20260210036O0

Årsredovisning

för

Winterfell Sweden AB

559291-0946

Räkenskapsåret

2024-08-01 - 2025-07-31

Fastställelseintyg

Undertecknad verkställande direktör i Winterfell Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 13 januari 2026. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm 6/2 2026

Geir Thomas Fossum

20260210036O1

Styrelsen och verkställande direktören för Winterfell Sweden AB avger följande årsredovisning för räkenskapsåret 2024-08-01 - 2025-07-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Företagets verksamhet är att förvalta aktier i andra bolag. Företaget äger samtliga andelar i DT Holding Sweden AB, org nr 556057-9749, säte Stockholm, som i sin tur äger samtliga andelar i Beijer Byggmaterial AB, org nr 556012-5220, säte Stockholm.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser har skett under räkenskapsåret.

Ägarförhållanden

Winterfell Sweden AB är ett helägt dotterbolag till Stark Group A/S, med säte i Köpenhamn.

Flerårsöversikt (Tkr)	**2024/25**	**2023/24**	**2022/23**	**2021/22**	**2020/21** (8 mån)
Resultat efter finansiella poster	-175 720	-311 821	-765 729	-270 842	244 975
Balansomslutning	6 792 897	6 852 293	6 745 796	6 205 785	5 778 181
Soliditet (%)	11,8	14,7	19,0	22,1	19,9

Förändringar i eget kapital

	Aktie-kapital	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	25	1 281 102	-270 850	**1 010 277**
Disposition enligt beslut av årsstämman:		-270 850	270 850	**0**
Årets resultat			-209 268	**-209 268**
Belopp vid årets utgång	**25**	**1 010 252**	**-209 268**	**801 009**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	1 010 252 327
årets förlust	-209 267 900
	800 984 427
disponeras så att	
i ny räkning överföres	800 984 427

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

Tkr

	Not	2024-08-01 -2025-07-31	2023-08-01 -2024-07-31
Rörelsens intäkter			
		0	**0**
Rörelsens kostnader			
Övriga externa kostnader	2	0	-6
		0	**-6**
Rörelseresultat		**0**	**-6**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3	233 787	212
Räntekostnader och liknande resultatposter	4	-409 507	-312 027
		-175 720	**-311 815**
Resultat efter finansiella poster		**-175 720**	**-311 821**
Erhållet koncernbidrag		0	45 830
Resultat före skatt		**-175 720**	**-265 991**
Skatt på årets resultat	5	-33 548	-4 859
Årets resultat		**-209 268**	**-270 850**

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Balansräkning
Tkr

	Not	2025-07-31	2024-07-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6, 7	6 791 333	6 791 333
		6 791 333	**6 791 333**
Summa anläggningstillgångar		**6 791 333**	**6 791 333**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag	8	260	271
Aktuella skattefordringar		0	60 527
Övriga fordringar		1 304	162
		1 564	**60 960**
Summa omsättningstillgångar		**1 564**	**60 960**
SUMMA TILLGÅNGAR		**6 792 897**	**6 852 293**

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Balansräkning
Tkr

	Not	2025-07-31	2024-07-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		25	25
		25	**25**
Fritt eget kapital			
Balanserad vinst		1 010 252	1 281 102
Årets resultat		-209 268	-270 850
		800 984	**1 010 252**
Summa eget kapital		**801 009**	**1 010 277**
Långfristiga skulder			
Skulder till koncernföretag	9	4 997 818	5 182 407
Summa långfristiga skulder		**4 997 818**	**5 182 407**
Kortfristiga skulder			
Skulder till koncernföretag	8	890 646	567 882
Aktuella skatteskulder		34 053	0
Upplupna kostnader och förutbetalda intäkter	10	69 371	91 727
Summa kortfristiga skulder		**994 070**	**659 609**
SUMMA EGET KAPITAL OCH SKULDER		**6 792 897**	**6 852 293**

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Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Winterfell Sweden AB med organisationsnummer 559291-0946, är ett aktiebolag registrerat i Sverige med säte i Stockholm. Adressen till huvudkontoret är Box 798, 191 27 Sollentuna. Företagets verksamhet omfattar att vara holdingbolag till DT Holding (Sweden) AB som i sin tur är holdingbolag till Beijer Byggmaterial AB.

Winterfell Sweden AB är ett helägt dotterbolag till Stark Group A/S, med säte i Köpenhamn.

Med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Stark Group A/S upprättar koncernredovisning. Koncernredovisningen finns att tillgå hos Stark Group C.F Richs Vej 115, 2000 Fredriksberg, Danmark.

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Utländsk valuta
Företagets redovisningsvaluta är svenska kronor (SEK).

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Låneutgifter
De låneutgifter som uppkommer då företaget lånar kapital aktiveras i balansräkningen och skrivs av på sju år. Aktiverade låneutgifter redovisas i posten Skulder till koncernföretag.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Vid det första redovisningstillfället värderas omsättningstillgångar och kortfristiga skulder till anskaffningsvärde. Långfristiga fordringar samt långfristiga skulder värderas vid det första redovisningstillfället till upplupet anskaffningsvärde. Låneutgifter periodiseras som en del i lånets räntekostnad enligt effektivräntemetoden (se nedan).

Vid värdering efter det första redovisningstillfället värderas omsättningstillgångar enligt lägsta värdets princip, dvs. det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen. Kortfristiga skulder värderas till nominellt belopp.

Långfristiga fordringar och långfristiga skulder värderas efter det första redovisningstillfället till upplupet anskaffningsvärde.

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Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Exempel på sådana indikationer är betydande finansiella svårigheter hos låntagaren, avtalsbrott eller att det är sannolikt att låntagaren kommer att gå i konkurs. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

För finansiella anläggningstillgångar som värderats till upplupet anskaffningsvärde beräknas nedskrivningen som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av framtida kassaflöden. Diskontering sker med en ränta som motsvarar tillgångens ursprungliga effektivränta. För tillgångar med rörlig ränta används den på balansdagen aktuella räntan.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Likvida medel
Likvida medel inkluderar kassamedel och disponibla tillgodohavanden hos banker och andra kreditinstitut samt andra kortfristiga placeringar som lätt kan omvandlas till kontanter och föremål för en obetydlig risk för värdefluktuationer. För att klassificera som likvida medel får löptiden inte överskrida tre månader från tidpunkten för förvärvet.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter 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 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 metod 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. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner i resultaträkningen.

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Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Arvode till revisorer
Revisionsarvode har fakturerats Beijer Byggmaterial AB.

Not 3 Övriga ränteintäkter och liknande resultatposter

	2024-08-01 -2025-07-31	2023-08-01 -2024-07-31
Övriga ränteintäkter	1 140	212
Kursvinst	232 647	0
	233 787	**212**

Not 4 Räntekostnader och liknande resultatposter

	2024-08-01 -2025-07-31	2023-08-01 -2024-07-31
Räntekostnader till koncernföretag	-387 978	-277 772
Övriga räntekostnader	-1 732	-2 329
Kursdifferenser	0	-12 129
Övriga finansiella kostnader	-19 797	-19 797
	-409 507	**-312 027**

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Not 5 Aktuell skatt

	2024-08-01 -2025-07-31	2023-08-01 -2024-07-31
Skatt på årets resultat		
Aktuell skatt	-33 548	-4 859
Totalt redovisad skatt	**-33 548**	**-4 859**

Avstämning av effektiv skatt

		2024-08-01 -2025-07-31		2023-08-01 -2024-07-31
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		-175 720		-265 991
Skatt enligt gällande skattesats	20,60	36 198	20,60	54 794
Ej avdragsgilla kostnader (ränta)		-69 981		-59 697
Ej skattepliktiga intäkter		235		44
Redovisad effektiv skatt	**-19,09**	**-33 548**	**-1,83**	**-4 859**

Not 6 Andelar i koncernföretag

	2025-07-31	2024-07-31
Ingående anskaffningsvärden	6 791 333	6 745 503
Lämnat aktieägartillskott, ovillkorat	0	45 830
Utgående ackumulerade anskaffningsvärden	**6 791 333**	**6 791 333**
Utgående redovisat värde	**6 791 333**	**6 791 333**

Not 7 Specifikation andelar i koncernföretag

Namn	**Kapital-andel**	**Rösträtts-andel**	**Antal andelar**	**Bokfört värde**
DT Holding (Sweden) AB	100	100	1 001 000	6 791 333
				6 791 333

	Org.nr	**Säte**
DT Holding (Sweden) AB	556057-9749	Stockholm

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Not 8 Fordringar och skulder till koncernföretag

Fordringar till koncernföretag uppgår till 260 (271) tkr och avser övriga fordringar.

Skulder till koncernföretag uppgår till 890 646 (567 882) tkr och avser cash pool 580 337 (254 952) samt övriga koncerninterna skulder om 310 309 (312 930) .

Not 9 Skulder till koncernföretag

Långfristiga skulder till koncernföretag förfaller i maj 2028.

Not 10 Upplupna kostnader och förutbetalda intäkter

	2025-07-31	2024-07-31
Upplupna räntor	69 371	91 727
	69 371	**91 727**

Not 11 Ställda säkerheter och eventualförpliktelser

	2025-07-31	2024-07-31
Pantsatta aktier i dotterföretag har ställts till förmån för koncernens kreditfacilitet	6 791 333	6 791 333
	6 791 333	**6 791 333**

Not 12 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskapsårets slut.

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Årsredovisningens innehåll blev klart den 5 december 2025.

Stockholm 5 december 2025

Søren Olesen
Ordförande

Laurits Jørgensen

Thomas Ahle

Geir Thomas Fossum
Verkställande direktör

Vår revisionsberättelse har lämnats 5 december 2025

Deloitte AB

Therese Kjellberg
Auktoriserad revisor

20260210003611

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Winterfell Sweden AB
organisationsnummer 559291-0946

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Winterfell Sweden AB för räkenskapsåret 2024-08-01 - 2025-07-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Winterfell Sweden ABs finansiella ställning per den 31 juli 2025 och av dess finansiella resultat 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 Winterfell Sweden 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 och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de 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 och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De 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 och verkställande direktören 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 huruvida 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 och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida 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.

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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 och verkställande direktörens förvaltning för Winterfell Sweden AB för räkenskapsåret 2024-08-01 - 2025-07-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören 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 Winterfell Sweden 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 och verkställande direktörens 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. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas 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 någon styrelseledamot eller verkställande direktören 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.

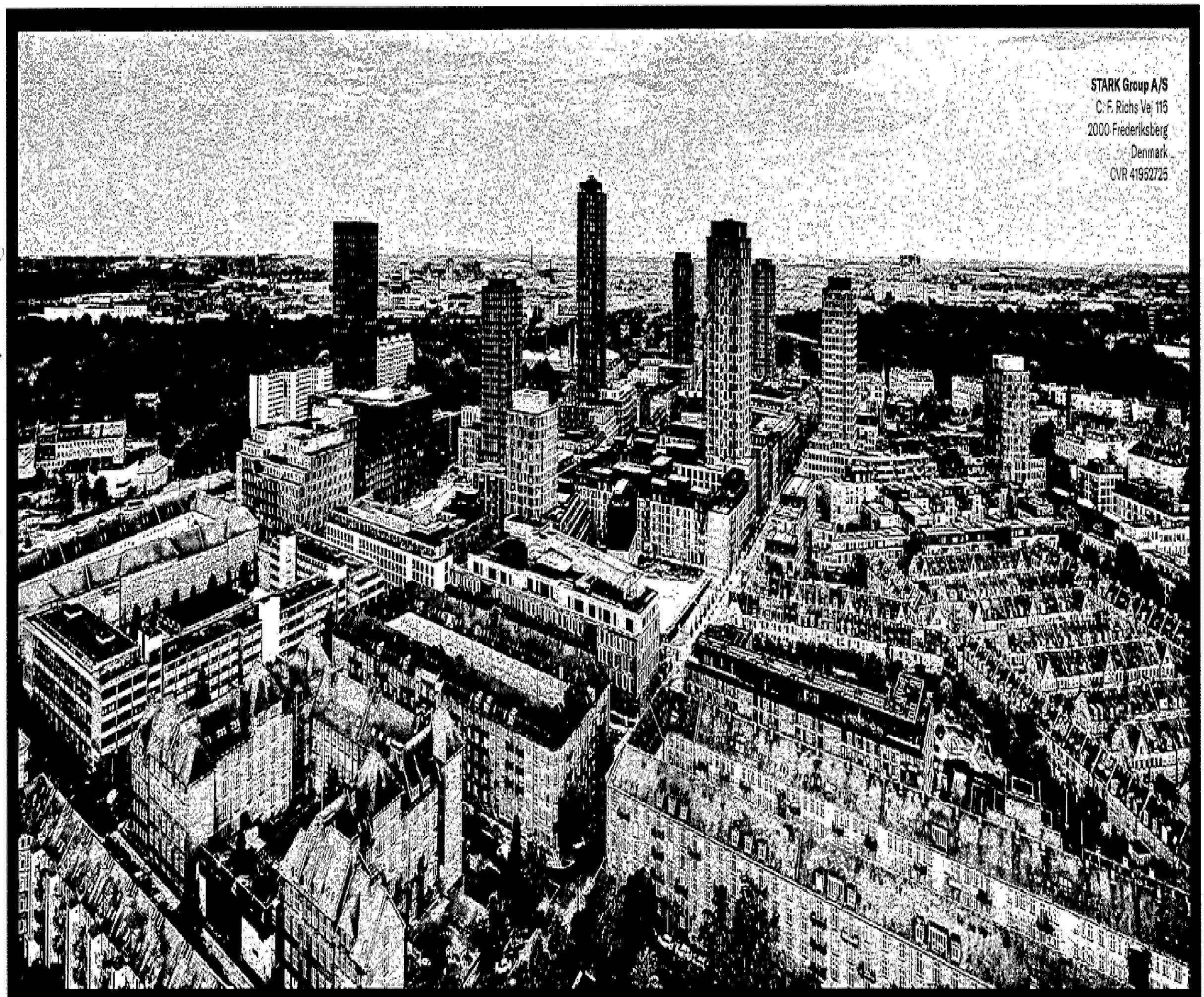
Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. 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 om förslaget är förenligt med aktiebolagslagen.

Stockholm den 5 december 2025

Deloitte AB

Therese Kjellberg
Auktoriserad revisor

STARK Group A/S
C. F. Richs Vej 115
2000 Frederiksberg
Denmark
CVR 41952725



ANNUAL REPORT 2025

1 AUGUST 2024 - 31 JULY 2025

STARK GROUP

20260224066211

Kopian överensstämmer med originalet.
/Ulrika Hellmer 076 826 7929

ABOUT THIS REPORT

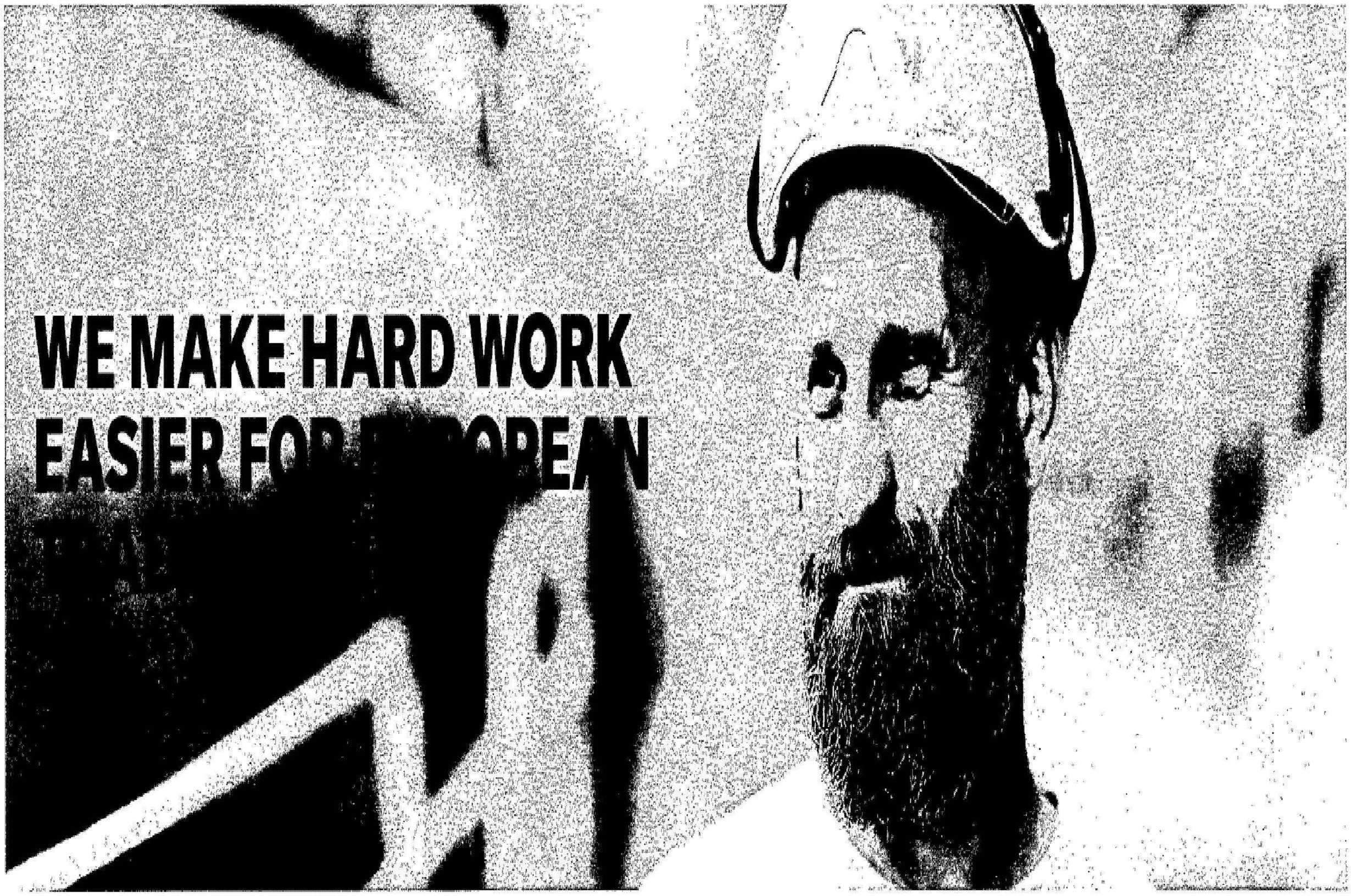
This is STARK Group's first integrated annual report, replacing the previously separate sustainability and financial reports with a single, consolidated publication.

STARK Group A/S is classified as a wave 2 company under the Corporate Sustainability Reporting Directive (CSRD). Following the European Commission's 2025 Omnibus Proposal, the reporting requirements have been postponed by two years, making CSRD reporting applicable to STARK Group from the financial year 2028.

This report covers the financial year from 1 August 2024 to 31 July 2025 (2025). In preparation for future CSRD requirements, we have included the Sustainability Review in the Management report inspired by the European Sustainability Reporting Standards (ESRS).

The Sustainability Review comprises STARK Group's statutory corporate sustainability and data ethics disclosures, prepared under Sections 99a and 99d of the Danish Financial Statements Act. These align with the EU's transition from Directive 2014/95/EU (NFRD) to the CSRD.

The annual report's Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.



ADVANCING OUR LEADERSHIP

We grow leading market positions through commercial offerings that our customers value

#1
European leader

1,050
Branches and distribution centres

+65
Net Promoter Score (NPS)

ACCELERATING OUR GROWTH AND BUSINESS TRANSFORMATION

We drive performance through an accelerated transformation programme that includes digitalisation of business processes and a M&A strategy

9%↗
Net sales CAGR since 2022

Digital transformation programme Athene

25
Acquisitions since 2021

LEVERAGING OUR ESG LEADERSHIP

We commercialise sustainability with innovative, customer-facing offerings, turning our top-tier performance into a competitive advantage

729
Sustainability ambassadors

Climate documentation and digital tools

Platinum Rating

20260224066222

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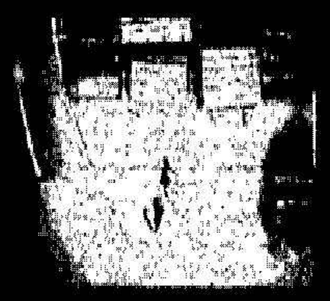
Our management report consists of two parts: the management review and the sustainability review.

ADDITIONAL TAX IMPACT REPORT

In addition to this report, we have published our annual Tax Impact Report. The report presents STARK Group's approach to sound tax governance and the actions implemented to achieve it. The Tax Impact Report covers how we ensure responsible tax practices and procedures implemented, providing an overview of our Group's overall tax contributions, with a country-by-country breakdown highlighting both the taxes paid by STARK Group (taxes borne) and those collected and remitted on behalf of third parties (taxes collected).



TAX IMPACT REPORT 2025

EXECUTIVE SUMMARY

What is the state of the business? A year of delivery. We delivered double-digit sales, gross profit and adjusted EBITDA, and gained market shares.

We navigated a challenging market diligently, delivering solid financial performance and making continued progress on our accelerated growth and transformation programme.

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01

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Management review

Executive summary

Our business

Governance

Sustainability

SØREN P. OLESEN
Group CEO

JENS BJØRN ANDERSEN
Chair of the Board of Directors

LETTER FROM THE CHAIR & CEO

POISED FOR GROWTH

We are on a growth trajectory. Since 2022, we have achieved CAGR growth in net sales of 9%. This includes this year's performance, during which net sales, gross profit and adjusted EBITDA remained stable. We managed our costs and cash position diligently through a sluggish recovery, while positioning ourselves for growth as markets rebound.

Our solid performance in markets with greater exposure to Renovation, Maintenance, and Improvement (RMI) validated our winning strategy, which aims to make hard work easier for small and medium-sized enterprises (SMEs) operating in the RMI market.

LETTER FROM THE CHAIR & CEO

February 2023 marked a pivotal shift from extraordinarily high activity levels to a rapid market decline, which continued into our latest financial year. Lockdowns during the Covid-19 pandemic and inflation spikes were followed by interest rate hikes, elevated energy prices due to the war in Ukraine and a cost-of-living crisis. All of the above factors have depressed activity levels in the building industry.

The recent decline in activity has been the most severe and prolonged in over 30 years.

Markets are now recovering one by one. In the Nordics, one market rebounded in less than a year, while others are recovering after downturns lasting 18-24 months. The UK market recovered throughout the first 10 months of the year but softened in the last months. Challenging macroeconomic conditions in Germany and Austria continue to weigh on these markets, resulting in weak demand for 36 consecutive months.

Despite the sluggish overall market recovery, we have delivered on our accelerated transformation programme and maintained stable net sales, gross profit, and adjusted EBITDA - offsetting inflationary pressure on our cost base through tight cost control.

We managed our cash resources to secure funding for our transformation and continuously adjust our organisation and cost structure to match potentially subdued markets. As a result, we are well-positioned to continue our transformation and win market shares.

STRATEGY VALIDATED

The past few years have tested both our strategy and our resilience. We focus on the RMI market, which constitutes more than 60% of our addressable market and demonstrates greater cyclical resilience than the new-build market.

In the past financial year, we gained market share across our business. In markets where our exposure to SME customers in RMI is higher, we gained even more market share, grew net sales and delivered increased profits.

This validated our strategy and our approach to the more resilient SME and RMI segments.

SUCCESSFUL TRANSFORMATION

Our strategy has been accelerated through a transformation programme aimed at advancing our commercial mindset and key operational concepts - particularly in the Nordics, where our winning formula has been applied the longest. This approach is now being implemented in Germany, Austria and the UK, with a focus on expanding and tailoring our product range and portfolio, as well as enhancing our platform and distribution capabilities.

The turnaround of our UK business, acquired in March 2023, is well underway. The launch of STARK UK's "Branch of the Future" concept paved the way for successfully advancing its branch platform by consolidating branches into larger and better locations. On a like-for-like basis, STARK UK delivered market share gains, higher Net Promoter Scores, net sales growth, and improved profitability in its second turnaround year.

Our new central warehouse and light-hub in Sweden completed its first full year of operations. This innovative above-branch distribution concept aims to improve gross margins and offer an attractive value proposition to suppliers and tradespeople, providing enhanced availability, a significantly expanded product range, and next-day delivery across our full offering. Building on the learnings from Sweden, we have broken ground on another distribution centre for light building materials in Denmark.

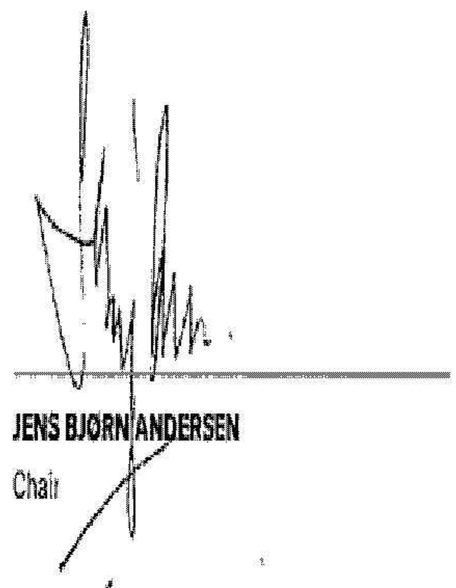
While strengthening our competitive edge through superior offerings and logistics, we have committed our business to winning in the market for low-emission products and services by commercialising sustainability. We aim to turn increasing regulatory requirements into a competitive advantage and unlock higher growth by providing product-level carbon data, expanding our third-party eco-labelled and energy-efficient offerings and delivering services such as advice, documentation and carbon-efficient distribution.

These efforts have positioned us as a sustainability leader in our industry. Our leadership was confirmed last year when the Science Based Targets initiative (SBTi) approved our targets to achieve net zero emissions by 2050. While select leading suppliers have achieved this, we are one of the first building materials distributors with approved net zero targets and a solid roadmap.

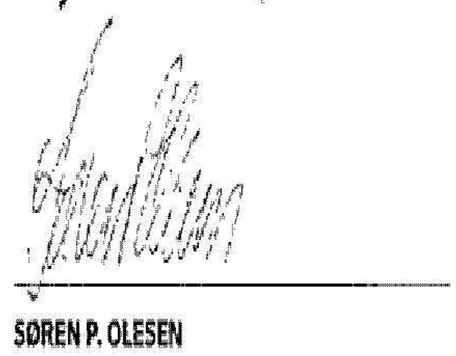
CHALLENGING TEST PASSED

We believe in managing our business for profitability under any market conditions. The past few years have tested our ability to deliver results while investing in the transformation of our business during periods of weak demand and sluggish recovery. The past years have proven that we can.

We are grateful for the extraordinary efforts of our colleagues during this period and remain inspired by partners who work with us to transform and improve our industry, making hard work easier for tradespeople.



JENS BJØRN ANDERSEN
Chair



SØREN P. OLESEN
Group CEO

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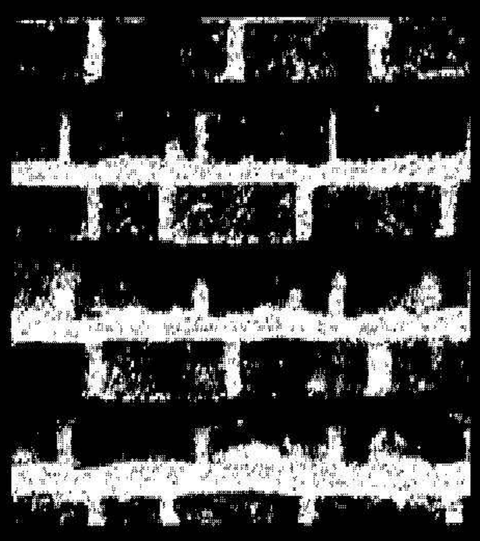
EVENTS IN THE YEAR



THROUGHOUT THE YEAR

NETWORK EXPANSION WITH MAJOR BRANCH OPENINGS

Beijer in Sweden opened a 22,000 m² distribution facility in Hisings Backa, Gothenburg, in December. This destination branch and logistics centre completed the network of 8 branches surrounding Sweden's second-largest city.

STARK Denmark and STARK UK also celebrated major openings, including a 10,500-square-metre DGNB Gold certified branch in Næstved and a 13,200 square-metre branch in Croydon, south of London.

In total, more than 35 new branches were opened during the past two financial years.

[illegible]

SIGNING OF LONG-TERM POWER PURCHASE AGREEMENT (PPA)

This agreement marks a significant milestone in our ongoing efforts to decarbonise operations, secure competitive pricing for renewable energy and meet our climate targets. When fully operational, the PPA will account for 50% of our electricity consumption in Denmark.

LEARN MORE →

[illegible]

LAUNCH OF RECYCLED BRICKS

STARK Denmark expanded its range of low-emission building materials to cater for new customer demand ahead of stricter building regulations that came into effect in July 2025.

17 OCTOBER

REGIONAL DISTRIBUTION HUB IN THE UK

STARK UK launched its first distribution hub at the newly refurbished Craigentinny branch in Edinburgh. The hub is part of a broader transformation journey aimed at optimising distribution through clustering and modernising the branch network. Similar hubs were also established in Germany.

LEARN MORE →

EVENTS IN THE YEAR

14 NOVEMBER

FIRST PURPOSE-BUILT 'BRANCH OF THE FUTURE'

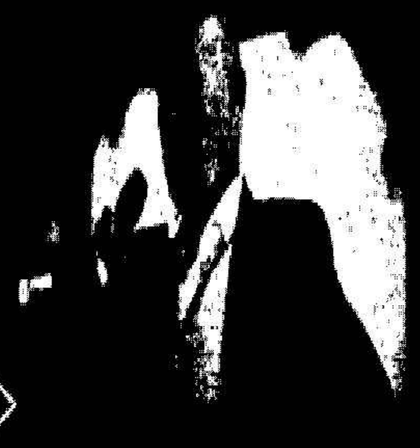
STARK UK introduced its brand-new 'Branch of the Future' format at the Farnborough branch. The innovative concept features elements inspired by branch designs in the Nordics, Germany and Austria.

SEE VIDEO

6 MARCH

GROUNDBREAKING FOR NEW DISTRIBUTION CENTRE

As part of our commitment to advancing distribution in the Nordics, we broke ground on a new distribution centre for light building materials in Denmark. Scheduled to open in late 2026, the facility will support daily delivery of over 50,000 light-side materials. The Danish centre builds on expertise gained from the opening of a similar facility in Sweden in 2024.



11 JUNE

EXECUTIVES GATHERED FOR EUROPEAN SUPPLIER PROGRAMME

STARK Sourcing hosted the 5th Executive European Supplier Event, welcoming executives from leading suppliers. The programme remains unmatched in scale within our industry.

SEE VIDEO

SCIENCE BASED TARGETS

7 JULY

CLIMATE TARGETS TOWARDS NET ZERO BY 2050

The Science Based Targets initiative (SBTi) approved our climate targets to achieve net zero emissions by 2050. These targets included carbon reductions across the entire value chain and align with the 1.5°C pathway and the UN's Paris Agreement.

Our commitment involves reducing total emissions (scopes 1, 2, and 3) by at least 90% by 2050, with a particular focus on lowering the climate impact of building materials, which represent the majority of our emissions.

This long-term commitment builds on our near-term plan towards 2030, which aims to reduce scope 1 and 2 emissions by 45% and scope 3 emissions by 25%. When we signed our near-term commitment in 2021, STARK Group became the first distributor of building materials - and one of the first 20 Danish companies - to have its 2030 climate plan approved.

LEARN MORE

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FINANCIAL HIGHLIGHTS

We delivered stable net sales, gross profit and adjusted EBITDA in the past financial year.

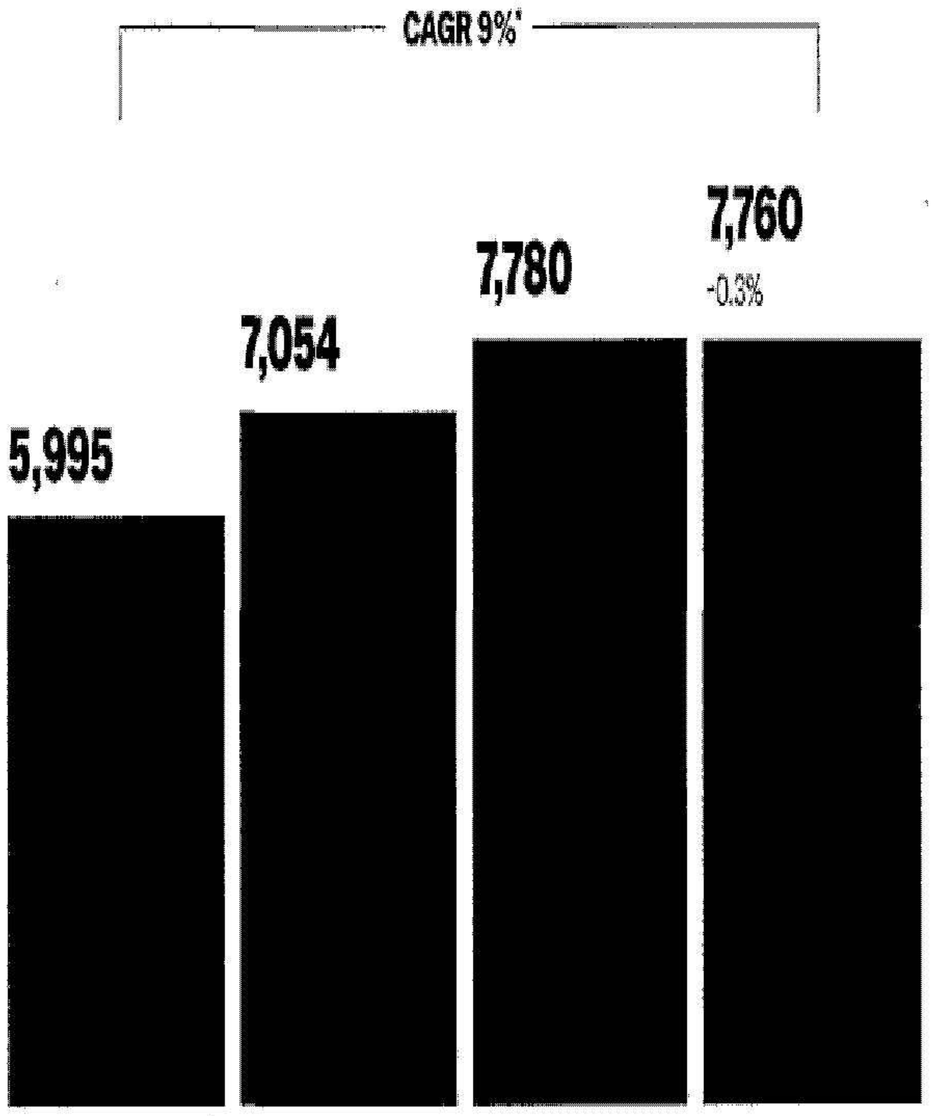
Winning market shares across our business was not sufficient to offset the sluggish recovery from the building industry's most severe and prolonged downturn in over 30 years. Nevertheless, our CAGR since 2022 has remained strong at 9%, despite stable net sales in the past financial year. Gross profit and margin were stable at EUR 2,036 million and 26.2%, respectively.*

Cost pressures from particularly wage inflation impacted EBITDA. Operating expenses were tightly managed, with a strong focus on cost discipline and mitigation efforts.

Adjusted EBITDA margin was maintained at 4.8%, with adjusted EBITDA amounting EUR 369 million.

NET SALES

EUR Million



2021/22
An extraordinary year marked by high demand and inflation in building materials.

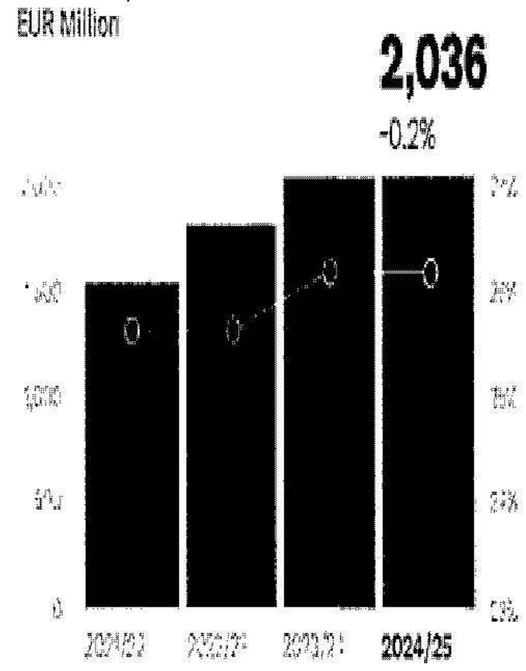
2022/23
A watershed year from exceptionally high activity levels to a rapid market decline.

2023/24
A year of accelerated transformation amid continued market setbacks.

2024/25
Sluggish recovery - invested in our platform and capabilities, poised for future growth.

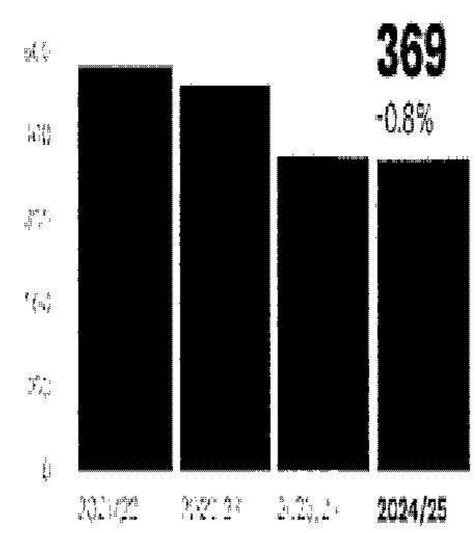
GROSS PROFIT AND MARGIN

EUR Million

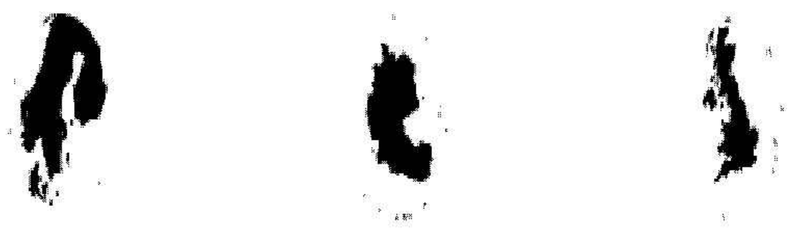


ADJUSTED EBITDA

EUR Million



SEGMENT PERFORMANCE



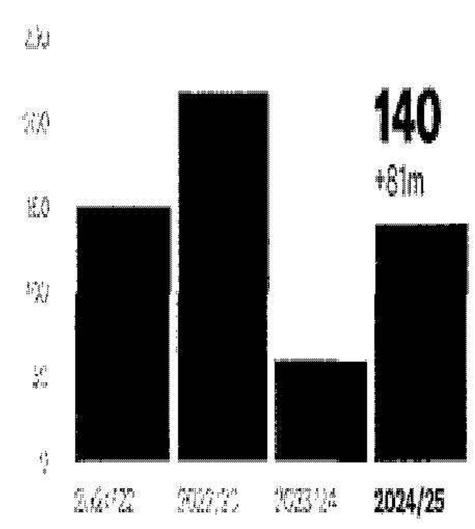
Nordics
delivered a solid performance, continuing its growth trajectory with increases in net sales, market share and EBITDA.

Germany and Austria
faced challenging macroeconomic conditions but successfully accelerated their mitigation plans and gained market share.

United Kingdom
is progressing well in its strategic and financial turnaround. On a like-for-like basis, the business grew net sales, market share and EBITDA.

FREE CASH FLOW

EUR Million



* *Including effect from acquisitions*

SUSTAINABILITY HIGHLIGHTS

We continued to deliver on our sustainability commitments, with a strong focus on climate action and our SBTi approved net zero target by 2050. In 2025, scope 1 and 2 emissions fell by 10.6%, driven by cleaner energy and fleet transitions. Scope 3 emissions decreased by 0.6%, with total emissions down 0.8% to 4,901 $ktCO_2e$.

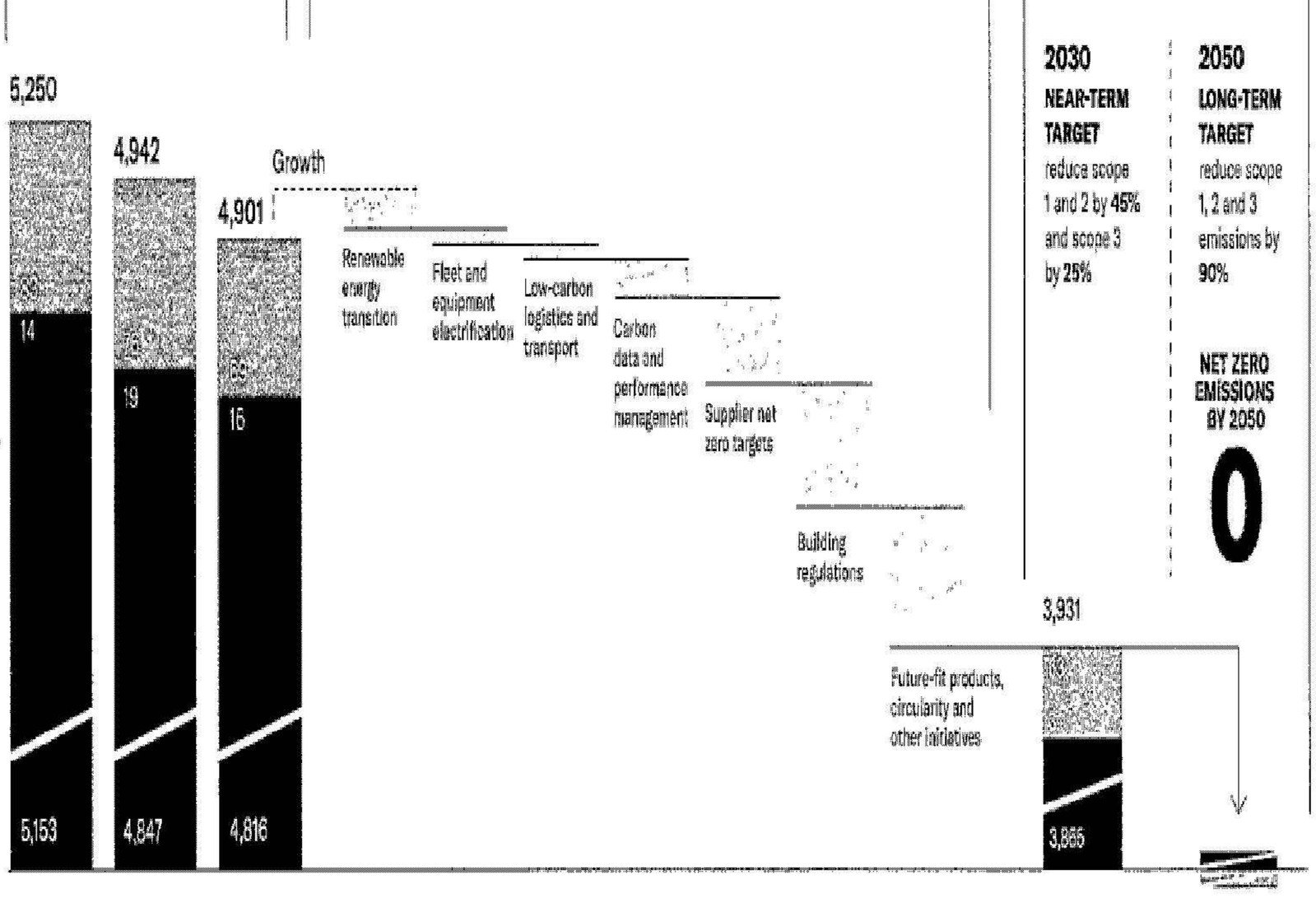
Our gradual shift towards future-fit products with documented carbon impact is supported by 729 trained sustainability ambassadors guiding customers on product choices and building regulations.

We maintained our EcoVadis Platinum rating, reflecting high ESG standards and our safe, engaged workforce.

PERFORMANCE 2023-2025

REDUCTION INITIATIVES TOWARDS 2030

GHG emissions, $ktCO_2e$



SCIENCE BASED TARGETS

2030 NEAR-TERM TARGET
reduce scope 1 and 2 by **45%** and scope 3 by **25%**

2050 LONG-TERM TARGET
reduce scope 1, 2 and 3 emissions by **90%**

NET ZERO EMISSIONS BY 2050

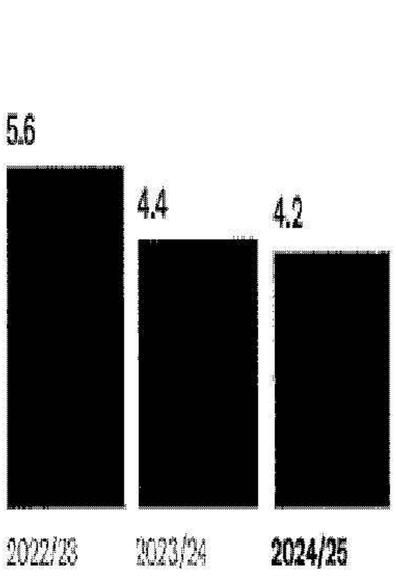
0

Scope 1 Scope 2 Scope 3 GHG reductions GHG removals

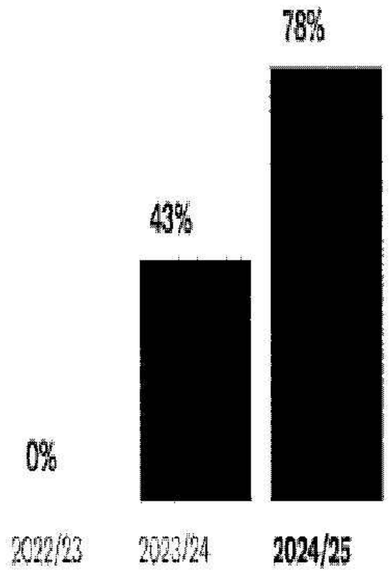
Figures are illustrative

INJURY RATE

per million hours



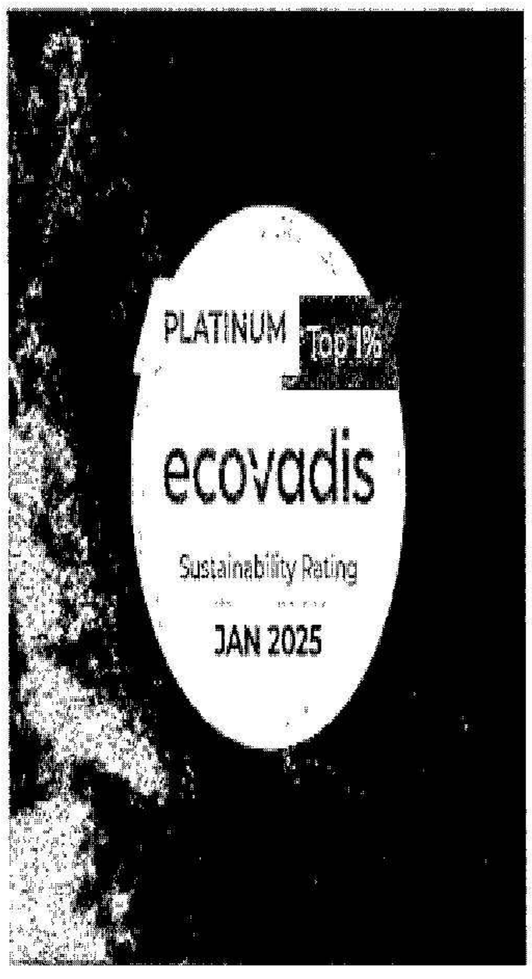
SHARE OF SALES OF LCA-RELEVANT PRODUCTS WITH CARBON DATA



SUSTAINABILITY AMBASSADORS

729

More than 8,500 employees have received basic sustainability training. That equals almost half of all employees.



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FINANCIAL OVERVIEW

	2024/25	2023/24	2022/23[2]	2021/22	2020/21[1]
INCOME STATEMENT					
Net sales	7,760	7,780	7,054	5,995	1,474
Gross profit	2,036	2,041	1,811	1,541	376
EBITDA	288	326	391	459	101
Adjusted EBITDA	369	372	466	479	125
Depreciation and amortisation of non-current assets	(330)	(335)	(243)	(171)	(37)
EBIT[3]	(42)	(9)	353	288	64
Financial items, net	(249)	(221)	(197)	(102)	(24)
Earnings before tax	(291)	(230)	156	186	40
Net earnings	(286)	(201)	144	132	22
BALANCE SHEET					
Total assets	6,218	6,530	6,646	5,008	4,475
Intangible non-current assets	1,926	1,928	1,914	1,808	1,730
Tangible non-current assets	2,198	2,325	2,318	1,453	1,298
Investments in property, plant and equipment	117	114	79	71	16
Equity	360	644	858	692	541
Net Capex, total[4]	99	55	94	80	21
Operational Capex, base[4]	54	46	38	32	9
Operational Capex, development[4]	42	35	33	23	4
CASH FLOW					
Cash flow from operating activities	239	114	311	230	300
Cash flow from investing activities	(99)	(83)	(673)	(269)	(2,173)
Free cash flow[4]	140	59	217	150	279
Cash flow from financing activities	(101)	(97)	424	(25)	2,202
Total cash flow	39	(66)	62	(64)	329
KEY RATIOS[4]					
Gross profit margin	26.2%	26.2%	25.7%	25.7%	25.5%
EBITDA margin	3.7%	4.2%	5.5%	7.7%	6.9%
Adjusted EBITDA margin	4.8%	4.8%	6.6%	8.0%	8.5%
Leverage ratio (external net debt/adjusted EBITDA)	7.3	7.4	5.5	3.5	N/A

1. 2020/21 includes 3 months of operating activities for STARK Group from the acquisition on 4 May 2021.

2. 2022/23 includes 5 months of operating activities for STARK UK from the acquisition on 28 February 2023.

3. EBIT in 2022/23 includes bargain purchase gain of EUR 205 million. The bargain purchase gain is presented in a separate line in the consolidated income statement after EBITDA.

4. Definition of terms is disclosed in note 1.2 Material accounting policies in the consolidated financial statements.

SUSTAINABILITY OVERVIEW

	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
CARBON						
GHG scope 1&2 (absolute $ktCO_2e$)[1]	85	95	97	98	103	121
GHG scope 1 (absolute $ktCO_2e$)	69[4]	76	83	84	85	89
GHG scope 2 (absolute $ktCO_2e$)[1]	16[4]	19	14	14	18	32
GHG scope 3 (absolute tCO_2e)[2]	4,816[4]	4,847	5,153	5,150	5,159	5,163
Total carbon emissions (absolute $ktCO_2e$)[1,3]	4,901	4,942	5,250	5,248	5,262	5,284
WASTE						
Total waste (t/mEUR net sales)	5.3	6.0	5.4	5.3	5.5	7.0
HEALTH AND SAFETY						
Injury rate (per million worked hours)	4.2	4.4	5.6	7.9	8.8	8.0
Lost workday rate (per million worked hours)	79	96	53	81	64	64
EMPLOYEE ENGAGEMENT						
Employee engagement survey score (satisfaction & motivation)	73	71	74	74	74	75
Employee engagement survey score (loyalty)	81	80	80	80	83	n.a.
Survey participation rate (%)	84	82	82	83	81	91
DIVERSITY AND INCLUSION						
% women (total)	21	22	21	25	22	22
% of women in Board of Directors	0	17	20	20	20	33
% of women in other senior management	17	22	16	22	n.a.	n.a.
COMMERCIALISING SUSTAINABILITY						
Products with carbon data (%)[3]	78	43	n.a.	n.a.	n.a.	n.a.
Sustainability ambassadors (headcount)	729	780	520	250	36	0
Sustainability ambassadors (% of total employees)	4	4	3	2	0	-
STARK digital carbon tool (business units)	3	2	2	0	0	0

1. Scope 2 is market-based.

2. Base year for GHG Scope 3 is 2023/24. GHG Scope 3 for 2021/22, 2020/21 and 2019/20 has been estimated based on 2022/23 figures.

3. Share of sales of stock products with carbon data in LCA-relevant product categories (according to accounting principles p. 120). STARK UK excluded.

4. KPI subject to limited assurance in 2024/25.

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OUR BUSINESS

The European market for building materials distribution is fragmented yet highly attractive as Europeans are facing an estimated housing deficit of 16 million homes. Building and renovating more homes depends on tradespeople working efficiently to deliver those.

We enhance our leadership by making hard work easier for tradespeople and partners through executing our strategy that is underpinned by 10 strategic pillars and five major transformation initiatives.

Our purpose	15
Our business model	16
Our market environment	17
Our strategy	19
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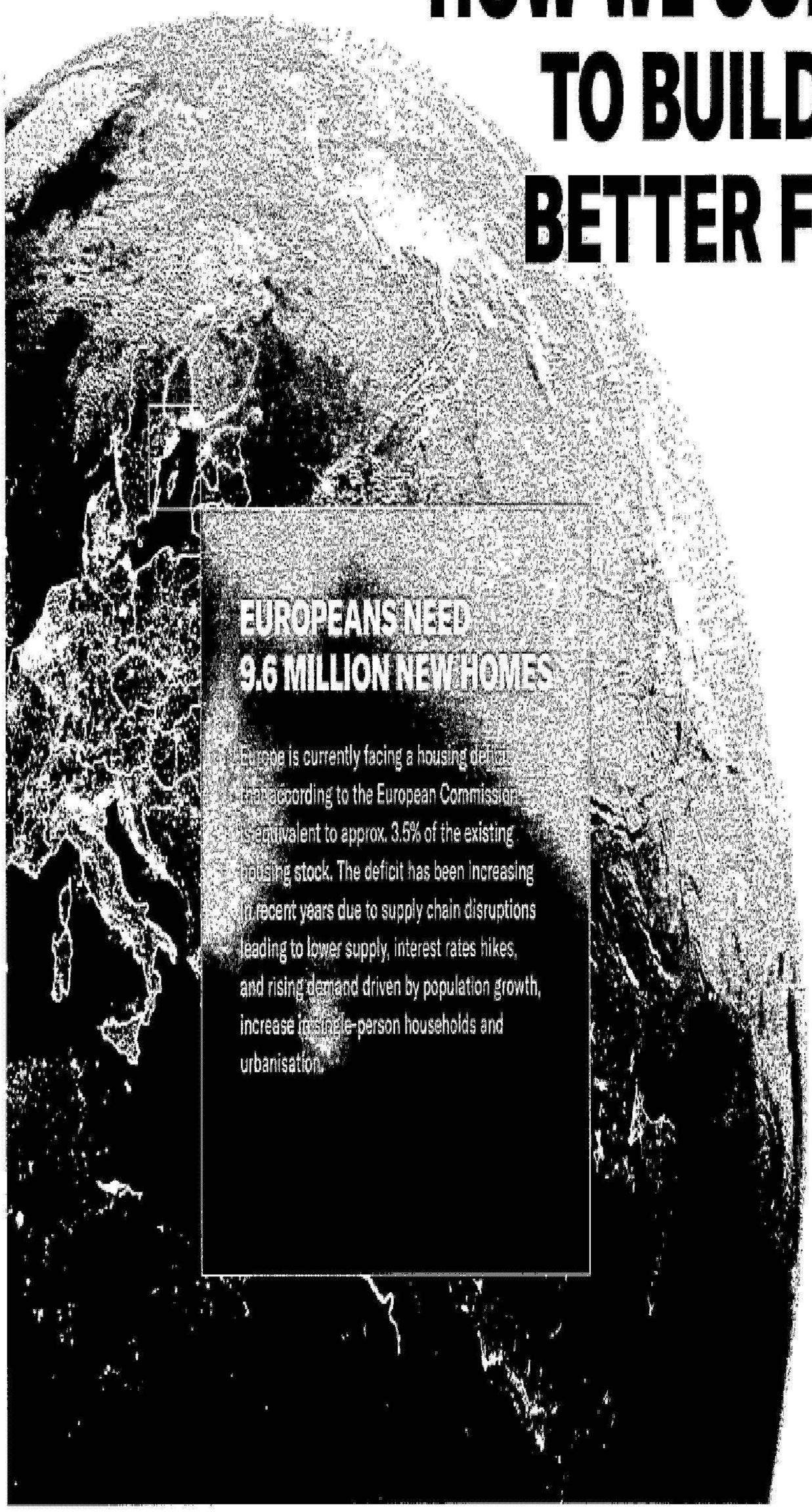
02

HOW WE CONTRIBUTE TO BUILDING A BETTER FUTURE



OUR PURPOSE

WE BUILD OUR FUTURE BY HELPING OTHERS BUILD THEIRS

We support tradespeople in building and renovating homes and delivering on their promises to their customers. We achieve this by always being close to building sites and our customers through our 1,050 branches and distribution centres, and by providing an exhaustive range of building materials and great service offerings through our 18,500 colleagues.

We connect more than 450,000 tradespeople and 15,000 manufacturers, who rely on us as a sales force and a last-mile-distribution partner when serving their long tail of customers and managing the increasingly complex access to building sites and urban areas.

We take pride in making hard work easier. This has made us a leading distributor of building materials in Europe.

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OUR BUSINESS MODEL

HOW WE CREATE VALUE

Building homes, commercial spaces and community buildings is complex and hard work. We aim to make it easier for our customers and suppliers. Doing this well creates ripple effects for our industry and the communities where we operate.

KEY RESOURCES

Purpose-driven people
More than 18,500 employees with backgrounds as tradespeople, retailers, distributors etc.

Products
More than 400,000 SKU numbers sourced and sold

Partnerships
Trusted relationships with +450,000 tradespeople, 15,000 suppliers and the building industry at large

Culture & expertise
Continuous training of employees and more than 125 years of heritage

Brand & reputation
Suite of leading brands acknowledged by tradespeople and the building industry at large

OWN OPERATION

SOURCE

We source at scale and break truckloads into smaller quantities and mix needed at building sites. Keeping stock of a market-leading assortment in warehouses and branches secures high levels of availability close to customers, product integrity and competitive prices

SELL

We offer a comprehensive product mix and full availability. Our offerings include competitive pricing, product and sustainability advice, product documentation and credit options to bridge liquidity gaps

DISTRIBUTE

Through our network of branches and hubs close to customers, we distribute building materials, significantly reducing the time tradespeople spend on procurement. Also, our modified trucks and direct delivery capabilities enable us to efficiently manage the complex distribution of heavy and often fragile materials to building sites

VALUE CREATED

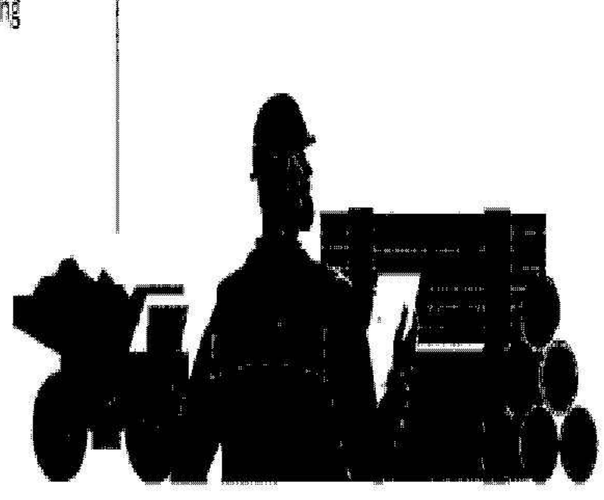
Better housing & built environments
More and better housing, office spaces and renovated, energy-efficient buildings for high quality of life and a built environment that supports net-zero future and social well-being

Efficient building industry
Reduced complexity, more speed and best prices when distributing heavy building materials procured in different mixes for delivery within a short timeframe

Customer value
Advice, service and credit for professional tradespeople

Value for employees
A great place to work offering career opportunities in an engaging and safe working environment for a brand that employees take pride in

Shareholder value
Competitive total returns through high ESG performance and above-average market growth and value creation



OUR MARKET ENVIRONMENT

WHY OUR MARKET IS ATTRACTIVE

Disruptions caused by macroeconomic and political volatility, resulting in interest and inflation spikes, have negatively impacted our industry in recent years. The recovery has been sluggish, and underlying demand for new homes and energy renovations continues to grow.

STRONG MARKET FUNDAMENTALS

The European market for the distribution of heavy and civil engineering building materials is attractive. Valued at EUR 280 billion annually, the market is underpinned by construction sector activity that is characterised by strong fundamentals and supported by structural trends such as stable population and GDP growth, urbanisation and rising demand for energy renovations.

In our addressed markets alone, populations are increasing by more than two million people every five years. Across Europe, this has contributed to a housing deficit of 9.6 million homes.

Despite setbacks related to the 2008 financial crisis and more recent disruptions, the market has demonstrated solid year-on-year volume growth throughout most of the past decades.

Sluggish recovery in activity

The Covid-19 pandemic, war in Ukraine and subsequent events have negatively affected the construction industry and recent years' rebound has been slow.

While the pandemic led to increased activity in several Nordic markets, overall volumes in Northern Europe were adversely affected by unprecedented disruptions. Lockdowns and supply chain issues caused a sharp decline in construction volumes, compounded by sharply increasing prices on building materials combined with inflation spikes and interest rate hikes resulting in a cost-of living crisis.

Further spikes in energy prices following Russia's invasion of Ukraine drove up inflation rates on building materials further and dampened construction activity as a result of higher interest rates.

Although recent declines in interest rates and increases in housing transactions and building permits suggest a potential rebound in construction activity, the pace of recovery varies across regions. The Nordics have rebounded earlier than Germany, where macroeconomic conditions continue to weigh on market recovery.

Increasing housing deficit

With strain on the construction sector, Europe's housing deficit has grown over the past five years and is expected to increase further. Policymakers are under mounting pressure to unlock public and private investment and reduce bureaucratic barriers. The current European Commission has appointed its first Commissioner for Housing and aims to announce an Affordable Housing Plan by mid-2026. Based on stakeholder dialogue, key components of the plan are expected to include unlocking investment, revising state aid rules to enable housing support measures, and issuing new guidance for EU member states on permits, urban planning and taxation.

Germany's coalition government, formed in May 2025, has made housing a key issue. Its Bau-Turbo reform was adopted by the German Parliament and Federal Council in October 2025, targeting the construction of 320,000 new homes annually until 2030. The reforms aim to streamline and accelerate construction approvals by reducing bureaucracy.

In the UK, the government has set a target of 1.5 million new homes by 2029. Planning reforms have begun, but systemic issues remain unresolved and funding remains limited.

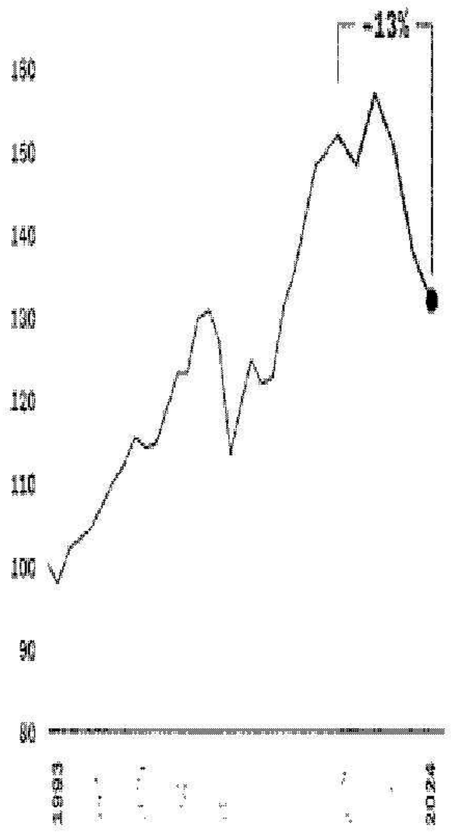
In Sweden and Denmark, governments have introduced tax deduction schemes to stimulate renovation, maintenance and improvement of the housing stock.

Increasing sustainability requirements

As demand for homes, commercial spaces and energy renovations increases, new legislation and customer

Activity in construction market

Market activity has decreased since 2022.



RECOVERY FROM A 30-YEAR MARKET EVENT

The building materials market has shown solid year-on-year growth throughout most of the past decades. However, the recent decline in activity levels has been the most severe and prolonged in over 30 years.

In the latest full calendar year, 2024, activity levels were 13% lower than in the most recent "normal" year, 2019. This downturn is comparable to the one following the financial crisis of 2009-10. Compared to that period, the current recovery has already lasted a year longer and remains sluggish.

Nevertheless, strong market fundamentals persist, indicating significant upside potential once the market rebounds.

Source: Consolidated STARK Group view based on multiple external sources.

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FOCUSED STRATEGY TO UNTAP ATTRACTIVE MARKET

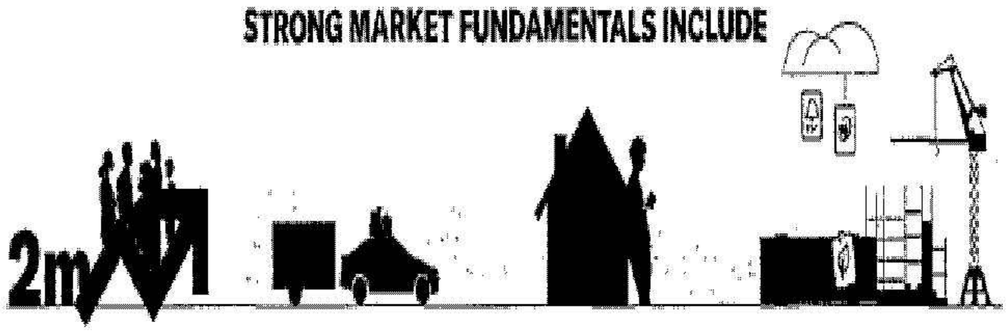
We aim to consolidate the attractive yet fragmented European market for heavy and civil engineering build materials

Total worth

280

EUR bn

STRONG MARKET FUNDAMENTALS INCLUDE



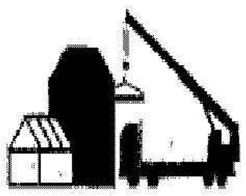
Population growth

Rapid urbanisation

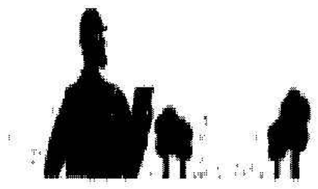
Single-person households

Energy efficiency and sustainability

WE FOCUS ON



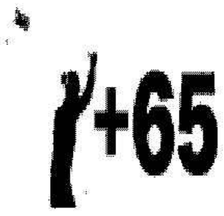
Renovation, Maintenance and Improvement (RMI)



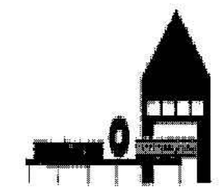
Small and medium-sized tradespeople

Capturing the most attractive market segment that accounts for 60% of the total market and demonstrates greater resilience compared to new-build construction

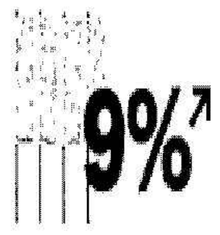
BY MAKING HARD WORK EASIER



Customers promote us:
Net Promoter Score (NPS)



Suppliers thrive with us



and we grow:
Net sales CAGR since 2022

expectations are reshaping the market towards more sustainable products and services that help customers navigate growing complexity. Sustainable building practices have gained significant momentum over the past decade due to increasing climate concerns, a call for reduced dependency on gas, long-term cost savings, increased property value and growing market demand.

The EU's European Green Deal and the 2023 revision of the Energy Performance of Buildings Directive (EPBD IV) are being implemented into national legislation. These mandate a 55% reduction in greenhouse gas emissions by 2030 and a fully decarbonised building stock by 2050.

National legislation implementing the directive came into effect in Denmark in January 2023, when a carbon cap was introduced. This was tightened in July 2025, lowering CO_2 limits and expanding coverage to more building types. Finland is expected to enact new legislation in January 2026, while similar legislation is being developed in other markets.

In addition, the focus on reducing carbon footprints and enhancing energy efficiency has intensified as European countries aim to eliminate reliance on Russian gas and energy supplies. While transforming energy infrastructure is a priority, achieving these targets also depends on increasing the renovation rate of the least energy-efficient buildings across EU member states.

These transformations are driving increased focus on renovation and energy improvements, adjusting building practices to favour materials with lower carbon footprints, and promoting the reuse and recycling of building materials.

Basic pain points and emerging complexity

While basic customer pain points - such as accessing building materials on time and in full - persist, new challenges are emerging.

Urban construction is becoming increasingly complex as new regulations disrupt material flows into major cities. Traffic congestion hampers efficiency, and a growing number of cities are introducing restrictions and taxes on trucks and heavy vehicles.

With limited space around urban building plots and regulations on noise, dust and other environmental factors, construction logistics are becoming more intricate.

Our strategy aims to respond to these challenges - whether by embracing sustainability, navigating regulatory complexity, or innovating in logistics and digital solutions - to make hard work easier for the tradespeople and partners that we serve.

OUR STRATEGY

HOW WE LEAD AND CAPTURE OUR MARKET

Our strategy is to become Europe's most trusted B2B distributor of heavy building materials by capturing and consolidating this attractive yet fragmented market.

We serve small and medium-sized (SME) tradespeople who value our services, focusing our efforts on the Renovation, Maintenance and Improvement (RMI) market. RMI accounts for more than 60% of the total market and demonstrates greater resilience compared to new-build construction.

Although the market has experienced a decline in volume in recent years and is undergoing a sluggish recovery, we have increased our RMI share and have increased our market share across our business.

OUR STRATEGIC INITIATIVES AND PRIORITIES

We attribute this success to the solid execution of our strategy's 10 pillars undertaken in recent years to effectively deepen customer relationships, drive operational efficiency and optimise asset management.

The 10 strategic pillars of our strategy are outlined on the next page.

In spring 2023, the strategy was updated with new initiatives to futureproof our business towards 2027. This update introduced a 10th pillar integrating sustainability in the strategy and was followed by an accelerated transformation and investment programme, prioritising five major transformations to sustain above-market growth rates:

01 Accelerating growth
02 Advancing our distribution platform
03 Leveraging scale and buying power
04 Becoming digital in everything we do
05 Becoming the best partner for sustainable building

Our transformation programme is detailed on pages 21-22.

OVERCOMING COMPLEXITY

In recent years, we have made significant strides in enhancing our commercial mindset and key operational concepts. These include improving our product range and availability, introducing new commercial concepts, expanding our network through mergers and acquisitions (M&A) and greenfield developments, and strengthening our above-branch logistics and distribution capabilities.

This commercial core of our strategy continues to effectively address the increasing complexity of distributing heavy building materials into urban environments, while meeting sustained customer

ACCELERATED JOURNEY TO A FOCUSED, EUROPEAN LEADER

Guided by our vision to "be the most trusted B2B distributor of heavy building materials in Europe", we continue to consolidate a highly fragmented market.

2017 Strategic refocus, including the divestment of Silvan (B2C) and rebranding from DT Group to STARK Group

2018 Established STARK Sourcing with group-wide responsibility to leverage scale and sourcing power

2019 Entered the German market through the acquisition of STARK Deutschland

2020 Launched an accelerated M&A growth strategy, completing 8 acquisitions prior to CVC's acquisition of STARK Group in 2021 and 25 acquisitions after

2021 **Acquired by CVC Capital Partners Fund VII. This report represents our company under CVC ownership starting 1 May 2021.**

Committed to the Science Based Targets initiative, targeting net zero by 2050

2022 Initiated a digital transformation programme to modernise core IT systems and business processes

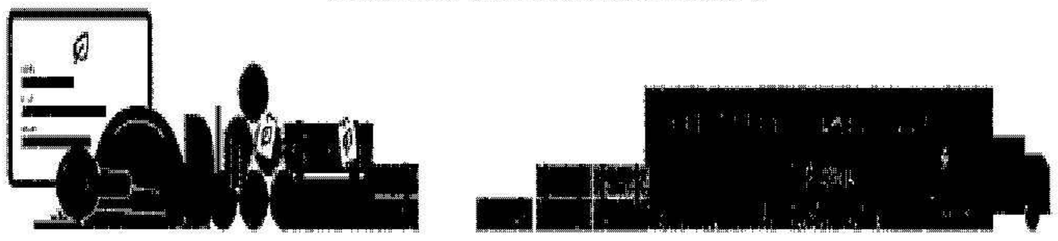
2023 Became European market leader following the acquisition of STARK UK

Integrated sustainability as a 10th commercial growth driver in our strategy

2024 Enhanced above-branch distribution capabilities with the opening of the first central distribution centre and LightHub in the Nordics

2025 Groundbreaking for second new LightHub distribution centre in the Nordics, scheduled to open in late 2026

THE MOST TRUSTED B2B HEAVY BUILDING MATERIALS DISTRIBUTOR IN EUROPE



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OUR 10 STRATEGIC PILLARS

WIN LOCAL ZONE TO GROW MARKET SHARE

1. SME FOCUS We aim to win SME customers, actively reduce churn, and do more business with existing customers.

2. CUSTOMER PROMISE We aim to offer great product range and availability with best-in-class delivery services while expanding our offering in must-win categories, such as tiles, energy efficiency and light building supplies.

3. BEST BRANCH PROXIMITY We aim to optimise our network through proximity and market-leading branch concepts, enhanced logistics capabilities and lighthubs that offer above-branch logistics with superior ranging and availability.

CATALYSE POWER INTO THE LOCAL ZONE

4. DIGITAL IN EVERYTHING WE DO We aim to establish a modern digital foundation that makes key processes more effective, frees up time and provides smarter, value-adding services that solve essential customer pain points.

5. EMPOWERING PEOPLE We aim to empower local responsibility and accountability, work smartly with efficiency and performance and ensure that we have capable and engaged people serving our customers.

6. SMART PRICING We aim to secure best prices and pricing consistency tailored for individual customers while enhancing automated pricing practices through improved use of data and AI.

BENEFIT FROM EUROPE'S LARGEST PLATFORM

7. EUROPE'S #1 SOURCING CHANNEL We aim to leverage our scale and buying power to regain margin from suppliers, chase synergies and roll out a rejigged Own Brand offering.

8. M&A LEADERSHIP We aim to consolidate our industry to secure scale benefits to tradespeople, build local proximity in growth zones and fuel must-win category plays.

9. COMMERCIAL REAL ESTATE We aim to manage our property portfolio actively to secure operational excellence and reinvest in our business and branch network.

BEST PARTNER FOR SUSTAINABLE BUILDING

10. HELPING CUSTOMERS BUILD LOW-CARBON FUTURES We aim to make carbon data on products available to customers and expand the eco-labelled, low-carbon and energy-efficiency product range while enhancing our sustainability advisory, documentation and carbon-efficient distribution services.

demand for convenience and reliable services that simplify hard work.

As a result, we have achieved industry-leading performance in product availability and On-Time-In-Full (OTIF) delivery, contributing to high levels of customer satisfaction. Our Net Promoter Score (NPS) stands at +65 - among the highest in the industry - and has played a key role in driving market share gains.

Our winning formula has matured in the Nordics, where it has been applied the longest. While it is being implemented in Germany and the UK, new commercial concepts are being developed to advance our leadership further.

COMMERCIALISING SUSTAINABILITY

Our 2023 strategy update introduced "Best Partner for Sustainable Building" as a new 10th strategic pillar. The pillar aims at commercialising sustainability to respond to evolving market demands, driven by new building practices and regulations aligned with a net-zero future.

Environmental, Social and Governance (ESG) considerations and commitments are integrated into our business model, long-term corporate planning and governance to ensure we are prepared for the risks and opportunities of a changing world. Adding sustainability as a strategic pillar takes this commitment one step further.

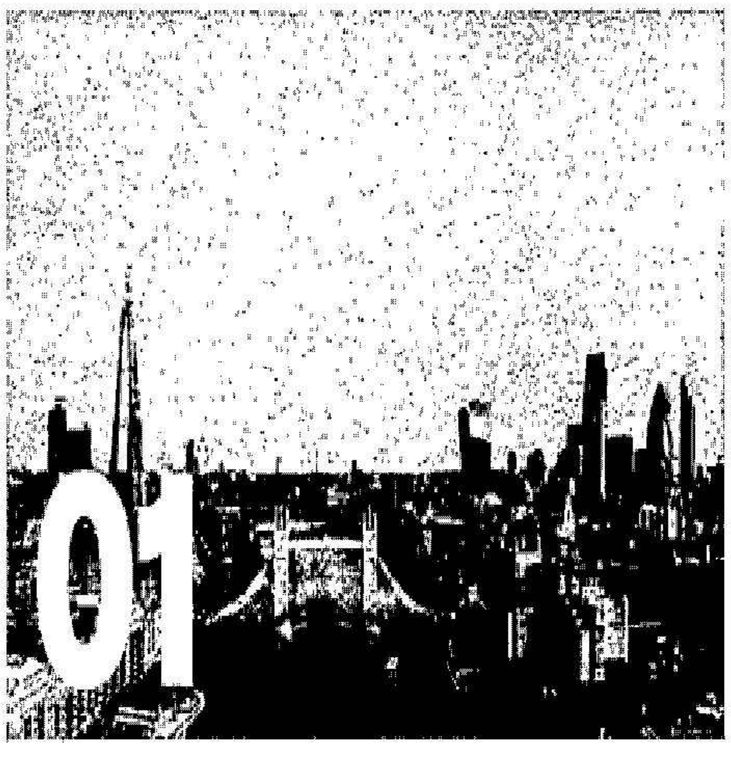
Guided by our ambition to be the best partner for sustainable building, we are leveraging our ESG-led approach, transparency, and responsible day-to-day operations to turn increasing requirements into a competitive advantage and unlock higher growth.

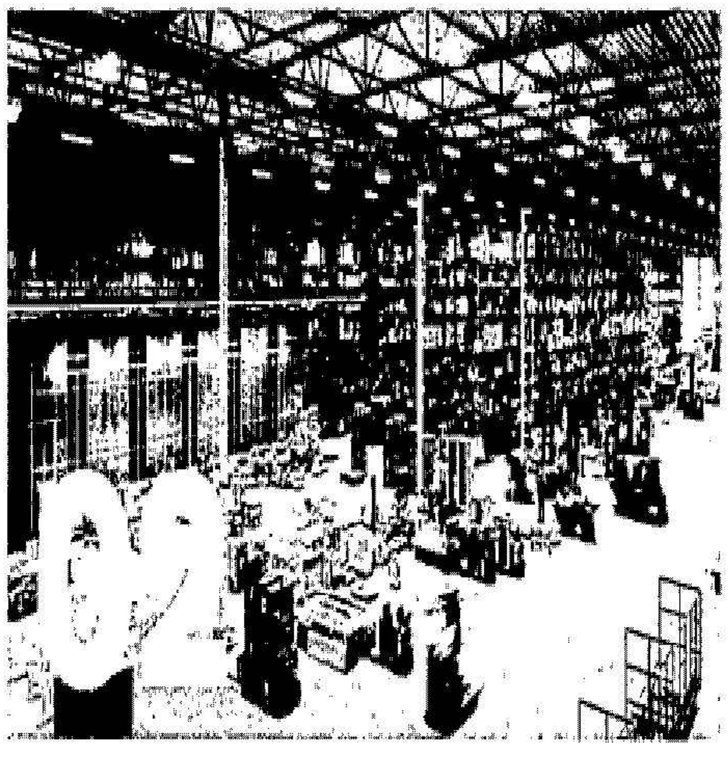
Key commercial concepts include providing carbon data on products, expanding third-party eco-labelled and energy-efficient offerings and enhancing sustainability services - including advisory, documentation and carbon-efficient distribution.

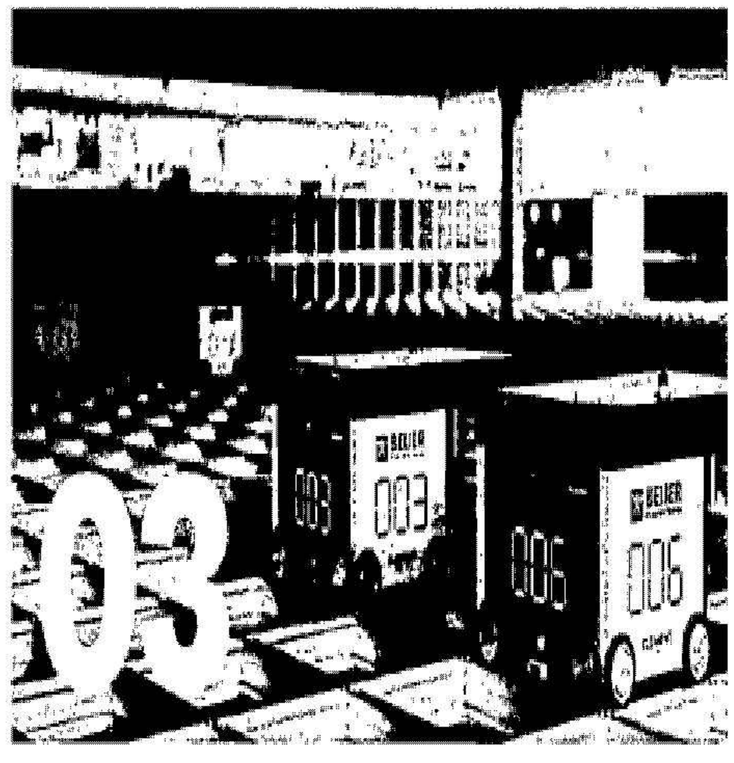
While policies and commitments are group-wide, our strides to become the best partner for sustainable building is being spearheaded by our operations in places where the transition to low-carbon construction is more accelerated due to earlier regulatory shifts. All concepts are being developed for local adaptation to fit local market demands.

OUR STRATEGY

TRANSFORMATION PROGRAMME ACCELERATING GROWTH







ACCELERATING GROWTH

Delivering market share gains and a CAGR of 9% from organic growth and acquisitions since the financial year 2022

Commercial excellence, acquisitions and new branch openings have made us a European leader.

The 2019 acquisition of STARK Deutschland established a platform for growth into the German market for heavy building materials and specialist areas such as civil engineering, roofing, and tiles. In the past years, we have completed 25 acquisitions, significantly boosting our growth. Among our recent acquisitions was STARK UK, which represents nearly one-third of our business.

While turning around our major acquisition of STARK UK and managing a tough macroeconomic environment in several of our markets, we continue to invest in organic growth by enhancing commercial excellence, opening new branches, consolidating branches into bigger, better ones, and by investing in our logistics and distribution set-up.

ADVANCING OUR DISTRIBUTION PLATFORM

Delivering a superior range and availability through light-hubs and market-leading branch and distribution concepts

We distribute building materials through a network of 1,050 branches, ensuring close proximity to tradespeople and building sites with market-leading branch concepts. At the national level and in major cities, we enhance our distribution by clustering around distribution branches and establishing regional and national hubs and central warehouses.

Following our successful Nordic blueprint, we have initiated distribution clustering programmes in Germany and the UK.

Additionally, we are strengthening our above-branch logistics to improve product range and availability. The opening in 2024 of our new central warehouse in Stockholm has significantly boosted our next-day delivery services and product range. This progress continued over the past year with the groundbreaking of a new distribution centre for light-side materials in Denmark.

DIGITAL IN EVERYTHING WE DO

Driving a step-change in efficiency and delivering new customer-facing solutions through digital and AI-driven enhancements to business processes

Connecting 450,000 tradespeople with 15,000 suppliers within a complex distribution and logistics network demands a robust digital foundation. We are well underway in renewing this foundation to streamline processes, foster synergies and deliver value-adding services that address key customer pain points.

Our strategic digital transformation initiative, Athene, comprises 11 integrated IT and business projects. These initiatives are set to enhance critical functions including sales, warehouse management, supply chain planning, logistics and finance.

By leveraging AI and our data infrastructure, we are exploring how best to support sales and customer-facing colleagues through tools such as Anton Branch Assistant - a practical AI solution that enables branch staff to quickly access product information and efficiently respond to customer enquiries.

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OUR STRATEGY

LEVERAGING SCALE AND BUYING POWER

Leveraging our scale to improve gross margins by reclaiming margin from suppliers and pursuing synergies

We purchase building materials worth over EUR 5.5 billion annually, using our scale to benefit tradespeople, improve margins, achieve synergies and expand a leading own brand range.

Our group-wide sourcing organisation offers suppliers a single entry point, data-driven negotiations and access to new geographical markets.

We continue to leverage our scale to deliver a high-quality, competitive own brand range, including the RAW, Raptor, Kermos, Terralis and SKY brands.

BEST PARTNER FOR SUSTAINABLE BUILDING

Turning our leadership and top tier rating into competitive advantage and unlocking higher growth

We uphold high ESG standards, and we work to make sustainability a commercial success, benefiting tradespeople and advancing a net-zero future.

We provide carbon data on products, expand third-party ecolabeled and energy-efficient offerings and enhance sustainability services, including advisory, documentation and carbon-efficient distribution.

We continue to expand our digital offering for tracking CO_2 footprints of building materials and their distribution. Initially launched in Denmark with CVC Planet & People Grant supports our digital climate tool is currently available in three Nordic countries and will be rolled out across our business.

HOW WE MANAGE OUR RISK LANDSCAPE

Risk management is an integral part of our operations. It is designed to ensure business continuity, protect and enhance value and safeguard the well-being of our employees.

As an international leader in our industry, we face risks and opportunities inherent to both our sector and the European markets in which we operate. These include macroeconomic, commercial and regulatory factors. We strive to balance these appropriately to secure our strategic goals and drive value creation in the short, medium and long term.

Our approach to risk management is embedded within our Enterprise Risk Management (ERM) framework, which supports leadership in making informed decisions and allocating resources optimally. The framework forms the foundation of a thorough annual process and fosters understanding and transparency in risk management, helping to identify, mitigate and reduce negative impacts.

To identify, prioritise and manage key risks, we continuously assess and update a risk register. This register builds on insights from management and key employees across our organisation and encompasses all types of risks that could significantly disrupt our strategic and financial objectives, value creation, reputation or employee well-being.

The identified risks and corresponding mitigation actions are consolidated into a group-wide risk landscape, which is reviewed and assessed by the Executive Management. These risks are subsequently discussed and validated by the Audit Committee and the Board of Directors.

RISK GOVERNANCE

Our Board of Directors holds overall responsibility for risk governance. The Audit Committee, acting on behalf of the Board, monitors the effectiveness and design of the Group's risk management framework.

The Executive Management is responsible for the operational execution of risk management, led by the CEOs of individual business units, who ensure the implementation of our Risk Management Policy and Internal Controls Framework.

The head of ERM and a group-wide risk and control team are responsible for overseeing the execution of mitigation measures, tracking trends and issues within the control framework, and ensuring comprehensive reporting to the Audit Committee.

See the overview of our risk management governance for the full list of responsibilities.

STABLE RISK LANDSCAPE

Our risk landscape encompasses strategic, operational, financial, and compliance risks. It has remained stable in recent years, with three strategic and operational risks taking priority.

Since 2021, key risks have included:

- Economic downturn due to geopolitical uncertainty
- Supply chain disruption and pricing management
- Information systems and cyber risk

Details on key risks, their impact and mitigation measures are elaborated on page [illegible].

OVERVIEW OF RISK MANAGEMENT GOVERNANCE

Board of Directors/Audit Committee

- Provides independent and objective assurance and reviews the adequacy and effectiveness of our risk management processes

Executive Management and BU CEOs

- Oversees and challenges the enterprise risk profile
- Responsible for implementing the ERM framework
- Ensures that risk management is an integral part of the strategic planning

[illegible]

- Responsible for updating and developing the ERM framework
- Consolidates our risk landscape and tracks trends and emerging risks
- Offers support and promotes risk awareness across the organisation
- Reports status and progress and updates to Audit Committee

Group-wide Risk and Control team

- Responsible for monitoring the execution of risk mitigation measures
- Tracks issues with risk mitigation and alignment with Control Framework
- Assists risk and control owners developing and implementing action plans to mitigate risks
- Test and document quality of risk mitigation measures

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ECONOMIC DOWNTURN

Impact

Political instability, trade tensions and regulatory changes in key markets are contributing to a broader economic slowdown. These geopolitical factors, combined with inflation and changing interest rates, can accentuate the challenges we face and can disrupt supply chains, increase operational costs and create uncertainty in our strategic planning.

Economic downturn leads to weak demand, while higher debt servicing costs generate additional pressure on our financial performance. Furthermore, geopolitical developments can affect currency exchange rates, complicating financial forecasting and budgeting.

Mitigation

We have greater exposure in the Renovation, Maintenance, and Improvement (RMI) market, which generally demonstrates more market stability compared to newbuilds. We continue to adapt our operations to the challenging market environment where possible, while also using this period to position and strengthen our core business for future growth when markets recover.

Our Executive Management continuously monitors market conditions and closely tracks the performance of our business. This approach ensures local adaptability to changing market dynamics.

SUPPLY CHAIN DISRUPTION AND PRICING MANAGEMENT

Impact

Our supply chain is susceptible to disruptions from various external factors, including geopolitical conflicts, material shortages, trade restrictions, extreme weather events and logistical challenges. While we prioritise responsible sourcing, we may encounter difficulties in quickly substituting key suppliers and products during disruptive events. This could lead to a temporary loss of product range and market share.

Additionally, these disruptions can impact our pricing management strategies, as political instability, fluctuating freight- and supply costs and availability may necessitate frequent adjustments in pricing to maintain profitability.

Mitigation

We source the majority of our products from countries close to our operational markets, thereby minimising risk exposure. To address concerns and mitigate associated risks, we maintain close collaboration with suppliers and logistics partners. The Group is committed to securing a diverse base of alternative suppliers to ensure product availability and uninterrupted service to customers.

Enhanced screening and continuous monitoring of supplier performance and product quality are key to identifying and addressing potential concerns in a timely manner. Effective communication with vendors, coupled with reinforced inventory management practices, is vital for managing sourcing processes, price management and mitigating the risk of supply shortages.

Additionally, we are investing in advanced analytics and supply chain technologies to improve visibility and responsiveness. By leveraging these tools, we can better anticipate disruptions and implement proactive measures to maintain supply chain resilience.

INFORMATION SYSTEMS AND CYBER RISK

Impact

The Group's operations are dependent on the secure, reliable, and uninterrupted functioning of our information systems. As our digital footprint expands, the risk landscape grows, influenced by rapid technological advancements, geopolitical uncertainties and the inherent complexities of managing IT infrastructure. Disruptions in critical systems, whether due to technical failures, cybersecurity vulnerabilities, human error or data breaches, can severely disrupt day-to-day operations, degrade customer service and damage our reputation.

Mitigation

We are managing our information systems risks through a multi-layered approach that supports both operational continuity and security. Our strategy is focused on maintaining system reliability and resilience, with ongoing investments in upgrading and modernising IT infrastructure to support both current and future operational demands. We manage our IT upgrade projects by applying project governance, risk assessments and contingency planning to minimise potential disruptions and support timely transitions to new solutions. Cybersecurity is a standing item on the Audit Committee agenda, ensuring regular oversight of major initiatives, risk exposure, incident response preparedness, and the effectiveness of our IT controls. We continue to build internal expertise, enhance employee training on emerging technologies and monitor global cyber threats to ensure our systems remain secure, efficient and adaptable to technological advancements.

ERFORMANCE

A sluggish recovery has weighed on demand in our market. Nevertheless, we delivered stable net sales, gross profit and adjusted EBITDA.

We continued to gain market shares and made solid progress on our turnaround of STARK UK and our accelerated transformation programme that aims at positioning our business for continued above-market growth.

Financial performance	26
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FINANCIAL PERFORMANCE

GROUP

We managed our business with discipline across markets that are at varying stages of the recovery cycle. We delivered stable net sales, gross profit and adjusted EBITDA in the past financial year.

Solid performance in the Nordics and the UK was offset by continued soft demand in Germany and Austria. The gross margin remained robust at 26.2%. Tight cost control and mitigation measures partly offset the inflationary pressure on our staff cost, resulting in a stable adjusted EBITDA.

Reported EBITDA was impacted by several significant initiatives in our accelerated transformation programme that includes the turnaround of STARK UK.

NET SALES

7,760

EURm

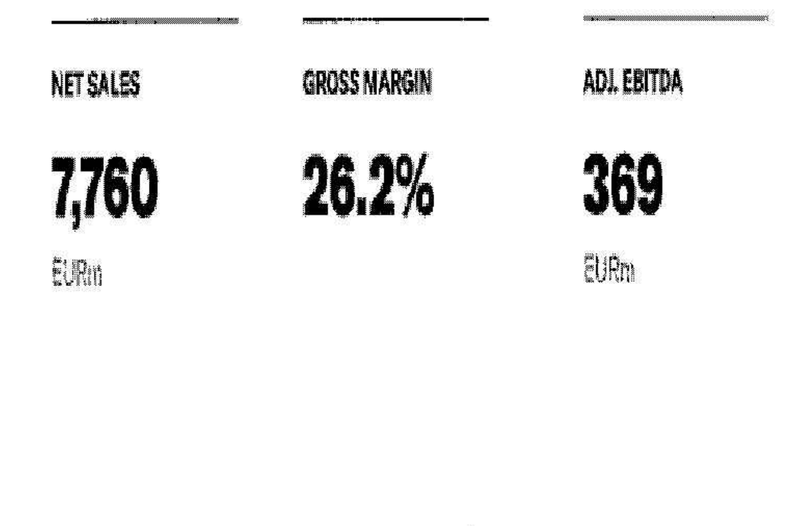
GROSS MARGIN

26.2%

ADJ. EBITDA

369

EURm



NET SALES

Net sales amounted to EUR 7,760 million, a decrease of 0.3%. Currency translation from primarily GBP contributed positively to net sales by 0.7%.

Demand in the Nordics and the UK remained solid throughout the year. However, this was offset by continued weak demand in Germany and Austria, where challenging macroeconomics persisted throughout the year. Our turnaround and platform transformation in the UK, consolidating branches into bigger and better ones, adversely impacted net sales. On a like-for-like basis taking this transformation into account, underlying net sales for the Group increased by approximately 1%, supported by market share gains across all regional segments.

Volume growth was the primary driver of underlying net sales, with pricing having a near-neutral impact. A strong lever for sales growth was our higher exposure to SMEs and stock sales linked to renovation, maintenance, and improvement (RMI).

GROSS PROFIT AND MARGIN

Gross profit fell by 0.2% to EUR 2,036 million. Gross margin was stable at 26.2%. Growth in gross profit in the Nordics and the UK was offset by declines in Germany and Austria, where volumes decreased and price competition intensified. Gross profit benefitted slightly from increased exposure to SME customers and stock sales in the Nordics linked to the RMI market, as well as from the implementation of new pricing models and sourcing synergies in the UK.

ADJUSTED INCOME STATEMENT

	2024/25			2023/24		
EUR million	Reported	Non-recurring items	Adjusted	Reported	Non-recurring items	Adjusted
Net sales	7,760		7,760	7,780		7,780
Cost of sales	(5,724)	(8)	(5,716)	(5,739)	(2)	(5,737)
Gross profit	2,036	(8)	2,044	2,041	(2)	2,043
Gross profit margin %	26.2%		26.3%	26.2%		26.3%
Staff costs	(1,169)	(35)	(1,134)	(1,135)	(38)	(1,097)
Other expenses	(589)	(47)	(542)	(615)	(37)	(578)
Total operating expenses	(1,758)	(82)	(1,676)	(1,750)	(75)	(1,675)
Other operating inc and exp	10	9	1	35	31	4
EBITDA	**288**	**(81)**	**369**	**326**	**(46)**	**372**
EBITDA margin %	3.7%		4.8%	4.2%		4.8%

To provide a clearer view of our Group's underlying performance, an adjusted income statement with comparisons is included above. The income statement has been adjusted to exclude non-recurring items, mainly related to our transformation and restructuring activities. In addition, adjusted segment income statements for the three segments - Nordics, Germany & Austria, and United Kingdom - have been included in the following pages from the first year with 12 months of operations.

OPERATING EXPENSES

Operating expenses were tightly managed, with a strong focus on cost discipline to mitigate salary inflation and wage increases.

Staff costs rose by 3.0% to EUR 1,169 million. While mitigation initiatives helped offset underlying wage inflation, they were not sufficient to counterbalance higher salary costs from branch openings in the Nordics and performance-related payments, mainly in the UK.

Other expenses improved due to stringent cost management and the postponement of initiatives in Germany and the UK. On an adjusted basis, these expenses decreased by EUR 36 million to EUR 542 million, representing a 6.2% reduction year-on-year.

Total operating expenses increased by 0.1% to EUR 1,676 million.

EBITDA

Improved adjusted EBITDA in the Nordics and the UK was insufficient to offset a decline in Germany and Austria, which were impacted by weak demand.

Stable net sales, gross profit and operating expenses resulted in an adjusted EBITDA of EUR 369 million, down by 0.8% compared to the previous year. Our adjusted EBITDA margin stood at 4.8%.

Significant investments to accelerate the execution of our strategy and transformation impacted our reported EBITDA. These non-recurring expenses amounted to EUR 81 million and related to our UK turnaround, restructuring activities in Germany, and investments in digital transformation and logistics in the Nordics.

Reported EBITDA was EUR 288 million (previous year: EUR 326 million) and came in lower than our guidance, mainly driven by a slower than expected market recovery and additional non-recurring items.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation amounted to EUR 330 million for the year (previous year: EUR 335 million), reflecting depreciation and amortisation of tangible and intangible assets of EUR 137 million and EUR 193 million related to right-of-use assets (IFRS 16).

The level of depreciation and amortisation is impacted by fair value assessment of tangible assets and recognition of intangible assets from the acquisition of STARK Group as of 4 May 2021 as well as the acquisition of STARK UK as of 28 February 2023.

FINANCIAL ITEMS, NET

Financial items for the year amounted to a net expense of EUR 249 million compared to EUR 221 million in the previous year. In general, financial expenses are to a large extent driven by long-term financing in relation to CVC's acquisition of STARK Group in 2021 and our acquisition of STARK UK in 2023. In the financial year, effective interest levels remained elevated compared to previous years, although with a downward trend observed in the last part of the year.

TAXES

Income tax for the year was an income of EUR 5 million (previous year: income of EUR 29 million), corresponding to an effective tax rate of 2% (previous year: 13%). The effective tax rate in 2024/25 was mainly impacted by limitation on interest deduction (consistent with the previous year) and by changes in the valuation of deferred tax assets. The reassessment of deferred tax assets primarily relates to the recognition of tax loss carry-forwards. While the tax loss carry-forwards do not expire, they are not fully recognised in deferred tax balances, which reduces the effective tax rate.

NET EARNINGS

Net earnings for 2024/25 were a loss of EUR 286 million (previous year: loss of EUR 201 million).

Strong cost discipline helped mitigate adverse impact from weak demand, particularly in Germany and the UK, which weighed on net sales and gross profit. Nevertheless, it was not sufficient to offset significant investments and restructuring expenses undertaken to accelerate the execution of our strategy

Persistently elevated interest rates added further pressure, driving negative net earnings for the year. With the structural measures implemented, we are better positioned to capture benefits once market conditions improve.

OTHER COMPREHENSIVE INCOME

Other comprehensive income was a gain of EUR 3 million (previous year: loss of EUR 11 million) and consisted of a net loss of EUR 6 million (previous year: loss of EUR 1 million) related to exchange gains from translation of foreign operations and a net gain of EUR 9 million (previous year: loss of EUR 11 million) from actuarial valuation of retirement benefit plans.

OUTLOOK 2026

For the financial year ending 31 July 2026, we expect the recovery to continue, with demand likely remaining soft in the first half before gradually improving over the course of the year.

Prices are anticipated to align with a more normalised level of inflation, though competitive pressures in certain segments may continue to weigh on pricing. Volumes are expected to mirror demand, starting slowly and strengthening as the year progresses.

We aim to offset inflationary pressures on our cost base through strict cost discipline and streamlined operations, supported by run-rate effects from initiatives implemented in the past year. For EBITDA, we expect positive underlying developments, driven by a gradual market recovery, incremental gross margin improvements and continued focus on efficiency.

WE EXPECT TO DELIVER THE FOLLOWING FOR OUR NEXT FINANCIAL YEAR

Net sales in the range of

7.9-8.2

EUR billion

Reported EBITDA in the range of

375-425

EUR million

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FINANCIAL POSITION

INTANGIBLE ASSETS

Total intangible non-current assets amounted to EUR 1,826 million as of 31 July 2025 (31 July 2024: EUR 1,828 million) and consisted primarily of goodwill, trade names and customer relations identified in connection with acquisitions.

Additions during the year of EUR 40 million (previous year: EUR 34 million) mainly related to investments in software.

TANGIBLE ASSETS

Total tangible non-current assets amounted to EUR 2,198 million as of 31 July 2025 (31 July 2024: EUR 2,325 million). The amount was primarily related to owned properties, which amounted to EUR 1,093 million (31 July 2024: EUR 1,154 million) and EUR 854 million (31 July 2024: EUR 925 million) has been recognised as right-of-use assets (primarily leased properties). Capital expenditure during the year amounted to EUR 117 million (previous year: EUR 114 million).

CAPITAL EXPENDITURE (CAPEX)

Net Capex for the year was EUR 99 million (previous year: EUR 55 million). We continued to invest in and expand our branch network to support growth, while at the same time optimising our network and divesting properties and other assets with a total positive cash impact of EUR 58 million (previous year: EUR 93 million).

Operational Capex amounted to EUR 96 million (previous year: EUR 81 million) of which EUR 54 million related to Base Capex to maintain the business and EUR 42 million related to Development Capex, primarily related to enhancing our digital capabilities and secure compliance.

WORKING CAPITAL

Trade working capital (inventories, trade receivables less trade payables) amounted to EUR 181 million as of 31 July 2025 (31 July 2024: EUR 354 million). The significant improvement was primarily driven by lower trade receivables, reflecting increased utilisation of factoring supported by the new programme introduced during the year. Developments in inventories and trade payables were broadly in line with expectations and consistent with the performance of the business.

EQUITY

Equity was EUR 360 million as of 31 July 2025 compared to EUR 644 million as of 31 July 2024. The decrease of EUR 284 million can primarily be attributed to the net earnings for the period of negative EUR 286 million and other comprehensive income of EUR 3 million. Dividend to non-controlling interests amounted to EUR 1 million, which has been partly paid out.

The Company and its subsidiaries did not acquire any of its own shares during the 12 months ended 31 July 2025, and the Company and its subsidiaries do not hold own shares as of 31 July 2025.

CASH FLOW

Our focus on safeguarding liquidity delivered strong results in 2024/25. Free cash flow improved significantly to EUR 140 million (previous year: EUR 69 million). As of 31 July 2025, available funds (cash and cash equivalents plus unused RCF capacity) amounted to EUR 519 million.

OPERATING ACTIVITIES

Operating activities generated a positive cash flow of EUR 239 million (previous year: EUR 114 million). The increase was mainly driven by higher utilisation of factoring facilities, effective working capital management, and lower tax payments. Interest payments remained elevated due to the higher interest rate environment but showed a declining trend toward year-end.

INVESTING ACTIVITIES

Cash flow from investing activities amounted to a net outflow of EUR 99 million (previous year: EUR 83 million). Investments were primarily directed toward our digital transformation programme and the expansion, transformation and upgrade of our branch and distribution platform. At the same time, we continued to divest and merge branches in the UK as part of the ongoing turnaround programme.

FINANCING ACTIVITIES

Financing activities resulted in a net cash outflow of EUR 101 million (previous year: EUR 97 million). The largest component was lease debt instalments, which increased to EUR 179 million (previous year: EUR 166 million). Utilisation of the RCF rose by EUR 78 million to EUR 133 million.

PARENT COMPANY, STARK GROUP A/S

The parent company income statement reflects the normal operating activities of STARK Group's headquarters. Costs incurred in relation to the operations of subsidiaries have been recharged to the respective entities and are recognised as net sales. The development in net sales, staff costs and other external operating expenses was in line with expectations.

During the financial year, the parent company completed the liquidation of one of its subsidiaries, LSF10 Wolverine BidCo ApS. The transaction resulted in the derecognition of net assets of EUR 111 million, corresponding to the carrying amount of the investment at the time of disposal.

The proceeds from the liquidation were subsequently reinvested in STARK Sourcing A/S, resulting in an addition of EUR 113 million. Furthermore, additions to investments in subsidiaries of EUR 32 million during 2024/25 relate to capital contributions made as part of the ongoing management of capital structures across the Group.

Income from investments in subsidiaries increased in 2024/25, primarily due to dividend income of EUR 77 million (2023/24: EUR 12 million). In addition, an impairment reversal of EUR 12 million related to the investment in STARK Suomi Oy was recognised, as the reason for the previous impairment had ceased to exist. The net impact of the liquidation was a gain of EUR 2 million.

No other unusual items or significant transactions occurred during the year.

Management review

Executive summary

Our business

Performance

Governance

Sustainability review

Financial statements

SUSTAINABILITY PERFORMANCE

GROUP

During the year, we made significant progress in embedding sustainability across our business by transforming ESG commitments and legal requirements into customer value and a competitive advantage.

Sustainability was more deeply integrated into our commercial strategy, operations and customer offering, driven by our ambition to be the best partner for sustainable building. In addition, our reporting processes - guided by the Corporate Sustainability Reporting Directive (CSRD) - were further developed, despite ongoing regulatory uncertainty following the EU's Omnibus proposal. This report marks our first integrated report.

ENVIRONMENT

Climate action took centre stage, with particular focus on our commitment to the Science Based Targets initiative (SBTi) and to achieving net zero by 2050. During the year, SBTi validated our net-zero reduction targets, confirming that our climate objectives align with the 1.5°C pathway of the Paris Agreement - an important milestone.

Turning commitments into commercial advantage, we collected and disclosed product-level carbon data to help customers make informed choices and reduce emissions. Spearheaded by the Nordics, where demand for sustainable solutions is higher, the share of sales of LCA-relevant products with carbon data increased by 35 pp to 78%.

Together with our digital climate tools - which was rolled out in a third market, Norway - customers can easily identify lower-carbon product alternatives and generate reports for national building regulations and ESG scope 3 reporting. While the number of sustainability ambassadors declined slightly due to staffing adjustments, the number of employees with basic sustainability training rose to over 8,600, representing nearly half of our workforce.

Scope 1 and 2 emissions improved by 10.6%. Reduced emissions from operational fuels and refrigerants accounted for half of the reduction. Notably, Germany and Austria's transition from natural gas, oil and diesel to renewable energy sources, along with a reduction of high-impact refrigerants, contributed significantly. The remaining improvement was driven by the shift to electric vehicles for company cars, increased use of alternative fuels such as HVO for goods transport, energy efficiency initiatives and a cleaner energy mix across our markets. Since our base year (FY2020), scope 1 and 2 emissions have decreased by 29.6%, ahead of target.

Scope 3 emissions decreased by 0.6%, primarily driven by volume developments. Since our scope 3 base year (FY2023), emissions have declined by 6.5%.

Total emissions amounted to 4,901 ktCO_2e, representing an overall decrease of 0.8%.

SOCIAL

Employee engagement and motivation remained high, reaffirming our commitment to providing a safe, inclusive and supportive workplace where employees can develop and thrive.

Our employee satisfaction and motivation score improved by 2 percentage points to 73, while our loyalty score increased from an already high 80 to 81.

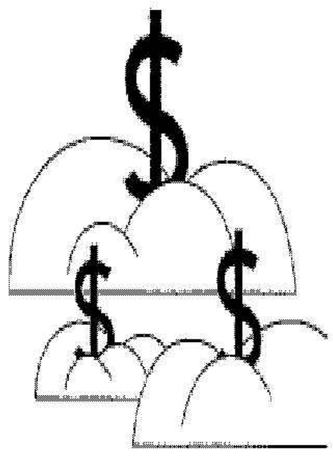
The injury rate per million hours worked was 4.2 – well below the industry average and our current 2027 target of 5.7.

GOVERNANCE

Securing trust is built on a strong corporate culture and clear policies that promote integrity, transparency, and accountability.

Our compliance culture was reinforced through ongoing training programmes, completed by 88–92% of assigned employees, and supported by our whistleblower system, Speak Up!. During the year, 90 cases were reported.

In addition, EcoVadis awarded STARK Group a Platinum rating for the fourth consecutive year. This recognition places our Group among the top 1% of more than 150,000 companies assessed globally for their commitment to sustainable business practices.

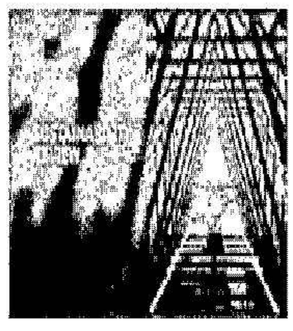


ESG-LINKED LOAN

In January 2021, the acquisition of STARK Group by CVC Capital Partners Fund VII was partially financed through a sustainability-linked loan and a revolving credit facility. This included an ESG margin ratchet, linking the loan's interest margin to our carbon emission reduction targets.

Following continued emission reductions aligned with the Science Based Targets initiative (SBTi), we achieved a reduction in interest costs of EUR 1 million in 2025 on our ESG-linked loan. These savings have been earmarked for further sustainability initiatives.

READ MORE IN OUR SUSTAINABILITY REVIEW



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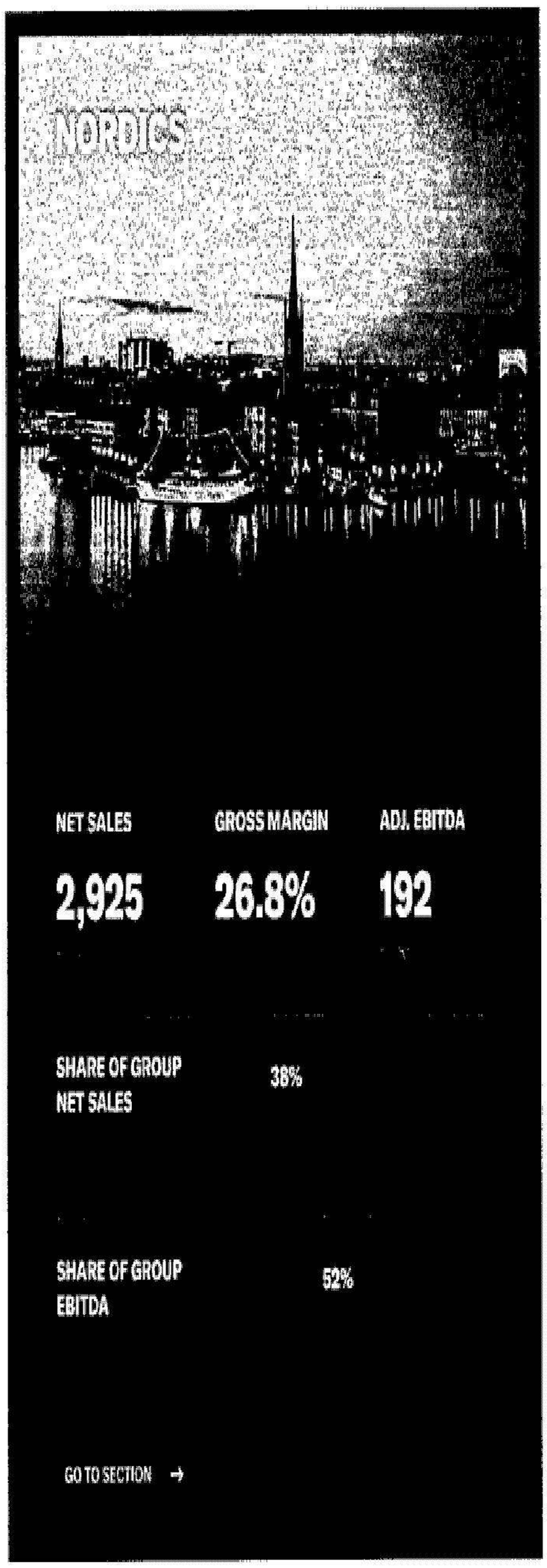
PERFORMANCE BY SEGMENT



NET SALES	GROSS MARGIN	ADJ. EBITDA
2,925	26.8%	192

SHARE OF GROUP NET SALES 38%

SHARE OF GROUP EBITDA 52%

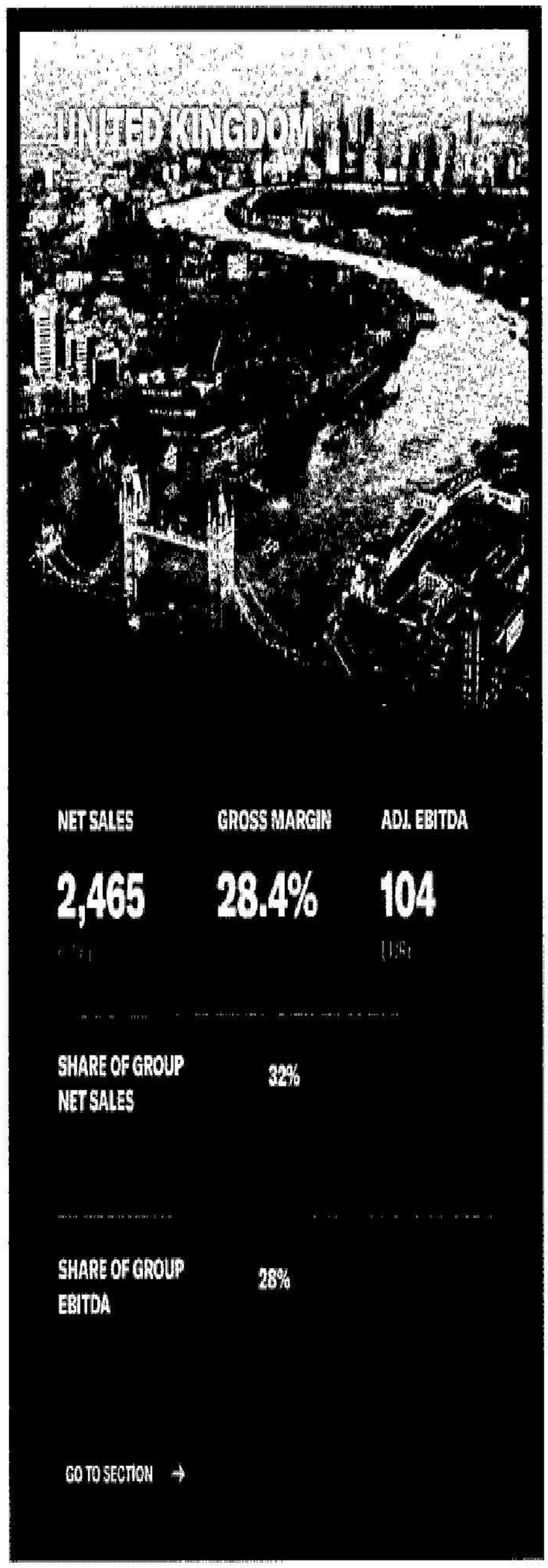
GO TO SECTION →

NET SALES	GROSS MARGIN	ADJ. EBITDA
2,370	23.6%	73

SHARE OF GROUP NET SALES 30%

SHARE OF GROUP EBITDA 18%

GO TO SECTION →



NET SALES	GROSS MARGIN	ADJ. EBITDA
2,465	28.4%	104

SHARE OF GROUP NET SALES 32%

SHARE OF GROUP EBITDA 28%

GO TO SECTION →

PERFORMANCE BY SEGMENT

NORDICS

The Nordics delivered a solid performance, continuing its growth trajectory.

Our proven commercial model has matured in this region, where it has been applied the longest. The opening of new branches and increased exposure to the SME segment contributed to growth in both net sales and EBITDA. The Nordics accounted for more than half of the Group's EBITDA.

Net sales increased by 4.2% to EUR 2,925 million.

Market demand remained strong throughout the year, continuing the rebound in the prior year. Volume growth was the main driver of net sales throughout the year, with positive impact from pricing contributing only in the second half of the year.

Thanks to the opening of new branches, strong SME and RMI exposure, and mature commercial concepts, our Nordic business acquired more SME customers. Our growth outpaced the market average, resulting in market share gains.

Gross profit increased by 5.5% to EUR 783 million, supported by solid demand, higher net sales and increased SME and RMI-linked stock sales. Gross margin increased by 0.4 percentage points to 26.8%.

Branch network expansion and wage inflation drove staff costs up by 7.3%. Other expenses were tightly managed, increasing by just 1.1%. Total operating expenses reached EUR 591 million, up by 5.3%.

Strong demand, greater SME exposure and disciplined cost control helped offset the initial OPEX impact of new branch openings. Adjusted EBITDA totalled EUR 192 million, an increase of 5.5%, resulting in an EBITDA margin of 6.6%.

NET SALES

2,965

EURm

GROSS MARGIN

26.8%

ADJ. EBITDA

192

EURm

REDUCTION OF CARBON EMISSIONS (SCOPE 1 & 2)

7.9%

SHARE OF PRODUCTS WITH CARBON DATA

85%

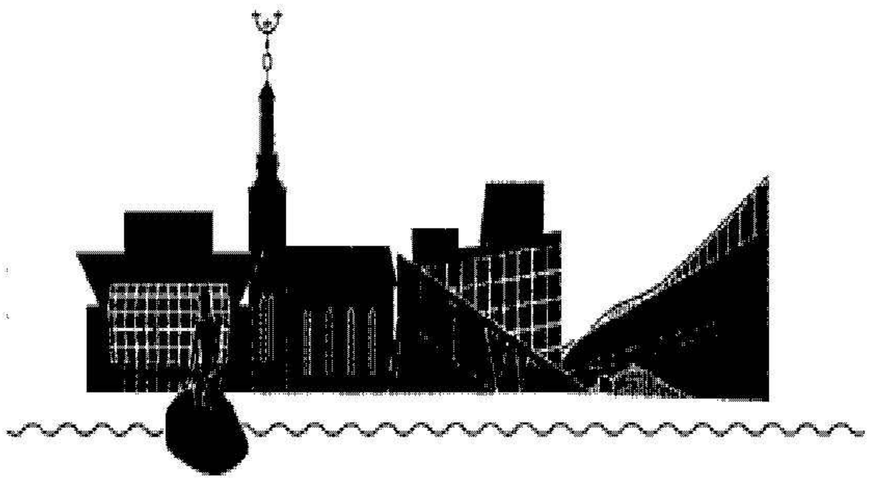
SUSTAINABILITY AMBASSADORS

509

ADJUSTED INCOME STATEMENT

EUR million	2024/25	2023/24	2022/23	2021/22
Net sales	2,925	2,808	3,057	3,277
Cost of sales	(2,142)	(2,066)	(2,242)	(2,395)
Gross profit	783	742	815	882
Gross profit margin %	26.8%	26.4%	26.7%	26.9%
Staff costs	(410)	(382)	(378)	(398)
Other expenses	(181)	(179)	(189)	(193)
Total operating expenses	(591)	(561)	(567)	(591)
Other operating inc and exp	-	1	1	
EBITDA	**192**	**182**	**249**	**291**
EBITDA margin %	**6.6%**	**6.5%**	**8.1%**	**8.9%**
Non-recurring items	(20)	(24)	(16)	(4)
Reported EBITDA	172	158	233	287
Reported EBITDA margin %	5.9%	5.6%	7.6%	8.8%

To provide a clearer view of the underlying segment performance, an adjusted income statement is included above. The income statement has been adjusted to exclude non-recurring items, mainly related to transformation and restructuring activities. Comparison years have been included from the first year with 12 months of operations. All comments above are with reference to the adjusted numbers



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CARBON EMISSIONS

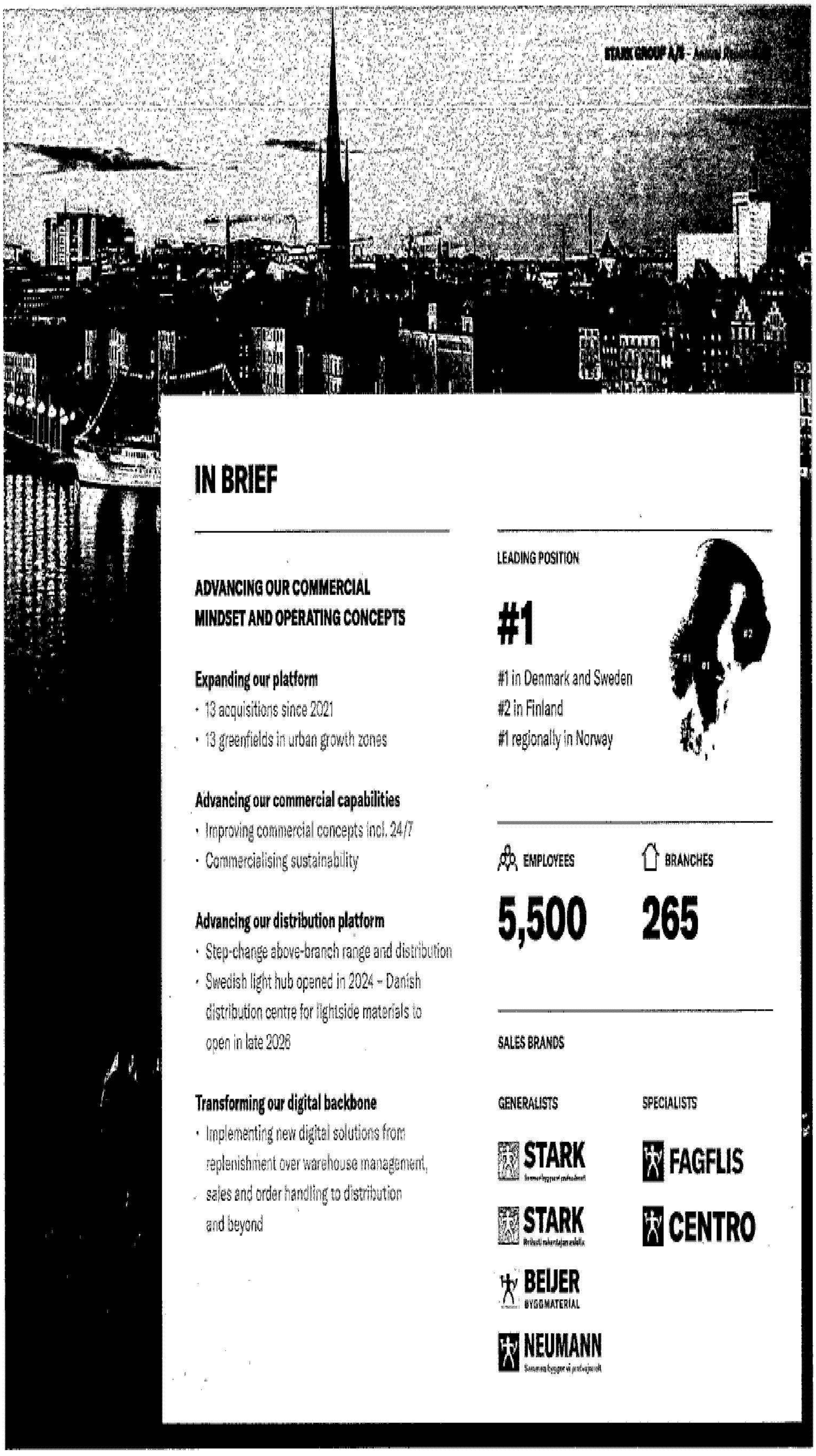
The Nordics segment accounts for 32% of our total carbon emissions. In this market, legal requirements are being implemented earlier, and as a result, our Nordic operations spearhead our efforts to commercialise sustainability. This is reflected in a high number of sustainability ambassadors and an 85% share of LCA-relevant products with carbon data.

Carbon emissions in scope 1 and 2 improved by 7.9%. The transition to electric vehicles for company cars and vans contributed to half of this reduction. The remaining improvement was driven by increased use of alternative fuels, such as HVO for goods transport, and energy efficiency initiatives across our branches and operations. Since our base year (FY2020), scope 1 and 2 emissions have decreased by 16.8%.

Volume growth throughout the year led to a 5.1% increase in scope 3 carbon emissions.

Total emissions amounted to 1,586 $ktCO_2e$, representing an overall increase of 4.9%.

	2024/25	2023/24	Base year
Carbon scope 1 & 2 ($ktCO_2e$)	23	25	28
Carbon scope 3 ($ktCO_2e$)	1,562	1,487	1,556
Share of LCA-relevant products with carbon data (% of sales)	85	66	n.a.
Sustainability ambassadors	509	533	n.a.
Injury rate (per 1 million worked hrs)	7.5		
Employee engagement	77	76	75



IN BRIEF

ADVANCING OUR COMMERCIAL MINDSET AND OPERATING CONCEPTS

Expanding our platform
- 13 acquisitions since 2021
- 13 greenfields in urban growth zones

Advancing our commercial capabilities
- Improving commercial concepts incl. 24/7
- Commercialising sustainability

Advancing our distribution platform
- Step-change above-branch range and distribution
- Swedish light hub opened in 2024 – Danish distribution centre for lightside materials to open in late 2026

Transforming our digital backbone
- Implementing new digital solutions from replenishment over warehouse management, sales and order handling to distribution and beyond

LEADING POSITION

#1

#1 in Denmark and Sweden
#2 in Finland
#1 regionally in Norway

EMPLOYEES
5,500

BRANCHES
265

SALES BRANDS

GENERALISTS
STARK
STARK
BEIJER BYGGMATERIAL
NEUMANN

SPECIALISTS
FAGFLIS
CENTRO

PERFORMANCE BY SEGMENT

GERMANY & AUSTRIA

Headwinds from the German macroeconomic environment persisted throughout the year.

Despite these challenges, our operations in Germany and Austria succeeded in growing market share and accelerating mitigation plans. This improved operating expenses by 4.7% and partially offset the impact of weak market demand and intense price competition.

NET SALES

2,370

EURm

GROSS MARGIN

23.6%

ADJ. EBITDA

73

EURm

REDUCTION OF CARBON EMISSIONS (SCOPE 1 & 2)

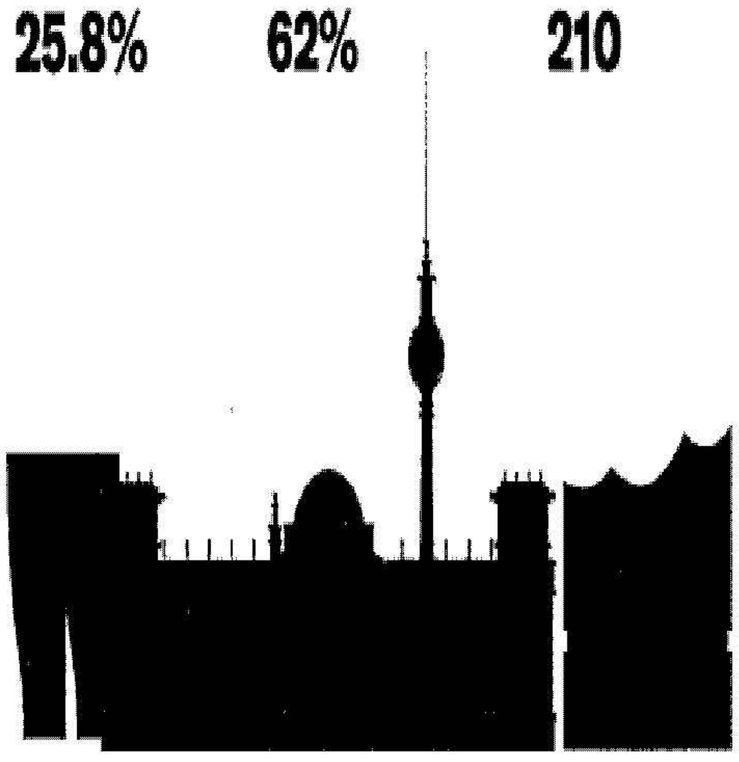
25.8%

SHARE OF PRODUCTS WITH CARBON DATA

62%

SUSTAINABILITY AMBASSADORS

210



Net sales decreased by 6.1% to EUR 2,370 million.

Germany's macroeconomic crisis had a significant adverse effect on our industry. Weak demand, first observed in the third quarter of our 2023 financial year, continued throughout this financial year. The decline in net sales was primarily driven by falling volumes, with negative pricing effects contributing negatively too.

Our operations in Germany and Austria are more dependent on large customers and direct sales linked to the new-build market, which has proven less resilient than the RMI segment. Nevertheless, we managed to grow market share under challenging conditions.

Intense competition in the contracting German and Austrian markets led to a gross margin of 23.6%, down by 0.5 percentage points. Combined with weak demand, this resulted in a 7.7% decrease in gross profit, which totalled EUR 560 million.

Mitigation plans were implemented throughout the first half-year and accelerated mid-year. These more than offset wage inflation, resulting in a 1.4% reduction in staff costs. Additionally, other cost-saving measures resulted in an 8.3% reduction in other expenses. Total operating expenses improved by EUR 18 million to EUR 488 million, down 3.6%.

Despite strong cost management, it was not sufficient to fully counterbalance the impact of weak market demand and fierce price competition. Adjusted EBITDA decreased by 28.4% to EUR 73 million, resulting in an EBITDA margin of 3.1%.

ADJUSTED INCOME STATEMENT

EUR million	2024/25	2023/24	2022/23	2021/22
Net sales	2,370	2,523	2,844	2,718
Cost of sales	(1,810)	(1,916)	(2,161)	(2,059)
Gross profit	560	607	683	659
Gross profit margin %	23.6%	24.1%	24.0%	24.2%
Staff costs	(344)	(349)	(344)	(320)
Other expenses	(144)	(157)	(164)	(151)
Total operating expenses	(488)	(506)	(508)	(471)
Other operating inc and exp	1	1	1	-
EBITDA	**73**	**102**	**176**	**188**
EBITDA margin %	**3.1%**	**4.0%**	**6.2%**	**6.9%**
Non-recurring items	(22)	(11)	(12)	(16)
Reported EBITDA	51	91	164	172
Reported EBITDA margin %	2.2%	3.6%	5.8%	6.3%

To provide a clearer view of the underlying segment performance, an adjusted income statement is included above. The income statement has been adjusted to exclude non-recurring items, mainly related to transformation and restructuring activities. Comparison years have been included from the first year with 12 months of operations. All comments above are with reference to the adjusted numbers.

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PERFORMANCE BY SEGMENT – GERMANY & AUSTRIA

CARBON EMISSIONS

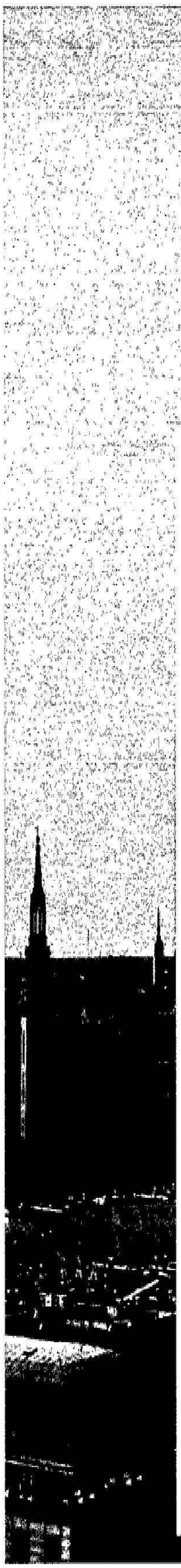
Germany and Austria account for 34% of our total carbon emissions. This market has halved its scope 1 and 2 emissions since our base year (FY2020), achieving the Group's largest reduction from own operations. Although market demand for sustainable solutions is only gradually increasing, sustainability ambassadors have been trained, and carbon data is now attributed to 62% of LCA-relevant products.

Scope 1 and 2 emissions improved by 25.8%. The transition from natural gas, oil and diesel led to a halving of fossil-fuel emissions. Electricity consumption declined by 12%, and the coverage of renewable electricity certificates increased to 94%. Emissions from goods transport decreased, driven by lower activity levels. Since our base year (FY2020), scope 1 and 2 emissions have decreased by 54%.

Lower volumes during the year contributed to a 5.5% reduction in scope 3 carbon emissions.

Total emissions amounted to 1,691 $ktCO_2e$, representing an overall decrease of 5.7%.

	2024/25	2023/24	Base year
Carbon scope 1 & 2 ($ktCO_2e$)	17	23	37
Carbon scope 3 ($ktCO_2e$)	1,673	1,770	2,031
Share of LCA-relevant products with carbon data (% of sales)	62	5	n.a.
Sustainability ambassadors	210	244	n.a.
Injury rate (per 1 million worked hrs)	4.4		
Employee engagement	71	71	n.a.



IN BRIEF

ENHANCING LOGISTICS AND RANGE IN GERMANY AND AUSTRIA

Expanding our platform

- 7 acquisitions since 2021 including STARK in Austria
- Entered new categories incl. tiles, roofing and civils

Advancing our commercial capabilities

- Increasing overall range incl. 2-4x larger light building materials range
- Commercialising sustainability

Transforming our logistics

- Building +30 logistics clusters to leverage scale and improve customer offering

Positioning for German modular market

- Targeted approach to customers in the modular building segment

LEADING POSITION

#1

#1 in Germany
#2 in Austria

EMPLOYEES

5,000

BRANCHES

265

SALES BRANDS

GENERALISTS

RAAB KARCHER BAUSTOFFHANDEL
SCHILOWSKY BAUSTOFFE UND BAUFACHMARKT

SPECIALISTS

KERAMUNDO WELT DER FLIESEN
MUFFENROHR TIEFBAUHANDEL
MELLE GALLHÖFER DACH- UND FASSADENHANDEL
DACH UND WAND DACH- UND FASSADENHANDEL

PERFORMANCE BY SEGMENT

UNITED KINGDOM

Our UK business is well into its strategic and financial turnaround following the acquisition in March 2023.

Net sales increased slightly, and the previous year's gross margin improvement was sustained despite fierce price competition. On a like-for-like basis, the business grew net sales, market share, and EBITDA.

NET SALES

2,465

EURm

GROSS MARGIN

28.4%

ADJ. EBITDA

104

EURm

REDUCTION OF CARBON EMISSIONS (SCOPE 1 & 2)

4.7%

SHARE OF PRODUCTS WITH CARBON DATA

32%

SUSTAINABILITY AMBASSADORS

10

Net sales increased by 0.7% to EUR 2,465 million, including a positive currency translation impact of 1.7%.

Over the past year, our UK business made strong progress in its turnaround plan, consolidating loss-making and sub-scale branches into larger ones, while closing and divesting others to free up capital for platform transformation.

Market demand remained stable, however, with some softening observed towards the end of the year. While market share gains partially offset the impact of branch closures, our like-for-like underlying net sales increased by approximately 4%.

The growth in net sales was mainly volume driven, which offset a slight negative impact from pricing.

Gross profit increased by 1% to EUR 701 million. The implementation of new pricing models and sourcing synergies - key elements of the turnaround plan - helped to partly offset fierce price competition. Gross margin was sustained at 28.4%.

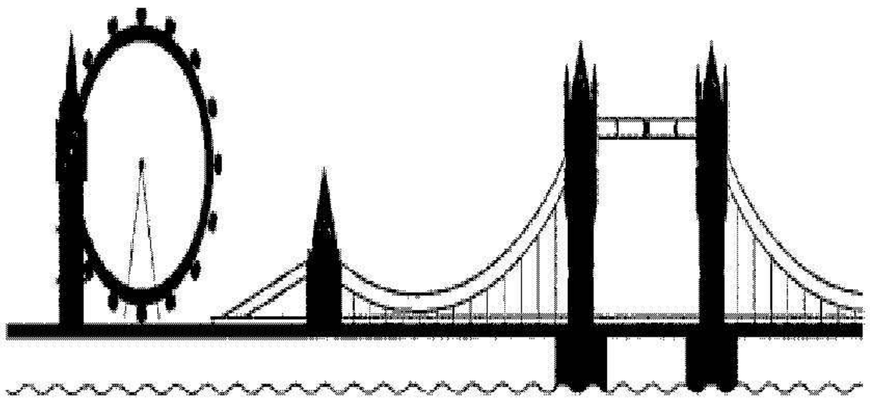
Staff costs rose by 3.8% due to salary inflation and performance-related payments. These were offset by tight cost management and the postponement of initiatives. Other expenses improved by 10.3%. Total operating expenses improved by 1.8% to EUR 597 million.

Strong performance and disciplined cost control helped offset the impact of branch closures. Adjusted EBITDA increased by EUR 16 million to EUR 104 million, an increase of 18.2%. Adjusted EBITDA margin increased to 4.2%.

ADJUSTED INCOME STATEMENT

EUR million	2024/25	2023/24
Net sales	2,465	2,449
Cost of sales	(1,764)	(1,755)
Gross profit	701	694
Gross profit margin %	28.4%	28.3%
Staff costs	(380)	(366)
Other expenses	(217)	(242)
Total operating expenses	(597)	(608)
Other operating inc and exp	-	2
EBITDA	**104**	**88**
EBITDA margin %	**4.2%**	**3.6%**
Non-recurring items	(39)	(11)
Reported EBITDA	65	77
Reported EBITDA margin %	2.6%	3.1%

To provide a clearer view of the underlying segment performance, an adjusted income statement is included above. The income statement has been adjusted to exclude non-recurring items, mainly related to transformation and restructuring activities. Comparison years have been included from the last year with 12 months of operations. All comments above are with reference to the adjusted numbers.



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CARBON EMISSIONS

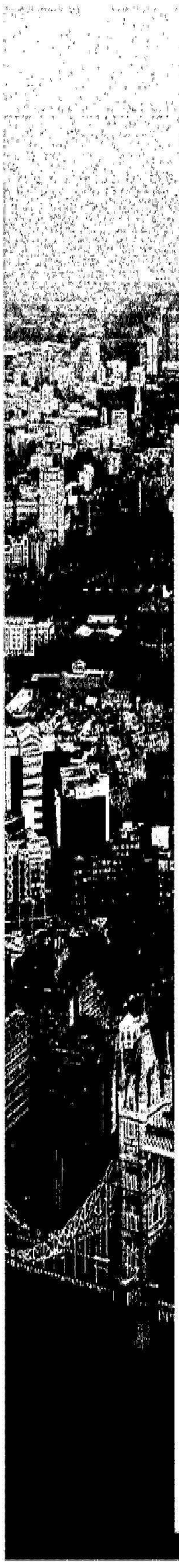
The UK accounts for 33% of our total carbon emissions. Market demand for sustainable solutions is only gradually increasing. Nevertheless, STARK UK has the highest number of employees with basic sustainability training. The first sustainability ambassadors are now being trained, and carbon data is being added to products.

Scope 1 and 2 emissions improved by 4.7%. The reduction in total consumption and transition from oil and gas reduced operational emissions and accounted for half of this reduction. The remaining improvement was driven by the shift to electric vehicles for company cars. Since our base year (FY2020), scope 1 and 2 emissions have decreased by 19.6%.

Stable volume development throughout the year led to a 0.6% decrease in scope 3 carbon emissions.

Total emissions amounted to 1,625 $ktCO_2e$, representing an overall decrease of 0.7%.

	2024/25	2023/24	Base year
Carbon scope 1 & 2 ($ktCO_2e$)	45	47	56
Carbon scope 3 ($ktCO_2e$)	1,581	1,590	1,565
Share of LCA-relevant products with carbon data (% of sales)	32	13	n.a.
Sustainability ambassadors	10	3	n.a.
Injury rate (per 1 million worked hrs)	1.9		
Employee engagement	70	67	n.a.



IN BRIEF

TURNING AROUND OUR NEW FAMILY MEMBER IN THE UK

Expanding our platform

- STARK UK joined our family in 2023 adding approx. 50% net sales to our business

Executing turnaround plan

- "Branch of the Future"-concept developed and in implementation
- Reinvest in branch network organised in 17 conurbations

Advancing our commercial capabilities

- Range expansion in branch and plans for above-branch
- Commercialising sustainability

Advancing our distribution platform

- Building logistics clusters to leverage scale and improve customer offerings

LEADING POSITION

#2

#2 in the UK

EMPLOYEES

7,000

BRANCHES

520

SALES BRANDS

GENERALISTS

JEWSON

NORMANS

SPECIALISTS

FRAZER

MINSTER

GOVERNANCE

We are committed to good corporate governance and see it as the foundation for creating long-term value to all stakeholders.

We continued recent years' strengthening of our corporate governance framework to ensure that it supports our commercial and sustainability commitments. Also, the formation of an external Board of Directors has been initiated.

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CORPORATE GOVERNANCE

We promote our values of decency, passion and pride in all interactions with stakeholders, and we are committed to upholding international principles of responsible business conduct.

Good corporate governance is essential to STARK Group. It forms the foundation of how we operate responsibly and create long-term value for our customers, employees, partners and the communities in which we operate.

Our corporate governance framework is based on the Articles of Association of STARK Group A/S, relevant laws and regulations and our internal policies and procedures.

All key policies are publicly available at: www.starkgroup.dk/sustainability/policies

In 2025, we continued to strengthen our governance framework to ensure it supports both our commercial priorities and sustainability commitments. Our approach is designed to ensure clear accountability, effective oversight, and alignment with stakeholder expectations and the evolving regulatory landscape, including the Corporate Sustainability Reporting Directive (CSRD).

MANAGEMENT STRUCTURE

STARK Group operates with a two-tier governance structure comprising the Board of Directors and Executive Management, supported by an Executive Committee responsible for executing our strategy. While the two bodies are separate, members of Executive Management hold seats on the Board of Directors, representing minority shareholders.

In April 2024, Jens Bjørn Andersen was elected Chair of the Board of Directors, and the formation of an external board was initiated. This work aims at establishing a Board of Directors with more independent members and at securing more diversity in terms of competencies, nationalities and gender. Currently, all members of our Board of Directors are male, which does not align with our target of 30% female members by 2027.

Please refer to pages 40-41 for a full overview of our Board of Directors and pages 100-102 for our performance on securing equal opportunities for all.

Board of Directors

The Board of Directors is responsible for the overall strategic direction of STARK Group and supervises the execution of our strategy, performance management and organisational structure.

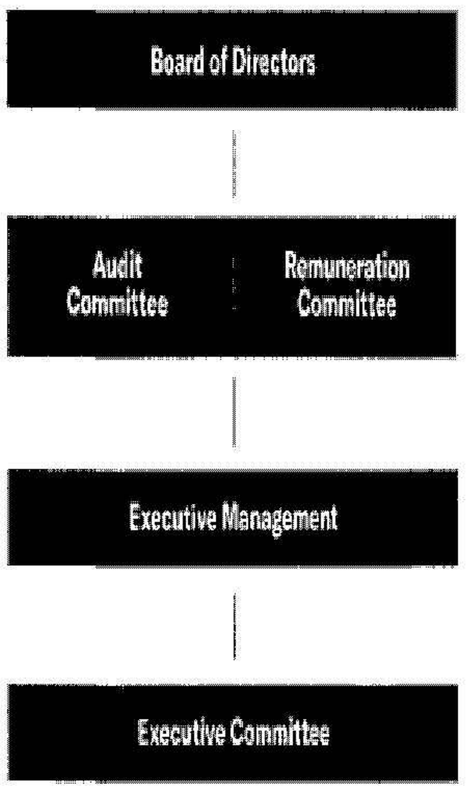
In the past year, six ordinary meetings were held. Meeting agendas included reviews of financial performance and capital resources, review of strategy execution including our digital overhaul, sourcing, sustainability and M&A as well as monitoring of the effectiveness of our internal control system and enterprise risk management.

The Board of Directors has established an Audit Committee and a Remuneration Committee. Both report to the Board of Directors.

Audit Committee

The Audit Committee supports the Board of Directors in monitoring the financial reporting process, statutory audits (including the presentation of accounts), internal controls, risk management systems and whistleblowing procedures and complaints.

GOVERNANCE MODEL



CORPORATE GOVERNANCE

It also assesses the independence of the external auditor and their provision of services.

Remuneration Committee

The Remuneration Committee advises the Board of Directors on the remuneration policy, proposes remuneration for Board and Executive Management members, and ensures compliance with the Company's Remuneration Policy.

Executive Management

Executive Management is responsible for the day-to-day operations of the business.

It is led by the Group Chief Executive Officer (Group CEO), who reports to the Board of Directors. Together with the Group Chief Financial Officer (Group CFO), they form the Executive Management registered with the Danish Business Authority.

Executive Management oversees STARK Group's organisational structure, which is based on country-specific business units operating as independent legal entities. The Executive Management is supported by an Executive Committee, comprising Business Unit CEOs and Group Function leaders. The Committee is responsible for executing the Group's strategy and serves as our Sustainability Advisory Board.

SUSTAINABILITY GOVERNANCE

Oversight of our sustainability efforts is anchored at the highest level of the organisation. The Board of Directors holds ultimate responsibility for sustainability-related risks and opportunities, with regular engagement on ESG topics as part of strategic and risk discussions.

The Executive Committee, led by the Group CEO, oversees the Group's sustainability strategy. This work is supported by the Senior Director Group Sustainability & ESG, who leads the Group Sustainability function and ensures that the strategy is implemented, and that sustainability is embedded across business functions and markets.

Sustainability KPIs are integrated into executive remuneration, reinforcing accountability and aligning leadership incentives with our ESG ambitions.

Our governance model ensures clear roles and responsibilities, robust oversight and dedicated resources to manage sustainability risks and opportunities. We remain committed to evolving our governance practices to support our ambition of being the best partner for sustainable building.

Our sustainability governance is detailed in the sustainability review on pages 45-65.

MEETING ATTENDANCE

	Board of Directors	Audit Committee	Remuneration Committee
Jens Bjørn Andersen	Chair ●●●●●	●●●●	Chair ●●●●
Søren Vestergaard-Poulsen	Vice chair ●●●●●		
Christoffer Sjöqvist	●●●●●	Chair ●●●●	●●●●
Philip Røpcke	●●●●●		
Søren P. Olesen	●●●●●		●●●●
Thomas Ahle	●●●●●	●●●●	

● Attended ○ Did not attend

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BOARD OF DIRECTORS

JENS BJØRN ANDERSEN

Born in 1966
Male
Danish

Registered chair of the Board of Directors since June 2024.

Other management duties

- ISS A/S (deputy chair and member of the Transaction Committee)
- Nordea Fonden (chair)
- Tietgenfonden (chair)
- Danish Central Bank/Nationalbanken (board member)
- Team Denmark (board member)
- Unicef Denmark (board member)
- Danish Children's Cancer Association (board member)

Education

Trained freight forwarding agent from Samson Transport.

Qualifications

CEO of DSV A/S (2008-2024), a leading transport and logistics company, having joined the company in 1988. His qualifications include strategy and value creation; Leadership of large international, multicultural companies; Transformational change and operational alignment; IT, Technology and digitalisation; Risk management; Corporate responsibility and sustainability; Investors and capital markets relationships.

Considered independent.

SØREN VESTERGAARD-POULSEN

Born in 1969
Male
Danish

Registered deputy chairman of the Board of Directors since June 2024. From May 2021 to June 2024, he served as chair of the Board of Directors.

Other management duties

- CVC Capital Partners plc (managing partner, Chair of CVC EU/US investment committee and co-chair of CVC's Private Equity Board)
- Ahlsell Group AB (board member)

Education

Master's degree in Economics and Business Administration from Copenhagen Business School.

Qualifications

Served CVC since 1998, overseeing a significant number of investments within several industries. Søren Vestergaard-Poulsen has extensive experience as a chair, deputy chair and member of many boards incl. STARK Group (then DT Group) from 2003-06. His qualifications include strategy and value creation; Transformational change and operational alignment; IT, Technology and digitalization; Risk management; Corporate responsibility and sustainability; Investors and capital markets relationships.

Not considered an independent board member due to his role for CVC Capital Partner that owns STARK Group.

CHRISTOFFER SJØQVIST

Born in 1976
Male
Danish

Registered member of the Board of Directors since May 2021.

Other management duties

- CVC Capital Partners plc (partner and head of CVC Denmark)
- SGL Group Aps (deputy chair)
- Lwoday Group (deputy chair)
- Hempel A/S (board member)
- Alvogen (board member)
- Save the Children Denmark (board member)

Education

Graduate of the London School of Economics.

Qualifications

Extensive career in private equity from his career with CVC Capital Partners since 2006. Prior to joining CVC, he worked at Warburg Pincus, Lazard Private Equity and Goldman Sachs in the M&A department. His qualifications include business growth and value creation, Corporate responsibility and sustainability; Investors and capital markets relationships.

Not considered an independent board member due to his role for CVC Capital Partner that owns STARK Group.

PHILIP RØPCKE

Born in 1984
Male
Danish

Registered member of the Board of Directors since May 2021.

Other management duties

- CVC Capital Partners plc (managing director)
- SGL Group Aps (board member)

Education

Master of Science (M.Sc.) in Economics and Econometrics from Aarhus University.

Qualifications

Philip Røpcke's career spans Bain & Company, Permira and CVC Capital Partners where he joined as a director in 2019. His qualifications include B2B services, strategy and value creation as well as acquisitions and capital markets.

Not considered an independent board member due to his role for CVC Capital Partner that owns STARK Group.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

SØREN P. OLESEN

Group CEO
Joined the company in 2014
Born in 1967
Male
Danish

Registered as Group CEO of STARK Group since November 2016. Member of the Board of Directors since October 2016.

Other management duties

- Hempel A/S (deputy chair and member of the Audit Committee)
- Industriens Arbejdsgivere i Danmark (board member)

Education

Søren P. Olesen holds a Master of Arts (Econ) from Limburg Rijksuniversiteit, the Netherlands, and a Master of Science in Economics from Aalborg University, Denmark.

Qualifications

Søren P. Olesen has held various leading roles in building materials manufacturing, sales and distribution living in Denmark, Germany and Russia. Before joining STARK Group, he held various roles in Velux and was the CEO of Flügger Group A/S from 2007-2013. He joined STARK Denmark as CEO from 2014-2016. In November 2016, he was appointed Group CEO of STARK Group.

Not considered an independent board member due to his role as Group CEO.

THOMAS AHLE

Group CFO
Joined the company in 2024
Born in 1971
Male
Danish

Registered as Group CFO of STARK Group and member of the Board of Directors since September 2024.

Other management duties

- None

Education

Thomas Ahle has a Master of Science (M.Sc.) in Economics from Aarhus University and an MBA in Strategic Management and Leadership from the Scandinavian International Management Institute (SIMI).

Qualifications

Thomas Ahle has held leading roles within finance under various ownerships including private equity, public listing and cooperative ownership in Denmark, Germany and the Netherlands. Before joining STARK Group, Thomas Ahle held various leading positions in Dantruck A/S (2008-2009), Lantmännen Unibake (2010-2014) and Refresco (2014-2020) where he was CFO for Europe from 2018-2020. From 2020-2024, he was Group CFO for Danish Crown. In September 2024, Thomas Ahle was appointed Group CFO for STARK Group.

Not considered an independent board member due to his role as Group CFO.

RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE TEAM

STARK Group's Executive Committee owns the execution of our Group's strategy and is the Advisory Board of our Group's sustainability efforts. The committee is structured around 13 roles and areas of responsibility with clear ownership and accountability. All members of the Committee work to ensure alignment and best practice sharing across our Group.

The Executive Committee team includes members with a long tenure within STARK Group or our industry and leaders with experience from outside our industry, bringing increased diversity through thought, age, gender and nationality.

Søren P. Olesen
Group CEO

Thomas Ahle
Group CFO

Michael Knüppel
CEO, STARK Deutschland

John Carter
CEO, STARK UK

Britta K. Stenholt
CEO, STARK Denmark

Geir T. Fossum
CEO, Beijer Byggmaterial

Harri Pälväniemi
CEO, STARK Finland

Kjell Paulsrud
CEO, Neumann Bygg

Jørgen Holmgaard
CEO, STARK Sourcing

Mathias Lönneker
Chief Strategy Officer

Lene K. Groth
Chief HR Officer

Laurits Anton Jørgensen
General Counsel

Kaspar Bach Habersaat
Chief Communications Officer

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SUSTAINABILITY REVIEW

We are committed to enabling low-carbon construction and embedding sustainability across our operations and value chain.

In a year marked by regulatory shifts and rising expectations, we continued to commercialise sustainability and support our customers in meeting their climate targets and compliance requirements.

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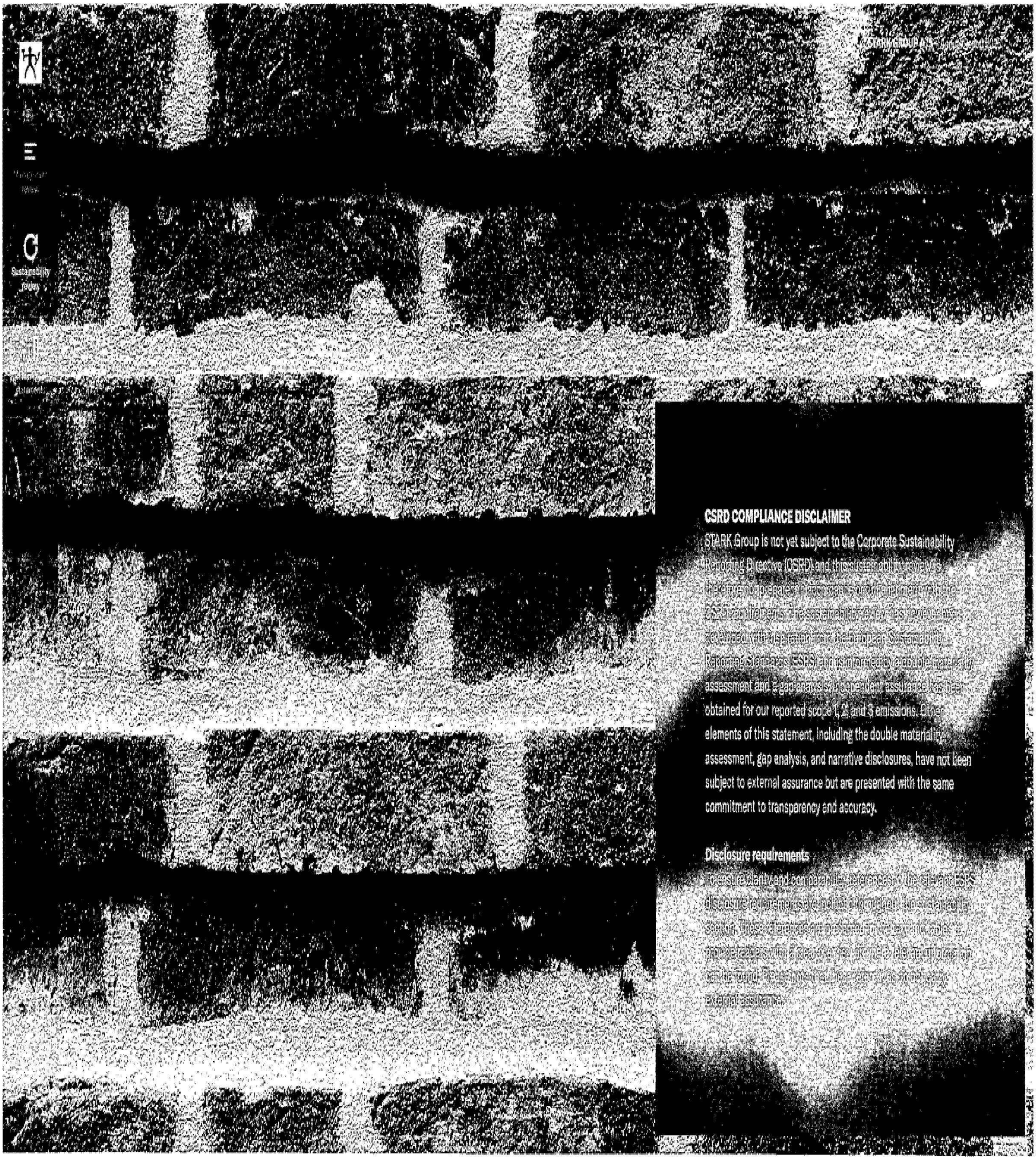
05



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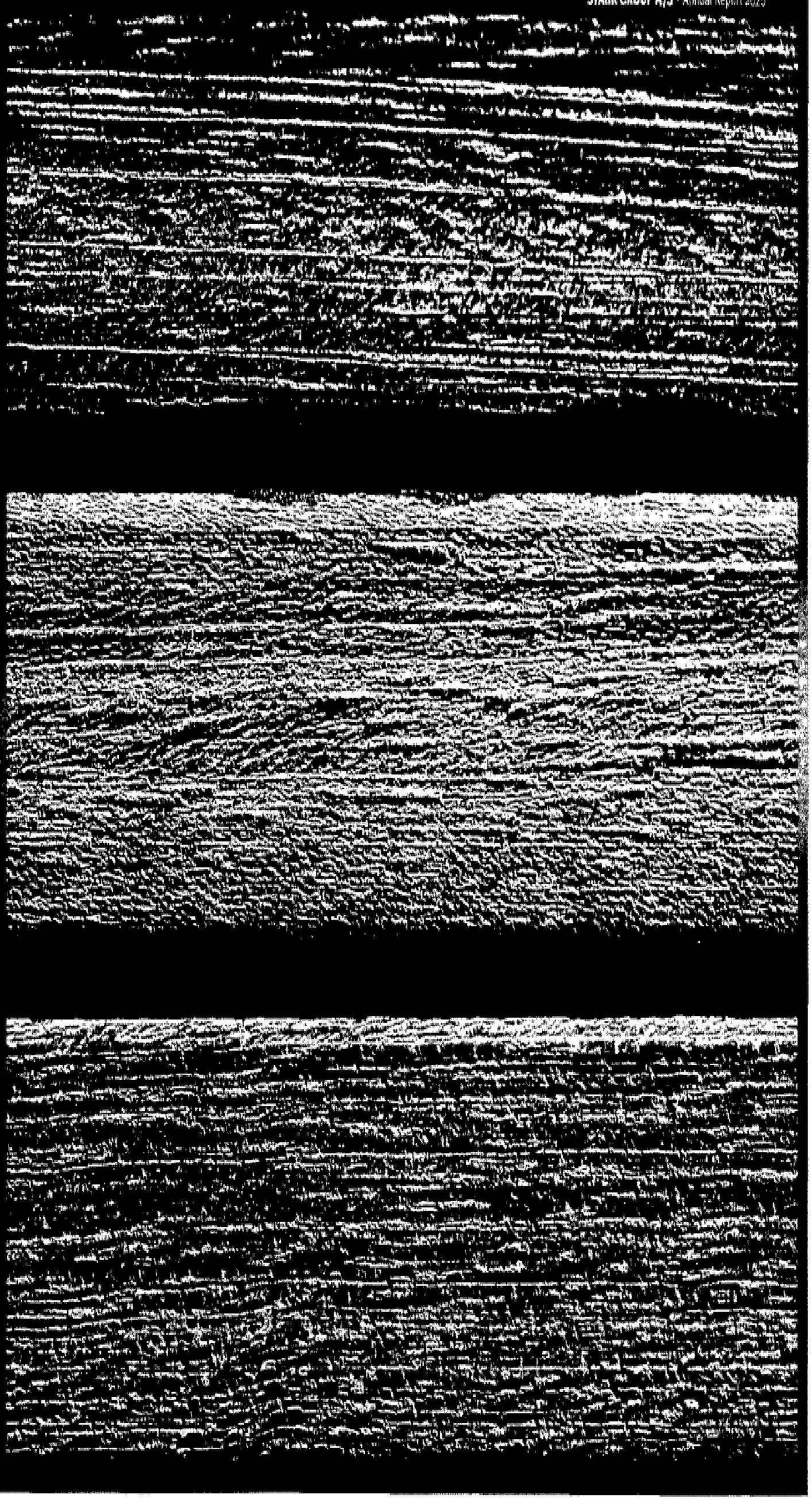
GENERAL INFORMATION



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Sustainability review

General information

Environment

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SUSTAINABILITY SUMMARY

ESG AND SUSTAINABILITY AT STARK GROUP

As one of Europe's largest building materials retailers, we play a key role in reducing the construction industry's carbon footprint, waste, and resource use. We see this both as a responsibility and a growth opportunity. Sustainability is central to our strategy creating value by enabling low-carbon construction and guiding customers toward future-fit choices.

We employ more than 18,500 people. Providing our people a safe, healthy, and inclusive workplace is a top priority at STARK Group and we want every colleague to thrive in an environment that fosters personal development while being respectful, and free from discrimination.

To ensure credibility, we benchmark our efforts through independent audits, rating agencies, and the SBTi. We currently hold an EcoVadis Platinum rating, placing us in the top 1% of rated companies worldwide.

Since 2020, we have made significant progress on our ESG journey, and we continue to raise the bar. The following timeline highlights some of our key milestones.

2020
MEMBER AND BOARD REPRESENTATION

2020
STARK GROUP CIRCULAR PARTNERSHIP GENTRÆ

2021
FIRST ELECTRIC TRUCK

2021
NEAR- AND LONG-TERM TARGETS APPROVED

2021
PLATINUM

2022
CSRD COMPLIANCE JOURNEY KICKOFF

2022
SUSTAINABILITY AMBASSADOR PROGRAMME LAUNCHED

2022
PLATINUM

2023
KLIMATVERKTYGET LAUNCHED BY BEIJER SWEDEN

2023
KLIMALOG LAUNCHED STARK DK

2024
PLATINUM

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2024
ESG REPORTING SYSTEM IMPLEMENTED

2024
AMFORI

2025
FIRST INTEGRATED ANNUAL REPORT

2025
PLATINUM

2024
FIRST POWER PURCHASE AGREEMENT (PPA)

2025
DIGITAL CLIMATE TOOL LAUNCHED BY NEUMANN

ETISK HANDEL

2025
ETHICAL TRADE DENMARK

2025
NET ZERO TARGETS APPROVED

THE YEAR IN REVIEW

Looking back on the financial year 2024/25, we continued integrating sustainability into our commercial strategy, operations, and customer offerings, driven by our ambition to be the best partner for sustainable building.

We achieved the milestone of having our net-zero reduction targets validated by the SBTi, confirming that our climate objectives align with the 1.5°C pathway of the Paris Agreement. This offers a credible reference point for our stakeholders and reinforces our dedication to supporting the shift towards a lower-carbon construction sector.

Our focus remains on commercialising sustainability by developing tools, services, and product offerings that help our customers meet increasing regulatory and market expectations. We further enhanced our climate tool in Denmark and Sweden and launched our digital climate tools in Norway, providing customers with access to product carbon and sustainability data to support procurement decisions and ensure compliance with emerging requirements.

To enhance our services, we continued to improve our data quality and governance. Executive remuneration is now tied to the provision of product carbon data, ensuring group-wide accountability. This data supports both our customer-facing carbon tools and our scope 3 emissions inventory, where product-related emissions constitute the majority share. In 2025, we expanded our ESG assurance to include scope 3 emissions, which are now subject to limited assurance.

We strengthened our sourcing organisation with a dedicated sustainability team focused on supplier engagement, due diligence, and responsible sourcing, and we joined amfori and Ethical Trade Denmark to enhance our ability to assess suppliers through internationally recognised standards. These efforts support our broader goals of reducing our scope 3 emissions and creating more transparent and resilient supply chains.

Despite ongoing regulatory uncertainty following the EU's Omnibus proposal, we continued to develop our reporting processes guided by the CSRD. We refined our internal processes, strengthened governance, and published our first integrated annual report. We remain flexible and prepared to adapt as the regulatory landscape evolves.

Our progress in 2025 shows that sustainability is embedded into how we create value for our customers and how we operate as a responsible, future-fit business, cemented by our fourth consecutive EcoVadis platinum rating. We will continue to expand our efforts and invest in solutions that deliver both commercial and environmental benefits, helping the industry to decarbonise and move towards a more sustainable future.

SUSTAINABILITY STRATEGY

SBM-1

COMMERCIALISING SUSTAINABILITY TO SUPPORT OUR CUSTOMERS

Sustainability is embedded in STARK Group's business model and commercial strategy. Our ambition to be the best partner for sustainable building is reflected in how we operate, engage our suppliers, serve our customers, and manage risks and opportunities.

As the construction industry accelerates its transition towards a net-zero future, sustainability has become fundamental to how we operate. Our strategy is designed to keep us relevant and valuable to our customers, and to support them in meeting the growing sustainability compliance requirements and expectations of their customers, the end-users.

We focus on delivering value through the products, services, and support we provide every day. At the core of our strategy is a commitment to commercialise sustainability to enable better building practices, reduce environmental impact, and support our customers in meeting their own climate and compliance goals.

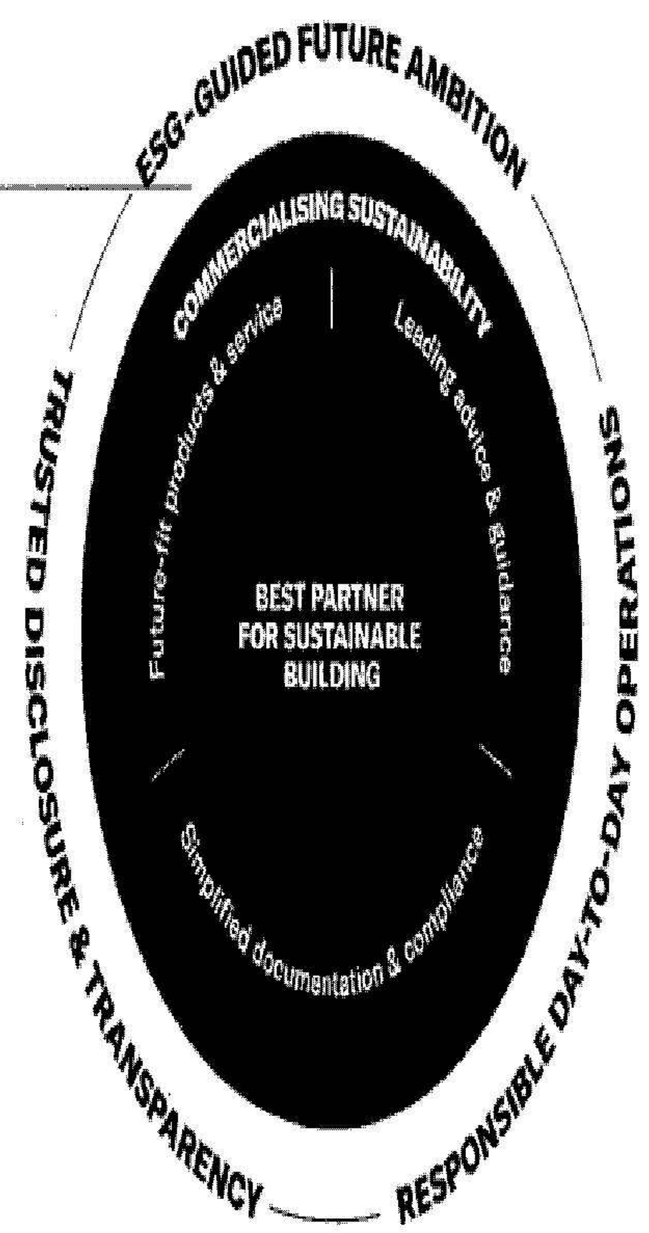
Our sustainability strategy is structured around four interconnected pillars that reflect our role as a distributor, a partner, and a responsible business.

COMMERCIALISING SUSTAINABILITY

This is the core of our sustainability strategy. We are transforming our commercial offering to help customers build more sustainably. This includes a growing range of low-carbon, eco-labelled, circular, and energy-efficient products, as well as services that support low-emission and circular construction sites.

We provide expert advice through our STARK Sustainability Ambassador Programme, offer digital tools that help customers understand product carbon impacts and conduct Life Cycle Assessments (LCAs), and support the upskilling of tradespeople in sustainable building practices. We also simplify compliance by making product data and documentation easily accessible through our digital platforms.

By focusing on what matters most to our customers, we are making sustainability a competitive advantage. Our strategy is about being the most useful partner on the ground. This is how we help build for the future and aim to become the best partner for sustainable building.



ESG-GUIDED FUTURE AMBITION

We integrate ESG considerations into our long-term planning and governance to ensure we are prepared for the risks and opportunities of a changing world. Our ambition is to support the transition to a low-carbon, circular construction sector through practical, customer-focused solutions.

RESPONSIBLE DAY-TO-DAY OPERATIONS

We take responsibility for how we operate. From reducing emissions in our logistics network and branches, to supporting a safe, inclusive, engaged and competent workforce. Our focus is on practical improvements that make our business more efficient, resilient, and aligned with customer expectations.

TRUSTED DISCLOSURE & TRANSPARENCY

We are committed to honest, consistent, and transparent reporting. Our disclosures are guided by leading standards and are designed to give customers, partners, and stakeholders confidence in our progress and performance. Transparency is about building trust and customer value.

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SBM-1

BUSINESS MODEL

STARK Group is a leading distributor of heavy building materials in Europe, with more than 18,500 employees operating across more than 1,050 branches and distribution centres. Our business model is built on a powerful foundation, connecting professional builders with the materials, services, and knowledge they need to build efficiently, responsibly, and sustainably.

We operate at the centre of the construction value chain, serving small and medium-sized enterprises (SMEs), large contractors, and infrastructure projects. Our scale, local presence, and deep understanding of customer needs allow us to deliver tailored solutions that support both day-to-day operations and long-term sustainability goals.

Our core business is sourcing, sale and distribution. We add value through a decentralised model that empowers local branches to serve their communities while benefiting from the strength and scale of the Group. This enables us to offer a wide and growing range of low-carbon, circular, and eco-labelled products, supported by expert advice and digital tools that help customers make informed, sustainable choices.

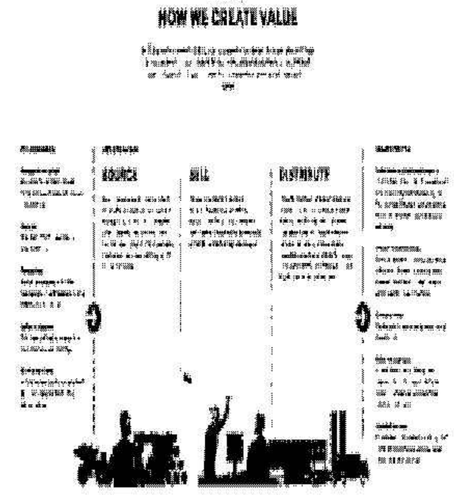
We invest in the decarbonisation of our own operations, including our logistics network, branch energy use, and supply chain practices. These efforts support our climate transition plan while ensuring we remain a relevant and trusted partner in a construction sector that is steadily evolving toward net zero.

At the core of our business model is a clear strategic focus to commercialise sustainability. We believe that being the best partner for sustainable building is a great business opportunity. Our customers are increasingly facing regulatory, market, and societal pressures to reduce emissions, improve resource efficiency, and document their environmental impact. Our ambition is to help them meet these challenges efficiently.

Our business model is therefore shaped by the needs and expectations of our customers and other key stakeholders. We continuously engage with customers and suppliers across our markets to understand their sustainability challenges and tailor our offerings accordingly through product selection, digital tools, and training. We also recognize our dependence on a skilled workforce and responsible supply chains, and we invest in partnerships and programmes that support both. These insights directly inform our commercial strategy and ensure that we remain a relevant and reliable partner.

READ MORE ABOUT OUR BUSINESS MODEL

Building homes, commercial spaces and community buildings is complex and hard work. We aim to make it easier for our customers and suppliers.



GO TO PAGE

GOV-1, GOV-2

SUSTAINABILITY GOVERNANCE

In 2025, we continued to strengthen our governance framework to ensure it supports both our commercial priorities and our sustainability commitments. Our approach is designed to ensure clear accountability, effective oversight, and alignment with the expectations of our stakeholders and the evolving regulatory landscape.

Oversight of our sustainability efforts is anchored at the highest level of the organisation. The Board of Directors holds ultimate responsibility for sustainability-related risks and opportunities, with regular engagement on ESG topics as part of strategic and risk discussions. The Executive Committee, led by the Group CEO, oversees the Group's sustainability strategy. This work is supported by the Senior Director Group Sustainability & ESG, who leads the Group Sustainability function and ensures that the strategy is implemented, and that sustainability is embedded across business functions and markets.

In 2025, we established a dedicated Sustainable Sourcing team within Group Sourcing. The team brings together expertise in supply chain sustainability, supplier data and ESG risk assessments, and compliance with the EU Deforestation Regulation and other emerging legislation. They work closely with sourcing and category teams to integrate sustainability into procurement decisions and supplier performance monitoring.

Our decentralised operating model empowers local leadership teams to implement Group-wide sustainability policies in ways that reflect local market conditions and regulations. This ensures that sustainability is embedded in the daily operations of our more than 1,050 branches across Europe.

We continue to strengthen internal controls and data governance, particularly around product carbon data and scope 3 emissions. Sustainability KPIs are integrated into executive remuneration, reinforcing accountability and aligning leadership incentives with our ESG ambitions.

Our governance model ensures clear roles and responsibilities, robust oversight, and dedicated resources to manage sustainability risks and opportunities. We remain committed to evolving our governance practices to support our ambition of being the best partner for sustainable building.

GOVERNANCE MODEL

Board of Directors
Endorses sustainability strategy

Group Executive Committee
(Sustainability Advisory Board)
Defines sustainability strategy, framework and targets and reviews sustainability performance

Group Sustainability and ESG
Manage strategy, materiality, programmes, targets, reporting and ratings

Audit Committee
Oversees sustainability reporting

Remuneration Committee
Oversees ESG targets

Group Assortment Committee
Oversees assortment

Health and Safety Committees
Oversees H&S actions

DEI Council
Oversees DEI actions

BU Sustainability teams
Commercialise sustainability and operationalise strategy

UK | DE | DK | SE | FI | NO | SOURCING

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GOV-5

DOUBLE MATERIALITY ASSESSMENT

IRO-1

PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (IROS)

Our double materiality assessment covers all business units and our entire value chain, from our suppliers, through our operations and markets. The process forms the foundation of our reporting and follows an annual cycle of stakeholder consultation, policy review, and strategic alignment. To ensure accountability and traceability, the assessment is embedded into our enterprise risk management system. Subject matter experts review and evaluate material topics each year to reflect new activities, acquisitions, and regulatory developments.

IDENTIFYING AND ASSESSING IMPACTS, RISKS, AND OPPORTUNITIES

As a distributor of building materials, we place an emphasis on the impact of our products, particularly their carbon footprint, chemical content, production methods and use. These factors are central to our sustainability performance and customer value proposition. We assess product sourcing, evaluating environmental and social risks in upstream supply chains, with particular attention to high-risk regions and categories. Additionally, we consider the role of our people, whose expertise and engagement are key to fulfilling our sustainability commitments across markets. The assessment considers both actual and potential impacts across our operations and business relationships, guided by the ESRS topic list and informed by internal expertise.

We engaged internal stakeholders, including department heads, functional teams, and executive management, as well as external parties such as NGOs, peer groups, and industry associations. Sustainability topics were scored for severity and likelihood, enabling prioritisation for reporting and strategic focus. While our current assessments rely on qualitative inputs, we are working to improve data quality and consistency over time. Time horizons are applied as described in the section on basis for preparation.

Financial materiality is evaluated using both qualitative and quantitative criteria, with thresholds developed in collaboration with our Finance department. This ensures that sustainability-related risks and opportunities with potential financial impacts are appropriately prioritised.

Responsibility for evaluating material topics lies with policy owners and subject matter experts. The Executive Committee conducts the final validation to ensure strategic alignment. We maintain a regular review cycle and continuously refine our methodology to accommodate evolving regulations, stakeholder expectations, and business developments.

IRO-2

DISCLOSURE REQUIREMENTS COVERED IN OUR SUSTAINABILITY REVIEW

Following the identification of IROs, we conducted a gap analysis to link our entity-specific IROs with the datapoints outlined in the ESRS framework and to identify material information gaps that could affect reporting completeness. In the disclosure requirements overview on p. 63, we provide an overview of disclosure requirements triggered by our double materiality assessment.

SBM-2

STAKEHOLDER ENGAGEMENT

We engage with both internal and external stakeholders to understand which ESG-related topics are most relevant to them and to gain insight into their expectations of STARK Group. These perspectives are actively considered as part of our double materiality assessment, ensuring that our sustainability priorities reflect both our impacts, as well as the issues that may influence our business.

EMPLOYEES

Our employees share their views through the annual engagement survey, daily cross-functional collaboration, and 1:1 meetings with managers. Key interest areas include working conditions, job purpose, career development, and fair treatment. These views are integrated into our double materiality assessment through HR-led workshops.

CUSTOMERS

Customer feedback is gathered via daily interactions with sales staff, surveys, NPS, Big Loop assessments, and sustainability events. Customers are primarily interested in product quality, documentation, trusted supply, and solutions that reduce administrative burden. These inputs inform our approach to product responsibility and service development.

SUPPLIERS

Suppliers engage with our sourcing and sustainability teams through ongoing dialogue, bilateral meetings, and the European Supplier Programme. Many suppliers now have dedicated ESG contacts. Their focus is on joint carbon reduction efforts, promotion of verified low-carbon products, and transparent data such as EPDs. Their input shapes our supplier collaboration model and product offering.

OWNERS AND INVESTORS

Sustainability is a regular topic at quarterly board meetings with our owners. Investors engage via calls and ESG questionnaires. They are primarily interested in our strategic direction, carbon reduction targets, performance, and risk mitigation. Their expectations are reflected in our roadmap, disclosures, and KPI tracking.

AUTHORITIES

Authorities primarily expect compliance with relevant legislation. We engage with them through industry associations. Educational institutions collaborate with us on research projects and guest lectures, driven by an interest in industry leadership and sustainability innovation. These partnerships support knowledge development and help us align with future regulatory and educational trends.

MULTI-STAKEHOLDER INITIATIVES

We engage in multi-stakeholder initiatives such as amfori, Ethical Trade Denmark, FSC®, PEFC, UN Global Compact, and national Green Building Councils through audits, memberships, and collaborative projects. Their focus is on strong industry leadership in material topics such as responsible sourcing and climate action. Their feedback helps validate and strengthen our initiatives.

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SBM-3

OUR MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

This section provides an overview of the results of our 2024/25 double materiality assessment. The figure illustrates our inherent exposure to IROs, without factoring in existing controls. This approach ensures that all material topics are fully considered when reviewing our ESG governance, policies, actions, targets, and performance.

Materiality was identified in eight out of the ten topics assessed. Each material IRO is described in the topical sections that follow.

Based on our double materiality assessment, the topics covered under E2 Water and Marine Resources and E3 Pollution were deemed not material for STARK Group. Evaluated in the context of our core business as a retailer of construction materials, no significant impacts, risks, or dependencies were identified that call for detailed disclosure. Accordingly, no information related to E2 and E3 is disclosed in this report.

ENVIRONMENT	IROs		UPSTREAM	OPERATIONS	DOWNSTREAM
E1 Climate change	I	• Product-related carbon emissions	■		
	R	• Non-decarbonization of operations and value chain	■		
	O	• Product carbon data demand			■
E4 Biodiversity and ecosystems	I	• Biodiversity loss due to climate change	■		
	R	• Loss of FSC® or PEFC certification		■	
	R	• Degradation of ecosystem services	■		
	O	• Growing market demand for certified and sustainably sourced products			
E5 Resource use and circular economy	I	• Excessive waste generation		■	
	R	• Resource consumption	■		
	R	• In-store breakage		■	
	R	• Lack of clear standards for reused products			■
	O	• Circular products and solutions		■	
SOCIAL					
S1 Own workforce	I/R	• Workforce discrimination		■	
	R	• Employee data privacy		■	
	O	• Attractive working conditions and inclusive employment		■	
	I/R	• Accidents, incidents, fatalities and lost workdays		■	
S2 Workers in the value chain	I	• Poor working conditions and health and safety standards in the supply chain	■		
	R	• Due diligence obligations		■	
S3 Affected communities	I	• Indigenous peoples' rights			
S4 Consumers and end-users	I/R	• Inadequate product information			■
	O	• Upskilling suppliers			
	O	• Digital climate tools			■
GOVERNANCE					
G1 Business conduct	R	• Protection of whistleblowers		■	
	R	• Anti-competitive practices and fraud, bribery and corruption in operations and value chain	■		
	R	• Data management and GDPR compliance	■		

■ High impact
▬ Impact
No impact

GOV-4

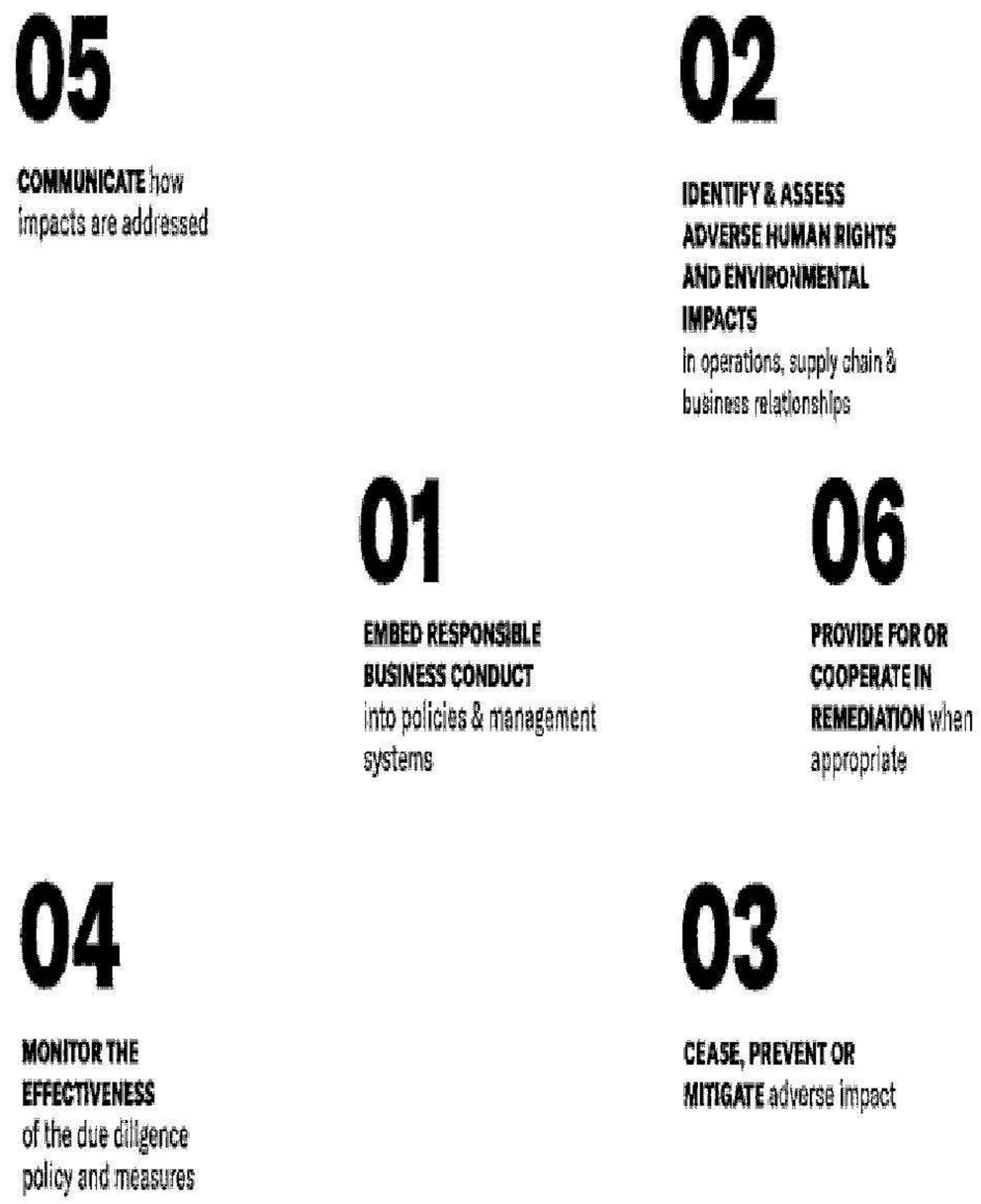
DUE DILIGENCE APPROACH

We apply a risk-based due diligence approach to proactively identify, assess, and mitigate environmental and human rights risks across our supply chain. We strive to align our processes with international frameworks, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct.

Our due diligence practices are embedded in key policies and are supported by our Sustainable Sourcing team. All suppliers are expected to comply with our Supplier Code of Conduct, which is integrated into our standard legal terms.

In 2025, we continued to strengthen our due diligence framework. This included joining amfori and Ethical Trade Denmark to enhance our capacity and improve supplier engagement across our value chain. Our process prioritises engagement with suppliers that present higher risk indicators and supports continuous improvement through dialogue and collaboration.

We have integrated key aspects of our due diligence approach throughout our sustainability review within relevant material topics including Climate change (pp. 67-75), Biodiversity and ecosystems (pp. 80-84), Workers in the value chain (pp. 107-110) and Affected communities (pp. 112-114).



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POLICY GOVERNANCE

STARK Group's compliance and governance framework sets the standard for how we work with compliance across relevant areas of our business, guided by our policies which we apply and embed in our daily operations.

With inspiration from the CSRD, we structure our material topics into thematic sustainability programmes. Each programme has a designated owner, responsible for day-to-day implementation, and a senior sponsor from the Executive Committee (Excom) who ensures strategic alignment with Group objectives.

Within each programme, policies steer objectives, compliance, monitoring, and governance. These policies are owned by the Group Excom sponsor.

To keep our policies relevant and effective, we conduct an annual review of all policy documents. Updates are made where needed to reflect regulatory developments, business changes, and evolving stakeholder expectations. This systematic approach ensures that our policies remain practical, consistent, and embedded across the organisation.

ENVIRONMENT

Sustainability Programme	Group Excom Sponsor	Owner
E1 - Climate change	CFO	Group Sustainability
E4 - Biodiversity and ecosystems	Sourcing CEO	Group Sustainability/Group Sourcing
E5 - Resource use and circular economy	CFO	Group Sustainability

SOCIAL

Sustainability Programme	Group Excom Sponsor	Owner
S1 - Own workforce	CHRO	Group HR
Health and safety	CHRO	Group Health & Safety
Diversity and inclusion	CHRO	Group HR/DEI Committee
Employee engagement & competence development	CHRO	Group Talent & Development
S2 - Workers in the value chain	Sourcing CEO	Group Sourcing
S3 - Affected communities	Sourcing CEO	Group Sustainability
S4 - Consumers and end-users	CSO	Group Sustainability/BU CCO

GOVERNANCE

Sustainability Programme	Group Excom Sponsor	Owner
G1 - Business Conduct	Group General Counsel	Group Legal
Corporate governance	Group General Counsel	Group Legal
Fraud, bribery, corruption, and anti-competitive behaviour	Group General Counsel	Group Legal
Data ethics and IT security	CIO	Group Legal

MDR-P

POLICY OVERVIEW

Our policies set the direction for how STARK Group conducts business. They establish clear expectations for our employees, suppliers, and partners, and guide decision-making across the organisation. Together, they form the framework that underpins our governance and enables us to deliver on our commitments.

All our policies and annual updates are publicly available at starkgroup.dk/sustainability/policies to ensure they remain accessible to all stakeholders. The table below presents an overview of our policies. For each policy, we indicate which IROs it is relevant to, provide a summary of its content, and highlight any specific commitments it contains. This structure is inspired by the MDR-P requirements and ensures that our policies can be clearly linked to the material topics identified in our double materiality assessment.

Policy	Description	IROs	Policy owner	Commitments/certifications
Anti-Corruption Policy	Our Anti-Corruption Policy outlines our zero-tolerance approach to corruption in all its forms, including bribery and extortion. It is grounded in international frameworks such as the UN Convention against Corruption, the UN Guiding Principles, and OECD standards, and supports Principle 10 of the UN Global Compact. The policy aims to prevent, detect, and remediate corruption risks across our operations and value chain. It promotes a culture of transparency, integrity, and accountability, and includes detailed procedures for gifts, entertainment, public sector interactions, sponsorships, and financial records. The policy applies to all STARK Group operations and to our upstream and downstream value chain. Affected stakeholders include our own workforce, workers in the value chain, and consumers and end-users.	G1 • Anti-competitive practices and fraud, bribery and corruption in operations and value chain	Group General Counsel	• UN Convention against Corruption • UN Global Compact • UN Guiding Principles on Business and Human Rights • OECD Guidelines for Multinational Enterprises • amfori • Ethical Trade Denmark • FSC®/PEFC
Code of Conduct	Our Code of Conduct outlines the ethical standards and behavioural expectations for all employees, reinforcing our core values of decency, passion, and pride. It serves as a practical guide for responsible decision-making and integrity in daily operations, applying to all employees and extending to suppliers and partners. Our Code supports a culture of transparency, safety, and respect, and provides mechanisms for confidential reporting through our Speak Up system.	All	Group CEO	• UN Global Compact • UN Guiding Principles on Business and Human Rights • OECD Guidelines for Multinational Enterprises • UN Convention against Corruption

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POLICY OVERVIEW

Policy	Description	IROs	Policy owner	Commitments/certifications
Compensation Policy	Our Compensation Policy outlines our commitment to fair, transparent, and performance-driven remuneration across all STARK Group business units. Compensation packages are determined by market standards, role complexity, and individual and team performance, and are governed by clear principles of fairness, clarity, and alignment with our values of decency, passion, and pride. The policy aims to prevent discriminatory practices and promote equal pay, while enabling opportunities for employee engagement, retention, and business performance. It also establishes governance structures, approval processes, and standardized systems to ensure consistency and compliance. The policy applies across all STARK Group operations, and the affected stakeholders are our own workforce.	S1 • Workforce discrimination • Attractive working conditions and inclusive employment	Group CHRO	• UN Global Compact • UN Guiding Principles on Business and Human Rights
Diversity, Equity & Inclusion Policy	Our DE&I Policy outlines our commitment to fostering a diverse, equitable, and inclusive workplace across all STARK Group entities. We view DE&I as business-critical rather than a compliance requirement, and believe it strengthens our performance, innovation, and long-term relevance. The policy promotes representation, fair treatment, inclusive behaviour, and a strong sense of belonging. It supports recruitment, development, succession, and leadership practices that reflect our values of decency, passion, and pride, and aims to prevent discrimination, harassment, and exclusion while enabling opportunities for diverse talent engagement and retention. The policy applies across all STARK Group operations, and the affected stakeholders are our own workforce.	S1 • Workforce discrimination • Attractive working conditions and inclusive employment	Group CHRO	• UN Global Compact • UN Guiding Principles on Business and Human Rights
Environmental & Climate Policy	Our Environmental & Climate Policy outlines our commitment to reducing environmental and climate impacts across our operations and value chain. We aim to support the transition to a net zero future by cutting emissions, increasing circularity, promoting responsibly produced products, and protecting ecosystems. The policy is aligned with international frameworks such as the Greenhouse Gas Protocol and the UN Global Compact, and it supports our science-based targets approved by SBTi. It addresses material impacts including carbon emissions, biodiversity loss, pollution, and resource inefficiency, while also enabling opportunities for sustainable innovation and stakeholder collaboration. The policy applies to all STARK Group operations as well as our upstream and downstream value chain.	E1 • Product-related carbon emissions • Non-decarbonization of operations and value chain • Product carbon data demand E4 • Biodiversity loss due to climate change • Loss of FSC® or PEFC certification • Degradation of ecosystem services • Growing demand for certified products E5 • Excessive waste generation • In-store breakage • Lack of standards for reused products • Circular products and solutions	Group CFO	• SBTi net-zero • ISO 14001 • UN Global Compact • GHG Protocol • OECD Guidelines for Multinational Enterprises

POLICY OVERVIEW

Policy	Description	IROs	Policy owner	Commitments/certifications
Health & Safety Policy	STARK Group's Health & Safety Policy reflects our commitment to ensuring a safe and healthy work environment for all employees, customers, and stakeholders. We comply with all relevant laws and operate a management system based on ISO 45001 to promote consistent safety standards. Continuous improvement, proactive prevention, and employee involvement are central to our safety culture. We go beyond compliance by setting high standards to minimize risks across our operations and value chain, embedding health and safety into daily practices from our own operations to supplier relationships. The policy applies to all STARK Group operations as well as our upstream and downstream value chain. Affected stakeholders include our own workforce, workers in the value chain, and consumers and end-users.	S1 • Accidents, incidents, fatalities and lost workdays • Attractive working conditions and inclusive employment S2 • Poor working conditions and health and safety standards in the supply chain S4 • Inadequate product information G1 • Protection of whistleblowers	Group CHRO	• ISO 45001 • Vision Zero • ILO Declaration on Fundamental Principles and Rights at Work • OECD Guidelines for Multinational Enterprises
Human Rights Policy	Our Human Rights Policy outlines our commitment to respecting internationally recognized human rights across our value chain. We aim to continuously improve our practices in alignment with global standards such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines, and the International Bill of Human Rights. The policy emphasizes due diligence, stakeholder engagement, and responsible sourcing, and we expect our suppliers and business partners to uphold the same standards. This includes supporting fair treatment, safe working conditions, and ethical practices as outlined in our Supplier Code of Conduct. Our due diligence processes focus on identifying risks, mitigating impacts, and driving continuous improvement, and we are committed to providing remediation where we cause or contribute to harm. The policy applies to all STARK Group operations as well as our upstream and downstream value chain. Affected stakeholders include our own workforce, workers in the value chain, and consumers and end-users.	E1 • Product-related carbon emissions E4 • Climate change impacts on biodiversity S1 • Accidents, incidents, fatalities and lost workdays • Workforce discrimination • Employee data privacy • Attractive working conditions and inclusive employment S2 • Poor working conditions and health and safety standards in the supply chain • Due diligence obligations S3 • Indigenous peoples' rights S4 • Inadequate product information G1 • Protection of whistleblowers	Group CFO	• UN Guiding Principles on Business and Human Rights • ILO Declaration on Fundamental Principles and Rights at Work • OECD Guidelines for Multinational Enterprises • Universal Declaration of Human Rights • ISO 45001 • United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) • Free, Prior and Informed Consent

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POLICY OVERVIEW

Policy	Description	IROs	Policy owner	Commitments/certifications
People Policy	Our People Policy outlines our commitment to respecting international labour rights, ensuring fair treatment, and fostering a positive and inclusive workplace across all STARK Group business units. The policy supports fair wages, health and safety, and diversity, while also promoting wellbeing and work-life balance. We encourage open dialogue, uphold compliance with all relevant labour laws, and expect all employees to follow this policy and embody our core values of decency, passion, and pride. The policy applies across all STARK Group operations, and the affected stakeholders are our own workforce.	S1 • Accidents, incidents, fatalities and lost workdays • Workforce discrimination • Employee data privacy • Attractive working conditions and inclusive employment G1 • Protection of whistleblowers	Group CHRO	• UN Guiding Principles on Business and Human Rights • ILO Declaration on Fundamental Principles and Rights at Work • OECD Guidelines for Multinational Enterprises • ISO 45001
Records Management and Personal Data Protection Policy	Our Records Management and Personal Data Protection Policy reflects our commitment to handling personal data responsibly and securely across all STARK Group operations. We ensure compliance with GDPR and relevant national laws, embedding data protection into our systems and processes by design. The policy establishes clear principles for the collection, use, retention, and deletion of personal data, and sets expectations for all employees to uphold these standards in order to protect individual rights and maintain trust with customers, colleagues, and partners. The policy applies across all STARK Group operations.	S1 • Employee data privacy S4 • Data management and GDPR compliance	Group General Counsel	• UN Guiding Principles on Business and Human Rights • ILO Declaration on Fundamental Principles and Rights at Work • OECD Guidelines for Multinational Enterprises
Responsible Timber Policy	Our Responsible Timber Policy outlines our commitment to eliminating deforestation and forest degradation across our timber supply chains. We aim to source timber and timber-based products from well-managed forests, in full compliance with the EU Deforestation Regulation (EUDR), and to increase the share of certified timber. The policy supports our broader sustainability goals, including climate action, biodiversity protection, and human rights. It addresses material impacts such as illegal logging, land degradation, and supply chain opacity, while enabling opportunities for certified sourcing, supplier engagement, and customer awareness. The policy applies across the full value chain.	E4 • Biodiversity loss due to climate change • Loss of FSC® or PEFC certification • Degradation of ecosystem services • Growing demand for certified products S2 • Poor working conditions and health and safety standards in the supply chain • Due diligence obligations S3 • Indigenous peoples' rights	Group Sourcing CEO	• FSC® and PEFC certification schemes • UN Guiding Principles on Business and Human Rights • ILO Declaration on Fundamental Principles and Rights at Work • UN Global Compact • OECD Guidelines for Multinational Enterprises • Free, Prior and Informed Consent

POLICY OVERVIEW

Policy	Description	IROs	Policy owner	Commitments/certifications
Supplier Code of Conduct	Our Supplier Code of Conduct outlines the expectations we have for all suppliers and their sub-suppliers regarding responsible business conduct. It is based on international standards including the amfori BSCI and BEPI Codes of Conduct, and covers 13 social compliance and 8 environmental performance areas. The policy sets out requirements which aim to prevent and mitigate material impacts such as human rights violations, environmental degradation, and unethical practices, while promoting opportunities for collaboration, continuous improvement, and transparency across our supply chain. It serves as a foundational tool for risk assessment and due diligence. The policy applies to STARK Group's upstream value chain. Affected stakeholders include workers in the value chain.	All supplier related IROs	Group Sourcing CEO	• UN Global Compact • UN Guiding Principles on Business and Human Rights • ILO Conventions • OECD Guidelines for Multinational Enterprises • amfori BSCI and BEPI
Sustainability Policy	Our Sustainability Policy outlines our commitment to responsible sourcing, climate action, and sustainable construction across our operations and value chain. The policy addresses key material impacts across applicable standards and is embedded within a broader Sustainability Framework, with structured processes for monitoring, continuous improvement, and stakeholder engagement. The policy applies to all STARK Group entities and employees and covers upstream and downstream activities across all geographies.	E1 • Product-related carbon emissions • Non-decarbonization of operations and value chain • Product carbon data demand E4 • Biodiversity loss due to climate change • Loss of FSC® or PEFC certification • Degradation of ecosystem services • Growing demend for certified products E5 • Circular products and solutions S2 • Poor working conditions and health and safety standards in the supply chain • Due diligence obligations S3 • Indigenous peoples' rights	Group CFO	• UN Global Compact • ILO Conventions • UN Sustainable Development Goals • Net zero emissions • FSC®/PEFC

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POLICY OVERVIEW

Policy	Description	IROs	Policy owner	Commitments/certifications
Sustainable Sourcing Policy	Our Sustainable Sourcing Policy outlines our commitment to responsible business conduct across our supply chain. We aim to minimize environmental and social impacts, promote transparency, and support long-term value creation through robust due diligence and supplier engagement. The policy supports our net zero targets and complements our Human Rights, Environmental & Climate, and Supplier Code of Conduct policies. It addresses material impacts such as climate emissions, human rights risks, and product sustainability, while enabling opportunities for collaboration, innovation, and improved ESG performance. The policy applies to all STARK Group operations as well as our upstream value chain.	E1 • Product-related carbon emissions • Non-decarbonization of operations and value chain • Product carbon data demand E4 • Biodiversity loss due to climate change • Loss of FSC® or PEFC certification • Degradation of ecosystem services • Growing demand for certified products E5 • Circular products and solutions S2 • Poor working conditions and health and safety standards in the supply chain • Due diligence obligations S3 • Indigenous peoples' rights S4 • Inadequate product information • Upskilling suppliers • Digital climate tools	Group Sourcing CEO	• SBTi net zero • UN Global Compact • OECD Guidelines for Multinational Enterprises • UN Guiding Principles on Business and Human Rights • amfori • Ethical Trade Denmark • Free, Prior and Informed Consent

Management review
Sustainability review
General information
Environment
Social
Governance
Financial statements

POLICY OVERVIEW

Policy	Description	IROs	Policy owner	Commitments/certifications
Speak Up! Whistleblower Policy	Our Speak Up! Whistleblower Policy supports our commitment to ethical and responsible business conduct. It provides a secure and confidential channel for employees, customers, and third parties to report suspected misconduct, including fraud, harassment, and violations of laws or company policies. The policy ensures protection against retaliation and promotes transparency, accountability, and trust. It is designed to prevent and mitigate material impacts such as unethical behaviour, legal breaches, and reputational harm, while enabling opportunities for early detection and remediation. The policy applies to all STARK Group operations as well as our upstream and downstream value chain. Affected stakeholders include our own workforce, workers in the value chain, and consumers and end-users.	S1 • Workforce discrimination • Attractive working conditions and inclusive employment • Accidents, incidents, fatalities and lost workdays S2 • Poor working conditions and health and safety standards in the supply chain • Due diligence obligations S3 • Indigenous peoples' rights G1 • Protection of whistleblowers • Anti-competitive practices and fraud, bribery and corruption in operations and value chain	Group CHRO	• EU-DIRECTIVE 2019/1937 on the protection of whistleblowers • UN Guiding Principles on Business and Human Rights
Tax Policy	STARK Group's Tax Policy emphasises responsible and transparent tax practices that are aligned with our sustainability values. We commit to fulfilling global tax obligations in compliance with local and international laws and reject aggressive tax planning. The policy promotes open cooperation with tax authorities, a low-risk approach to tax management, and transparency through annual reporting. The policy applies to all STARK Group activities.	G1 • Protection of whistleblowers	Group CFO	• OECD Guidelines for Multinational Enterprises • National law in all markets

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BASIS OF PREPARATION

STARK Group is not yet subject to the Corporate Sustainability Reporting Directive (CSRD) and this sustainability review is therefore not prepared in accordance or full alignment with the CSRD requirements. The sustainability review has however been developed with inspiration from the European Sustainability Reporting Standards (ESRS) and is informed by a double materiality assessment and a gap analysis. Independent assurance has been obtained for our reported scope 1, 2, and 3 emissions. Other elements of this statement, including the double materiality assessment, gap analysis, and narrative disclosures, have not been subject to external assurance but are presented with the same commitment to transparency and accuracy.

BP-1

GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY REVIEW

The preparation of this sustainability report has been inspired by the ESRS and aims to provide a comprehensive overview of STARK Group's material impacts, risks, and opportunities. The information in this statement is based on the double materiality assessment, identifying the sustainability matters that are most relevant to STARK Group and its stakeholders regarding impact materiality and exposure to financial risks and opportunities.

This sustainability review is prepared on a consolidated basis, using the same scope as our financial statements. The report's boundary reflects the full extent of our operations, as outlined in our financial reporting, including all entities we control. The statement encompasses our entire value chain, both upstream and downstream. This includes consideration of the impacts, risks, and opportunities arising from our relationships with suppliers, customers, and other business partners throughout the value chain.

No material information has been omitted on the grounds of confidentiality or sensitivity.

BP-2

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Our disclosures reflect the diverse nature of sustainability information, recognising varying time horizons and data availability. We strive to maintain transparency and reliability by applying appropriate methods and continuously enhancing our reporting practices.

TIME HORIZONS

For identification and management of IROs, we have applied time horizons defining short-term as within the reporting year, medium-term as up to 5 years, and long-term as more than 5 years.

GOV-5

DATA ACCURACY

Our product-related emissions constitute most of our total emissions. Therefore, we have focused on improving our inventory with particular attention to our product-related emissions, including production, processing, and end-of-life treatment.

To calculate our product-related emission we apply product-specific data or generic datasets where possible. We conduct intensity-based extrapolations within product categories to fill the gaps. To translate EPD values into sales and distribution units across a very large number of SKUs we apply conversion factors. These methodological steps inevitably introduce estimation uncertainty. The approach has been subject to particular scrutiny internally and during external assurance, and we continue to strengthen data quality and methodological consistency to reduce uncertainties over time.

To increase EPD coverage and enhance our accuracy, we have made product data enrichment a core KPI and an area of ongoing focus. This includes efforts to improve supplier engagement, expand primary data collection, and refine data integration processes across the value chain.

As a rule, our sustainability performance data has been collected at the legal entity level and consolidated. Where the preparation of ESG data has involved estimates or assumptions, these have been made based on the best available information, industry benchmarks, historical data, and input from subject matter experts. Uncertainty areas are addressed through internal controls and validation processes to maintain a high standard of data accuracy and reliability.

Accounting and calculation methods used in the preparation of sustainability metrics are described in the accounting principles section of each respective thematic area.

CHANGES IN PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

This reporting year marks the first time we publish an integrated annual report inspired by the CSRD. In doing so, we have restructured the overall presentation of our sustainability and ESG performance to meet the requirements. While we continue to report on most of our existing KPIs, we have included new disclosures guided by the CSRD and the collection of additional data to address specific ESRS datapoints and improve transparency.

New KPIs are disclosed without comparative numbers in cases where historical data is not readily available. In any case where the accounting principles of a KPI have been updated, they are clearly stated in the relevant section of the accounting principles.

ACQUISITIONS, DIVESTMENTS AND BASELINE RESTATEMENTS

Acquisitions are incorporated once reliable data is available, and no later than 12 months after the transaction. Divestments and site closures are excluded as of the transaction date. For each acquisition, we maintain a record documenting the date of inclusion.

BASIS OF PREPARATION

DISCLOSURE REQUIREMENTS OVERVIEW

ESRS	DR	Disclosure requirement	Page
General disclosures	BP-1	General basis for preparation of the sustainability statement	62
	BP-2	Disclosures in relation to specific circumstances	62
	GOV-1	The role of the administrative, management and supervisory bodies	49
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	49
	GOV-3	Integration of sustainability-related performance in incentive schemes	74
	GOV-4	Statement on due diligence	53
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	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	50
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	50
	SBM-1	Strategy, business model and value chain	47
	SBM-2	Interests and views of stakeholders	51
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	52
	MDR-P	Policies adopted to manage material sustainability matters	55

ESRS	DR	Disclosure requirement	Page
E1 Climate change	E1.GOV3	Integration of sustainability-related performance in incentive schemes	74
	E1-1	Transition plan for climate change mitigation	68
	E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	68
	E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	50
	E1-2	Policies related to climate change mitigation and adaptation	68
	E1-3	Actions and resources in relation to climate change policies	70
	E1-4	Targets related to climate change mitigation and adaptation	74
	E1-5	Energy consumption and mix	75
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	76
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	74

nm: non-material
n/a: material; data collection process under development

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ESRS	DR	Disclosure requirement	Page
E4 Biodiversity and ecosystems	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	81
	E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	81
	E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	80
	E4-2	Policies related to biodiversity and ecosystems	81
	E4-3	Actions and resources related to biodiversity and ecosystems	82
	E4-4	Targets related to biodiversity and ecosystems	83
	E4-5	Impact metrics related to biodiversity and ecosystems change	84
	E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	nm
E5 Resource use and circular economy	E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	80
	E5-1	Policies related to resource use and circular economy	87
	E5-2	Actions and resources related to resource use and circular economy	87
	E5-3	Targets related to resource use and circular economy	88
	E5-4	Resource inflows	n/a
	E5-5	Resource outflows	89
	E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	nm

ESRS	DR	Disclosure requirement	Page
S1 Own workforce	S1.SBM-2	Interests and views of stakeholders	51
	S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	93
	S1-1	Policies related to own workforce	93
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	94
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	94
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	93
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	94
	S1-6	Characteristics of the undertaking's employees	95
	S1-7	Characteristics of non-employees in the undertaking's own workforce	95
	S1-8	Collective bargaining coverage and social dialogue	94 98
	S1-9	Diversity metrics	101
	S1-10	Adequate wages	nm
	S1-11	Social protection	nm
	S1-12	Persons with disabilities	nm
	S1-13	Training and skills development metrics	98
	S1-14	Health and safety metrics	105
	S1-15	Work-life balance metrics	94
	S1-16	Remuneration metrics (pay gap and total remuneration)	nm
	S1-17	Incidents, complaints and severe human rights impacts	nm

nm: non-material
n/a: material, data collection process under development

ESRS	DR	Disclosure requirement	Page
S2 Workers in the value chain	S2.SBM-2	Interests and views of stakeholders	51
	S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	107
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	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	108
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	108
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	109
S3 Affected communities	S3.SBM-2	Interests and views of stakeholders	51
	S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	112
	S3-1	Policies related to affected communities	113
	S3-2	Processes for engaging with affected communities about impacts	113
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	113
	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	113
	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	113

ESRS	DR	Disclosure requirement	Page
S4 Consumers and end-users	S4.SBM-2	Interests and views of stakeholders	51
	S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	116
	S4-1	Policies related to consumers and end-users	116
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	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	116
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	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	118
G1 Business conduct	G1.GOV-1	The role of the administrative, management and supervisory bodies	49
	G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	50
	G1-1	Business conduct policies and corporate culture	123
	G1-2	Management of relationships with suppliers	123
	G1-3	Prevention and detection of corruption and bribery	123
	G1-4	Incidents of corruption or bribery	126
	G1-5	Political influence and lobbying activities	nm
	G1-6	Payment practices	n/a

nm, non-material
n/a, not-yet-in-place, data collection process under development

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Sustainability review

Financial statements

ENVIRONMENT

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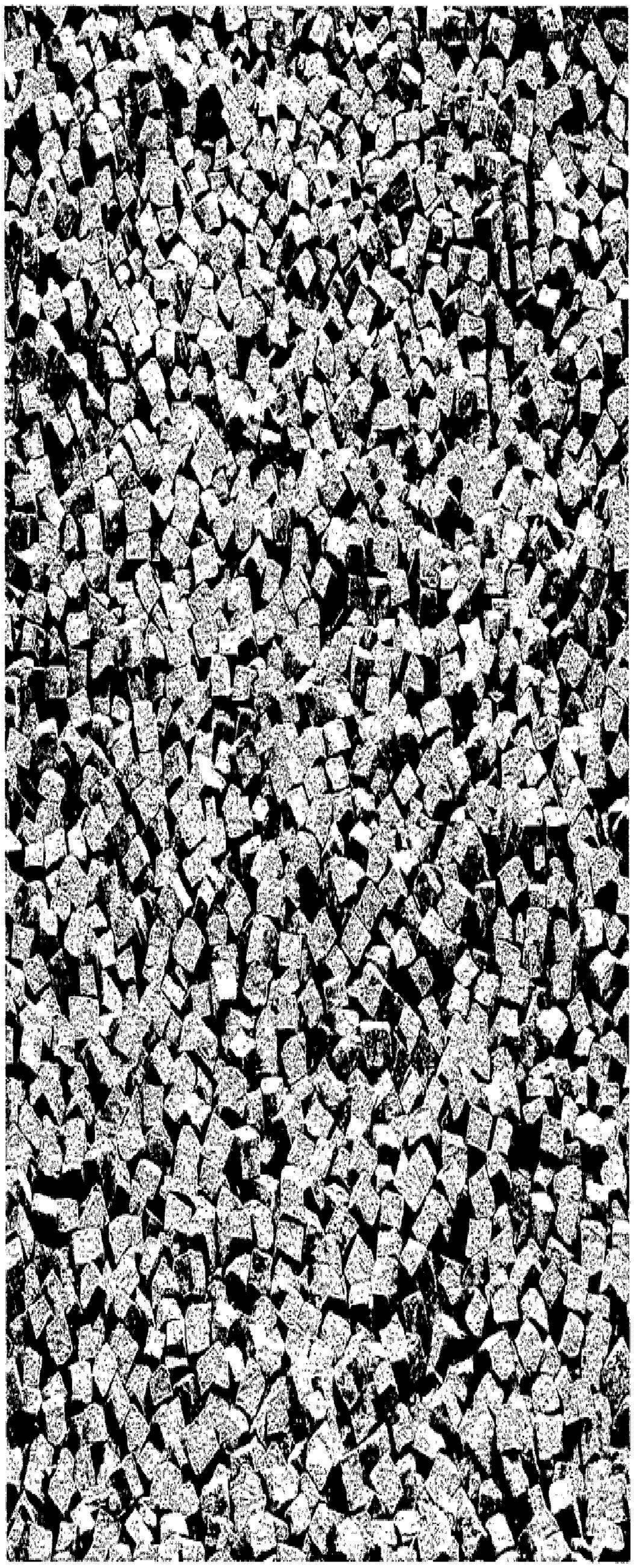
E1

CLIMATE CHANGE

DECARBONISING THE BUILT ENVIRONMENT

The construction industry and the built environment are major contributors to global GHG emissions. From the materials and processes involved in construction to the energy used in buildings, our sector plays a pivotal role in shaping the future climate. At STARK Group, we are committed to reducing emissions across our operations and value chain, aligning our efforts with our net-zero ambition. Through low-carbon products, carbon-efficient logistics, and data accessibility through digital climate tools, we aim to empower our customers to build responsibly and accelerate the transition to a net-zero future.



MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
E1 Climate change	Impact	**Product-related carbon emissions:** The greenhouse gas emissions generated from the production of building materials sold through STARK Group contribute to climate change and may affect ecosystems and the livelihoods of communities dependent on them.	Upstream	<1 - >5 years
	Risk	**Non-decarbonization of operations and value chain:** Reducing our direct and indirect emissions is an invariable requirement for us to align with regulatory and market shifts towards low-carbon practices. Perceived inaction may erode stakeholder trust and brand value, limit access to capital, and put us at a disadvantage regarding regulatory alignment.	Operations, upstream	<1 - >5 years
	Opportunity	**Product carbon data demand:** Emerging regulation drives an increased demand for product information, including product carbon data. Capturing and providing best-in-class information to our customers presents an opportunity to differentiate in the market and increase market share and sales while promoting lower-carbon products and technologies.	Operations, downstream	<1 - 5 years

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DECARBONISING THE BUILT ENVIRONMENT

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

E1-2

POLICIES

Policies relating to climate change include our Environment & Climate Policy, Sustainability Policy, and Sustainable Sourcing Policy. For MDR-P inspired disclosure on our policies see pp. 55-61.

E1-1

OUR CLIMATE TRANSITION PLAN

This year, we reached a key milestone in our climate journey with the validation of our net-zero targets by the Science Based Targets initiative (SBTi). This confirms that our decarbonisation pathway is aligned with the latest climate science and supports the global goal of limiting warming to 1.5°C.

Our pathway to net zero is shaped by a combination of regulatory momentum, supplier engagement, and strategic initiatives. See figure on p. 69. We expect our targeted actions, EU climate policy and industry transformation to drive our transition.

Regulatory developments are set to play a crucial role. The Energy Performance of Buildings Directive (EPBD) will mandate life cycle assessments (LCAs) for large buildings by 2028, extending to all buildings by 2030. This is expected to further drive and increase demand for lower-carbon products and a significant reduction in embodied carbon emissions across the built environment. Denmark has already implemented carbon caps in its building regulations, while Sweden have introduced mandatory climate declarations and are planning to adopt carbon limit values. Regulations will be adopted in Finland early 2026. In the UK, the London Plan's measures to assess and reduce embodied carbon signal a broader alignment with EU ambitions. Additionally, we anticipate regulatory mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) and carbon taxes to further incentivise low-carbon sourcing and operations. These frameworks will increase demand for low-carbon materials and construction practices, directly supporting our low-carbon product and advisory offerings.

In parallel, our supplier base is evolving. Roughly one third of our suppliers, by spend, have committed to science-based targets aligned with the SBTi. As these suppliers decarbonise, the emissions embedded in our product portfolio will decline, contributing to meaningful reductions in scope 3 emissions.

Despite this momentum, a gap remains between these anticipated effects and our net-zero ambition. To close this gap, we are implementing a range of initiatives guided by a clear roadmap focused on reducing emissions across both our operations and value chain. We are investing in numerous decarbonisation initiatives that align our operations and sales advisory with a net-zero future.

REDUCING OUR OPERATIONAL EMISSIONS (SCOPE 1 AND 2)

Representing approximately 2% of our total footprint, our direct emissions are being addressed through:

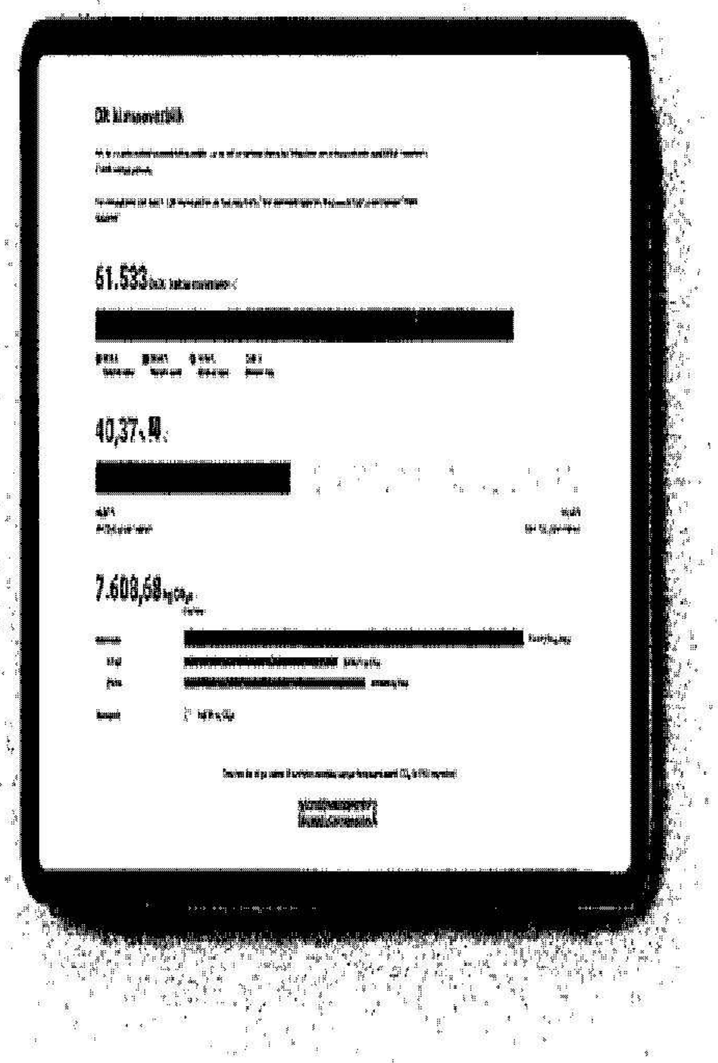
- Improving energy efficiency in branches and distribution centres.
- Electrification of our logistics and car fleet to phase out fossil fuels.
- Transitioning to lower-carbon energy sources where electrification is not yet viable.
- Sourcing 100% renewable electricity for all operational needs by 2030.

LIMITING OUR VALUE CHAIN EMISSIONS (SCOPE 3)

Accounting for 98% of our total emissions, our value chain emissions are central to our strategy. We are taking action through:

- Future-fit products and services including low-carbon alternatives
- Enhancing product carbon transparency through digital climate tools (illustrated above)
- Integrating sustainability into category procurement strategies
- Supplier engagement for decarbonisation
- Empowering customers through sustainability ambassadors

STARK Group's digital climate tools provide customers with easy access to product carbon data, supporting regulatory compliance and allowing them to focus on what they do best



SBM-3

OUR KEY DEPENDENCIES AND TRANSITION RISKS

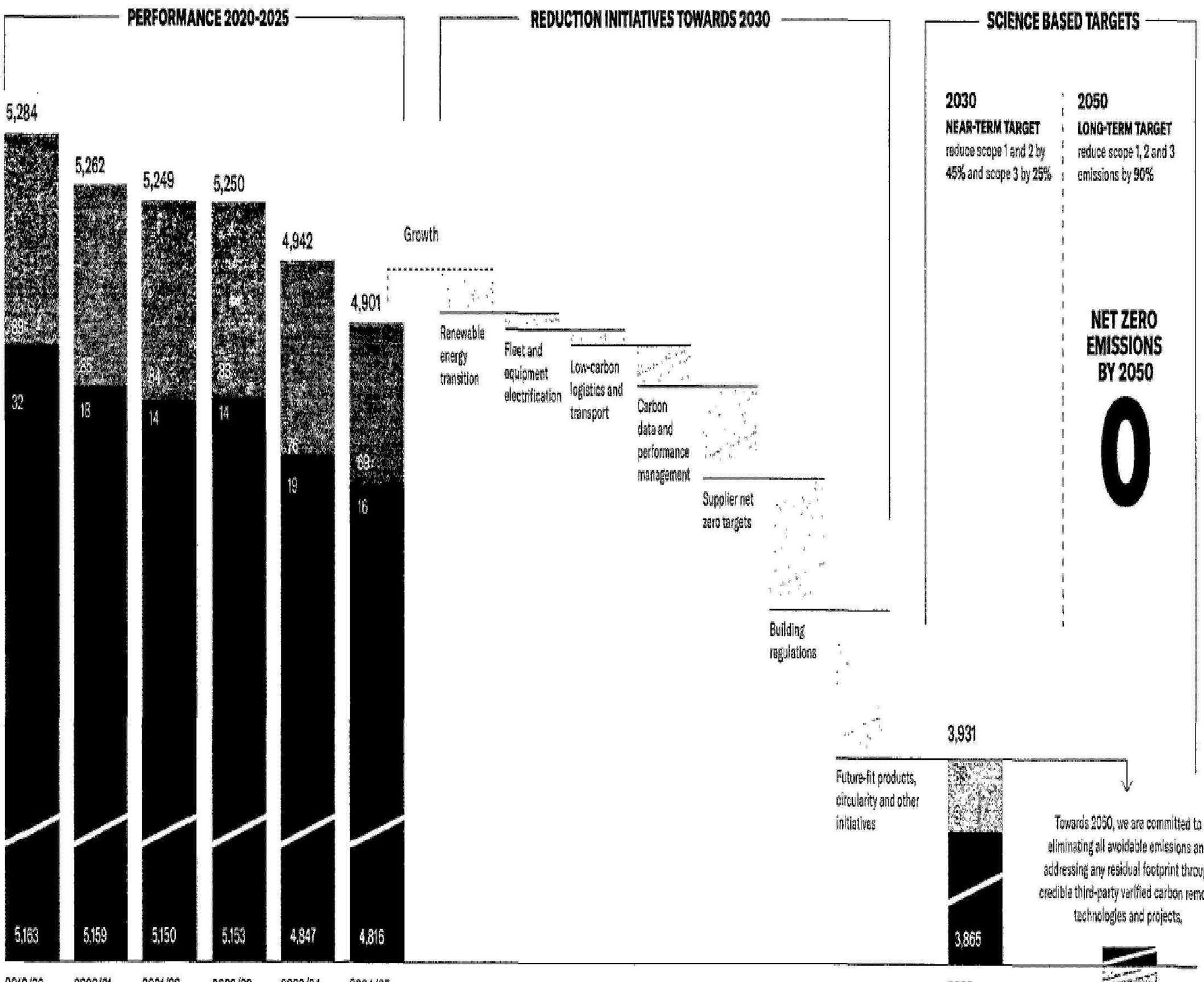
Sustainability and climate action is important to our brand and strategy. Our business model seeks to proactively manage material risks while capturing the opportunities emerging from the evolving sustainability landscape and the green transition. ESG leadership is embedded in our executive decision-making, enabling us to respond to changing markets and expectations effectively. This adaptability reinforces our positioning in a market that is aligning with net-zero ambitions.

Our climate transition plan relies on stable regulations, access to renewable energy, technological progress, and supplier collaboration, while long-term opportunities include rising demand for low-carbon products and data.

TRANSITION PLAN TOWARDS 2050

GHG emissions, $ktCO_2e$

Figures are illustrative



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While our plan is clear, external factors pose risks to implementation. These include locked-in GHG emissions from fossil fuel-dependent vehicle fleets and heating systems due to infrastructure limitations and cost barriers. Additionally, products sourced from suppliers with limited decarbonisation capacity could impede progress on scope 3 reductions.

There is a risk that the EU may fall short of its collective net zero climate goals, potentially leading to fragmented national approaches, reduced funding, and diminished pressure on high-emitting sectors. The exclusion of embodied carbon from building codes and standards may slow the adoption of low-carbon materials across the industry. Political headwinds, including the rise of anti-climate policy narratives, may influence policymaking and weaken the momentum toward net-zero targets.

These risks could jeopardise the achievement of our climate targets and increase our exposure to transition-related financial and reputational impacts. STARK Group is actively addressing these challenges through our transition plan while investing in supplier engagement and advocating for stronger climate action, including the inclusion of embodied carbon in building requirements as well as tax deductions for energy-saving upgrades.

ASSESSMENT OF PHYSICAL CLIMATE RISKS

STARK Group operates over 1,050 assets across Europe, including retail shops, offices, warehouses, and manufacturing facilities. These assets have been assessed for exposure to physical climate risks using the SSP5-8.5 scenario, which represents a high-emissions pathway characterised by continued fossil fuel use and limited climate policy intervention. The assessment is based on a desktop climate and nature-related risk screening using the physical coordinates of our properties, conducted by AXA Climate using the Altitude platform. The analysis projects conditions for the year 2050 and evaluates the likelihood and impact of climate-related hazards on each asset. The most significant physical risks identified include flooding, storms, and changing air temperatures.

Financially, the cumulative impact of these risks from property damage and business interruption losses across all assets is projected to annually be limited to below half a percent of asset value, and a quarter of a percent of related revenue. STARK Group will use this assessment to prioritise our on-site assessments and initiatives to improve building insulation and further assess actual flooding and storm risks.

E1-3

ACTIONS AND RESOURCES

Decarbonising our own operations

Scope 1 and 2 key actions

Improving energy efficiency in offices, branches, and distribution centres

We are implementing a range of measures to enhance energy performance in our locations. These include insulation upgrades during refurbishments to reduce heat loss and the installation of LED lighting to replace conventional fixtures, significantly lowering energy consumption. We are monitoring energy usage and optimising systems to support efficient heating and lighting. We have reduced our energy consumption by 4.3%, resulting in a carbon reduction of ~5,000 tCO_2e.

Phasing out fossil fuels in our operations

A large share of our operational carbon emissions originate from diesel-consuming equipment. Therefore, a key focus area is the electrification of forklift trucks and yard sweepers. Electrifying these assets significantly reduces direct emissions and particle pollution, improving air quality and enhancing health and safety for both employees and customers. Currently, 56% of our forklift trucks are electric, and we are working to increase this share as part of our broader decarbonisation roadmap.

In addition to mobile equipment, we are also addressing stationary energy use. During branch refurbishments, we assess the feasibility of replacing fossil fuel-based heating systems with low-carbon alternatives. Where economically viable and technologically possible, we transition to electric or renewable heating solutions, further reducing our operational carbon footprint.

Electrification of our logistics and car fleet to phase out fossil fuels

Every 10 seconds, STARK Group delivers to a building site in Europe. STARK Group aims to gradually transition our logistics and car fleet away from fossil fuels. This includes the gradual replacement of diesel-powered trucks and light commercial vehicles with electric alternatives, contributing to the reduction of carbon emissions and improving air quality in urban and operational environments.

During 2025, Beijer Byggmaterial made a significant move in sustainable logistics by introducing electric crane trucks in Stockholm, Gothenburg, and Malmö, the first building materials distributor to offer fossil-free deliveries across Sweden's three largest metropolitan areas. With a total investment in five electric trucks, supported by a strategic partnership with haulier Vivaldi, and significant upgrades to charging infrastructure, Beijer is actively accelerating the green transition in construction logistics.

Electric trucks are operational in Denmark, Germany, Finland, and Sweden, and are gradually being introduced in other markets where economically viable and where infrastructure and route profiles allow, particularly in urban areas and for shorter delivery routes. These vehicles not only reduce greenhouse gas emissions but also lower noise pollution, benefiting customers and communities.

We are also transitioning our fleet of light commercial vehicles to electric models, prioritising branches and regions where charging infrastructure is available. This shift supports our broader decarbonisation goals and aligns with increasing regulatory and customer expectations for low-emission transport solutions.

Car policies are currently being updated across business units to promote the adoption of electric vehicles across the organisation. The updates include incentives and clear guidelines for selecting electric cars as the preferred option for company vehicles

HVO as a transitional fuel

While electrification remains our primary strategy for phasing out fossil fuels in logistics, STARK Group recognises that full electrification is not yet feasible in all operational contexts. Where feasible, we are using HVO as a transitional fuel to reduce our environmental impact.

HVO reduces greenhouse gas emissions by roughly 90% compared to conventional fossil fuels. HVO is currently being introduced in selected parts of our logistics operations and is considered a viable interim solution for heavy-duty vehicles and machinery where electric options are not yet practical. Its use supports our carbon reduction efforts while maintaining operational reliability. During the year ~518,000 litres of HVO have been used in our operations to substitute conventional diesel.

100% renewable electricity

STARK Group is committed to transitioning to 100% renewable electricity across all our locations by 2030. This ambition applies to all subsidiaries and geographies where we operate, and implementation is actively underway. In the reporting year, we sourced 57% renewable electricity, marking steady progress toward our goal.

STARK Danmark reached an important milestone in our transition to renewable electricity by entering the Group's first Power Purchase Agreement covering approximately 6,800 MWh annually. This agreement marks a step forward in the decarbonisation of our operations, securing a dedicated supply of renewable electricity with strong additionality. By supporting the development of new renewable energy capacity, rather than relying on existing sources, the PPA ensures real and measurable impact reducing our emissions footprint while contributing to the broader green energy transition.

Limiting our value chain emissions (scope 3)

Scope 3 key actions

Future-fit products and services including lower-carbon alternatives

Product-related emissions represent over 93% of our total carbon footprint. We are accelerating the shift toward lower-carbon, circular, eco-labled, or biobased products to reduce emissions embedded in construction materials. By increasing the assortment of future-fit products, supported by our trained sustainability specialist advisory and digital tools, we aim to reduce scope 3 emissions associated with customer purchases and product use.

Enhancing product carbon transparency through digital climate tools

To help customers make informed choices and reduce their own emissions, we collect and disclose product-level carbon data. Today, we have product carbon data available on 78% of our sales of LCA-relevant products. As this data is a critical enabler for scope 3 decarbonisation, we have linked its acquisition to executive remuneration to accelerate progress.

Our digital climate tools simplify access to emissions data for thousands of building materials. It enables customers to view carbon footprints, identify lower-carbon alternatives, and generate reports for ESG scope 3 reporting. By making this data accessible and actionable, our tools support customers in meeting embodied carbon caps in building regulations and in selecting products aligned with sustainable construction schemes. Currently active in three markets, the platform's expansion will further scale scope 3 impact reduction across our customer base.

Integrating sustainability into category procurement strategies

We are currently embedding sustainability into category procurement strategies to limit upstream emissions. Our aim is to prioritise lower-carbon materials and products from ambitious suppliers with carbon targets aligned with ours. In this way, we aim to reduce the embodied emissions of our product portfolio, contributing to scope 3 reductions from purchased goods and services. Currently, 30% of our suppliers, by spend, have committed to at least near-term science-based targets aligned with the SBTi.

Supplier engagement for decarbonisation

We are currently mapping our suppliers by emissions with the plan to collaborate with high-impact suppliers to promote lower-carbon product development. Through bilateral meetings, webinars and round table meetings, we share best practices. This initiative targets upstream scope 3 emissions and strengthens our supplier partnership and supply chain climate performance.

Empowering customers through sustainability ambassadors

Our Sustainability Ambassador Programme trains specialised sales staff to support customers in making low-carbon choices. With 4% of our employees having completed the sustainability training, ambassadors play a key role in driving scope 3 reductions by promoting lower-emission products and services, advising on compliance with embodied carbon caps in national building regulations and supporting customers in selecting materials aligned with sustainable construction schemes such as DGNB, LEED, and BREEAM.

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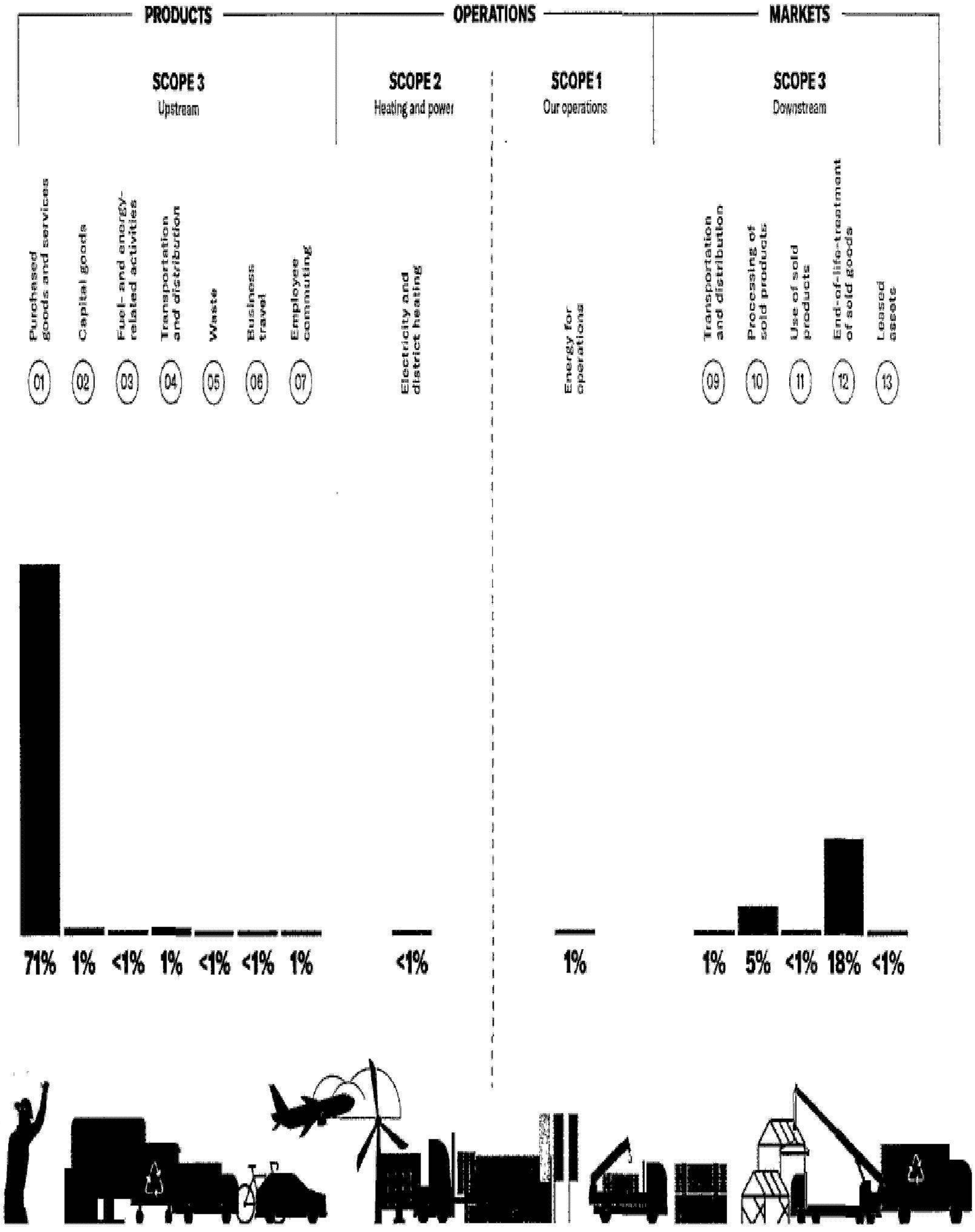
OUR EMISSIONS INVENTORY

OUR EMISSIONS INVENTORY

Our scope 1 and 2 emissions account for 2% of our total emissions while our scope 3 emissions account for 98% of our total emissions. Most of STARK Group's emissions originate from the products we sell, constituting 93% of total emissions.

This illustration displays our current emissions inventory, broken down by source and size, highlighting where our biggest impacts are across our value chain. We have continued to refine our inventory using high-quality data from EPDs and product-specific emission factors, covering both production, installation, and end-of-life stages. When detailed data is unavailable, we apply industry averages or generic emissions factors, while consistently working to enhance data granularity and coverage. We have gained limited assurance on our full carbon inventory.

Our emission profile provides insights into our emissions and guides our journey towards net-zero. By pinpointing key emission hotspots, product categories, and suppliers, we are better positioned to engage our value chain and prioritise impactful decarbonisation efforts.



OUR PRODUCT EMISSIONS

01 10 12

PRODUCT-RELATED EMISSIONS

93% of STARK Group's total carbon emissions are linked to the products we sell, spanning scope 3 categories 1 (goods for resale only), 10 (processing of sold products), and 12 (end-of-life treatment of sold products). These emissions, amounting to 4.6 million tonnes are primarily driven by raw material extraction and manufacturing processes. Out of STARK Group's 104 product categories, 10 key product categories account for roughly 50% of these emissions.

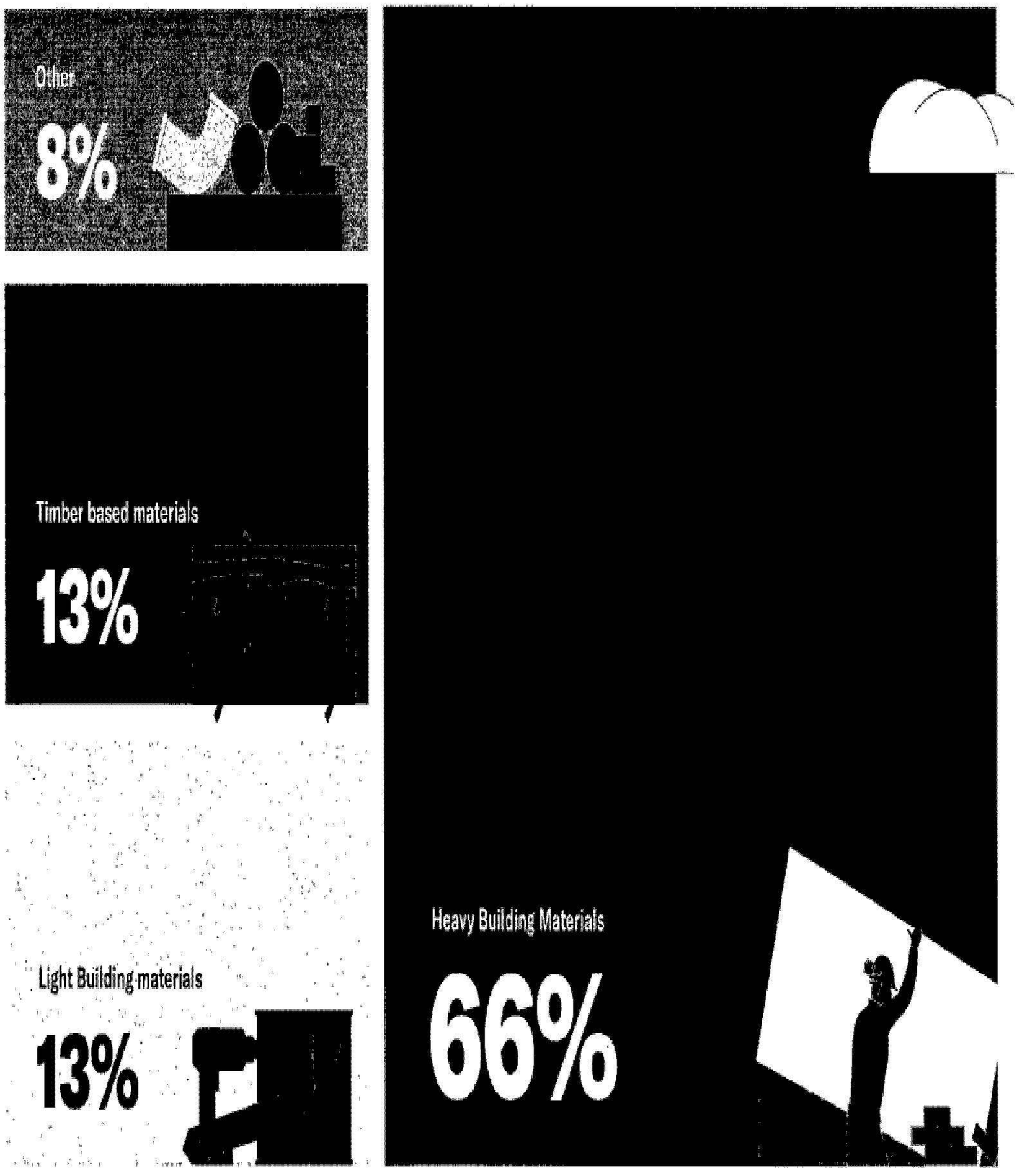
The largest share of production-stage emissions originate from product categories in the Heavy Building Materials product group (66%), which includes cement products, plasterboard, bricks, tiles, concrete products, and insulation. Light Building Materials (13%) and Timber Based Materials (13%) contribute almost equally while remaining emissions (8%) are linked to Other Products.

Emission data is based on Environmental Product Declarations (EPDs), covering global warming potential across the production (A1-A3), installation (A5), and end-of-life (C1-C4) phases. This analysis enables STARK Group to identify high-impact product and supplier categories and strategically target scope 3 reductions through procurement and product innovation.

TOTAL PRODUCT EMISSIONS

4.6

Mt CO_2e



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E1-4

TARGETS RELATED TO CLIMATE CHANGE

Underlining our commitment to climate action, STARK Group has set science-based net-zero reduction targets covering both near- and long-term targets.

- **Overall net-zero target:** STARK Group commits to reach net-zero GHG emissions across the value chain by 2049/50.

- **Near-term targets:** STARK Group commits to reduce absolute scope 1 and 2 GHG emissions 45% by 2029/30 from a 2019/20 base year. STARK Group further commits to reduce absolute scope 3 GHG emissions 25% by 2029/30 from a 2022/23 base year.

- **Long-term targets:** STARK Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2049/50 from a 2019/20 base year. STARK Group also commits to reduce absolute scope 3 GHG emissions 90% by 2049/50 from a 2022/23 base year.

Our targets are validated by the SBTi and adhere to their methodology for science-based target setting, along with the principles and methodologies of the Greenhouse Gas Protocol. Consequently, our targets are aligned with the 1.5°C scenario of the Paris Agreement following the cross-sector pathway and consistent with our GHG inventory boundaries (see basis for preparation) and our consolidated financial reporting.

In setting our reduction targets, we have considered future developments that may influence our emissions profile and our ability to reduce them. We operate in economies with net-zero ambitions, and we recognise that staying relevant in this evolving regulatory and market environment requires proactive adaptation as reflected in our strategy. We anticipate that regulatory pressures will continue to tighten through carbon pricing mechanisms, building emissions caps, and mandatory disclosure requirements, which we expect to further prompt shifts in customer demand for lower-impact products. See E-1 on pp. 67-79 for more details on our decarbonization levers, actions, and resources.

GOV-3

INCENTIVE SCHEMES TO SUPPORT OUR TARGETS

Our clear targets to decarbonise our operations and value chain have been integrated as climate-related metrics into our remuneration structure to ensure focus on the continued progress on our climate transition plan. This year, we tied product carbon data coverage to our executive remuneration with clear performance thresholds. Improving the carbon data coverage of our assortment is a foundational step in our reduction journey, as it enables more accurate tracking and management of product emissions across our value chain.

E1-7

OUR POSITION ON CARBON CREDITS

STARK Group does not presently use offsets or carbon credits to achieve its emissions reduction targets, as we are prioritising to reduce all our avoidable emissions. Consequently, we have not collectively financed or purchased any carbon credits from projects outside our value chain, nor do we plan to cancel any such credits while avoidable emissions still occur. Thereby, no removals or storage are currently reported. We have made no GHG neutrality claims that rely on carbon credits, and all our targets are grounded in absolute emissions reductions aligned with science-based pathways.

Our business units, Neumann and STARK UK currently engage in beyond value chain mitigation (BVCM) activities. These initiatives include external climate projects and broader environmental restoration and go beyond our value chain. While they reflect our broader commitment to climate action, they are not included in our greenhouse gas inventories and do not count towards the achievement of our science-based reduction targets.

PERFORMANCE

PROGRESS

In 2024/25, we continued advancing our climate action, achieving a 10% reduction in scope 1 and 2 emissions year-on-year and a 30% reduction since our 2019/20 base year.

This progress reflects targeted decarbonisation efforts across our operations, including electrification of our vehicle fleet, transition away from fossil fuels, improved energy efficiency, and a cleaner energy mix. Notably, STARK Deutschland delivered the largest scope 1 and 2 reduction during the past year (-26%), driven by increased renewable electricity coverage (94%), electrification of forklift trucks, and reduced fossil heating. STARK UK achieved a 5% reduction, supported by a shift to electric vehicles and reduced oil and gas use. In the Nordics, emissions fell 8%, with significant reductions in diesel and petrol use, increased electrification of people transport, and increased use of HVO for goods transport.

Scope 3 emissions decreased by 0.6% primarily driven by sales volumes, with total emissions down 0.8% to 4,901 $ktCO_2e$. Since our 2022/23 base year, scope 3 emissions have declined by 7%.

Our ambition to transition to future-fit products is materialising, with 78% of our sales of LCA-relevant products now carrying carbon data, in comparison to 43% last year. Please see pp. 115-120 for further information. This shift is supported by our 729 trained sustainability ambassadors guiding customers on product choices and regulatory compliance.

We remain on track to meet our near-term SBTi-approved targets for 2030 and we are actively implementing our net-zero roadmap for 2050. Our ability to turn regulatory requirements into commercial advantage reinforces our position as a sustainability leader in our sector.

E1-5

ENERGY CONSUMPTION AND MIX

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	Base year 2019/20	Development since base year[1]
E1-5 37a	Total energy consumption from fossil sources	GWh	518	546	574	595	625	631	-18%
E1-5 37b	Total energy consumption from nuclear sources	GWh	11	11	12	12	8	1	1,000%
E1-5 37c	Total energy consumption from renewable sources	GWh	76	69	88	85	71	47	62%
E1-5 37c i.	Fuel consumption from renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas	GWh	14	12	19	17	12	7	100%
E1-5 37c ii.	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	GWh	62	57	69	68	59	40	55%
Entity spec.	Total energy consumption	GWh	638	666	708	730	755	759	-16%
Entity spec.	Renewable electricity	%	57	52	61	57	60	33	73%

1. Percentage change is based on actual figures, while the table displays rounded figures.

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E1-6

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

ESRS ref.	Parameter	Unit	Comparative year	Comparative emissions	Current year emissions	% change[1]
E1-6 44a, 48	Gross scope 1 emissions	$ktCO_2e$	2019/20	89	69[2]	-23%
E1-6 48	% of scope 1 emissions from regulated emission trading schemes	%	2019/20	n/a	n/a	n/a
E1-6 44b, 49a, 52	Gross scope 2 emissions (location-based)	$ktCO_2e$	2019/20	26	16[2]	-36%
E1-6 44b, 49b, 52	Gross scope 2 emissions (market-based)	$ktCO_2e$	2019/20	31	16[2]	-48%
Entity spec.	Gross scope 1 & 2 emissions (market-based)	$ktCO_2e$	2019/20	120	85	-30%
E1-6 44c, 51	Gross scope 3 emissions	$ktCO_2e$	2022/23	5,153	4,816[2]	-7%
E1-6 44c, 51	Scope 3 cat 1: Purchased goods and services	$ktCO_2e$	2022/23	3,735	3,469	-7%
E1-6 44c, 51	Scope 3 cat 2: Capital goods	$ktCO_2e$	2022/23	49	51	4%
E1-6 44c, 51	Scope 3 cat 3: Fuel- and energy-related activities	$ktCO_2e$	2022/23	21	21	-3%
E1-6 44c, 51	Scope 3 cat 4: Upstream transportation and distribution	$ktCO_2e$	2022/23	49	49	-2%
E1-6 44c, 51	Scope 3 cat 5: Waste generated in operations	$ktCO_2e$	2022/23	2	1	-28%
E1-6 44c, 51	Scope 3 cat 6: Business travel	$ktCO_2e$	2022/23	2	2	-4%
E1-6 44c, 51	Scope 3 cat 7: Employee commuting	$ktCO_2e$	2022/23	28	25	-10%
E1-6 44c, 51	Scope 3 cat 9: Downstream transportation	$ktCO_2e$	2022/23	25	30	20%
E1-6 44c, 51	Scope 3 cat 10: Processing of sold products	$ktCO_2e$	2022/23	322	236	-27%
E1-6 44c, 51	Scope 3 cat 11: Use of sold products	$ktCO_2e$	2022/23	10	10	2%
E1-6 44c, 51	Scope 3 cat 12: End-of-life treatment of sold products	$ktCO_2e$	2022/23	893	906	-1%
E1-6 44c, 51	Scope 3 cat 13: Downstream leased assets	$ktCO_2e$	2022/23	18	18	3%

1. Percentage change is based on actual figures, while the table displays rounded figures.
2. KPI subject to limited assurance in 2024/25.

E1-6

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

ESRS ref.	Parameter	Unit	Comparative year	Comparative emissions	Current year emissions	% change[1]
E1-6 44d	Total emissions (location-based)	$ktCO_2e$	2022/23	5,255	4,902	-7%
E1-6 44d	Total emissions (market-based)	$ktCO_2e$	2022/23	5,250	4,901	-7%
E1-6 17	Biogenic emissions	$ktCO_2e$	2022/23	14	9	-36%

GHG INTENSITY BASED ON NET REVENUE

ESRS ref.	Method	Unit	2024/25	2023/24	Base year 2022/23	2021/22	2020/21	2019/20	Development since base year[1]
E1-6 53	Total GHG emissions per net revenue (location-based)	tCO_2e/revenue	632	635	623	592	637	788	+1.4%
E1-6 53	Total GHG emissions per net revenue (market-based)	tCO_2e/revenue	632	635	622	591	636	789	+1.5%

Reconciliation of the net revenue (net sales) used to calculate emissions intensity available our Income Statement on p. 131.

ENTITY-SPECIFIC METRICS

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Electric forklift trucks	%	56	54	82	78	-	-	2pp

1. *Percentage change is based on actual figures, while the table displays rounded figures.*

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ACCOUNTING PRINCIPLES

Environmental reporting and carbon accounting

Environmental data (energy, refrigerants, waste, water) is reported according to the STARK Group Environmental Data Reporting Manual, updated annually. Deviations >10% from prior year figures require documented explanations.

Carbon accounting follows the GHG Protocol, using the operational control approach. Our base year is 2019/20, and inventories are adjusted for structural changes per protocol guidance. Recalculations are triggered by cumulative changes of ±5% in total scope 1 and 2 emissions. Where base year data is unavailable for acquisitions, we use 12-month consumption data from the acquisition year and apply base year emission factors.

Revenue normalisation for intensity metrics

To ensure accurate intensity metrics, we calculate average monthly revenue during the ownership period and extrapolate to a full 12-month figure. These normalised revenue figures are used solely for intensity calculations.

Carbon data accuracy and estimations

Some environmental data involves estimation and assumptions. We aim to minimise these and improve data quality, especially when entering new contracts. Where actual consumption data is unavailable, a spend-based approach is used. All methods are approved by Group internal control.

E1-5

ENERGY CONSUMPTION AND MIX

Energy consumption

The total energy consumed by STARK Group throughout the reporting period is determined by summing the primary energy sources, which include electricity, fuel for operations, and fuel for transportation. To ensure consistency, all data is converted into a standardised unit, GWh, using the conversion factors supplied by DEFRA. The total energy consumption includes both outsourced and personally owned or hired vehicles. However, it excludes business travel and refrigerants.

Total energy consumption from non-renewable sources

The sum of fuel consumed from crude oil and petroleum products, natural gas, purchased or acquired heat from fossil sources, LPG, diesel, and petrol. The total amount of diesel, petrol and biofuel is reported for scope 1, including fuel for operations, company-owned or leased vehicles and owned/leased vehicles. Biofuel includes the use of HVO, environmental diesel, ethanol and biogas.

Total energy consumption from renewable sources

The sum of renewable fuels used in thermal heat and power generation, fuel consumed from biofuel, purchased or acquired electricity from renewable sources. The total amount of diesel, petrol and biofuel is reported for scope 1, including fuel for operations, company-owned or leased vehicles and owned/leased vehicles. Biofuel includes the use of HVO, environmental diesel, ethanol and biogas. The total amount of on-site electricity production or purchased electricity through guarantees of origin (GO) as a percentage of total electricity consumption in kWh.

E1-6

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Direct GHG emissions (scope 1)

Direct greenhouse gas emissions are reported in thousand tonnes of CO_2e , which is the sum of the 7 gases according to the Kyoto protocol. The emissions are calculated based on the direct energy consumption for operations (natural gas, oil, LPG, diesel, biofuel, petrol, wood pellets, refrigerant leakage) and vehicle fuel use from people transport (company-owned/leased vehicles) and goods transport (owned/leased vehicles). The scope 1 inventory uses emission factors from DEFRA (2024/2025) database.

Indirect GHG emissions (scope 2) location-based

Indirect GHG emissions from purchased electricity and district heating are reported in thousand tonnes of CO_2e. It includes electricity consumption, company-owned or leased electric vehicles and the owned/leased electric fleet as well as district heating. Emissions factors are obtained from IEA (2023/2024) and DEFRA (2024/2025). Emission factors from local district heating suppliers or verified national averages are used if available.

Indirect GHG emissions (scope 2) market-based

Indirect GHG emissions from purchased electricity and district heating are reported in thousand tonnes of CO_2e. Scope 2 emissions are reported according to the market-based accounting approach. The market-based electricity inventory is based on energy attribute certificates (GOs, PPAs, and similar). Where they have not been purchased, the residual mix (AIB 2023) is used. For company-owned and leased vehicles that use electricity, the residual mix emission factor for each country is used to calculate the carbon emission reported in scope 2. Emission factors from local district heating suppliers or verified national averages are used if available. Where specific factors are not available, DEFRA (2024/2025) emission factors are applied.

Indirect emissions (scope 3)

Scope 3 data is a combination of actual and calculated data. Please refer to the specific categories' accounting principles for more details.

Scope 3 cat. 1 - purchased goods and services

We collect product-specific EPDs, industry-specific EPDs, and utilise secondary databases including ökobaudat to gather generic carbon emission data for purchased items where data is available.

We use the product-related (A1-A3) emissions declared in the EPD or generic databases to calculate the total emissions associated with purchased goods for our goods for resale (GFR). When EPD's and product units are not aligned conversion occurs to the sales unit of measure.

When products do not have carbon data of any kind, an average intensity pr. spend figure, calculated based on other products in the product category, is used. For product categories with no products with carbon data, a proxy intensity from a similar category or the same category in another business unit is used.
For purchased services and goods not for resale, we apply a spend-based methodology multiplying spends for each category by appropriate emission factors derived from EORA66.

Scope 3 cat. 2 - Capital goods

A spend-based method is applied, using expenditure data from EORA accounts and multiplying it by

appropriate emission factors. EORA66 factors for computers, electronic equipment, machinery, and construction materials are applied to estimate the emissions associated with purchased capital goods.

Scope 3 cat. 3 - Fuel and energy-related activities
We use DEFRA (2024/2025) emission factors to calculate emissions related to fuel and energy, including upstream and downstream activities. Emission factors for Well-To-Tank (WTT) are considered for various types of fuel used, ensuring that the total fuel-related emissions include both direct fuel consumption and the emissions from extracting, refining, and transporting the fuel.

Scope 3 cat. 4 - Upstream transportation and distribution
Includes emissions from third-party transportation of purchased goods, where the company pays for the freight. This covers road, rail, air, or sea transport not owned or controlled by STARK Group. Emissions are calculated using the freight percentage, fuel data or distance with DEFRA (2024/2025) emission factors.

Scope 3 cat. 5 - Waste generated in operations
Emissions are calculated based on actual weight data. Weight data is multiplied by DEFRA (2024/2025) emission factors for different waste disposal methods such as landfills, combustion, and closed-loop recycling. This ensures that waste management emissions are accurately captured.

Scope 3 cat. 6 - Business travel
Emissions from business travel are calculated based on actual fuel used and travel activities. Data on business-related air and rail travel are obtained from travel agents. Emissions are calculated using DEFRA (2024/2025) emission factors for air, rail, and car travel. For company-related travel in personal or hired vehicles, kilometres are recorded, and emissions are determined either from the distance travelled or the fuel consumed.

Scope 3 cat. 7 - Employee commuting
STARK Group uses average emission factors per employee, as we do not monitor actual employee commuting. Based on typical transportation patterns in the Nordics, Germany, and the UK, we have calculated the emissions using assumptions such as average commute distances, number of working days per year, and the use of various transport modes (cars, public transport, bicycle/walk).

Scope 3 cat. 9 - Downstream transportation and distribution
Includes emissions from third-party transport of sold goods, where the customer pays for the freight. This covers road, rail, air, or sea transport not owned or controlled by STARK Group. Emissions are calculated based on the freight recovery rate using relevant emission factors from DEFRA (2024/2025) linked to fuel, distance, or cost data.

Scope 3 cat. 10 - Processing of products
Please see accounting principle Scope 3 cat. 1 - purchased goods and services p. 78 for a description of the use of product-specific EPDs, industry-specific EPDs, secondary databases and proxies to calculate the carbon emissions.

We use the declared construction stage -installation (A5) emissions to calculate the total emissions related to the processing of all sold goods.

Scope 3 cat. 11 - Use of sold products
We apply a spend-based methodology. The number of products sold is multiplied by their lifetime (assumed to be 36 months), the energy consumption per month, and the electricity emission factors (average for the German market). This approach estimates the emissions from energy consumption during the use phase of sold products.

Scope 3 cat. 12 - End-of-life treatment of sold products
Please see accounting principle Scope 3 cat. 1 - purchased goods and services p. 78 for a description of the use of product-specific EPDs, industry-specific EPDs, secondary databases and proxies to calculate the carbon emissions.

We use the declared end-of-life stage of a product's lifecycle (C1-C4) emissions to calculate the total emissions related to the end-of-life treatment of sold products.

Scope 3 cat. 13 - Downstream leased assets
Emissions from the use of STARK rental equipment in Germany, the UK, Denmark, and Finland. Equipment with fuel tanks is refuelled by STARK Group before rental using a selected fuel type. However, emissions from fuel consumed by customers during the rental period are not under STARK Group's control. Similarly, battery-powered equipment is fully charged before rental, but electricity used by customers for recharging is outside the company's operational boundary. Only emissions from fuel or electricity provided directly by STARK Group are included in our reporting.

Total GHG emissions (location-based/market-based)
Total GHG emissions include total greenhouse gas emissions from scope 1, scope 2 and scope 3 location- and market-based respectively.

GHG emissions outside of scope 1-3 (biogenic emissions)
Emissions data for direct CO_2 emissions from biologically sequestered carbon (e.g., CO_2 from burning biomass/biofuels). The GHG Protocol requires that biogenic emissions (CO_2 emissions from the combustion of biomass) are reported, but separately from the scopes. The requirement to report biogenic emissions separately only refers to CO_2 emissions from the combustion of biomass and not to the emissions of any other GHGs which are also emitted during combustion (CH_4 and N_2O).

GHG Intensity based on net revenue
Total GHG emissions from scope 1, scope 2 (location- and market-based) and scope 3 per net revenue in million EUR revenue (mEUR).

ENTITY-SPECIFIC METRICS

Electric forklift trucks
The amount of electric forklift trucks as a percentage of the total amount of forklift trucks on a Group basis.

Operational emissions
Operational emissions are defined as all scope 1 and 2 emissions, and selected indirect emissions within scope 3 that are directly tied to the company's logistics and operational activities. This includes, but is not limited to, outsourced goods transportation and business travel.

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E4

BIODIVERSITY AND ECOSYSTEMS

PROTECTING BIODIVERSITY THROUGH RESPONSIBLE SOURCING

As a leading supplier of building materials to the construction industry, STARK Group recognises that our business activities have significant dependencies and potential impacts related to biodiversity and ecosystems, particularly within our supply chains. We depend on the extraction of timber and raw materials such as sand and gravel, which can have notable local and regional effects on biodiversity and ecosystems. To reduce these impacts, we are dedicated to enhancing our sustainable sourcing practices and encouraging the use of certified materials.

IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
E4 Biodiversity and ecosystems	**Impact**	**Biodiversity loss due to climate change** poses a risk to ecosystems. Disruptions in biodiversity can destabilize ecosystems, reduce ecosystem services and diminish resilience to environmental stresses	Upstream value chain	1 - >5 years
	Risk	The **loss of FSC® or PEFC certification** could negatively impact sales, particularly in projects requiring certified materials, such as those involving sustainable or environmentally certified buildings. This may affect our ability to participate in certain tenders or meet customer procurement requirements, potentially leading to reduced market access and reputational risk.	Operations/ downstream value chain	<1 years
	Risk	The **degradation of ecosystem services** in regions where we source materials may disrupt elements of our supply chains. This includes potential impacts on the availability and quality of key resources such as timber, which could lead to supply shortages, increased costs, and reduced product quality. As ecosystem pressures grow, particularly in vulnerable sourcing areas, the resilience and continuity of supply chains may be at risk.	Upstream value chain	<1 - >5 years
	Opportunity	STARK Group may harness the **growing market demand for certified and sustainably sourced construction materials**. By expanding our portfolio of certified products and enhancing the transparency and accessibility of product information, we aim to become a market leader within the field. We anticipate that future regulations and customer demands will go beyond current standards such as FSC® and PEFC, particularly in terms of biodiversity impact documentation. Proactively adapting to these emerging requirements presents a strategic opportunity to differentiate our offering and strengthen our competitive advantage.	Operations/ downstream value chain	1 - 5 years

PROTECTING BIODIVERSITY THROUGH RESPONSIBLE SOURCING

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

E4-1

OUR PRELIMINARY TRANSITION PLAN FOR BIODIVERSITY

We have begun assessing the material impacts, risks, opportunities, and dependencies related to biodiversity across our operations and supply chain. While we do not yet have a complete picture of our biodiversity footprint, we are actively working to improve our understanding. This includes enhancing data quality, engaging with suppliers and stakeholders, and refining our internal processes for environmental risk assessment and management.

We have made an initial materiality assessment of our strategy and business model for resilience against both physical and transition risks in the short and long term. This assessment has uncovered ecosystem degradation that could affect timber availability, as well as regulatory and market shifts that may influence sourcing practices. We also see opportunities emerging from increased demand for certified timber and sustainable construction materials. Our assessments aim to cover the full value chain, with a particular focus on upstream supply, where the majority of biodiversity-related impacts and dependencies occur.

Our preliminary assessment suggests that our heavy reliance on timber presents a vulnerability to biodiversity-related supply chain risks where timber availability and costs may be affected. Additionally, new and emerging regulations raise compliance risks requiring enhanced capabilities within sustainable sourcing.

We aim to align our strategy with relevant policy frameworks, including the EU Biodiversity Strategy for 2030, the Kunming-Montreal Global Biodiversity Framework, and the planetary boundaries. Although we do not yet have a formal biodiversity transition plan, we plan to develop one as our data and understanding improve. This plan will be designed to support the long-term resilience of our business model and contribute to global biodiversity objectives.

SMB-3

BIODIVERSITY IMPACTS FROM OUR OWN OPERATIONS

A nature-related desk-top risk screening has been conducted by AXA Climate using the Altitude platform to screen our properties for physical and transition nature and biodiversity risks. This analysis enables us to identify potential risks across our value chain, assess their potential financial and operational impacts, and prioritise actions accordingly.

STARK Group operates more than 1.050 sites across Europe. Based on the assessment of our own sites our impact on biodiversity is characterised as low risk and the WWF Biodiversity Risk Filter found only three sites in or near areas identified as sensitive to biodiversity. In response, we conducted follow-up assessments to determine the precise positioning of our facilities in relation to these sensitive areas.

Our analysis indicates that our facilities are located within established industrial zones with existing infrastructure, minimizing further disruption to natural habitats. As such, we expect the direct impact of our operations on biodiversity to be limited. However, the AXA assessment also highlighted the need for further investigation into specific areas where proximity to threatened species and areas of interest for biodiversity may require additional assessments.

VALUE CHAIN BIODIVERSITY IMPACTS AND RISKS

As a retailer of construction materials, we do not operate extraction or manufacturing facilities ourselves. However, we recognize the potential for environmental impacts within our upstream value chain. To date, we have not identified material negative impacts related to land degradation, desertification, or soil sealing in connection with our direct operations or supply chain. However, we remain attentive to the risks associated with sourcing, particularly in relation to timber and other raw materials, and continue to monitor developments and improve supplier transparency.

Our timber sourcing is primarily concentrated in Northern Europe and the Baltic region, where forestry practices are generally governed by robust environmental regulations. A smaller share of our timber portfolio includes tropical hardwoods, which we acknowledge carry a higher risk of impacting threatened species due to the ecological sensitivity of tropical regions. To mitigate this risk, STARK Group has implemented a strict policy requiring that all tropical timber be sourced from certified suppliers, in accordance with the internationally recognised standards FSC® and PEFC.

While a full biodiversity impact assessment has not yet been conducted, we recognise the potential for tropical sourcing to affect biodiversity and are actively working to strengthen our due diligence and traceability processes. These efforts are part of our broader strategy to align with the requirements of the forthcoming EU Deforestation Regulation (EUDR), and to ensure that our sourcing practices contribute to the protection of ecosystems and biodiversity across our value chain.

E4-2

OUR POLICIES TO MANAGE BIODIVERSITY RISKS

Our biodiversity and ecosystems-related policies are closely linked to key drivers of biodiversity loss. In relation to climate change, our commitment to reducing value chain emissions supports the mitigation of emissions-driven biodiversity loss and degradation. We address land-use change and direct exploitation through our Sustainable Sourcing Policy and our Responsible Timber Policy, which promotes certified timber and aims to minimise the risk of deforestation and degradation.

Our biodiversity and ecosystems-related policies are designed to address material dependencies on natural ecosystems, particularly forests, as well as the physical risks arising from biodiversity loss. We depend heavily on sustainably managed timber, making forest health critical to supply chain stability. Our policies mitigate transition risks such as increasing regulatory requirements, while supporting opportunities such as the growing demand for certified construction materials.

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STARK Group's policies demonstrate a commitment to traceability, particularly for timber and timber-based products. The Responsible Timber Policy outlines our expanded focus to comply with the EU Deforestation Regulation (EUDR) expected to enter into force from 2026, including a new due diligence process which includes maintaining geolocation data and supporting documentation to ensure traceability and legal compliance. This process will be supported by third-party audits and monitoring systems. The Sustainable Sourcing Policy further reinforces this by promoting transparency in the supply chain through robust product documentation and the use of internationally recognised ecolabels and certifications such as FSC® and PEFC.

STARK Group prioritises sourcing timber from well-managed forestry sources and is committed to increasing the share of certified timber, specifically from FSC® and PEFC-certified forests. These certifications require forest management practices that maintain or enhance biodiversity and include regular monitoring and reporting. We also engage in supplier capacity building through webinars and bilateral supplier meetings to support compliance with biodiversity-related legislation and standards. Through our Supplier Code of Conduct and Sustainable Sourcing Policy, we encourage suppliers to participate in assessments of environmental impacts (amfori BEPI) and support continuous improvement.

Our policies aim to recognise the social dimensions of biodiversity impacts. The Responsible Timber Policy includes expectations for suppliers to respect the rights of indigenous peoples and improve labour conditions. The Sustainable Sourcing Policy is grounded in international human rights frameworks, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our Supplier Code of Conduct, which is integrated into supplier contracts, covers both environmental and social standards and is used as the basis for our supplier assessment standard.

For MDR-P inspired disclosure on our policies see the pp. 55-61.

E4-3

KEY ACTIONS TO LIMIT OUR BIODIVERSITY IMPACT

STARK Group is in the process of developing a biodiversity framework to manage our impacts on nature better and guide our future actions. As our approach evolves, we will explore relevant methodologies and best practices to enhance the effectiveness and integrity of our actions. STARK Group has not used biodiversity offsets as part of our biodiversity-related actions. Consequently, there are no associated performance indicators, cost disclosures, or details regarding offset areas, types, or standards.

EUDR compliance project

STARK Group is subject to the EU Deforestation Regulation (EUDR), which aims to ensure that products placed on the EU market are not associated with deforestation or forest degradation. In preparation for compliance, we have launched a Group-wide implementation programme involving multiple coordinated workstreams.

To ensure alignment across our operations, we have established regular cross-functional meetings with all Business Units. A dedicated resource has been added to our Sustainable Sourcing team to support the implementation and strengthen internal capacity.
In 2025, STARK Group joined Ethical Trade Denmark, a multi-stakeholder initiative that promotes responsible trade and value chains. This membership enhances our ability to engage in dialogue and share knowledge across sectors. We continue to collaborate with external stakeholders to exchange best practices and develop shared solutions.

Supplier engagement remains central to our EUDR approach. Through open and constructive dialogue, we have built a mutual understanding of regulatory requirements and co-developed practical approaches to compliance. Our partners have positively received this method.

Robust data management is a cornerstone of our compliance efforts. We have invested in a new IT tool designed to support data collection, risk analysis, integration with the EU's TRACES platform, and customer documentation. Implementation of this system will continue into 2025/26 in close cooperation with suppliers and stakeholders.

Through these combined efforts, we are building a strong foundation for EUDR compliance, with the overarching goal of ensuring that all products in the scope of EUDR we place on the market are responsibly sourced and free from links to deforestation or forest degradation.

Sustainable Sourcing

As our largest biodiversity impact lies within our supply chain, we have placed a strong focus on enhancing the sustainability of our sourcing operations. To lead this effort, we have established a dedicated Sustainable Sourcing team tasked with strengthening due diligence and driving improvement across our supplier base. We are also expanding our partnerships to support this transition.

In 2025, STARK Group joined amfori, a leading global business association for open and sustainable trade. This membership significantly enhances our ability to assess and audit suppliers, providing access to internationally recognized tools and standards such as the Business Social Compliance Initiative (BSCI) and the Business Environmental Performance Initiative (BEPI). These frameworks help us conduct due diligence on social and environmental areas, and they support our ambition to promote responsible business conduct throughout the value chain.

Increasing the share of certified timber

While building a comprehensive data foundation on biodiversity remains a challenge across the industry, we rely on credible third-party certifications such as FSC® and PEFC to guide our efforts. We are committed to increasing the share of certified timber in both our stock and sales, supporting responsible forest management and the protection of biodiversity across our supply chain.

All STARK Group Business Units conduct due diligence in accordance with our Responsible Timber Policy. This process is carried out in close collaboration with our external partner, Preferred by Nature, to ensure compliance and to assess the sustainability of forest resources. Together, we work to verify product legality and support responsible forest management across our supply chain.

Supporting Biodiversity Net Gain: Our UK business Jewson's commitment to training and product innovation

Biodiversity Net Gain (BNG) is a legal requirement in the UK, effective from February 2024 for major developments. Under this legislation, developers must ensure that new projects result in at least a 10% net increase in biodiversity compared to the pre-development baseline. This is measured using a statutory biodiversity metric and can be achieved through on-site habitat enhancements or off-site biodiversity unit purchases.

In response to this legislation, our UK business Jewson has taken proactive steps to align its operations and offerings with BNG requirements. Central to this effort is Jewson's collaboration with the Supply Chain Sustainability School, which has provided a structured platform for biodiversity education and awareness across the organisation. Over 130 Jewson colleagues have enhanced their understanding of biodiversity, ecological impacts, and sustainable construction practices.

Through the 'Making Better Homes' initiative Jewson has launched a range of innovative and sustainable building products designed to support biodiversity. This assortment includes materials that contribute to habitat creation and ecological resilience, helping customers meet BNG targets more effectively.

Value chain decarbonisation

Reducing emissions across our value chain not only supports our climate goals but also contributes to biodiversity protection. By sourcing lower-impact materials, improving energy efficiency, and promoting sustainable land use, we help reduce pressures on ecosystems. Decarbonisation efforts in our upstream value chain can mitigate habitat loss, pollution, and climate-driven biodiversity decline, reinforcing our commitment to responsible environmental stewardship. See section E1 on climate change for more information about our efforts to decarbonize our value chain.

E4-4

OUR BIODIVERSITY TARGETS

We are in the process of strengthening our approach to biodiversity and enhancing our understanding of the impacts associated with our operations and supply chain. As part of this effort, we aim to define clear, outcome-oriented metrics and targets to guide and track our progress. We expect to set targets as our knowledge and data matures. In the meantime, we continue to monitor the effectiveness of our existing policies and actions related to biodiversity. This includes tracking the share of certified timber products in our assortment and sales and engaging with suppliers on sustainable sourcing practices.

Increasing assortment and sales of third-party certified products

We have set targets to increase the sales and assortment of third-party certified timber products, aiming to reduce biodiversity-related risks in our upstream value chain. These targets support our commitment to responsible sourcing and align with certain aspects of the EU Biodiversity Strategy for 2030. Our biodiversity-related targets primarily contribute to the avoidance and minimisation layers of the mitigation hierarchy.

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PERFORMANCE

E4-5

OUR PROGRESS

During 2025, we continued our efforts to understand and manage biodiversity and ecosystem impacts across both our operations and the value chain. Our primary biodiversity impacts occur upstream in our supply chain, particularly in relation to timber sourcing and resource extraction.

We use third-party certifications to guide our sourcing practices. In 2024/25, 37% of timber-based products in our stocked assortment were certified, representing 60% of our timber-based product sales. 69% of our branches are certified under ISO 14001 or similar, while 70% are FSC® certified, and 74% branches are PEFC™ certified.

As our data and systems mature, we plan to develop a formal biodiversity transition plan aligned with global frameworks such as the EU Biodiversity Strategy for 2030 and the Kunming-Montreal Global Biodiversity Framework.

ENTITY-SPECIFIC METRICS RELATED TO BIODIVERSITY AND ECOSYSTEM

Certified branches

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Environmental certified branches (ISO 14001 or similar)	%	69	80	81	-	-	-	-11pp
Entity spec.	FSC® certified branches	%	70	68	-	-	-	-	2pp
Entity spec.	PEFC certified branches	%	74	72	-	-	-	-	2pp

CERTIFIED TIMBER

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Share of certified timber-based products in stocked assortment	%	37	53	-	-	-	-	-16pp
Entity spec.	Share of sales of certified timber-based products in stocked assortment	%	60	61	-	-	-	-	-1pp

ACCOUNTING PRINCIPLES

ENTITY-SPECIFIC METRICS

Share of certified timber-based products in stocked assortment

The number of certified FSC® and PEFC timber and timber-based stock keeping units (SKUs) in stocked assortment as a percentage (%) of total timber-based SKUs in stocked assortment during the reporting year.

Share of sales of timber-based FSC® or PEFC certified products in stocked assortment

The percentage of total sales of timber-based products in stocked assortment comprised of FSC® and PEFC certified products during the reporting year.

Environmental certified branches (ISO 14001 or similar)

Total of ISO 14001 and Eco-lighthouse (Norway) certified branches as a percentage of total branches in STARK Group as per the last day of the reporting year.

FSC®-certified branches

Share of FSC®-certified branches as a percentage of total branches in STARK Group as per the last day of the reporting year.

PEFC-certified branches

Share of PEFC certified branches as a percentage of total branches in STARK Group as per the last day of the reporting year.

FSC® AND PEFC LICENCE NO.

	FSC	PEFC
STARK Deutschland	FSC®-C100156	PEFC/04-31-1576
STARK Danmark	FSC®-C004720	PEFC/09-31-026
STARK Suomi	FSC®-C189454	PEFC/02-31-194
Beijer Byggmaterial AB	FSC®-C118054	PEFC/05-37-215
Neumann Bygg		PEFC/03-31-41

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E5

RESOURCE USE AND CIRCULAR ECONOMY

ACCELERATING CIRCULARITY IN CONSTRUCTION

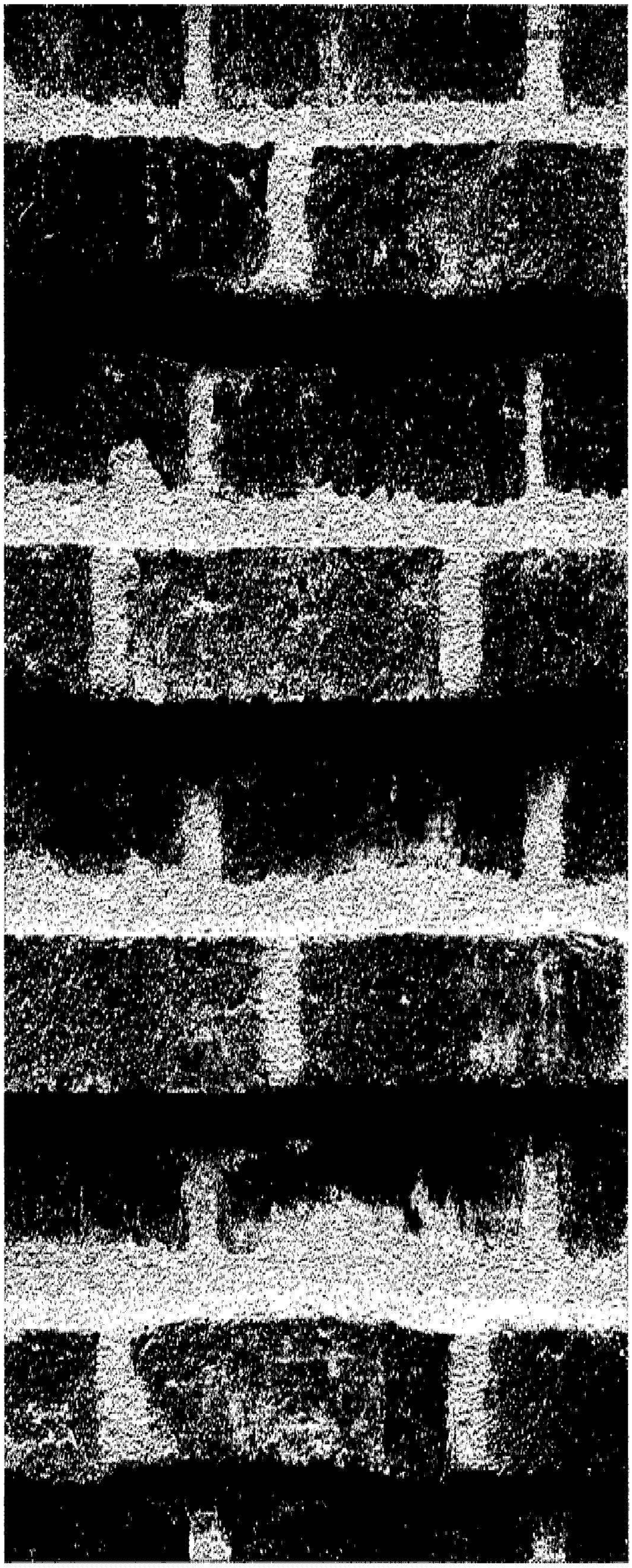
The construction industry is one of the largest contributors to resource consumption and waste generation in Europe, making it a key sector for advancing circular economy principles. At STARK Group, we recognise the opportunity to reduce environmental impacts by embedding resource efficiency and circularity into our operations, minimising waste, extending the lifespan of materials, and helping create a more resource efficient construction sector in line with our ambition to be the best partner for sustainable building.

This transition faces challenges, including strict safety regulations, a lack of product standardisation and documentation, financial disincentives, and perceived risks linked to recycled materials. The absence of clear regulations and standards for reused construction products presents significant risks to product demand. Without consistent quality benchmarks, customers may hesitate to adopt reused materials, fearing performance issues. This uncertainty can undermine market confidence, slowing the transition to circular practices.

To address these barriers, we work closely with stakeholders across our markets such as research institutions, waste handling companies, and other experts to share knowledge, improve circular practices, and develop practical solutions that can accelerate progress across the industry. During the past year we have introduced a wider range of reused and recycled products to gain further experience within this field.

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
E5 Resource use and circular economy	Impact	**Excessive waste generation** in STARK Group's operations and value chain, including transportation packaging, off-cuts, poor inventory management, and damage during the handling of goods.	Operations, downstream	<1 - 5 years
	Risk	**In-store breakage** is a resource inefficiency, driver of waste production, and represents a direct profit loss.	Operations	<1 year
	Risk	**Lack of clear standards for reused products** creates uncertainty around quality and compliance, reducing demand and increasing supplier liability.	Downstream	<1 - >5 years
	Opportunity	**Circular products and solutions, such as take-back schemes and an increased assortment of reused and recycled products,** can increase market share, strengthen customer and supplier relationships, and support STARK Group's position as a sustainability leader.	Operations, downstream	<1 - >5 years



ACCELERATING CIRCULARITY IN CONSTRUCTION

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

E5-1

POLICIES

Our Environmental and Climate Policy and Supplier Code of Conduct address resource use and circular economy. Our policies outline our commitment to reducing reliance on virgin resources by promoting circular practices, increasing the use of secondary materials, and supporting partnerships that enable reuse and recycling. STARK Group's Sustainable Sourcing Policy supports resource efficiency and circular economy principles by promoting transparency, responsible purchasing, and lifecycle awareness across our supply chain. Through robust product documentation and the use of recognised ecolabels and environmental product declarations, we wish to help customers identify more sustainable products. In line with these policies, we work to reduce waste generation, eliminate landfill disposal, limit incineration, and increase recycling across our operations.

For MDR-P inspired disclosure on our policies, see the policies section on pp. 55-61.

E5-2

OUR ACTIONS TO ADDRESS RESOURCE USE AND SUPPORT CIRCULAR ECONOMY

We have a comprehensive approach to resource efficiency and circularity, addressing both our internal operations and our influence across the construction value chain. Our ambition is to decouple growth from environmental impact by embedding circular principles into our business model, minimising waste, extending the lifespan of materials, and promoting responsible consumption and production.

Improved waste sorting in operations

This year we generated 41 thousand tonnes of waste in operations, corresponding to approximately 5.3 tonnes per million EUR revenue. 71% of this waste is recycled and we continuously work to increase our recycling rate by improving our waste sorting.

During the year our Norwegian business Neumann Bygg has developed a dedicated waste management concept to reduce waste volumes and promote material recycling. Designed to streamline internal operations, the concept provides a clear, structured approach to waste sorting, built around the principles of clarity, continuity, and control. By analysing workflows and optimizing efficiency, the concept supports consistent and effective implementation across all sites. The labelling system aligns with Norway's national standard, ensuring easy recognition and uniformity across sorting stations. This project simplifies waste management for employees and strengthens routines, enhances control, and drives more effective waste sorting.

This concept has resulted in a 13% reduction of waste production in Neumann, and their new knowledge and experiences are being shared throughout the organization to inspire best practices.

Increasing the share of recycled and reused packaging

We are committed to reducing packaging waste and increasing the use of recycled and reused materials across our operations. We strive to improve packaging sustainability while maintaining product protection during transport and storage. This includes pallet return systems, the use of recycled plastic for wrapping, and reusing boxes where feasible. We also work to optimise packaging volumes, ensuring that materials used are sufficient to protect products from weather and handling risks without excess.

Our Swedish business Beijer participates in CirEm (Cirkulär Emballageplast i byggbranschen), a sector-wide initiative focused on circular plastic packaging led by the Swedish research institute RISE. CirEm focuses on improving the circularity of plastic packaging within the construction industry. Through CirEm, Beijer contributes to research and development aimed at reducing plastic waste, increasing recyclability, and promoting the use of recycled content in packaging. The initiative has led to tangible improvements across Beijer's operations, including updated sorting guidelines at all branches to ensure consistent and effective waste separation, supplier requirements mandating that plastic packaging be recyclable and contain at least 30% recycled material and a clear target to close the loop on plastic packaging by 2027.

Reused bricks in assortment

In November 2024 STARK Denmark took an important step toward circular construction by launching reused bricks across all stores. This initiative supports the transition to a low-carbon building sector by offering materials with substantially lower climate impact. Bricks are among the most resource-intensive building products and reusing them presents an opportunity to reduce emissions and conserve natural resources. The reused bricks are carefully selected, cleaned, and CE-marked to meet approved EN standards, ensuring consistent quality and durability. The reused bricks have an Environmental Product Declaration (EPD), documenting their climate performance. Compared to conventional bricks, these reused alternatives result in up to 90% lower carbon emissions, making them an attractive option for architects and developers aiming to meet stricter climate regulations.

STARK Danmark has established a scalable supply chain with regional partners in both eastern and western Denmark, enabling nationwide delivery with minimal transport-related emissions. Although reused bricks are more expensive, costing the equivalent of three to four new bricks, their climate benefits make them a compelling choice under the new building code in Denmark effective from July 2025.

Using EPD data to prioritise reuse and recycling initiatives

STARK Group has strengthened its scope 3 emissions strategy by transitioning from a spend-based to an activity-based inventory methodology, leveraging Environmental Product Declarations (EPDs) and life cycle carbon assessments. This shift enables more precise insights into the climate impact of individual products across their full life cycle, including the end-of-life stages, C1 to C4.

The C1-C4 stages in an EPD represent the final phase of a product's life: C1 (demolition), C2 (transport to waste processing), C3 (waste processing for reuse, recovery or recycling), and C4 (disposal). These stages are critical for understanding the emissions associated

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with removing, handling, and disposing of materials at the end of a building's life. By analysing these stages, STARK Group can identify which materials generate the highest emissions during deconstruction and disposal and therefore offer the greatest potential for climate savings through reuse or improved recycling.

Materials such as insulation (especially EPS foam), gypsum boards, and certain types of treated timber often show high C1-C4 values due to energy-intensive demolition, limited recyclability, or emissions from incineration. Products like bricks, untreated wood, and steel generally have higher reuse potential, especially when dismantled carefully.

By collecting and analysing C1-C4 data across our assortment, we can prioritise circular strategies for high-impact materials such as expanding reuse schemes for bricks and timber and improving recycling logistics for insulation and plasterboard. This data-driven approach supports our ambition to reduce scope 3 emissions as well as to support resource efficiency and a circular economy.

Circular solutions in action - Beijer Byggmaterial and the Byggåterbruket collaboration

Beijer Byggmaterial, is actively advancing the Group's ambition on resource efficiency through its participation in Byggåterbruket, a circular building materials store in Umeå. This initiative, launched in collaboration with Umeå municipality and around 20 companies, exemplifies how public-private partnerships can drive sustainable innovation in the construction sector.

Beijer contributes by supplying reusable materials ranging from surplus stock and chipped goods to items returned from construction sites. These materials, which may otherwise be discarded, are quality-assessed and made available for resale to private individuals and companies. This reduces waste and extends the lifecycle of valuable resources. The branch in Umeå is also piloting data-driven practices by providing detailed product information to improve traceability and transparency in reused materials. This supports the broader industry shift toward circularity, where documentation is a fundamental barrier to circularity.

E5-3

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

We have set targets to drive progress on responsible resource use. These targets focus on reducing waste generation and increasing the share of recycled waste in our operations. By setting clear goals, we aim to improve our performance and contribute to resource-efficient operations.

Waste per revenue intensity reduction target

We aim to reduce waste intensity by 20% per revenue by 2026/27. This target is related to resource outflows, aiming to decouple our growth from waste generation by improving the efficiency and resource use. It supports both the minimisation of primary raw material use and waste management by limiting the relative volume of waste requiring treatment.

80% waste segregated for recycling

Our goal to segregate at least 80% of waste for recycling supports improved waste management, ensuring better preparation of waste for proper treatment and recovery. By increasing the share of waste sent for recycling, this target contributes to a higher circular material use rate, enabling valuable materials to re-enter the production cycle instead of being landfilled.

Increasing assortment and sales of third-party verified eco-labelled products

We are working to increase the assortment and sales of third-party verified eco-labelled products. This target supports our goal of promoting more sustainable consumption by making it easier for customers to choose products that meet recognised environmental standards.

Eco-labelled products are also a strong proxy for reuse and recyclability, as they are typically designed with lower levels of hazardous substances and more circular, future-fit production methods. For example, the EU Ecolabel ensures that products meet strict criteria across their entire life cycle, including durability, reparability, and reduced environmental impact, making them more suitable for reuse and easier to recycle.

PERFORMANCE

PROGRESS

This year, we advanced our resource efficiency and circular economy agenda. The share of third-party verified eco-labelled SKUs in our stocked assortment increased to 9%, with corresponding eco-labelled sales reaching 30%.

STARK Denmark introduced a range of reused bricks with up to 90% lower carbon emissions, supported by CE marking and EPDs, bridging demolition and recovery with end-users to scale reuse. Similarly, Beijer's collaboration with Byggåterbruket enabled resale of surplus and returned materials, extending product lifecycles and cutting waste. Packaging circularity also improved through pallet return systems, reuse of boxes, and Beijer's involvement in CirEm to drive sector-wide innovation.

These efforts support our targets to cut waste intensity by 20% by 2026/27 and to segregate 80% of waste for recycling. Total waste generation declined to 41 thousand tonnes, a 12% reduction year on year, with an average waste intensity of 5.3 tonnes per mEUR revenue. Hazardous waste volumes almost doubled but still constitute only 2% of our total waste. Recycling performance increased to 71%. Overall, this marks solid progress in strengthening our waste management practices.

ENTITY SPECIFIC METRICS

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Share of third-party verified eco-labelled SKU's in stocked assortment	%	9	6	-	-	-	-	3pp
Entity spec.	Share of sales of third-party verified eco-labelled SKU's in stocked assortment	%	30	24	-	-	-	-	6pp

E5-5

WASTE

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	Base year 2019/20	Development since base year
E5-5, 37b, E5-5, 39	**Hazardous waste total**	1,000 t	1.0	0.6	0.7	0.5	0.5	0.5	87%
E5-5, 37b(ii)	Recycling	1,000 t	0.3	0.1	0.1	0.1	0.1	0.1	408%
E5-5, 37c(i)	Incineration	1,000 t	0.6	0.3	0.3	0.2	0.2	0.4	67%
E5-5, 37c(ii)	Landfill	1,000 t	0.3	0.3	0.3	0.2	0.3	0.1	-50%
E5-5, 37b	**Non-hazardous waste total**	1,000 t	40.4	46.4	45.3	46.7	45.0	46.3	-13%
E5-5, 37b(ii)	Recycling	1,000 t	28.8	31.3	30.9	31.4	29.3	31.7	-9%
E5-5, 37c(i)	Incineration	1,000 t	9.1	12.5	11.4	11.5	10.8	9.3	-2%
E5-5, 37c(ii)	Landfill	1,000 t	2.4	2.6	3.0	3.8	4.9	5.2	-54%
E5-5 37a	**Total waste**	1,000 t	41.4	47.0	45.9	47.2	45.5	46.8	-12%
E5-5, 37d	Total amount of non-recycled waste	1,000 t	12.2	15.7	15.0	15.7	16.2	15.0	-19%
Entity spec.	Total waste intensity	t/mEUR	5.3	6.0	5.4	5.3	5.5	7.0	-24%
Entity spec.	Total waste segregated for recycling	%	71	67	67	67	64	68	4%

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ACCOUNTING PRINCIPLES

ENTITY-SPECIFIC METRICS

Share of third-party verified eco-labelled SKUs in stocked assortment

The percentage of third-party verified eco-labelled product SKUs in stocked assortment during the reporting year.

Included third-party verified eco-labels counted in the calculation include: FSC®, PEFC, Nordic Ecolabel, EU Ecolabel, Blauer Engel, M1, EC1, C2C, Dansk Indeklima-mærket, Indoor Air comfort, Natureplus, Basta, Sundahus accepted levels: A, B, C+, Byggvarubedömningen accepted levels: Rekommenderas, Accepteras.

As accounting principles have been updated in 2022/23, all data using different accounting principles and reported prior to 2022/23, have been removed.

Share of sales of third-party verified eco-labelled SKUs in stocked assortment

The percentage of sales of third-party verified eco-labelled products in stocked assortment in relevant categories during the reporting year.

Third-party verified eco-labels counted in the calculation include: FSC®, PEFC, Nordic Ecolabel, EU Ecolabel, Blauer Engel, M1, EC1, C2C, Dansk Indeklima-mærket, Indoor Air comfort, Natureplus, Basta, Sundahus accepted levels: A, B, C+, Byggvarubedömningen accepted levels: Rekommenderas, Accepteras.

As accounting principles have been updated in 2022/23, all data using different accounting principles and reported prior to 2022/23, have been removed.

E5-5

WASTE

Waste (t)

Waste is reported as absolute waste tonnage, split by hazardous and non-hazardous waste as defined by the European Waste Catalogue and further split by incinerated, landfilled, segregated for recycling and preparation for reuse, respectively.

Total waste intensity (t/mEUR)

Waste is reported per net turnover in million EUR revenue (mEUR) and as absolute waste tonnage.

Waste segregated for recycling (%)

Waste segregated for recycling is reported as a percentage of total waste.

SOCIAL

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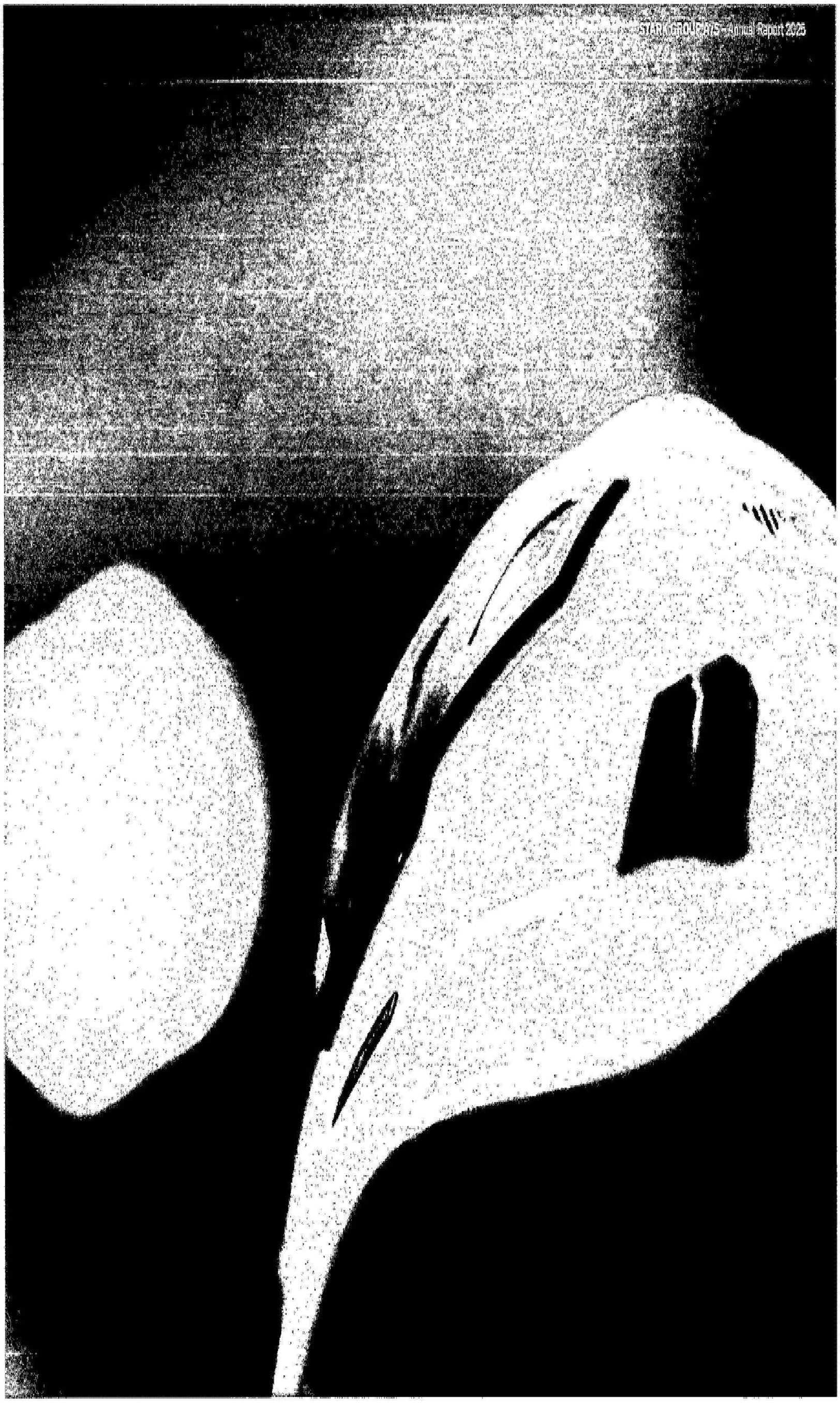
S1

OWN WORKFORCE

At STARK Group, we are committed to providing a safe, inclusive, and supportive workplace where all employees can develop and thrive. We believe that a strong focus on social sustainability within our workforce fosters engagement and competence, key drivers for achieving our strategic objectives and delivering exceptional service to our customers.



WORKING AT STARK GROUP

OUR PEOPLE, OUR STRENGTH

At STARK Group, our more than 18,500 colleagues are central to our success. Our workforce is primarily full-time employees in commercial, logistics, and operational roles across our branches and distribution centres, complemented by part-time staff and contractors during peak periods or for specialised tasks.

We are committed to creating a safe and inclusive workplace, ensuring our workforce is healthy, secure, engaged, and skilled. Social sustainability within our workforce is vital for driving engagement, achieving strategic goals, and maintaining customer loyalty. By focusing on employee well-being and development, we build a resilient and motivated workforce capable of delivering exceptional service to our customers. Our people strategy is fully integrated into our business model and sustainability agenda, reflecting our belief that long-term value creation is only possible when our workforce is engaged, skilled, and supported.

S1-1

POLICIES TO SUPPORT A SAFE, RESPECTED AND EMPOWERED WORKFORCE

At STARK Group, we are committed to fostering a workplace where employees feel safe, respected, and empowered to speak up. While we work hard to prevent negative impacts, we recognise they may occur and are dedicated to addressing them in a fair, transparent, and timely manner. This commitment is anchored in our People Policy and Human Rights Policy, which uphold the dignity and rights of all individuals in our organisation.

Our People Policy affirms STARK Group's commitment to respecting fundamental human and labour rights across our operations and through collaboration with our value chain. Our commitment is based on core ILO conventions and internationally accepted frameworks from OECD and the United Nations, including the UN Guiding Principles on Business and Human Rights, as well as compliance with applicable local legislation where we operate. Furthermore, as a signatory to the United Nations Global Compact, our policy advocates for principles 1 to 6 regarding upholding basic human rights and rights in the labour market.

Our People Policy presents STARK Group's six people policy principles within key topics outlined in our double materiality assessment. We believe that these principles increase employee engagement, promote the group as a preferred industry workplace, and attract a talented workforce. For a walkthrough of our policies, impacts, risks and opportunities within our own workforce and how we manage these, please refer to the relevant sections. For MDR-P inspired disclosure on our policies see pp. 55-61.

SBM-3

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
S1 Own workforce	Impact / Risk	**Workforce discrimination:** discrimination based on ethnicity, gender, nationality or disabilities may pose a risk of poor working conditions and retention of talent.	Operations	<1 - >5 years
	Risk	**Employee data privacy:** GDPR is designed to protect the privacy and rights of individuals, including employees, regarding the processing of their personal data. Non-compliance can have financial and reputational consequences.	Operations	<1 years
	Opportunity	**Attractive working conditions and inclusive employment** to embrace, attract, and retain a diverse range of individuals from different educational and cultural backgrounds may expand the limited talent pool.	Operations	Short-term, medium-term

S1-4

ACTIONS TO IMPROVE WORKING AT STARK GROUP

To manage our risks, we implemented targeted measures including workforce planning, health and safety councils, training, and compliance monitoring. Simultaneously, we invested in employee development and inclusive leadership to seize opportunities that enhance satisfaction, retention, and overall resilience. We continuously evaluate the potential for our practices to cause negative impacts like excessive workload, stress, or safety risks. When conflicts occur, for example, between commercial targets and safety standards, employee well-being takes precedence, and decisions are escalated to senior management.

Effectiveness is tracked through a mix of KPIs, performance metrics, engagement surveys, internal audits, and feedback from health and safety committees and workers' councils. Results are reviewed by ExCom and the Board annually, with targets aligned to our Vision Zero ambition and DEI goals. Insights from these evaluations guide ongoing improvements in strategy and execution.

To support these actions, we allocate resources, including dedicated health and safety teams in each business unit, a central Group H&S function, and investments in digital platforms, training, and engagement initiatives. Resources are scaled to match operational complexity and reviewed annually as part of our strategic planning process.

Using engagement insights to drive action

STARK Group's annual TellUs! engagement survey is a key tool for understanding employee satisfaction and workplace experience across all business units. The survey is open to all employees who have been with us for at least three months and work a minimum of eight hours per week, ensuring broad representation and meaningful insights. In 2025, we increased participation by 2 percentage points, reaching 84% Group-wide, with the UK business showing a notable 6-point increase.

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The survey now includes questions on psychological safety and experiences of harassment, reflecting our commitment to employee well-being. Results are reviewed by managers in structured team dialogue meetings, where actions are agreed for the year ahead and revisited mid-year to assess progress. Managers are supported through the Ennova Suite, which provides access to results and practical resources for follow-up. This process ensures that feedback leads to meaningful change, strengthening engagement, performance, and our workplace culture.

Inclusive leadership integrated in leadership development programmes

In 2025, STARK Group continued to embed inclusive leadership principles across its leadership development programmes. These initiatives are designed to equip current and future leaders with the skills needed to navigate a rapidly evolving industry, while fostering a culture of respect, collaboration, and equity. By integrating inclusive practices into leadership training, we aim to strengthen decision-making, improve team dynamics, and ensure that our leaders reflect the diverse communities we serve.

S1-13

TRAINING AND SKILLS DEVELOPMENT IS A KEY FOCUS

As the construction industry undergoes significant transformation, the skills required to succeed are evolving. STARK Group remains committed to preparing its workforce for the future through continuous learning and development. In 2025, we delivered over 98,000 hours of training across the Group, with a strong focus on customer service excellence, product expertise, sustainability, and digital capabilities. These efforts are complemented by the expansion of our Sustainability Ambassador Programme, which provides employees with structured learning pathways on low-carbon materials, circular economy principles, and digital tools for logistics and customer engagement.

Investing in internal mobility and career development

STARK Group continues to invest in internal mobility and career development to enable employees to take on new challenges and grow within the organisation. These efforts are central to our long-term talent strategy and support both individual progression and organisational resilience.

S1-15

SUPPORTING AN EQUITABLE WORK-LIFE BALANCE

We recognise that a healthy work-life balance is essential for employee well-being, engagement, and long-term retention. All employees are entitled to family-related leave through national legislation, collective agreements, or company policies, with equal access across genders.

S1-2, S1-3

CHANNELS FOR RAISING CONCERNS

STARK Group provides multiple channels for employees to raise concerns, including direct contact with managers, HR, and health and safety representatives. Our confidential SpeakUp! whistleblowing system, operated by an independent third party, allows employees and external stakeholders to report issues anonymously, including discrimination, harassment, safety concerns, or breaches of our Code of Conduct. All reports are logged, investigated, and resolved according to internal procedures, with outcomes communicated where possible while maintaining confidentiality. We actively promote awareness and accessibility of these channels through onboarding, internal communications, and training.

In 2025, we launched a new digital health and safety platform that enables employees to submit observations and concerns via mobile devices, with real-time tracking and resolution across all business units. All concerns are monitored, and the platform supports transparent follow-up, task assignment, and documentation of actions taken. H&S steering committees and local workers' councils review trends, identify systemic issues, and ensure feedback loops are closed.

To ensure these mechanisms are trusted and effective, we regularly assess awareness and confidence levels through engagement activities and surveys such as TellUs, which includes questions on trust in grievance processes and perceived safety when speaking up. We have a zero-tolerance policy for retaliation against individuals who raise concerns, clearly stated in our policies and reinforced through training and leadership communication. Workers' representatives are also protected under our governance framework to ensure they can fulfil their roles without fear of reprisal.

S1-5

TARGETS AND AMBITIONS

STARK Group is dedicated to fostering a positive, inclusive, and engaging workplace. Our goals include enhancing employee satisfaction and advancing diversity at all levels within our organisation. To ensure ongoing progress, we monitor developments through regular surveys, audits, and performance reviews. To support these efforts and manage workforce-related risks and opportunities, we have set clear, time-bound KPIs and targets.

Our current targets include:

- Employee satisfaction and motivation score (2027): 76
- Employee loyalty score (2027): 82
- Survey participation rate (2027): 85%

These targets are embedded in our operational plans and linked to performance incentives for relevant managers. Progress is monitored through our HR systems and employee surveys, with results reported quarterly to the Executive Leadership Team and annually to the Board.

The target-setting process involves consultation with local HR teams and workers' representatives. Feedback from our TellUs survey and local engagement activities informs both the definition of targets and the evaluation of progress. Lessons learned are used to refine our approach, ensuring that our targets remain relevant, ambitious, and achievable.

PERFORMANCE

Progress

In 2025, STARK Group made progress across key indicators, although our total headcount was reduced 3% due to efficiency gains and cost optimisation. Our turnover rate increased to 22.7 (3.7pp) due to the reduction of the workforce.

Employee satisfaction and motivation scores improved (+2), alongside a rise in our loyalty score (+1) on track with our targets. Participation in our annual Tell Us!

engagement survey increased to 84% (2%), with the UK showing a significant 6 percentage point increase. Together, these results underline a more engaged and motivated workforce, strengthening our foundation for future growth.

Collective bargaining coverage remains high in Denmark, Germany, Finland, and Sweden, reinforcing our commitment to fair labour practices and social dialogue.

Average training hours rose to 5.3 hours per employee, underpinning our efforts to support skill development in our workforce and ensuring that STARK Group remains an attractive workplace with opportunities to grow.

S1-6

CHARACTERISTICS OF OUR PEOPLE

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
S1-6, 50 a	Total	Headcount	19,666	20,238	20,959	12,500	11,700	10,038	-3%
S1-6, 50 a	Male	Headcount	15,433	15,861	16,516	9,375	9,126	7,830	-3%
S1-6, 50 a	Female	Headcount	4,221	4,357	4,443	3,125	2,574	2,208	-3%
S1-6, 50 a	Other	Headcount	2	-	-	-	-	-	-
S1-6, 50 a	Not disclosed	Headcount	-	-	-	-	-	-	-
Entity spec.	Gender diversity	% female	21	22	21	25	22	22	-1pp
S1-6, 50 c	Number of leavers	Headcount	4,456	3,848	-	-	-	-	16%
S1-6, 50 c	Employee turnover rate	%	22.7	19.0	-	-	-	-	3.7pp

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S1-6

CHARACTERISTICS OF OUR PEOPLE

ESRS ref.	Parameter	Unit	STARK UK	STARK Deutschland	STARK Danmark	Beijer Byggmaterial	STARK Suomi	Neumann Bygg	Group HQ
S1-6, 50a	Total	Headcount	7,272	5,547	2,693	2,346	1,145	459	194
S1-6, 50a	Male	Headcount	6,066	4,066	2,203	1,774	833	369	122
S1-6, 50a	Female	Headcount	1,206	1,481	489	572	311	90	72
S1-6, 50a	Other	Headcount	-	-	1	-	1	-	-
S1-6, 50a	Not disclosed	Headcount	-	-	-	-	-	-	-
Entity spec.	Gender diversity	% female	17	27	18	24	27	20	37

S1-7

NON-EMPLOYEES IN OWN WORKFORCE

ESRS ref.	Parameter	Unit	STARK Group
S1-7, 55a	Total	Headcount	467

S1-6, 50 b

EMPLOYEES BY CONTRACT TYPE

ESRS ref.	Parameter	Unit	Permanent employees	Temporary employees	Non-guaranteed hours employees	Full-time employees	Part-time employees
S1-6, 50 b/52	Total	Headcount	18,441	986	63	17,228	2,277
S1-6, 50 b/52	Male	Headcount	14,316	729	56	14,098	1,046
S1-6, 50 b/52	Female	Headcount	3,833	257	6	3,129	1,230
S1-6, 50 b/52	Other	Headcount	1	0	1	1	1
S1-6, 50 b/52	Not disclosed	Headcount	1	0	0	0	0
Entity spec.	Gender diversity	% female	21	26	10	18	46

ENTITY-SPECIFIC DISCLOSURES

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Employee engagement - satisfaction & motivation	Score	73	71	74	74	74	75	2pp
Entity spec.	Employee engagement- loyalty	Score	81	80	80	80	83		1pp
Entity spec.	Employee engagement survey participation rate	%	84	82	82	83	81	91	2pp
Entity spec.	Employee Net Promotion Score	Score	21	18	27	-	-	-	3pp

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Trained on Code of Conduct	% of total workforce	80	73	-	-	-	-	7pp

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Management review

S1-8

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Sustainability review

Coverage rate	S1-8.60 Collective Bargaining Coverage		S1-8. 63 a Social dialogue
	% Employees – EEA *(for countries with >50 empl. representing >10% total empl.)*	**% Employees – Non-EEA** *(estimate for regions with >50 empl. representing >10% total empl)*	**Workplace representation (EEA only)** *(for countries with >50 empl. representing >10% total empl)*
0-19%	STARK Group HQ, STARK UK, Neumann Bygg	n/a	-
20-39%		n/a	-
40-59%		n/a	-
60-79%	STARK Danmark, STARK Deutschland	n/a	-
80-100%	Beijer Byggmaterial, STARK Suomi	n/a	-

General information

Environment

Social

Governance

Financial statements

S1-13

TRAINING AND SKILLS DEVELOPMENT

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
S1-13, 83 a	Share of total employees that participated in performance review	%	90	-	-	-	-	-	-
S1-13, 83 b	Average training hours per employee	hours	5.3	3.1	3.1	3.4	2.6	3.1	71%

ACCOUNTING PRINCIPLES

S1-6

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Headcount

Headcount is reported as the total number of employees with an active employment contract as an average during the reporting period. Data is sourced from the STARK Group HR system.

Number of leavers

The number of leavers is reported as the total count of employees whose active employment contracts were terminated during the reporting period, regardless of reason.

Employee turnover rate

The employee turnover rate is calculated as the number of leavers during the reporting period divided by the average headcount, expressed as a percentage.

Gender diversity

The distribution of employees by gender across the organisation as an average during the reporting period. Includes all employees with an active employment contract. Gender categories are based on self-identification.

Non-employees

Individuals provided by third-party organisations engaged in employment activities. These individuals are based on active labour contracts at the end of the reporting period.

Permanent employees

Permanent employees are individuals working in STARK Group under a permanent employment contract. The count is based on employees with active permanent contracts as of the final day of the reporting period.

Temporary employees

Temporary employees are individuals working in STARK Group under a limited-term employment contract. This includes seasonal workers and other forms of temporary employment. The count is based on employees with active temporary contracts as of the final day of the reporting period.

Non-guaranteed hours employees

Non-guaranteed hours employees are individuals working in STARK Group under an active employment contract with zero-hour contracts. The count is based on employees with such contracts as of the final day of the reporting period.

ENTITY-SPECIFIC METRICS

Employee engagement survey score

An annual employee engagement survey is made through Ennova resulting in a satisfaction and motivation score and a loyalty score. Scores are compared to the most recent industry average gained from the Global Employee & Leadership Index™. The STARK Group engagement survey is carried out annually in November.

Employee Net Promoter Score (eNPS)

Internal surveys asking employees how likely they are to recommend STARK Group as a workplace. Responses are categorised into promoters, passives, and detractors, and the score is calculated as the percentage of promoters minus the percentage of detractors. Data is collected via the Ennova platform and reported for the relevant organisational scope and period.

Code of Conduct training

The completion rate of employees in scope for the Code of Conduct e-learning out of the total employee population in scope. The completion rate is based on completed modules in the e-Learning system as per the final day in the reporting year (31 July).

S1-8

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Collective bargaining coverage

Reported as the percentage of employees covered by collective agreements as of the last day of the reporting period. Data is sourced from the STARK Group HR system based on active employment contracts and applicable national labour agreements.

Social dialogue

Social dialogue is reported as the presence of formal engagement between STARK Group and employee representatives, including trade unions and works councils. It covers structured communication on working conditions, organisational changes, and employee interests, and is assessed based on documented processes and participation across entities.

S1-13

TRAINING AND SKILLS DEVELOPMENT

% total employees that participated in performance review

Number of employees who completed a formal performance review during the reporting period divided by the total headcount, expressed as a percentage. Data is sourced from the STARK Group HR system.

Average training hours per employee

Average training hours are calculated by dividing total training hours, including online modules via Eloomi, the Learning platform, and other training documented in the HR system, by the headcount on the last day of the reporting period.

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EQUAL OPPORTUNITIES FOR ALL

CREATING VALUE THROUGH EQUITY AND INCLUSION

We believe that a diverse and inclusive workforce is essential to our long-term success. Equal opportunity is a strategic priority that strengthens our ability to attract and retain talent, reflect the communities we serve, and deliver better service for our customers. By ensuring that all employees have equal access to opportunities, regardless of gender, age, background, or identity, we foster a culture where people feel valued, respected, and empowered to contribute. This commitment is embedded in our policies, actions, and leadership approach, and is fundamental to building a resilient, high-performing organisation.

S1-9

POLICIES

Alongside our Diversity, Equity and Inclusion policy, our Harassment policy aims to eliminate discrimination to promote equal opportunities for all. Our policy specifically covers gender, transgender identity or other expressions, age, culture, nationality, ethnicity, physical abilities, disabilities, political and religious beliefs, sexual orientation, and other attributes regulated by Union legislation and national law. These policies are enforced by local HR departments to ensure discrimination is prevented, mitigated, and addressed when detected, as well as to promote diversity and inclusion overall.

ACTIONS

We are dedicated to ensuring equal treatment and opportunities for all employees across STARK Group. In 2025, we enhanced our DE&I Council and progressed our Diversity, Equity & Inclusion agenda by concentrating on three main areas, each supported by measurable metrics and ambitions: gender, age, and diverse backgrounds.

Gender diversity

Gender diversity remains a priority. Currently, women represent 21% of our workforce. Achieving a more balanced gender distribution at all levels will not only give us access to a wider talent pool but also enhance skill diversity and improve decision-making quality across the organisation.

Age diversity

Age diversity is equally important for our long-term success. Currently, most of our workforce and management team are over 40. By attracting and developing talent from different age groups, we can gain fresh perspectives, boost innovation, and ensure strong succession planning to support future growth.

Cultural and linguistic diversity

Finally, we recognise the importance of cultural and linguistic diversity in serving our customers effectively. A significant part of our customer base speaks a language other than that of our staff. To improve customer interactions and build stronger relationships, we actively seek individuals with diverse language skills and cultural backgrounds. This approach helps us better understand our customers' needs, foster trust, and deliver a superior service experience.

Empowering Women in Construction

In 2025, two employees at Beijer Byggmaterial in Östersund, Elsa Boberg and Sara Petrusson, launched a women's network to strengthen inclusion and representation in the construction sector. The network brings together women from across the industry—from apprentices to carpenters and project managers—creating a supportive space for connection, inspiration, and visibility. What began as a small initiative has grown into a vibrant community of nearly 50 members, reflecting Beijer's commitment to fostering diversity and empowering female role models in a traditionally male-dominated field.

TARGETS

We are committed to building a diverse and inclusive organisation, where leadership reflects the broad talent pool available to us. Our ambition is to increase the proportion of women in leadership positions to 20% by 2030. In 2025, women accounted for 16% of our leadership roles, and we continue to make progress through targeted initiatives that support gender balance, career development, and equal opportunities.

Alongside these efforts, we promote inclusive leadership and a strong speak-up culture to ensure fairness and transparency across our operations. This is supported by our whistleblower system, which is accessible to all employees and third parties.

Our current targets include:

- Women in total workforce: 25%
- Women in management: 20%
- Women in Executive Management Team: 30%

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
S1 Own workforce	Opportunity	**Attractive working conditions and inclusive employment** to embrace, attract, and retain a diverse range of individuals from different educational and cultural backgrounds may expand the limited talent pool.	Operations	<1 - 5 years

PERFORMANCE

PROGRESS

In 2025, STARK Group continued its efforts to promote equal opportunities, though leadership representation saw a temporary setback. Following a change in the CFO position, the Board of Directors now includes no women (0 out of 6), down from 17%, and the Group Executive Management Team no female members (0 out of 2). These figures fall short of our gender representation targets and reflect a need to keep focus on balance at the top levels of the organisation.

Within the wider Executive Committee, female representation declined slightly from 4/14 to 2/13 (15%). However, the share of management positions held by women remained stable at 16%, keeping us on track toward our 20% target. Women currently make up 21% of the total workforce, remaining stable in our progress toward our 25% goal.

Age diversity remained steady, and average seniority decreased to 8.7 years, reflecting ongoing renewal of the workforce. In addition, we are improving our monitoring of linguistic diversity, including the number of languages spoken across the Group, to further strengthen inclusive customer service.

S1-9

DIVERSITY METRICS

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
GOV-1, 21b	Board of Directors	Women/Total (Headcount)	0/6	1/6	1/5	1/5	1/5	1/3
GOV-1, 21b	Board of Directors	%	0	17	20	20	20	33
S1-9, 66 a	Executive Management Team	Women/Total (Headcount)	0/2	1/2	1/2	1/2	1/2	1/2
S1-9, 66 a	Executive Management Team	%	0	50	50	50	50	50
S1-9, 66 a	Executive Committee	Women/Total (Headcount)	2/13	4/14	4/14	-	-	-
S1-9, 66 a	Executive Committee	%	15	29	29	25	25	30
ÅRL 107i	Other management levels	Women/Total (Headcount)	17/98	20/92	-	-	-	-
ÅRL 107i	Other management levels	%	17	22	16	22	-	-
Entity spec.	Management positions held by women	%	16	16	15	16	16	15

ESRS ref.	Age	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
S1-9, 66 b	Under 30 years old	%	17	17	18	-	-	-
S1-9, 66 b	30-50 years old	%	43	43	46	-	-	-
S1-9, 66 b	Over 50 years old	%	39	39	37	-	-	-
Entity spec.	Seniority	Years	8.7	9.0	10.2	-	-	-

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ACCOUNTING PRINCIPLES

S1-9

DIVERSITY METRICS

Board diversity

Number of female board members divided by the total number of board members expressed as total numbers and a percentage (%) as per the last day of the reporting period.

Executive Management Team

STARK Executive Management team comprises of the Group CEO and Group CFO as per the last day of the reporting period.

Executive Committee

STARK Group Executive Committee comprises of Group CEO, CFO, CSO, CHRO, CCOM, General Council, and business unit CEOs from STARK UK, STARK Deutschland, STARK Danmark, Beijer Byggmaterial, STARK Suomi, Neumann Bygg and STARK Sourcing, as per the last day of the reporting period

Other management levels

Other management levels are defined as managers who refer to top management body with manager responsibilities as defined in Danish Financial statements act 99b. The percentage is calculated per the last day of the reporting year.

Management positions

Management positions are defined as any employee with direct reports. The percentage is calculated per the last day of the reporting year.

Age diversity (Group total)

The number of employees per age Group <30, 30-50 and >50 years, is reported as the percentage of total headcounts employed by STARK Group as per the last day of the reporting period (31 July) and includes permanent, temporary, and seasonal employees.

Seniority

Average number of years an employee has been employed within the company (excluding newly acquired companies who have not yet been integrated into our HR system).

HEALTH AND SAFETY

PROTECTING OUR PEOPLE

With over 18,500 employees working across branches, warehouses, and distribution networks, ensuring a safe and healthy workplace is critical to maintaining employee engagement, business continuity, and customer trust. A strong safety culture helps us prevent incidents, reduce operational risks, and support long-term resilience. By embedding health and safety into every aspect of our operations, we protect our people, strengthen performance, and uphold our commitment to being a responsible and reliable partner in the construction industry.

We recognise our obligation to uphold high standards of health and safety across our operations and to proactively manage and mitigate the risks and hazards inherent in our industry. Through our health and safety policy, we aim to foster a culture of safety and health where every individual is encouraged to take an active role in promoting and maintaining a safe working environment. We comply with all relevant health and safety laws, regulations, and industry standards, while continuously reviewing and improving our performance in this area.

S1-14

POLICIES

Health and safety at work is a human right and a key priority for STARK Group. The purpose of our health and safety policy is to demonstrate STARK Group's commitment to providing a safe and healthy workplace for our employees, customers, and other stakeholders.

The fundamental principles of our health and safety policy apply to all our operations. Individual business units may have additional policies and manuals to comply with local laws and regulations.

For MDR-P inspired disclosure on our policies, see the policies section on pp. 55-61.

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
S1 Own workforce, Health and safety	Impact / Risk	**Accidents, incidents, fatalities and lost workdays** due to hazardous conditions and inadequate safety measures are critical concerns. At STARK Group, we operate with heavy machinery and handle the movement of heavy goods, which by nature involves safety risks. Prioritising workplace safety is crucial to prevent injuries, save lives, and maintain productivity.	Operations	<1 - >5 years
	Opportunity	**Attractive working conditions and inclusive employment** to embrace, attract, and retain a diverse range of individuals from different educational and cultural backgrounds may expand the limited talent pool.	Operations	<1 - 5 years

ACTIONS AND RESOURCES

Robust health and safety management system

To prevent and minimise negative impacts on health and safety, we operate a comprehensive health and safety management system aligned with ISO 45001. This framework ensures consistent performance across all business units, compliance with local legal requirements, and supports branches certified under ISO 45001:2018. The system covers all employees and contractors under our operational control and includes structured risk assessments, mandatory training, regular audits, and a digital incident management platform for real-time reporting and follow-up.

In line with the GRI 403 standard, all employees and workers within our operational control are included in incident reporting. If incidents occur, we conduct root cause analyses, engaging with affected individuals, and implementing corrective measures to resolve issues and prevent recurrence. Effectiveness is monitored through follow-up dialogues, surveys, and internal audits to ensure continuous improvement.

Comprehensive procedures and training materials for all key business activities

STARK Group provides training materials and clear standards for all key business activities to ensure strong performance in health, safety, and well-being across the organisation. We apply a Plan-Do-Check-Act framework to drive continuous improvement and maintain adaptability, even in changing market conditions such as mergers and acquisitions. All internal practices are grounded in systematic risk assessments and associated controls. Any risk evaluated above the Group threshold is addressed with appropriate control measures. To ensure effectiveness and relevance, risk assessments and controls are reviewed annually and updated as needed. Standard operational procedures and training materials are updated accordingly.

Health and safety in the value chain

Health and safety are central priorities for STARK Group throughout the entire value chain, from manufacturing to the end customer. Our supplier due diligence process supports that supplier working conditions comply with our Human Rights Policy, while our health and safety risk assessments and standards safeguard customers, partners, and contractors, whether they are visiting our branches or receiving goods and services downstream.

Launching a new digital H&S platform

In 2024/25, we started the launch of a digital H&S platform that integrates incident management, observations, audits, inspections, document control, and risk assessments across STARK Group. This implementation replaces multiple standalone systems with a single, streamlined solution, enabling real-time visibility into safety performance and proactive risk mitigation.

The platform supports a strong safety culture, simplifies legal compliance, and enhances workplace safety. By integrating all H&S data and workflows, it optimises processes, strengthens decision-making, and ensures clear accountability. Features such as root cause analysis, action planning, and transparent task

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tracking improve follow-up, learning, and prevention of future incidents. Internal audits will be more transparent and closely linked to risk management, creating a stronger foundation for continuous improvement.

Clear health & safety governance

The Senior Director of Group Health & Safety defines the strategic direction, sets relevant targets, facilitates best practice sharing, and reports progress to Group leadership. Each business unit has a dedicated Health & Safety Manager responsible for local implementation. These managers meet quarterly to align on Group standards, address common challenges, and share solutions. At the business unit level, health and safety teams have the autonomy to adapt Group strategies to local culture and operational realities. Each business unit also has a Health & Safety Steering Committee, where top management actively participates by setting risk tolerance, assuming accountability for critical issues, and fostering a strong safety culture.

Health and safety is embedded in employee engagement. Through our annual engagement survey, TellUs!, employees can rate and comment on health and safety standards and raise concerns. In addition, local sustainability teams engage with employees at all levels through branch visits, targeted training, safety walks, and risk assessments. To strengthen two-way communication, our new H&S platform app will provide all employees with a personal profile, enabling continuous feedback, observations, and suggestions. Customers and contractors will also be able to report concerns through the platform. All issues raised and actions taken are tracked and monitored to ensure transparency and accountability. The effectiveness of workforce engagement is continuously evaluated by the H&S Steering Committee, in collaboration with employee representatives and local workers' councils, ensuring ongoing improvement and strong participation.

TARGETS

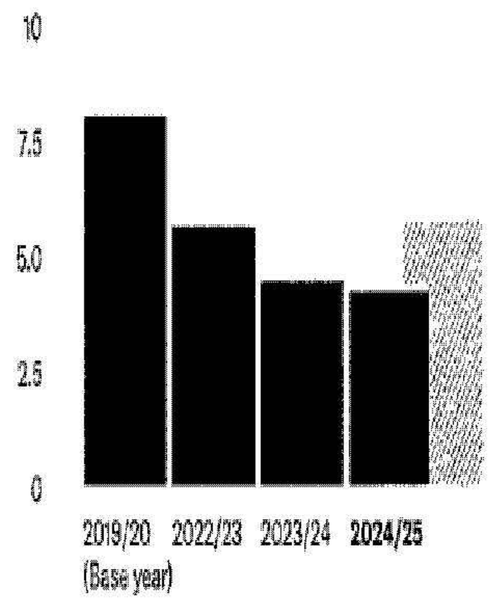
Guided by the principles of Vision Zero, STARK Group's health and safety strategy is focused on preventing accidents and occupational illnesses. We go beyond compliance by setting standards based on thorough risk assessments and clear safety principles. By committing to proactive KPIs, we empower our employees to lead incident prevention and foster a strong safety culture that benefits everyone who enters our branches.

Our current targets include:

- Reducing the injury rate to 5.7 per million worked hours
- Reducing the lost workday rate to 40 per million worked hours

INJURY RATE

per million hours



The injury rate decreased from 4.4 to 4.2 per million work hours. This is well ahead of our 2026/27 target of 5.7 and represents a -48% improvement since base year.

PERFORMANCE

PROGRESS ON HEALTH AND SAFETY

In 2025, STARK Group maintained full workforce coverage under a formal health and safety management system, ensuring consistent standards across all business units. 22% of our branches are certified under ISO 45001, demonstrating the alignment of our operations with internationally recognised safety frameworks.

We recorded zero work-related fatalities and continued to monitor cases of work-related ill health. The rate of reportable incidents decreased slightly to 4.2 per million work hours, improving 2023/24 levels despite a smaller workforce. This is well ahead of our 2026/27 target of 5.7 and represents a -48% improvement since base year (see figure on p. 104).

The lost workday rate declined from 96 to 79 reflecting the impact of focused safety initiatives and stronger incident prevention.

The majority of incidents across the Group involve object handling, slips and falls, and transportation, highlighting the need for ongoing vigilance. Enhanced reporting tools, strengthened local health and safety councils, and continuous training have enabled earlier risk detection and more effective responses, steadily raising the bar for safety performance.

STARK Group remains committed to fostering a proactive safety culture, where prevention, accountability, and care for colleagues are embedded in everyday operations.

S1-14

HEALTH AND SAFETY METRICS

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
S1-14	**Own employees**								
S1-14, 88 a	% of own workforce covered by health and safety management system	%	100	100	-	-	-	-	0pp
S1-14, 90	% of branches ISO 45001 certified	%	22	22	21	40	48	52	0pp
S1-14, 88 b	Fatalities as a result of work-related injuries	Number	0	0	0	0	0	0	-
S1-14, 88 b	Fatalities as a result of work-related ill health	Number	0	0	0	0	0	0	-
S1-14, 88 c	Reportable work-related incidents	Number	153	168	170	177	176	142	-9%
S1-14, 88 c	Rate of reportable work-related incidents	Per million hours worked	4.2	4.4	5.6	7.9	8.8	8	-5%
S1-14, 88 e	Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	Days	2,902	-	-	-	-	-	-
Entity spec.	Lost workday rate	Per million hours worked	79.0	96.0	52.7	81.2	64.3	64.3	-18%
S1-14	**Non-employees and other workers on site**								
S1-14, 88 b	Fatalities as a result of work-related injuries	Number	0	0	0	0	0	0	-
S1-14, 88 b	Fatalities as a result of work-related ill health	Number	0	0	0	0	0	0	-

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§ ACCOUNTING PRINCIPLES

S1-14

HEALTH AND SAFETY METRICS

% of branches ISO 45001 certified

Total number of branches certified according to ISO 45001 at last day of reporting year as a percentage of the total number of branches in STARK Group.

Fatalities as a result of work-related injuries

The headcount number of work-related accidents leading to the death of the employee.

Fatalities from work-related ill health

Fatalities resulting from work-related ill health reported as the total number of deaths among employees due to occupational diseases or conditions during the reporting period.

Reportable work-related incidents

The number of occupational injuries, excluding commuting-related injuries, that meet national legal criteria for reporting.

Injury rate

The number of reportable work-related accidents, excluding commuting-related accidents, per 1,000,000 employee hours worked within the reporting period as defined by GRI and in line with ESRS S1-13 standards. Worked hours are calculated by multiplying the number of FTEs at the end of the month by the number of working days in that month multiplied by 8 (daily working hours). The annual number of worked hours is calculated based on the monthly figures compiled throughout the year.

Cases of reportable work-related ill health

Cases STARK Group has been informed of by affected people, compensation agencies or healthcare professionals or cases that we have identified through medical surveillance during the reporting period. Work-related musculoskeletal disorders are covered under work-related ill health.

Number of days lost

Including the first full day and the last day of absence. Calendar days are used for the count. Days on which the affected individual is not scheduled for work (for example weekends, public holidays) therefore count as lost days.

Lost workday rate

The lost workday rate formula is defined according to GRI as the total number of workdays lost per 1,000,000 hours worked by all employees within the reporting period. Lost work days include days lost due to injuries not requiring medical treatment. Worked hours are calculated by multiplying the number of FTEs at the end of the month by the number of working days in that month multiplied by 8 (daily working hours). The annual number of worked hours is calculated based on the monthly figures compiled throughout the year.

S2

WORKERS IN THE VALUE CHAIN

EMBEDDING SOCIAL RESPONSIBILITY IN OUR SUPPLY CHAIN

We recognise that the well-being and rights of workers in our value chain are fundamental to running a responsible business. A sustainable supply chain depends not only on environmental performance but also on fair and ethical working conditions throughout our network of suppliers. Through our scale and supplier relationships, we are well-positioned to influence positive change. We aim to improve performance across our supply chain by setting clear expectations and building transparent due diligence processes.

SBM-3

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
S2 Workers in the value chain	Impact	**Poor working conditions and health and safety standards in the supply chain** can lead to human rights abuses, particularly restrictions on freedom of association and collective bargaining. These, in turn, may result in worker exploitation, unsafe environments, and poor health and safety conditions.	Upstream	<1 -5 years
	Risk	**Due diligence obligations:** failure to meet the requirements of key legislation such as the CSDDD poses compliance and ultimately reputational risks. This area is developing rapidly, with increasing expectations around corporate responsibility, human rights, and due diligence. Keeping pace with evolving requirements is essential to avoid legal exposure and reputational harm.	Operations	<1 - 5 years

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EMBEDDING SOCIAL RESPONSIBILITY IN OUR SUPPLY CHAIN

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S2-1

LABOUR RIGHTS IN OUR SUPPLY CHAIN

Our business model depends on a global supply chain, where poor working conditions and low labour standards in certain regions present a risk of human rights violations, such as unsafe environments and failure to respect fundamental labour rights. These risks mainly relate to workers in the upstream value chain, especially those involved in manufacturing and raw material extraction, and may impact vulnerable groups like migrant workers, women, and young workers.

Non-compliance with emerging regulations poses both legal and reputational risks. To address this, we aim to align with international standards, actively engage suppliers, and ensure our sourcing practices reflect our sustainability commitments. Additionally, we see opportunities to positively influence the value chain workers through upskilling and training on sustainable construction practices, creating shared value and supporting a just transition. Our due diligence and disclosure processes cover all upstream value chain workers and inform strategic decisions to mitigate risks and enhance long-term resilience.

MDR-P

POLICIES RELATED TO VALUE CHAIN WORKERS

We are committed to respecting the human and labour rights of all workers across our value chain, as outlined in our key policies, including the Human Rights Policy, Health and Safety Policy, Sustainability Policy, Supplier Code of Conduct, and our Sustainable Sourcing Policy. These policies align with international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Our commitments explicitly address forced or compulsory labour, child labour, and human trafficking, and we recognise that such risks may exist in certain parts of our supply chain. We require all business partners to comply with our standards as a condition of collaboration and apply a risk-based due diligence process involving supplier assessments and ongoing engagement. Relevant policies are shared with business partners and made publicly available. To date, no cases of non-compliance involving value chain workers have been identified, but internal procedures are in place to address any future incidents and provide an effective remedy.

For MDR-P inspired disclosure on our policies see our policies section on pp. 55-61.

S2-2, S2-3

ENGAGEMENT WITH VALUE CHAIN WORKERS

We currently do not engage directly with value chain workers but aim to incorporate their perspectives through credible proxies such as trade unions, NGOs, and multi-stakeholder initiatives, including our membership in Ethical Trade Denmark. We are also strengthening our supplier due diligence by integrating tools available through amfori. Regular engagement with suppliers takes place through initiatives such as our Sustainability Roundtables, which focuses on responsible business conduct aligned with international standards. The overall responsibility for engagement with value chain workers and suppliers lies with Group Sourcing in collaboration with Business Units, while the Group Sustainable Sourcing team ensures the implementation of these processes and that insights inform our approach. To support remedy, we require suppliers via our Supplier Code of Conduct to establish or participate in effective operational-level grievance mechanisms. In addition, our SpeakUp channel is accessible to external parties, including value chain workers, allowing them to report concerns directly to us. Our internal compliance team manages this channel independently to ensure impartial handling and follow-up. We continuously monitor and assess the effectiveness of these mechanisms to ensure that reported concerns are addressed promptly and appropriately.

S2-4

ACTIONS AND RESOURCES

A dedicated Sustainable Sourcing team

This year, STARK Group has established a dedicated Sustainable Sourcing team. This team is responsible for the continuous development and implementation of supplier due diligence processes and for strengthening sustainable sourcing practices across the group. The team's aim is to identify and mitigate risks and impacts in our supply chain, enhance risk assessments, improve data, and support supplier engagement.

New partnerships

STARK Group has strengthened its focus on partnerships and external collaborations to support a more sustainable supply chain. As part of this effort, we have joined amfori and Ethical Trade Denmark, two initiatives that promote responsible business conduct and supply chain due diligence. These partnerships provide valuable platforms for knowledge sharing, supplier engagement, and continuous improvement in ethical and sustainable sourcing practices.

Strengthened supplier due diligence with amfori

Following our membership in amfori, we have updated our Supplier Code of Conduct to align with both the BSCI (Business Social Compliance Initiative) and BEPI (Business Environmental Performance Initiative) Codes of Conduct. This ensures that our expectations cover both social and environmental responsibilities across our supplier base. The updated Supplier Code of Conduct is publicly available on the STARK Group website. To support implementation, we conducted internal training sessions for over 120 sourcing colleagues, raising awareness of the revised Code and its role in supplier due diligence. In parallel, we have begun mapping our existing suppliers to the amfori platform to identify key risks and strengthen oversight.

Through active dialogue with selected suppliers, we are deepening our understanding of their practices in relation to both BSCI and BEPI requirements. We are also working to make these insights accessible to relevant teams, so they can be integrated into day-to-day sourcing decisions and processes, further embedding sustainability into our procurement activities.

Advancing human rights in the supply chain through the UN Global Compact

In 2025, we participated in the UN Global Compact's Business and Human Rights Accelerator programme, with a focused objective of developing a supply chain-related human rights action plan. This engagement has helped strengthen our approach to identifying, addressing, and mitigating human rights risks among value chain workers. To further support this work, we joined the UN Global Compact Denmark Human Rights Network, which provides a valuable platform for sharing knowledge and best practices, particularly in relation to workers in the value chain.

We delivered targeted human rights training to our Group Sourcing teams to raise awareness of human rights principles and their practical relevance in supplier engagement. In addition, we conducted similar training sessions with Sustainability Managers across all Business Units to ensure a consistent and informed approach across the organisation.

While quantitative targets are still in development, we are already tracking progress through qualitative indicators such as the implementation of key policies and supplier engagement. For example, we have delivered targeted human rights training to our Group Sourcing team and Sustainability Managers across all Business Units to support the rollout of responsible sourcing practices. Looking ahead, we plan to incorporate stakeholder input, including insights from key suppliers and external partners, to guide the development of future targets. These will be designed to align with our policy objectives and broader sustainability goals, ensuring compliance with international standards and driving positive outcomes for workers throughout our value chain.

S2-5

Targets related to value chain workers

STARK Group has not yet set formal targets specifically related to workers in the value chain. Our current focus is on strengthening supplier due diligence processes as a foundation for setting meaningful targets in this area. By joining amfori, we have gained improved access to data on specific supplier groups, which is now being assessed and integrated to support the development of metrics related to social and labour conditions in the supply chain.

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PERFORMANCE

PROGRESS WITHIN WORKERS IN THE VALUE CHAIN

In 2025, STARK Group strengthened its commitment to responsible sourcing and value chain transparency. All newly targeted suppliers signed our legal terms and conditions, including adherence to STARK Group's Supplier Code of Conduct, ensuring full alignment with our ethical and sustainability standards.

Our ESG risk score remained stable at 2.6, providing a low overall risk profile. This year we screened more than 14,800 suppliers for ESG risks, with 92% of our supplier spend now being covered by ESG scoring.

In addition, we expanded our external partnerships by joining amfori and Ethical Trade Denmark. These collaborations provide valuable platforms for knowledge sharing and continuous improvement in ethical sourcing practices.

To drive this agenda forward, we established a dedicated Sustainable Sourcing team responsible for developing and implementing supplier due diligence processes. The team plays a central role in identifying and mitigating risks, improving data quality, and deepening supplier engagement.

To further support our efforts, we established a dedicated Sustainable Sourcing team responsible for developing and implementing supplier due diligence processes. This team plays a central role in identifying

and mitigating risks, improving data quality, and deepening supplier engagement.

While formal targets related to value chain workers are still under development, we are actively tracking progress through qualitative indicators and laying the foundation for future metrics. These efforts reflect our commitment to continuous improvement and alignment with international standards, ensuring positive outcomes for workers throughout our supply chain.

ENTITY-SPECIFIC DISCLOSURES

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	New targeted suppliers who has signed legal terms and conditions, including fulfillment of STARK Group's Supplier Code of Conduct	%	100	100	100	100	-	-	0pp
Entity spec.	Number of suppliers with ESG risk score	Number	14,828	10,847	6,097	-	-	-	37%
Entity spec.	% spend covered by ESG risk score	%	92	84	46	-	-	-	8pp
Entity spec.	% of suppliers covered by ESG risk score	%	73	62	31	-	-	-	11pp
Entity spec.	Average ESG risk score	Score 1-5	2.6	2.6	2.4	-	-	-	0

ACCOUNTING PRINCIPLES

ENTITY-SPECIFIC METRICS

Supplier Code of Conduct commitment

The percentage of new targeted suppliers committed to STARK Group's Supplier Code of Conduct, calculated based on signed contracts entered during the reporting year. Commitment is confirmed through inclusion of the Supplier Code of Conduct in STARK Group's standard legal terms and conditions.

ESG Risk Score

A supplier-specific indicative score assigned by Dun & Bradstreet that reflects exposure to environmental, social, and governance risks. The score is used to assess STARK Groups general exposure to risks in the supply chain and give an indication of supplier sustainability performance.

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S3

AFFECTED COMMUNITIES

RESPECTING COMMUNITY RIGHTS IN OUR SUPPLY CHAIN

At STARK Group, we recognise that our sourcing decisions and supply chain activities can have direct and indirect impacts on local and Indigenous communities. Respecting the rights, livelihoods, and environments of these communities is essential to building resilient, transparent, and sustainable value chains.

By working with credible partners and certification bodies, we aim to ensure that community perspectives are considered, risks are identified early, and adverse impacts are addressed responsibly.

SBM-3

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
S3 Affected communities	Impact	**Indigenous peoples' rights:** In regions where we source tropical wood, there is a risk of contributing to adverse impacts on the rights of Indigenous peoples, including violations of land rights, lack of free, prior and informed consent, and disruption of traditional livelihoods and cultural heritage. Such impacts can lead to human rights concerns and reputational harm and may undermine our commitments to responsible sourcing and ethical business conduct.	Upstream	1-5 years

RESPECTING COMMUNITY RIGHTS IN OUR SUPPLY CHAIN

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S3-1

POLICIES RELATED TO AFFECTED COMMUNITIES

STARK Group is committed to respecting the rights of communities affected by our sourcing and supply chain activities. This commitment is embedded in our Human Rights Policy, Responsible Timber Policy, Sustainable Sourcing Policy, and Supplier Code of Conduct, which collectively guide our approach to responsible business conduct and due diligence.

In 2024/25, we became members of amfori and began implementing the amfori BSCI platform to assess and monitor social and environmental risks in our supply chain. These tools help identify high-risk sourcing countries and suppliers and support corrective actions where needed. We are also active members of Ethical Trade Denmark and have participated in the UN Global Compact Human Rights Accelerator, which has strengthened our capacity to identify, assess, and address human rights impacts across our operations and supply chain.

For MDR-P inspired disclosure on our policies see our policies section on pp. 55-61.

S3-2, S3-3

ENGAGEMENT WITH AFFECTED COMMUNITIES

STARK Group engages with affected communities primarily through credible proxies such as FSC®, Preferred by Nature, and amfori BSCI auditors, who provide local insight and help ensure that suppliers meet internationally recognised standards. In the upstream value chain, we rely on FSC® and PEFC certification systems to confirm that suppliers have appropriate grievance mechanisms in place and that any disputes with local or Indigenous communities are addressed in line with international norms. Our Supplier Code of Conduct further reinforces these expectations by including provisions for remedy and cooperation in the event of adverse impacts. To strengthen our approach, our Sustainable Sourcing team and broader sourcing organisation are working to better integrate community perspectives into sourcing decisions. This includes developing more systematic feedback mechanisms and improving the way we track supplier performance and community-related risks.

STARK Group is also committed to providing accessible and trusted channels for communities to raise concerns directly. Our Speak Up! whistleblower system is open to all stakeholders, including external parties, and allows for anonymous reporting of concerns related to human rights, environmental harm, or unethical conduct. The system is monitored year-round by our Compliance teams and is underpinned by clear non-retaliation policies to ensure trust and accountability.

S3-4

ACTIONS TO STRENGTHEN OUR DUE DILIGENCE PROCESSES AND GOVERNANCE

We are committed to continuously strengthening our due diligence processes to identify and address actual or potential negative impacts on affected communities. Our current approach combines preventive and corrective measures, including sourcing only FSC®-certified tropical hardwoods to reduce environmental and social risks. Where risks are identified, we take corrective action and support collaborative industry initiatives through our memberships in Ethical Trade Denmark and amfori, which promote responsible business conduct and improved supply chain practices.

Remediation processes are embedded in our Supplier Code of Conduct and are supported by our Speak Up! whistleblower system, which is designed to be accessible, confidential, and protective of those who raise concerns. No severe human rights incidents involving affected communities were reported in 2024/25.

To ensure effective implementation and accountability, we have allocated dedicated resources, including a Sustainable Sourcing team, ESG data systems, and partnerships with certification bodies and ethical trade platforms. These investments support our ability to manage community-related risks across the value chain.

S3-5

TARGETS

STARK Group does not currently have specific standalone targets related to affected communities. However, our commitment to sourcing 100% of tropical hardwood products from FSC®-certified suppliers functions as an effective target supporting this agenda. To guide future target-setting, we plan to leverage insights from our double materiality assessment and consultations with credible proxies such as FSC® and Preferred by Nature. Although we do not engage directly with affected communities, we rely on these partners to ensure that community perspectives, especially those of Indigenous groups, are respected through certification and audit processes. Lessons learned from supplier assessments and stakeholder engagement continuously inform and refine our approach to improve outcomes for affected communities.

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PERFORMANCE

PERFORMANCE AND PROGRESS

In 2024/25, no severe human rights incidents involving affected communities were reported. Our continued commitment to sourcing tropical hardwoods exclusively from FSC®-certified suppliers remains a key safeguard against social risks in the timber supply chain. Through the implementation of our Human Rights Policy, Responsible Timber Policy, Sustainable Sourcing Policy, and Supplier Code of Conduct, we have reinforced expectations for responsible practices and remediation across our supply chain.

We strengthened our due diligence processes by joining amfori and Ethical Trade Denmark and by integrating the amfori BSCI platform to assess supplier risks. In addition, our Speak Up! whistleblower system continues to provide accessible and confidential channels for affected communities to raise concerns.

While formal targets specific to affected communities have not been set, our current policies, practices, and partnerships provide a strong foundation for future goal-setting and continuous improvement.

S4

CONSUMERS AND END-USERS

EMPOWERING CUSTOMERS' SUSTAINABLE CHOICES

We recognise that our ability to support the transition to low-carbon construction depends on the tools, products, and guidance we provide to those who build. Ensuring that our offerings are transparent, accessible, and aligned with customer needs is key to maintaining trust, driving innovation, and securing long-term growth. Through our future-fit products and services, leading advice and guidance and simplified documentation and compliance, we empower our customers to make informed decisions, meet regulatory requirements, and build more sustainably. This commitment is embedded in our sustainability strategy and reflects our ambition to be the best partner for professional builders across our markets.

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
S4 Consumers and end-users	Impact / Risk	**Inadequate product information:** Poor or incorrect product data can lead to lost sales opportunities, customer dissatisfaction, and reduced trust in our offerings. Accurate, consistent, and transparent product data is essential to support access to tenders, confident purchasing decisions, and maintain credibility in the market. Inadequate product information regarding product use can pose a health and safety risk for consumers using purchased materials or rental equipment.	Upstream, operations, downstream	<1 - 5 years
	Opportunity	**Upskilling suppliers** in sustainable construction presents an opportunity to support STARK's best-in-class assortment and target realisation and push the demand for sustainable products and product information. We see particular opportunities to support small and medium-sized enterprises, helping them stay compliant and competitive by simplifying access to documentation and offering tailored support.	Upstream	1 - 5 years
	Opportunity	**Digital climate tools:** Emerging regulations increase the requirements that contractors and tradespeople face. By compiling, simplifying and providing easy access to product carbon information, STARK Group can help customers meet requirements and reduce administrative burdens, allowing them to focus on their core business while advancing low-carbon construction.	Downstream	<1 - 5 years

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EMPOWERING CUSTOMERS' SUSTAINABLE CHOICES

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITES

S4-1

POLICIES RELATED TO CONSUMERS AND END-USERS

Our approach to consumers and end-users is guided by key policies, including our Sustainability Policy, Supplier Code of Conduct, Human Rights Policy, and People Policy. These policies are embedded in our broader sustainability strategy and reflect our commitment to responsible business conduct, transparency, and respect for human rights. They are designed to support the transition to more sustainable construction while ensuring that customers have access to the tools, products, and information they need to succeed.

Our policies are aligned with international frameworks to ensure that our products and services uphold the rights of consumers and end-users. These efforts reflect our broader ambition to be a trusted partner in the construction industry. For MDR-P inspired disclosures on our policies, see pp. 55-61.

S4-2

ENGAGING WITH CONSUMERS AND END-USERS

Engaging with consumers and end-users is a continuous and integrated part of how we operate. Through our sales teams, trained sustainability ambassadors, and digital platforms, we maintain close dialogue with customers to ensure their needs and expectations are reflected in our offerings and strategic direction.

Our sustainability strategy is shaped by the needs and expectations of our customers and end-users. Through regular engagement with customers, industry associations, and sustainability ambassadors across our markets, we gather insights into the challenges they face, particularly around access to sustainable products, regulatory advice and product documentation. These insights directly inform our product offering, digital tools, and advisory services.

We regularly host events, webinars, and after-work meetings to share knowledge on sustainable construction, legislative developments, and documentation requirements. In 2024/25, we held 56 such events across our markets, with strong participation from small and medium-sized enterprises, particularly valuable in supporting smaller contractors in navigating complex regulations and adopting more sustainable practices.

S4-3

We provide formal channels for consumers and end-users to raise concerns and seek remediation. Our whistleblower system, SpeakUp!, is accessible to all stakeholders, including customers, and allows for confidential and anonymous reporting of concerns related to product safety, ethics, or other material issues without fear of retaliation. In parallel, our customer-facing staff and sustainability ambassadors serve as accessible points of contact for handling questions or concerns related to sustainability claims, product documentation, and compliance, with escalation protocols in place to ensure effective resolution.

S4-4

ACTIONS AND RESOURCES

Customer needs at the heart of our commercial initiatives

Our digital carbon tool, KlimaLog, was created in response to demand for accessible product-level carbon data and documentation, enabling customers to make informed procurement decisions and meet regulatory requirements.

We offer a broad range of low-carbon, eco-labelled, and circular products, accompanied by clear and accessible documentation. Our digital platform, now live in three markets, provides product-specific carbon data and logistics emissions, enabling customers to meet regulatory requirements and make informed procurement decisions. This is further supported by our Sustainability Ambassador Programme, through which 3.7% of our workforce has been trained to guide customers on sustainable building practices.

SBM-3

Product carbon transparency through STARK climate tools

Our materiality assessment revealed a clear and growing demand from customers for greater transparency around carbon emissions and lifecycle data in their procurement processes. This insight has guided the development of our digital climate tools, product labelling practices, and customer training initiatives, all aimed at enabling more sustainable decision-making across the construction sector.

Central to this effort is STARK's digital climate tools, that transform how carbon data is accessed and applied in construction. First launched in Denmark in 2023 and now available in Sweden and Norway, the climate tools offer real-time access to product-level carbon emissions data and logistics-related emissions. This empowers tradespeople to make informed choices that align with tightening sustainability regulations, including mandatory lifecycle assessments for new buildings. The tool is scheduled for release in Finland late 2025.

The Danish version, KlimaLog, simplifies the complex task of sustainability documentation by aggregating Environmental Product Declarations and generic lifecycle data into a single, intuitive interface. Customers can instantly view the carbon footprint of tens of thousands of building materials, compare lower-carbon alternatives, and generate comprehensive reports for ESG scope 3 emissions reporting. In 2024, the platform was further enhanced to include carbon logistics data, allowing users to assess emissions from material transport to and from construction sites. This feature not only supports compliance with emerging legislation but also enables site managers to optimise delivery patterns and reduce transport-related emissions.

Enemærke & Petersen, a large STARK Danmark customer, has reported a significant reduction in time spent on sustainability documentation from several weeks to just one hour. This efficiency translates into significant cost savings and allows teams to focus more on core construction activities.

Beyond operational benefits, KlimaLog plays a strategic role in shifting industry norms. By embedding carbon data directly into our eCommerce platform, customers are prompted to consider sustainability at the point of purchase, fostering a culture of climate-conscious procurement. STARK Danmark's 2023 sustainability survey highlighted that over half of professional customers view documentation as one of the top barriers to sustainable construction. KlimaLog directly addresses this challenge, making sustainability more accessible and actionable for all.

Supported by CVC's Planet & People Grant, KlimaLog is designed to be scalable and inclusive, ensuring that sustainability is not limited to companies with extensive resources. Its success in Denmark has inspired similar initiatives in Sweden, Finland, Germany, and the UK, and has attracted interest from sectors beyond construction. Recognised with multiple awards, including the Børsen Sustainability Case, the Finans Climate Impact Award, and the Rambuk Sustainability Award, KlimaLog is setting a new benchmark for innovation in the industry.

By turning complex sustainability data into practical insights, STARK KlimaLog is helping our customers meet regulatory requirements while it is accelerating the transition to low-carbon construction and reinforcing STARK Group's commitment to its net-zero targets.

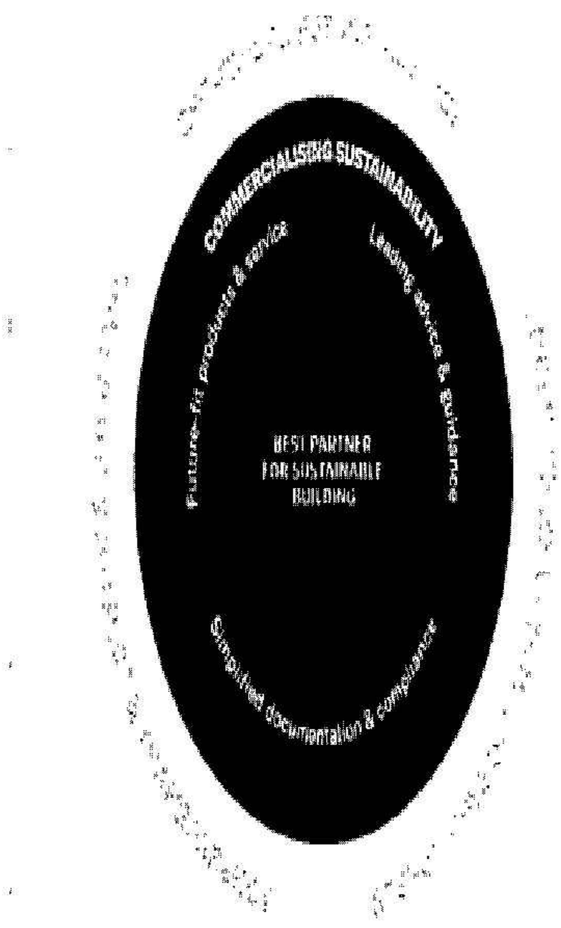
Customer advice through STARK sustainability ambassadors

The STARK Sustainability Ambassador Programme plays a key role by equipping our teams to guide customers toward more sustainable choices. Our sustainability ambassadors share knowledge through webinars, social media, and after-work events focused on sustainable building and legislative developments. These initiatives are especially valuable in markets where regulations are tightening and where smaller contractors may lack the resources to adapt.

A dedicated climate knowledge platform on stark.dk

STARK Denmark plays an active role in guiding customers through the evolving landscape of climate regulations and sustainable construction practices. Through its dedicated climate platform at stark.dk/klima, STARK offers a comprehensive suite of educational resources designed to make complex requirements more accessible and actionable for professionals in the building sector.

The site features a series of explanatory videos that break down the stricter climate requirements in the Danish building code, including how to conduct life cycle assessments (LCA), use Environmental Product Declarations (EPDs), and select low-carbon materials.



FUTURE-FIT PRODUCTS & SERVICES

A market-leading range of low-carbon, eco-labelled, circular, and energy-efficient products.

Services that support low-carbon and circular building sites (logistics, take-back).

LEADING ADVICE & GUIDANCE

Specialist sustainability sales advisory through STARK Sustainability Ambassador Programme.

Digital climate tools to showcase product carbon impacts to support advisory and guidence within sustainable product choices.

SIMPLIFIED DOCUMENTATION & COMPLIANCE

Enabling efficient and accessible product documentation through digital solutions (KlimaLog) for effortless compliance with sustainability requirements.

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STARK's KlimaLog tool is central to this effort, helping users calculate and document the CO_2 footprint of their building projects.

To support hands-on learning, STARK has deployed sustainability ambassadors across its stores. These trained staff members assist customers with understanding regulatory changes, choosing certified materials, and navigating documentation requirements. The platform also includes case studies and examples showing how smart material choices can reduce emissions and improve total project economics.

These targets help customers make informed, low-carbon choices and reinforce our role as a proactive and trusted partner.

Progress is tracked through our ESG reporting system, which aggregates performance data across all business units. Results are reviewed by the Executive Committee and reported to the Board of Directors. Action plans are adjusted where needed to stay on course. For example, the development of our KlimaLog platform was driven by customer demand for accessible product carbon data and is now being rolled out across all markets.

S4-5

TARGETS

Our targets are an integral part of our sustainability strategy and reflect our ambition to be the best partner for sustainable building. They are designed to reduce negative impacts, create positive outcomes for customers, and ensure we stay ahead in a rapidly evolving regulatory landscape on the path to net zero.

Key targets include:

- LCA relevant products carbon data coverage of 47% in 2024/26
- Increasing the share of eco-labelled products in assortment
- Training 5% of our workforce as sustainability specialists by 2027
- Hosting customer sustainability events at a minimum of 10% of our branches annually
- Reducing absolute scope 3 emissions by 25% by 2030 and reaching net zero by 2050

We evaluate the effectiveness of our efforts through external recognition and stakeholder feedback. In 2024 KlimaLog, received the Finans Impact Climate Award, recognising its role in enabling more sustainable procurement.

Our targets are backed by dedicated resources, including the Group Sustainability and ESG team, Business Unit sustainability managers, and our Sustainability Ambassador Programme, all working to drive implementation, track progress, and ensure continuous improvement.

PERFORMANCE

PROGRESS

In 2024/25, we continued enabling customers to build more sustainably. We launched our digital climate tools in a new market (3 of 6) and enhanced functionality with logistics carbon data, reducing documentation time for customers and supporting compliance with stricter building regulations.

Across the Group, 78% of LCA-relevant product sales now carry carbon data (+35pp), making carbon and sustainability information more transparent and accessible for our customers. This is well above our 2024/25 target of 47%.

Our customer advisory and guidance services through the Sustainability Ambassador Programme saw a slight decline this year, with 729 employees trained as ambassadors or specialists. This represents 3.7% of our workforce, a decrease of -0.2pp compared to last year. These employees continue to play a key role in guiding customers on product choices, regulations, and documentation.

Meanwhile, we have expanded our basic sustainability training, particularly in the UK, with a total of 8,663 employees trained.

We hosted 56 customer sustainability events across our branches, providing practical insights on climate regulations and sustainable construction practices, with strong participation from SMEs.

Together, these initiatives make sustainability more accessible for our customers and reinforce our ambition to be the best partner for sustainable building.

ENTITY-SPECIFIC DISCLOSURES

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Share of sales of LCA relevant product with carbon data	%	78	43	-	-	-	-	35pp
Entity spec.	Basic sustainability trained employees	Number	8,663	2,220	37	-	-	-	290%
Entity spec.	Trained sustainability ambassador	Number	729	780	520	250	36	0	-7%
Entity spec.	Trained sustainability ambassador	% of total employees	3.7	3.9	2.5	2	0.3	0	-0.2pp
Entity spec.	Sustainability events held	Number	56	65	55	17	-	-	-14%
Entity spec.	Digital climate tool launched	Business Units	3	2	-	-	-	-	50%

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§ ACCOUNTING PRINCIPLES

ENTITY-SPECIFIC METRICS

Trained sustainability specialists

The percentage of STARK Groups' workforce that received sustainability training as a % of total employees as per the last day of the reporting year.
This training is structured into three tiers:

- Sustainability Ambassadors: these individuals are employees who have successfully completed the fundamental Sustainability Ambassador Programme.
- Sustainability Specialists: this category covers the individuals who have undergone the extended ambassador training programme, as well as consultants and SMs.
- Basic Sustainability Training: This tier covers e-learning modules such as FSC® and PEFC, ISO 14001, and Supply Chain Sustainability School (UK).

Sustainability events held

The number of sustainability events held during the reporting year. Sustainability events are defined as customer events where sustainability has been a key topic. Examples include events held together with suppliers of sustainable and energy efficiency products and solutions, information evenings regarding sustainability in building regulations (i.e. LCA) and eco-labelled.

Share of sales of LCA Relevant Products with Carbon Data

The percentage of sales from stocked construction materials in relevant categories with mapped product carbon data (GWP-total) available in STARK PIM, supporting national LCA legislation and customer sustainability requirements.

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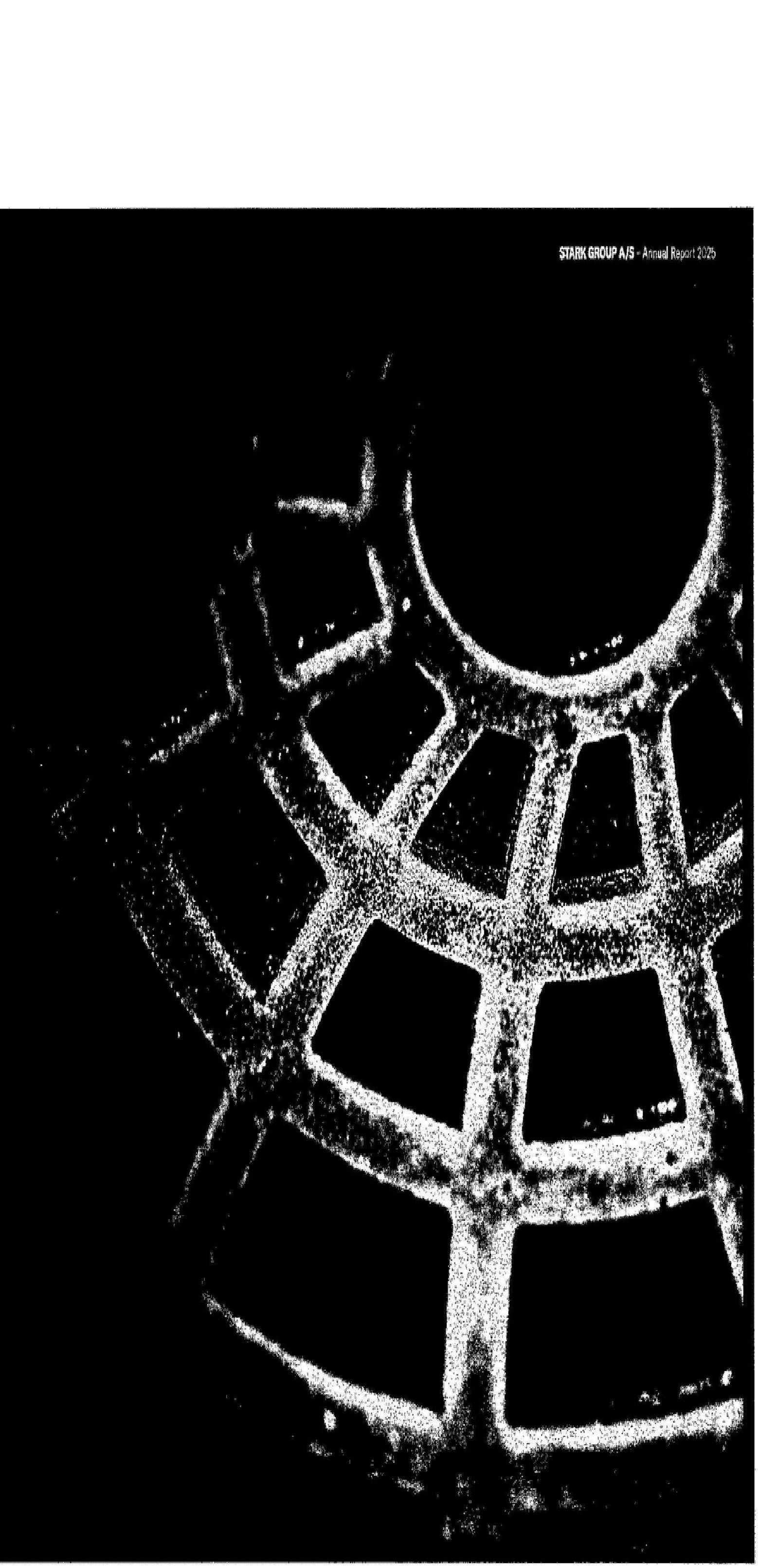
G1 Business conduct 122



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G1

BUSINESS CONDUCT

BUILDING TRUST THROUGH OUR CORPORATE CULTURE

We rely on trust across our teams, with our customers, and throughout our supply chain. Trust is built on a strong corporate culture and clear policies that promote integrity, transparency, and accountability. Our zero-tolerance approach to corruption, robust whistleblower system, and comprehensive compliance programmes are designed to meet legal requirements and safeguard our reputation, protect our people, and ensure long-term value creation. Upholding high standards of conduct is essential to maintaining stakeholder confidence and securing our licence to operate in all markets.

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

ESRS	IRO	Description	Where	When
G1 Business conduct	Risk	**Protection of whistleblowers** is a priority to ensure that employees and other stakeholders feel safe to report concerns about misconduct, unethical behaviour, or legal violations. Inadequate protection measures may expose whistleblowers to retaliation or personal risk, discouraging others from coming forward. This can lead to missed opportunities to identify and address issues early, ultimately undermining our culture of integrity, transparency, and compliance.	Operations	<1 years
	Risk	**Anti-competitive practices and fraud, bribery and corruption in operations and value chain:** Involvement in anti-competitive behaviour or exposure to fraud, bribery, or corruption, whether within STARK Group or across our value chain, poses legal, financial, and reputational risks. Such practices can lead to regulatory penalties, loss of business licenses, damaged stakeholder trust, and long-term harm to our brand. Ensuring robust compliance frameworks, transparent governance, and ethical conduct across all operations and partnerships is essential to mitigating these risks.	Upstream, operations	<1 - 5 years
	Risk	**Data management and GDPR compliance:** The processing of personal data from customers and suppliers must comply with the GDPR and our data management practices, which safeguard individuals' privacy and data rights. Non-compliance can lead to financial penalties, regulatory action, and reputational damage. As personal data volumes grow and digital systems evolve, ensuring ethical and lawful data management across all relationships is increasingly complex and critical.	Upstream, operations, downstream	<1 - 5 years

BUILDING TRUST THROUGH OUR CORPORATE CULTURE

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

G1-1

POLICIES

Our Anti-Corruption Policy, Sustainable Sourcing Policy, and Whistleblower Policy support our responsible business conduct and corporate culture. For MDR-P inspired disclosure on our policies see the policies section on pp. 55-61.

CORPORATE CULTURE

Zero-tolerance stance on corruption

At STARK Group, we maintain a zero-tolerance stance on corruption and are dedicated to combating all forms of it by preventing, detecting, investigating suspected cases, and rectifying any breaches. This pledge is ingrained in our Code of Conduct and Anti-Corruption Policy. Our Anti-Corruption Policy aligns with the UN Convention against Corruption.

Employees are trained to understand our policies and how they apply to their roles, and we have established an anti-corruption compliance programme including procedures, regular training, internal communication, and monitoring to support ethical business conduct and prevent misconduct.

G1-2

Supplier relations

At STARK Group, our supplier relations are fundamental to our business model and our ambition to be the most efficient access point to sustainable building materials in Europe. Our strategy is to build long-term, transparent, and mutually beneficial partnerships that deliver competitive terms, secure high service levels for customers, and create shared opportunities for growth with trusted suppliers. We are committed to responsible sourcing and sustainable supply chain management. In practice, this means procuring products from financially sound and reliable partners who operate ethically and responsibly in accordance with legislation and international standards. We expect suppliers to adhere to the STARK Group Supplier Code of Conduct incl. considerations on social and environmental aspects.

Through our European Supplier Programme, we strengthen knowledge sharing, market insights, and joint development projects with key suppliers. The programme includes working groups such as the Sustainability Round Table, where we address shared industry challenges and engage to develop the solutions.

G1-3

Prevention and detection of corruption, bribery, and fraud

Our Fraud, Anti-Bribery, and Corruption Compliance Programme offers a framework to manage risks across our value chain, particularly in dealings with suppliers and customers. The programme features clear policies, communication channels, training and education, and internal monitoring. Training targets employees in relevant roles and is held bi-annually, providing comprehensive coverage of anti-fraud, bribery, and corruption topics. This approach promotes consistent understanding and adherence to both legal requirements and company standards across the organisation. Employees who identify activities that breach our policies are obliged to contact Group Legal or utilise our whistleblower system. The target group of employees receives bi-annual anti-corruption training. The training is delivered online and lasts approximately 1 hour, with an end-test required to complete the course.

Our Compliance Programme applies to all employees working in functions at risk. This includes all HQ staff, office workers, sales personnel, and management across all countries. In 2024/25 the anti-fraud, bribery, and corruption training module was assigned to 82% of the total workforce. All relevant new employees were assigned the module in connection with onboarding. 88% completed the training.

Supporting a competitive environment

We welcome free and open competition with our zero-tolerance policy of anti-competitive practices. STARK Group complies with all applicable competition laws. We believe economies and consumers benefit from a level playing field that includes diverse products and services at market price. Competition laws create open and dynamic markets and enhance productivity, innovation, and value.

We have implemented policies, manuals, and guidelines to provide leaders and employees with an understanding of competition compliance and to identify sensitive situations, areas and behaviour that might be considered anti-competitive. Manuals cover the areas of commercial contracts, M&A transactions, events, networking, and dawn raids. The training module "Competition Law" has a two-year cycle and was assigned to 78% of the total workforce in 2024/25 of which 92% completed the training. All relevant new employees were assigned the module in connection with onboarding.

Confidential whistleblower system and follow-up process

We encourage employees to raise concerns without fear of retaliation. Concerns regarding unlawful conduct or breaches of our Code of Conduct can be reported via our confidential whistleblower system, Speak Up!, which can be accessed online at stark-group.whistleblowernetwork.net.

This system is accessible to both internal and external stakeholders and enables anonymous reporting. We inform our employees about how to use these channels and encourage reporting through regular internal communication. Additionally, guidance is available for reporting directly to national authorities, with links provided on our Speak Up! website. In some markets, we also offer a telephone hotline that connects directly to the same system to ensure consistent handling. All reports are treated seriously and investigated promptly, with suitable action taken, including informing authorities if necessary.

We are committed to protecting whistleblowers from any form of retaliation. Reports can be made confidentially or anonymously through our Speak Up! system, in accordance with EU Directive 2019/1937. All cases are handled with strict confidentiality and data protection. A secure post box allows safe, anonymous communication throughout the process. Our policy ensures whistleblowers are supported and their identities are safeguarded at every stage.

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STARK Group has implemented robust internal procedures to investigate incidents related to business conduct, including corruption and bribery. We follow a structured two-phase approach: an initial review to assess the concern and decide on subsequent actions, followed by a formal investigation to determine the validity of the report and possible sanctions. Investigations are conducted promptly, independently, and objectively, with any individuals named in the report excluded from the process. All participants are required to cooperate fully and maintain confidentiality. Appropriate measures are taken based on the investigation's findings, in accordance with applicable laws and internal policies.

Our whistleblower system is overseen internally by the Group Senior Director of Internal Controls and Enterprise Risk Management, along with the Group CHRO. Incidents are reported to Executive Management and the Audit Committee. The whistleblower process is a regular agenda item at every Audit Committee meeting, ensuring ongoing oversight and accountability.

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PROTECTION OF PERSONAL DATA IN STARK GROUP

We acknowledge that data privacy and protection is a fundamental human right. Data is an important business asset for STARK Group, and we aim for high ethical standards when handling, using, and processing data. We have processes to protect data to avoid unwanted disclosure that may harm data subjects and STARK Group's business operations, partners, or other stakeholders. Our data processing agreement guideline sets clear requirements for third-party vendors and stakeholders to comply with data protection and ethics.

STARK Group prioritises data ethics and privacy across all operations. We have mapped and sanitised legacy systems to align with GDPR and continuously assess new technologies to ensure compliance. We strive to be as transparent as possible about what we use personal data for, and how we do this. We have mapped and risk assessed all processes involving personal data and have procedures in place to assess the use of personal data in new systems, applications and processes and incorporate the principles of privacy by design and default.

Personal data is governed by our Records Management and Personal Data Protection Policy, which is supported by clear processes. We have procedures in place for complying with the data subjects' rights of access, deletion, limitation and rectification. We work on minimising the amount of personal data we store. These efforts are supported by mandatory GDPR training for all employees and annual reviews of processes and documentation. The eLearning module, "Personal Data Protection", was assigned to 85% of the total workforce, and the completion rate is currently 88%.

INFORMATION SECURITY

STARK Group is dedicated to ensuring the confidentiality, integrity, and availability of its information assets. Our Information Security Strategy provides continuous progress and guidance for both internal and external activities aimed at protecting these assets. Our operational sites adhere to our IT Policy, which is based on ISO 27000 best practices. Additionally, information security awareness is promoted through the STARK Intranet, which is accessible to all users across all business units. Recognising the potential disruption that cyberattacks can cause, STARK Group has launched a comprehensive Information Security Programme.

The Information Security Framework includes various controls including a monthly security operations compliance report for all registered PCs, continuous DMARC monitoring and penetration tests. STARK Group has responded to all Data Subject Requests within the legal deadline of thirty days and holds a high Microsoft Secure Score compared with companies in our industry. Annually, an ISAE3402 type II Audit statement is received from our outsourcing partner, Infosys.

TARGETS

Training on good business conduct

As part of our commitment to responsible business conduct, STARK Group has set a target for 100% of assigned employees to complete key compliance training modules. These include the "Fraud, Anti-Bribery and Corruption," "Competition Law," and "Personal Data Protection" e-learning programmes.

- 100% of assigned employees have completed "Fraud, Anti-Bribery and Corruption" e-learning training
- 100% of assigned employees have completed "Competition Law" e-learning training
- 100% of assigned employees have completed "Personal data protection" e-learning training

We report annually on progress toward these targets to ensure transparency, accountability, and continuous improvement across all business units. The training is delivered online and lasts approximately 1 hour, with an end-test required to complete the course. Assignment and participation rates are illustrated in the tables in the performance section.

PERFORMANCE

PROGRESS

In 2024/25, we cemented our compliance culture through continued training programmes on anti-corruption (82% of workforce), competition law (78%), and personal data protection (85%). These modules were rolled out to relevant employees across all markets, achieving high completion rates of 88–92%.

Our whistleblower system, Speak Up!, remains a trusted channel for confidential and anonymous reporting, ensuring prompt and independent investigations. During the year, 90 cases were reported: 26 were dismissed after preliminary review, 43 were referred to local HR, and 10 led to disciplinary actions. Importantly, no cases of corruption or bribery were reported. Two reported cases are still under investigation.

Through these efforts, we safeguard our licence to operate and build stakeholder trust. We remain committed to continuous improvement, regularly reviewing policies, procedures, and training to adapt to evolving risks and regulatory requirements.

WHISTLEBLOWER CASES

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
Entity spec.	Cases reported through Speak Up!	Cases	90	71	32	5	12	-	27%
Entity spec.	Cases dismissed	Cases	26	42	17	-	-	-	-38%
Entity spec.	Reported to the local Human Resources department	Cases	43	17	11	-	-	-	153%
Entity spec.	Resulted in disciplinary actions	Cases	10	6	3	-	-	-	67%
Entity spec.	Dismissal	Cases	3	3	-	-	-	-	0%
Entity spec.	Reported other	Cases	6	3	-	-	-	-	100%

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ENTITY-SPECIFIC DISCLOSURES

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
G1-3_21 (a)	E-learning module Fraud Anti-Bribery and Corruption assigned of total workforce	%	82	82	42	42	30	-	0pp
G1-3_21 (a)	E-learning module Fraud Anti-Bribery and Corruption completed by assigned	%	88	88	93	93	90	-	0pp
Entity spec.	E-learning module Competition Law assigned of total workforce	%	78	78	38	38	23	-	0pp
Entity spec.	E-learning module Competition Law completed by assigned	%	92	92	93	93	90	-	0pp
Entity spec.	E-learning module Personal Data Protection assigned of total workforce	%	85	85	56	56	82	-	0pp
Entity spec.	E-learning module Personal Data Protection completed by assigned	%	88	88	92	93	54	91	0pp

G1-4

INCIDENTS OF CORRUPTION OR BRIBERY

During the reporting year, there have been no reported or confirmed incidents of corruption and bribery.

ESRS ref.	Parameter	Unit	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	Development since previous year
G1-4_24 (a)	Number of convictions	Number	0	0	0	0	0	0	0
G1-4_24 (a)	Amount of fines (EUR)	Number	0	0	0	0	0	0	0
Entity spec.	Reported cases of corruption and bribery	Number	0	0	0	0	0	0	0
G1-4_25 (a)	Confirmed cases of corruption and bribery	Number	0	0	0	0	0	0	0

§ ACCOUNTING PRINCIPLES

G1-4

WHISTLEBLOWER CASES

Cases reported through Speak Up!

Whistleblower cases is the number of whistleblower cases recorded in the SpeakUp! whistleblower system during the year irrespective of whether the reporter is internal or external. Whistleblower cases do not include cases reported via other channels such as through managers or the Human Resource department.

ENTITY-SPECIFIC DISCLOSURES

E-learning modules within business conduct

Employees in relevant positions are trained within Code of conduct, Anti-fraud, -bribery and -corruption, Personal Data Protection and Competition Law. The e-learning modules "Code of Conduct", "Anti-Fraud, Bribery and Corruption", "Personal Data Protection" and "Competition Law" have a two-year cycle. All relevant new employees have been assigned the modules in connection with onboarding.

INCIDENTS OF CORRUPTION OR BRIBERY

Cases regarding the misuse of entrusted power for personal gain, including the offering, giving, soliciting, or receiving of anything of value to improperly influence decisions or secure an undue advantage.

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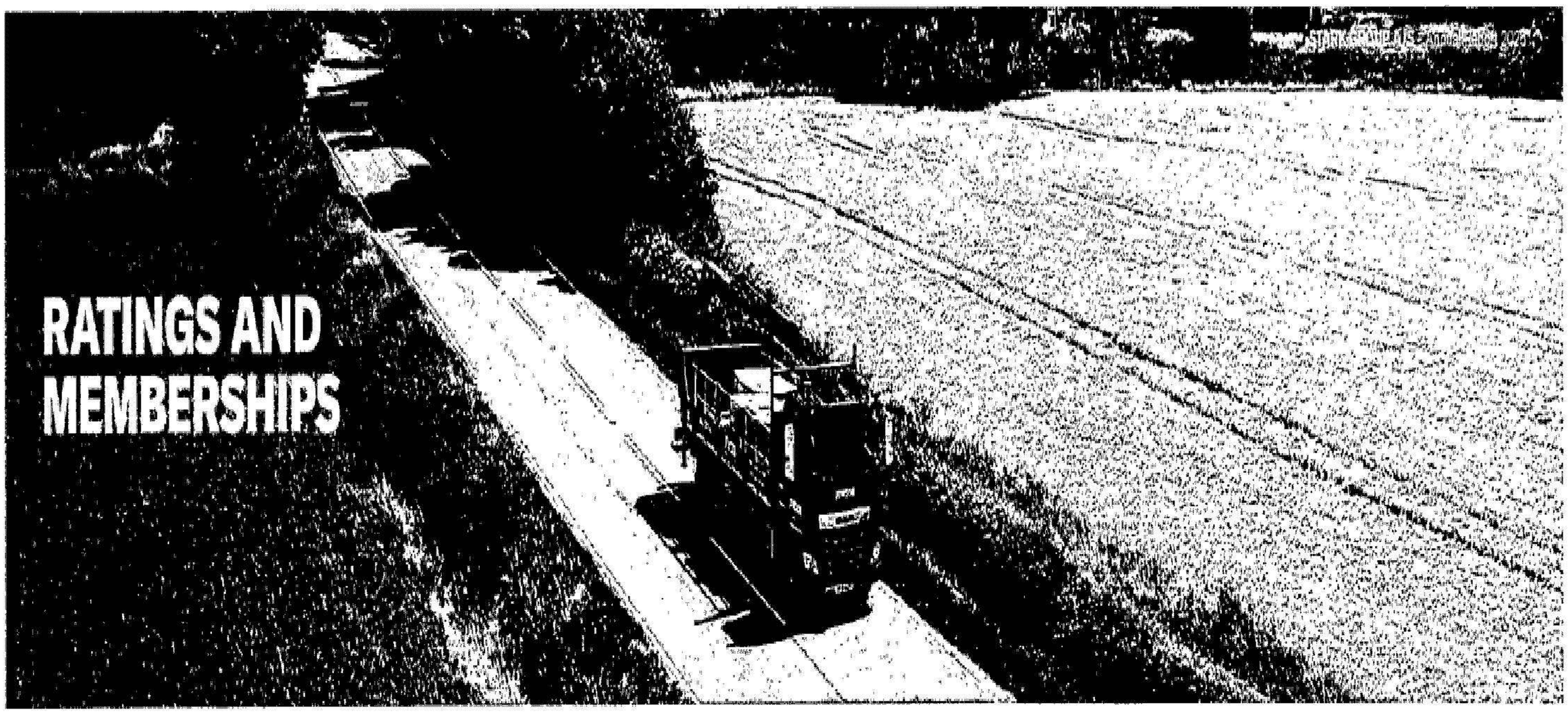

SCIENCE BASED TARGETS

PLATINUM Top 1% ecovadis JAN 2025

UN GLOBAL COMPACT

amfori Trade with purpose

SBTI

Our net-zero targets have been validated by the SBTi, cementing our position at the forefront of corporate climate action

ECOVADIS

For the fourth year in a row, STARK Group have been awarded an EcoVadis Platinum rating, placing us among the top 1% of companies worldwide

UN GLOBAL COMPACT

Our membership of the UNGC underscores our commitment to responsible business

AMFORI

Through our membership of amfori, we strengthen responsible sourcing practices and support fair, sustainable trade across our global supply chain

ETISK HANDEL DANMARK

FSC

PEFC

ETISK HANDEL DANMARK

As a member of Ethical Trade Denmark, we commit to promoting ethical trade and responsible supply chains

FSC®

As a member of the FSC® Board, we play an active role in advancing responsible forestry and promoting sustainable sourcing globally

PEFC

Through our participation in PEFC working groups, we help drive sustainable forest management and responsible sourcing

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CONSOLIDATED FINANCIAL STATEMENTS

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INCOME STATEMENT

EUR million	Note	2024/25	2023/24
Net sales	2.1	7,760	7,780
Cost of sales	4.1	(5,724)	(5,739)
Gross profit		**2,036**	**2,041**
Staff costs	2.2	(1,169)	(1,135)
Other external operating expenses		(589)	(615)
Other operating income and expenses		10	35
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**288**	**326**
Depreciation and amortisation of non-current assets	3.1 / 3.2 / 3.3	(330)	(335)
Earnings before interest and tax (EBIT)		**(42)**	**(9)**
Financial income and expenses	2.3	(249)	(221)
Earnings before tax		**(291)**	**(230)**
Income tax	2.4	5	29
Net earnings		**(286)**	**(201)**
Net earnings is attributable to			
Shareholders in STARK Group A/S		(287)	(201)
Non-controlling interests		1	-
Total net earnings		**(286)**	**(201)**

STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2024/25	2023/24
Net earnings		**(286)**	**(201)**
Exchange gain/(loss) on translation of foreign operations		(6)	(1)
Items that may be reclassified subsequently to the income statement		**(6)**	**(1)**
Actuarial gain/(loss) on retirement benefit plans	6.2	12	(13)
Tax on actuarial gain/(loss) on retirement benefit plans	2.4 / 6.2	(3)	3
Items that will not be reclassified to the income statement		**9**	**(10)**
Other comprehensive income, net of tax		**3**	**(11)**
Total comprehensive income/(loss)		**(283)**	**(212)**
Total comprehensive income is attributable to			
Shareholders in STARK Group A/S		(284)	(212)
Non-controlling interests		1	-
Total comprehensive income/(loss)		**(283)**	**(212)**

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STATEMENT OF FINANCIAL POSITION

ASSETS

EUR million	Note	31 July 2025	31 July 2024
Non-current assets			
Goodwill	3.1	839	831
Other intangible assets	3.1	987	997
Total intangible non-current assets		**1,826**	**1,828**
Property	3.2	1,093	1,154
Plant and equipment	3.2	189	180
Non-current tangible assets under construction	3.2	82	66
Right-of-use assets	3.3	854	925
Total tangible non-current assets		**2,198**	**2,325**
Investment in joint ventures		3	4
Other non-current financial assets		7	17
Total financial non-current assets		**10**	**21**
Deferred tax assets	6.1	4	-
Total non-current assets		**4,038**	**4,174**
Current assets			
Inventories	4.1	1,108	1,052
Trade receivables	4.2	514	787
Corporate tax receivables		3	27
Other receivables		202	211
Prepayments		36	37
Cash and cash equivalents		281	242
Total current assets		**2,144**	**2,356**
Assets held for sale	3.6	**36**	-
Total assets		**6,218**	**6,530**

EQUITY AND LIABILITIES

EUR million	Note	31 July 2025	31 July 2024
Equity			
Share capital	5.1	2	2
Reserves		350	634
Equity, shareholders in STARK Group A/S		**352**	**636**
Non-controlling interests		8	8
Total equity		**360**	**644**
Non-current liabilities			
Leasing liabilities	3.3	700	761
Deferred tax liabilities	6.1	286	295
Provisions	4.3	87	95
Employee benefit obligations	6.2	78	87
Loans from related parties	5.2 / 6.7	2,321	2,292
Borrowings	5.2	149	147
Total non-current liabilities		**3,621**	**3,677**
Current liabilities			
Leasing liabilities	3.3	168	173
Provisions	4.3	42	38
Loans from related parties	5.2 / 6.7	15	15
Borrowings	5.2	180	104
Payables to related parties		31	31
Trade payables		1,441	1,485
Corporate tax payables		13	15
Other liabilities		347	348
Total current liabilities		**2,237**	**2,209**
Total liabilities		**5,858**	**5,886**
Total equity and liabilities		**6,218**	**6,530**

STATEMENT OF CHANGES IN EQUITY

EUR million	Shareholders in STARK Group A/S: Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity as of 1 August 2024	**2**	**7**	**627**	**636**	**8**	**644**
Net earnings	-	-	(287)	(287)	1	(286)
Other comprehensive income/(loss)	-	(6)	9	3	-	3
Total comprehensive income/(loss)	**-**	**(6)**	**(278)**	**(284)**	**1**	**(283)**
Dividend paid	-	-	-	-	(1)	(1)
Total transactions with owners	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Equity as of 31 July 2025	**2**	**1**	**349**	**352**	**8**	**360**

Equity as of 1 August 2023	**2**	**8**	**838**	**848**	**10**	**858**
Net earnings	-	-	(201)	(201)	-	(201)
Other comprehensive income/(loss)	-	(1)	(10)	(11)	-	(11)
Total comprehensive income/(loss)	**-**	**(1)**	**(211)**	**(212)**	**-**	**(212)**
Dividend paid	-	-	-	-	(2)	(2)
Total transactions with owners	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Equity as of 31 July 2024	**2**	**7**	**627**	**636**	**8**	**644**

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CASH FLOW STATEMENT

EUR million	Note	2024/25	2023/24
Cash flow from operating activities			
Net earnings		**(286)**	**(201)**
Adjustments and reversals for non-cash items	6.3	563	500
Changes in working capital	6.4	178	62
(Decrease)/increase in provisions and other liabilities		(2)	(31)
Cash flow from operating activities before financial items and tax		**453**	**330**
Net interest paid		(225)	(176)
Tax received/(paid)		11	(40)
Cash flow from operating activities		**239**	**114**
Cash flow from investing activities			
Acquisition of businesses (net of cash acquired)	3.4	-	(28)
Purchase of property, plant and equipment	3.2	(117)	(114)
Proceeds from sale of property, plant and equipment		58	93
Purchase of intangible assets	3.1	(40)	(34)
Cash flow from investing activities		**(99)**	**(83)**

EUR million	Note	2024/25	2023/24
Cash flow from financing activities			
Change in utilisation of revolving credit facilities	5.2	78	55
Proceeds from borrowings	5.2	14	23
Repayment of borrowings	5.2	(13)	(7)
Payment of dividend to minority interests		(1)	(2)
Repayment of leasing liabilities	5.2	(179)	(166)
Cash flow from financing activities		**(101)**	**(97)**
Net cash (used)/generated		**39**	**(66)**
Effects of exchange rate changes		-	1
Cash and cash equivalents as of 1 August		242	307
Cash and cash equivalents as of 31 July		**281**	**242**

1.1 BASIS OF REPORTING

The consolidated financial statements of STARK Group A/S for the period 1 August 2024 - 31 July 2025 comprise STARK Group A/S and its subsidiaries.

The Board of Directors and the Executive Management approved the Annual Report of STARK Group A/S for 2024/25 on 6 November 2025. The Annual Report will be submitted to the shareholders of STARK Group A/S for approval at the Annual General Meeting on 7 November 2025.

Basis of reporting
The consolidated financial statement have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

The accounting policies have been used consistently in respect of the financial year and to comparative figures.

The Group has implemented all new or amended financial reporting standards and interpretations adopted by the EU that apply to the financial year 1 August 2024 – 31 July 2025. These have not significantly affected the financial statements for 2024/25.

Reclassifications in prior year amounts
Costumer,bonus and supplier rebates have been reclassified in the statement of financial position for 2023/24. The reclassification impacted other receivables (increased EUR 162m), trade payables (increased EUR 123m) and other liabilities (increased EUR 39m). The reclassifications did not have any impact on the result and the equity.

New standards and interpretations not yet adopted
New accounting standards and interpretations that have been issued, but are not mandatory for the 31 July 2025 reporting period, have not been early adopted by the Group. These standards are not expected to have a material impact on recognition or measurement for the Group in future reporting periods, or on foreseeable future transactions.

IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 'Presentation of Financial Statements' and is effective for reporting periods beginning on or after 1 January 2027. The Group is working to identify the impact of IFRS 18 on the primary financial statements and the notes to the financial statements.

1.2 MATERIAL ACCOUNTING POLICIES

A summary of the material accounting policies applied by the Group in the preparation of the consolidated financial statements is set out below and together with the notes to which they relate.

The descriptions of accounting policies in the notes form part of the overall description of the accounting policies.

Consolidation
The Consolidated Financial Statements include the results of STARK Group A/S and its subsidiary undertakings and its share of the results of its joint ventures. Note 6.10 includes a list of subsidiaries.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

Intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in the consolidated figures.

Foreign currencies
The Consolidated Financial Statements are presented in Euros which is the presentation currency of the Group and all amounts are rounded to millions (mEUR) unless otherwise stated.

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the companies operate (the "functional currency").

Cash flow statement
The consolidated statement of cash flows shows cash flows from operating, investing and financing activities, and the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flow from operating activities are compiled using the indirect method. Received and paid financial items is included in operating activities.

Cash and cash equivalents comprises cash at bank and deposits due on demand.

MATERIAL ACCOUNTING POLICIES NOT INCLUDED IN THE NOTES

Cost of sales
Cost of sales includes costs for the goods sold and consumed in order to obtain net sales for the financial year. The Group enters into arrangements with certain vendors providing supplier rebates. Supplier rebates are recognised when earned and are recorded initially as a reduction in the cost price for the inventory resulting in a reduction in cost of sales when the related product is sold. The key accounting estimate is further described in note 1.3 in key accounting estimates on trade payables/other receivables.

Other external operating expenses
Other external expenses comprise operating expenses such as sales, marketing and distribution costs, costs related to infrastructure and logistics, and corporate costs.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment and gains and losses on lease contracts.

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1.2 MATERIAL ACCOUNTING POLICIES – CONTINUED

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities to the extent that there is no legal right of offset and/or no practice of net settlement with cash balances.

Trade payables
Trade payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

DEFINITIONS OF TERMS

FINANCIAL RATIOS

Leverage ratio (external net debt/adj. EBITDA)	External net debt divided by adjusted EBITDA. External net debt is calculated as external interest-bearing debt including leasing liabilities minus cash and cash equivalents, adjusted for the share of intercompany debt that mirrors external borrowings in Winterfell Financing S.à r.l., the single shareholder of STARK Group A/S.
Gross profit margin	Gross profit as a percentage of net sales
EBITDA margin	EBITDA as a percentage of net sales
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales
Free cash flow	Free cash flow is defined as cash flow from operating and investing activities excluding acquisition of businesses

GLOSSARY

Adjusted EBITDA	Reported EBITDA excluding non-recurring items.
Non-recurring items	Items of a material and exceptional nature, which are adjusted for to provide a clearer view of the underlying performance of the Group.
Total Capex (capital expenditure)	Investments in property, plant and equipment and investments in intangible assets (IT software).
Net Capex	Total Capex less cash inflow from disposals of non-current tangible and intangible assets.
Freehold Capex	Capex related to investments in new land/properties as well as upgrades/refurbishments to existing ones.
Operational Capex	Total Capex excluding Freehold Capex.
Operational Capex, base	Capex related to maintaining the normal operations of the business.
Operational Capex, development	Capex related to expansion of the business to improve earnings capabilities or secure compliance.

1.3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, Management makes various accounting judgements and estimates that form the basis of presentation, recognition and measurement of the Group's assets, liabilities, income and expenses.

The judgements and estimates made are based on historical experience and other factors that management assesses to be reliable, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove incomplete or incorrect. Should these judgements or estimates prove incorrect there may be an impact on the following year's financial statements.

When determining estimates and assumptions, Management has assessed the qualitative and quantitative impact of climate related risks. It is Management's assessment that the effects of climate related risks do not significantly impact estimates and assumptions.

The Group believes that the judgements and estimates that have been applied in the financial statements will not give rise to a material impact within the next financial year. The judgements or estimates are reviewed on an ongoing basis.

MATERIAL KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The key accounting estimates and judgements are described in the notes which they relate to except for key accounting estimate related to assessment of supplier rebates described below.

TRADE PAYABLES / OTHER RECEIVABLES

Assessment of supplier rebates (estimates)
The Group enters into agreements with many of its vendors that provide rebates. Many of these agreements include thresholds defined based on purchases within a calendar year rather than the Group's financial year. Under certain agreements, the rebate percentage is based on quantities or values of purchases made. The Group adjusts the cost of purchases to reflect estimated rebates receivable, which can depend on the projected volume, value and mix of purchases from a vendor through to the end of the qualifying period.

Supplier rebates are classified together with trade payables if there is a legal right and practice to offset in payments made, and otherwise classified as other receivables.

KEY ACCOUNTING ESTIMATE AND JUDGEMENT

Note	Key accounting estimate and judgement	Estimate/judgement	Impact
Note 3.3	Determining the lease term of contracts with renewal options in lease contracts where the Group is a lessee	Estimate	Low
Note 3.5	Judgement in determination of cash-generating units and discounted cashflow estimates	Judgement/Estimate	Medium
Note 4.1	Valuation on inventory	Estimate	Medium
Note 4.2	Valuation of expected credit losses on trade receivables	Estimate	Low
Note 1.3	Assessment of supplier rebates	Estimate	Medium

2.1 NET SALES

EUR million	2024/25	2023/24
Sale of goods	7,760	7,780
Total net sales	**7,760**	**7,780**
Geographical information:		
Nordics (Denmark, Sweden, Finland and Norway)	2,925	2,808
Germany & Austria	2,370	2,523
UK (United Kingdom)	2,465	2,449
Total net sales	**7,760**	**7,780**

The Group is a distributor of heavy building materials. The goods sold are used for building and renovating houses, offices spaces, community buildings, and infrastructure.

Net sales in Denmark, which is the domicile market of the Group amounted to EUR 1,370m in 2024/25 (2023/24: EUR 1,302m).

ACCOUNTING POLICIES

Net sales

The Group mainly derives its revenues from contracts with customers for the transfer of goods at a point in time.

Net sales comprise the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Group's activities.

Net sales from the sale of goods for resale and finished goods is recognised in the income statement when control of the goods has transferred to the customer, being when the goods are delivered to the buyer and the amount of net sales can be measured reliably. Net sales is recorded net of returns, discounts and value added taxes.

2.2 STAFF COSTS

EUR million	2024/25	2023/24
Salaries and wages	975	947
Pensions - contribution plans	58	57
Pensions - defined benefit plans (Note 6.2)	1	3
Other expenses for social security	135	128
Total staff costs	**1,169**	**1,135**
Average number of fulltime employees	18,593	19,388
Number of employees at the end of the financial period	19,342	20,238

Remuneration to key management personnel is disclosed in note 6.7.

ACCOUNTING POLICIES

Staff costs

Staff costs comprise wages and salaries as well as other payroll expenses. Salaries and wages, social security contributions, holiday and sick leave, bonuses and other monetary and non-monetary benefits are recognised in the financial year in which the employees render the associated services.

Bonus for eligible personnel is recognised based on the estimated or agreed bonus at the end of the financial year calculated in accordance with the agreed bonus schemes.

Contributions to defined contribution pension plans and other post-retirement benefits are charged to the income statement as incurred. Accounting policies on defined benefit plans are disclosed in note 6.2.

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2.3 FINANCIAL INCOME AND EXPENSES

EUR million	2024/25	2023/24
Financial income		
Foreign exchange gains	9	9
Interest income from third party	1	2
Other financial income	2	2
Total financial income	**12**	**13**
Financial expenses		
Interests on loans from related parties	(153)	(132)
Interests on loans from third party	(29)	(32)
Amortisation of financing fees	(13)	(15)
Interests on lease liabilities (Note 3.3)	(48)	(44)
Interest on financial liabilities measured at amortised costs	**(243)**	**(223)**
Financing fee expensed	(12)	(2)
Net interest on defined benefit plans (Note 6.2)	(3)	(4)
Unwinding of discount on provisions (Note 4.3)	(2)	(5)
Other financial expenses	(1)	-
Total financial expenses	**(261)**	**(234)**
Total financial income/(expenses), net	**(249)**	**(221)**

2.4 TAXATION

EUR million	2024/25	2023/24
Current tax	(13)	-
Deferred tax	26	13
Adjustment of current tax regarding previous years	(1)	5
Adjustment of deferred tax regarding previous years	(7)	11
Total tax income/(expense) recognised in the income statement	**5**	**29**
Deferred tax income/(expense) on actuarial gain/loss on retirement benefit plans	(3)	3
Tax income/(expense) on other comprehensive income	**(3)**	**3**
Tax income/(expense) on total comprehensive income	**2**	**32**

ACCOUNTING POLICIES

Taxation

The tax expense included in the consolidated income statement consists of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date. Tax expense is recognised in the consolidated income statement except to the extent that it relates to items recognised in the consolidated statement of comprehensive income or directly in the consolidated statement of changes in equity.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax prepayments.

Tax receivables and liabilities are offset to the extent that there is legal right to set-off, and items are expected to be settled net or simultaneously.

TAX RECONCILIATION

	2024/25		2023/24	
	%	EUR million	%	EUR million
Corporation tax rate in Denmark	22%	64	22%	51
Adjustment of calculated tax in foreign Group entities relative to 22%	4%	12	3%	7
Non-deductible expenses	-1%	(2)	-5%	(12)
Non-taxable income	0%	1	3%	6
Change in valuation of net tax assets	-16%	(47)	-10%	(22)
Non-deductible interest expenses	-9%	(27)	-7%	(17)
Adjustment relating to prior year	-2%	(7)	7%	16
Other	4%	11	0%	-
Tax rate on earnings before tax	**2%**	**5**	**13%**	**29**

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3.1 INTANGIBLE ASSETS

EUR million	Goodwill	Trade names	Customer relation-ships	Software and other intangible assets	Intangible assets not yet in use	Total
2024/2025						
Cost as of 1 August 2024	831	491	524	103	33	1,982
Additions	-	-	-	2	38	40
Transfers	-	-	-	15	(15)	-
Exchange rate adjustment	8	3	5	1	(1)	16
Cost as of 31 July 2025	**839**	**494**	**529**	**121**	**55**	**2,038**
Amortisation as of 1 August 2024	-	-	(110)	(44)	-	(154)
Amortisation for the period	-	-	(38)	(20)	-	(58)
Amortisation as of 31 July 2025	**-**	**-**	**(148)**	**(64)**	**-**	**(212)**
Carrying amount as of 31 July 2025	**839**	**494**	**381**	**57**	**55**	**1,826**
2023/2024						
Cost as of 1 August 2023	825	489	509	55	39	1,917
Business acquisitions	9	3	17	6	-	35
Additions	-	-	-	2	32	34
Transfers	-	-	-	39	(39)	-
Exchange rate adjustment	(3)	(1)	(2)	1	1	(4)
Cost as of 31 July 2024	**831**	**491**	**524**	**103**	**33**	**1,982**
Amortisation as of 1 August 2023	-	-	(73)	(30)	-	(103)
Amortisation for the period	-	-	(37)	(14)	-	(51)
Amortisation as of 31 July 2024	**-**	**-**	**(110)**	**(44)**	**-**	**(154)**
Carrying amount as of 31 July 2024	**831**	**491**	**414**	**59**	**33**	**1,828**

ACCOUNTING POLICIES

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment review is disclosed in note 3.5.

Other intangible assets
An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights. Useful life is initially assessed when the assets are acquired and is estimated individually in each case.

Intangible assets, primarily trade names and customer relationships, acquired as part of a business combination are capitalised separately from goodwill.

Management has determined that trade names acquired as part of a business combination have indefinite lives as the Group continues to invest in retaining brand awareness and thereby expects to maintain the value of the trade names. The reasonableness of this determination is reassessed annually. Trade names are not amortised but are tested for impairment annually and whenever there is an indication of impairment.

Customer relationships acquired as part of a business combination are amortised over 7 - 15 years based upon historical experience, market trends and strong relationships between the Group and the customers. Amortisation is calculated using the straight-line method.

Software that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Costs include software licences, consulting costs attributable to the development, design and implementation of the software and internal costs directly attributable to the development, design and implementation of the software. Costs in respect of training and data conversion are expensed as incurred. The expected useful life of software and other intangible assets is 3-7 years.

Management reassesses expected useful life and the residual value on an on-going basis. If changing the amortisation due to a change in the useful life and/or residual value, the effect on amortisation is recognised prospectively as a change in accounting estimates.

Intangible assets not yet in use are not amortised but are tested for impairment annually.

Impairment review is disclosed in note 3.5.

3.2 PROPERTY, PLANT AND EQUIPMENT

2024/25 EUR million	Property	Plant and equipment	Assets under construction	Total
Cost as of 1 August 2024	1,253	288	66	1,607
Additions	3	19	95	117
Disposals	(61)	(6)	-	(67)
Transfers	61	36	(97)	-
Transfers to assets held for sale (Note 3.6)	(39)	(1)	-	(40)
Exchange rate adjustment	(10)	4	(2)	(8)
Cost as of 31 July 2025	**1,207**	**340**	**62**	**1,609**
Depreciation as of 1 August 2024	(99)	(108)	-	(207)
Depreciation for the period	(37)	(42)	-	(79)
Disposals	17	2	-	19
Transfers to assets held for sale (Note 3.6)	4	-	-	4
Exchange rate adjustment	1	(3)	-	(2)
Depreciation as of 31 July 2025	**(114)**	**(151)**	**-**	**(265)**
Carrying amount as of 31 July 2025	**1,093**	**189**	**62**	**1,344**

2023/24 EUR million	Property	Plant and equipment	Assets under construction	Total
Cost as of 1 August 2023	1,205	239	98	1,542
Business acquisitions	1	1	-	2
Additions	26	26	62	114
Disposals	(52)	(5)	(2)	(59)
Transfers	65	27	(92)	-
Exchange rate adjustment	8	-	-	8
Cost as of 31 July 2024	**1,253**	**288**	**66**	**1,607**
Depreciation as of 1 August 2023	(50)	(65)	-	(115)
Depreciation for the period	(49)	(42)	-	(91)
Disposals	1	-	-	1
Exchange rate adjustment	(1)	(1)	-	(2)
Depreciation as of 31 July 2024	**(99)**	**(108)**	**-**	**(207)**
Carrying amount as of 31 July 2024	**1,154**	**180**	**66**	**1,400**

ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Interest expenses on loans raised for financing the construction of property, plant and equipment and which are related to the period of construction are recognised in the income statement when incurred.

Depreciation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Office buildings	up to 50 years
Commercial buildings and office premises in connection herewith	up to 25 years
Plant and equipment	3 - 10 years

Property, plant and equipment under construction are not depreciated.

Management reassesses expected useful life and residual value on an on-going basis. If changing the depreciation due to a change in the useful life and/or residual value, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Gains and losses on disposals or retirements are recognised in the income statement as other operating expenses or income.

Impairment review is disclosed in note 3.5. The Group has entered into an agreement to acquire property for EUR 36m. The property is expected to be recognised in financial year 2027/28.

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3.3 LEASES

RIGHT-OF-USE ASSETS

2024/25 EUR million	Land and buildings	Other equipment	Total
Cost as of 1 August 2024	1,016	291	1,307
Additions	31	52	83
Disposals	(30)	(33)	(63)
Remeasurement due to revised lease terms	52	5	57
Exchange rate adjustment	1	(5)	(4)
Cost as of 31 July 2025	**1,070**	**310**	**1,380**
Depreciation as of 1 August 2024	(291)	(91)	(382)
Depreciation for the period	(130)	(63)	(193)
Disposals	23	24	47
Exchange rate adjustment	-	2	2
Depreciation as of 31 July 2025	**(398)**	**(128)**	**(526)**
Carrying amount as of 31 July 2025	**672**	**182**	**854**

2023/24 EUR million	Land and buildings	Other equipment	Total
Cost as of 1 August 2023	888	215	1,103
Business acquisitions	11	1	12
Additions	82	89	171
Disposals	(21)	(19)	(40)
Remeasurement due to revised lease terms	55	4	59
Exchange rate adjustment	1	1	2
Cost as of 31 July 2024	**1,016**	**291**	**1,307**
Depreciation as of 1 August 2023	(163)	(49)	(212)
Depreciation for the period	(134)	(59)	(193)
Disposals	6	17	23
Depreciation as of 31 July 2024	**(291)**	**(91)**	**(382)**
Carrying amount as of 31 July 2024	**725**	**200**	**925**

Right-of-use assets and related leasing liabilities derive from the Group being lessee in leasing arrangements specially related to land and buildings for the branches in the Group's business units.

In 2024/25, expenses for short-term leases and lease of low-value assets amounted to EUR 23m (2023/24: EUR 20m).

As of 31 July 2025 the Group had committed to leases which had not yet commenced. Right-of-use assets and leasing liabilities related to these leases estimated to be EUR 34m will be recognised in financial year 2025/26.

In UK, the Group has subleased right-of-use assets. The lease income from operational subleases amounts to EUR 7m (2023/24: EUR 7m).

3.3 LEASES – CONTINUED

LEASING LIABILITY

EUR million	31 July 2025	31 July 2024
Less than 1 year	205	210
Between 1 and 5 years	543	571
More than 5 years	410	447
Undiscounted leasing liability	**1,158**	**1,228**
Current	168	173
Non-current	700	761
Discounted leasing liability	**868**	**934**

EUR million	2024/25	2023/24
Repayment of lease liabilities	179	166
Interest on lease liabilities	48	44
Short term leases and lease of low-value assets	23	20
Total cash outflow for leases	**250**	**230**

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group has several lease contracts that include extension options. Judgement is applied in evaluating whether it is reasonably certain to exercise the option to renew or whether to terminate the lease.

With due consideration to the Group's location plans and strategy, all relevant factors that create an economic incentive to exercise the renewal option or to let the leases expire are considered. Unless contractually obligated, the Group never estimates lease lengths of more than 10 years as the Group cannot predict with a very high degree of certainty that it will in all cases remain in leaseholds beyond a planning horizon of 10 years. The estimated lease term is reassessed at each reporting date.

§ ACCOUNTING POLICIES

Right-of-use lease assets and lease liabilities
The Group recognises a right-of-use asset and a lease liability at the commencement date for all lease agreements that the Group has entered into as lessee. Right-of-use assets consist primarily of property and equipment.

For short-term leases and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis. This expense is presented in income statement as other external operating expenses.

The lease liability is initially measured at the present value of the future lease payments, discounted using the incremental borrowing rate for the individual lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest and by reducing the carrying amount to reflect the lease payments made. Further, lease liabilities are changed when re-measurements are needed with a corresponding adjustment to the related right-of-use asset.

Gains or losses from a lease modification, not accounted for as a separate lease, is recognised in the income statement as other operating income and expense.

The initial right-of-use assets comprise the amount of the initial measurement of the lease liability, lease payments made at or before the commencement day, initial direct costs and costs to restore the underlying asset at the end of the lease period.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset according to the straight-line method.

Property leases normally have a lease term of up to 20 years, whereas leases of plant and equipment normally have lease term of up to 10 years. Property leases may include extension options with the intention of securing flexibility in the lease. Extensions options are included in the lease term if the extension option is reasonably certain to be exercised.

Subleases
The group enters into arrangements to sublease properties, where the group acts as both the lessee and lessor of the same underlying asset. If a right-of-use asset is subleased under terms transferring substantially all remaining risks and rewards under the head lease to the lessee in the sublease, the right-of-use asset is derecognised, and a lease receivable is recognised (finance lease). Lease receivable is recognised in the balance sheet as other non-current financial assets and other financial assets (current). Income from subleases not classified as finance leases are recognised over the term of the lease.

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3.4 ACQUISITIONS OF BUSINESSES

ACQUISITIONS IN FINANCIAL YEAR 2024/25

The Group did not acquire any businesses in 2024/25.

ACQUISITIONS IN FINANCIAL YEAR 2023/24

In March 2023, STARK Group signed an agreement to acquire the family owned Schilowsky Baumarkt und Baustoffhandel KG in Austria. The acquisition increased STARK Group's presence in Austria's largest cities. The consideration amounted to EUR 27m net of cash on balance sheet. Closing took place as of 1 August 2023.

In April 2024, STARK Group acquired Odin Flissenter AS. The consideration amounted to EUR 1m net of cash on balance sheet. Closing took place as of 2 May 2024.

Following recognition of acquired identifiable assets and liabilities at their fair values, the goodwill related to the acquisitions in 2023/24 amounted to EUR 9m. The recognised goodwill represents primarily the value of the staff and expected synergies from combining the acquired entities with the existing STARK Group activities. The goodwill is not deductible for tax purposes.

The acquisitions in total contributed with EUR 108m to the Net sales for financial year 2023/24.

Transaction and acquisition costs incurred in 2023/24 amounts to EUR 1m which are recognised as part of Other external operating expenses.

The fair values of the identifiable assets and liabilities acquired as of the acquisition dates and the consideration for the acquisitions closed and taken over are as follows:

	2023/24		
EUR million	**Germany**	**Nordics**	**Total**
Customer relationships	17	-	17
Trade names	3	-	3
Other intangible assets	6	-	6
Property, plant and equipment	2	-	2
Right-of-use assets	11	1	12
Inventories	6	-	6
Receivables	13	1	14
Trade and other payables	(17)	(1)	(18)
Borrowings	(10)	-	(10)
Leasing liabilities	(11)	(1)	(12)
Provisions	(1)	-	(1)
Total	**19**	**-**	**19**
Goodwill arising	8	1	9
Consideration	**27**	**1**	**28**
The net outflow of cash in respect of the purchase of businesses is as follows			
Total consideration as cash payment	27	1	28
Cash and cash equivalents acquired	-	-	-
Net cash outflow	**27**	**1**	**28**

§ ACCOUNTING POLICIES

Business combinations

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. Deferred tax is calculated on fair value adjustments. Acquisition related costs are expensed.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, negative goodwill, the difference is recognised directly in the consolidated income statement as bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year beyond the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Changes in estimates of contingent consideration that reflect additional information received in the measurement period are adjusted retrospectively. Other changes in estimates of contingent consideration are generally recognised in the income statement.

3.5 IMPAIRMENT REVIEW

The impairment review is an assessment of whether the cash generating units ("CGUs") or aggregations of CGUs will be able to generate sufficient positive net cash flow in the future to support the carrying amount of the assets related to the CGUs.

Goodwill, Trade names and Intangible assets not yet in use are tested annually as of 31 July. The impairment test performed in 2024/25 did not result in recognition of impairment loss (2023/24: No impairment loss).

As of 31 July 2025, it has been assessed that impairment indicators exist in some countries in relation to other non-current non-financial assets (intangible assets being amortised, property, plant & equipment, non-current tangible assets under construction and right-of-use assets) due to prolonged weakness in demand and macro-economic uncertainty with high interest rates. The impairment test on these assets performed in 2024/25 did not result in the recognition of impairment loss (2023/24: No impairment loss).

Sensitivity analysis
Management has performed a sensitivity analysis for CGUs containing goodwill, trade names and intangible assets not yet in use, applying reasonably possible changes in key assumptions (pre-tax discount rate, long-term growth rate and compound annual net sales growth rate in the plan period), while keeping all other assumptions constant.

With an increase of 1 percentage point in the discount rate, a decrease of 1 percentage point in the long-term growth rate, or a decrease of 1 percentage point in the compound annual net sales growth rate the sensitivity analysis shows an impairment for the German and Austrian CGUs. For all other CGUs, the sensitivity analysis under these assumptions did not result in any impairment.

For the German and Austrian CGUs, the 5-year financial plan assumes compound annual net sales growth of approximately 5–6%. Around one third of this growth is expected to come from price and inflation, and two thirds from volume and mix. This would gradually return the businesses to near-normalised volume levels over the plan period. In relation to the key sensitivity assumptions, impairment arise if the discount rate increases by 0.7 percentage points or more, if the long-term growth rate decreases by 1 percentage point or more, or if the compound annual net sales growth rate decreases by 0.3 percentage points or more.

	Goodwill		Trade names		Intangible assets not yet in use	
EUR million	31 July 2025	31 July 2024	31 July 2025	31 July 2024	31 July 2025	31 July 2024
Germany	276	276	209	209	3	1
Austria	17	17	6	6	-	-
UK	-	-	-	-	5	1
Denmark	229	229	128	128	1	8
Sweden	181	173	84	81	1	1
Finland	94	94	66	66	1	-
Norway	42	42	1	1	-	-
Group	-	-	-	-	44	22
Total	**839**	**831**	**494**	**491**	**55**	**33**

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The measurement of the recoverable amount of assets is a complex process that requires significant Management judgements in determining various assumptions to be used in the calculation of cashflow projections, discount rates and calculating the value in use of the cash-generating unit as well as the determination of CGUs.

CGUs (judgement)
The CGU determination involves judgement and is based on the smallest identifiable CGU as determined primarily by analysing independent cash inflows.

The Group has identified it's CGUs as either geographic areas or more granular groupings under the geographic level based on the branch network. In general, the Group has identified it's CGUs as groups of branches that share cash inflow due to geographical proximity and overlapping customer base. In some cases, individual branches with no shared cash inflow are identified as CGUs.

For testing of impairment of goodwill CGUs has been aggregated to geographical areas (business units) as this represents the lowest level at which the goodwill is monitored for internal management purpose.

Discounted cashflows (estimates)
The value in use is based on discounting of expected future cashflow.

The cash flow forecasts for year one to five are derived from the most recent approved strategic plan. The strategic plan for the Group is based on management

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3.5 IMPAIRMENT REVIEW – CONTINUED

expectations and assumptions considering current market conditions, future growth expectations, capital allocation and other factors (including macro-economic trends) impacting the performance at a geographical level. The key components of the cash flow forecasts are net sales, costs of goods sold (COGS), operating expenses (OPEX), EBITDA, working capital and capital expenditures (CAPEX).

Cash flow in the terminal period has been based on an assumption of a long-term growth rate of 2.0% for all geographical areas (2023/24: 2.0%).

The cash flow is discounted using risk-adjusted, pre-tax discount rate, calculated by reference to the weighted average cost of capital (WACC).

PRE-TAX DISCOUNT RATE

	31 July 2025	31 July 2024
Germany	10.9%	10.3%
Austria	10.4%	10.2%
UK	12.9%	12.1%
Danmark	9.4%	9.3%
Sweden	9.2%	8.7%
Finland	10.1%	9.8%
Norway	10.8%	10.4%
Group	9.4%	9.3%

ACCOUNTING POLICIES

Impairment test

Assets that have an indefinite useful life, such as goodwill and trade names and Intangible asset not yet in use are not subject to amortisation but are tested for impairment annually or if there is any indication of impairment.

Intangible asset that are being amortised and non-current tangible assets (property, plant and equipment, non-current assets under construction and right-of-use assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.6 NON-CURRENT ASSETS HELD FOR SALE

As part of the ongoing branch network optimisation programme in the UK, the Group has classified 30 closed branch properties as held for sale. These assets were previously included within Property in Property, plant and equipment. The properties are being actively marketed and the disposals are expected to be completed in financial year 2025/26.

No impairment loss was recognised during the year related to these assets, as the fair value less costs to sell exceeded their carrying amount.

As of 31 July 2025, the carrying amount of assets classified as held for sale was EUR 36m (2023/24: nil). No liabilities are directly associated with these assets.

ACCOUNTING POLICIES

Significant non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use, provided the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets, and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment held for sale is not depreciated.

4.1 INVENTORIES

EUR million	31 July 2025	31 July 2024
Goods for resale	1,187	1,158
Provision for excess and obsolete goods	(79)	(106)
Total inventories	**1,108**	**1,052**

In 2024/25, inventory purchases amounting to EUR 5,724m have been expensed (2023/24: EUR 5,739m).

KEY ACCOUNTING ESTIMATES & JUDGEMENTS

Valuation of inventory

Write-down are made against slow-moving, obsolete and damaged inventories for which the net realisable value is estimated to be less than the cost.

The risk of obsolescence of slow-moving inventory is assessed by comparing the level of inventory held to future sales projected on the basis of historical experience.

ACCOUNTING POLICIES

Inventories

Inventories, which comprise goods purchased for resale, are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ("FIFO") method. The cost of goods purchased for resale includes import and custom duties, transport and handling costs, freight and packing costs and other attributable costs less supplier rebates. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4.2 TRADE RECEIVABLES

EUR million	31 July 2025	31 July 2024
Trade receivables, gross carrying amount	562	838
Provision for expected credit losses	(48)	(51)
Trade receivables	**514**	**787**
Of this, due after more than 1 year	-	-

EUR million	Gross carrying amount	Expected credit loss	Net trade receivables
31 July 2025			
Amounts not yet due	369	(4)	365
Past due not more than one month	82	(2)	80
Past due more than one month and less than two months	14	(2)	12
Past due more than two months and less than three months	7	(1)	6
Past due more than three months and less than six months	11	(4)	7
Past due more than six months	42	(35)	7
Trade receivables in a factoring portfolio	37	-	37
As of 31 July 2025	**562**	**(48)**	**514**
31 July 2024			
Amounts not yet due	633	(7)	626
Past due not more than one month	126	(4)	122
Past due more than one month and less than two months	19	(2)	17
Past due more than two months and less than three months	9	(2)	7
Past due more than three months and less than six months	12	(6)	6
Past due more than six months	39	(30)	9
As of 31 July 2024	**838**	**(51)**	**787**

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4.2 TRADE RECEIVABLES – CONTINUED

EUR million	2024/25	2023/24
Provision for expected credit loss as of 1 August	(51)	(43)
Business acquisitions	-	(2)
Net charge for the year	(11)	(23)
Utilised in the year	14	17
Provision for expected credit loss as of 31 July	**(48)**	**(51)**

Trade receivables in factoring portfolio
Trade receivables in factoring portfolio are trade receivables that are held to collect or to sell in factoring agreements.

Credit risk
The Group is not exposed to any significant risks regarding any one individual customer. The Group has chosen to sell some of its trade receivables in non-recourse factoring agreements to expedite cash collection from groups of customers. The Group does not carry any significant credit risk on these customers. Insurance cover are applied for some costumers to mitigate credit risk.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Valuation - expected credit losses
Provision is made for expected credit losses in respect of the Group's trade and other receivables, which are estimated to occur if a customer subsequently is unable to pay. In connection with the assessment of whether the Group's provisions for expected credit losses are sufficient, management analyses accounts receivable and estimates lifetime expected credit losses applying a provision matrix by reference to past default experience and analysis of the current financial position, including historical credit losses, customer credit worthiness, current economic trends and changes in customer payment terms and also takes into account the extent to which protection is provided for through credit insurance arrangements. If customers' financial conditions were to deteriorate compared to the assumed trends, it may be necessary to recognise further credit losses in future periods.

ACCOUNTING POLICIES

Trade receivables are non-interest bearing and are recognised initially at transaction price.

Trade receivables held to collect are subsequently measured at amortised cost using the effective interest rate method less provision for expected credit losses.

The Group measures the provision for expected credit losses at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Credit loss on individual receivables are provided for when objective indications of credit losses occur such as customer bankruptcy and uncertainty about the customers' ability and/or willingness to pay, etc. The estimate also takes into account the extent to which protection is provided through customer insurance arrangements.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivable is over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

Trade receivables in factoring portfolios are before being sold measured at fair value with changes recognised in other comprehensive income. The fair value is calculated based on the net invoice amount less financing fee.

Accounting policy applied for all financial instruments are disclosed in note 5.3 including accounting policies for derecognition applied for trade receivables in factoring agreements.

4.3 PROVISIONS

EUR million	Environ-mental	Restruc-turing	Dilapi-dations	Other pro-visions	Total
2024/25					
Provision as of 1 August 2024	9	16	88	20	133
Charge for the period	1	14	7	2	24
Utilised in the period	(1)	(11)	(4)	(3)	(19)
Unused amounts reversed during the period	(4)	(3)	-	(3)	(10)
Unwinding of discounting	-	-	2	-	2
Exchange rate adjustment	-	1	(2)	-	(1)
Provision as of 31 July 2025	**5**	**17**	**91**	**16**	**129**
Current					42
Non-current					87
Provision as of 31 July 2025					**129**
2023/24					
Provision as of 1 August 2023	12	13	120	24	169
Business acquisitions	-	-	-	1	1
Charge for the period	-	16	(10)	-	6
Utilised in the period	(1)	(12)	(8)	(1)	(22)
Unused amounts reversed during the period	(3)	(2)	(22)	(3)	(30)
Unwinding of discounting	-	-	5	-	5
Exchange rate adjustment	1	1	3	(1)	4
Provision as of 31 July 2024	**9**	**16**	**88**	**20**	**133**
Current					38
Non-current					95
Provision as of 31 July 2024					**133**

The Environmental provision is related to risks for claims on properties.

Provisions for restructuring mainly includes provisions for staff redundancy costs as well as expected unavoidable losses on closed branches.

Dilapidation provision covers estimated costs for restoring leaseholds to its original condition at the end of lease. The provision is primarily related to the UK.

Other provisions include warranty, legal cases and other provisions.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Provisions for dilapidation (estimate)
Provisions for dilapidations are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and when the amount can be reliably estimated. Such provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money.

ACCOUNTING POLICIES

Provisions
Provisions are recognised when, in consequence of an event that occurred before or on the balance sheet date, the Group has a legal or constructive obligation, and it is probable that economic benefits must be given up settling the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to passage of time is recognised as interest expense (Unwinding of discounting).

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5.1 SHARE CAPITAL AND DIVIDENDS

Share capital

The share capital of the parent company in the Group (STARK Group A/S) is DKK 15,000,000, divided into shares of DKK 1. The share capital is unchanged from last year. No shares are subject to special rights or restrictions on voting rights. All shares are fully paid up. The share premium is unchanged at EUR 0m.

Dividends

No dividends have been paid during the financial year to the shareholder in STARK Group A/S and no dividends are proposed to be distributed of the net earnings for 2024/25.

§ ACCOUNTING POLICIES

Dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year if any is disclosed as a separate item within equity.

Translation reserve

The translation reserve comprises the Groups share of foreign exchange differences arising on translation of financial statements of foreign subsidiaries from their functional currencies into the presentation currency.

Retained earnings

Retained earnings comprise cumulative results for the Group less cumulative dividends paid and share premium. The share premium comprise the amounts above the nominal value received for shares sold in connection with capital injections.

5.2 BORROWINGS

	31 July 2025			31 July 2024		
	Non-current	Current	Total	Non-current	Current	Total
Revolving credit facilities	-	133	133	-	55	55
Bank loans	149	29	178	147	30	177
Loans from related parties	2,321	15	2,336	2,292	15	2,307
Loans from non-controlling interests	-	18	18	-	19	19
Total borrowings as of 31 July	**2,470**	**195**	**2,665**	**2,439**	**119**	**2,558**

Maturity analysis of financial liabilities is disclosed in note 5.3.

ACCOUNTING POLICIES

Borrowings

Interest-bearing loans from related parties and credit institutions and overdrafts are initially recorded at fair value, net of attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

CHANGES IN ASSETS AND LIABILITIES FROM FINANCING ACTIVITIES

EUR million	1 August	Cash flows	Acquisitions	Other non-cash[1]	31 July
2024/25					
Revolving credit facilities	55	78	-	-	133
Bank loans	177	1	-	-	178
Loans from related parties	2,307	-	-	29	2,336
Loans from non-controlling interests	19	(1)	-	-	18
Total change in financing activities from borrowings	**2,558**	**78**	**-**	**29**	**2,665**
Leasing liabilities	934	(179)	-	113	868
Total change from financing activities	**3,492**	**(101)**	**-**	**142**	**3,533**
2023/24					
Revolving credit facilities	-	55	-	-	55
Bank loans	153	16	10	(2)	177
Loans from related parties	2,259	-	-	48	2,307
Loans from non-controlling interests	18	-	-	1	19
Total change in financing activities from borrowings	**2,430**	**71**	**10**	**47**	**2,558**
Leasing liabilities	860	(166)	12	228	934
Total change from financing activities	**3,290**	**(95)**	**22**	**275**	**3,492**

1. Other non-cash on loans from related parties mainly includes capitalization of interest of EUR 23m (2023/24: EUR 22m). Other non-cash on leasing liabilities mainly includes new leasing contracts amounting to EUR 69m (2023/24: EUR 167m) and re-measurements of EUR 60m (2023/24: EUR 86m).

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5.3 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

This note includes disclosures related to financial instruments and describes the exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group's activities expose the Group to a variety of risks related to the Group's financial assets and liabilities. The Group's financial liabilities comprise primarily borrowings, trade and other payables and lease liabilities, whereas the financial assets primarily comprise trade receivables, other receivables and cash.

Financial risks are inherent to the way the Group operates. The Group's overall risk management programme seeks to identify, assess, and mitigate these financial risks in order to reduce the effects on the Group's financial performance. Management has assessed currency risk, interest risk, credit risk and liquidity risk as the relevant financial risks.

It is the Group's policy not to speculate actively on financial risks. The Group's financial management is thus aimed solely at controlling the financial risks, which are a direct result of the Group's operations and financing.

There are no changes in the Group's financial risk management compared to the previous year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It is the Group's policy to actively monitor the impact of exchange rate changes on the results and the Group's financial position.

The Group's currency risk is primarily related to the net exposure on SEK, NOK and GBP.

The Group's currency risk on operations is low since costs of operations (wages, purchases of inventories etc.) are largely incurred in the same currency as net sales are generated. Currency risks are primarily related to international purchases and to a limited extent, sale of goods in foreign currencies. The Group's income and expenses in foreign currencies does therefore to a high degree net out and create a natural hedge of the Group's profitability margin.

The Group is also exposed to currency risk due to fluctuations in exchange rates on intercompany loans and loans to the sole shareholder of the parent company when the lending and borrowing entities have different functional currencies. These fluctuations result in foreign exchange gains or losses, which are recognised in the income statement and not eliminated on consolidation. This risk is not hedged with financial contracts.

The Group is subject to translation risk when results of subsidiaries are translated into EUR. Translation risk is not hedged with financial contracts.

Interest risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The objective of actively managing the Group's interest rate exposure is to maintain the interest rate risk at a known and acceptable level and to minimise the Group's borrowing costs.

The majority of the Groups long-term financing is with floating interest. The Group's exposure to changes in interest rates primarily relates to these borrowings.

All other things being equal, a decrease in interest rates of 1% p.a. relative to the actual level of interest rates would have a positive effect on the income statement of EUR 19m (2023/24: EUR 20 million) and on year-end equity of EUR 19m (31 July 2024: EUR 20m).

THE CARRYING AMOUNT OF FINANCIAL ASSETS BY CATEGORY

EUR million	31 July 2025	31 July 2024
Other non-current financial assets	7	17
Trade receivables	477	787
Other receivables	202	211
Cash and cash equivalents	281	242
Financial assets at amortised cost	**967**	**1,257**
Trade receivables in a factoring portfolio	37	-
Trade receivables at fair value through other comprehensive income	**37**	**-**
Total financial assets	**1,004**	**1,257**

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's credit risks are mainly related to trade receivables, other receivables and cash. The maximum credit risk related to financial assets corresponds to the values recognised in the statement of financial position.

Credit risk on cash is considered low due to the high credit rating on financial institutions used by the Group. Credit risk on trade receivables is described in note 4.2.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's liquidity risk is primarily related to settlement of loans, leasing liabilities and payment of suppliers.

The Group applies cash pool arrangements for optimisation and centralisation of cash management. STARK Group A/S is the administration entity of the cash pool.

The Group has a Senior Revolving Credit facility (RCF) amounting to EUR 371m. The facility is committed and matures on 4 November 2027.

The utilisation of credit facilities consists of drawdowns on the senior revolving credit facilities along with overdraft facilities carved out from the senior revolving credit facilities. A total of EUR 135m has been carved out from the Senior Revolving Credit as an overdraft facility.

The utilisation of the senior revolving credit facilities amounted to EUR 133m as of 31 July 2025 (31 July 2024: EUR 25m). The carved out overdraft facility was not utilised as of 31 July 2025 (31 July 2024: utilised by EUR 30m).

Cash and cash equivalents includes EUR 7m of restricted cash held as collateral for guarantees in the UK.

5.3 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS – CONTINUED

MATURITY AND CONTRACTUAL CASHFLOWS ON FINANCIAL LIABILITIES

	Undiscounted cash flow incl. interests				
EUR million	<1 year	2-5 years	>5 years	Total	Carrying amount
31 July 2025					
Payables to related parties	31	-	-	31	31
Trade and other payables	1,788	-	-	1,788	1,788
- of which tax and social security and payroll accruals	(46)	-	-	(46)	(46)
Net trade and other payables	**1,773**	**-**	**-**	**1,773**	**1,773**
Loans from related parties	148	1,998	686	2,832	2,336
Borrowings	187	58	161	406	329
Leasing liabilities	205	543	410	1,158	868
Financial liabilities at amortised costs	**2,313**	**2,599**	**1,257**	**6,169**	**5,306**
31 July 2024					
Payables to related parties	31	-	-	31	31
Trade and other payables	1,833	-	-	1,833	1,833
- of which tax and social security and payroll accruals	(40)	-	-	(40)	(40)
Net trade and other payables	**1,824**	**-**	**-**	**1,824**	**1,824**
Loans from related parties	145	2,138	669	2,952	2,307
Borrowings	110	49	176	335	251
Leasing liabilities	210	571	447	1,228	934
Financial liabilities at amortised costs	**2,289**	**2,758**	**1,292**	**6,339**	**5,316**

The future interest for borrowings and payables to related parties have been estimated using the current interest rates.

The principal on loans to related parties are partly due in May 2028 amounting to EUR 1,792m and in May 2031 amounting to EUR 535m including capitalised interests. See note 6.7 for additional information on loans to related parties.

Fair value is considered to be equal to or approximate the carrying amounts of the various loans and payables.

§ ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset, a financial liability or equity instrument.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group's financial instruments comprise trade and other receivables (including amounts owed by related parties), derivative financial instruments, cash and cash equivalents, trade and other payables (including amounts owed to related parties) and borrowings.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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6.1 DEFERRED TAX ASSETS AND LIABILITIES

EUR million	2024/25	2023/24
Deferred tax asset/(tax liability) net balance as of 1 August	(295)	(322)
Recognised in the income statement regarding current year	26	13
Recognised in other comprehensive income	(3)	3
Adjustment of deferred tax regarding previous years	(7)	11
Exchange rate adjustment	(3)	-
Deferred tax asset/(tax liability) net balance as of 31 July	**(282)**	**(295)**

EUR million	2024/25	2023/24
Unrecognised deferred tax assets as of 1 August	30	8
Additions	53	22
Utilised	(6)	-
Unrecognised deferred tax assets as of 31 July	**77**	**30**

	31 July 2025			31 July 2024		
EUR million	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Intangible assets	8	(216)	(208)	16	(229)	(213)
Property, plant and equipment	3	(144)	(141)	3	(179)	(176)
Defined benefit pension plans	6	(10)	(4)	9	(10)	(1)
Inventories	5	-	5	4	-	4
Tax loss carryforwards etc.	65	-	65	79	-	79
Other assets and liabilities	156	(155)	1	85	(73)	12
Total deferred tax assets/(tax liabilities)	**243**	**(525)**	**(282)**	**196**	**(491)**	**(295)**
Offset within legal tax entities and jurisdictions	(239)	239	-	(196)	196	-
Total net deferred tax assets/(tax liabilities)	**4**	**(286)**	**(282)**	**-**	**(295)**	**(295)**

Unrecognised carried forward tax loss

The Group has an unrecognised deferred tax asset of EUR 77m (2023/24: EUR 30m) relating to tax loss carry forwards where the timing of possible future utilisation is not certain. The related tax losses can be carried forward indefinitely.

Pillar two

We have assessed our potential exposure to BEPS Pillar II and performed the Transitional Safe Harbour calculations in accordance with the applicable guidelines. Based on this assessment, all jurisdictions qualify for safe harbour relief, and therefore no top-up tax is due.

ACCOUNTING POLICIES

Deferred tax

Deferred tax is provided for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to the consolidated statement of changes in equity or the consolidated statement of comprehensive income, in which case the deferred tax is recognised in equity, or other comprehensive income, respectively.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

6.2 DEFINED BENEFIT PLANS

The Group operates defined benefit plans with employees of the Groups subsidiaries in Germany and Sweden. During the financial year the defined benefit plan in Sweden was amended and no future pensioners will be included in the plan.

Of the total net benefit liability as of 31 July 2025, EUR 58m (31 July 2024: EUR 65m) is related to wholly unfunded plans and EUR 64m (2024: EUR 67m) is related to wholly or partly funded plans.

Plan assets are related to defined benefit plans in Germany, and consist of properties EUR 42m and cash EUR 2m (non-listed assets). The properties are occupied by the Group.

Sensitivity analysis

The sensitivities related to significant actuarial assumptions used in the calculation of the defined benefit obligation in terms of estimated increase/(decrease) in the obligation are illustrated in the sensitivity analysis.

The analysis is based on changes in assumptions, with all other variables held constant.

EUR million	2024/25	2023/24
Current service costs	(3)	(3)
Past service cost and gain from plan amendments	2	-
Recognised in staff costs	**(1)**	**(3)**
Calculated interest on pensions liabilities	(4)	(5)
Calculated interest on plan assets	1	1
Credited/(charged) to financial items	**(3)**	**(4)**
Total recognised in the income statement	**(4)**	**(7)**
Actuarial gain/(loss)	12	(13)
Taxation	(3)	3
Total recognised in other comprehensive income	**9**	**(10)**
Total recognised in total comprehensive income	**5**	**(17)**

EUR million	2024/25	2023/24
Fair value of plan assets as of 1 August	45	43
Calculated interest	1	1
Return on plan assets excluding calculated interest	-	3
Disbursed benefits	(2)	(2)
Fair value of plan assets as of 31 July	**44**	**45**
Present value of defined benefit liability as of 1 August	(132)	(114)
Interest on pension liabilities	(4)	(5)
Current service cost, past service costs and gain from plan amendment	(1)	(3)
Disbursed benefits from the Group	3	4
Disbursed benefits from plan assets	2	2
Actuarial gain/(loss) - demographic assumptions	-	(1)
Actuarial gain/(loss) - financial assumptions	12	(16)
Exchange rate adjustment	(2)	-
Present value of defined benefit liability as of 31 July	**(122)**	**(132)**
Net benefit asset/(liability) as of 31 July	**(78)**	**(97)**

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6.2 DEFINED BENEFIT PLANS – CONTINUED

The actuarial calculations are based on the following assumptions:

	Sweden		Germany	
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
Discount rate	3.7%	3.0%	3.6%	3.5%
Rate of inflation	1.7%	1.7%	2.0%	2.3%
Increases to pensions in payment	-	2.7%	2.0%	2.3%
Increase in salary	-	2.7%	3.0%	3.0%
Current pensioners	835	809	1,009	1,062
Future pensioners	-	525	744	743
Average duration (years)	16	17	11	10

Estimated increase/(decrease) in the defined benefit plan based on changes in key assumptions:

	31 July 2025		31 July 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25%-point movement)	-4%	4%	-4%	4%
Inflation rate (0.25%-point movement)	3%	-3%	3%	-3%
Life expectancy (1 year movement)	4%	-4%	4%	-4%

ACCOUNTING POLICIES

Defined benefit plans

For defined benefit plans, obligations are measured at discounted present value (using the projected unit credit method). The operating and financing costs of such plans are recognised separately in the income statement; service costs are spread systematically over the expected service lives of employees and financing costs are recognised in the periods in which they arise. Payments to defined contribution schemes are recognised as an expense as they fall due.

Plan assets are measured at fair value.

Actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

6.3 CASH FLOW STATEMENT, ADJUSTMENTS AND REVERSALS FOR NON-CASH ITEMS

EUR million	2024/25	2023/24
Financial income and expenses	249	221
Depreciation and amortisation	330	335
Gain from sale of property, plant and equipment	(10)	(35)
Income tax	(5)	(29)
Other	(1)	8
Adjustments and reversals for non-cash items	**563**	**500**

6.4 CASH FLOW STATEMENT, CHANGES IN WORKING CAPITAL

EUR million	2024/25	2023/24
(Increase) / decrease in inventories	(62)	46
(Increase) / decrease in trade and other receivables	287	67
Increase / (decrease) in trade and other payables	(47)	(51)
Changes in working capital	**178**	**62**

6.5 CONTINGENT LIABILITIES

As part of the Group's ordinary operations, the Group is involved in various legal proceedings and disputes. The outcome of these legal cases is not expected to have a material significance for the Group's financial position.

ACCOUNTING POLICIES

Contingent liabilities

A contingent liability is disclosed when the Group identifies a possible obligation that arises from past events and where the existence will be confirmed only by one or more uncertain future events outside the Group's control. It is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

Contingent liabilities are disclosed based on the best estimate of the expenditure required to settle the potential obligation at the end of the reporting period.

6.6 SECURITIES

The shareholdings in the major group companies have been pledged as security for the external financing obtained by the single shareholder Winterfell Financing S.à r.l. and the same major group companies are jointly and several liable for the Term loans amounting to EUR 1,795m and the Senior Revolving Credit facilities agreement with lenders up to EUR 371m.

As of 31 July 2025, the Group had pledged properties with a book value of EUR 270m as security for the secured bank loans. In addition, EUR 57m is pledged related to pension liabilities.

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6.7 RELATED PARTIES

Related parties are considered to be the parent company STARK Group A/S and its subsidiaries. Group companies are disclosed in note 6.10.

Other related parties with significant influence over STARK Group A/S comprise Winterfell Financing S.à r.l., Winterfell S.à r.l., Winterfell Investments S.à r.l., Winterfell Holdings S.à r.l., Winterfell ManCo I S.A., Winterfell ManCo II S.A., Winterfell Topco S.à r.l. and the Company's Board of Managers. Furthermore, transactions with the respective companies' Boards of Directors, Supervisory Boards and senior employees and their immediate family members are included. Related parties also include companies where the mentioned persons have significant interests.

Controlling interest
The ultimate shareholders of the company are limited partnerships with CVC Capital Partners VII Limited acting as General Partner.

Loans from related parties
The Group has most of its financing from related parties with the single shareholder Winterfell Financing S.à r.l.

The financing consists of several loans, which to a certain extent mirrors the conditions and maturities of the external financing managed in the shareholder company. The borrowers are STARK Group A/S (EUR 1,078m), Winterfell Sweden AB (EUR 450m) and Winterfell Germany GmbH and subsidiary (EUR 799m including capitalised interests). In general, the financing consists of longer-term financing with varying interest. In 2024/25 the weighted average interest rate including amortisation of financing fees on the financing with related parties was 7.2% (2023/24: 6.6%). Interest is paid on a portion of the debt and accrues on the rest. Interest expensed including amortisation of financing fees in the financial period amounted to EUR 166m (2023/24: EUR 147m).

Compensation to key management personnel
The members of the Executive Management as well as other employees are entitled to a cash bonus based on fulfilment of pre-defined financial and non-financial targets. The Group has not established share-based incentive programs.

COMPENSATION FOR THE EXECUTIVE MANAGEMENT:

EUR million	2024/25	2023/24
Salaries and wages	3.7	3.2
Pensions - contribution plans	0.3	0.3
Other expenses for social security	-	-
Total compensation for the Executive Management	**4.0**	**3.5**

6.8 FEE TO STATUTORY AUDITORS

EUR million	Deloitte	Other audit firms	2024/25 Total	Deloitte	Other audit firms	2023/24 Total
Statutory audit	3.4	0.9	4.3	3.0	0.9	3.9
Assurance engagements	-	-	-	-	-	-
Tax advisory	-	1.1	1.1	-	1.0	1.0
Other services	0.1	-	0.1	0.3	-	0.3
Total fee to statutory auditors	**3.5**	**2.0**	**5.5**	**3.3**	**1.9**	**5.2**

6.9 SUBSEQUENT EVENTS

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the Consolidated Financial Statements.

6.10 LIST OF GROUP COMPANIES

Name	Place of incorporation	Voting and ownership share
Parent:		
STARK Group A/S	Denmark	
Investments:		
Nordics		
STARK Danmark A/S	Denmark	100%
STARK Sourcing A/S	Denmark	100%
Electro Energy A/S	Denmark	100%
C.F. Richs Vej 115 ApS	Denmark	100%
Fragtvej 7-9 ApS	Denmark	100%
Jarlsberggade 10 ApS	Denmark	100%
Anpartsselskabet af 4.1.2024[1]	Denmark	25%
K/S af 4.1.2024 II[1]	Denmark	25%
STARK Kalaallit Nunaat A/S	Greenland	100%
Neumann Bygg AS	Norway	100%
FagFlis Group Holding AS	Norway	100%
Flis Fram AS	Norway	100%
L-Flis & Interiør AS	Norway	100%
STARK Norway Propco AS	Norway	100%
Margrethe Jørgensen Vei 6 AS	Norway	100%
STARK Suomi Oy Espoo	Finland	100%
Winterfell Sweden AB	Sweden	100%
DT Holding (Sweden) AB	Sweden	100%
Beijer Byggmaterial AB	Sweden	100%
Centro Kakel & Klinker AB	Sweden	100%
Vivaldi AB	Sweden	51%
Lund Sandby 6:45 AB	Sweden	100%
Sierra-Stark HoldCo AB	Sweden	100%

Name	Place of incorporation	Voting and ownership share
Germany & Austria		
Winterfell Germany GmbH	Germany	100%
STARK Group Holding Germany GmbH	Germany	100%
STARK Deutschland GmbH	Germany	100%
Melle Gallhöfer Dach GmbH	Germany	100%
Muffenrohr Tiefbauhandel GmbH	Germany	100%
Platten-Peter Fliesenzentrum GmbH	Germany	100%
Saxonia Baustoffe GmbH	Germany	87.50%
Sporkenbach GbR	Germany	80.95%
Balzer Group: [2]		
Balzer Verwaltungsgesellschaft mbH	Germany	67.40%
Chr. Balzer GmbH & Co. KG	Germany	67.34%
STARK Group Holding Austria GmbH	Austria	100%
Dach und Wand handels GmbH	Austria	100%
Schilowsky Baustoffhandel GmbH	Austria	100%
United Kingdom		
STARK Group Holding UK 1 Ltd.	United Kingdom	100%
STARK Group Holding UK 2 Ltd.	United Kingdom	100%
STARK Building Materials UK Limited	United Kingdom	100%
STARK UK Property Holdings Limited	United Kingdom	100%
Jewson Limited	United Kingdom	100%
Norman Limited	Jersey	100%

1. The company has been recognised as a joint venture and are hereby not fully consolidated.
2. The companies in the Balzer Group are owned through both vertical and horizontal ownerships and in total, the Group owns approximately 50% and as such is deemed to have controlling influence. In this overview only the two top entities of the Balzer Group are included. The Balzer Group in total comprises 8 entities. Measured on net sales, the Balzer group represents about 5% of the total German business.

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INCOME STATEMENT

EUR million	Note	2024/25	2023/24
Net sales	2.1	27	20
Gross Profit		**27**	**20**
Staff costs	2.2	(14)	(13)
Other external operating expenses		(6)	(5)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**7**	**2**
Amortisation of goodwill	3.1	(1)	(1)
Earnings before interest and tax (EBIT)		**6**	**1**
Income from investments in subsidiaries		91	13
Financial income	2.3	63	81
Financial expenses	2.3	(112)	(116)
Earnings before tax		**48**	**(21)**
Income tax	2.4	2	3
Net earnings	**4.1**	**50**	**(18)**

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STATEMENT OF FINANCIAL POSITION

ASSETS

EUR million	Note	31 July 2025	31 July 2024
Non-current assets			
Goodwill	3.1	1	2
Total intangible non-current assets		**1**	**2**
Tangible non-current assets			
Leasehold improvements	3.2	2	2
Total tangible non-current assets		**2**	**2**
Investments in subsidiaries	3.3	2,196	2,150
Deferred tax asset		3	3
Receivables from related parties		725	725
Total financial non-current assets		**2,924**	**2,878**
Total non-current assets		**2,927**	**2,882**
Current assets			
Receivables from related parties		126	89
Corporate tax receivables		3	4
Other receivables		8	5
Cash and cash equivalents		173	148
Total current assets		**310**	**246**
TOTAL ASSETS		**3,237**	**3,128**

EQUITY AND LIABILITIES

EUR million	Note	31 July 2025	31 July 2024
Equity			
Share capital	4.1	2	2
Share premium	4.1	-	-
Retained earnings		943	893
Total equity		**945**	**895**
Non-current liabilities			
Payables to related parties	4.2	1,082	1,080
Total non-current liabilities		**1,082**	**1,080**
Current liabilities			
Payables to related parties	4.2	1,071	1,083
Borrowings		133	55
Trade payables		1	1
Other liabilities		5	4
Total current liabilities		**1,210**	**1,153**
Total liabilities		**2,292**	**2,233**
TOTAL EQUITY AND LIABILITIES		**3,237**	**3,128**

STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium	Retained earnings	Total equity
Equity as of 1 August 2024	**2**	**-**	**893**	**895**
Changes in equity for 2024/25:				
Net earnings	-	-	50	50
Equity as of 31 July 2025	**2**	**-**	**943**	**945**
Equity as of 1 August 2023	**2**	**-**	**911**	**913**
Changes in equity for 2023/24:				
Net earnings	-	-	(18)	(18)
Equity as of 31 July 2024	**2**	**-**	**893**	**895**

1.1 BASIS OF REPORTING

Basis of reporting

The Financial Statements of STARK Group A/S have been prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class C - large companies.

The Financial Statements are presented in million Euros, which is the presentation currency of the Company.

In compliance with section 86(4) of the Danish Financial Statements Act, the Company has not presented cash flow statement on a stand-alone basis. Reference is made to the consolidated cash flow statement of the Group.

The accounting principles are unchanged compared to last year.

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1.2 PARENT COMPANY ACCOUNTING POLICIES

Recognition and measurement
The Financial Statements have been prepared under the historical cost method.

Income in the form of dividends are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement consider predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Foreign currencies
Transactions in foreign currencies are translated to the functional currency using the exchange rates at transaction date. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency at the rate prevailing on the balance sheet date. All differences are recognised in the income statement.

Net sales
Service fee from subsidiaries is recognised over the service period.

Other external operating expenses
Other external expenses comprise operating expenses such as administration and professional services expenses.

Financial income and expenses
Financial income and expenses comprise interest realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on result for the year
The Company is subject to the Danish rules for compulsory joint taxation with the Group's Danish Subsidiaries. Danish subsidiaries are included in joint taxation from the time they are acquired or incorporated by a Danish Group company until the date that control is no longer effective. The Company is administration company of the Danish joint taxation group and, consequently, settles all payments of corporation tax with the tax authorities.

The current Danish corporation tax is allocated by settling joint taxation contributions between the jointly taxed companies in proportion to their taxable income. In connection with this, companies with tax losses receive joint taxation contributions from companies that have been able to utilise this loss to reduce their own tax profit/loss.

The tax for the year, consisting of current corporate income tax, the year's joint tax contribution and change in deferred taxes - including as a result of a change in tax rate - are recognised in the income statement with the part attributable to the profit for the year and directly to equity with the part that can is attributable to entries directly in equity. The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition.

The cost of goodwill is amortised in the income statement over the useful live which is estimated to 6 years.

Investments in subsidiaries
Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write down is made to this lower value. Write down of investments is presented in the income statement as income from investments in subsidiaries.

Prepayments
Prepayments comprise costs incurred relating to subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

Borrowings
Interest-bearing loans from group enterprises are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Current tax receivables and payables
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Surcharges or refunds under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Equity
Proposed dividend for the financial year is presented as a separate item in equity.

Liabilities
Liabilities have been measured at amortised cost, which corresponds to nominal value.

2.1 NET SALES

EUR million	2024/25	2023/24
Service fees from subsidiaries	27	20
Total net sales	**27**	**20**

2.2 STAFF COSTS

EUR million	2024/25	2023/24
Salaries and wages	13	12
Pensions - contribution plans	1	1
Total staff costs	**14**	**13**
Average number of fulltime employees	59	56

2.3 FINANCIAL ITEMS

EUR million	2024/25	2023/24
Interests received from related parties	60	81
Foreign exchange rate gains	3	-
Total financial income	**63**	**81**
Interests on loans from related parties	97	91
Foreign exchange losses	-	4
Other interest expenses	15	21
Total financial expenses	**112**	**116**

2.4 TAXATION

EUR million	2024/25	2023/24
Current tax	2	2
Deferred tax recognised in income statement	-	1
Total income tax	**2**	**3**

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3.1 GOODWILL

EUR million	2024/25	2023/24
Cost as of 1 August	5	5
Cost as of 31 July	**5**	**5**
Amortisation as of 1 August	(3)	(2)
Amortisation charge for the period	(1)	(1)
Amortisation as of 31 July	**(4)**	**(3)**
Carrying amount as of 31 July	**1**	**2**

3.2 LEASEHOLD IMPROVEMENTS

EUR million	2024/25	2023/24
Cost as of 1 August	2	-
Additions	-	2
Cost as of 31 July	**2**	**2**
Depreciation as of 1 August	-	-
Depreciation for the period	-	-
Depreciation as of 31 July	**-**	**-**
Carrying amount as of 31 July	**2**	**2**

3.3 INVESTMENTS IN SUBSIDIARIES

EUR million	2024/25	2023/24
Cost as of 1 August	3,056	2,650
Additions[1][2]	145	406
Disposals[1]	(111)	-
Cost as of 31 July	**3,090**	**3,056**
Impairment losses as of 1 August	(906)	(906)
Impairment for the period[3]	12	-
Impairment losses as of 31 July	**(894)**	**(906)**
Carrying amount as of 31 July	**2,196**	**2,150**

1) During the financial year, the Company completed the liquidation and disposal of one of its subsidiaries, LSF10 Wolverine BidCo ApS. The transaction resulted in the derecognition of net assets amounting to EUR 111m, which reflects the carrying value of the entity at the time of disposal. The net impact in income statement was a gain of EUR 3m, which has been recognised as Income from investments in subsidiaries.
2) The proceeds from the liquidation were subsequently reinvested into STARK Sourcing A/S resulting in an addition of EUR 113m. Furthermore, additions to investments in subsidiaries in 2024/25 of EUR 32m relates to capital contributions to subsidiaries as part of normal ongoing management of capital structures across the group.
3) In 2024/25 an impairment reversal of EUR 12m related to the investment in STARK Suomi Oy was recognised.

INVESTMENTS IN SUBSIDIARIES AS OF 31 JULY 2025 ARE SPECIFIED AS FOLLOWS:

Company	Registered office	Voting and ownership share
Winterfell Sweden AB	Sweden	100%
Winterfell Germany GmbH	Germany	100%
STARK Sourcing A/S	Denmark	100%
STARK Danmark A/S	Denmark	100%
STARK Suomi Oy	Finland	100%
Neumann Bygg AS	Norway	100%
STARK Group Holding Austria GmbH	Austria	100%
STARK Building Materials UK Limited	United Kingdom	100%
STARK Group Holding UK 1 Limited	United Kingdom	100%

4.1 SHARE CAPITAL AND DIVIDENDS

PROPOSED DISTRIBUTION OF PROFIT

EUR million	2024/25	2023/24
Dividend	-	-
Retained earnings	50	(18)
Total	**50**	**(18)**

Information on share capital is dislosed in the consolidated financial statements note 5.1.

4.2 PAYABLES TO RELATED PARTIES

MATURITY ANALYSIS OF PAYABLES TO RELATED PARTIES

EUR million	2024/25	2023/24
Within 1 year	1,071	1,093
Between 1 and 5 years	1,082	1,080
After 5 years	-	-
Carrying amount as of 31 July	**2,153**	**2,173**

5.1 CONTINGENT LIABILITIES

STARK Group A/S has provided guarantees for the obligations of its subsidiaries as part of normal business operations. These guarantees primarily cover the financial obligations of certain subsidiaries mainly related to lease contracts. were as STARK Group A/S has guaranteed the repayment of certain lease obligations undertaken by its subsidiaries. As of 31 July 2025, the total value of the guarantees provided by the Parent Company amounts to EUR 202m. STARK Group A/S have recharged a risk premium of the guarantees to it's subsidiaries of EUR 4m. This have been recognised in net sales.

These guarantees are not expected to be called upon, as all subsidiaries currently maintain a strong financial position and are fully capable of meeting their contractual obligations. However, STARK Group A/S regularly monitors the financial performance and risk exposure of its subsidiaries to mitigate any potential future liabilities. STARK Group A/S has operating lease commitments amounting to EUR 3m as of 31 July 2025.

Stark Group A/S is the management company in a mandatory joint taxation with all its Danish subsidiaries. Stark Group A/S is jointly and severally liable together with the other companies in the joint taxation scheme for Danish corporate taxes and withholding taxes on dividends, interest and royalties.

5.2 SECURITIES

The shares in the major subsidiaries with a carrying amount of EUR 2,196m have been pledged as security for external financing obtained by the single shareholder Winterfell Financing S.à r.l. and the same major subsidiaries are jointly and several liable for Term loans amounting to EUR 1,795m and Senior Revolving Credit facilities agreement with lenders up to EUR 371m. The utilisation of credit facilities consist of drawdowns on the senior revolving credit facilities (EUR 133m as of 31 July 2025).

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5.3 RELATED PARTIES

On 4 May 2021 STARK Group A/S utilised a EUR 628m shareholder loan provided by the parent company, Winterfell Financing S.à r.l. The Loan is a subordinated loan. The loan will mature on 4 May 2028. Interest on the loan is set to reflect an arm's length transaction. Interest expensed in the financial year amounts to EUR 43m (2023/24: EUR 31m).

On 31 March 2023 STARK Group A/S utilised a EUR 450m shareholder loan provided by the parent company, Winterfell Financing S.à r.l. The Loan is a subordinated loan. The loan will mature on 3 May 2028. Interest on the loan is set to reflect an arm's length transaction. Interest expensed in the financial year amounts to EUR 38m (2023/24: EUR 43m).

Controlling interest

Winterfell Financing S.à r.l., 29, Avenue de la Porte Neuve, Luxembourg owns 100% of the share capital of the Company. The ultimate shareholders of the company are limited partnerships with CVC Capital Partners VII Limited acting as General Partner.

The Group's related parties with significant influence comprise Winterfell Financing S.à r.l., Winterfell S.à r.l. and the Company's Board of Managers. Furthermore, transactions with the respective companies' Boards of Directors, Supervisory Boards and senior employees and their immediate family members are included. Related parties also include companies where the mentioned persons have significant interests.

There have been no transactions with the Board of Directors, Executive Management, significant shareholders, group enterprises or other related parties, except for intercompany transactions and regular salaries and bonus to the Executive Management. All transactions are made on an arm's length basis and, according to the Danish Financial Statements Act §98c, 7, they are not disclosed.

The Company and its subsidiaries are included in the consolidated financial statements of Winterfell Topco S.à r.l. which can be obtained at the following address:

Winterfell Topco S.à r.l.
29, Avenue de la Porte Neuve
L-2227 Luxembourg
R.C.S. Luxembourg: B 250.784

Compensation to Board of Directors and Executive Management

The members of the Executive Management as well as other employees are entitled to a cash bonus based on fulfilment of pre-defined financial and non-financial targets. The Company has not established share-based incentive programs.

Compensation paid to the Board of Directors in STARK Group A/S amounts to EUR 0.2m (2023/24: EUR 0.1m).

COMPENSATION FOR THE EXECUTIVE MANAGEMENT

EUR million	2024/25	2023/24
Salaries and wages	3.7	3.2
Pensions - contribution plans	0.3	0.3
Other expenses for social security	-	-
Total compensation for the Executive Management	**4.0**	**3.5**

5.4 SUBSEQUENT EVENTS

No events have occurred after the balance sheet date that materially affect the Company's financial statements.

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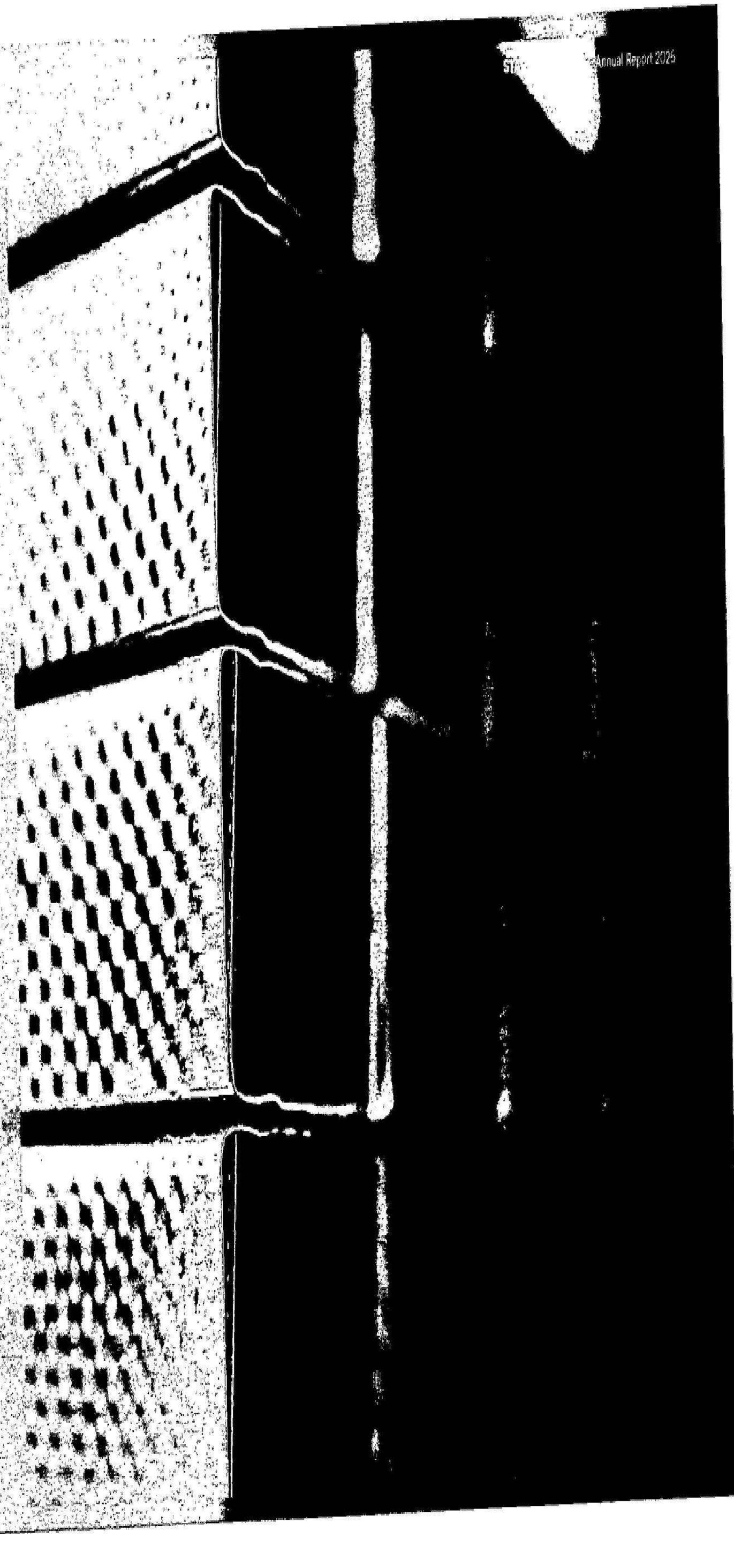

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MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of STARK Group A/S for the financial year 1 August 2024 to 31 July 2025.

The Consolidated Financial Statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and the Financial Statements of the Parent company have been prepared in accordance with the Danish Financial Statements Act. The Consolidated Financial Statements and the Financial Statements of the Parent company have furthermore been prepared in accordance with additional Danish disclosure requirements. Management report has been prepared in accordance with Danish disclosure requirements.

In our opinion, the Consolidated Financial Statements and the Financial Statements of the Parent company give a true and fair view of the financial position as of 31 July 2025 of the Group and the Parent company and of the results of the Group and the Parent company operations and of the Group's cash flow for the financial year 1 August 2024 - 31 July 2025.

In our opinion, Management report includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent company, and the results for the year and of the financial position of the Group and the Parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent company.

Furthermore, in our opinion, the Sustainability Review included in the Management Report has been prepared in accordance with the Greenhouse Gas (GHG) Protocol, the ESG-related basis of preparation, and the accounting policies. It provides a reasonable and fair presentation of the Group's environmental, social, and governance (ESG) activities and performance.

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

Frederiksberg, 6 November 2025

Board of Directors

Jens Bjørn Andersen (Chair)	Søren Vastergaard-Poulsen (Vice-chair)	Christoffer Helsengreen Sjøqvist	Philip Bendorff Røpcke	Søren P. Olesen	Thomas Ahle

Executive Management

Søren P. Olesen	Thomas Ahle
Group CEO	Group CFO

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF STARK GROUP A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of STARK Group A/S for the financial year 1 August 2024 - 31 July 2025, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including material accounting policy information, for the Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 July 2025, and of the results of its operations and cash flows for the financial year 1 August 2024 - 31 July 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 July 2025, and of the results of its operations for the financial year 1 August 2024 - 31 July 2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Statement on Management report

Management is responsible for the Management report.

Our opinion on the consolidated financial statements and the parent financial statements does not cover Management report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read Management report and, in doing so, consider whether Management report is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management report provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that Management report is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the Management report.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we

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INDEPENDENT AUDITOR'S REPORT – CONTINUED

exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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'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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 6 November 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Siggaard Hansen
State Authorised Public Accountant
Identification No (MNE) mne32208

Kåre Kansonen Valtersdorf
State Authorised Public Accountant
Identification No (MNE) mne34490

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON GROSS SCOPE 1, 2 AND 3 CO_2e EMISSIONS

TO THE STAKEHOLDERS OF STARK GROUP A/S

STARK Group A/S engaged us to provide limited assurance on selected consolidated environmental data for the period 1 August 2024 - 31 July 2025, 'Gross Scope 1 emissions, Gross Scope 2 emissions (location-based), Gross Scope 2 emissions (market-based) and Gross Scope 3 emissions. (hereinafter, 'GHG performance statement'), presented on page 76 in the Annual Report 2025 of STARK Group A/S.

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 Annual report, and accordingly, we do not express an opinion on this information.

Management's responsibility

Management of Stark Group A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the selected environmental data in the GHG performance statement, ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting principles for the preparation of the GHG performance statement, for the overall content of the GHG performance statement, and for measuring and reporting the selected environmental data in accordance with the Basis of Preparation and the Accounting Principles, included on pages 62 and 78-79 in the Annual Report.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the GHG performance statement is free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the Basis of preparation and Accounting Principles;
- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the stakeholders of Stark Group A/S.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the requirements for 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, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement in the selected environmental metrics. To do so, we have:

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the selected environmental data;
- performed limited substantive testing on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- performed analysis of data, selected based on risk and materiality;
- made inquiries regarding significant developments in the reported data;
- considered the presentation and disclosure of the GHG performance statement;
- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015); and
- evaluated the evidence obtained.

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON GROSS SCOPE 1, 2 AND 3 CO_2e EMISSIONS – CONTINUED

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected consolidated environmental data for the period 1 August 2024 – 31 July 2025, as presented on page 76 in the Annual report (the 'GHG performance statement'), have not been prepared, in all material respects, in accordance with the Basis of Preparation and Accounting Policies on pages 62 and 78-79.

Copenhagen, 6 November 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kåre Kansonen Valtersdorf
State Authorised Public Accountant
MNE no 34490

Mads Stærdahl Rosenfeldt
ESG Partner

Management review
Sustainability review
Financial statements
Consolidated financial statements
Parent company financial statements
Reports

COMPANY INFORMATION

Company	STARK Group A/S C.F. Richs Vej 115 2000 Frederiksberg Denmark
	CVR No. 41 95 27 25
	Financial year: 1 August - 31 July
	Incorporated: 16 December 2020
	Current financial period: 1 August 2024 - 31 July 2025
	5th financial year
Executive Management	Søren P. Olesen (CEO) Thomas Ahle (CFO)
Board of Directors	Jens Bjørn Andersen (Chair) Søren Vestergaard-Poulsen (Vice-chair) Christoffer Helsengreen Sjöqvist Philip Bendorff Ropcke Søren P. Olesen Thomas Ahle
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab

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STARK
GROUP

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