IT systems in order to manage the value chain, from product development to product delivery. Compromised IT systems or IT system crashes may result in a partial or complete suspension of business activities or in an increased risk of fraud.

For these reasons, a high IT security level is prioritised to counter the increasingly sophisticated attacks on the Group's IT systems. This includes maintenance and improvement of technical platforms, as well as the ongoing training of employees. Moreover, the Group constantly strives to improve its ability to identify successful attacks in order to stop them at an early stage. In the event of a system crash, the Group works to improve contingency plans so that IT systems can be restored as soon as possible.

In 2022, the VELUX Group and VKR Holding completed a change of IT outsourcing partners in order to increase IT security across the entire organisation through the introduction of new IT security services.

SUPPLY CHAIN RISK

In 2022, the aftermath of the coronavirus pandemic and the war in Ukraine caused global volatility and uncertainty. This disrupted supply chains and created shortages of raw materials and semi-conductors upon which the VKR Group's business areas are dependent. The result was higher prices on raw materials.

Movements in commodity prices can affect the VKR Group's results. In 2022, higher commodity prices and the shortage of certain raw materials were mitigated, to some extent, through good relations with suppliers and price adjustments in the market. The majority of the business areas' suppliers are strategically located close to the VKR Group's main production sites, which further mitigates the risk. Despite such mitigation efforts, shortages of raw materials and higher commodity prices will remain risks going forward.

FINANCIAL RISKS

EQUITY MARKET RISK

VKR Holding has a large portfolio of financial investments. The investments are exposed to risks according to geography, market, industry and type of financial instrument. The primary risk is related to share price exposure, whereby a significant decrease in the share price may have a similar negative impact on VKR Holding's results. The portfolio is not leveraged to any significant extent.

INTEREST RATE RISK

Fluctuations in interest rates have a major impact on the VKR Group's return on financial investments. The listed investments are particularly affected by increases or decreases in the interest rate, whereas other asset classes are influenced to a lesser extent.

Nevertheless, the interest rate risk of financial investments is considered moderate, and interest rates are monitored on an ongoing basis. The VKR Group rarely takes on external interest-bearing debt, which is reflected in the Group's high equity ratio. Consequently, the interest rate risk on debt

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The VKR Group has sufficient liquidity available to cover daily operations and to support potential acquisitions.

is considered limited. There may be advantages in raising external financing for larger investments and acquisitions as well as for seasonal negative cash flows. But, increased external financing will also affect interest rate risk depending on the type of loan, its duration, etc., and should be evaluated in connection with the interest rate risk on financial investments.

FOREIGN EXCHANGE RISK

The VKR Group operates sales and production activities worldwide. A significant part of the business is conducted in EUR. Due to the Danish pegged exchange rate policy in which the value of the DKK is kept stable against EUR, there are only minor fluctuations and, consequently, no significant currency risks. The largest exposures in terms of risk relate to GBP, CHF and PLN.

The Group does not engage in the hedging of operational foreign currency exposure. In connection with the purchase and sale of companies or assets, an ad hoc assessment is made of whether the currency risk should be covered externally.

Financial investments are exposed to a derived currency risk because the portfolio is diversified globally. The primary currency risk is USD. Currency hedging is conducted in accordance with the Group's guidelines. But considering the size of the portfolio, only a limited share of the portfolio's currency risk is hedged.

LIQUIDITY RISK AND FINANCIAL RESOURCES

The VKR Group has sufficient liquidity available to cover daily operations and to support potential acquisitions.

VKR Holding acts as an internal bank to the business areas. Consequently, the majority of the Group's cash is held in the parent company in the form of various liquidity tools, including cash pools. As a result, most of the companies in the Group have proportionately low balances with external banks. VKR Holding continuously monitors cash flow development in the business areas.

CORPORATE GOVERNANCE

VKR Holding remains committed to good corporate governance practices and to complying with the recommendations of the Danish Committee on Corporate Governance, when deemed relevant and appropriate for a non-listed company. Although these recommendations are primarily intended for companies listed on the Copenhagen stock exchange, the majority of the principles are also relevant for the Group.

The VKR Group's founder, Villum Kann Rasmussen, formulated the Model Company Objective as early as 1965. It mandates that the Group's companies act responsibly towards all stakeholders, while ensuring profits for continued growth. Every company in the Group aspires to fulfil this objective.

The Model Company Objective also forms the essence of the VKR Group's approach to corporate social responsibility. It defines the Group's overarching goal of achieving sustainability and contributing to the UN Sustainable Development Goals and its Global Compact initiative.

To supplement this objective, the Board of Directors of VKR Holding has approved 17 Group policies which constitute the Group's guidelines on corporate governance. The Management and Boards of the business areas are responsible for ensuring compliance with the policies. The Group policies are publicly available on our website: www.vkr-holding.com/governance/.

The VKR Group has three levels of governance: the shareholders, VKR Holding A/S and the business areas. An agreement on active ownership and interaction between the three levels has been established.

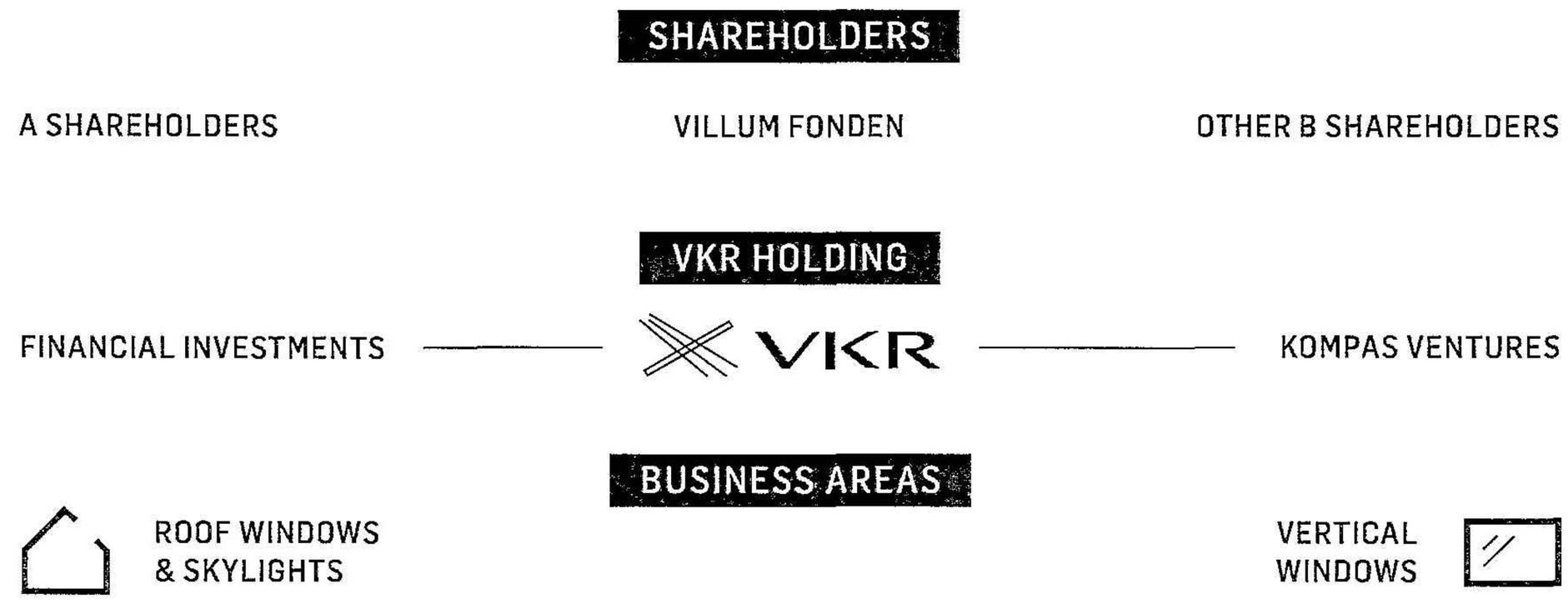
SHAREHOLDERS

The shareholders perform all the functions bequeathed to the owners of the company at the general meetings. In addition, four ordinary shareholder meetings are held each year between shareholder representatives and VKR Holding's Chair, Vice Chair and Executive Management. At these meetings, the shareholders are informed of developments in the VKR Group, including the strategy, risk profile, performance, ESG factors and organisational-related topics of the Group's companies. The meetings are always held according to a pre-approved agenda.

No Board members in VKR Holding A/S hold shares in VKR Holding A/S or its subsidiaries.

VKR HOLDING

At the annual general meeting in March 2022, Per Skovsted was appointed the newest member of the Board, which now consists of six directors. Up to two directors are elected from the company's shareholders, including directors of the Board of VILLUM FONDEN, while at least three Board members are elected independently of the shareholders, including from VILLUM FONDEN. One, of a maximum of two Board members elected from the group of shareholders, must also serve on the Board of VILLUM



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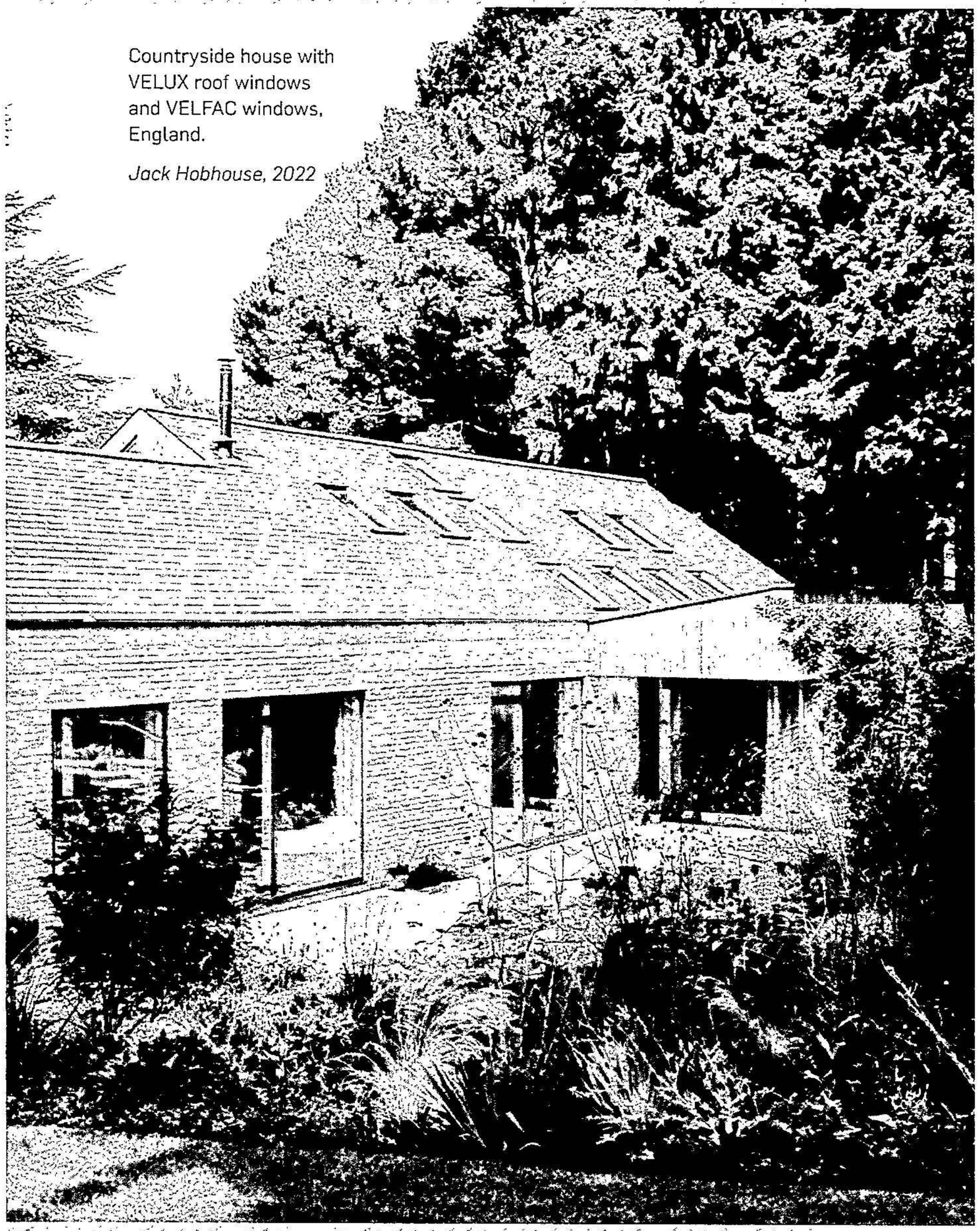

Countryside house with VELUX roof windows and VELFAC windows, England.

Jack Hobhouse, 2022

FONDEN. Currently, Jørgen Tang-Jensen fulfils this requirement.

All Board members must meet the prevailing fit and proper guidelines. The chair is elected by the shareholders at the annual general meeting. The Board is responsible for the overall strategic direction of VKR Holding and operates according to an annual schedule. This ensures that significant strategic, financial and operational matters are addressed at Board meetings. Furthermore, initiatives in relation to the environment, employees and the organisation are discussed. The Board of Directors of VKR Holding also ensures ongoing communication between the company and its shareholders so that expectations and positions are aligned.

According to the annual schedule, four ordinary Board meetings are held each year. In 2022, Board attendance rate was 100%. Extraordinary Board meetings are held when necessary, but no such meetings were held during 2022. To ensure that the Board of Directors has first-hand knowledge of the Group's activities, at least one of the annual meetings includes a visit to the business areas.

In June 2022, the Board of Directors had the opportunity to visit the VELUX factory, JTJ-D in Sonneborn Germany, as well as VELUX's Central European warehouse. The Board also visited Weru in Triptis, Germany, one of the companies acquired by the DOVISTA Group in 2021, which produces PVC windows primarily for the German market.

The Executive Management of the business areas regularly update VKR Holding's Board on business developments based upon documentation prepared for their own Boards.

In 2021, a professional external expert evaluated the Board of VKR Holding, in accordance with good governance recommendations from the Danish Committee on Corporate Governance. The evaluation identified improvement areas such as the role of the Nomination Committee and its reporting, risk reporting, and the implementation of additional recommendations. All three areas are currently being addressed.

In 2022-2023, an internal Board evaluation was carried out by the Board of VKR Holding. The evaluation included Board composition, contribution and results, as well as the Board's agenda and cooperation between the Board of Directors and Executive Management. The results from the evaluation will be discussed in 2023 with the aim of implementing improvements.

COMMITTEES

As preparatory bodies to the Board of Directors of VKR Holding, two committees have been established: the Audit Committee and the Nomination Committee.

The purpose of the Audit Committee is to assist VKR Holding's Board in supervising

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the company's risk management processes, including its internal control systems, financial reporting and external audits. The committee also assists the Board of Directors in evaluating the VKR Group's aggregate risks and the VKR Group's non-audit services. The committee is appointed by the Board and consists of two directors: Anne Broeng (Chair) and Lise Kaae. The committee holds two scheduled meetings annually.

The purpose of the Nomination Committee is to ensure the appropriate composition of the Boards of Directors of VKR Holding A/S and of the business areas' parent companies. The committee acts as a preparatory body for VKR Holding's Board, which identifies and nominates director candidates. The committee also evaluates the composition of VKR Holding's Board of Directors. The Nomination Committee comprises VKR Holding A/S' Chair and Vice Chair, while the CEO participates in the meetings. The committee convenes at least once a year.

Further, an Advisory Board has been established to assist VKR Holding's Board of Directors and management regarding venture capital investments including the role as cornerstone investor in KOMPAS Ventures. The Advisory Board supervises corporate governance of the Partnership and its investments. The KOMPAS Advisory Board shall consist of at least three and a maximum of six members including the Chair. VKR Holding's CEO acts as Chair and from the Board of VKR Holding A/S, Jørgen Falkebo Jensen and Lise Kaae have been appointed as members.

BUSINESS AREAS

VKR Holding's business areas operate with a high degree of independence. The Boards of Directors of the business areas are responsible for operations, strategy, reputation and risk management of their respective companies. The strategies, capital resources and risk profiles of the business areas are regularly aligned with VKR Holding.

As part of the interaction between VKR Holding and the business areas, the Boards of the business areas include a representative from VKR Holding's Board of Directors or its Executive Management. Only independent directors of VKR Holding's Board can serve on the Board of a business area.

Group policies support the operational independence of the business areas by allowing the Boards of the business areas to implement supplemental or more comprehensive policies where appropriate.

TAX GOVERNANCE

VKR Holding's Board of Directors has approved the VKR Group Tax Policy which states that tax management is based upon the Model Company Objective. The tax policy mandates acting with a commitment to being a good corporate citizen, while also remaining conscious of the need for profitability to ensure continued growth.

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

The VKR Group cooperates with tax authorities in a timely, open and honest manner and has voluntarily joined the Danish tax authorities' Tax Governance programme to increase knowledge sharing and transparency. This, and any other cooperative relationships related to tax, must be based on mutual respect, professionalism and trust.

VKR Holding's tax policy has been approved by the Board of Directors and made public. The policy is available on VKR Holding's website: www.vkr-holding.com/governance/.

VKR Holding's Board of Directors is responsible overall for taxes in VKR Holding and in the VKR Group. However, the Board of VKR Holding delegated the specific responsibility for the tax policy and compliance reviews of this to the Chair of the Audit Committee. The Boards of the business areas are responsible for taxes in the individual business areas.

The business area Boards must ensure that relevant procedures have been established for reporting to VKR Holding on compliance with tax policies, tax risks and related trends.

Internally, the VKR Group has tax experts who are either qualified to determine the tax implications of transactions or are able to assess the need for external tax advice.

Business in the VKR Group is driven by a commercial rationale in which the tax implications of commercial transactions are evaluated, and relevant deductions and incentives are applied, all within the framework of relevant legislation. In one example of incentives, the Danish expat tax scheme is used to attract highly skilled specialists. Moreover, in accordance with Danish tax legislation, the 130% 'super deduction' for R&D costs is used to support the further development of the Group's innovative products.

In connection with the establishment of production in Lithuania in 2016, for example, a period of exemption and reduction of the corporate income tax rate was granted until the end of 2032. Tax credits were also used in France in connection with contract development activities.

The Group does not engage in artificial, non-business-driven planning of transactions or in business structures used solely for the purpose of saving taxes.

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We only operate in countries included in the EU list of non-cooperative jurisdictions in case of sound business reasons. In the beginning of 2023, Russia was added to this EU list. Immediately after Russia's invasion of Ukraine, VELUX decided to permanently close its operations (sale of roof windows) in Russia. Currently, ZAO VELUX is in liquidation.

WHISTLEBLOWER SCHEME

The VKR Group has a whistleblower system that allows any stakeholder to anonymously report suspected illegal behaviour or violation of Group policies. Complaints can derive from actions by employees of the VKR Group or others with a relation to the VKR Group, from applicable legislation, or from internal policies, among other things. Both employees of VKR Group companies and persons from outside of the VKR Group can report to the whistleblower system. The system is accessible from internal and external websites within the VKR Group.

In order to ensure impartiality and objectivity in assessment and processing, whistleblower complaints are made to an external web portal hosted by an external whistleblower platform provider and are preliminary assessed by an external law firm. In addition, complaints are dealt with securely by external and impartial parties in accordance with the General Data Protection Regulation.

TARGET EQUALITY

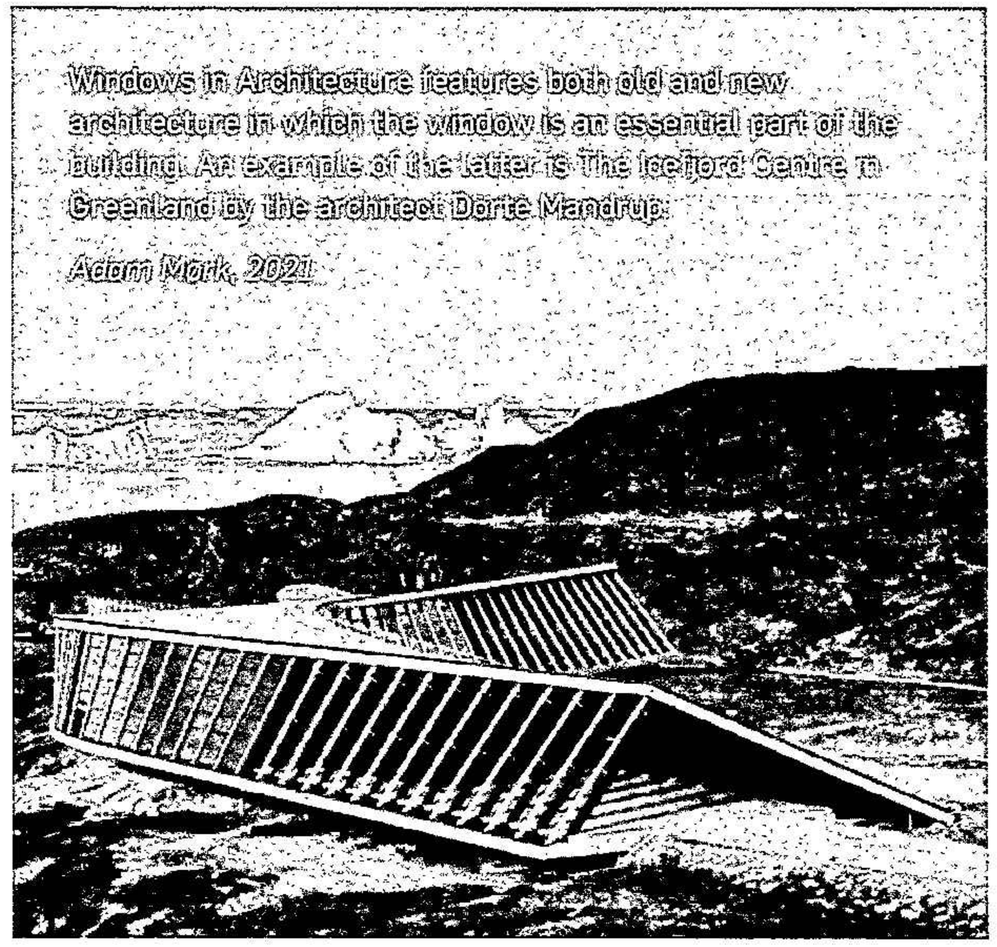
In the Model Company Objective, the VKR Group strives to treat employees of all categories better than most, which is why mutual respect is a core value. Therefore, the Group easily identifies with the UN Global Compact's 'Target Gender Equality' initiatives. However, we view this initiative from a broader perspective by striving to treat everyone equally and with respect, regardless of age, race, gender, religion or sexual orientation. In the VKR Group, gender discrimination and/or any other form of discrimination or offensive behaviour is not tolerated.

BOOK LAUNCH

NEW BOOK ON WINDOWS IN ARCHITECTURE

The window is one of the most essential components of architecture, yet it rarely receives the detailed examination that it deserves. Therefore, VKR Holding, in collaboration with author Christopher Masters and Merrell Publishers, initiated the publication of the book, 'Windows in Architecture'. The book explores the development of the window over the centuries showing how it transformed human experience by increasing access to light and air, and simultaneously changed perceptions of the architectural space.

Christopher Masters celebrates the multiple roles of the window in architecture through thematic chapters that allow for spectacular visual comparisons, juxtaposing images from different cultures and historical periods. He provides lively commentaries on over eighty exceptional buildings of all types, both ancient and modern, ranging from the Pantheon in Rome, Hagia Sophia in Istanbul, the Sainte-Chapelle in Paris and the Katsura Imperial Villa in Kyoto to Walter Gropius's Bauhaus in Dessau, Eero Saarinen's TWA Terminal in New York, Jean Nouvel's Louvre Abu Dhabi and Dorte Mandrup's Icefjord Centre in Greenland. Featuring 150 superb illustrations, this is an intriguing and accessible survey of a formerly neglected subject in architectural history.



Windows in Architecture features both old and new architecture in which the window is an essential part of the building. An example of the latter is The Icefjord Centre in Greenland by the architect Dorte Mandrup.

Adam Mork, 2021

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THE BOARD OF DIRECTORS OF VKR HOLDING A/S

From left: Lise Kaae, Jørgen Falkeboe Jensen, Per Skovsted, Jørgen Tang-Jensen, Anne Broeng, and Thomas Thune Andersen.

Martin Juul Photography, 2023

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THE BOARD OF DIRECTORS OF VKR HOLDING A/S

THOMAS THUNE ANDERSEN
Chair

Appointed Chair 2020, Appointed Board Member 2010

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

Chair of the Nomination Committee

Honorary positions
Chair: Ørsted A/S / Lloyd's Register Group / Lloyd's Register Foundation

Member: IMI plc / BW Group Ltd. / Green Hydrogen Systems A/S / Tænketanken Hav / World Economic Forum / Chairmens community / The Danish Committee on Corporate Governance

Participated in all Board and Nomination Committee meetings in 2022

JØRGEN FALKEBO JENSEN
Vice Chair

Appointed Vice Chair 2020, Appointed Board Member 2020

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

Member of the Nomination Committee

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

Member: Armacell International S.A.

Participated in all Board and Nomination Committee meetings in 2022

ANNE BROENG
Member of the Board of Directors

Appointed 2012

Expertise:
Extensive board and operational experience within strategy, finance, IT, risk management, asset management and ESG

Chair of the Audit Committee

Honorary positions
Chair: Velliv / Asta & Jul. P. Justesen Fond

Vice Chair: Børns Vilkår

Member: Rambøll Group / NNIT A/S / ATP / SleepCycle AB / Aquaporin A/S

Participated in all Board and Audit Committee meetings in 2022

JØRGEN TANG-JENSEN
Member of the Board of Directors

Appointed 2018, Considered dependent

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

Directly elected by the shareholders in VKR Holding A/S in accordance with the Governance statutes

Honorary positions
Chair: Tænketanken Europa

Member: VILLUM FONDEN / ROCKWOOL INTERNATIONAL A/S / Maj Invest Holding

Participated in all Board meetings in 2022

LISE KAAE
Member of the Board of Directors

Appointed 2020

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

Member of the Audit Committee

CEO of HEARTLAND A/S

Honorary positions
Member: Chr. Hansen Holding A/S / Klarna Bank AB / Various board positions in the subsidiaries of the HEARTLAND Group

Participated in all Board and Audit Committee meetings in 2022

PER SKOVSTED
Member of the Board of Directors

Appointed 2022

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

Honorary positions
Vice Chair: Nordea Invest

Member: A/S Stryhns Familieselskab / True Content Entertainment ApS / Wide Invest ApS / Spinnewco ApS

Participated in all Board meetings after being appointed at the Annual General Meeting in 2022

THE VKR GROUP AS OF 31 DECEMBER 2022

VKR HOLDING

FINANCIAL INVESTMENTS

VKR

KOMPAS VENTURES

ROOF WINDOWS & SKYLIGHTS

VELUX®

VELUX® Commercial

altaterra

dakvenster.com

VERTICAL WINDOWS

DOVISTA® windows and doors

VELFAC®

Mockfjärds

OFI DOORS & PANELS

rationel®

dobroplast®

EgoKiefer Fenster und Türen

natre®

WERTBAU® Mehr Licht zum Leben

KRONE

weru

Lian

SVENSKA FÖNSTER

okná a dvere Slovaktuál®

VKR

COMPANY DETAILS

VKR Holding A/S
Breeltevej 18
2970 Hørsholm
Denmark

Telephone:
+45 39 69 11 44

Website:
www.vkr-holding.com

CVR no.:
30 83 04 15

Founded:
7 February 1968

Registered office:
Hørsholm

Financial year:
1 January – 31 December

BOARD OF DIRECTORS

Thomas Thune Andersen
Chair

Jørgen Falkebo Jensen
Vice Chair

Anne Broeng

Jørgen Tang-Jensen

Lise Kaae

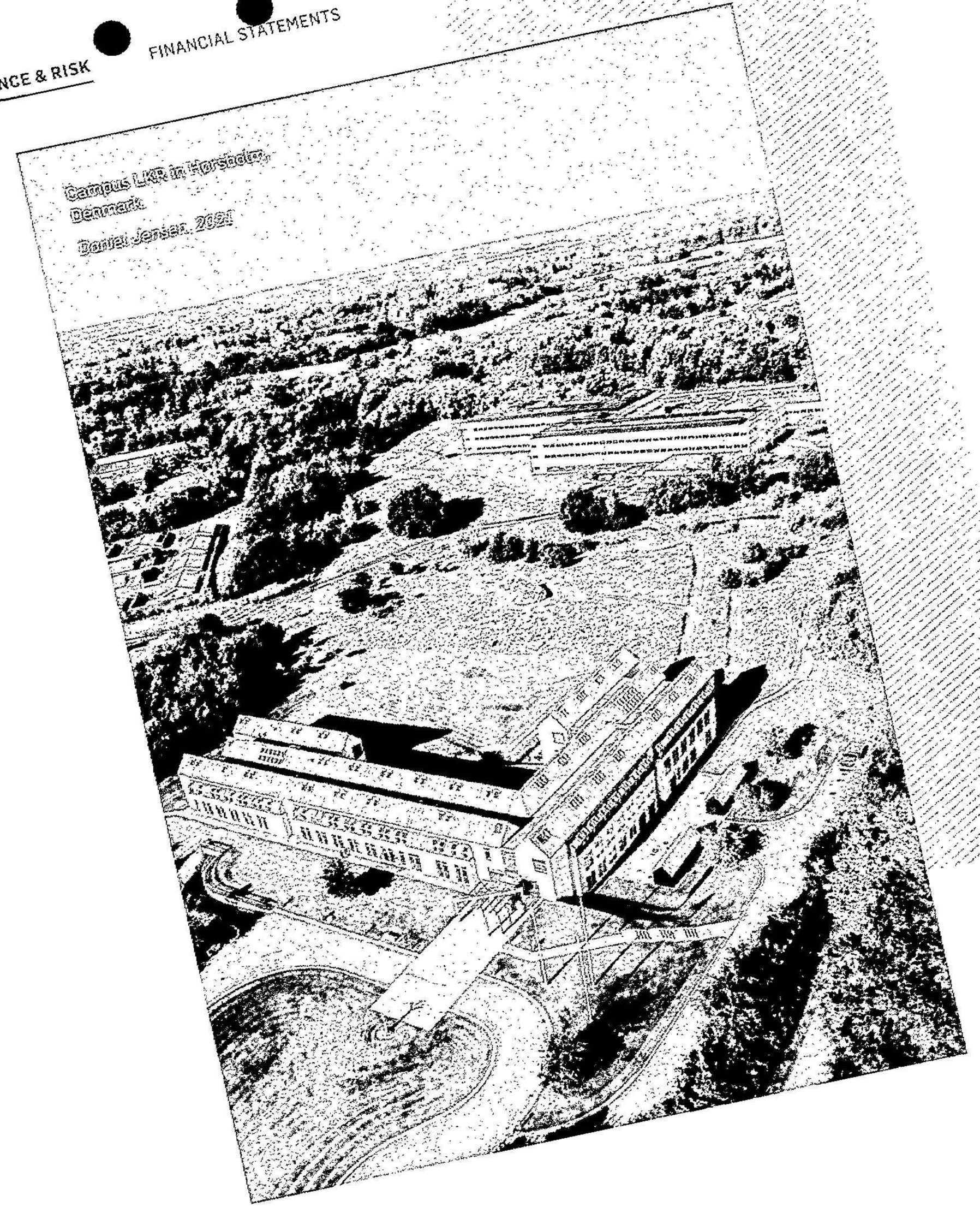
Per Skovsted

EXECUTIVE MANAGEMENT

Mads Kann-Rasmussen
CEO

AUDITOR

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
Denmark



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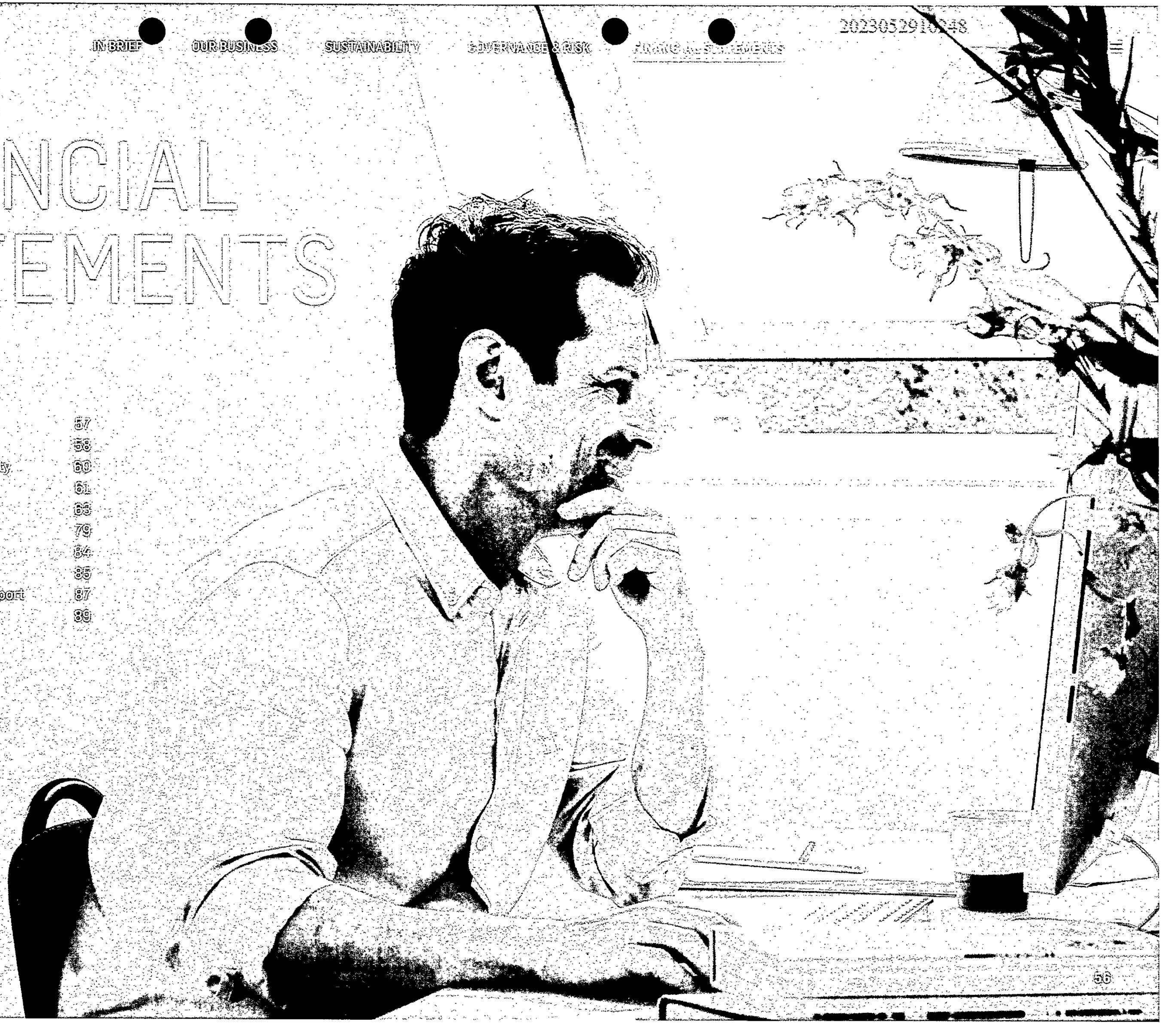

Home office with VELUX roof window provides daylight and fresh air to a healthy working environment at home.

Jesper Jørgen Fotograf, 2022

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INCOME STATEMENT 1 JANUARY – 31 DECEMBER

		GROUP		PARENT COMPANY	
DKKm	**Note**	**2022**	**2021**	**2022**	**2021**
Revenue	1	31,889	26,093		
Changes in inventories of finished goods and work in progress		694	658		
Work performed for own account and capitalised		59	27		
Other operating income		830	113	3,740	3,433
		33,472	26,891	3,740	3,433
Costs of raw materials and consumables		12,210	8,873		
Other external costs		7,990	6,533	735	647
Employee costs	2	8,022	6,641	63	55
Depreciation, amortisation and impairment losses		1,121	936	153	91
Profit before financial items and tax		4,130	3,907	2,788	2,640
Income from investments in subsidiaries	9			803	686
Income from investments in participating interests	9	16	54		46
Financial income	3	1,320	3,030	1,338	3,120
Financial expenses	4	3,471	620	3,230	409
Profit before tax		1,994	6,371	1,699	6,082
Tax for the year	5	421	1,374	126	1,084
Profit after tax		1,573	4,997	1,573	4,997
Minority interests after tax		0			
Profit for the year	6	**1,573**	**4,997**	**1,573**	**4,997**

Distribution of profit

DKKm		
Proposed dividend	1,000	1,000
Transferred to equity reserves	573	3,997
Total distribution of profit	1,573	4,997

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BALANCE SHEET 31 DECEMBER

		GROUP		PARENT COMPANY	
DKKm	Note	2022	2021	2022	2021
ASSETS					
Fixed assets					
Intangible assets	7	2,769	3,120	1,181	1,324
Property, plant and equipment	8	5,582	5,383	209	319
Investments	9	4,416	3,968	8,630	6,414
Total fixed assets		12,768	12,471	10,020	8,057
Current assets					
Inventories	10	4,941	3,951		
Receivables					
Trade receivables		2,631	2,522		
Contract work in progress	11	266	237		
Receivables from subsidiaries				7,577	7,609
Corporation tax receivable		260	275	187	187
Deferred tax assets	12	374	288		
Other receivables		844	484	24	46
Prepayments	13	221	229	7	2
Total receivables		4,596	4,035	7,795	7,844
Securities		11,033	13,755	10,812	13,555
Cash and cash equivalents		890	823	361	89
Total current assets		21,459	22,565	18,967	21,488
TOTAL ASSETS		**34,227**	**35,036**	**28,987**	**29,545**

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BALANCE SHEET 31 DECEMBER (continued)

		GROUP		PARENT COMPANY	
DKKm	**Note**	**2022**	**2021**	**2022**	**2021**
EQUITY AND LIABILITIES					
Equity					
Share capital	**14**	110	110	110	110
Exchange rate reserve		-14	-108		
Hedging reserve				-30	-2
Retained earnings		24,925	24,318	24,941	24,212
Proposed dividend		1,000	1,000	1,000	1,000
Minority interests		2			
Total equity		26,022	25,320	26,021	25,320
Provisions					
Deferred tax liabilities	**15**	380	509	148	239
Other provisions	**16**	981	846		6
Total provisions		1,361	1,355	148	245
Liabilities					
Non-current liabilities other than provisions	**17**	51	1,152		1,115
Current liabilities other than provisions					
Current portion of non-current liabilities other than provisions	**17**	1,206	1,153	1,190	1,115
Credit institutions		1	268		264
Prepayments from customers		301	321		
Trade payables		2,123	2,065	23	24
Payables to subsidiaries				1,484	1,382
Payables to participating interests		9	20		
Corporation tax payable		184	351		
Other current liabilities		2,969	3,030	121	80
Total current liabilities other than provisions		6,793	7,210	2,819	2,865
Total liabilities other than provisions		6,844	8,362	2,819	3,980
TOTAL EQUITY AND LIABILITIES		**34,227**	**35,036**	**28,987**	**29,545**

18 Contractual obligations and contingencies etc.

19 Related parties

20 Currency risks and use of derivative financial instruments

21 Fair value information

22 Fee to auditors appointed by the Company in general meeting

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STATEMENT OF CHANGES IN EQUITY

GROUP

DKKm	Share capital	Exchange rate reserve	Retained earnings	Proposed dividend	Minority interests	Total
Equity at 1 January 2022	110	-108	24,318	1,000	0	25,320
Dividend paid				-1,000		-1,000
Profit for the year			573	1,000	0	1,573
Exchange rate adjustments, foreign subsidiaries		94				94
Actuarial gains and losses on pension			-192			-192
Tax on equity transactions			28			28
Additions					2	2
Other adjustments			198			198
Equity at 31 December 2022	**110**	**-14**	**24,925**	**1,000**	**2**	**26,022**

PARENT COMPANY

DKKm	Share capital	Hedging reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022	110	-2	24,212	1,000	25,320
Exchange rate adjustments etc.			-41		-41
Dividend paid				-1,000	-1,000
Profit for the year			573	1,000	1,573
Adjustment of hedging instruments at fair value		-36			-36
Tax on equity transactions		8	-1		7
Other adjustments			198		198
Equity at 31 December 2022	**110**	**-30**	**24,941**	**1,000**	**26,021**

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CASH FLOW STATEMENT

		GROUP	
DKKm	**Note**	**2022**	**2021**
Operating cash flow before changes in working capital		4,926	4,900
Changes in working capital		-1,554	-1,105
Corporation tax paid		-582	-1,199
Cash flow from operating activities		**2,790**	**2,597**
Acquisitions and disposals of enterprises and activities	**23**	-11	-2,887
Acquisitions and disposals of intangible and tangible fixed assets		-406	-710
Cash flow used in operating investing activities		-417	-3,598
Purchase and sale of securities		-755	-633
Cash flow used in investing activities		**-1,172**	**-4,231**
Financial income and financial expenses		686	594
Net proceeds from loans		-1,304	2,451
Dividends from participating interests		3	9
Capital increase from minority interests		2	
Dividend paid		-1.000	-2,000
Cash flow used in financing activities		**-1,613**	**1,054**
Total cash flow for the year		**5**	**-580**
Cash and cash equivalents at 1 January		823	1,478
Exchange rate adjustments		62	-75
Cash and cash equivalents at 31 December		**890**	**823**

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NOTES

Vario by VELUX gives an abundance of daylight to a kitchen. England.

Tony Ellis Photography, 2022

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NOTES

1 Revenue

Revenue	GROUP	
DKKm	**2022**	**2021**
Revenue by business segments:		
Roof windows & skylights	22,272	19,796
Vertical windows	9,625	6,285
Other areas and eliminations	-8	12
Total revenue	**31,889**	**26,093**

Revenue	GROUP	
DKKm	**2022**	**2021**
Revenue by geographical segments:		
Europe	28,956	23,546
Rest of the world	2,933	2,548
Total revenue	**31,889**	**26,093**

2 Employee costs

Employee costs	GROUP		PARENT COMPANY	
DKKm	**2022**	**2021**	**2022**	**2021**
Wages and salaries	6,745	5,602	58	51
Pensions	414	341	5	4
Other social security costs	863	697	0	0
Total employee costs	**8,022**	**6,641**	**63**	**55**
Average number of full time employees	**20,007**	**17,104**	**47**	**44**

Employee costs comprise remuneration of the Executive Management and of the Board of Directors DKKm 12 (2021: DKKm 11).

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NOTES (continued)

3 Financial income

The parent company's interest income from subsidiaries amounted to DKKm 161.9 (2021: DKKm 192.6).

The Group's bank interest income amounted to DKKm 6.9 (2021: DKKm 8.5), while the parent company's bank interest income amounted to DKKm 1.4 (2021: DKKm 0.0).

4 Financial expenses

The parent company's interest expenses to subsidiaries amounted to DKKm 19.6 (2021: DKKm 0.2).

The Group's bank interest expenses amounted to DKKm 16.1 (2021: DKKm 6.4), while the parent company's bank interest expenses amounted to DKKm 8.3 (2021: DKKm 3.4).

5 Tax for the the year

	GROUP		PARENT COMPANY	
DKKm	**2022**	**2021**	**2022**	**2021**
Current tax for the year	661	1,445	236	926
Prior year adjustment	-17	12	-19	2
Change in deferred tax for the year	-222	-84	-91	157
Total tax for the year	**421**	**1,374**	**126**	**1,084**

The Group's current and deferred tax including prior year adjustments amounted to DKKm 421 (2021: DKKm 1,374), equivalent to an effective tax rate of 21.1% (2021: 21.6%).

6 Distribution of profit

	PARENT COMPANY	
DKKm	**2022**	**2021**
Proposed dividend	1,000	1,000
Transferred to equity reserves	573	3,997
Total distribution of profit	**1,573**	**4,997**

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NOTES (continued)

7 Intangible assets

	GROUP				
DKKm	Completed development projects	Acquired patents, licences, trademarks, etc.	Goodwill	Prepayments and development projects in progress	Total
Cost at 1 January 2022	653	1,756	3,824	14	6,248
Exchange rate and other adjustments	3	4	-7	1	1
Additions	6	45	7	18	76
Disposals		-65	-2	-6	-73
Transferred		18		-6	12
Cost at 31 December 2022	662	1,759	3,823	21	6,264
Amortisation and impairment losses at 1 January 2022	604	595	1,929		3,128
Exchange rate and other adjustments	3	1	-20		-16
Amortisation	34	190	211		435
Impairment losses		6			6
Disposals		-58			-58
Amortisation and impairment losses at 31 December 2022	641	734	2,120		3,495
Carrying amount at 31 December 2022	**21**	**1,024**	**1,703**	**21**	**2,769**
Carrying amount at 31 December 2021	48	1,162	1,896	14	3,120

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NOTES (continued)

7 Intangible assets (continued)

PARENT COMPANY DKKm	Acquired patents, licences, trademarks, etc.
Cost at 1 January 2022	1,726
Additions	0
Cost at 31 December 2022	1,726
Amortisation and impairment losses at 1 January 2022	403
Amortisation	143
Amortisation and impairment losses at 31 December 2022	546
Carrying amount 31 December 2022	**1,181**
Carrying amount 31 December 2021	1,324

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NOTES (continued)

8 Property, plant and equipment

	GROUP				
DKKm	**Land and buildings**	**Plant and machinery**	**Other fixtures and fittings, tools and equipment**	**Prepayments and assets under construction**	**Total**
Cost at 1 January 2022	5,509	6,771	1,011	362	13,653
Exchange rate and other adjustments	-45	-80	-6		-131
Acquisition of enterprises			2		2
Additions	196	258	88	578	1,120
Disposals	-719	-79	-68	-7	-873
Transferred	38	95	20	-165	-12
Cost at 31 December 2022	4,979	6,966	1,047	767	13,759
Depreciation and impairment losses at 1 January 2022	2,796	4,687	787		8,270
Exchange rate and other adjustments	-18	-62	-6		-86
Impairment losses	2				2
Depreciation	137	449	93		679
Disposals	-562	-69	-59		-690
Transferred	-2		2		0
Depreciation and impairment losses at 31 December 2022	2,353	5,006	818		8,177
Carrying amount at 31 December 2022	**2,626**	**1,960**	**229**	**767**	**5,582**
Carrying amount at 31 December 2021	2,713	2,084	224	362	5,383
Included capital leased assets	16	1	9		26

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NOTES (continued)

8 Property, plant and equipment (continued)

	PARENT COMPANY			
DKKm	**Land and buildings**	**Other fixtures and fittings, tools and equipment**	**Prepayments and assets under construction**	**Total**
Cost at 1 January 2022	1,021	43	7	1,071
Additions	8	1	16	24
Disposals	-585			-585
Cost at 31 December 2022	444	43	22	511
Depreciation and impairment losses at 1 January 2022	718	33		752
Depreciation	6	4		10
Disposals	-461			-461
Depreciation and impairment losses at 31 December 2022	264	37		301
Carrying amount at 31 December 2022	**180**	**7**	**22**	**209**
Carrying amount at 31 December 2021	303	10	7	319

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NOTES (continued)

9 Investments

	GROUP			
DKKm	Investments in participating interests	Other investments	Other receivables	Total
Cost at 1 January 2022	240	2,576	397	3,213
Exchange rate and other adjustments			23	23
Additions		1,245	2	1,248
Disposals		-534		-534
Transferred	-224	224		0
Cost at 31 December 2022	16	3,511	422	3,948
Value adjustments at 1 January 2022	104	651		755
Profit for the year	16	258		274
Dividends received	-3			-3
Disposals		-310	-270	-581
Transferred	-96	96		0
Other adjustments			21	21
Value adjustments at 31 December 2022	21	696	-249	468
Carrying amount at 31 December 2022	**37**	**4,206**	**173**	**4,416**
Carrying amount at 31 December 2021	344	3,227	397	3,968

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NOTES (continued)

9 Investments (continued)

	PARENT COMPANY			
DKKm	Investments in subsidiaries	Investments in participating interests	Other investments	Total
Cost at 1 January 2022	3,570	224	2,477	6,271
Additions	2,066		732	2,798
Disposals	-255		-471	-726
Transferred		-224	224	0
Cost at 31 December 2022	5,381	0	2,961	8,343
Value adjustments at 1 January 2022	-588	96	635	143
Exchange rate and other adjustments	-20			-20
Profit for the year	803		249	1,052
Dividends received	-691			-691
Disposals	103		-299	-196
Transferred		-96	96	0
Value adjustments at 31 December 2022	-393	0	681	287
Carrying amount at 31 December 2022	**4,988**	**0**	**3,642**	**8,630**
Carrying amount at 31 December 2021	2,982	320	3,112	6,414

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

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NOTES (continued)

10 Inventories

DKKm	GROUP 2022	GROUP 2021
Raw materials and consumables	1,777	1,486
Work in progress	722	664
Finished goods and goods for resale	2,442	1,801
Inventories at 31 December	**4,941**	**3,951**

11 Contract work in progress

DKKm	GROUP 2022	GROUP 2021
Selling price of work performed	503	616
Progress billings	-481	-431
Contract work in progress at 31 December	**22**	**185**
Recognised as follows:		
Contract work in progress (assets)	266	237
Prepayments from customers (liabilities)	-244	-52
Contract work in progress at 31 December	**22**	**185**

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NOTES (continued)

12 Deferred tax assets

DKKm	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Deferred tax assets at 1 January	288	157		
Exchange rate adjustments	-3	1		
Acquisition of enterprises		46		
Deferred tax adjustments for the year recognised in the income statement	99	86		
Tax on equity transactions	-10	-3		
Deferred tax assets at 31 December	**374**	**288**		

At 31 December 2022, the Group has recognised tax assets of DKKm 374. The tax assets represent tax loss carry forwards of DKKm 52 and unused tax credits from timing differences of DKKm 322. Based on budgets until 2024, Management has considered that future taxable income will be available for utilisation of the tax assets.

13 Prepayments

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

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NOTES (continued)

14 Share capital

At 31 December 2022, the share capital comprises:
10,000,000 A shares of DKK 1 each
99,869,000 B shares of DKK 1 each
The share capital has not changed during the past five years.
Each A share carries 10 voting rights, and each B share carries 1 voting right.

15 Deferred tax liabilities

	GROUP		PARENT COMPANY	
DKKm	2022	2021	2022	2021
Deferred tax liabilities at 1 January	509	213	239	83
Exchange rate adjustments	3	5		
Acquisition of enterprises		303		
Change in deferred tax for the year recognised in the income statement	-111	-12	-91	156
Tax on equity transactions	-21			
Deferred tax liabilities at 31 December	**380**	**509**	**148**	**239**

16 Other provisions

The provisions mainly relate to warranty provisions, and DKKm 355 are expected to fall due within a year after the end of the financial year (2021: DKKm 181).

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NOTES (continued)

17 Non-current liabilities other than provisions

DKKm	Total debt at 31 December 2022	Repayment next year	Long-term portion	Outstanding debt after 5 years
	GROUP			
Non-current liabilities other than provisions are recognised as follows:				
Credit institutions	1,192	1,192		
Lease liabilities	27	9	5	13
Other non-current liabilities	39	6	11	22
Total liabilities other than provisions at 31 December 2022	**1,257**	**1,206**	**16**	**35**

DKKm	Total debt at 31 December 2022	Repayment next year	Long-term portion	Outstanding debt after 5 years
	PARENT COMPANY			
Non-current liabilities other than provisions are recognised as follows:				
Credit institutions	1,190	1,190		
Total liabilities other than provisions at 31 December 2022	**1,190**	**1,190**		

NOTES (continued)

18 Contractual obligations and contingencies etc.

	GROUP		PARENT COMPANY	
DKKm	2022	2021	2022	2021
Lease obligations (operating leases) falling due within five years, total	233	243	1	2
Commitment relating to investment in equity funds	2,748	2,218	3,397	3,134
Rental obligations	1,519	731	39	47
Guarantees	224	207		
Other contractual obligations	241	271		

The parent company is jointly taxed with the other Danish companies in the VKR Group. The Company has unlimited joint and several liabilities with the other jointly Danish taxed companies for company taxes, interest thereon, etc. and for Danish tax withheld at source for dividend, interest and royalties within the joint taxation group. The parent company's rental obligations include DKKm 8 to subsidiaries (2021: DKKm 9), and the parent company's commitment relating to investments in equity funds include DKKm 803 to subsidiaries (2021: DKKm 995).

19 Related parties

Transactions between VKR Holding A/S and its related parties are settled on an arm's length basis. Pursuant to section 98c of the Danish Financial Statements Act, the Company has chosen to disclose transactions not conducted on an arm's length basis. In 2022 a capital raise in a subsidiary of DKKm 151 was performed in regards to an internal group transfer of shares. The Company has not had any other transactions of this type during the financial year.

20 Currency risks and use of derivative financial instruments

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

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

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

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

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

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NOTES (continued)

21 Fair value information

DKKm	GROUP Other investments	Securities	Derivative financial instruments
Fair value at 31 December	4,206	11,033	20
Value adjustments in the income statement	-51	-2,513	20
Changes recognised in the hedging reserve			0
Fair value level	3	1	3

DKKm	PARENT COMPANY Other investments	Securities	Derivative financial instruments
Fair value at 31 December	3,642	10,812	-47
Value adjustments in the income statement	-50	-2,480	-8
Changes recognised in the hedging reserve			-39
Fair value level	3	1	2

The Company's investments in "Other investments" (level 3 in the fair value hierarchy) primarily include investments in loan funds, property funds, private equity (capital funds) and similar passive investments (collectively referred to as "investment funds"). For this type of investments, fair value cannot be measured on basis of observations in an active market but is based on information of valuation from the funds themselves. At the conclusion of new investments in investment funds, VKR Holding receives information about the funds' overall principles for valuation and these are accepted if the Company chooses to invest in the investment fund. The fair value of its investments in investment funds is based on quarterly reports received. VKR Holding neither receives detailed information about fair value calculation of the investment funds, nor information about the key assumptions used in the fair valuation. The fair value of all investment funds is calculated based on non-observable inputs.

The valuation method is unchanged from 2021.

The fair value of the derivative financial instruments (level 3 in the fair value hierarchy) open on the balance sheet date is calculated by using the contracted minimum price, maximum price, and observable rates as of the balance sheet date combined with forward projections of the spot price for electricity. In the fair value assessment it is assumed that the spot price is above the maximum price for the remaining duration of the contract.

The fair value of the derivative financial instruments (level 2 in the fair value hierarchy) open on the balance sheet date is calculated using observable rates as of the balance sheet date. Value adjustments are calculated on the basis of the contracted prices.

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NOTES (continued)

22 Fee to auditors appointed by the Company in general meeting

	GROUP		PARENT COMPANY	
DKKm	**2022**	**2021**	**2022**	**2021**
Fee to auditor appointed by the Company in general meeting	27	25	2	4
Other auditors	3	2		
Total fee	**30**	**27**	**2**	**4**
The fee can be specified as follows:				
Statutory audit	18	18	0	0
Tax consultancy	4	4	1	3
Other assurance engagements	4	1		
Non-audit services	4	5	1	
Total fee	30	27	2	4

23 Acquisitions and disposals of enterprises and activities

The excess of initial recognition of acquired enterprises and activites amounts to DKKm 11, of which goodwill amounts to DKKm 7.

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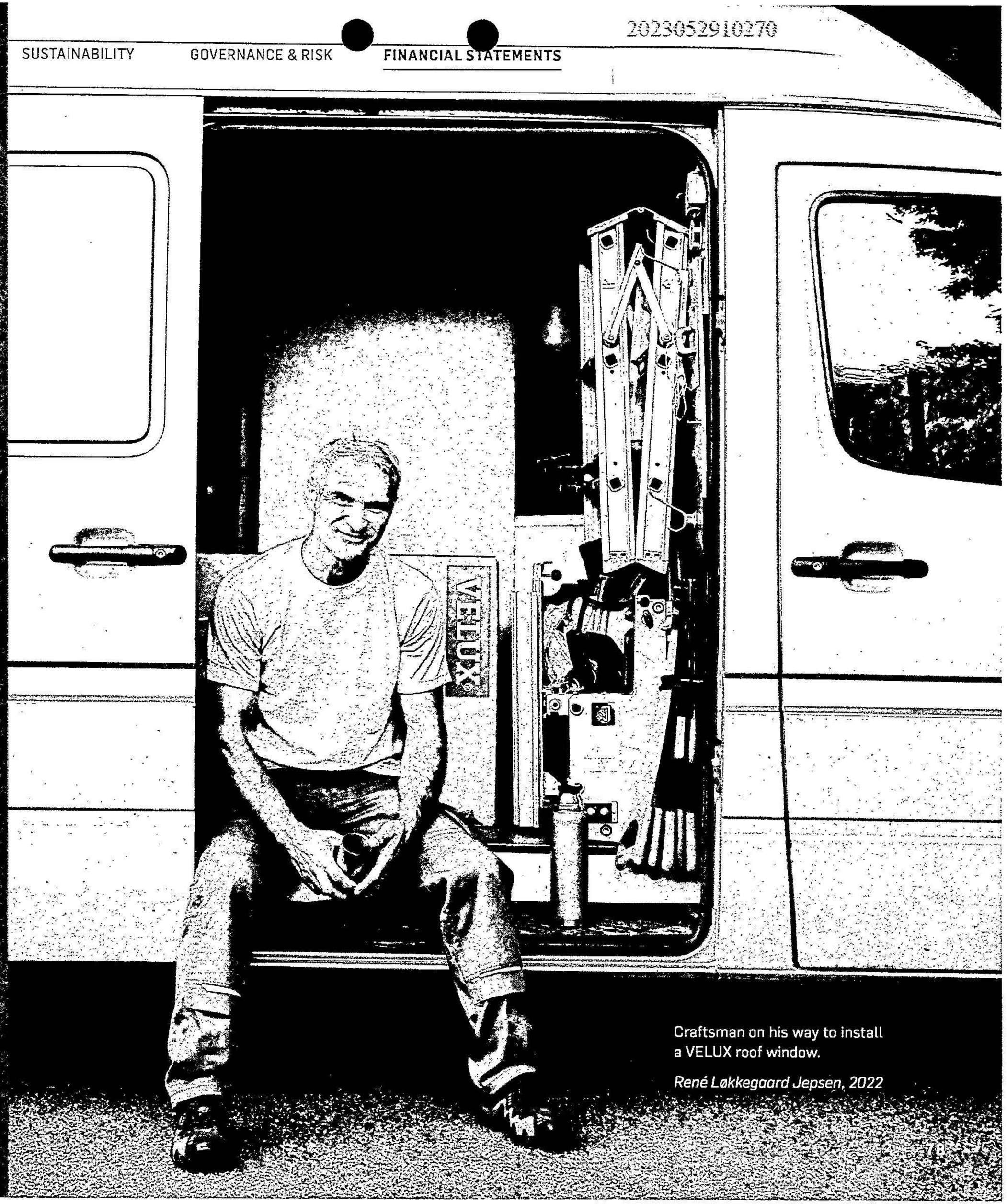
ACCOUNTING POLICIES



Craftsman on his way to install a VELUX roof window.

René Løkkegaard Jepsen, 2022

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ACCOUNTING POLICIES

The annual report of VKR Holding A/S for 2022 is presented in accordance with the provisions of the Danish Financial Statements Act applying for class C (large) companies.

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidation

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

External business combinations

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

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

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

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

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

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

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

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

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

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

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

Intra-group business combinations

The book value method is applied to business combinations, such as acquisitions and disposals of investments, mergers, demergers, contribution of assets and share conversions etc., in which companies controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Foreign currency translation

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

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

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ACCOUNTING POLICIES (continued)

the income statement as "Financial income" or "Financial expenses".

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

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

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

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

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

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

INCOME STATEMENT

Revenue
The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

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

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

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

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

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

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

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

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

Tax for the year
Tax for the year includes current tax and deferred tax for the year. The tax expense relating to the profit/loss for the year is

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ACCOUNTING POLICIES (continued)

recognised in the income statement, whereas the tax expense relating to changes in equity transactions is recognised directly in equity.

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

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

BALANCE SHEET

ASSETS

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

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

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

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

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

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

Buildings	30-40 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

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

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

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

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

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

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

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

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ACCOUNTING POLICIES (continued)

On initial recognition, investments in subsidiaries and participating interests are measured at cost excluding costs of acquisition. The cost is allocated in accordance with the acquisition method, see the accounting policies regarding business combinations.

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

Dividend received is reduced from the carrying amount.

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

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

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

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

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

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost price.

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

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

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

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

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

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

EQUITY

Exchange rate reserve
The exchange rate reserve comprises the share of exchange rate differences arising

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ACCOUNTING POLICIES (continued)

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

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

Dividend
Dividend expected to be distributed for the financial year is presented as a separate item under "Equity".

LIABILITIES

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

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

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

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

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

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

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

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

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

CASH FLOW STATEMENT

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

FINANCIAL HIGHLIGHTS

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

EBITA margin:	$\frac{\text{EBITA x 100}}{\text{Revenue}}$
Return on invested capital:	$\frac{\text{EBITA x 100}}{\text{Average invested capital, including goodwill}}$
Equity ratio (Solidity):	$\frac{\text{Equity excluding minority interest x 100}}{\text{Total equity and liabilities}}$

EBITA:
Earnings before goodwill amortisation, financial items and tax.

Invested capital, including goodwill:
Intangible assets + property, plant and equipment + other receivables + working capital.

Goodwill is recognised at carrying amount + accumulated amortisation.

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MANAGEMENT'S STATEMENT

Today the Board of Directors and the Executive Board have discussed and approved the annual report of VKR Holding A/S for 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at 31 December 2022 and of the results of the Group's and the parent company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2022.

VKR Holding's environmental, social and governance figures ("ESG Key Figures for VKR Holding") have been prepared in accordance with the ESG Reporting Principles. In our opinion, they give a true and fair view in accordance with these principles.

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

We recommend that the annual report be approved at the annual general meeting.

Hørsholm, 10 March 2023

Executive Management:

Mads Kann-Rasmussen
CEO

Board of Directors:

Thomas Thune Andersen
Chair

Anne Broeng

Lise Kaae

Jørgen Falkebo Jensen
Vice Chair

Jørgen Tang-Jensen

Per Skovsted

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VKR HOLDING A/S

Opinion
We have audited the consolidated financial statements and the parent company financial statements of VKR Holding A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the parent company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the parent company at 31 December 2022 and of the results of the Group's and the parent company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit

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INDEPENDENT AUDITOR'S REPORT (continued)

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review
Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 10 March 2023

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorised Public Accountant
mne21332

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ESG KEY FIGURES FOR VKR HOLDING

TO THE SHAREHOLDERS OF VKR HOLDING A/S

As agreed, we have performed an examination with a combined reasonable and limited assurance, as defined by the International Standards on Assurance Engagements, on VKR Holding A/S' ('VKR') ESG Key Figures for VKR Holding (the 'ESG Key Figures') in the table on page 28 for the period from 1 January to 31 December 2022.

Specifically, we are to conclude on the ESG Key Figures on page 28:

- reasonable assurance over the ESG Key Figures identified in the Table on page 28, marked with a "Reasonable Assurance Icon" ●
- limited assurance over the ESG Key Figures in the Table on page 28, marked with a "Limited Assurance Icon" ◑

In preparing the ESG Key Figures, VKR applied the ESG Reporting Principles described on page 43. The ESG Key Figures needs to be read and understood together with the ESG Reporting Principles, which management is solely responsible for selecting and applying. The absence of an established practice on which to derive, evaluate, and measure the ESG Key Figures allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

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

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

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

We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

Description of procedures performed
In obtaining reasonable assurance over the ESG Key Figures in the Table on page 28, marked with a "Reasonable Assurance Icon", our objective was to perform such procedures, on a sample basis, as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express an opinion with reasonable assurance.

In obtaining limited assurance over the ESG Key Figures in the Table on page 28, marked with a "Limited Assurance Icon, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance. The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

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

- Interviewed those in charge of the ESG Key Figures to develop an understanding of the process for the preparation of the Sustainability Section of the Annual Report and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the ESG Key Figures with a higher risk of mis-

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE ESG KEY FIGURES FOR VKR HOLDING (continued)

leading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.

- Based on inquiries we evaluated the appropriateness of the ESG Reporting Principles used, their consistent application and related disclosures in the ESG Key Figures. This includes the reasonableness of estimates made by management.
- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Sustainability Section of the Annual Report and, in doing so, considered whether the other sustainability information is materially inconsistent with the ESG Key Figures, or our knowledge obtained in the review or otherwise appear to be materially misstated.

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

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

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

Conclusion

In our opinion the sustainability information in the ESG Key Figures presented the Table on page 28, marked with a "Reasonable Assurance Icon" for the period from 1 January 2022 to 31 December 2022 which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the ESG Reporting Principles on page 43.

Based on the limited assurance examinations and the evidence obtained, nothing has come to our attention that causes us to believe that the ESG Key Figures presented the Table on page 28, marked with a "Limited Assurance Icon" for the period 1 January 2022 to 31 December 2022, has not been prepared, in all material respects, in accordance with the ESG Reporting Principles described on page 43.

Copenhagen, 10 March 2023

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised
Public Accountant
mne35420

Lars Fermann
State Authorised
Public Accountant
mne45879

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COMPANY OVERVIEW DECEMBER 2022

● Subsidiary ○ Participating interests or joint venture

Argentina
- VELUX Argentina S.A.

Australia
- VELUX Australia Pty. Ltd.

Austria
- VELUX Commercial Österreich GmbH
- VELUX Österreich GmbH

Belgium
- VELUX Belgium S.A.

Bosnia and Herzegovina
- VELUX Bosna i Hercegovina d.o.o.

Bulgaria
- VELUX Bulgaria EOOD

Canada
- VELUX Canada Inc.

Chile
- VELUX Chile SpA

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

Croatia
- VELUX Hrvatska d.o.o.

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

Denmark
- A/S Østbirk Bygningsindustri
- AS Solvarmeservice A/S
- DOVISTA A/S
- Gåsdal Bygningsindustri A/S
- Homecontrol A/S
- KOMPAS Management ApS
- KOMPAS Ventures K/S - 99%
- KOMPAS Ventures Komplementar ApS
- Krone Holding ApS - 80%
- Krone Vinduer A/S - 78%
- O.H. Industri A/S
- Thyregod Bygningsindustri A/S
- Velterm A/S
- VELUX A/S
- VELUX Commercial Danmark A/S
- VELUX Danmark A/S
- VELUX NewCo A/S
- Ventilation Holding ApS
- Vitral A/S
- VKR Invest ApS
- VKR NewCo A/S

Estonia
- VELUX Eesti OÜ

Finland
- ○ Kurikka Timber OY - 50%
- VELUX Suomi Oy

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

Germany
- Arcon-Sunmark GmbH
- BEW Bauelemente Werratal GmbH
- DEUTSCHE-CAP GmbH (in liquidation)
- Fensterdepot 24 Handelsgesellschaft mbH
- fenster-webshop.de GmbH
- Finestra GmbH
- JET Schaumstoff-Formteile GmbH
- JTJ Sonneborn Industrie GmbH
- Porsche GmbH Fenster und Türen
- Reform Fenster & Türen Vertrieb GmbH
- Schneeberger Bauelemente Potthoff GmbH
- VELFAC GmbH (in liquidation)
- VELUX Commercial Deutschland GmbH
- VELUX Commercial GmbH & Co. KG
- VELUX Commercial Grundbesitz GmbH & Co. KG
- VELUX Commercial Grundbesitz Holding GmbH
- VELUX Commercial Holding GmbH
- VELUX Commercial Production DE Hüllhorst GmbH
- VELUX Commercial Production DE Voerde GmbH
- VELUX Commercial Vermögensverwaltungsgesellschaft mbH
- VELUX Deutschland GmbH
- webcom Management Holding GmbH

Germany (continued)
- Wertbau GmbH
- WERU Fenster und Türen GmbH
- WERU GmbH
- WERU Objekt GmbH

Hungary
- Altaterra Kft.
- VELUX Magyarország LKR Korlátolt Felelősségű Társaság

Ireland
- DOVISTA IRL Ltd.
- VELFAC Ireland Ltd.

Italy
- VELUX Italia s.p.a.

Japan
- VELUX-Japan Ltd.

Latvia
- VELUX Latvia SIA

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

The Netherlands
- Dakvenster.com B.V.
- Daylighttechnics B.V.
- JET BIK Producten B.V.
- JET BIK Projecten B.V.
- JET Group B.V.

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COMPANY OVERVIEW DECEMBER 2022 (continued)

● Subsidiary ○ Participating interests or joint venture

The Netherlands (continued)
- JET Group Holding B.V.
- JET Group International B.V.
- VELUX Nederland B.V.
- WERU Nederland B.V.

New Zealand
- VELUX New Zealand Ltd.

Norway
- DOVISTA Norge AS
- Lian Vinduer AS
- Natre Vinduer AS
- VELUX Commercial Bramo AS
- VELUX Norge AS

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

Portugal
- VELUX Portugal, Unipessoal Lda.

Romania
- S.C. VELUX România S.R.L.

Russia
- ZAO VELUX (in liquidation)

Serbia
- VELUX Srbija d.o.o.

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

Slovenia
- VELUX Slovenija d.o.o.

Spain
- VELUX Spain, S.A.

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

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

Türkiye
- VELUX Çati Pencereleri Ticaret Limited Şirketi

Ukraine
- VELUX Ukraina TOV

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

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

Information in the company overview is provided pursuant to section 97a (3) of the Danish Financial Statements Act.
The companies are 100% owned by VKR unless otherwise stated after the company name.
VELUX NewCo A/S and VKR NewCo A/S are included in the consolidated financial statements of VKR Holding A/S. The two companies are without activity and do not present an annual report, cf. section 6 (1.6) of the Danish Financial Statements Act.

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VELUX 3-in-1 roof window invites beautiful daylight into your home and opens up wide panoramic views.

Jesper Jørgen Fotografi, 2022

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