NORDSTERN

Annual Report 2024

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Kelleris, Espergærde

Chairman's Statement

A Year of Stabilization

2024 has been a year of stabilization and deliberate execution for Nordstern. While our financial results remain short of our ambitions, they represent an improvement over 2023 and reflect our ability to navigate a persistently challenging market environment. Revenue reached DKK 4.43 billion, with profit before tax increasing to DKK 114 million, a significant improvement from last year.

Market conditions in 2024 have remained similar to those of 2023, with slightly lower inflation and interest rates offering modest relief. However, the competitive dynamics of the construction sector remain tough, as evidenced by several bankruptcies among smaller companies. Many of the financial challenges we faced this year are rooted in legacy projects. As these projects are running off, we anticipate resolving these historical issues and establishing a firmer foundation for future growth.

ESG Leadership

Sustainability continues to be a cornerstone of Nordstern's strategy and a critical driver of progress. In 2024, we achieved several important milestones that underscore our commitment to environmental responsibility and industry leadership. For the first time, 100% of our office and residential projects were certified to meet standards such as DGNB and Nordic Eco Label, a testament to our dedication to quality and environmental stewardship. Additionally, we successfully reused 88% of all discarded materials from our construction sites, minimizing waste and promoting circular practices. We also initiated three projects (Svanemølleholm, Teglholmsgade, and Kilehaven) designed to align with the EU Taxonomy framework, marking a significant step in building a more sustainable future for Danish construction.

Our ESG efforts extend beyond compliance; they are about setting new benchmarks and fostering collaboration across the industry. This year, we worked closely with clients, partners, and suppliers to integrate sustainability into every phase of our projects. These initiatives not only strengthen Nordstern's position as a trusted partner but also reinforce our role as a leader in sustainable construction.

”We are confident that 2024 marks the conclusion of the most challenging period, and we see clear opportunities for growth as market conditions stabilize. We expect our order book and financial results to strengthen in 2025 and beyond.”

Outlook for 2025 and Beyond
As we look ahead to 2025, we do so with cautious optimism. While the Danish economy has demonstrated resilience and interest rates have eased from last year’s peaks, these improvements have yet to translate into a significant uplift in our order book or project pipeline. Nonetheless, we are confident that 2024 marks the conclusion of the most challenging period, and we see clear opportunities for growth as market conditions stabilize. We expect our order book and financial results to strengthen in 2025 and beyond.

Our priorities remain focused on fortifying our core business, enhancing operational efficiencies, and ensuring we are well-positioned to seize emerging opportunities. With a solid foundation and a clear strategic direction, we are prepared to continue delivering value to our clients, partners, and stakeholders.

Leadership Transition
2025 will mark a transition in Nordstern’s leadership. After six years as CEO, Torben Modvig will be leaving Nordstern to pursue a new role. During his tenure, Torben has overseen Nordstern’s growth into one of Denmark’s largest construction companies, highlighted by landmark projects such as Trælasten in Aarhus and Postbyen in Copenhagen. The 2022 merger of CASA and KPC was another pivotal achievement under his leadership. On behalf of the Board of Directors, I extend our gratitude to Torben for his contributions and wish him success in his future endeavors.

As we prepare for this transition, we are actively searching for a successor who will build on Nordstern’s strengths and drive the company forward into its next chapter. The Board is confident that this change will bring fresh perspectives and renewed energy to our leadership team.

In closing, I would like to express my heartfelt thanks to Nordstern’s employees for their dedication and resilience, as well as to our clients and partners for their trust and collaboration. Together, we are shaping a promising future for Nordstern and for the communities and partners we serve.

Johannes Vielberth
Chairman of the Board

Augusthave, Aarhus

CEO's Statement

Building for Tomorrow

2024 has been a year of focused execution, strategic recalibration, and progress amidst continued market challenges. While turnover decreased by 15% compared to 2023 — reflecting persistently low construction volumes initiated since 2022 — our financial performance improved significantly, with EBITDA increasing by 117%. Gross profit for the year amounted to 457 MDKK, highlighting enhanced cost management, improved project execution, and better portfolio margins. Stabilized cost conditions further bolstered our bottom line, providing a stronger foundation for the future.

This year, we took decisive steps to strengthen Nordstern's capabilities in specialized sectors, including pharma and commercial renovations. These efforts reinforce Nordstern's position as a company with significant growth potential.

Key Achievements
This year, we took decisive steps to strengthen Nordstern's capabilities in specialized sectors, including pharma and commercial renovations. These efforts complement our core portfolio of residential and office construction, reinforcing Nordstern's position as a company with significant growth potential. By appointing experienced leaders with expertise in areas such as laboratory construction and hotel renovation, we have enhanced our ability to deliver high-quality, sector-specific solutions. We also prioritized client engagement, participating in key tenders in Copenhagen, Odense, and Aarhus, which deepened our understanding of client needs and positioned us to gain market share in the years ahead.

One of our proudest achievements in 2024 was reaching 100% certification for all residential and office turnkey projects. These certifications, aligned with stringent ESG standards such as DGNB and the Nordic Swan Ecolabel, underscore our unwavering commitment to sustainability and environmental responsibility. This milestone reflects our belief that sustainable construction is not just a goal but a core aspect of Nordstern's DNA. It reaffirms our position as a trusted partner for clients who demand innovative, certified solutions that meet the highest standards of quality.

2025 and Beyond
As we look to 2025, I am confident that Nordstern is poised to return to growth. The anticipated easing of interest rates and renewed investor confidence are expected to invigorate the residential market, our largest area of expertise. With an exciting pipeline of developments in Copenhagen and other major cities, we are well-positioned to capitalize on opportunities and deliver on our ambitious goals for 2025 and beyond.

None of this would have been possible without the extraordinary dedication and resilience of our employees. Your commitment to excellence, even in the face of challenges, has been instrumental in steering Nordstern forward. Our values—embodied in the TEAM (HOLD) spirit—are what make Nordstern a leader in the industry.

Change in leadership
On a personal note, 2024 marks the conclusion of my tenure as CEO of Nordstern, a position I have had the opportunity to hold for six years. It has been a privilege to be part of the organization's journey as it has grown into one of Denmark's largest and most respected construction companies. I am proud of what we have achieved together—from landmark projects like Trælasten in Aarhus and Postbyen in Copenhagen to milestones like the 2022 merger of CASA and KPC. I have full confidence in Nordstern's talented team, its leadership, and its strong values. I know that the company is well-equipped to navigate the future and continue delivering exceptional value to its clients, partners, and stakeholders.

To our clients, I extend my deepest gratitude for your trust and collaboration. Your support has been the cornerstone of our success, and I am confident that together with you, Nordstern will continue to deliver impactful projects that benefit communities across Denmark.

Torben Modvig
CEO

Financial Highlights, 5-Year Overview

MDKK	2024	2023*	2022	2021	2020
Income Statement					
Revenue	4,431	5,194	3,815	3,013	2,256
Gross profit	457	407	354	497	434
Operating profit before depreciation (EBITDA)	100	46	97	272	241
Operating profit (EBIT)	84	32	87	263	232
Financial items	30	22	1	4	11
Profit before tax	114	54	88	267	243
Net profit for the year	96	41	78	221	217
Results without equity investments					
Gross profit	432	401	310	437	306
Operating profit before depreciation (EBITDA)	75	40	53	212	113
Operating profit (EBIT)	59	26	42	202	94
Balance sheet					
Balance sheet total	2,921	2,879	1,833	1,769	1,653
Investment in tangible assets	-3	-2	-1	-11	-5
Equity	1,135	962	474	472	601
Net interest-bearing debt	-577	-523	-472	-559	-541
Invested capital	1,353	1,142	603	631	755
Net working capital	-295	-412	-396	-454	-306

	2024	2023*	2022	2021	2020
Cash flows from (MDKK):					
– Operating activity	1	-66	44	341	-22
– Investment activity	-2	43	0	26	83
– Financing activity	61	-160	-83	-347	-104
Employee relations					
Number of full-time employees (avg.)	400	422	319	253	206
Ratios					
Gross margin	10.3%	7.8%	9.3%	16.5%	19.2%
EBITDA margin	2.3%	0.9%	2.5%	9.0%	10.7%
Equity ratio	38.9%	33.4%	25.9%	26.7%	36.4%
Return on equity	9.2%	5.7%	16.4%	41,2%	40.0%
Return on invested capital (ROCE)	6.8%	3.6%	14.1%	37.9%	33.7%
Liquidity ratio	1.21	1.09	1.08	1.14	1.34

* 2023 is not comparable with previous years due to merger accounted for using the book value method.

Definitions on page 85

Herlev Bymidte, Herlev

Financial Statement

Despite a continued challenging market characterized by moderate activity levels and intense competition, 2024 developed positively for Nordstern in several areas. The year, marked by the lingering effects of some tough preceding years, can best be described as a recovery year, defined by stability in the execution of ongoing projects and a gradual improvement in profit margins.

The year's revenue of 4,431 MDKK generated an EBITDA of 100 MDKK. Order intake during the year totaled 4,460 MDKK, which did not meet the desired level but must still be considered satisfactory given the difficult market conditions. At the end of 2024, the order book amounted to 7,142 MDKK.

Throughout the year, 15 projects were initiated, approximately 2,000 newly built or renovated housing units were delivered, as well as around 40,000 m² of newly built or renovated commercial spaces. Revenue decreased by approximately 15%, while EBITDA increased by nearly 120%. Based on the overall expectations for the year outlined in the 2023 annual report, which projected revenue in the range of 4,700 MDKK to 5,000 MDKK and EBITDA in the range of 170 MDKK to 185 MDKK, it is clear that 2024 did not meet expectations.

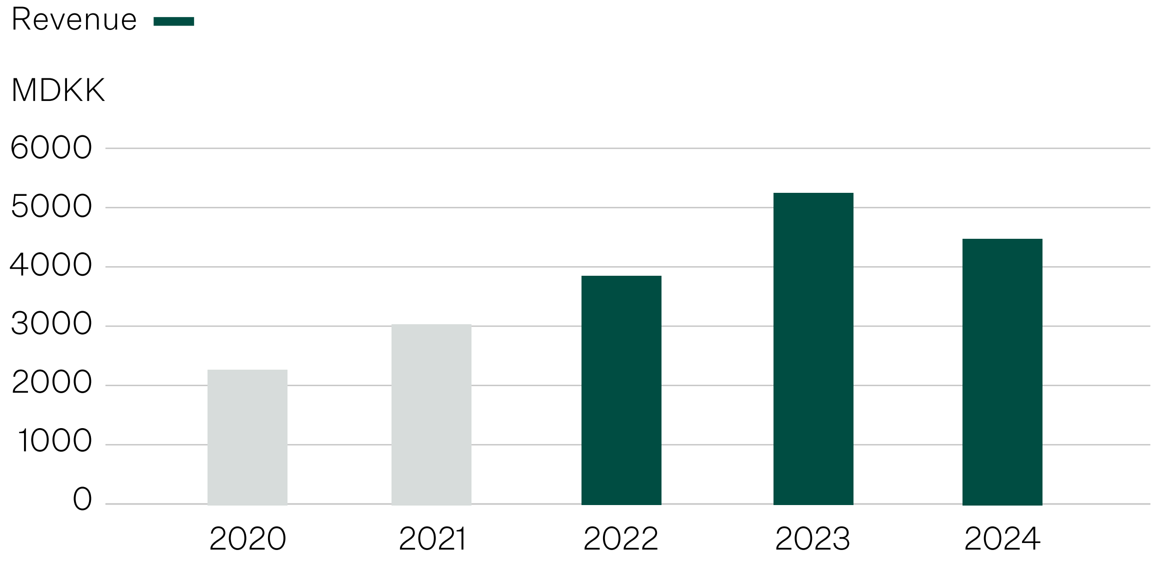
Revenue and Profit for the Year
With revenue of 4,431 MDKK for 2024, a decrease of 14.7%, equivalent to 763 MDKK, was recorded compared to 2023. This outcome was approximately 300 MDKK below the lower end of the range forecasted in the 2023 annual report (4,700 MDKK).

The somewhat lower-than-expected revenue is attributable to several factors. Firstly, a few projects that were already underway at the start of the year delivered lower revenue than anticipated due to delays that could not be recovered during the year. These delays were typically caused by various external factors beyond Nordstern's control.

Secondly, expectations for the initiation of several projects were not realized. Some projects were initiated significantly later than expected, while others are now expected to start in 2025. This too was primarily due to external factors, such as delayed public permits and protracted decision-making processes on the client side.

Despite the exceptions noted above, there was generally solid progress in both projects ongoing at the beginning of the year and those initiated during the year. New construction contributed 75% of the revenue, while renovation accounted for 25%. Residential projects made up 73% of total revenue, with the remaining 27% relating to commercial construction for private and public clients. Revenue in 2024 was realized with a slight majority East of the Great Belt (63%).

Revenue



The direct earnings from contracting activities (the net of revenue from contracts with clients and production and operating costs) amounted to 501 MDKK (11.3%) in 2024, compared to 455 MDKK (8.8%) in 2023 – an increase of 46 MDKK. Although the margin from contracting activities in 2024 remains below the desired level, it nonetheless represents a positive development compared to 2023. This improvement is attributed to the fact that earnings in 2024 were far more stable than in 2023. In other words, write-downs did not characterize the year like it did in 2023.

Some of the projects impacted by write-downs in 2023 were still under production in 2024, which is one contributing factor to the earnings margin remaining below the desired level. A generally tough market over the past few years—marked by lower activity levels, intense competition, and rising prices for several key supplies—also plays a role.

Development activities (income from equity investments) contributed a positive result of 26 MDKK, an improvement of 21 MDKK compared to the previous year. This improvement is attributable to positive contributions from completed projects delivered to clients, as well as the effect of value adjustments on completed projects where the properties are operational but not yet sold or handed over.

Other external costs increased from 54 MDKK in 2023 to 69 MDKK in 2024. The primary reason for the increase is costs related to various internal projects carried out with external assistance to strengthen Nordstern's strategy and processes in order to improve both revenue and earnings in years to come.

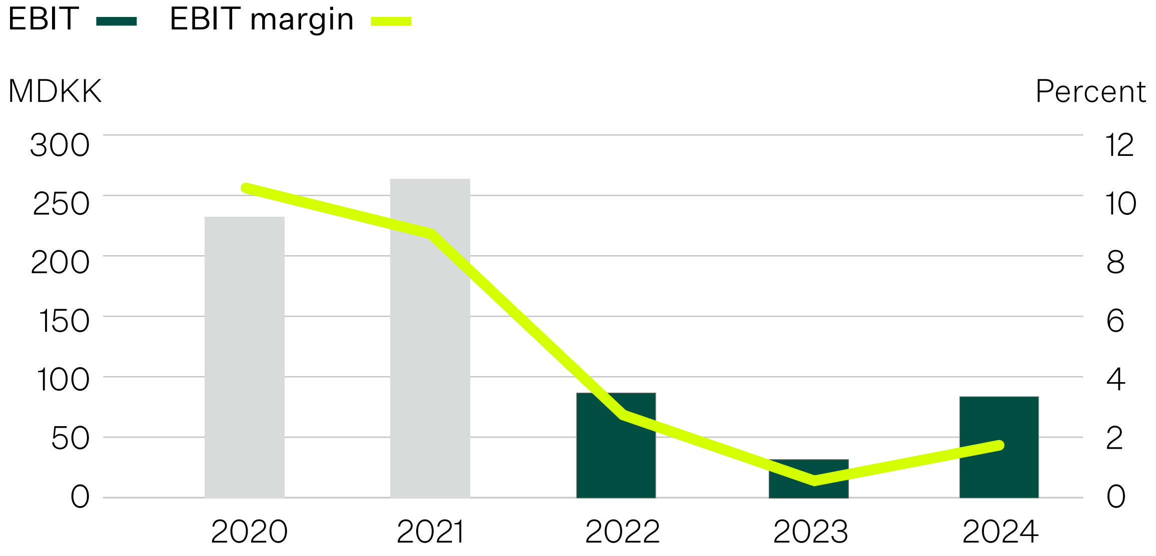
As a result of the above, gross profit increased from 407 MDKK in 2023 to 457 MDKK in 2024—an increase of 50 MDKK. This corresponds to an increase in the gross margin from 7.8% in 2023 to 10.3% in 2024.

Personnel costs amounted to 357 MDKK in 2024, representing a slight decrease of 4 MDKK compared to 2023. The average number of employees decreased from 422 in 2023 to 400 in 2024.

This reduction, which should be seen as a partial adjustment to the lower activity level, was implemented gradually during the latter part of the year. Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to 100 MDKK compared to 46 MDKK in 2023. The margin thereby increased from 0.9% to 2.3%. Relative to the overall expectation expressed in the 2023 annual report, which projected EBITDA in the range of 170 MDKK to 185 MDKK, the realized EBITDA of 100 MDKK must naturally be characterized as unsatisfactory. However, it is encouraging that the margin increased, underlining that the shortfall in EBITDA relative to expectations is largely due to the missing revenue.

Depreciation and amortization increased from 14 MDKK in 2023 to 16 MDKK in 2024, resulting in earnings before interest and taxes (EBIT) of 84 MDKK (1.9%) compared to 32 MDKK in 2023 (0.6%).

EBIT

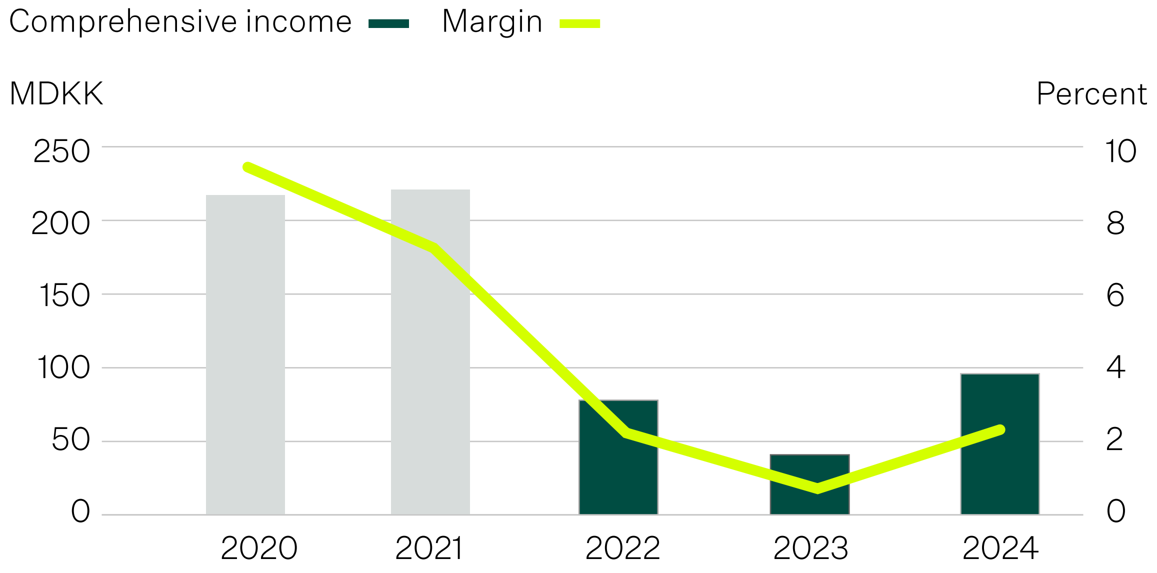


Financial income increased from 26 MDKK in 2023 to 33 MDKK in 2024, attributable to higher interest income from intercompany accounts related to development activities managed within separate legal structures. Financial expenses amounted to 4 MDKK, unchanged from the previous year.

The result before tax (EBT) for the year amounted to 114 MDKK, representing an increase of 60 MDKK compared to 2023. The calculated tax on this result was 18 MDKK, corresponding to a tax rate of 15.4%, compared to 24.4% the previous year. The lower tax rate in 2024 is due to a significantly larger proportion of EBT being represented by the results of equity interests and joint ventures, which are accounted for after tax, compared to 2023.

The total comprehensive income for 2024 amounted to 96 MDKK, an improvement of 55 MDKK compared to the previous year.

Comprehensive income



* = CASA ApS figures only

Cash Flows and Financial Position
Nordstern's cash holdings increased by 60 MDKK during the year, from 567 MDKK at the end of 2023 to 627 MDKK.

Cash flows from operating activities were nearly neutral despite the earnings, with a contribution of 1 MDKK compared to -153 MDKK in 2023. This was due to an increase in cash tied up in contracting activities during the year, primarily caused by an unfavorable shift in the timing of payment recognition from clients.

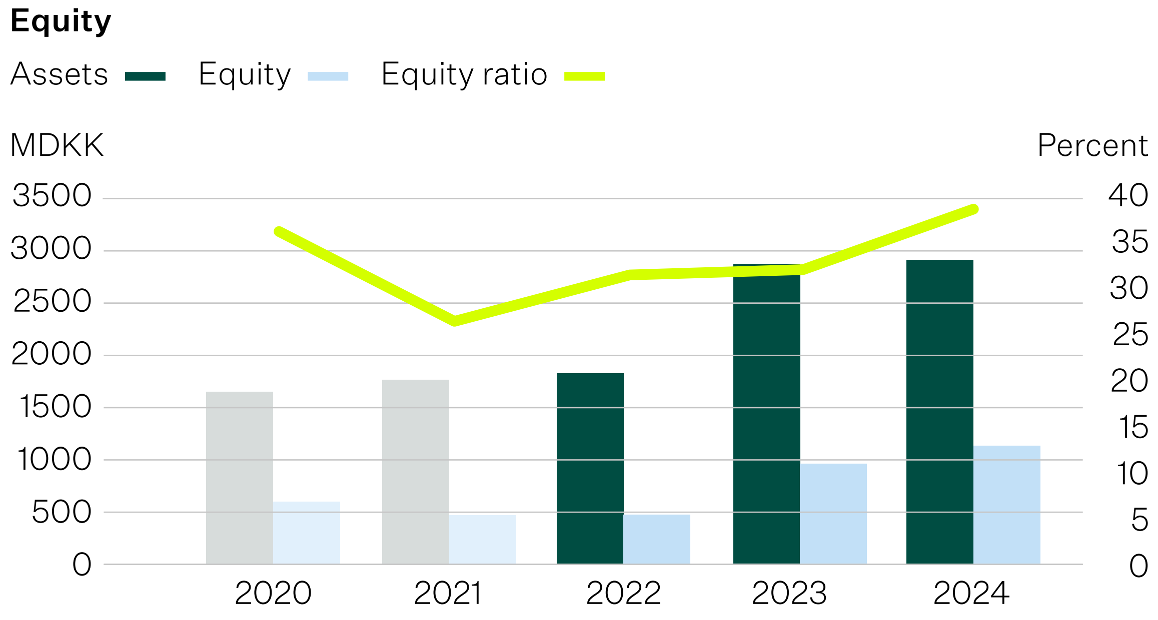
Similarly, cash flows from investing activities were nearly neutral, with a negative contribution of 2 MDKK compared to a positive contribution of 43 MDKK in 2023. The 2023 figure was driven by proceeds from the sale of joint venture shares and dividends received from affiliated companies.

Cash flows from financing activities amounted to 61 MDKK, driven by a group contribution of 75 MDKK during the year, compared to -160 MDKK in 2023, which was impacted by a dividend payment to the parent entity of 150 MDKK.

With cash holdings of 627 MDKK, Nordstern enters 2025 with a strong liquidity position.

Total assets at the end of the year amounted to 2,921 MDKK, reflecting an increase of 42 MDKK compared to the end of 2023, which represents a nearly unchanged level with only minor shifts between individual balance sheet items.

Equity, which includes the beforementioned group contribution of 75 MDKK, increased by 173 MDKK in 2024, amounting to 1,135 MDKK at year-end. On this basis, the equity ratio is calculated at 38.9%, which is considered a solid level.

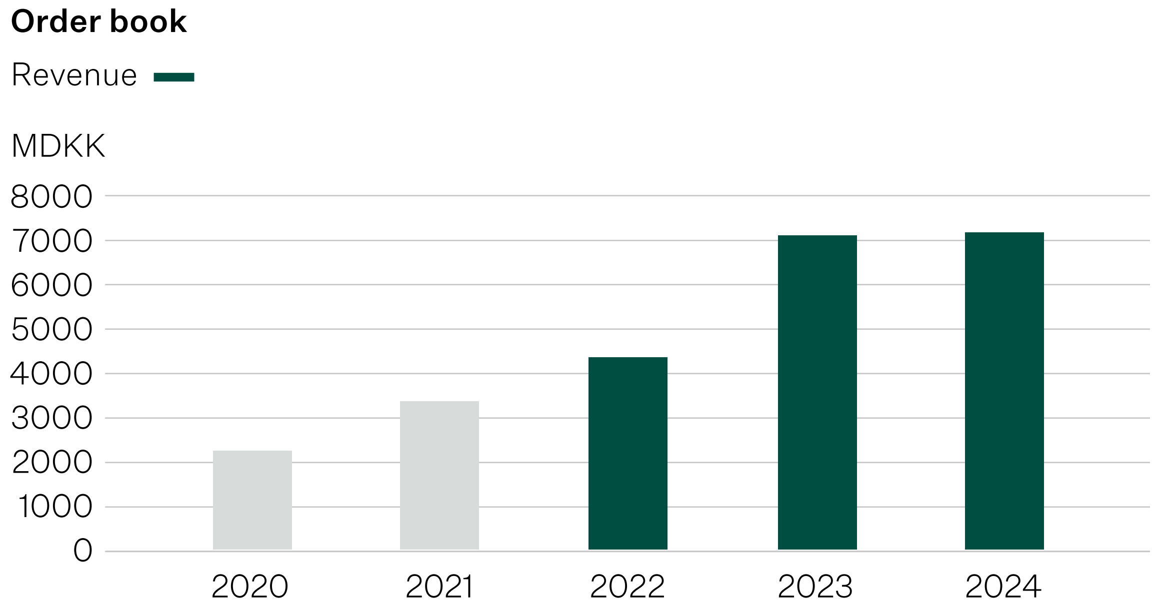


Expectations for 2025
Nordstern's order book, which amounted to 7,142 MDKK at the beginning of 2025, together with a strong pipeline of both tender and development projects, provides a solid foundation for the coming year. Here and there are signs of a moderate improvement in market conditions, although some uncertainties still persist.

For 2025, revenue is expected to be in the range of 4,500 MDKK to 4,800 MDKK. This level is slightly higher than the realized revenue for 2024, reflecting a stronger starting point for 2025 compared to the corresponding position at the beginning of 2024.

Realizing these expectations assumes a steady conversion from pipeline to order book throughout the year as planned.

Based on the above and assumptions about a gradual strengthening of the earnings potential in the order book, EBITDA for 2025 is expected to be in the range of 145 MDKK to 155 MDKK.



Events After the Reporting Period
No events have occurred after the reporting period that could impact the assessment of the annual report.


Herlev Bymidte, Herlev

* = *CASA ApS figures only*

Nordstern's Strategy

Nordstern's strategic ambition is to be Denmark's leading property developer and turnkey contractor, making it the preferred partner for professional clients in the fields of development, construction, and renovation of residential and commercial buildings.

As we enter the last year of Nordstern's 2025 strategy period, the overall ambition to position the company as the leading property developer and turnkey contractor in Denmark remains. To this end, understanding and addressing client needs and meeting them by delivering high-quality, defect-free buildings are strategic corner stones. As such, Nordstern's entire value chain must be organized in a way to ensure that our clients' needs are heard, understood, and met. Doing business with Nordstern must be a smooth and hassle-free experience in every way, and all client and business relations shall be based on our core values and rooted in our team spirit.

At the heart of the strategy are the synergies created between Nordstern's property development and construction competencies allowing us to offer end-to-end solutions and tailored hard-to-obtain projects to our clients. This is described in further detail on the next page.

A key element of the strategy is a focus on sustainable building design and construction practices, aiming to minimize the environmental impact of projects through specific initiatives and a comprehensive ESG (Environmental, Social, and Governance) strategy. Employee development and training is also prioritized and integrated into our strategy to foster innovation and excellence and to attract, retain, and develop the best and most solution-oriented employees in the business.

Innovation and digital transformation form another key aspect of Nordstern's strategy, with investments in digital tools and methodologies aimed at improving operational efficiency, project delivery, and client satisfaction.

Nordstern's integrated strategy seeks to lead in the Danish property development and construction market by setting standards for excellence, sustainability, and innovation. The company's vision includes creating enduring, inspiring constructions that positively impact users, communities and the surrounding environment.

Nordstern is the leading national property developer and turnkey contractor preferred by professional clients within development, construction, and renovation of residential and commercial properties

Targeted client focus

- Clear focus on client needs and client satisfaction
- Strong client relations
- Selective & analytical sales strategy

Development and construction synergy

- Structured, analytical and solution-oriented approach to challenges
- Increased focus on urban development
- Leverage of construction skills

Competitive construction

- Buildable construction, tested solutions, strong partnerships with contractors
- Smooth processes and defect-free handovers of high-quality buildings

Sustainability in everything we build

- 100% of all new office and residential projects to be certified according to third party sustainability standards
- ESG strategy with a science-based target towards carbon neutrality and a minimum of 70% recycled waste from building sites
- Ambitious targets for career and people development and promotion of health and safety for own employees and subcontractors

Responsible culture and trust-based leadership

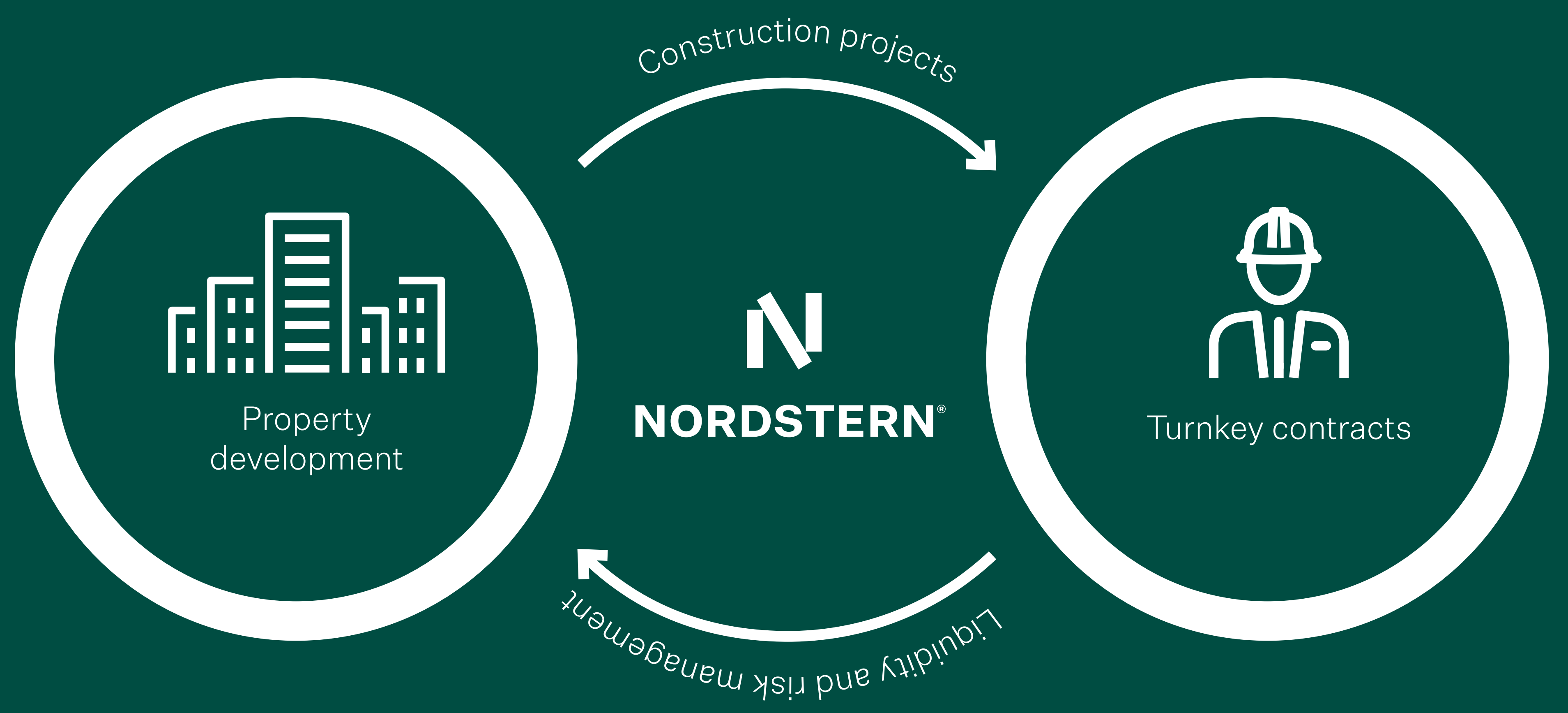
- Unbureaucratic organization with a strong culture founded in Nordstern's core values and a commercial mindset
- Competent, responsible, empowered employees who train and develop throughout their career

Industry-leading governance, reporting and risk management

- Professional reporting, strong governance, and effective finance function in support of the business
- Holistic risk management and continuous improvements through robust digital processes and scalable tools and platforms

Property development and turnkey contracts: Two mutually supportive business areas in Nordstern's 2025 strategy

Nordstern's dual role as property developer and turnkey contractor creates positive synergies for the benefit of the company's clients. Nordstern's 2025 strategy continues to build on this. Despite continuously challenging market conditions and low transaction and construction volumes in 2024, the dual business model allowed Nordstern to initiate several development driven construction projects within both the residential and commercial segments and to make JV and cooperation agreements regarding future residential development projects in both East and West. To reinforce the dual business model and prepare for future growth in the development market, in the second half of 2024 it was decided to direct more resources into the property development side of Nordstern's business allowing us to further increase focus on development opportunities arising as the market stabilizes.



Through a proactive approach to property development opportunities, Nordstern gets access to projects that only a few market players are able to offer their clients. At the same time, our development efforts generate revenue for our construction business outside the traditional tender market.

Nordstern has the liquidity and financial flexibility to offer our clients partnerships where we co-invest in property development projects to varying degrees depending on the client's wishes for allocation of capital and exposure.

This two-sided business model with multiple sources of income and a larger share of the value chain creates a competitive advantage enabling us to offer projects on competitive terms and to give our clients access to attractive opportunities in a real estate development market expected to rebound in 2025.

Nordstern's turnkey business ensures a stable source of income with a strong cash flow, which can be used to invest in property development projects.

Nordstern's strong construction management competencies, which are key to the turnkey projects, ensure a thorough understanding of the potential risks in the construction phase and, thereby, robust hedging of property development risks.

Our turnkey business ensures full control of the execution of the project, including control of the time and cost management during each of the design, calculation, and construction stages reducing the risks involved with the construction phase of the development project.

Business Model

Resources

People
The basic prerequisite for successfully running and developing Nordstern's business is our professionally competent and innovative employees.

Partnerships
We outsource production and building design to specialized contractors and advisors. Strong, long-term partnerships are therefore essential.

Capital
We finance our property development activities using cash flow from operations, credit facilities and sales to investors.

Solutions- and team-oriented culture
We focus on solving development and construction projects in collaboration and dialogue with our partners and by fostering a culture and team spirit that supports agility and short decision-making paths.

Processes and know-how
We rely on standardized processes, tried and tested solutions based on many years of experience and knowledge sharing, as well as a high degree of digitization to minimize the risk of errors and delays in our projects.

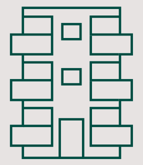
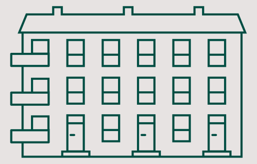
Activities

Development
We develop real estate projects within all segments of our business, with the highest volume coming from residential projects.

Construction
We build and renovate residential and commercial buildings; developed by Nordstern, awarded in direct sales or won in tender.

Sales and joint ventures
We sell real estate projects to Danish and foreign professional investors and enter into joint ventures with both clients and landowners.

Selected activities in 2024

	Development	Construction	Sales and joint ventures
 RESIDENTIAL	Residential projects under development in Greater Copenhagen, North Zealand, Aarhus, Herning, and Vejle	92,545 sqm residential construction commenced, 376,374 sqm under construction and 121,712 sqm handed over	Residential projects in Aarhus and Vejle sold and handed over to Danish and international investors. JV agreement made regarding first phase of large-scale development in Aarhus
 COMMERCIAL	Commercial projects under development in Copenhagen and Aarhus	49,841 sqm commercial construction commenced, 185,732 sqm under construction and 9,525 sqm handed over	Commercial project in Copenhagen sold to a Danish PE fund
 RENOVATION RESIDENTIAL	Residential renovation project under development in Herning (conversion of a former hospital to apartments)	37,984 residential renovation projects commenced, 326,421 sqm under construction and 36,950 sqm handed over	Residential renovation project in Herning sold to a social housing association
 RENOVATION COMMERCIAL	N/A	0 sqm commercial renovation projects commenced, 32,884 sqm under construction and 30,884 sqm handed over	N/A

Value creation

Clients
We meet our clients' needs by developing and delivering high-quality buildings at agreed times and prices.

Users
We create attractive and sustainable frameworks for life and interaction between people who live and work in the buildings we build.

Employees/Partners
We create a safe workplace and high job satisfaction for our employees and construction partners.

Society
We are dedicated to sustainability and care about the climate and the environment as well as the urban space and surrounding community – both in the design and construction phase and in the final buildings.

Shareholders
We create value for our owners, including our employee shareholders, by delivering strong financial results.

Property Development

The property development market continued to present significant challenges in 2024. Investor caution, driven by persistent economic uncertainty and high interest rates, resulted in fewer new projects across the industry. Nordstern has also felt the effects of these market conditions.

Nevertheless, we remain optimistic. Despite the challenges, we have successfully concluded ongoing projects with solid earnings and satisfied investors. Furthermore, we have managed to develop new projects, demonstrating our ability to navigate a tough market while maintaining our commitment to quality and collaboration.

New Projects
The challenges of the 2024 property development market impacted the pipeline it traditionally generates for our construction business. Nevertheless, Nordstern has maintained its focus on securing and initiating significant projects. In 2024, two particularly notable projects have been added to our portfolio.

Firstly, Svanemølleholm, a landmark project in Copenhagen, will showcase our commitment to construction with a sustainable focus and innovative urban development. Secondly, Teglholmsgade 38, located in the vibrant Copenhagen harbor area. Both projects are modern office spaces.

Moreover, Svanemølleholm reinforces our commitment to aligning with the EU taxonomy.

In addition to these new projects, we have also managed to expand ongoing developments. At Trælasten, for PensionDanmark, we successfully closed two additional orders in 2024, underscoring our ability to build on existing collaborations and deliver exceptional value to our partners.

Completed Projects
In 2024, Nordstern successfully delivered several property development projects across Denmark, working with both new and long-time clients. These include Rødkløvervej and Kelleris, as well as the mixed-use project Atriet in Copenhagen. Additionally, we completed the first phase of PKA's Herning+ project. In Randers, Bryggertårnet reached completion, completing the Thors Bakke area in downtown Randers. In Aarhus, the first stage of Viby Syd, covering both residential and commercial areas, was delivered, along with subsequent phases II and III. In Vejle, the Flegmade project was completed, encompassing both residential and commercial elements. Some of these projects were developed for domestic investors, while others were for foreign investors, and one was carried out as a joint venture, demonstrating the diversity of our collaborations.

In total, we handed over 800 new homes in addition to office and retail space.

Share of Development Projects
Development projects under construction in 2024 comprise 172,000 square meters, which is 19% of the total number of square meters under construction in Nordstern. 123,000 square meters are residential projects (72%), while 49,000 square meters make up commercial/office space (28%).

Organization
In 2024, the property development organization at Nordstern underwent significant changes. Some of our most experienced employees decided to leave the company to pursue self-employment, while others sought new challenges outside Nordstern. As a result, a considerable number of positions in the property development division have been replaced over the past year.

We have already managed to employ new, competent resources in most positions. To ensure continuity and alignment with Nordstern's values and approach, some of the new team members have been drawn from other departments within the company. The changes in the organizational structure have presented challenges but has also created a unique opportunity to rethink and strengthen the property development division. These changes have paved the way for a more integrated relationship between property development and construction management, fostering stronger collaboration across disciplines.

Since September 2024, the Danish property development division has been under the leadership of Claus Skytte, a seasoned professional with extensive experience from Bonava, DEAS, and Vision Ejendomme. With this new structure and leadership in place, the division is well-prepared to move into 2025 with renewed strength and focus.

Market Outlook
Looking ahead, the property development market in 2025 is expected to show signs of recovery. Falling interest rates and a resilient Danish economy are creating a more favorable environment for investors, paving the way for increased property development activity within both new construction and renovation, especially in the Copenhagen and Aarhus areas.

With a strong organizational foundation and expertise in both property development and construction, Nordstern is well-positioned to take advantage of emerging opportunities.

Viby Syd, Viby (Aarhus)

Property development

DGNB

Nordstern has developed and constructed a 10,000 m² residential joint venture project in Viby Syd, Aarhus. The project includes a six-story residential tower, 38 townhouses, and four three-story apartment buildings, totaling 142 new homes.

The development features diverse housing types to create a varied architectural expression in the area. The six-story residential tower includes 20 apartments ranging from 75 m² to 95 m² and a 1,200 m² ground-floor supermarket, operated by Netto. Additional facilities for the supermarket include a loading dock and 48 parking spaces for clients and residents.

The 38 townhouses are designed with private terraces and external storage, while the four apartment buildings house 84 units, each with either a balcony or terrace. The project also includes 59 surface parking spaces and newly established green outdoor areas, which are open to the public.

The project is set to achieve DGNB Gold certification, following the DGNB 2020 manual for new construction and renovation. The pre-certification was awarded in 2024.

Nordstern has acted as project developer and turnkey contractor, managing all aspects of development, design, and construction, including on-site management and supervision.

Nordstern's Business Segments

In 2024, Nordstern maintained its position as a leading player in residential construction, delivering a total of 1,989 homes, including 1,540 new builds and 449 renovations. Across both residential and commercial projects, 921,000 square meters were under construction or renovation, reflecting Nordstern's continued influence in shaping Denmark's construction environment.

Of the total square meters under construction and renovation, 76% were dedicated to residential projects, with 59 percentage points representing projects initiated in 2024.

Direct sales and tenders accounted for 81% of all projects, while 19% originated from property development. This distribution highlights Nordstern's balanced business model, emphasizing the importance of strengthening the project pipeline through both channels.

New Construction – Residential	376,000 SQM
New Construction – Commercial	186,000 SQM
Renovation – Residential	326,000 SQM
Renovation – Commercial	33,000 SQM

New Construction – Residential

376,000 SQM

New Construction – Residential

In 2024, Nordstern upheld its strong market position in residential construction while expanding its footprint in office construction, reflecting a broader response to market opportunities. Residential construction continues to form the backbone of Nordstern's activities, contributing approximately 41% of total revenue. The majority of these projects are concentrated in the Greater Copenhagen area, but we have projects in most of Denmark's larger urban areas.

This year, Nordstern maintained its position as the largest player in the residential construction market, with 376,000 square meters under construction and 122,000 square meters handed over. We successfully delivered a substantial number of new homes, totaling 1,540, with the majority commissioned by private investors, pension funds, and PE funds.

Our main client groups in residential construction are developers and real estate companies and pension funds. Many of the projects initiated in 2023 and 2024 reflect a growing trend of pension funds acting as key investors rather than developers and real estate companies.

We are proud to see continued collaboration with returning clients.customers, such as PensionDanmark with whom we have ongoing contracts and have started new projects (Capella and a new stage of Trælasten) in 2024.

Projects
Nordstern's portfolio includes landmark urban development projects like Postbyen in Copenhagen and Trælasten in Aarhus, both reaching key milestones in 2024. At Trælasten, two new legs were added, while Postbyen, now standing at its full height with added facades, has become a defining feature of Copenhagen's skyline. Work on outdoor areas and surfacing is underway, marking the final stages of one of Denmark's most significant construction projects. Together, these projects, spanning 162,000 square meters of residential, retail, and commercial space, highlight Nordstern's expertise in managing complex mixed-use developments.

New projects awarded through tender include Det Ny Sølund – one of the largest social housing projects undertaken in Copenhagen in recent years. Many of the projects, Nordstern handed over in 2024, were projects originally sourced from our property development department. This includes e.g. Bryggertårnet, the first buildings on Herning+, and Viby Syd.

Outlook
In 2024, Nordstern maintained its strength in residential construction, securing new orders totaling 2,249 MDKK. These orders include projects from property development, tenders, and direct sales, reflecting the breadth of Nordstern's market presence. While the construction market remains challenging due to factors such as rising material costs and tighter profit margins, we have taken strategic steps to strengthen our operations and position ourselves for sustainable growth.

Looking ahead, we are optimistic about the opportunities in 2025 and 2026. With a robust order book, a strategic focus on operational efficiency, and our ability to adapt to market conditions, Nordstern is well-prepared to navigate the complexities of the industry while continuing to deliver value for our clients and stakeholders.

The majority of our expected revenue in 2025 comes from new residential construction, as has been the case in previous years. Several projects, such as Sluseholmen, Trælasten, and Det Ny Sølund, are ongoing projects that will generate revenue in coming years as well.

As pipeline projects materialize, we anticipate securing additional contracts in 2025, contributing to increased revenue from new residential construction.

Projects

Under construction (completion year in parenthesis)

- AKC Kolding Friplejehjem (2025)
- Selmerhusene (2025)
- Capella (2026)
- KatrineTorvet (2027)
- Vellivs boligselskab, Naboliv (2025)
- Lygten 2 (2026)
- Lygten Domea Building C (2026)
- Olof Palmes Alle (2025)
- PKA - HPL Bygning 4
- Postbyen (2025)
- Det nye Sølund (2029)
- Slangerupgade (2024)
- Sluseholmen, Karré P2 (2026)
- Travbyen (2026)
- Træbyg 3, Trælasten (2025)
- Træbyg 5, Trælasten (2026)
- Trælasten Træbyg 2_4 (2026)

Handed over

- Flegmade
- Fortehusene
- Håndværkskollegiet
- Kelleris
- PKA - HPL Building 1
- PKA - HPL Building 3
- Augusthave
- Rømers park
- Sluseholmen - Karré Q Syd
- Bryggertårnet, Randers
- Atriet
- Viby Syd II og III
- Viby Syd I

Bryggertårnet, Randers

New construction
- Residential

Nordstern has constructed Bryggertårnet, a 4,800 m² residential and commercial building located in the center of Randers. The 13-story tower includes 39 modern apartments, three of which are penthouses, and 850 m² of commercial space on the ground and first floors.

The residential units range from 67 m² to 90 m² and feature two to four rooms, all with private balconies or terraces. The penthouses offer exclusive rooftop terraces and private greenhouses. The building is supported by a two-level basement spanning 2,700 m², which includes parking for 95 cars, storage rooms, and bicycle parking.

The tower continues the development of the Thors Bakke area, seamlessly integrating with its surroundings, including the adjacent Thors Tårn and Thors Karré, including the public staircase adorned with artwork by renowned Danish artist Erik A. Frandsen.

While Thors Tårn and Thors Karré were handed over in 2021, Bryggertårnet and the public staircase were completed in March 2024.

Flegmade, Vejle

New Construction – Commercial

186,000 SQM

New Construction – Commercial

In 2024, Nordstern achieved significant milestones in new commercial construction, successfully breaking ground on two new property development projects: Svanemølleholm and Teglholmsgade 38. These projects are among the first Danish real estate developments designed to align with the EU Taxonomy, highlighting Nordstern's dedication to sustainable and future-proof construction.

Commercial construction continued as Nordstern's second-largest business segment in 2024, with a total of 186,000 square meters under construction. The majority of new commercial construction stems from developers and real estate companies, while private corporations also have a major share of this segment. Despite some challenges in the market, Nordstern remains focused on delivering high-quality commercial projects that align with client needs and sustainability goals.

Projects
In 2024, Nordstern continues to make significant strides in commercial construction, delivering a wide range of projects. While office construction remains a cornerstone of this segment, the portfolio also includes parking garages and critical public facilities such as schools and healthcare centers. Among the notable new projects this year is a hotel in Vejle, further expanding Nordstern's expertise in hotel construction, which presently also includes the hotels in Postbyen in Copenhagen and Comwell in Aarhus.

As mentioned, Nordstern has also initiated new property development projects within the commercial segment in 2024, while successfully handing over others including parking garages and retail space.

Outlook
The outlook for 2025 and beyond in the commercial construction segment points to continued growth, particularly with the increasing demand for mixed-use projects that combine residential and commercial spaces. This trend is expected to play a key role in shaping the segment's development in the coming years.

In 2024, Nordstern secured 1,009 MDKK in new orders within the commercial segment, strengthening the pipeline of upcoming projects. We have also invested in building competencies in areas such as pharmaceutical construction, positioning us to compete for additional market share in specialized sectors.

With these initiatives, the commercial construction segment is expected to expand further in years to come.

Projects

Under construction (completion year in parenthesis)

- Buddige Sundheds- & Beskæftigelseshus (2026)
- Comwell (2026)
- CPH Pulse (2025)
- Jegstrupvej 3 (2026)
- Lygten 2 (2026)
- PAFR parking basement (2025)
- Postbyen (2025)
- Ry Ny skole (2026)
- Slangerupgade (2025)
- Svanemølleholmen (2027)
- Tech House (2025)
- Teglholmsgade 38 (2026)
- Torvehallerne (2026)
- Træbyg 3 (2025)

Handed over

- Flegmade - Commercial
- HPL - Parking
- Viby Syd I

PAFR Parking Basement, Frederiksberg

New construction
- Commercial

Nordstern is constructing a 3,000 m² circular parking basement under a new public square at Frederiksberg Town Hall. The parking facility spans three underground levels and provides 275 spaces, including 55 dedicated to electric vehicles. The project, carried out as a public-private partnership (PPP) with Frederiksberg Municipality, includes a 25-year operational agreement with APCOA for maintenance and management. This collaboration builds on Nordstern's earlier work on the nearby Langelands Plads parking facility.

The parking structure features a spiral ramp design, ensuring efficient traffic flow for users. With a diameter of 60 meters and a depth of 12 meters, the facility incorporates 3,000 m³ of rainwater management systems to protect against flooding. Overhead, a 5,000 m² public square is under creation, complete with green spaces for community use and additional stormwater management through LAR systems.

Constructing the parking basement in a densely populated urban area has required meticulous logistics planning, including the transportation of 80,000 tons of soil from the site. The project will be completed in spring 2025.

Renovation – Residential

326,000 SQM

Braineparken, Haderslev

Renovation - Residential

In 2024, Nordstern maintained its strong position in the residential renovation sector, continuing to build on its extensive experience in social housing projects. All residential renovation activities in 2024 were exclusively within the social housing segment, reinforcing Nordstern's expertise and commitment to improving social housing across Denmark.

Residential renovation remained a key area of focus, accounting for 35% of Nordstern's total revenue. In 2024, 326,000 square meters of social housing were under renovation. While the year's financial performance in this segment was stable for most projects, it was not without challenges. However, lessons learned from previous years have strengthened project planning and execution to mitigate risks and improve outcomes, and we expect present challenges to subside as older projects are being handed over.

Nordstern continues to demonstrate its ability to manage complex renovations, enhancing the quality of social housing while addressing sustainability and regulatory requirements. We remain a trusted partner for housing associations across the country, ensuring that social housing projects are delivered with high standards of quality and efficiency.

Projects

Most projects within this segment are large, complex endeavors that take years to complete. However, two of these major projects were finalized in 2024: Bomidtvest afd. 630 and Braineparken. Both projects are located in Jutland and together encompassed the transformation of 455 homes.

In 2024, Nordstern secured three new projects in this segment. One is a property development initiative that forms part of the extensive Herning+ project, transforming the old hospital grounds in central Herning. The other two are social housing projects won through tenders in Aarhus and Copenhagen.

In Odense, a major residential renovation project was initiated at Birkeparken in Vollsmose, which is scheduled for completion by 2027.

A key aspect of Nordstern's residential renovation strategy is an understanding of the practical and personal implications for the residents whose homes are undergoing renovation. To address these considerations, Nordstern places great emphasis on open communication, thorough planning, and minimizing disruption to daily life. Transparent dialogue with residents and close coordination with housing associations are central to ensuring a smooth and respectful renovation process.

Outlook

In 2024, Nordstern's residential renovation activities were predominantly carried out for housing associations as building owners. All projects in this segment were secured through public tenders, in compliance with applicable EU legislation. As market conditions evolve, Nordstern continues to adapt by actively participating in public tenders to expand its renovation order book. We remain mindful of the challenges faced by housing associations, such as rising costs and budgetary constraints, and seek to address these issues through strategic planning and efficient project execution.

Looking ahead to 2025, Nordstern expects continued growth in the residential renovation sector, supported by an existing order book totaling 1,932 MDKK and the prospect of additional wins anticipated in the first quarter of 2025.

Beyond 2025, residential renovation will remain a cornerstone of Nordstern's portfolio. While social housing renovation continues to be a primary focus, opportunities for mixed-use projects within the private sector are expected to grow. This reflects the increasing demand for transforming existing buildings into more sustainable and versatile spaces, aligned with modern construction standards.

Projects

Under construction (completion year in parenthesis)

- AKB Hedemarken (2026)
- Bellahøjhusene (2026)
- Birkeparken afd. 16 (2027)
- Fællesbo afd. 24 (2025)
- Henriksgården (2026)
- HPL Lejerbo (2026)
- Kalmargade afd. 29 (2027)
- Mjølnerparken (2025)
- Prags Boulevard (2028)
- Søvangen afd. 2 (2027)

Handed over

- Bomidtvest Afd. 630
- Braineparken 1-83

Bomidtvest Afd. 630, Ikast

Renovation
- Residential

Nordstern has completed the total renovation of 138 social housing units for Bomidtvest in Ikast. The project spanned four residential blocks and included extensive updates such as new kitchens, bathrooms, floors, and steel balconies with fiber concrete bases. Additionally, all buildings received new roofs, improved insulation, and updated ventilation systems to enhance indoor climate.

Throughout the renovation, Nordstern prioritized the needs and well-being of the residents. Temporary rehousing was provided during the majority of the construction, ensuring minimal disruption for those affected. For residents remaining in neighboring blocks during the work, extra measures were taken to minimize noise and inconvenience.
Residents were actively involved in selecting materials, giving them the opportunity to personalize their homes. The renovations also improved functionality and flexibility in the apartments, making them more adaptable to modern living standards.

Externally, the project maintained the original architectural expression by matching the new brick façade with the iconic red brick, square windows, and vertical lines of the existing structures. Furthermore, new shared outdoor spaces were established, fostering a sense of community among the residents. The project was completed in July 2024, blending thoughtful modernization with respect for the residents and the area's architectural heritage.

Renovation – Commercial

33,000 SQM

Herlev Bymidte, Herlev

Renovation - Commercial

Nordstern continues to demonstrate its expertise in commercial renovation, combining technical skill and strategic planning to transform existing structures into functional, modern spaces. Unlike residential renovations, commercial projects are typically secured through direct sales to private building owners and developers, with an increasing focus on sustainability and the integration of mixed-use spaces.

Our approach remains flexible, operating as both turnkey and main contractors to cater to client needs. This versatility allows us to deliver tailored solutions, whether standalone renovations or part of larger, mixed-use developments.

Projects
In 2024, Nordstern's activity within commercial renovation was centered around the ongoing Mjølnerparken project in Copenhagen. This mixed-use development combines residential and retail spaces, modernizing the area while maintaining its urban character. The inclusion of light, attractive retail spaces adds significant value to the area, enhancing its appeal and functionality. This element supports the transformation of Mjølnerparken from a vulnerable neighborhood into an increasingly attractive part of Copenhagen.

Outlook
The commercial renovation market is poised for growth in the coming years, driven by several key factors. By end-2024, Nordstern strengthened its position in this segment by hiring a senior project manager with extensive experience in commercial renovations, including hotels and office spaces. This new addition, combined with an existing dedicated team, positions us to handle larger and more complex projects moving forward.

Additionally, the renovation department has forged closer ties with Nordstern's property development division. This alignment is expected to generate new opportunities, as projects will increasingly be sourced through in-house development channels. This strategic collaboration enhances our ability to deliver mixed-use projects that integrate renovation and new construction, responding to growing market demands for sustainable and efficient solutions.

The booming Copenhagen hotel market is another area of focus. With our established expertise in hotel construction and renovation, Nordstern is well-positioned to capture a share of this market as demand continues to rise. Furthermore, sustainability remains a key driver for the commercial renovation market. As regulations tighten and stakeholders emphasize the importance of upcycling and preserving existing buildings, the demand for renovation over demolition is expected to grow, creating additional opportunities for Nordstern.

By leveraging our expanded expertise, close collaboration with property development, and proven track record, Nordstern is well-prepared to lead in the evolving commercial renovation market in 2025 and beyond.

Projects

Under construction (completion year in parenthesis)

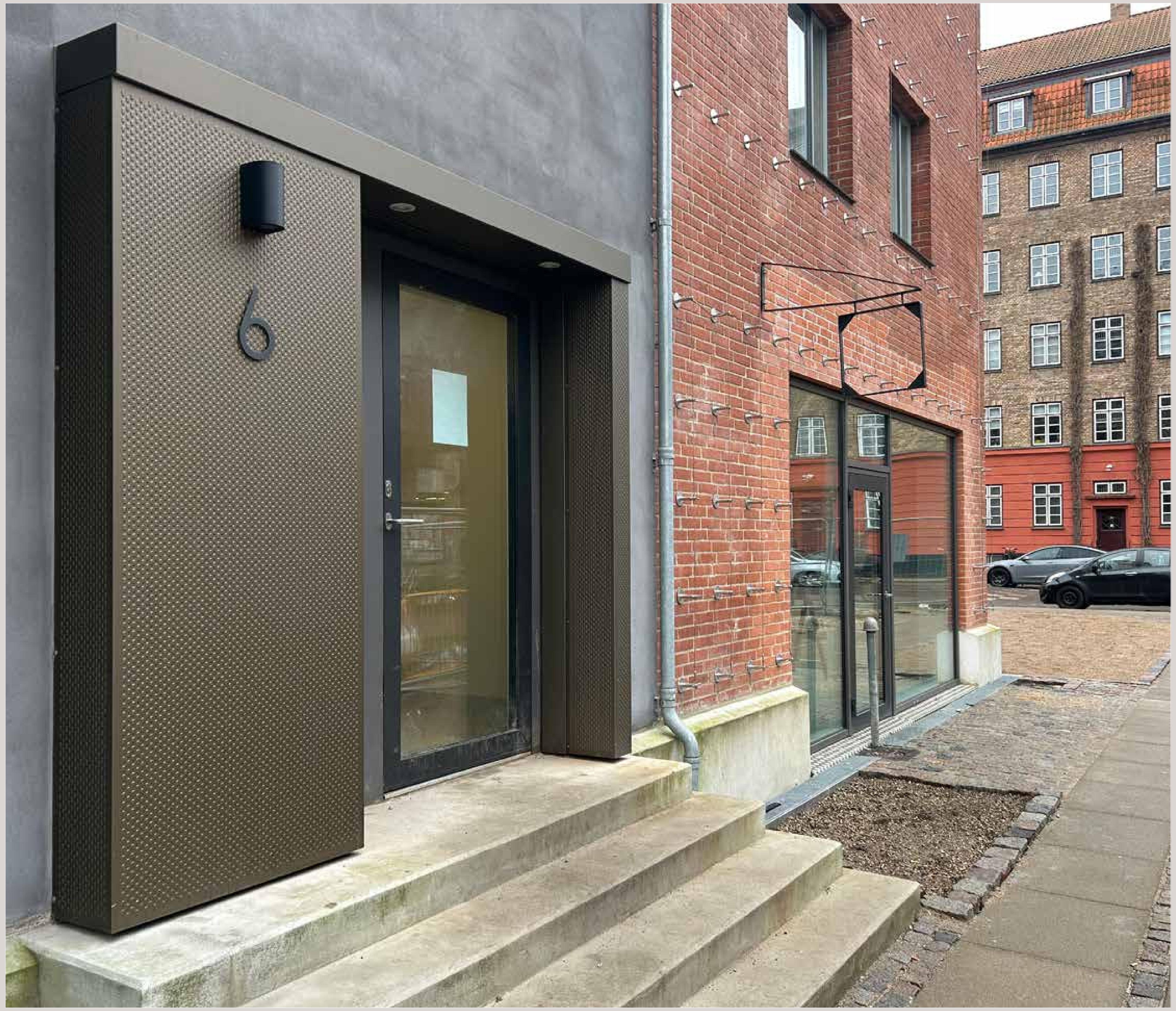
Mjølnerparken (2025)

Handed over

Herlev Bymidte

Mjølnerparken, Copenhagen

Renovation
- Commercial



Nordstern is leading the extensive renovation, reconstruction, and new construction at Mjølnerparken in Nørrebro, Copenhagen. While the project includes significant upgrades to residential units, with over 500 apartments being renovated or newly built, a key aspect is the transformation of the ground floor spaces into a vibrant commercial area.

The project includes the creation of a new retail street with grocery stores, shops, and cafés, replacing former ground-floor apartments. To achieve this, the floor heights of these units have been raised, and the ground level has been adjusted to provide seamless access from the street. This development aims to increase activity in the neighborhood, making it a more attractive and connected urban environment.

The project enhances infrastructure by introducing new streets and improving connectivity to the surrounding area, including Nørrebro and Mimersparken.

The project is following the DGNB 2016 manual for renovation and new construction, aiming for DGNB Silver certification upon completion in 2025 for the buildings and DGNB Gold for the urban area.

Environmental

Social

Governance

Plushusene, Køge Nord

Sustainability at Nordstern

Nordstern is committed to being a leader in sustainability within the Danish property development and construction industry. As we strive toward this vision, we aim to minimize the environmental and climate impact of our operations while advancing key social and responsible business objectives. To guide this journey, we introduced a comprehensive sustainability strategy in 2023, outlining ambitious targets for 2030 across all strategic areas. In 2024, we have focused on implementing the various aspects of this strategy and tracking our progress, while also keeping an eye on potential developments in our value chain affecting impacts, risk and opportunities on and from sustainability topics. In 2024, we revisited and updated the double materiality assessment informing our strategy to ensure that we continuously address the sustainability topics and challenges with the greatest impact on both people, planet and financial performance. Thus, the double materiality assessment provides an up-to-date view of how Nordstern's activities impact both people and the planet, while also identifying relevant sustainability-related financial risks and opportunities (please see page 35 for more details on the double materiality assessment).

Our sustainability strategy builds upon three key pillars, each addressing critical environmental (E) and social (S) aspects of our operations:

1. A long term goal of achieving carbon neutrality supported by ambitious reduction targets towards 2030 (E),
2. Actively driving the transition toward more sustainable buildings (E), and
3. Attracting and developing the talents of the future (S).

These goals are reinforced by a solid foundation of governance (G) measures, including:

1. A robust ESG data collection framework to track and report on our progress, and
2. A comprehensive set of policies and procedures that ensure responsible supply chain management and uphold high standards of internal conduct.

The structure of Nordstern's sustainability strategy is captured in the visual strategy house to the right, which outlines the primary key performance indicators (KPIs) and targets associated with each of the three pillars (E and S) as well as the governance foundation (G). For a full list of Nordstern's sustainability KPIs and targets, please refer to the ESG Key Figures on pages 56-57.

In the following sections of the annual report, we review our policies and targets, actions, and results for each of the strategic pillars, as well as the risks they are subject to. The following sections of the Annual Report constitute the statutory reporting on corporate sustainability, gender composition of the management, and explanation of data ethics, in accordance with sections 99a, 99b, and 99d of the Danish Financial Statements Act, but does not constitute reporting according to the CSRD (Corporate Sustainability Reporting Directive) which does not apply to Nordstern for the financial year 2024.

Vision:
Nordstern will be a sustainability leader within the property development and construction industry in Denmark

	Nordstern will become carbon neutral	**Nordstern will contribute actively to making buildings more sustainable**	**Nordstern will attract and develop the talents of the future**
AMBITIONS	• We will work to reduce our carbon and resource footprint throughout our value chain and lead by example in our industry.	• We will proactively work to raise the bar for sustainable buildings. Our ambition is to only build sustainable and **70-100%** EU Taxonomy-aligned buildings by 2030.	• Our ambition is to create the best work environment possible and attract and develop the best people in the industry.
TARGETS	• Nordstern has set a science-based target for a 1.5º future • Reduce Scope 1 and 2 emissions with **42%** by 2030 (baseline 2021) • Reduce Scope 3 emissions with **50%** by 2030 and to **net-zero** in 2050 (baseline 2021)	• **100%** of new residential and office building projects will be certified according to third-party sustainability standards • **70-100%** of revenue from new construction projects will be EU Taxonomy-aligned in 2030 • At least **70%** recycled waste from construction by 2025	• **Ambitious career development targets** for internal education and promotions • Minimum **70 interns** annually • Job satisfaction scores must be in the **top quartile** • Work accident frequency **below 0.6** and lost days frequency **below 9** for own employees and sub-contractors

Governance

✓ Robust ESG data quality
✓ High quality ESG reporting towards ESG rating
✓ Responsible supply chain management
✓ Sustainability policies, Employee Code of Conduct, Supplier Code of Conduct, Diversity Policy

Plushusene, Køge Nord

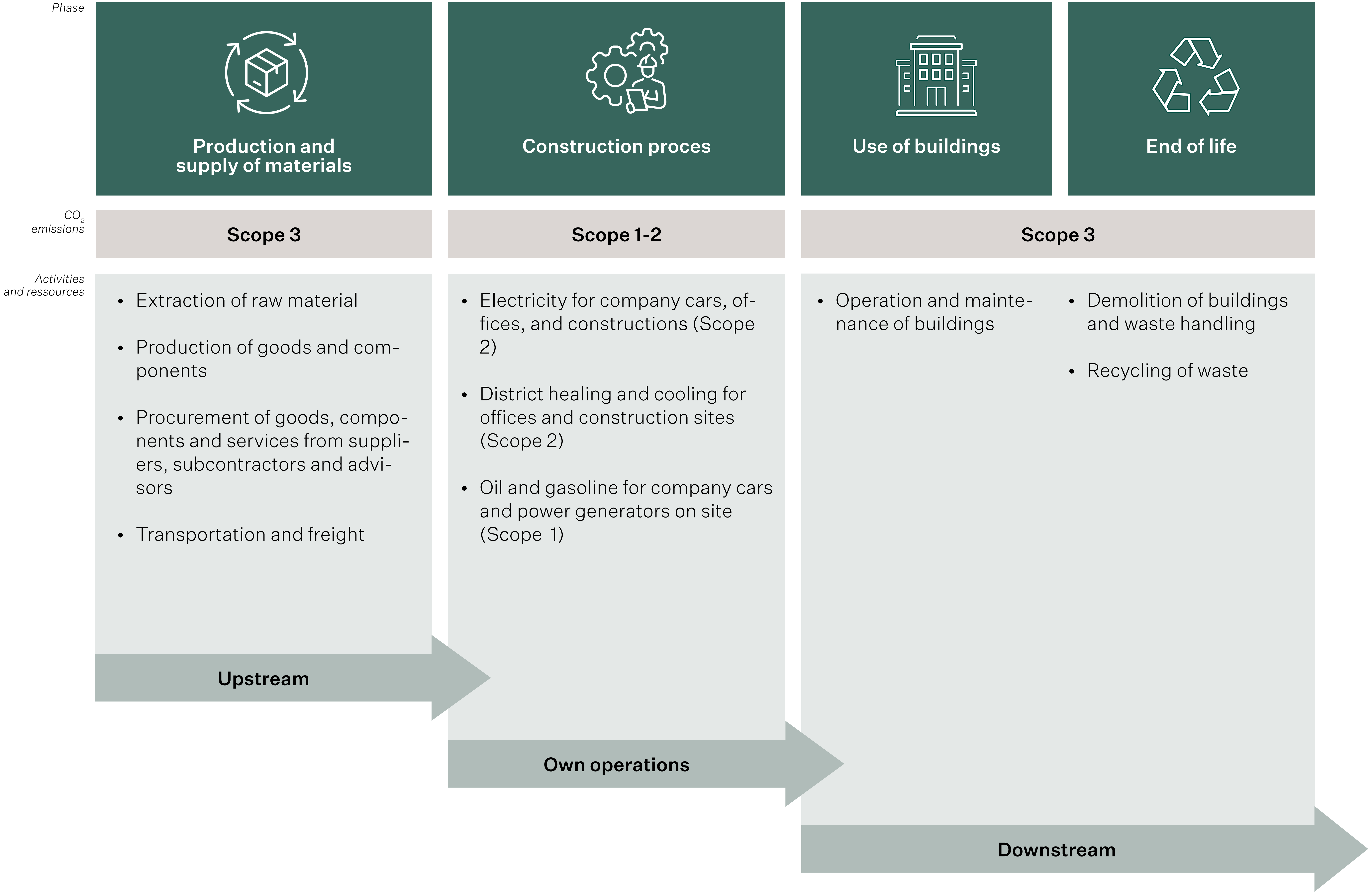
Business Model and Sustainability Organization

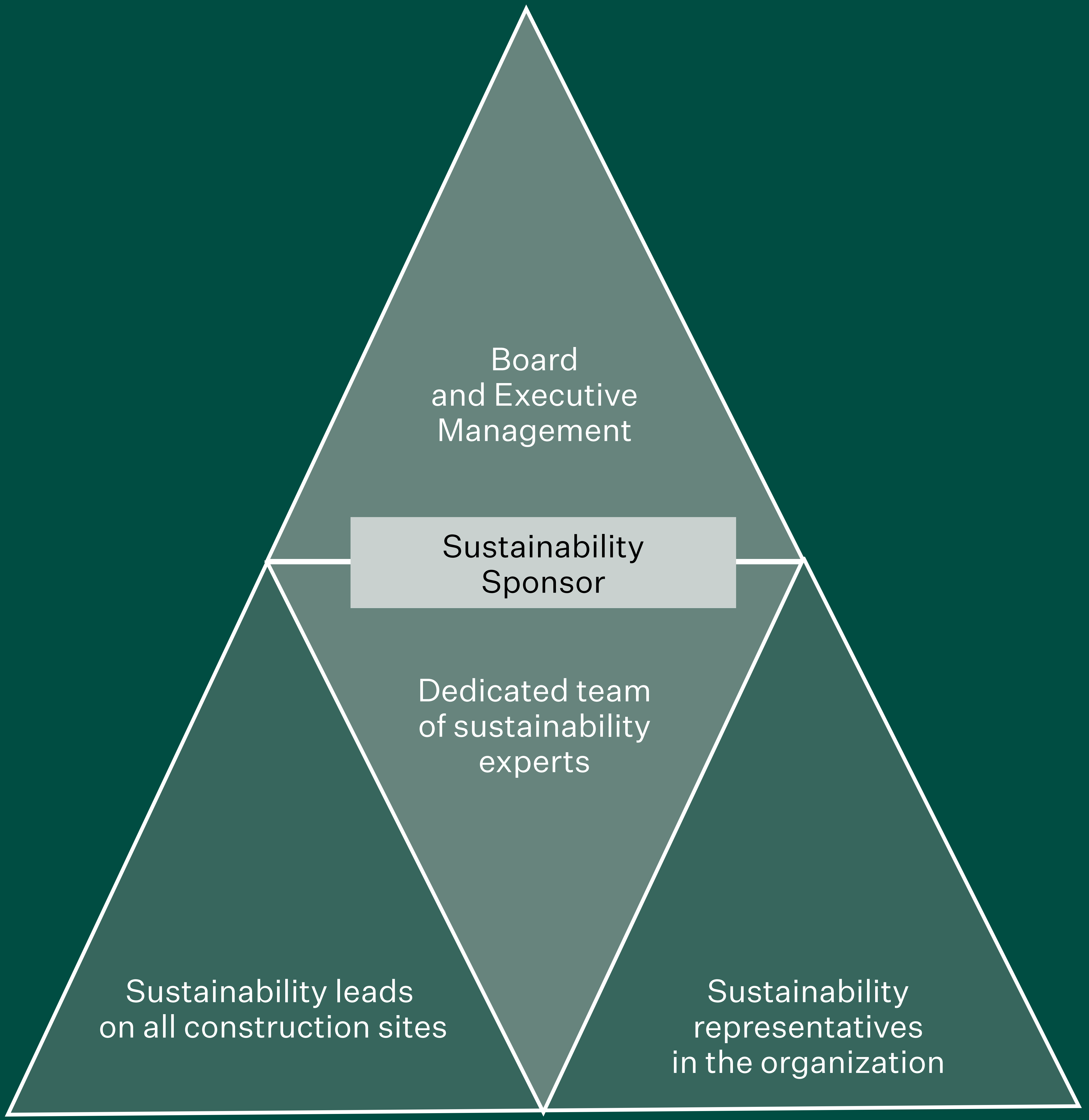
To achieve our environmental, social, and governance (ESG) targets across each strategic focus area, we are committed to integrating sustainability throughout our entire value chain. This involves addressing challenges collaboratively with our clients, suppliers, subcontractors, and other key partners, all of whom play critical roles in developing and implementing sustainable solutions. Internally, we have a dedicated team of sustainability experts responsible for driving the implementation of our sustainability strategy in close cooperation with project managers in our design department and on our construction sites with the most immediate impact on the agenda.

Sustainability Across the Value Chain
Nordstern's corporate strategy and business model are outlined on pages 11-13 of the annual report. At the core of our business model are our primary activities: the development, construction management, and sale of real estate projects. These activities are carried out daily in our offices and on our construction sites across Denmark, where we have the most direct impact and influence on the surrounding communities and our stakeholders, affecting critical environmental, social, and governance (ESG) issues.

However, our impact extends beyond our own primary activities. We also play a significant role in upstream activities, such as raw material extraction, production, and transportation of construction components, as well as downstream activities, including the operation, maintenance, and eventual demolition of our buildings, alongside waste management. These activities in our value chain have broader environmental and social impacts reaching beyond our own operations.

From a value chain perspective, our business model is depicted in the figure to the right.





Sustainability Governance in Nordstern
Nordstern's sustainability governance and organizational structure are designed to integrate sustainability into all aspects of our operations, from strategy making to project execution and delivery.

Ultimately, the Board and Executive Management are responsible for overseeing Nordstern's sustainability strategy, policies, and progress, ensuring alignment with the company's overall strategic goals. The COO acts as the internal sustainability sponsor, bridging executive management and operational teams. This role ensures strategic prioritization of sustainability initiatives and guides the allocation of resources between various sustainability efforts to most effectively advance the company's environmental and social objectives.

At the operational level, a dedicated team of sustainability experts focuses exclusively on sustainability initiatives, policies, and projects. They drive concrete initiatives and the design and roll-out of tools to guide decision-making in the design and execution of projects. They also provide education and expertise throughout the organization and ensure consistent implementation of sustainability practices across business areas and individual projects.

On construction sites, designated sustainability leads implement, monitor, and document sustainability practices to meet standards and goals at the project-level. These leads receive tailored internal training to address sustainability challenges on the construction site. Across the broader organization, several roles across departments like Design, HR, H&S, Communication, and Finance contribute to implementing initiatives as well as tracking and reporting on sustainability KPIs.

This multi-level governance model aims to promote a culture where sustainability is a priority across all organizational levels and projects and support an operational model where action and responsibility lie as close to the project execution as possible.

The structure is visually represented in the figure to the left.


Bo Midtvest afd. 630, Ikast

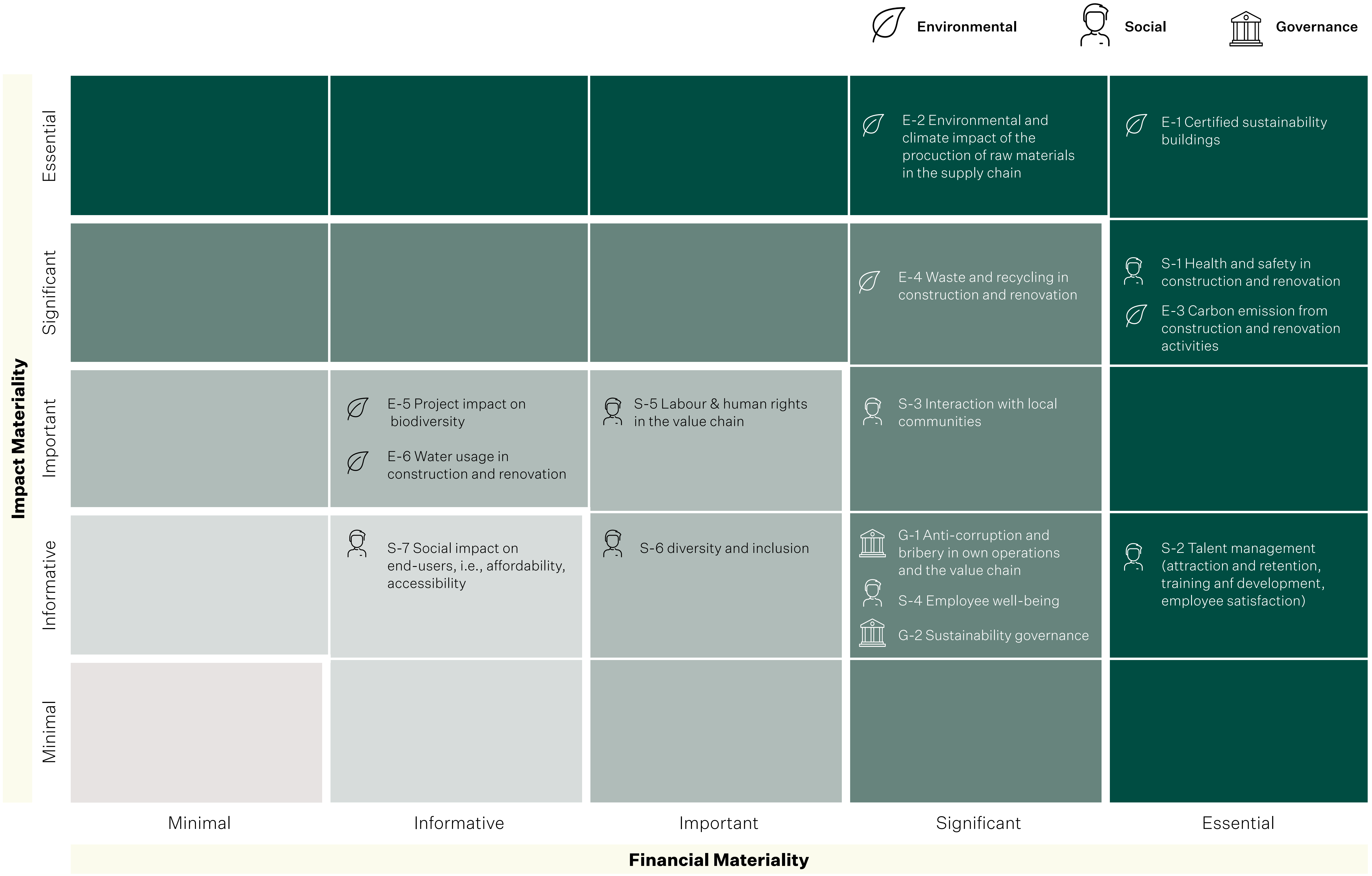
Double Materiality Assessment

Introduction to Material Sustainability Topics
In the preparation of our 2023 ESG strategy, Nordstern conducted a double materiality assessment to identify key ESG themes critical to our business and shape the scope and content of our ESG strategy.

This approach examined key ESG topics across two dimensions:
1. **Impact materiality** – assessing how our activities impact society and the environment, and
2. **Financial materiality** – gauging how sustainability issues impact our operations and value creation.

The double materiality assessment was revisited and updated in 2024 due to the evolving nature of sustainability impacts, risks, and opportunities across our value chain. The objective of the updated assessment was to ensure that our ESG strategy remains relevant and that we focus on where our business has the greatest impact and is exposed to the most material risks. The updated assessment will serve to inform decisions within our ESG strategy and form the basis for refining initiatives to meet emerging and evolving challenges.

Double Materiality Matrix
The assessment involved desktop research, interviews, and workshops with our sustainability team, managers, and employees. This thorough process captures the full scope of our operations, aligning material topics with both internal goals and external expectations. The results of the assessment guide our ESG strategy and reporting and are condensed in the figure to the right.



Climate and Environment

Augusthave, Aarhus

Nordstern's Climate Impact

Carbon emissions significantly contribute to climate change, and our planet continues to experience the repercussions of global temperature increases. To address Nordstern's impact on the climate, we are steadfast in our efforts to reduce our carbon footprint across the entire value chain. This ongoing commitment aligns with the Paris Agreement's ambition of limiting global warming to a maximum of 1.5°C.

Strengthening Efforts in 2024
New initiatives are crucial for contractors like Nordstern to reduce greenhouse gas emissions. The construction industry in Denmark alone accounts for 30% of annual greenhouse gas emissions, stemming from material production, construction processes, and building operations. To address this challenge, Nordstern has chosen to strengthen its sustainability efforts by committing to science-based targets that align with the Paris Agreement's goal of limiting global warming to 1.5°C by 2050.

In 2024, we continued to strengthen our efforts by adopting innovative solutions, collaborating with partners, and incorporating practices across all operations. Our primary objective remains to reduce CO_2 emissions in Scope 1, 2, and 3, with measurable progress already achieved and a clear roadmap toward our 2030 targets.

Targets and Industry Challenges and Risks
We are proud to have our science-based targets officially approved and we are committed to reducing CO_2 emissions across our operations and value chain. By 2030, Nordstern aims to cut Scope 1 and 2 emissions by 42% and Scope 3 emissions by 50%, using 2021 as the baseline year.

Achieving these targets, challenging as they are, and constantly reducing CO_2 emissions are both climate and business critical. The construction industry faces increasingly stringent regulatory requirements, with new building regulations imposing tighter restrictions on CO_2 emissions over the lifespan of buildings. Beyond regulatory demands, clients and end users are setting even more ambitious sustainability targets. The continued success and relevance of Nordstern thus hinge on its ability to deliver innovative solutions for buildings with significantly lower CO_2 emissions.

Actively pursuing and keeping abreast with developments in low emission products and solutions allow us to choose the best construction methods and materials for our clients. By working closely with clients, consultants, and partners, Nordstern aims not only to meet today's standards but to actively contribute to defining future ones.

Climate Actions in Nordstern

To reduce our **Scope 1 and 2** emissions, we have taken the following actions in 2024:

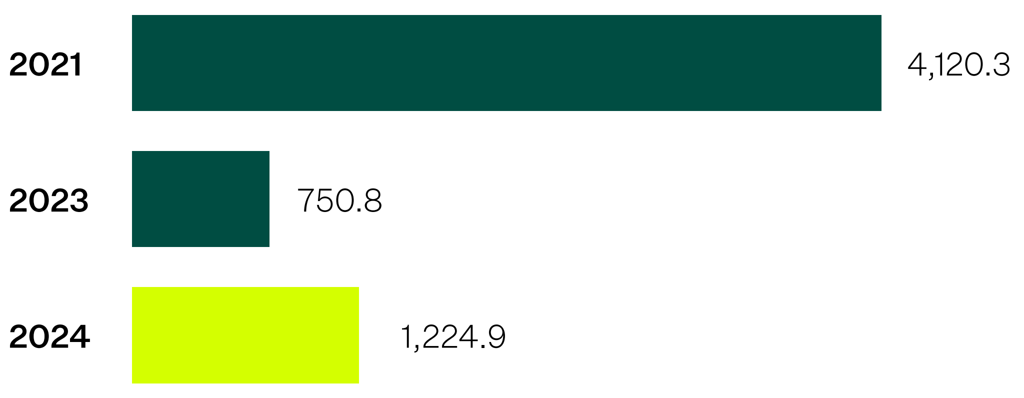
- Stringently following our company car policy, which allows only electric or plug-in hybrid cars (energy class A+++).
- As part of our efforts to meet the upcoming BR18 requirements, we have been working on several projects involving the calculation of CO_2 emissions in the A4 and A5[1] phases of the projects' lifecycle (the LCA). In this context, we are testing various solutions for energy monitoring and management, such as using heat pumps as an alternative to radiators and optimizing electricity use in site facilities. To enhance these efforts, we have developed a dashboard that includes monitoring of all elements under A4 and A5. The dashboard, for example, monitors energy consumption, enabling construction sites to track and optimize their usage continuously. This solution will be implemented as a standard for all projects initiated after 1 July 2025.
- Collected retrospective A4-A5 data for projects to gain an overview of the largest emissions sources. This data has also been utilized in the development of the dashboard.
- Continued to explore alternatives to diesel-driven generators for on-site power generation. For instance, during the renovation of Bellahøj in Copenhagen, we have tested a hybrid diesel generator as a temporary solution. This generator ensured stable power supply both to the site facilities and the tools used for facade demolition. The hybrid generator was implemented due to significant challenges in connecting the project to district heating during that period.
- Explored alternatives to diesel-driven machinery on-site. At Travbyen in Billund, we are exploring the use of electric machinery (electric cranes and scissor lifts are in use) building on previous experience with electric cranes from Trælasten in Aarhus.
- Monitored diesel consumption on sites and introduced less diesel-consuming alternatives for projects with above-average consumption. For example, high diesel usage was identified during the construction of the projects CPH Pulse and Lygten, where connection to district heating was not possible. Monitoring has highlighted the need to improve our use of alternatives to diesel generators, such as hybrid generators, which are already being utilised on projects like Bellahøj in Copenhagen. From 2025 onwards, we will intensify our focus on this area, aligning with the new CO_2 inventory requirements for construction sites that will come into effect on 1st of July 2025.
- Made power generation a standard observation item at all kick-off meetings for building sites.

In 2025, we will analyze the data collected from the above initiatives to inform future projects and further reduce CO_2 emissions from our sites.

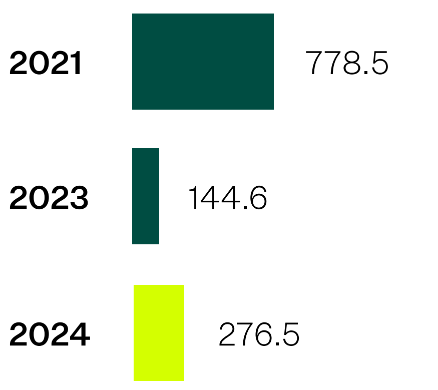
To reduce **Scope 3** emissions, in 2024 we have taken the following actions:

- Continued our work on projects with CO_2 emissions well below building regulation requirements, including several projects expected to achieve emissions of 9.5 kg CO_2e/m²/year or lower. In 2024 we have for example been working on Ry School (a public school) to meet a CO_2 emission target of 9 kg CO_2e/m2/year, Altura Kolding Centrum (a private nursing home and daycare centre) to meet a CO_2 emission target of 9.5 kg CO_2e/m2/year and a housing project to meet a CO_2 emission target of 8 kg CO_2e/m2/year incl. the A4 and A5 modules. The project teams have dedicated significant effort to designing these projects to meet the ambitious targets, further enhancing our knowledge and experience with low CO_2 emission products and solutions. This expertise has been documented and integrated into Nordstern's design department, ensuring its application in future projects to support the reduction of our Scope 3 emissions.
- Engaged in dialogues with several suppliers of building materials with low CO_2 emissions to enter partnerships with the most relevant suppliers and update our knowledge on low-emitting products.
- Projects like Travbyen in Billund have demonstrated how close cooperation with clients around sustainability ambitions play a significant role. Here, we have incorporated the recycling of wood and other materials from previous projects into the design of the new buildings. Such initiatives help shape our approach to more sustainable construction practices on projects going forward.

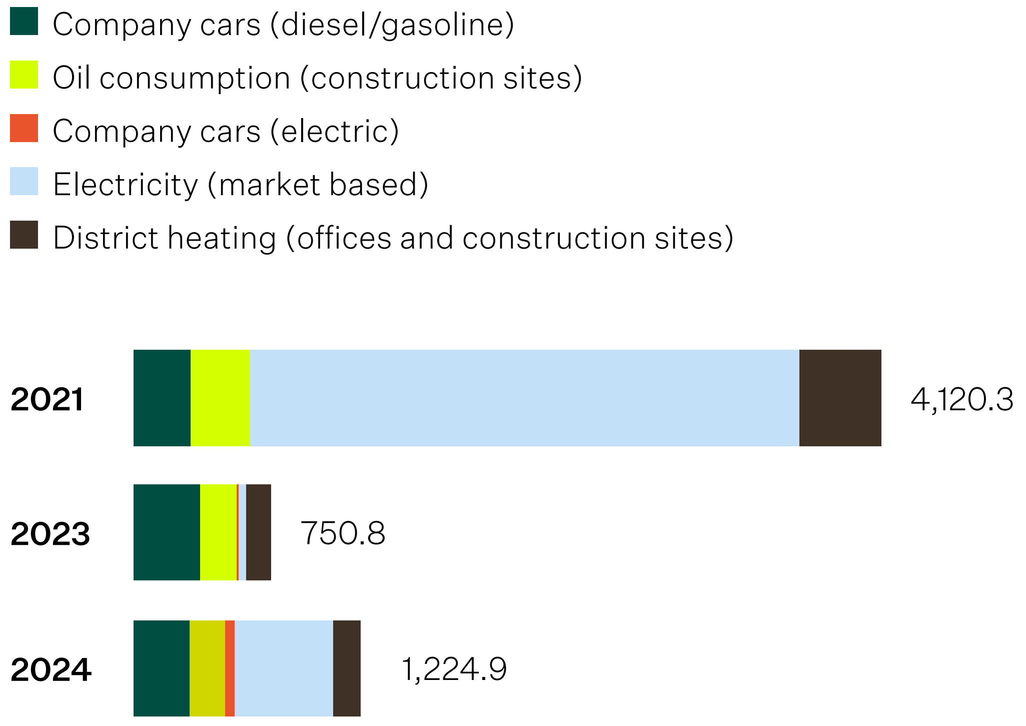
Nordstern's scope 1-2 CO_2 emissions (total)
(Ton CO_2/year)



Nordstern's scope 1-2 CO_2 emissions (per 1 BDKK revenue)
(Ton CO_2/year/BDKK revenue)



Nordstern's scope 1-2 CO_2 emissions (split according to sources)
(Ton CO_2/year)



[1] The A4 phase of the LCA comprises climate impacts from transportation of supplies to the building site:
- Transport of construction materials to the site in vehicles not owned by the company (Scope 3)
- Transport of soil to the site in vehicles not owned by the company (Scope 3)
- Transport of waste (Scope 3, optional inclusion as per the GHG Protocol's guidelines).

The A5 phase of the LCA comprises climate impacts from energy consumption, transport and waste in connection with the construction process
- Electricity consumption on-site (Scope 2): Energy consumption directly relates to on-site construction processes.
- Fuel consumption on-site (Scope 1): Includes fuel used by on-site machinery and equipment. Subcontractor fuel use is included in Scope 3.
- Soil transported from the site (Scope 3)
- Waste (Scope 3)

We have reduced scope 1 and 2 CO_2 emissions by 70.3% from 2021 to 2024

- Collected data from past and ongoing projects to create a catalogue of building materials and constructions, showcasing the CO_2 emissions from various solutions. This catalogue is set to be published in early 2025.
- We have worked on an interactive LCA database where Nordstern employees can find inspiration from other projects, including data on A4 and A5. The database is a vessel for knowledge sharing and the exchange of experiences to enhance future projects by learning from both successful and less effective practices.
- We have also prioritized improving waste sorting across our sites by implementing several initiatives, including:
  - Replacing large unsorted flammable waste containers with sorting solutions.
  - Creating new, clear waste signs to better illustrate and describe proper sorting practices.
  - Engaging in a dialogue with waste suppliers to explore the potential for robotic sorting.
  - Educating site workers on the importance of waste sorting from the start of each project.

These efforts aim to enhance waste management and promote more sustainable practices on our construction sites.

Results
2024 marked the second year in which Nordstern collected data on CO_2 emissions for each of Scope 1, 2, and 3. Also in 2024, our science-based target under the Science Based Target initiative (with 2021 as the baseline year) was approved.

Scope 1 and 2
In **Scope 1**, CO_2 emissions originate from fuel consumption for company cars and oil consumption on construction sites.

Compared to the 2021 baseline, Nordstern achieved a 23% reduction in Scope 1 emissions (and a 13% reduction compared to 2023). This progress has been obtained through a reduction in oil consumption at construction sites in both 2023 and 2024, and a reduction in company car fuel consumption from 2023 to 2024. The Scope 1 emissions reductions are to some extent driven by electrification of both power generators on site and of the company car fleet, i.e., a transition from diesel-powered generators and vehicles to electric or hybrid generators and company cars. This transition comes at a price of a, though smaller, increase in electricity-related emissions in Scope 2 as described further below.

We are pleased with the reduction in Scope 1 emissions, while the results also point to where we can improve further:

- In 2024, a few projects still used diesel-powered generators for heating as district heating was not available at the required time. Of these, two projects account for more than 70% of diesel consumed at construction sites and more than 28% of Nordstern's total Scope 1 emissions showing that a targeted focus and relatively small changes can have a great impact.
- More than 60% of total Scope 1 emissions still come from company cars demonstrating the importance of the ongoing transition to electric cars.

In **Scope 2**, emissions stem from electricity and district heating consumption in offices and on construction sites, as well as electricity consumption for electric company cars.

Compared to the 2021 baseline, Nordstern achieved a 79% reduction in market-based Scope 2 emissions (however a 295% emissions increase compared to a very low 2023 level). Despite these advancements and despite meeting and exceeding our target of a 42% reduction in combined Scope 1+2 emissions, Scope 2 emissions have increased significantly from 2023 to 2024, indicating room for further improvement. Several factors have contributed to the increase in Scope 2 emissions from 2023 to 2024:

- Electrification of production equipment: The use of electric cranes and electric or hybrid power generators on construction sites have led to a material increase in electricity consumption on construction sites, reducing Scope 1 and Scope 3 (supplier Scope 1) emissions, but increasing Nordstern's Scope 2 emissions.
- Electrification of company cars: The ongoing transition towards an electric company car fleet reduces Scope 1 emissions but inevitably leads to an increase in Scope 2 emissions. The increase in company car electricity consumption alone accounted for an >20% increase in Scope 2 emissions compared to 2023.
- Production activity: One large-scale project alone accounted for 40% of the increase in electricity consumption from 2023 to 2024 due to a very significant increase in production activity compared to 2023. Even if the increase in consumption was driven by an increase in production activity, the data insight begs the question whether more energy efficient practices could be incorporated both on the project in question and across Nordstern's project portfolio.
- Change of billing practice: On another large-scale project, a substantial part of electricity billing was moved from the client to Nordstern during 2024 implicitly moving Scope 2 emissions from the client to Nordstern. This large project accounted for another 33% of the increase in electricity consumption from 2023 to 2024.
- Office expansion: The opening of a new Nordstern office in Aarhus also added to overall energy consumption.
- Company policy: Due to a procedural mistake, a few of Nordstern's construction sites did not comply with the company policy of procuring green electricity in 2024. This non-intended practice accounts for almost the entire increase in market-based Scope 2 emission compared to 2023 and highlighted a need for better information and better control of the company policy. Actions in this regard have been initiated already.

- Emission factor: The market-based emission factor for electricity increased with 15% from 2023 to 2024. This is beyond our control and leads to higher market-based emissions at unchanged consumption but underscores the importance of reducing electricity consumption and sourcing green electricity.

Even if certain drivers of Scope 2 emissions are beyond our control (like emission factors) and parts of the increase in Scope 2 emissions lead to similar or greater reductions in Nordstern's Scope 1 or 3 emissions and/or in the Scope 1-2 emissions of our clients or suppliers, the above insights highlight a potential for further improvement, particularly in ensuring consistent use of green energy and managing electricity consumption and energy efficiency across all projects. We remain committed to striving for additional reductions in both Scopes 1 and 2 where we have the most immediate control.

The figure to the right summarizes our market-based Scope 1 and 2 emissions as well as Scope 3 emissions in 2024 compared to 2021 and 2023 (for location-based emissions, please refer to page 56). For Scope 1 and 2 combined, we have reduced our market-based emissions by 70.3% compared to the 2021 baseline year.

CO_2 reporting for Nordstern's activities, Scope 1 + 2 (market based)

	2021	2023	2024
Scope 1 (direct emissions)	CO_2 (tons)		
Company cars	312.8	361.3	300.4
Oil consumption (construction sites)	325.1	204.3	193.0
Scope 1 total	**638.0**	**565.7**	**493.4**
Scope 2 (indirect emissions)	CO_2 (tons)		
Company cars	-	13.0	53.1
Electricity (offices and construction sites – market based)	3,036.3	40.7	527.2
District heating (offices and construction sites)	446.0	131.4	151.2
Scope 2 total	**3,482.3**	**185.1**	**731.5**
Scope 1 +2	CO_2 (tons)		
Scope 1 + 2	4,120.3	750.8	1,224.9
	CO_2 (tons) / year / BDKK revenue		
Scope 1 + 2 per BDKK revenue	778.5	144.6	276.46

CO_2 reporting for Nordstern's activities, Scope 3

	2021	2023	2024
Scope 3 (indirect emissions)	CO_2 (tons)		
Scope 3.1: Upstream purchased goods and services	153,839	122,406	77,192
Scope 3.3: Upstream fuel and energy related activities	596	430	506
Scope 3.5: Waste generated in operations	47	153	72
Scope 3.6: Business travel	1,214	904	824
Scope 3.7: Employee commuting	1,183	1,051	845
Scope 3.11: Use of Sold Products	48,845	49,976	24,000
Scope 3.12: End-of-life treatment of sold products	17,222	17,515	8,525
Scope 3 total	**222,948**	**192,435**	**111,962**
Construction alone (included in 3.1, 3.11 and 3.12)	157,401	158,276	81,075
Construction alone (included in 3.1, 3.11 and 3.12) % of scope 3 total	70.6%	82.2%	72.4%
	CO_2 (tons) / year / BDKK revenue		
Scope 3 per BDKK revenue	42,122	37,049	25,269

Scope 3

Nordstern's **Scope 3** CO_2 emissions account for more than 95% of Nordstern's total (Scope 1-3) emissions and originate from a variety of sources, including:

- Life cycle calculations of construction projects completed in 2024, including emissions from the production of building materials used in the projects, calculated energy consumption and replacements of materials over a 50-year period as well as the disposal of the building after 50 years of use. This element alone accounts for more than 95% of Scope 3 emissions and is by far the most important driver of Nordstern's total emissions and, thus, holds our primary focus.
- Costs related to Nordstern's operation (e.g., office supplies, hotels, restaurants).
- Costs related to Nordstern's development projects (e.g., consultants, advertising).
- Upstream emissions from Scope 1-2 related energy consumption.
- Waste from construction sites and offices.
- Business travel and employee commuting (excluding company cars).

In 2024, Nordstern achieved a 49.8% reduction in Scope 3 emissions compared to the 2021 baseline (and a 42% reduction compared to 2023), bringing us very close to our 50% reduction target. This material improvement is driven by two major factors:

1. A reduced number of projects completed in 2024 compared to previous years. This is in part due to a lower activity level in 2024, but as Nordstern's projects run over several years there is also an element of randomness involved. Due to the project portfolio composition, some years see more project completions than others and a few months of delay or advancement can move project completion (and thus all of the project's Scope 3 emissions) from one year to another.

2. Average project lifetime emissions decreased from 9.94 kg CO_2-eq/m²/year in 2023 to 9.04 kg CO_2-eq/m²/year in 2024. This key figure is crucial, as it is the most important driver of Scope 3 (and total Nordstern emissions), and it is under our own control. Thus, we are satisfied with the notable improvement (a 9% year-on-year reduction) that sees us on the right trajectory. At the same time, it is essential to advance this progress and focus on further reducing project lifetime emissions going forward.

By building on lessons from 2024 and prioritizing low emission designs, materials, and practices, Nordstern aims to further reduce Scope 3 emissions and maintain the momentum achieved so far.

Expectations for the Future

Regarding Scope 1 and 2 emissions, we have already met our 2030 target. However, we will continue to implement measures to further reduce our emissions, including location-based emissions. Our plans and expectations for 2025 are as follows:

- Our company car policy will continue to facilitate a greener car fleet with lower fossil fuel consumption and, consequently, lower emissions. A further tightening of the policy (e.g., to allow for electric cars only) will be considered.
- All our projects will meet the new emission limits for buildings and construction processes which requires us to explore new methods of reducing our climate footprint. All our projects will comply with the new building regulations, which set a maximum average emission limit of 7.1 kg CO_2/m². The new emission limits apply to all buildings, except for certain structures such as waterworks, prisons, operational buildings for the armed forces, and hospitals. Notably, CO_2 emissions from construction sites, including transportation to the site (modules A4-A5) are now also subject to an emission limit of 1.5 kg CO_2/m².
- Our newly developed dashboard for monitoring various elements relating to the A4 and A5 phases of the LCA, such as energy consumption on site and particularly waste, which is the largest emitter, is expected to contribute to reducing our emissions within Scope 1, 2 and 3.
- Our continued focus on (the avoidance of) diesel-driven power generators on-site will reduce diesel consumption and CO_2 emissions.

For Scope 3 emissions, our 2030 goal is a 50% reduction compared to 2021. In 2024, we came very close to this goal but with the help from a coincidental low in the number of projects delivered during the reporting year. Thus, to consistently reach our long-term goal, further reductions in lifetime CO_2 emissions from our projects (based on LCA calculations) are required. Our growing expertise with low emission solutions, combined with refined design guidelines and catalogues of low emission materials support this effort, alongside ongoing collaboration with clients, advisors and suppliers.

A key tool is our interactive LCA database, which provides data on emissions (from the A1-A3, A4-A5 , B4, B6, C3, and C4 modules of the LCA) from completed buildings. These data offer a more comprehensive understanding of the phases within the construction process. This approach also facilitates knowledge-sharing from past projects. By learning from successes and challenges, the database enhances our ability to integrate low emission solutions into future projects.

In 2025, we expect more projects in our pipeline to meet stricter CO_2 requirements, reducing Scope 3 emissions per project. Lifetime CO_2 emissions reductions from a project (according to LCA calculations) will be reflected in emissions reporting in the year the project is handed over.

Nordstern's total CO_2 emissions in scope 1, 2 and 3 (scope 2 market based):

	2021	2023	2024
	CO_2 (tons)		
Scope 1	638	566	493
Scope 2	3,482	188	732
Scope 3	222,948	192,435	111,962
	% of total emissions		
Scope 1	0.3%	0.3%	0.4%
Scope 2	1.5%	0.1%	0.7%
Scope 3	98.2%	99.6%	98,9%
	CO_2 (tons) / BDKK		
Scope 1	121	109	111
Scope 2	658	36	165
Scope 3	42,122	37,049	25,269

Atriet, Ørestad

Making Buildings More Sustainable

With the ongoing implementation of our updated sustainability strategy, we have intensified our efforts in 2024 to deliver more sustainable buildings. This includes a strong focus on aligning our projects with recognized third-party sustainability standards and the EU Taxonomy, which will play an increasingly central role in the coming years. These efforts aim to meet growing demands from institutional investors and support our clients in achieving their sustainability goals.

Risks

The double materiality assessment conducted as part of our sustainability strategy and updated during 2024 (see page 35) identified the greatest risks of Nordstern impacting the environment as being associated with carbon emissions, waste management, and the use of raw materials in construction. Addressing these risks is critical, as failing to do so would also pose a significant risk to Nordstern's business and performance. Clients, employees, and partners increasingly expect Nordstern to mitigate potential environmental impacts and provide solutions to the challenges facing the construction industry.

In particular, the demand for EU Taxonomy-aligned construction projects is accelerating, driven by institutional investors and other stakeholders seeking projects that align with their own sustainability commitments. This reinforces the importance of our work to position Nordstern as a leader in sustainable construction practices.

Policy and Targets: Certification and EU Taxonomy Alignment

Construction certified according to recognized third-party sustainability standards, such as DGNB, takes the above-mentioned risk factors into account. Thus, our goals of only building certified construction and steadily increasing the share of EU Taxonomy-aligned projects have been set to minimize these risks. To make buildings more sustainable, we continue our work to achieve these targets:

- All new residential and office building projects will be certified according to third-party sustainability standards.
- 70-100% of revenue from new construction projects will be EU Taxonomy-aligned in 2030.
- At least 70% of waste from our construction sites will be recycled by 2025.

Actions in Nordstern

To meet our targets, in 2024 we have initiated or strengthened the following initiatives:

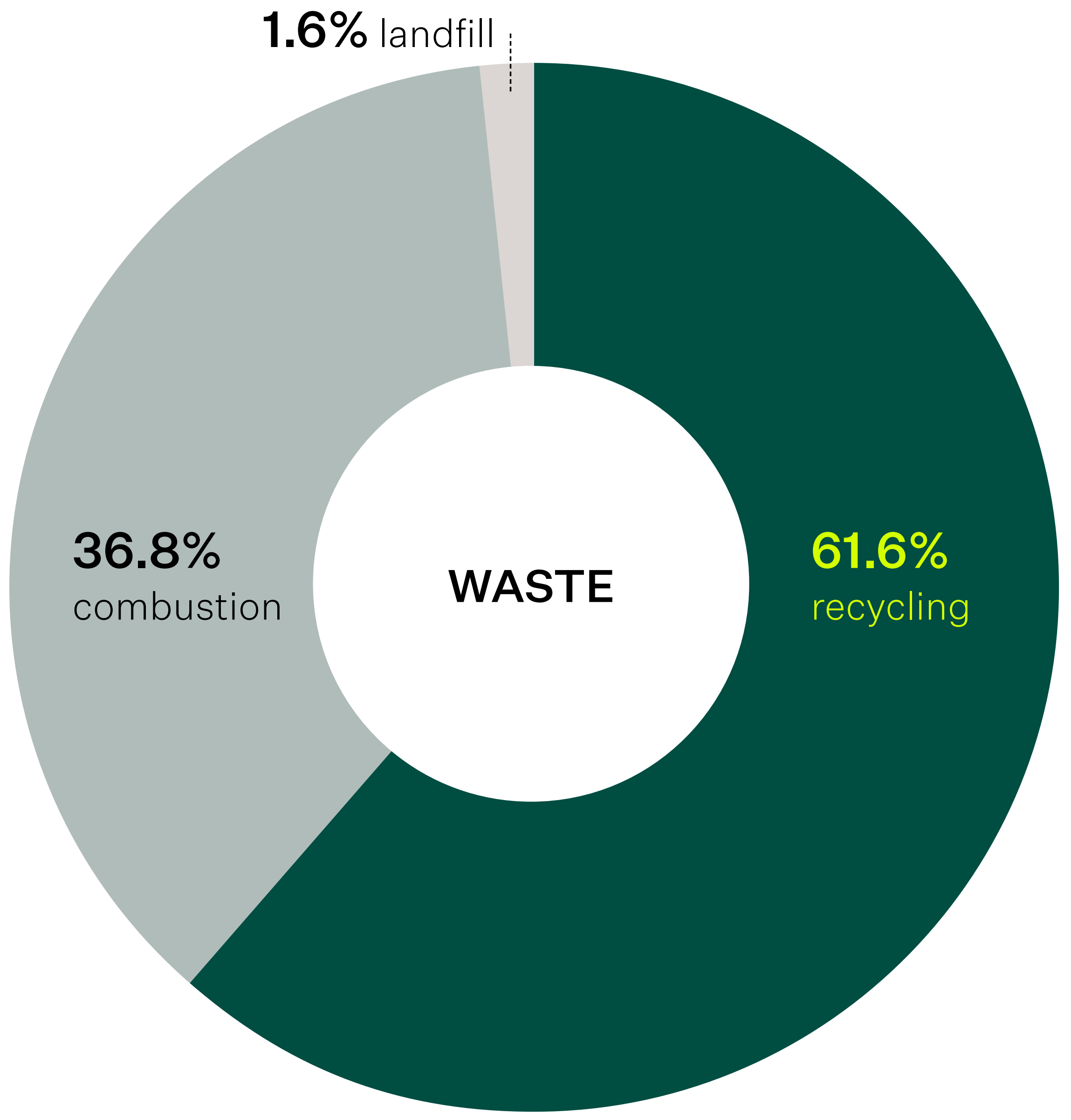
- Since 2023, we have consistently advised all our clients on the benefits of certification compared to the initial investment required, ensuring certifications for all new residential and office construction projects. This effort has continued into 2024, as we remain committed to helping our clients make informed decisions about certification.

- We advise an increasing number of clients about the EU Taxonomy, including what is required for individual projects to achieve Taxonomy alignment. For some projects, particularly those involving large pension funds, alignment is a mandatory requirement, while for others, it remains a collaborative effort to implement and integrate these standards.

- We are involved in the development of the new DGNB manuals at Rådet for Bæredygtigt Byggeri (the former Green Building Council Denmark) to ensure that the content of the manuals is ambitious and operational and to keep us informed and prepared for future measures. Additionally, we have participated in a pilot project for the upcoming 2025 manual, further strengthening our contribution to and understanding of the latest sustainability standards.
- To establish clear roles and responsibilities during the construction phase and to improve the execution of all certified projects, a dedicated DGNB and Sustainability Manager is appointed on all construction sites.
- All DGNB and Sustainability Managers are trained internally through a program developed by Nordstern, specifically tailored to address the challenges encountered during the construction phase of a DGNB project. In 2024, 56 Nordstern employees completed the training, which was conducted over four dedicated sessions.
- We have implemented auxiliary tools in the Dalux platform for all DGNB projects to streamline data collection and perform required controls: 1) A DGNB supervision plan for construction management that includes all relevant DGNB elements, and 2) Input to control plans for all subcontractors specifying the DGNB elements individual subcontractor must document.
- In 2024, we further developed these tools, incorporating feedback from our construction sites to improve usability. Additionally, we introduced a new feature addressing ENV1.2 and EU Taxonomy requirements through material approvals within the Dalux platform.
- We have refined our process to ensure that Nordstern's sustainability department provides support and guidance at the critical stages of a certified project. This process includes at least three mandatory meetings: 1) Start-up of design, 2) Submission of authority project, and 3) Start-up of the construction site.
- In 2024, we enhanced this process by introducing kick-off meetings where all site personnel are briefed on DGNB, with a stronger focus on engaging everyone on-site in sustainability efforts. During these meetings, a sustainability lead is appointed, and a DGNB introduction meeting is scheduled to ensure it takes place. Additionally, Nordstern's sustainability experts have become more actively involved in the start-up of the design phase to meet the increasing requirements to obtain certification of our projects.
- In 2024, we began collecting final documentation for EU Taxonomy alignment at Kilehaven, a residential project in Birkerød. Through this process, we have gained valuable experience in how to incorporate EU Taxonomy requirements into our daily operations. By actively working with these standards, we have identified the need for new tools and learned how processes can better align the EU Taxonomy with DGNB certifications and be integrated into workflows on construction sites.
- Additionally, we have developed a red/green list for chemicals in building materials to clearly identify which products can be used in the future.

Results

- 100% of all Nordstern's residential and office buildings initiated in 2024 (100% of revenue) will be certified according to third-party sustainability standards (DGNB and/or the Nordic Swan).
- In this statistic, we have included turnkey contracts (design and build) only. Main contracts (build only) have been omitted as we have limited influence on whether such projects are certified[2].
- Although our certification goal applies to residential and office buildings only, we are actively incorporating sustainability initiatives into other projects. For example, during the construction of Ry School, we are working to comply with a maximum CO_2 emission requirement of 9 kg CO_2e/m²/year, using certified wood, and selecting indoor climate-labelled products for interior surfaces.
- In 2024, Nordstern entered its first contract for a residential project aiming to be EU Taxonomy-aligned. By the end of 2024, we had unconditional contracts for a total of four projects expected to meet the EU Taxonomy criteria and planned to be EU Taxonomy-aligned.
- In 2024, 61.6% of waste from our construction sites was recycled, while 36.8% went to combustion and 1.6% to landfill. This is a step in the right direction compared to 2023 where 58% of waste from construction sites was recycled, and we are pleased to register this progress. However, we still have some way to go to meet our target that 70% of waste is recycled.
- In 2025, we will focus on further improvements of waste management and waste sorting. This includes exploring the potential of sorting robots and introducing new types of signage for containers to facilitate more effective source sorting. Additionally, we will leverage our experience in preparing resource catalogues for building components and collaborate closely with decomposers to enhance recycling efforts. In addition to our own goal of ensuring that 70% of waste from construction sites is recycled or reused, waste sorting has a direct impact on the CO_2 emissions captured by the A5 module of the LCA. A5 comprises construction site activities, including the handling and disposal of waste, which form a significant part of a project's environmental impact. Effective waste sorting reduces the amount of waste sent to incineration or landfill while increasing the proportion that is recycled. This contributes to minimizing CO_2 emissions from waste handling and further supports compliance with the EU Taxonomy's requirement for 70% waste recycling or reuse.



[2]For this reason, the Sølund main contract in Copenhagen, which comprises a nursing homes, senior housing, and youth homes, is not included in the statistic. This project was taken over from another contractor, further limiting our ability to influence certification decisions.

Copenhagen's First Pre-Certified DGNB Platinum Office Building

CPH Pulse is a state-of-the-art multi-user office building located on Havneholmen in Copenhagen. Spanning 15,076 m² across ten floors, it is the first office building in Copenhagen to achieve pre-certification for DGNB Platinum – the highest accolade from the Danish Council for Sustainable Construction.

Facilities and Design
The ground floor will house a lobby, foyer, meeting facilities, canteen, and a commercial kitchen, while the upper floors will be converted into office spaces. On the roof, there will be 700 m² of solar panels, a sedum roof, and a shared roof terrace. The project also includes a 3,008 m² underground car park with capacity for 52 cars, 416 bicycles, and a bicycle workshop, alongside 46 additional bicycle parking spaces at ground level.

Sustainability and Innovative Solutions
To achieve DGNB Platinum certification, the following sustainable solutions have been implemented:

- Green Concrete LCC (low carbon concrete) used in concrete elements for passive environmental class applications, such as hollow slabs, columns, and beams.
- DELTABEAM® Green Composite Beams, which reduce CO_2 emissions by up to 50%. These beams are made from more than 90% recycled materials and produced using renewable energy. The environmental impact is verified through Environmental Product Declarations (EPD) and project-specific CO_2 emissions calculations.
- Recycled bricks for the façade.
- District cooling, which reduces CO_2 emissions by up to 70%. The building also benefits from energy sourced from solar panels and wind turbines, providing both economic and environmental advantages.

Advanced Technology
CPH Pulse is equipped with a BMS/CTS system for monitoring and managing the building's technical systems, along with an IBI system (Intelligent Bus-based Building Systems). The IBI system optimises comfort, operations, and energy consumption by locally managing lighting, solar shading, heating, cooling, and ventilation in spaces such as offices and meeting rooms.

Certification
The building adheres to the DGNB manual for new office buildings (2016) and received pre-certification for DGNB Platinum on 8 September 2022. Final certification is anticipated upon the project's completion at the end of 2025.

Herning+: A Nordic Swan Ecolabelled Construction

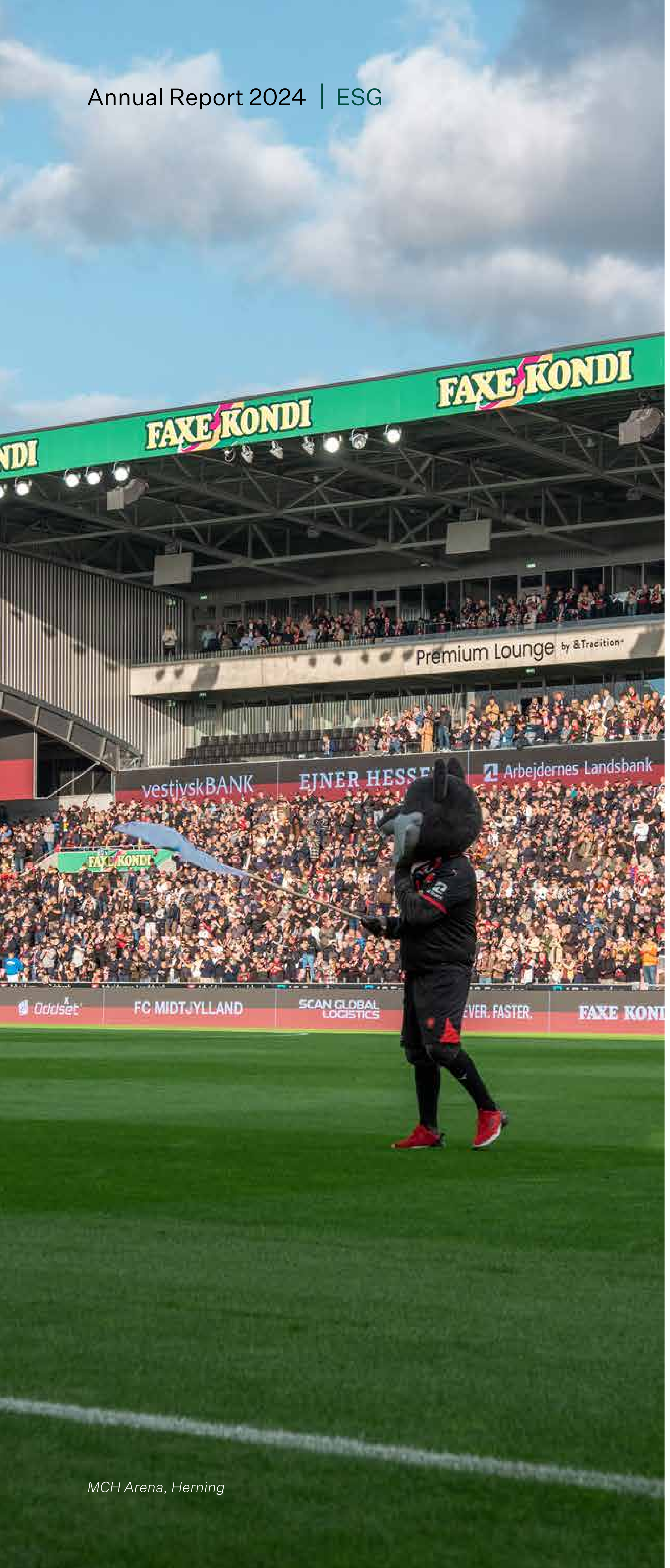
In 2024, the project team at Herning+ celebrated two significant milestones with the handover of Sister Ane's House in July and Sister Fanny's House in November. Both housing projects are expected to achieve the Nordic Swan Ecolabel certification. This certification ensures that the buildings meet stringent requirements for environmental standards, quality, and health.

The Nordic Swan Ecolabel sets strict criteria, including requirements related to indoor climate and material choices. Both projects have been developed with a focus on minimising environmental impact. For instance, energy-efficient appliances and eco-labelled products have been used, and all wood utilised in the construction is certified to FSC or PEFC standards. Additionally, targeted efforts to prevent moisture have been implemented, including a control plan prepared by an external moisture expert. This helps to ensure durable, healthy buildings free from the risk of mould.

During the design phase, particular attention was paid to daylight calculations to ensure an optimal indoor climate that meets the higher standards of the Nordic Swan Ecolabel, exceeding the requirements of building regulations.

The two completed buildings are part of a wider certification process that also includes a third project, scheduled for completion in 2025. When Herning+ is fully developed in 2026, the new urban area will comprise approximately 600 homes across 56,000 m², including both social and private housing, grocery stores, café spaces, and underground car parks.

Sister Ane's House provides 87 homes, while Sister Fanny's House offers 44 homes. Both projects meet the A2020 energy label standard.



MCH Arena, Herning

Social

In 2024, Nordstern focused on implementing the ESG strategy adopted in 2023. As part of this process, we adjusted some of the KPIs to ensure that they reflect our ambition to continuously challenge ourselves and achieve the best possible results. While the strategy addresses environmental, social, and governance aspects, this year's efforts prioritized operationalizing the initiatives and systems necessary to embed ESG principles into daily business practices. This approach has allowed us to begin systematically tracking and documenting our progress, ensuring a measurable and transparent impact across all three dimensions.

Social Strategy

Nordstern recognizes the significant impact it has on the local communities in which it operates. The buildings we construct shape neighborhoods for decades or even centuries, influencing not only those who use or build them but also the broader surrounding community. For this reason, we strive to leave a positive mark, both physically and socially.

In 2024, this commitment once again translated into concrete actions. We employed more people in 'fleksjob' positions and socially marginalized individuals, including refugees from countries such as Ukraine. The interim employment of socially marginalized colleagues is often the result of collaborations with municipalities or job centers, and more often than not, it leads to permanent contracts. These initiatives aim to provide opportunities to individuals on the margins of society, helping them build a foundation for a better future.

Additionally, our projects continue to create value for local communities, whether through new green spaces, affordable social housing, or improved infrastructure.

When measuring progress on the social aspects of our ESG strategy, our employees remain our primary focus. We aim to provide the safest and healthiest work environment in the Danish construction industry, directing much of our strategy and targets toward the well-being of our employees and the contractors who work on our projects.

Risks

The most significant risks for Nordstern of failing our social strategy are if we – unconsciously – create an unhealthy work environment that leads to dissatisfaction and/or work-related accidents, or if we fail to attract, train, and develop the best talent in the industry. We strive to minimize these risks through different policies and KPIs, which are further explained and reported on below.

Developing the Talents of the Future

Nordstern is committed to educating the next generation and contributing to their integration into the workforce. One key initiative is employing interns on our projects across the country. In 2024, we had a total of 60 interns, representing not only a nominal increase compared to 2023 but an even larger percentage-wise growth, as the number of full-time employees (FTEs) at Nordstern decreased throughout the year. With a KPI of employing 70 interns annually starting in 2025, we view this progress as a clear indication that we are on track to achieve our ambitions, including ensuring broad representation from across Danish society, with a particular focus on maintaining a balanced gender distribution.

Resource Management System
In 2024, Nordstern implemented a new data-driven resource management system, marking a significant advancement in workforce planning and allocation. This system provides dynamic insights into our resource needs on a rolling basis, with projections extending 24 months into the future. Input data is sourced directly from our construction management systems, ensuring real-time updates that reflect changes as they occur. For example, when a colleague chooses to leave Nordstern, the system enables us to assess the impact within minutes and identify available capacity in other departments, facilitating seamless operational adjustments.
The strength of the system lies not only in its dynamic nature but also in its ability to unify resource management across all departments. This gives us a tool that provides a holistic view of our workforce, enabling us to locate the right resources at the right time. This integrated approach supports better collaboration across teams and ensures that every project benefits from optimal staffing. By centralizing resource planning, we can address potential capacity gaps more efficiently and maintain high levels of productivity.

From an employee perspective, the system offers significant advantages. It ensures that we can consistently allocate work to all team members and match their skills with projects at the right level of complexity. This not only optimizes individual contributions but also supports career development by providing employees with opportunities to take on challenges that align with their competencies and aspirations.

Education and Development of Employees
At Nordstern, we are dedicated to the education and advancement of our employees. Career development and employee progression remain central to Nordstern's social strategy.

One of the most effective ways to ensure both personal and professional growth is through education and training. Each year, employees are offered a variety of courses taught by internal or external specialists. These courses are provided free of charge and integrated into our career development program. To further advance knowledge and improve accessibility, we launched a new internal online catalog of courses at the end of 2024, allowing employees to explore and enroll in training opportunities more efficiently.

As part of this program, selected employees are invited to participate in our multi-stage management education initiative. In 2024, 52 employees took part in our project management program, demonstrating strong engagement with this opportunity for professional growth.

We are progressing steadily toward our 2025 target of 60 participants annually, with participation numbers showing increasing interest year over year.
In terms of internal career progression, Nordstern promoted 36 employees in 2024, exceeding our target of 25 internal promotions per year. This underscores our commitment to fostering talent within the organization.

Employee Turnover
In 2024, the total number of full-time employees (FTEs) at Nordstern decreased to 400, compared to 422 in 2023. This represents a year-on-year reduction of approximately 5%. The change reflects adjustments in staffing levels across the organization, with reductions primarily occurring through natural attrition and other measures.

Health
At Nordstern, we have maintained a low level of absence due to sickness. We have a set target of a sick leave percentage lower than 2%, and in 2024 we exceeded this goal with an average of 1%, excluding long-term sickness. Including long-term sickness, the sick leave percentage was 2.5%, a slight decrease from 2023's 2.7%.

Long-term absence is taken very seriously at Nordstern, as it affects not only the individual who is ill but also their colleagues and, ultimately, the business. The reasons for long-term absence in 2024 have included cardiac disease, cancer, stress, and other conditions. All individuals experiencing long-term sickness are closely supported by their manager and HR to ensure they receive the care and assistance needed to recover in the best possible way. This includes access to internal health insurance, which is available to all employees, as well as tailored support for each individual's specific needs during their illness.

Safety
In 2023, we obtained the official Work Environment Certification, an ISO standard. In 2024, we continu-

ed our efforts to maintain this certification, which is validated by the third-party agency Bureau Veritas, responsible for conducting external audits at our offices and construction sites.

Ensuring a safe working environment is a priority not only for our employees but also for our partners on construction sites. To this end, Nordstern has set ambitious standards and targets to minimize accidents. Our target for the number of accidents per 100 MDKK of revenue is 0.6. In 2024, we recorded 1.2 accidents per 100 MDKK—a slight improvement from 2023, though still above our target. Fortunately, none of these accidents were serious. Most incidents reported were minor, such as tripping, and we remain focused on reducing these types of occurrences.

Another key safety KPI at Nordstern is our target of no more than 9 lost working days due to accidents per 100 MDKK of revenue. Unfortunately, we did not meet this target in 2024, as we recorded 11.5 lost working days per 100 MDKK. However, this represents a significant improvement from 2023, when we registered 13 lost working days per 100 MDKK of revenue. This progress marks a step in the right direction, and we remain committed to further reducing these numbers.

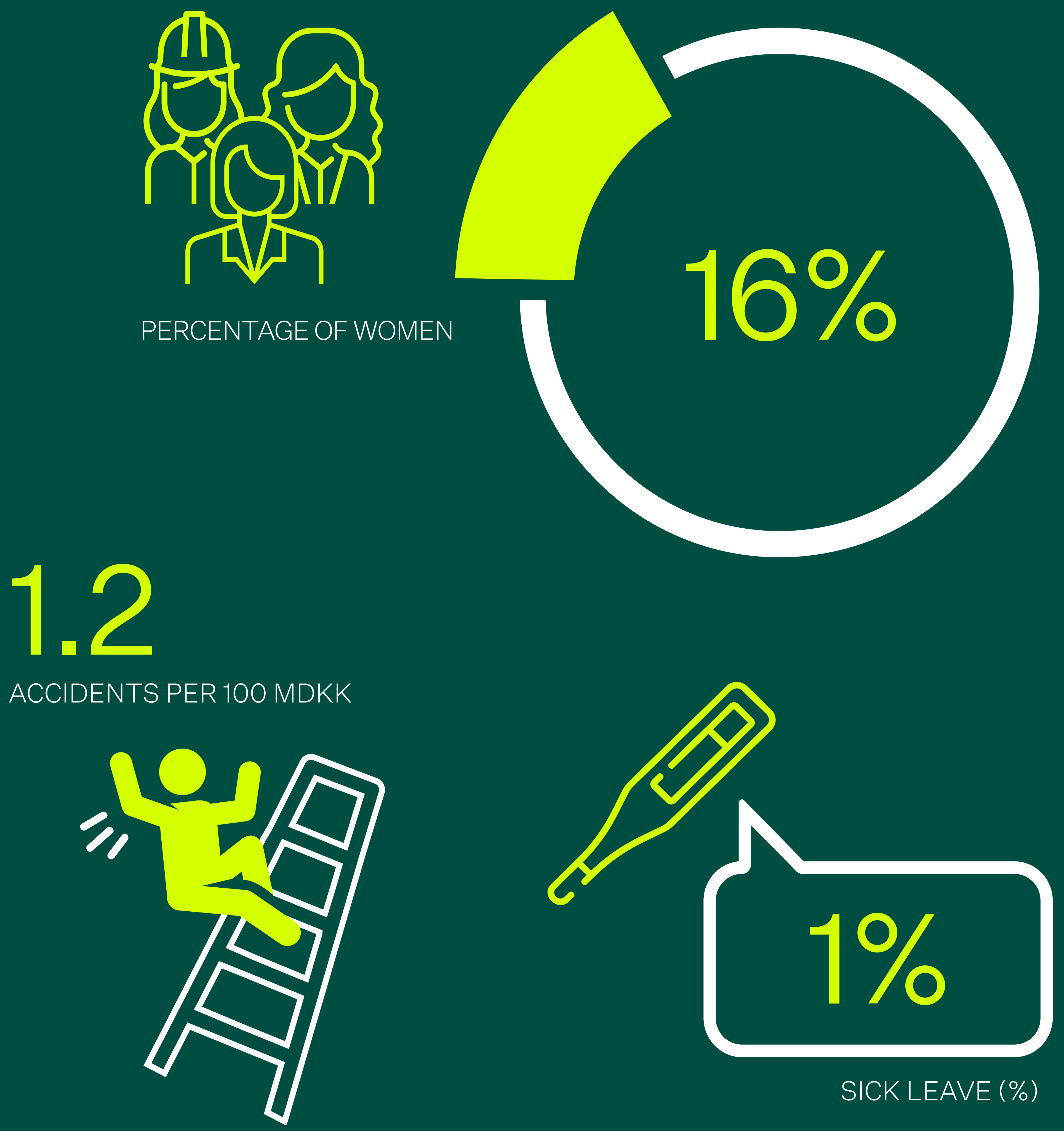
Diversity

In 2024, 16% of Nordstern's employees were women, representing a slight increase from 2023 (15%). Most female employees work in administrative business support within i.e. the legal, human resources, finance, and communications departments, where women accounted for 49% of the workforce by year-end. In comparison, women accounted for a mere 11% in our construction workforce.

At the management level (defined as executive management and managers reporting to executive management), only 6% of managers were female by the end of 2024, a significant decrease from 19% in 2023. Out of a total of 17 managers, only one was female. This decrease was primarily due to the departure of two female managers during the year. In both cases, the best candidates for their replacements were male. Despite this setback, Nordstern remains committed to increasing female representation in management. However, it is unlikely that a target of 30% female representation will be met by 2025, as initially planned. Increasing female representation requires focused recruitment efforts, which 2024 has shown can be challenging, even with the best intentions. Thus, we have set a new challenging target of reaching 25% female representation by 2027. There are currently no women on the Board of Directors, which consists of only two members, and there are no immediate plans for changes in the composition of the Board. Due to its small size, there are no set target figures for gender diversity at this level.

In 2024, we developed a more detailed diversity policy to supplement our existing non-harassment policy. While the policy details were finalized by year-end, implementation will take place in 2025. This diversity policy goes beyond gender and addresses other aspects such as age, nationality, ethnicity, sexual orientation, and anti-discrimination measures.

Nordstern aspires to be a more diverse and inclusive company that reflects the society around us and attracts the most competent employees, regardless of gender or other diversity factors. Achieving this vision requires fostering an inclusive culture and ensuring that Nordstern remains an attractive workplace for everyone.



Bryggertårnet, Randers

Governance

In 2024, Nordstern strengthened its governance through a more data-driven approach. We upgraded our ERP system from Business Central 13 to the 24 edition, enhancing our operational efficiency. Additionally, we developed new analytical tools to gain deeper insights into key metrics such as win rates and resource allocation, enabling more precise and informed decision-making. Other governance measures build on our comprehensive ESG strategy, adopted in 2023, which emphasizes strong management practices, clear policies, and robust ESG data quality. Nordstern continues to comply with Danish and international labor and anti-corruption legislation while reinforcing good governance through our internal policies.

Human Rights
At Nordstern, we prioritize upholding human rights across all aspects of our operations. We adhere to Danish and European regulations and collaborate with trusted partners who share our commitment to human rights and the rule of law. Our risk assessment indicates that the likelihood of human rights violations within our business is very low, and in 2024, we observed no instances of such violations. Furthermore, no reports of human rights concerns were submitted to our whistleblower scheme available on nordstern.dk.

To ensure compliance with International Labour Organization (ILO) conventions, Nordstern requires all construction contractors to adhere to contractual obligations guaranteeing Danish collective agreement-based pay and working conditions. We also emphasize that suppliers must report wages, withhold A-tax, and meet other regulatory requirements, reserving the right to request supporting documentation. Nordstern employees work under conditions that meet or exceed collective agreement standards.

In 2024, there has been a welcome industry-wide focus on working conditions at construction sites, particularly regarding issues such as the employment of illegal immigrants and handling dangerous materials like asbestos. While Nordstern has not encountered these challenges, this increased attention has prompted us to revisit our contractual framework and review daily work routines. These efforts aim to reaffirm our commitment to ensuring that poor working conditions are not present at any of our sites and to proactively address potential risks in the future.

In 2023, we adopted and began implementing Nordstern's Supplier Code of Conduct, which includes our human rights policy toward suppliers. By year-end 2024, our Head of Procurement had engaged with all Nordstern suppliers, of whom 100% have signed the Code of Conduct. Since the Code of Conduct has been included in all supplier contracts since its adoption, we are pleased to note that our goal of integrating it into all agreements has been achieved.

Anti-Corruption
As a responsible and ethical Danish company, Nordstern maintains a zero-tolerance policy towards corruption and bribery. Our internal Code of Conduct provides clear guidelines on appropriate behavior in collaboration with our value chain, including business partners, construction contractors, suppliers, and clients. This includes a strict prohibition on any form of bribery, whether as the giver or the receiver.

While our planned internal courses to reinforce awareness of the Code of Conduct faced delays due to challenges with a new course system, these courses are now scheduled for 2025. In the interim, all new employees are introduced to the Code of Conduct upon signing their contracts, and the document remains accessible to all employees via the company intranet.

Similarly, Nordstern's Supplier Code of Conduct requires all suppliers to commit to a firm stance against corruption and bribery. In 2024, Nordstern's Head of Procurement continued to introduce the Supplier Code of Conduct during negotiations, ensuring that suppliers not only receive the written material but also engage in discussions to fully understand its principles and expectations. This proactive approach reinforces a shared commitment to ethical business practices across our partnerships.

The construction industry has historically faced challenges related to cartels and violations of competition law, which undermine both fair competition and the industry's reputation. Nordstern strongly opposes such practices and has implemented robust policies to prevent anti-competitive behavior. These policies prohibit the exchange of sensitive information or agreements with competitors, clients, construction contractors, or suppliers that could restrict free market competition.

In 2024, no breaches of our anti-corruption or anti-competition policies were identified. With continuous monitoring and follow-up procedures in place for both internal and external stakeholders, we remain confident in our ability to uphold these critical standards in the future.

Looking ahead, Nordstern will further strengthen its anti-corruption efforts through monitoring and training initiatives. In 2025, we will introduce additional training sessions for employees on the construction sites regarding procurement and continue to reinforce the Supplier Code of Conduct.

Data Ethics
The processing of personal data is neither a critical part of nor closely linked to Nordstern's business activities. As a business-to-business (B2B) company with very few transactions with private clients, Nordstern processes personal data in respect of clients and suppliers only to a very limited extent – and only for client/supplier administration purposes. Other than that, the processing of personal data mainly relates to internal activities involving employees' personal data for human resource (HR) administration purposes. Thus, we do not use data to track the movements or consumer preferences of any private individuals, and we do not use machine learning, artificial intelligence or similar to profile clients, employees, or other private individuals.

For these reasons, we have assessed that it is not necessary for Nordstern to have a formalized policy on data ethics beyond those described in our General Data Protection Regulation (GDPR) policies, which are available to all Nordstern employees and included in employment contracts.


Bråineparken, Haderslev

Corporate Governance

The responsibility for the overall and strategic management of Nordstern lies with the Board of Directors, elected by the shareholders.

The Board of Directors has appointed the Executive Board to handle the day-to-day management of the company. The division of responsibilities between the two governing bodies is described in the rules of procedure for the Board of Directors and the Executive Board.

Management Structure
Nordstern has a two-tier management structure comprised of the company's Board of Directors and its Executive Board. No single person is a member of both governing bodies.

The role of the Board of Directors is to establish the overall purpose of and strategy for accomplishing the company's business goals. The Board of Directors also ensures that the company has the right management and organizational structure; monitors the Executive Board to ensure that it is pursuing the established goals, strategies, and guidelines; and appoints and removes members of the Executive Board.

The Executive Board is responsible for the day-to-day management and execution of the strategy as well as for providing systematic and accurate feedback to the Board of Directors at board meetings and through ongoing reporting.

Board Committee
The Board of Directors has established an Investment and Contract Committee, which assists the Board in the risk assessment and approval of the company's construction contracts above a certain value. The Committee also assesses and approves investment proposals concerning land acquisitions as well as the sales of property development projects.

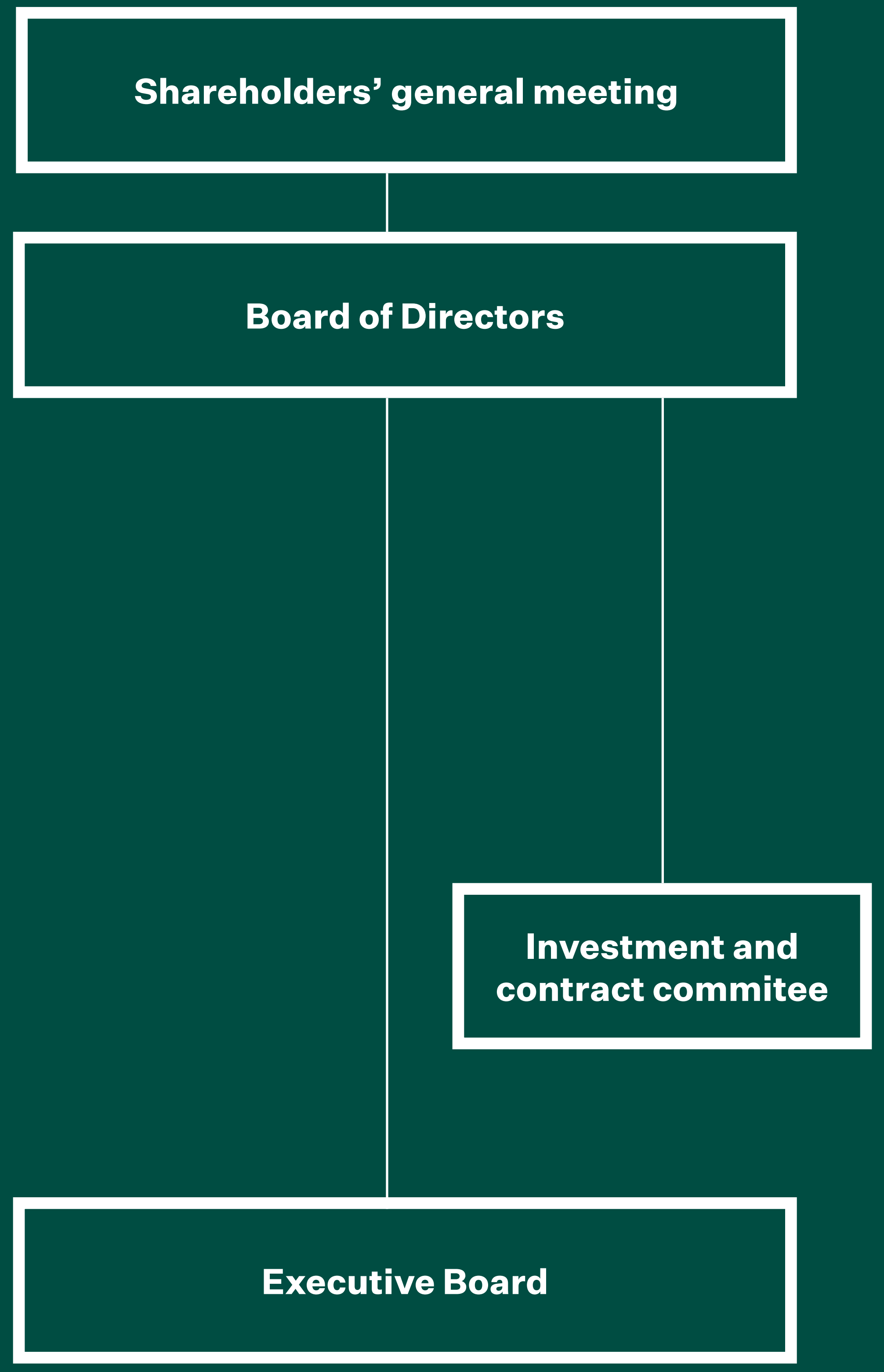
Board of Directors and Executive Board
The Board of Directors consists of two members, both elected by the shareholders in a general meeting for terms of one year. Johannes Vielberth serves as Chairman of the Board. There are no set targets for female representation on the Board, as there are only two members.

There are at least four board meetings a year; in 2024 five were conducted. All met Nordstern's target of a 100% attendance rate.

The meetings of the Board follow a fixed structure to ensure a high level of information and transparency. Furthermore, the Chairman is in continuous close dialogue with the Executive Board, including at regular status meetings held during months without board meetings.

The Executive Board of the company consists of CEO Torben Modvig, CCO Johnny Hey, CFO Jan Aarestrup, and COO Michael Storgaard.

Nordstern's management structure is illustrated below:



Board of Directors

Johannes Vielberth
Chairmann of the Board
Director, Corporate Transactions ActivumSG

David Bannerman
Member of the Board
Manager ASG Luxemborg

Executive Board

Torben Modvig
CEO

Jan Aarestrup
CFO

Michael Storgaard
COO

Johnny Hey
CCO

NEST45, Ørestad

Risk Management

Because of its business activities, Nordstern is exposed to a number of risks, some of which are related to the industry and others more directly to Nordstern's organization and activities. These risks are a natural part of our everyday operations and can have varying degrees of impact on Nordstern's reputation, future activities, and earnings. We strive to reduce risks to an acceptable level through effective risk management.

The management of strategic, operational, and financial risks must ensure that negative effects are minimized or avoided altogether. This can be done by reducing the probability of negative consequences and by reducing the potential effects of negative consequences.

Risk management is based on continuous monitoring to identify relevant risks. On this basis, the identified risks are analyzed and assessed to allow for the implementation of the measures that are required to address them.

The Board of Directors has the overall responsibility for risk management at Nordstern and defines the overall framework for identifying and addressing risks. The Executive Board has the day-to-day responsibility for implementing the overall framework and for developing Nordstern's risk management concept as well as reporting on developments in the most important risk areas to the Board of Directors.

As part of the risk management process, a classification of identified relevant risks is made based on whether they are likely to occur and what the probable effects will be. The classification is divided into three levels: low, medium and high. When it comes to the assessed effects, most of the identified risks will be of a financial nature. Preventive measures are defined and prepared based on the classification.

Market Risks

Economic Growth

Identified risk areas

Macroeconomic conditions set the scene for economic growth, which traditionally plays a significant role for companies operating in a cyclical industry, where construction and property development to some extent belong. Nordstern's business activities are focused on selected geographical areas in Denmark and are primarily targeted at business-to-business transactions and only indirectly at business-to-consumer transactions. An economic recession involves a certain risk that Nordstern's business volume and earnings will come under pressure due to lower demand from institutional investors, developers, and consumers. However, strong growth may also imply a certain risk exposure related to resource scarcity, supply chains under pressure, and price increases, which again may cause inflation and an upward pressure on interest rates. These factors can eventually cause delays, weakened demand from investors due to increasing yield demands, and may put Nord- stern's earnings under pressure.

Probability ○ ● ○ **Impact** ○ ● ○

Preventive measures

The macroeconomic conditions are, obviously, beyond Nordstern's sphere of influence. It is therefore key that we constantly monitor all aspects of the market so that we can quickly respond to changes in market assumptions.

A business model which includes new construction as well as renovation of residential and non-residential construction, and where the clients can come from both the private sector and the public and semi-public sectors, entails a level of diversity which makes it possible, during a business cycle, to focus on the areas with the highest growth. Since our business model is based on outsourcing and a constant focus on process and cost optimization, we have ensured a significant scalability to reduce our vulnerability during a market downturn. In general, long-term planning and measures against project execution risks play an important role in handling the risks related to longer periods with high economic growth.

Political Risks

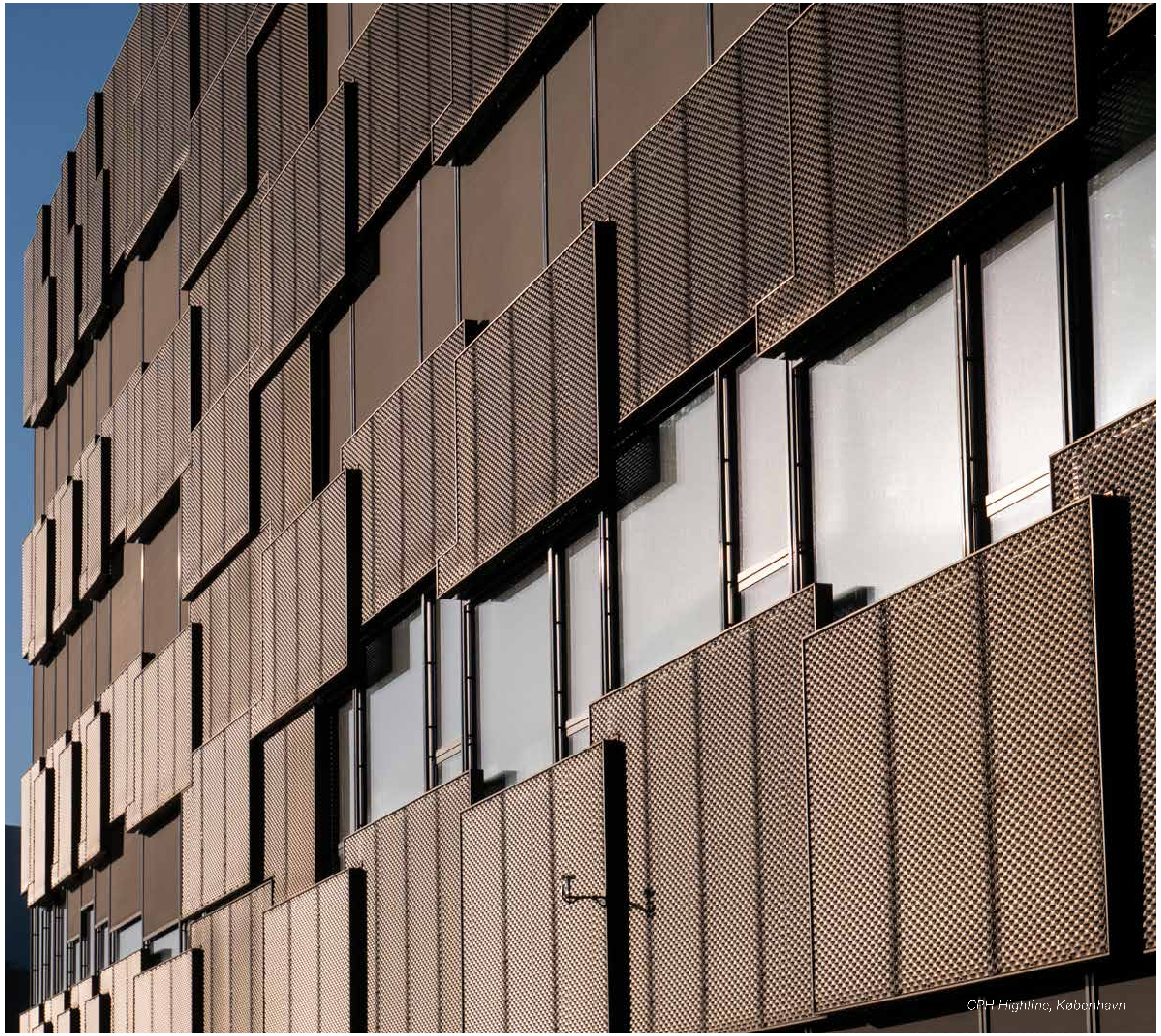
Identified risk areas

Political risks relate to decisions that may, directly or indirectly, change the preconditions for Nordstern's business activities. These could be legislative changes to areas such as construction, personal taxation, corporate taxation, property taxation, tenancy legislation, financial legislation, VAT, and taxes. However, they may also be planning changes at state, regional, and municipal levels.

Probability ● ○ ○ **Impact** ● ○ ○

Preventive measures

Nordstern generally has no influence on risks related to political decisions. To be able to respond quickly to political initiatives and changes that may have an impact on Nordstern's business activities, we closely monitor the political landscape.



CPH Highline, København

Operational Risks

Project Execution Risks

Identified risk areas

Project execution risks include the risks associated with the execution of building projects on a turnkey contract or main contract basis, partly in respect of the management and control of the project and partly in respect of the contractual relationships with subcontractors and material suppliers. Poor management and control can lead to failure to comply with the timetable and the quality of execution, which may affect the relationship with both clients and collaboration partners and may have unwanted economic consequences. From the time where Nordstern signs a contract with a client to the time where the different contractual elements are covered by final and signed subcontracts, Nordstern will be exposed to potential price increases and bottlenecks. Nordstern will also be exposed to potential bankruptcies among subcontractors and material suppliers with whom contracts have been concluded.

Probability ○ ● ○ **Impact** ○ ○ ●

Preventive measures

Great attention is paid to the correct staffing of building projects to meet the resource needs, necessary experience, and required professional and managerial skills. Well-designed processes, such as continuous follow-up and reporting in cooperation with business controllers, ensure a high level of transparency regarding the progress, quality, and financial aspects of the projects.

According to Nordstern's contract policy, a final approval of a potential turnkey or main contract requires that offers covering all essential subcontracts have been obtained. To a certain degree, this requirement serves as hedging against price increases and bottlenecks. We require performance guarantees from subcontractors to hedge the risk of bankruptcy.

Development Risks

Identified risk areas

The most important risks related to property development include conditions that may entail an unintended tie-up of capital and unsatisfactory earnings, including, in a worst-case scenario, losses. If a development property is acquired which is not covered by a local development plan that supports the prerequisites of the project, certain risks relating to areas such as timing and building rights potential will be attached to it.

The process of a local development plan can be protracted, and the outcome is typically subject to uncertainty. In the absence of a binding agreement with an investor on the sale of a completed project (a newly built and/or newly renovated property) at the time of takeover of the development property, there is a risk that the project cannot subsequently be sold at the assumed price or within the expected timeframe. Commencing construction without a final agreement with an investor — construction at Nordstern's own expense — entails the same risk scenario as above but with even greater exposure when it comes to both funds tied up and earnings. In both cases, the risks are markedly increased in case of negative market development.

Probability ○ ● ○ **Impact** ○ ● ○

Preventive measures

Nordstern seeks to acquire development properties covered by a local development plan in force so that the project conditions and framework are fixed at the time of purchase. However, attractive new opportunities regularly emerge. Here, realizing the potential requires a new local development plan. In these cases, Nordstern will only conclude a purchase agreement contingent on a satisfactory and legally approved local development plan.

For Nordstern, the starting point is that an agreement with an investor must be concluded before a development prop- erty is acquired. This is often ensured by making an acquisition conditional on Nordstern's conclusion of an agreement with an investor within a certain period. A deviation from this principle can be accepted if Nordstern acquires a development property without prior agreement with an investor but is in close dialogue with potential investors or if the potential sale of the project has been confirmed by one or several property agents. In such cases, higher requirements will be made for the financial potential of the project and the time frame for the conclusion of an agreement with an investor must be foreseeable. Commencement of construction prior to a final agreement with an investor will only take place in exceptional cases. In such cases, it would only be minor projects where the commercial arguments for commencement carry more weight than the potential risk exposure.

HR Risks

Identified risk areas

HR risks include the attraction and retention of employees. Employees play a key role in Nordstern's path to success. In view of the complexity of its business activities, Nordstern relies on management and employee teams with strong skills in a number of areas of expertise. The competition for skilled employees is particularly intense during a booming economy. Here, there is a risk of losing employees and of not being able to attract the right employees to the extent necessary. The consequence of many unfilled positions would be a negative effect on the ability to realize the revenue and earnings targets.

Probability **Impact**

Preventive measures

The key to attracting and retaining the right employees is that Nordstern is viewed as an attractive place to work. Nordstern aims to be the most attractive place to work in the industry based on our strong culture and values, and by providing opportunities for professional and personal development with great co-determination on day-to-day tasks. The implementation of an employee share scheme for all employees helps underpin this ambition.

The remuneration of management and other employees is set by taking specific tasks and responsibilities, as well as value creation and conditions in comparable companies, into account.

Safety Risks

Identified risk areas

Safety risks are mainly associated with Nordstern's building projects, which involve several potentially dangerous activities and therefore carry a risk of severe accidents. This can affect Nordstern's own employees as well as the employees of subcontractors and other on-site collaboration partners. The risk of accidents is, of course, increased if established procedures and guidelines are not observed.

Probability **Impact**

Preventive measures

Nordstern's work is based on an occupational health and safety policy and working environment certification, which is approved by the Board of Directors and aims to avoid all types of injuries and accidents at our building sites. Nordstern ensures continuous follow-up and reporting on occupational safety to the Board of Directors. Specific plans, routines, and systems for handling any inci- dents or near misses have been implemented.

Regulatory Risks

Identified risk areas

Regulatory risks fall under the area of compliance and includes the risk that applicable legislation, rules, agreements, and policies are not observed. This may be in the form of deliberate or unintentional actions and can affect Nordstern negatively in several areas.

Probability **Impact**

Preventive measures

With due respect to our reputation and in any other context, Nordstern cannot accept that the organization and its individual employees fail to observe applicable legislation, rules, agreements, or policies governing our business and administrative activities. Using effective and secure systems, separation of functions, internal controls, and communicating and monitoring applicable policies and guidelines, etc., we aim to ensure compliance in all areas.

IT Risks

Cyber Incidents

Identified risk areas

Cyber incidents encompass a range of threats, including ransomware attacks and data breaches. These incidents can lead to significant financial losses, reputational damage, and operational disruptions, which can negatively impact the operation and management of the company's business activities. The causes can be malicious cyber-attacks, vulnerabilities in IT systems, and breaches of security protocols. The risk of experiencing a cyber incident appears to be increasing, and the sophistication of cyber threats is evolving, with attackers employing more advanced techniques to exploit weaknesses in technology and human behavior.

Probability ○ ● ○ **Impact** ○ ● ○

Preventive measures

To mitigate the risk of cyber incidents, the company has implemented robust cybersecurity measures on different layers and conducts regular security audits and tests. Employee awareness training is conducted to raise alertness to phishing attacks and other common cyber threats. Nordstern also maintains a comprehensive incident response plan to address and contain any security breaches quickly. Regular updates to security infrastructure and adherence to industry standards and best practices are prioritized to ensure compliance with regulatory requirements and maintain stakeholder trust.

Business-Critical Applications

Identified risk areas

Interruptions to business-critical applications, such as IT system failures and supply chain disruptions, can cause significant operational delays and financial losses, impacting Nordstern's business operation. The interconnected nature of modern IT architecture and reliance on SaaS (Software-as-a-Service) business-critical applications add another risk layer, as IT security measures are the vendors' responsibility. This dependency highlights the importance of thorough vendor risk management.

Probability ○ ● ○ **Impact** ○ ● ○

Preventive measures

The company has robust business continuity and disaster recovery plans regularly tested and updated to address evolving threats. Strong relationships with key suppliers and partners help mitigate potential disruptions. Investments in backup infrastructure ensure operational resilience and minimize downtime. For critical SaaS applications, Nordstern emphasizes thorough vendor risk management, including due diligence of security and compliance processes, and collaborates continuously with vendors to minimize disruption risks.

Financial Risks

Credit Risks

Identified risk areas

Credit risk is the risk that Nordstern's clients are unable to make payments in accordance with existing contracts.

Probability ● ○ ○ **Impact** ○ ● ○

Preventive measures

Nordstern generally requires guarantees from clients to obtain satisfactory assurance that payments are received in step with deliveries made under existing contracts. Additionally, Nordstern has well-planned processes for continuous monitoring and reporting of due payments.

Funding Risks

Identified risk areas

Funding risk includes the lack of access to required credit facilities and guarantee frameworks. Nordstern's sale of turnkey and main contracts generally do not require funding. Development projects that are forward sold with hand-over at the time of completed construction are typically financed through a combination of Nordstern's own funds and external financing – typically a building credit facility from a bank. These activities depend on the ability to obtain the necessary credit facilities on satisfactory terms. In relation to clients, Nordstern needs to provide performance guarantees, which are provided through an externally established framework.

Probability ○ ● ○ **Impact** ○ ● ○

Preventive measures

Over a long period, Nordstern has had strong financial resources in the form of a solid cash position. Furthermore, Nordstern has well-established guarantee frameworks with four of the leading guarantee providers.

We strive for good, long-term relationships with our financial partners, which we seek to maintain through a high level of transparency, continuous reporting, and satisfactory financial performance.

The Board of Directors and the Executive Board continuously assess whether Nordstern's capital structure sufficiently supports the achievement of the targets set for current and future activity levels and earnings.

ESG Key Figures

Strategic KPIs	Unit	Target	2024	2021	
Environment					
CO_2e, scope 1	Tons	Reduce Scope 1 CO_2 emissions with 42 % by 2030	493	638	*reduction of 23% from 2021*
CO_2e, scope 2 – Market based	Tons	Reduce Scope 2 CO_2 emissions with 42% by 2030	732	3,482	*reduction of 79% from 2021*
CO_2e, scope 2 – Location based	Tons	Reduce Scope 2 CO_2 emissions with 42% by 2030	569	1,560	*reduction of 64% from 2021*
CO_2e, scope 3	Tons	Reduce Scope 3 CO_2 emissions with 50% by 2030	111,962	222,948	*reduction of 50% from 2021*
Total GHG emissions (market based)	Tons	Reduce total GHG emissions with 50% by 2030	113,187	227,068	*reduction of 50% from 2021*
GHG intensity per net revenue	Tons/revenue	Reduce GHG intensity per net revenue with 50% by 2030	0.000026	0.000043	*reduction of 40% from 2021*
Energy consumption	GJ	No specific target set	34,650	58,512	
Energy intensity per net revenue	GJ/revenue	No specific target set	0.0000067	0.000011	
Water consumption	m^3	No baseline and no specific target set	20,188	N/A	
Total waste volume from construction sites	Tons/revenue	No baseline and no specific target set	0.0000012	N/A	
Recycled waste from construction sites	%	70% recycled waste from construction by 2025	62%	N/A	
EU Taxonomy-aligned revenue	%	70-100% of revenue from new construction projects to be Taxonomy-aligned in 2030	0	N/A	
Sustainability certifications	%	100% of residential and office buildings certified as sustainable	100 / 100	N/A	*100% based on the number of projects* *100% based on revenue*

Strategic KPIs	Unit	Target	2024	2023
Social				
Full time equivalents	FTE	No target	400	432
Interns	Number	Minimum 70 interns annually by 2025	60	48
Gender diversity: Board and Management (Executive Management and reports to Executive Management)	%	No target for Board of Directors as long as there are only two Board members Target for Management: 25% women by 2027	BoD: 0% Management: 6%	BoD: 0% Management: 18%
Sick leave /absence	Days/FTE	Sick leave < 2 %	1%	1.5%
Reported work accidents	Frequency	Below 0.6 accidents per 100 MDKK revenue	1.2	1.3
Lost-time injury frequency	Frequency	Below 9 lost days per 100 MDKK revenue	11.5	13
Internal promotions	Number	> 25 annually	36	N/A

Strategic KPIs	Unit	Target	2024	2023
Governance				
Proportion of the underrepresented gender on board of directors	%	No target for BoD as long as there are only two board members	0	0
Attendance rate at board meetings	%	Target: 100% attendance	100	100
Suppliers who have signed Supplier CoC	Number	CoC part of all supplier contracts	100	65
Employees trained in Employee CoC	%	Develop online training program and onboarding CoC training	N/A	N/A

ESG Accounting Practices

KPI	Accounting practices
Environment	
CO_2e, scope 1	Emission factors: DEFRA 2024 Petrol and diesel used in company cars in 2024 Oil used on construction sites (purchased by Nordstern) in 2024
CO_2e, scope 2 – Market based	Emission factors electricity: Energinet 2023 Emission factors district heating: The specific company's emission factor for their district heating product (for 2023 or 2024). Where this does not exist for 2023 or 2024 we have used the national emission factor from Energistyrelsen 2023 Electricity and district heating used in offices and on construction sites (purchased by Nordstern)
CO_2e, scope 2 – Location based	Emission factors electricity: Energinet 2023 Emission factors district heating: The specific company's emission factor for their district heating product (for 2023 or 2024). Where this does not exist for 2023 or 2024 we have used the national emission factor from Energistyrelsen 2023 Electricity and district heating used in offices and on construction sites (purchased by Nordstern). We have used the principals from the Greenhouse Gas Protocol (GHG Protocol)
CO_2e, scope 3	Scope 3.1 Purchased goods and services: Emissions from spend costs: DEFRA 2024 Amount of spend costs in 2024: From Nordstern's ERP Emissions from buildings, product stage: Ökobaudat and specific EPD's Included projects handed over in 2024. For all projects where there is a specific LCA, data from this has been used (phase A1-A3). For the rest, we have used a 9,8 kg CO2e/m2/year for new construction residential projects and 10 kg CO2e/m2/year for new construction office projects and 7,5 CO2e/m2/year for renovation projects (office and residential) based on Build's reports (total for the phases A1-A3, B4, B6, C3, and C4): https://vbn.aau.dk/ws/portalfiles/portal/506319104/Klimap_virkning_fra_renovering.pdf https://vbn.aau.dk/ws/portalfiles/portal/414195266/BUILD_Rapport_2021_13.pdf Scope 3.3 Fuel and energy related activities: Upstream emissions from consumption: Emission factors: DEFRA 2024 Consumptions from Scope 1 and 2 Scope 3.5 Waste generated in operations: Emissions from waste: DEFRA 2024 Amount of waste: information from the waste handling companies

KPI	Accounting practices
CO_2e, scope 3 (continued)	Scope 3.6 Business travel: Emissions from spend costs: DEFRA 2024 Amount of spend costs in 2024: From Nordstern's ERP Scope 3.7 Employee commuting: Emissions from employee commuting (by car): DEFRA 2024 Driven km by employees: Calculation of distance between each employee's home and their workplace (and return) times 166 working days times 95 % (it is estimated that 5 % of employees travel by bicycle, public transport or another way). From Dansk Statistik we have information on the part that drives in petrol car, diesel car, hybrid car or electricity. Scope 3.11 Use of sold products: Emissions from buildings, use stage: Ökobaudat and specific EPD's Included projects handed over in 2024. For all projects where there is a specific LCA, data from this has been used used (phase B4 and B6). For the rest, see scope 3.1. Scope 3.12 End-of-life treatment of sold products: Emissions from buildings, use stage: Ökobaudat and specific EPD's Included projects handed over in 2024. For all projects where there is a specific LCA, data from this has been used used (phase C3 and C4). For the rest, see scope 3.1.
Total GHG emissions	Total of scope 1, 2 and 3 emissions
GHG intensity per net revenue	Total of scope 1, 2 and 3 emissions divided by revenue (DKK)
Energy consumption	Electricity and district heating used in offices and on construction sites (purchased by Nordstern). Information from Nordstern's ERP
Energy intensity per net revenue	Electricity and district heating used in offices and on construction sites (purchased by Nordstern) divided by revenue (DKK).
Water consumption	Water consumption from offices and on construction sites (purchased by Nordstern). Information from Nordstern's ERP.
Total waste volume from construction sites	Waste (tons) from offices and construction sites where Nordstern is responsible for handling the waste. Waste amounts (tons) are documented by the different waste carriers. Waste amounts (tons) are measured in different fractions. The total waste amount is divided by revenue (DKK).
Recycled waste from construction sites	The waste carriers have informed how their different fractions are handled (recycling, combustion and landfill).
EU Taxonomy-aligned revenue	Not relevant in 2024
Sustainability certifications	All new residential constructions and offices, Nordstern has signed an unconditional contract for during the past year, has been included in the overview. Only turnkey contracts (design and build) have been included in the statistic, while main contracts (build only) have been omitted, as we have limited influence on whether such projects achieve certification.

KPI	Accounting practices
Social	
Full time equivalents	ATP accounting method
Interns	Data from HR Management system
Gender diversity, all employees	ATP accounting method
Gender diversity, management	ATP accounting method
Sick leave /absence	Data from time registration system, Intempus (excluding long-term illness)
Reported work accidents	Data from internal reports on health and safety
Lost-time injury frequency	Data from internal reports on health and safety
Internal promotions	Data from HR Management system

KPI	Accounting practices
Governance	
Proportion of the underrepresented gender on Board of Directors	Not relevant
Attendance rate at board meetings	Data logged in 'Minutes from the Board meeting'
Suppliers who have signed CoC	Data from internal log compiled by Nordstern's Head of Procurement
Employees trained in CoC	Data from HR Management system (to be implemented from 2025)

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Operations

ESG

Financial

Financial Statements

Statement and Auditor’s Report

Other

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Statement of Comprehensive Income 1 January – 31 December 2024

TDKK	Note	2024	2023
Revenue from contracts with clients	3	4,430,739	5,194,414
Income from equity investments in subsidiaries		25,595	3,492
Income from equity investments in joint ventures		0	1,869
Other operating income/costs		80	-128
Production and operating costs		-3,930,286	-4,739,129
Other external costs		-68,855	-53,769
Gross profit		**457,273**	**406,749**
Staff costs	4	-357,159	-361,109
Profit/(loss) before depreciation and amortisation (EBITDA)		**100,114**	**45,640**
Depreciation	5	-15,725	-13,802
Profit/(loss) before financial income and expenses (EBIT)		**84,389**	**31,838**
Financial income	6	33,145	25,874
Financial expenses	7	-3,505	-3,854
Ordinary result before tax (EBT)		**114,029**	**53,858**
Tax on net profit/(loss) for the year	8	-17,594	-13,139
Comprehensive income		**96,435**	**40,719**

Balance Sheet at 31 December 2024

TDKK	Note	2024	2023
Assets			
Goodwill		414,152	414,152
Intangible assets	9	**414,152**	**414,152**
Property, plant and equipment		8,407	7,445
Right of use assets		46,239	39,487
Tangible assets	10	**54,646**	**46,932**
Equity investments in subsidiaries	11	551,938	526,343
Equity investments in joint ventures	12	0	0
Financial assets		**551,938**	**526,343**
Total non current assets		**1,020,736**	**987,427**
Trade receivables	13	546,157	546,068
Contract work in progress	14	328,832	370,149
Receivables from parent companies		22,782	0
Receivables from subsidiaries		301,836	302,316
Receivables from joint ventures		0	10,217
Receivables from associates		0	6,265
Income tax receivable		22,548	38,412
Other receivables		42,612	45,394
Prepayments and accrued income		8,117	5,501
Receivables		**1,272,884**	**1,324,322**
Cash and cash equivalents		**627,210**	**566,984**
Total current assets		**1,900,094**	**1,891,306**
Total assets		**2,920,830**	**2,878,733**

TDKK	Note	2024	2023
Equity and liabilities			
Share capital		5,001	5,001
Net revaluation reserve according to the equity method		224,677	199,082
Retained comprehensive income		905,680	757,614
Equity	15	**1,135,358**	**961,697**
Lease liabilities	16	37,783	33,505
Provision for deferred tax	17	124,721	93,603
Other provisions	18	54,845	53,168
Long term debt		**217,349**	**180,276**
Lease liabilities	16	12,457	10,005
Other provisions	18	49,580	55,006
Accounts payable		1,288,793	1,469,822
Advance invoicing of work in progress	14	141,812	135,856
Amounts owed to parent companies		0	1,803
Other payables		75,481	64,268
Short term debt		**1,568,123**	**1,736,760**
Total payables		**1,785,472**	**1,917,036**
Total equity and liabilities		**2,920,830**	**2,878,733**

Statement of Changes in Equity

TDKK	Share capital	Net revaluation reserve according to the equity method	Retained comprehensive income	Proposed dividend for the year	Total
Equity at 1 January 2024	5,001	199,082	757,614	0	961,697
Share-based payments	0	0	2,226	0	2,226
Comprehensive income in 2024					
Net profit/(loss) for the year	0	25,595	70,840	0	96,435
Total comprehensive income	**0**	**25,595**	**70,840**	**0**	**96,435**
Transactions with owners					
Group contribution	0	0	75,000	0	75,000
Total transactions with owners	**0**	**0**	**75,000**	**0**	**75,000**
Equity at 31 December 2024	**5,001**	**224,677**	**905,680**	**0**	**1,135,358**

TDKK	Share capital	Net revaluation reserve according to the equity method	Retained comprehensive income	Proposed dividend for the year	Total
Equity at 1 January 2023	5,000	155,040	314,343	0	474,383
Net effect from merger and acquisition under the book value method	1	82,809	511,274	0	594,084
Adjusted equity at January 2023	5,001	237,849	825,617	0	1,068,467
Share-based payments	0	0	2,511	0	2,511
Comprehensive income in 2023					
Net profit/(loss) for the year		-38,767	-70,514	150,000	40,719
Total comprehensive income	**0**	**-38,767**	**-70,514**	**150,000**	**40,719**
Transactions with owners					
Extraordinary dividends paid	0	0	0	-150,000	-150,000
Total transactions with owners	**0**	**0**	**0**	**-150,000**	**-150,000**
Equity at 31 December 2023	**5,001**	**199,082**	**757,614**	**0**	**961,697**

Cash flow Statement
1 January – 31 December 2024

TDKK	Note	2024	2023
Net profit/(loss) for the year after tax		96,435	40,719
Adjustments	25	-24,195	-18,450
Changes in working capital	26	-122,466	-67,639
Changes in balances to/from related parties		-7,623	-42,729
Operating cash flow before financial income and expenses		**-57,849**	**-88,099**
Interest received, etc.		33,145	25,874
Interest paid, etc.		-3,505	-3,854
Cash flows from ordinary activities		**-28,210**	**-66,079**
Income tax paid		29,224	-86,465
Cash flows from operating activities		**1,014**	**-152,544**
Sale of shares in joint ventures		0	24,385
Purchase of property, plant and equipment		-2,669	-1,589
Sale of property, plant and equipment		456	0
Dividends received from subsidiaries		0	20,000
Cash flows from investing activities		**-2,213**	**42,796**
Reduction of lease liabilities	16	-13,576	-10,260
Group contribution		75,000	0
Dividends paid		0	-150,000
Cash flows from financing activities		**61,424**	**-160,260**

TDKK	Note	2024	2023
Changes in cash and cash equivalents		**60,226**	**-270,008**
Cash and Cash equivalents at 1 January		566,984	513,093
Addition from merger	27	0	323,899
Cash and cash equivalents at 31 December		**627,210**	**566,984**
Cash and cash equivalents were as follows:			
Cash and cash equivalents		627,210	566,984
Cash and cash equivalents at 31 December		**627,210**	**566,984**

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Notes

1 ACCOUNTING POLICIES

The financial statements 2024 of Nordstern have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements as set out in the Danish Financial Statements Act governing reporting class C large enterprises.

On 25 February 2025, the Board of Directors and the Executive Board considered and approved the Annual Report 2024 of Nordstern.

The functional currency of Nordstern and the reporting enterprises is Danish kroner. The Annual Report is expressed in thousands of Danish kroner. The Company has opted not to prepare consolidated financial statements in line with the Danish Financial Statements Act's §112.

The Company has opted not to disclose the fees to the independent auditor in line with the Danish Financial Statements Act's §96

Materiality
The financial statements are prepared on the basis of a number of transactions that are aggregated into classes according to their nature or function. The transactions are presented in the financial statements in classes of similar items. If a line item is not individually material, it is aggregated with other items either in the financial statements or in the notes.

Management provides specific information required under IFRS unless such information is not relevant or is considered immaterial to the decisions of the primary users of the financial statements.

Business combinations
The acquisition method is used to account for the acquisition of new entities, and the assets and liabilities of newly acquired entities are measured at fair value at the date of acquisition. Restructuring costs recognized in the acquired entity's financial statements at the date of acquisition, and not agreed to be part of the acquisition, are included in the pre-acquisition balance sheet and accordingly in the determination of goodwill. Costs for restructurings decided after the acquisition date are recognized in the income statement. The tax effect of the revaluations made is recognized in deferred tax.

Positive balances (goodwill) between cost and the fair value of acquired identifiable assets and liabilities, including provisions for restructuring, are recognized under intangible assets. At initial recognition, goodwill is recognized in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated write downs. Goodwill is not amortized but is tested for impairment at least annually. See the description of the impairment testing of non-current assets below.

Newly acquired or established enterprises are included in the financial statements as from the date of acquisition. Enterprises divested or discontinued are included in the consolidated income statement until the date of divestment. Comparative figures are not restated to reflect enterprises newly acquired, divested or discontinued.

Business combinations such as the purchase and sale of equity investments, mergers, demergers, addition of assets, exchange of shares, etc. between entities controlled by the parent company are accounted for using the book value method.

Business combinations are considered to be carried out at the time of acquisition. The difference between the agreed consideration and the carrying amount of the acquired enterprise is recognized in equity.

Gains or losses arising from the disposal of subsidiaries and associates are determined as the difference between the selling price and the carrying amount of net assets, including non-impaired goodwill, at the date of disposal as well as expected selling or winding up costs.

STATEMENT OF COMPREHENSIVE INCOME

Revenue from contracts with clients
Nordstern's revenue consists of the value generated from main- and turnkey-contracts.

Revenue is recognized when control of the individual identifiable performance obligation is transferred to the client. Payment is allocated in proportion to the individual performance obligations of the contract.

Revenue is measured at the fair value of the agreed payments less VAT and duties.

Contracts involving variable payments, such as index linked payments, are recognized at the probable value of the payment. Revenue is only recognized when it is probable that changes to the estimated variable payments will not subsequently result in the reversal of a significant portion of the payment and, hence, a reduction of revenue.

Production and operating costs
Production and operating costs comprise cost to contrac- tors' delivered goods and work performed measured at cost.

Income from equity investments in subsidiaries, associates and joint ventures.

The proportionate share of profit or loss after tax of subsidiaries, associates and joint ventures is recognized in the income statement. As income from the development, performance, and sale of construction projects of subsidiaries, associates and joint ventures, the purpose of which is solely to own construction projects or portions of such projects in connection with the construction process, is considered to be part of the Company's main activity, the item is shown as part of the Company's gross profit.

Operating income/costs
Other operating income includes items of a secondary nature in relation to the activities of the Company, including gains/loss on the disposal of property, plant, and equipment.

Other external expenses
Other external expenses include costs for distribution, sales, marketing, administration, premises, rental expenses on short term leases, etc.

Staff costs
Staff costs include wages and salaries, including holiday pay, pension contributions and other social security costs, etc. relating to the Company's employees. Staff costs are exclusive of refunds received from public authorities.

Selected employees in Nordstern ApS are included in share-based incentive plans (equity-settled plans). For equity-settled programs, the warrants are measured at the fair value at the grant date and recognized in the income statement as staff costs over the vesting period. The counter item is recognized in equity. The vesting period is variable and is estimated by Management. The fair value of granted warrants is estimated at grant date. Market based performance conditions are considered when estimating the fair value of the warrants. The number of warrants expected to vest are partly based on measures dependent on the market value of the ASG Domus share.

These measures are considered market conditions and are reflected in the fair value at grant date. Market conditions are not subsequently revised. The number of warrants expected to vest are partly based on employment (service condition) and is a non-market condition. Non-market conditions are subsequently revised.

Amortization, depreciation, and impairment losses
Amortization, depreciation, and impairment losses include depreciation and impairment of tangible assets.

Financial income and expenses
Financial income and expenses are recognized in the income statement at the amounts relating to the fiscal year. Financial income and expenses include interest income and expenses, finance charges on leases, realized and unrealized capital gains and losses on securities, accounts payable and transactions in foreign currencies and surcharges and allowances under the tax prepayment scheme, etc.
Tax on net profit/(loss) for the year
The Company is subject to the Danish rules on compulsory joint taxation. On the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed entities in proportion to their respective taxable income. In this connection, entities with tax losses receive joint taxation contributions from entities that have been able to use such losses to reduce their own taxable income.

Tax for the year, consisting of income tax for the year and any change in deferred tax, is recognized in the income statement at the amount attributable to the net profit or loss for the year and directly in equity at the amount attributable to changes recognized directly in equity.

BALANCE SHEET

Intangible assets

Goodwill
At initial recognition, goodwill is recognized in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment.

Goodwill is not amortized, but is tested for impairment at least annually, see the description of the impairment testing of non-current assets below.

Tangible assets
Property, plant, and equipment are measured at cost, less accumulated depreciation and impairment losses.

The basis of depreciation is calculated based on cost, less estimated residual value at the end of useful life.

Cost includes the purchase price and costs directly attributable to the acquisition until the time when the asset is ready for use.

The present value of the estimated cost of repairs to restore the location where the asset was used is added to cost.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

- Property, plant, and equipment, 3-5 years
- Right of use assets, 4-15 years
  Gains or losses on the sale of tangible assets are recognized in the income statement as other operating income or other operating expenses.

Leases
At commencement of a contract, the Company assesses whether the contract is a lease or contains a lease. A lease is a contract that gives the right to control the use of an identifiable asset for a period of time in exchange for consideration. In the assessment of whether a contract contains a lease that has been transferred to the lessee it is taken into account whether, during the period of use, the lessee has the right to all the economic benefits from the use of the identifiable asset and the right to control the use of the identified asset.

The right of use asset and the lease liability are initially recognized at the commencement date.

The right of use asset is measured at cost, being the present value of the lease liability with the addition of any direct costs related to the acquisition and any costs of dismantling and removal of the asset at the end of the lease period that the lessee is required to pay as well as any pre-paid lease payments.

The right of use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the right of use asset. If the lease has an option to purchase and the Company expects to exercise that option, the right of use asset is depreciated on a straight-line basis over the estimated useful life of the asset.

The Company leases vehicles for which payments to the lessor contain a service component. The service component is separated from the lease payment upon measurement of the lease liability. However, if the Company cannot reliably separate lease and non-lease components, they are accounted for as a single component.

Short term leases with a lease term of 12 months or less and leases for which the underlying assets are of low value are not recognized in the balance sheet.

The lease liability recognized as credit institutions and interest-bearing liabilities is measured at the present value of future lease payments and are discounted using the Company's incremental borrowing rate if the implied interest rate does not appear from the lease contract or cannot be reliably estimated. Lease payments include fixed and variable payments that are linked to an index or an interest rate, residual value guarantees, exercise of purchase options and costs for termination of the lease. The lease liability is adjusted subsequently if:

- A change has occurred in the exercise of options to extend or reduce the lease term due to a significant event or significant changes in circumstances that are within the control of the lessee.
- The lease term has been changed as a result of the exercise of an option to extend or reduce the lease term.
- The contract is renegotiated or modified

A subsequent adjustment of the lease liability is recognized as an adjustment of the right of use asset. However, if the value of the right of use asset is DKK 0, a negative reassessment of the right of use asset is recognized in the income statement.

Equity investments in subsidiaries
Investments in subsidiaries are measured at the proportionate share of the equity value of the enterprise, calculated according to the Group's accounting policies with the addition or deduction of unrealized intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the acquisition method.

If the carrying amount exceeds the cost, the net revaluation of investments in subsidiaries is taken to the net revaluation reserve under equity in accordance with the equity method. Dividends from subsidiaries expected to be adopted prior to the adoption of Nordstern's annual report are not taken to the revaluation reserve.

On acquisition of enterprises, the acquisition method is applied, see the description above under determination of goodwill.

Equity investments in joint ventures
Investments in joint ventures are measured at the proportionate share of the equity value of the enterprise, calculated according to the Group's accounting policies with the addition or deduction of unrealized intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill.

If the carrying amount exceeds the cost, the net revaluation of equity investments in joint ventures is taken the net revaluation reserve under equity according to the equity method.

On acquisition of enterprises, the acquisition method is applied, see the description above under Business combinations and goodwill.

Impairment test of non-current assets

Goodwill
Goodwill is tested annually for impairment, the first time being at the end of the year of acquisition. The carrying amount of goodwill is tested for impairment together with other non-current assets in the cash generating unit or the group of cash generating units to which goodwill is allocated, and where the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount. The recoverable amount is calculated as the net present value of expected future cash flows from the entity or activity (cash generating unit) to which the goodwill has been allocated.

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

Recognition of impairment losses in the income statement
An impairment loss is recognized when the carrying amount of an asset or a cash generating unit exceeds the recoverable amount of the asset or cash generating unit. The impairment loss is recognized in the income statement as depreciation and

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impairment of property, plant, and equipment. Impairment losses on goodwill are recognized as a separate line in the income statement. Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates underlying the impairment calculation change. Impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount of the asset after depreciation had the asset not been impaired.

Receivables
Receivables are measured continuously at amortized cost.

An impairment charge is made for expected credit losses based on the simplified expected credit loss model.

Receivables are regularly monitored in accordance with the Company's risk management policy. Impairment losses are calculated based on the expected credit loss rate. The credit loss rate is determined based on historical credit loss data adjusted for the estimated effect of expected changes to the relevant onerous parameters, including the clients' financial position. Total losses are recognized in the income statement based on the expected loss during the lives of the receivables.

The written-down value of the receivable is used to calculate interest revenue using the effective interest rate for the individual receivable or portfolio of receivables.

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

Where it is difficult to determine a reliable selling price of the individual work in progress, the selling price is measured at the lower of costs incurred and net realizable value.

The individual work in progress is recognized in the balance sheet as receivables or payables. Net assets are comprised of the sum of work in progress where the selling price of the work performed exceeds advance invoices. Net liabilities are comprised of the sum of contract work in progress where advance invoices exceed the selling price.

Costs related to sales work and contract negotiations are recognized in the income statement as incurred.

EQUITY

Net revaluation reserve in accordance with the equity method.

The reserve for net revaluation in accordance with the equity method includes net revaluation of equity investments in subsidiaries and joint ventures relative to cost.

Dividends
Proposed dividends are disclosed as a separate item under equity. Dividends are recognized as a liability at the time of adoption by the general meeting.

Provisions
Provisions include expected costs of warranty commitments, restructuring, etc. Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are made for warranty commitments based on existing warranty claims for which the amount has not been finally determined and, based on experience, defects at the 1 year and 5 year inspections and estimated costs of individual construction contracts in connection with long term warranty periods.

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on taxable income for the year, adjusted for tax on taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the carrying amounts and the tax bases of assets and liabilities calculated based on the intended use of the asset and settlement of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates applicable when the deferred tax is expected to materialize as current tax according to the legislation in force at the balance sheet date. Any change in deferred tax as a result of changes in tax rates is recognized in the income statement except from items that are recognized directly in equity.

Payables
Debt to creditors, etc. is recognized initially at fair value net of transaction costs incurred. In subsequent periods, financial liabilities are measured at amortized cost using the effective interest method, entailing that the difference between the proceeds and the nominal value is recognized in the income statement as financial expenses over the term of the loan.

Other financial liabilities are measured at amortized cost, usually equivalent to nominal value.

Fair value measurement
The Company uses the fair value model in connection with certain disclosure requirements.

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market players (exit price). Fair value is a market based and not a company specific valuation. The Company uses the same assumptions as market players when determining the price of the asset or liability based on existing market conditions, including risk assumptions. Accordingly, the Company's intention to own the asset or sell the liability is not taken into account when the fair value is determined.

Fair value measurement assumes that a transaction takes place in the principal market, or in the absence of a principal market, the most advantageous market. The most advantageous market is the market that maximizes the price of the asset or the liability less transaction and transportation costs. Where possible, fair value measurements are based on market values in active markets (level 1) or alternatively on values derived from observable market data (level 2). Where such observable data do not exist or cannot be used without being significantly modified, fair value measurements are based on recognized valuation methods and fair estimates (level 3).

CASH FLOW STATEMENT

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, changes in cash and cash equivalents during the year and changes in cash and cash equivalents at the beginning and end of the year. The effect on cash flow of acquisition and disposal of enterprises is shown separately as cash flows from investing activities. The cash flow statement includes cash flows relating to acquisitions from the date of acquisition, and cash flows relating to disposals are recognized up to the time of sale.

Cash flows from operating activities
Cash flows from operating activities are determined as net profit for the year adjusted for non-cash operating items, changes in working capital, interest paid, including the interest component of recognized lease liabilities, short term leases that have not been capitalized and income tax paid.

Cash flows from investing activities
Cash flows from investing activities include payments relating to the acquisition and divestment of enterprises and activities and the purchase and sale of intangible, tangible and financial assets.

Cash flows from financing activities
Cash flows from financing activities include changes in the size or composition of the share capital and the related costs and the raising of loans, repayment of interest-bearing debt, repayment of lease liabilities and distribution of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term securities (3 months or less), which can easily be converted into cash with insignificant risk of value changes.

NEW ACCOUNTING REGULATIONS

At the time of publication of this Annual Report, several new or changed standards and interpretations had been issued but had not yet come into force and were therefore not incorporated into the annual report. The new standards and interpretations will be implemented as they become mandatory.

The following amendments to IFRSs are effective for accounting periods beginning 1 January 2024 or later:

Amendments to IAS 1 Classification of liabilities as current or non-current

Amendments to IAS 7 and IFRS 7 Supplier finance arrangements

Amendments IFRS 16 Lease liabilities in sale and leaseback arrangements

None of the changed standards have had an effect on recognition and measurement in the consolidated accounts for 2024.

2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the Financial Statements, it is necessary that Management makes accounting estimates and judgements that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses, thus the possible effect on EBIT.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The key accounting estimates identified are those that have a significant risk of resulting in a material adjustment. The estimates are expectations of the future, or other sources of estimation uncertainty, based on assumptions. Management believes that the estimates are the most likely outcome of future events. Management bases the estimates on historical experience and other assumptions that Management assesses are reasonable under the given circumstances. The Company is exposed to risks and uncertainties that may cause actual results to differ from these estimates under different assumptions or conditions.

These risks include macroeconomic risks attached to developments in prices of raw materials and interest rates, which may lead to changes in the demand for construction. The risks have to the widest extent possible been included in current forecasts, budgets etc. and mitigated through the submission of tenders. See Significant risks on pages 51-55.

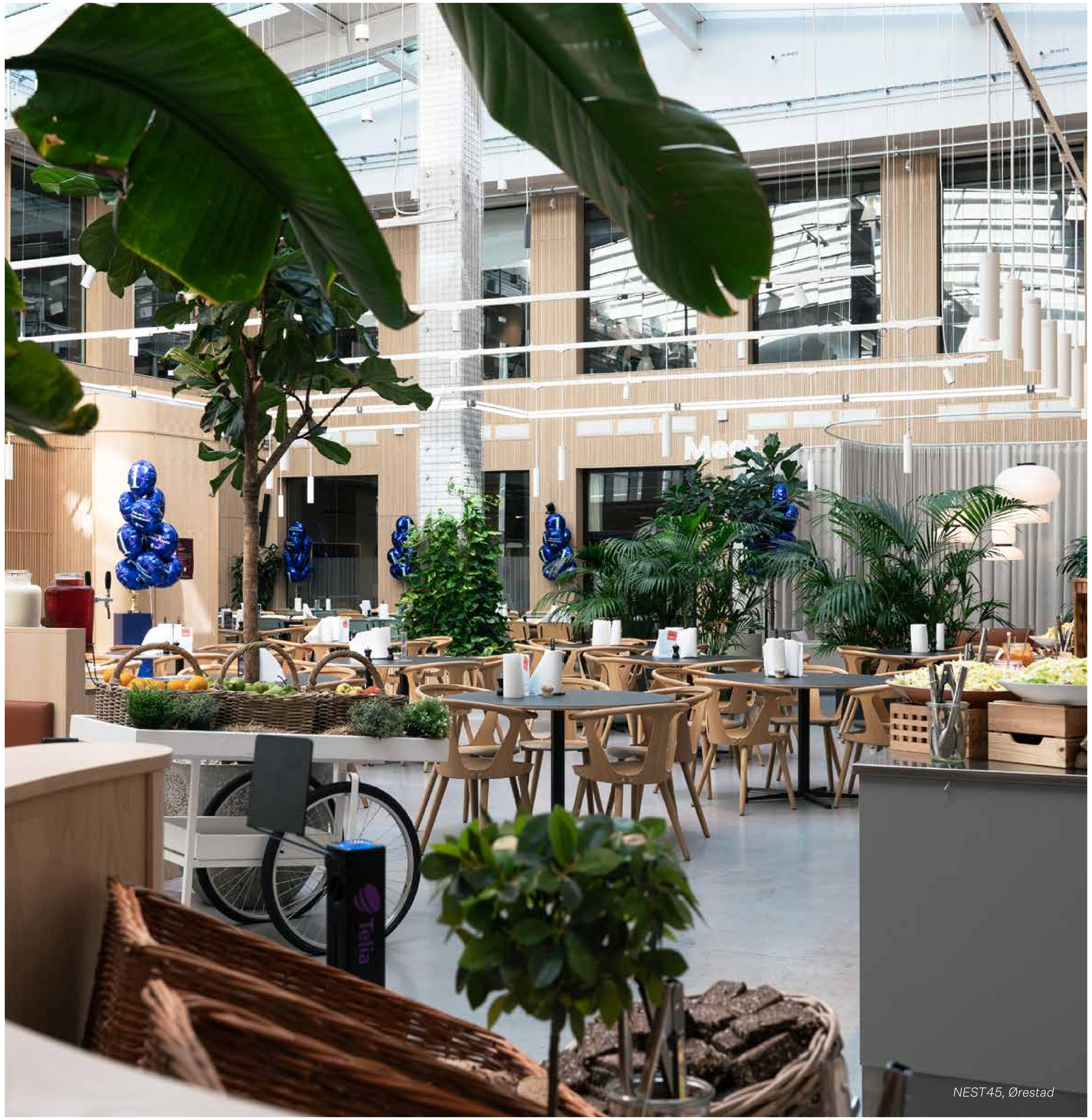
Accounting judgements are made when applying accounting policies. Key accounting judgements are the judgements made, that can have significant impact on the amounts recognized in the Financial Statements.

Further information on the areas that involve a high degree of estimation and judgement and are material to the financial statements, can be obtained in the respective notes.

The effect of the respective estimates is illustrated as follows:

Low ●○○
Medium ●●○
High ●●●

Note	Key accounting estimates and judgements	Estimate/ judgement	Key accounting estimates and judgements	
			2023	2024
3 Revenue 14 Work in Progress	Assumptions used in relation to determination of the percentage of completion and the expected margin on construction contracts	Estimate	●●●	●●●
9 Intangible Assets	Estimate over future earnings and determination of the composition of the WACC for impairment test of goodwill	Estimate	●○○	●○○
18 Other Provisions	Judgements of provisions related to the 5-year warranty period	Judgement	●○○	●○○
21 Contingencies etc.	Judgement of provisions related to impact from disputes, legal and arbitration proceedings	Judgement	●●○	●●○



NEST45, Ørestad

3 REVENUE FROM CONTRACTS WITH CLIENTS

TDKK	2024	2023
Completed construction contracts, new construction	3,642,872	2,573,915
Work in progress primo, new construction	-9,051,431	-7,577,569
Work in progress ultimo, new construction	8,695,754	9,051,431
Completed construction contracts, renovation	367,773	492,954
Work in progress primo, renovation	-1,782,556	-1,133,240
Work in progress ultimo, renovation	2,520,149	1,782,556
Other	38,178	4,367
Administration	0	0
Revenue	**4,430,739**	**5,194,414**
Denmark	4,430,739	5,194,414
Revenue	**4,430,739**	**5,194,414**

As of 31 December 2024, the transaction price allocated to outstanding supply obligations for contract work in progress totaled 7,142 MDKK (2023: 7,075 MDKK), 6,280 MDKK (2023: 6,098 MDKK) of which related to the first 24 months.
All consideration from contracts with clients is contained in the above amounts.

Revenue is recognized over time. Nordstern's warranty commitments follow the General conditions for building and construction works and supplies (AB 18), the General conditions for design and build contracts (ABT 18), the General conditions for the provision of works and supplies within building and engineering (AB92) and the General conditions for turnkey projects (ABT 93).

Significant Estimate
Estimate of stage of completion and margin. The stage of completion of the work in progress is estimated based on a number of factors including qualitative assessments together with quantitative data including accumulated cost compared to expected cost.
Expected margins are estimated based on the anticipated remaining payments to subcontractors under the individual contracts, including the expected outcome of any disagreements. The assessment of disputes over extras, extensions of deadline, claims for daily penalties, etc. is made based on the nature of the issues, an assessment of the probability of the outcome of the individual dispute. In case of material disagreement, the assessment is also based on external and internal legal assistance.

Estimates that relate to the future settlement of the remaining work depend on various factors, and the underlying assumptions may change in step with the completion of the work. Similarly, the assessment of disagreements may change as the projects progress.

4 STAFF COSTS

TDKK	2024	2023
Wages and salaries	307,395	309,265
Pension contributions	19,520	21,224
Share-based payments	2,226	2,512
Other social security costs	3,601	3,922
Other staff costs	24,417	24,186
	357,159	**361,109**
Remuneration for Executive Board and Board of Directors paid via management fee		
Executive Management:		
Salaries and remuneration	15,044	13,945
Pension contributions	1,445	1,368
Share-based payments	9,252	8,605
	25,741	**23,918**
Average number of executive officers	4	4
Board of Directors:		
Fees and remuneration	0	0
Pension contributions	0	0
	0	**0**
Average number of employees	400	422

Incentive programmes
In 2022, ASG Domus Holding ApS has implemented a warrant-based incentive program whereby members of the Executive Management and other employees in key positions are granted warrants to subscribe for new class-B shares in ASG Domus Holding ApS for DKK 0.01 per share. The incentive program is designed to incentivise and retain the Management members and key employees and to participate in the fulfilment of the Group's business plan and future value creation. The incentive program is a Group program where the exercising of warrants is contingent on employment in a Group Company. Selected employees of Nordstern ApS participate in the incentive program.

Warrants are granted at no consideration and carry no dividend or voting rights. Participation in the program is pursuant to the participant has made an investment in a set number of class-B shares at fair market value.

Warrants granted can only be exercised in the event of an exit, which makes the vesting period variable. The number of warrants that can be exercised depends on the amount of the exit proceed, as well the type of exit. Vesting of the warrants is contingent on employment in a group company when the exit event occurs, and, in general, warrants lapse automatically in case of termination of the warrant holder's employment in the Group. However, "good leavers" (as defined in the warrant documentation) whose employment in the Group is terminated later than 18 months after the grant date retains a proportional share of warrants which will vest upon an exit event.Vested warrants which are not exercised by the occurrence of an exit event will lapse without any compensation.

Upon exercise, the Group is entitled to demand cash settlement of the warrants, so that instead of the participant subscribing for and receiving class-B shares, the participant will receive cash settlement in an amount equal to the net value of the warrants. Management has determined that the Group, in substance, does not have an obligation to settle in cash, and has therefore classified the program as being equity-settled.

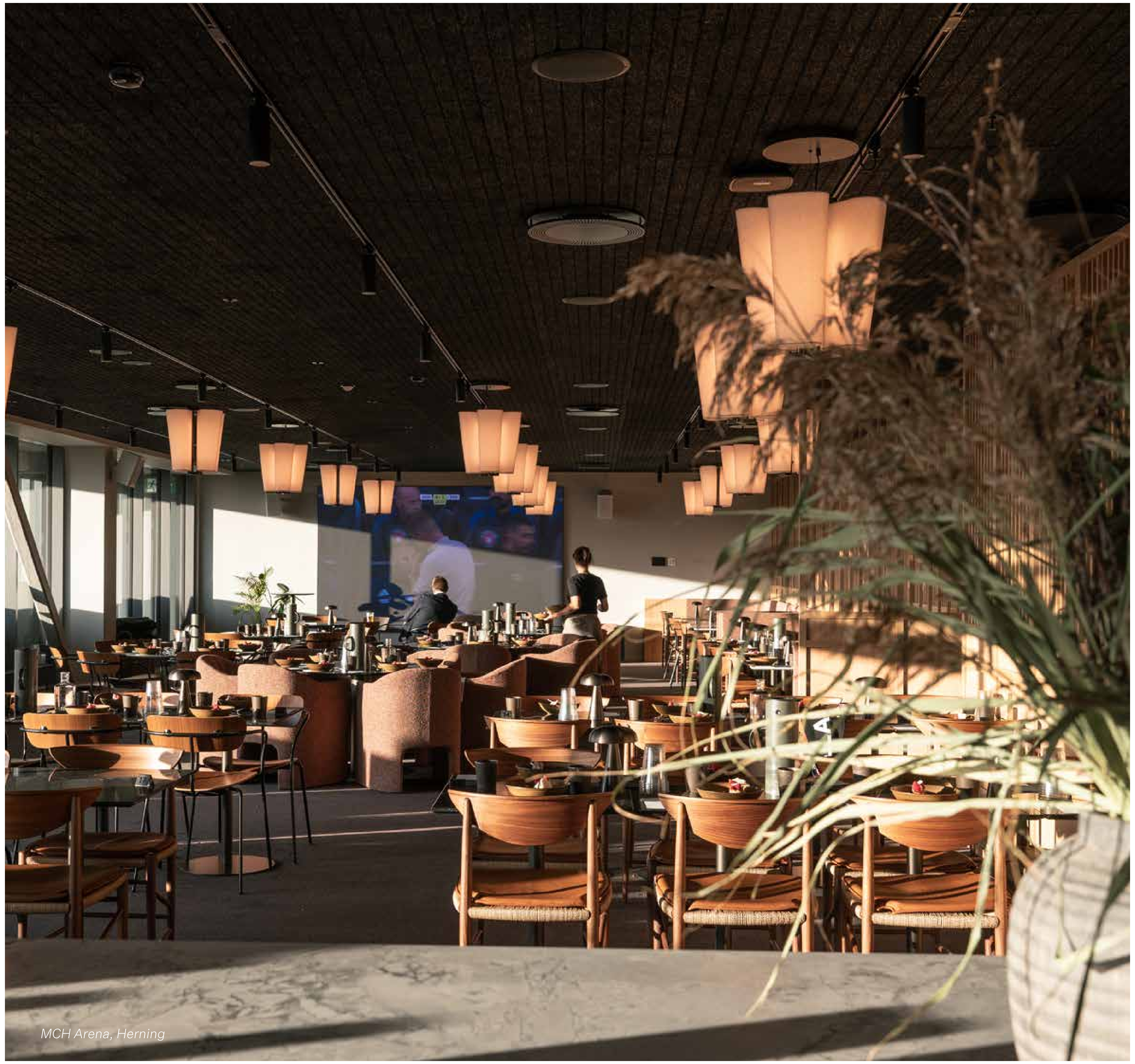
No warrants were granted during 2024.

NUMBER OF WARRANTS **TDKK**	**Number of warrants**	**Weighted average fair value per warrant (determined on grant date)**
1 January 2024	162,068	67
Granted during the year	0	N/A
Forfeited during the year	18,132	67
31 December 2024	**143,936**	

5 DEPRECIATION **TDKK**	**2024**	**2023**
Depreciation of tangible assets	15,725	13,802
	15,725	**13,802**
Split as follows:		
Right-of-use assets	15,526	13,660
Property, plant, and equipment	199	142
	15,725	**13,802**

6 FINANCIAL INCOME **TDKK**	**2024**	**2023**
Interest revenue from parent companies	56	0
Interest revenue from subsidiaries	24,012	16,963
Interest, financing of construction projects	-249	846
Other financial income	9,326	8,065
Interest on financial assets measured at amortized cost	**33,145**	**25,874**

7 FINANCIAL EXPENSES **TDKK**	**2024**	**2023**
Other financial expenses	3,505	3,854
Other financial expenses	**3,505**	**3,854**



MCH Arena, Herning

8 TAX ON PROFIT OR LOSS FOR THE YEAR

TDKK	2024	2023
Current tax for the year	-11,330	9,599
Deferred tax for the year	31,118	1,932
Adjustment of tax relating to previous years	-2,194	8,211
Deferred tax adjustments, previous years	0	-6,603
	17,594	**13,139**
Tax on profit or loss for the year was as follows:		
Calculated 22% tax on profit or loss for the year before tax	25,086	11,849
Tax effect of:		
Expenses not deductible for tax purposes and non-taxable income from subsidiaries and joint ventures	-5,631	-1,179
Other expenses not deductible for tax purposes and non-taxable income	303	175
Adjustment of tax relating to previous years	-2,194	1,608
Other adjustments	30	686
	17,594	**13,139**
Effective tax rate (%)	15.4	24.4

The change in effective tax rate is due to changes in income from joint ventures and subsidiaries.

9 INTANGIBLE ASSETS

TDKK	Goodwill
Cost at 1 January 2024	414,152
Cost at 31 December 2024	414,152
Carrying amount at 31 December 2024	**414,152**
Cost at 1 January 2023	299,675
Additions during the year	114,477
Cost at 31 December 2023	414,152
Carrying amount at 31 December 2023	**414,152**

Impairment test of goodwill
The goodwill allocated to the cash-generating unit, Nordstern, has been tested for impairment for the purpose of the financial statements.

The recoverable amount is calculated based on the discounted expected cash flows from the budgets and business plan for the coming 5 years most recently approved by the Board of Directors. For the fiscal years following the business plan periods (the terminal period), cash flows have been extrapolated for the most recent budget period and adjusted for expected growth rates.

The assumptions used are inherently uncertain and changes in estimates of future growth rates, earnings or discount rate can have a significant impact on the calculated recoverable amount.

The most significant parameters used for the calculation of recoverable values are:

The revenue growth projected for the coming years is based on the 5-year business plan approved by the Board of Directors. The revenue growth for the budget period is a combination of expected market growth, conversion of order book to revenue and a higher market share as an expected result of the strategy described in the management review section. For the period up to the terminal period an annual growth from +6% to +10% is used. The growth factor used in the terminal period is based on the expected long-term inflation in Denmark of 1.82%. The level of earnings used is based on the current EBIT margin.

The discount rate is based on a risk-free interest rate of 1.82% based on the yield-to-maturity on a 10-year Danish government bond added an illiquidity premium and a market risk premium.
Based on the assumptions applied, the recoverable amount of the cash-generating unit exceeds the carrying amount at the reporting by 4,393 MDKK (2023: 5,611 MDKK). Accordingly, the impairment test did not give rise to any impairment.

The most significant key assumptions used for the calculation of the recoverable amount is:

	EBITA%	Growth rate in terminal period	Discount rate before tax
2024	4.22%	1.82%	7.00%
2023	5.23%	2.75%	8.50%

Significant Estimate
Estimates of future earnings and composition of WACC for impairment test of goodwill.
For goodwill impairment testing, a number of estimates are made on the development in revenues, gross profits, conversion ratios, discount rates and growth expectations in the terminal period. These are based on an assessment of current order book and pipeline and future developments of the Company in line with strategy. These estimates are also based on historical data of revenue growth and profit margins along and assumptions of future expected market developments. Data includes both internal and external data sources.

10 TANGIBLE ASSETS

TDKK	Property, plant and equipment	Right-of-use assets
Cost at 1 January 2024	18,135	83,889
Additions during the year	2,669	21,655
Disposals during the year	-456	-856
Cost at 31 December 2024	20,348	104,688
Depreciation and impairment at 1 January 2024	10,690	44,402
Depreciation for the year	1,678	14,047
Reversal of depreciation on disposed assets	-427	0
Depreciation and impairment at 31 December 2024	11,941	58,449
Carrying amount at 31 December 2024	**8,407**	**46,239**
Amounts recognized in profit or loss		
Costs related to leases with low value	0	1,999
Costs related to short-term leases	0	0

TDKK	Property, plant and equipment	Right-of-use assets
Cost at 1 January 2023	14,455	67,903
Additions from merger	3,868	7,253
Additions during the year	1,589	9,816
Disposals during the year	-1,777	-1,083
Cost at 31 December 2023	18,135	83,889
Depreciation and impairment at 1 January 2023	7,790	30,528
Additions from merger	3,113	1,901
Depreciation for the year	1,396	12,484
Reversal of depreciation on disposed assets	-1,609	-511
Depreciation and impairment at 31 December 2023	10,690	44,402
Carrying amount at 31 December 2023	**7,445**	**39,487**
Amounts recognized in profit or loss		
Costs related to leases with low value	0	1,212
Costs related to short-term leases	0	272

Annual adjustments of rent payments are recognized in the valuation of right-of-use assets related to tenancies. Upon expiry of the non-cancellable period of leases, the leases are converted to leases subject to normal terms of termination for commercial leases. There are no residual value guarantees.

11 EQUITY INVESTMENTS IN SUBSIDIARIES

TDKK	2024	2023
Cost at 1 January	327,261	1,000
Addition from merger	0	326,261
Cost at 31 December	327,261	327,261
Value adjustments at 1 January	199,082	112,790
Addition from merger	0	82,809
Net profit or loss for the year	25,595	3,483
Value adjustments at 31 December	224,677	199,082
Carrying amount at 31 December	**551,938**	**526,343**

Equity investments in subsidiaries are as follows:

Name	Registered office	Share capital	Equity interest
Nordstern Projekt ApS	Horsens	501	100%

12 EQUITY INVESTMENTS IN JOINT VENTURES

TDKK	2024	2023
Cost at 1 January	0	250
Disposals during the year	0	-250
Cost at 31 December	0	0
Value adjustments at 1 January	0	42,250
Net profit or loss for the year	0	1,869
Reversal on disposals	0	-44,119
Value adjustments at 31 December 2024	0	0
Carrying amount at 31 December	**0**	**0**

Equity investments in joint ventures are as follows:

Name	Registered office	Share capital	Equity interest
Trianglen Aarhus ApS	Horsens	0	0%

TDKK	2024	2023
Equity interest	0%	50%
Financial income	0	282
Financial expenses	0	-232
Tax on profit or loss for the year	0	85
Comprehensive income	0	164
Balance sheet		
Non-current assets	0	0
Current assets	0	0
Cash and cash equivalents	0	0
Current liabilities	0	0
Current liabilities exclusive of accounts payables and provisions	0	0
Equity	0	0
Reconciliation of carrying amount at 31 December:		
Equity interest in material joint ventures	0	0
Total carrying amount of equity interests in joint ventures at 31 December	**0**	**0**

13 TRADE RECEIVABLES

Trade receivables relate solely to debtors in Denmark. It is Company policy to rate clients prior to signing contracts. Subsequently, the credit exposure to clients and counterparties is monitored regularly. Nordstern's risk management policy ensures that significant and specific counterparty risks are minimized on a case by case basis. Historically, the Company has not experienced any significant losses on receivables. On 31 December 2024, 19.4% (2023: 19.2%) of payments of total trade receivables were overdue. Payments received at the beginning of 2025 reduced those overdue trade receivables to 3.3% (2023: 1.0%).

Collateral received is included in the re- view for impairment due to expected credit losses. The collateral consists of client's payment guarantee and amounts to 137.3 MDKK (2023: 114.9 MDKK) and several buyer's parent companies have co signed an agreement and thereby taken primary suretyship for the owner's performance under the turnkey contract.

The maturity periods of trade receivable from sales which were overdue at 31 December 2024, but not yet impaired, and expected losses on trade receivables based on a weighted loss percentage were as follows:

TDKK	Credit loss rate	Account receivable	Expected loss	Total
2024				
Not yet due	0%	374,045	0	374,045
Due in 1-30 days	0%	163,568	0	163,568
Due in 31-60 days	0%	5,458	0	5,458
Due in 61-90 days	0%	203	0	203
Due in more than 90 days	0%	2,883	0	2,883
		546,157	**0**	**546,157**
2023				
Not yet due	0%	411,394	0	411,394
Due in 1-30 days	0%	124,219	0	124,219
Due in 31-60 days	0%	3,689	0	3,689
Due in 61-90 days	0%	4,041	0	4,041
Due in more than 90 days	0%	2,725	0	2,725
		546,068	**0**	**546,068**

14 WORK IN PROGRESS

TDKK	2024	2023
Contract work in progress	11,215,903	10,818,987
Invoicing on account	-11,028,883	-10,584,694
Transferred to liabilities	141,812	135,856
	328,832	**370,149**

15 EQUITY

The contributed capital consists of 5,001 shares with a nominal value of DKK 1,000 each (fully paid up). No shares carry special rights.

The Executive Board and the Board of Directors regularly assess whether the Company's capital structure supports the overall targets and long term growth. The Company is funded through equity with an equity ratio of 38.9% (2023: 33.4%), credit facilities, supplier credits, etc.

At the reporting date, interest bearing debt consists of leases only. At the reporting date, bank deposits (cash) totaled approx. 627 MDKK. In view of the balance sheet total (capital structure), the financing structure and the ongoing shifts in liquidity, which are part of the usual operations, the liquidity and credit facilities are considered to be conservative. Accordingly, the Company is assessed to have sufficient cash resources to maintain a high future activity level.

16 LEASE LIABILITIES

TDKK	Long term debt	Short term debt	Total
2024			
Lease liabilities at 1 January 2024	33,505	10,005	43,510
Adjustments	0	1,163	1,163
Repayment of lease liabilities	0	-13,576	-13,576
Annulment of leasing contracts	-857	0	-857
Reclassification	-6,999	6,999	0
Commencement of leases (non cash transactions)	12,134	7,866	20,000
	37,783	**12,457**	**50,240**

2023	Long term debt	Short term debt	Total
Lease liabilities at 1 January 2023	33,597	7,197	40,794
Addition from merger	4,185	1,442	5,627
Adjustments	-2,050	0	-2,050
Repayment of lease liabilities	0	-10,260	-10,260
Annulment of leasing contracts	0	0	0
Reclassification	-7,936	7,936	0
Commencement of leases (non cash transactions)	5,709	3,690	9,399
	33,505	**10,005**	**43,510**

In 2024, total cash flows relating to leases amounted to 15.6 MDKK (2023: 11.6 MDKK), and which interest payments related to recognized lease liabilities amounted to 2 MDKK (2023: 1.4 MDKK) and repayments 13.6 MDKK (2023: 10.2 MDKK).

Financial expenses TDKK	2024	2023
Interest component, undiscounted lease liabilities	2,008	1,441
Repayment of lease liabilities		
Lease payments falling due:		
0-1 year	14,281	11,327
1-5 years	29,649	22,142
More than 5 years	11,831	15,319
Total undiscounted lease liabilities	**55,761**	**48,788**

17 DEFERRED TAX LIABILITIES

TDKK	2024	2023
Provisions for deferred tax at 1 January	93,603	62,878
Addition from merger	0	35,396
Provision during the year	31,118	1,932
Adjustments, previous years	0	-6,603
Provisions for deferred tax at 31 December	**124,721**	**93,603**
Tangible assets	686	686
Contract work in progress	125,222	94,036
Lease liabilities	-880	-885
Provisions	0	0
Warrants	-307	-234
Provisions for deferred tax at 31 December	**124,721**	**93,603**

18 OTHER PROVISIONS

TDKK	2024	2023
Other provisions include warranty commitments for repair work within the 5 year warranty period.		
Balance at 1 January	108,174	36,611
Addition from merger	0	91,454
Provisions during the year	22,497	34,002
Provisions used during the year	-26,246	-53,893
Balance at 31 December	**104,425**	**108,174**
Maturities of provisions for liabilities are expected to be:		
Less than 1 year	49,580	55,006
Between 1 and 5 years	54,845	53,168
	104,425	**108,174**

SIGNIFICANT ESTIMATE

Judgement of provisions related to the 5-year warranty period.

Provisions for warranty commitments are assessed for each individual construction contract and relate to the usual 1-year and 5-year warranty work or longer warranty periods for some contracts.

The level of provisions is based on experience and the nature of the individual project. Such estimates are inherently subject to uncertainty and the actual warranty commitments may deviate from the estimates.

19 LIABILITIES FROM FINANCING ACTIVITIES

TDKK	1 January	Cash flows	Non cash changes	31 December
2024				
Long term lease liability	33,505	0	4,278	37,783
Short term lease liability	10,005	-15,597	18,049	12,457
Total liabilities from financing activities	**43,510**	**-15,597**	**22,327**	**50,240**
2023				
Long term debt	33,597	0	-92	33,505
Short term debt	7,197	-13,522	16,330	10,005
Total liabilities from financing activities	**40,794**	**-13,522**	**16,238**	**43,510**

20 RENTAL AND LEASE LIABILITIES

A lease which is irrevocable until 1 October 2032 has been entered into. Following the expiry of the irrevocable period, the lease can be terminated by the lessee giving the usual notice of termination. The annual rent totals 3.2 MDKK. The total future lease liabilities after 5 years of the non cancellable period are 11.6 MDKK (2023: 15.0 MDKK).

A lease which is irrevocable until 31 December 2025 has been entered. Following the expiry of the non cancellable period, the lease can be terminated by the leasee giving the usual notice of termination. The annual rent totals 1.3 MDKK. The leases are recognized in the balance sheet in accordance with IFRS 16.

TDKK	2024	2023
Lease liabilities with an expected term of 12 months or less.		
Total future lease payments:		
Less than one year	96	254
	96	**254**
Obligation to acquire leased assets with an expected term of 12 months or less	**0**	**0**

21 CONTINGENCIES ETC.

Group enterprises are jointly and severally liable for tax payable on Group income, etc. subject to joint taxation. The total income tax payable appears from the financial statements of ASG Domus Holding ApS, which acts as the administration company of the joint taxation scheme. Group enterprises are also jointly and severally liable for Danish withholding taxes such as dividend tax, tax on royalty payments and tax on interest revenue. On 31 December 2024, income tax and withholding tax payable in Nordstern ApS amounted to 0 MDKK (2023: 4.9 MDKK). Any subsequent adjustments to income taxes and withholding taxes may increase the liability of the Company.

The Company is part in various legal and arbitration cases, which are expected to have no material negative impact on the Company's future earnings.

Significant Estimate

Judgement of provisions related to the impact from disputes, legal and arbitration proceedings.
Due to the nature of its business, the Company is naturally a party to various disagreements, disputes as well as legal and arbitration proceedings. In each individual case it is assessed to what extent the matter could entail an obligation for the Company and the probability of such obligation.

In some cases, a matter may result in a contingent asset or a claim towards other parties than the owner. Management's estimate is based on the information available and expert opinions from legal advisers. It may be difficult to determine the outcome, and, by its nature, the results may deviate from the Company's estimates.

22 CHARGES AND COLLATERAL

Work and payment guarantees of a total of 2,683.7 MDKK (2023: 2,564.9 MDKK) have been made to suppliers, clients, etc. through our guarantee providers all of which are established surety and insurance companies.

23 RELATED PARTIES AND OWNERSHIP STRUCTURE

Control
ASG Hamlet ApS, Havnen 5, 8700 Horsens, Denmark, principal shareholder. With reference to the financial statements presented by the parent company, ASG Domus Holding ApS (CVR nr. 42 43 43 88), Nordstern does not present consolidated financial statements. ASG Domus Holding ApS is the largest and the smallest group in which Nordstern is included as a subsidiary.

Other related parties
Other related parties include members of the Board of Directors and the Executive Board and their family members. Companies in which the above persons have a significant interest are also considered related parties.

Transactions with related parties
The remuneration for the Executive Board and the Board of Directors is disclosed in Note 4.

Sale of goods to subsidiaries and parents in 2024 amounted to 228.5 MDKK and 0.0 MDKK, respectively (2023: 287.3 MDKK and 0.0 MDKK)
Transactions with parents related to service fee amounted to 34.8 MDKK (2023: 23.5 MDKK).
These services were paid on normal market terms.

Transactions and balances with subsidiaries and parent are presented in the balance sheet and paid as they fall due.

Financial transactions with subsidiaries performed at arm's length and are presented in Note 6. No other transactions were made with related parties.

24 FEES TO INDEPENDENT AUDITOR

For specification of the fee to the independent auditor, please refer to the annual report for ASG Domus Holding ApS.

25 CASH FLOW STATEMENT – ADJUSTMENTS

TDKK	2024	2023
Financial income	-33,145	-25,874
Financial expenses	3,505	3,854
One off items	0	0
Amortization, depreciation and impairment losses incl, gains on sales	15,645	13,930
Income from equity investments in subsidiaries	-25,595	-3,492
Income from equity investments in joint ventures	0	-1,869
Tax on profit or loss for the year	17,594	13,139
Change in other provisions for liabilities	-3,749	-19,891
Other adjustments	1,550	1,753
	-24,195	**-18,450**

26 CASH FLOW STATEMENT – CHANGE IN WORKING CAPITAL

TDKK	2024	2023
Change in receivables	41,394	158,323
Change in trade payables, etc.	-163,860	-225,962
	-122,466	**-67,639**

27 ADDITION FROM MERGER

With accounting effect from 1 January 2023 the company merged with KPC Holding ApS, Nordstern Herning ApS and Nordstern København ApS.

The value of the assets and liabilities from the merged companies were as follows:

TDKK	2024	2023
Intangible assets	0	114,477
Tangible assets	0	6,107
Financial assets	0	409,070
Receivables	0	597,046
Cash and cash equivalents	0	323,899
Long term debt	0	-127,284
Short term debt	0	-729,231
Net assets	**0**	**594,084**

28 FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

As a consequence of its operating, investing and financing activities, the Company is exposed to financial risks, including market risks (interest rate risks), credit risks and liquidity risks, to a limited extent only. The information provided in this note concerns the most significant risks only.

The overall framework for the financial risk management is set out in the Company's financial strategy, which is updated annually and approved by the Board of Directors.

Financial risks are handled by Group Finance. Management monitors the Company's risk concentration on a monthly basis in areas such as clients, subcontractors, financial counterparties, etc. By doing so, Management monitors whether any changes have occurred in the risk concentration.

The financial strategy comprises policies for investment, financing and credit risk relating to financial counterparties. The strategy also includes a description of the approved risk management framework.

It is Company policy not to speculate actively in financial risks. Accordingly, the financial strategy is aimed solely at managing and reducing the financial risks that are a direct consequence of the Company's operating, investing and financing activities.

The Company's risk exposure and risk management activities have not been subject to significant changes compared with 2023.

Market risks (interest rate risks)

The risk management of the Company's interest bearing debt is described in the financial strategy, including fixing risks, market value risks, refinancing risks and counterparty risks. At end 2024, the Company had no interestbearing financial loans (2023: DKK 0).

Credit risks

To minimize the counterparty and credit risks, all significant financial counterparties are approved by the Board of Directors. Financial counterparties must have at least Baa1/BBB+ (Moody's/S&P and Fitch) ratings. Reference is made to Note 13 as regards the risk management of sales to ordinary clients.

Liquidity risks

It is Company policy to ensure the greatest possible flexibility in connection with the management of excess liquidity and the renegotiation of new credit facilities. The Company has cash resources of 627 MDKK (2023: 567 MDKK). The credit facilities have no maturity date and no financial covenants.

The Company's payables fall due as follows:

TDKK	Contractual cash flows	Within 1 year	1 to 3 years	3 to 5 years	After 5 years
2024					
Non-derivative financial instruments					
Lease liabilities	50,240	12,457	18,216	8,307	11,260
Accounts payables	1,288,793	1,288,793	0	0	0
31 December 2024	**1,339,033**	**1,301,250**	**18,216**	**8,307**	**11,260**

TDKK	Contractual cash flows	Within 1 year	1 to 3 years	3 to 5 years	After 5 years
2023					
Non-derivative financial instruments					
Lease liabilities	43,510	10,005	12,346	6,819	14,340
Accounts payables	1,469,822	1,469,822	0	0	0
31 December 2023	**1,513,332**	**1,479,827**	**12,346**	**6,819**	**14,340**

29 CATEGORIES OF FINANCIAL INSTRUMENTS

TDKK	2024	2023
Loans, receivables, cash and cash equivalents measured at amortized cost	1,497,985	1,431,850
Financial liabilities measured at amortized cost	1,288,793	1,469,822
	2,786,778	**2,901,672**

The carrying amount and the fair value are the same.

Atriet, Ørestad

Definitions

	Numerator	Denominator
Gross margin	Gross profit x 100	Revenue
EBITDA margin	Operating profit before depreciation, interest, and tax (EBITDA) x 100	Revenue
Equity ratio	Equity at year end x 100	Total assets at year end
Liquidity ratio	Current assets	Short term debt
Return on equity	Net profit for the year x 100	Average equity
Return on invested capital (ROIC)	Operating profit (EBIT)	Average invested capital

EBITDA
Operating profit before depreciation, interest, and tax including income from shares in subsidiaries and joint ventures

Net Interest-Bearing Debt
Long-term plus short-term leasing liabilities minus cash (negative number expresses a net deposit)

Invested Capital
Sum of equity and net interest-bearing debt

Order Intake
The total value of newly secured contracts, extra work added to existing contracts, and work ordered and completed under conditional agreements

Order Book
The cumulative value of order intake, subtracted revenue already recognized, representing the remaining value of ongoing contracts, including any additional purchased work

Augusthave, Aarhus

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today discussed and approved the annual report of Nordstern ApS for the financial year 1 January – 31 December 2024.

The financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and supplementary Danish disclosure requirements of the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2024.

In our opinion, the management commentary contains a fair review of the development of the Company's business and financial matters, the results for the year and of the Company's financial position, together with a description of the principal risks and uncertainties that the Company face.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen,
25 February 2025

Board of Directors

Johannes Vielberth
Chairman of the Board

David Bannerman
Member of the Board

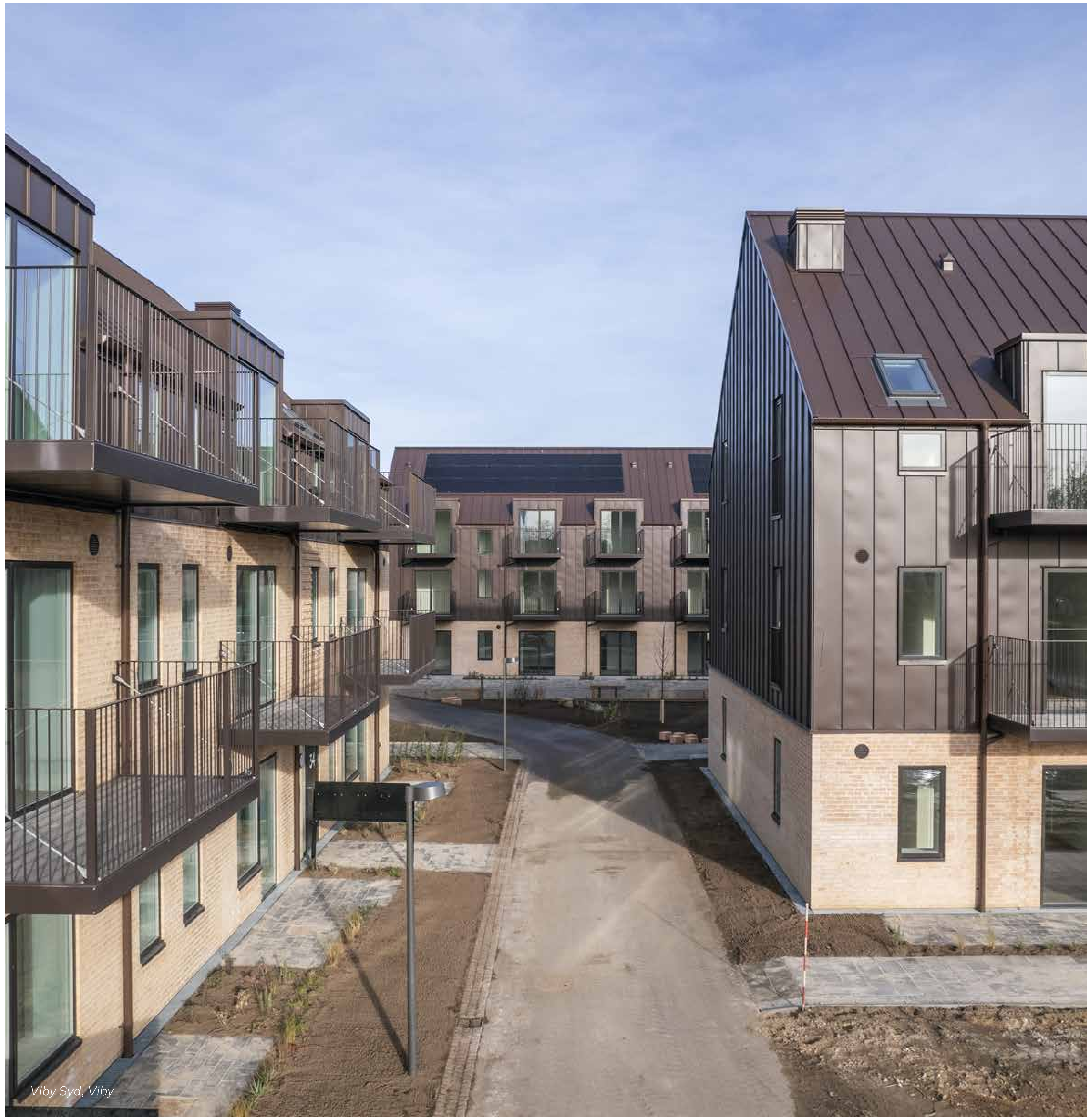
Executive Management

Torben Modvig
CEO

Jan Aarestrup
CFO

Michael Storgaard
COO

Johnny Hey
CCO



Viby Syd, Viby

To the shareholders of Nordstern ApS

Independent Auditor's Report

Opinion
We have audited the financial statements of Nordstern ApS for the financial year 01.01.2024 31.12.2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information. The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at and of the results of its operations and cash flows for the financial year - in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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 the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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 commentary.

Management's responsibilities for the fiancial statements
Management is responsible for the preparation of 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 DanishFinancial Statements Act, and for such internal control as Management determines is necessary to enable thepreparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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'sreport to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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.

Aarhus,
25 February 2025

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR No. 33963556

Jacob Nørmark
State Authorised Public Accountant
Identification No (MNE) mne30176

Jacob Tækker Nørgaard
State Authorised Public Accountant
Identification No (MNE) mne40049

Company Information

Company	Nordstern ApS Havnen 5, 8700 Horsens Phone: +45 7562 7900 Website: nordstern.dk CVR nr.: 29 20 52 72 Financial period: 1 January – 31 December 2024 Founded: 2 December 2005 Financial year: 19th fiscal year
Board of Directors	Johannes Vielberth, Chairman David Bannerman, Member
Executive Board	Torben Modvig, CEO Jan Aarestrup, CFO Michael Storgaard, COO Johnny Hey, CCO
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Værkmestergade 2, 18. 8000 Aarhus C

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