

HusCompagniet Danmark A/S  
Agerøvej 31A  
8381 Tilst  
CVR. 26866278



Co-creating the  
homes of tomorrow  
– today

# Annual report 2022



The annual report was presented and approved at the  
Company's annual general meeting on, 2 June 2023

## Company details

HusCompagniet Danmark A/S  
Agerøvej 31A  
8381 Tilst  
Denmark

Telephone: 88 62 30 00  
Website: [www.huscompagniet.dk](http://www.huscompagniet.dk)

CVR no.: 26866278  
Fiscal year: 1. January - 31. December

### **Executive Board:**

Martin Ravn-Nielsen

### **Board of Directors:**

Søren Haugaard  
Martin Ravn-Nielsen  
Jesper Mølskov Høybye  
Anna Schøning

### **Auditor**

EY Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
2000 Frederiksberg

## Management's review

### Business review

The Company constructs and sell houses and landplots to private consumers.

HusCompagniet Danmark A/S is a subsidiary of HusCompagniet A/S to which we refer to the consolidated financial statements for more information.

### Financial review

Net revenue totaled DKK 3.684 million for 2022, compared to DKK 3.767 million in 2021, corresponding to a decrease of 2%.

The decrease in revenue was mainly driven by lower contracted work in progress and less revenue from land, which decreased from DKK 20 million in 2022 compared to DKK 140 million in 2021.

EBITDA totaled DKK 262 million for 2022, compared to 335 million in 2021, corresponding to a decrease of 8%. The decrease in EBITDA is mainly driven by lower gross margin due to higher material prices.

Profit before tax totaled DKK 242 million for 2022, compared to DKK 310 million in 2021.

In regards to the outlook published in the financial statements of 2021, the continued growth was not achieved in terms of revenue and EBITDA, but the company was able to adjust to the changing market in 2022, which ensured strong margins.

### Non-financial matters

HusCompagniet Danmark A/S is a leading single-family housebuilder company.

### Special risks

The Company has not drawn up any separate Risk report, as the parent company has done so for the entire Group.

The Report is rendered in the parent company's consolidated financial statement and may be downloaded from the site. <http://investors.huscompagniet.com/Danish/overblik/default.aspx>

### Recognition & measurements uncertainties

At contract inception, management assesses that the contracts involve a high degree of individual customisation and satisfy the criteria for recognition over time.

The assessment is based on an analysis of, among other things, the contract provisions on:

- The degree of customisation, including the alternative use potential of buildings and civil works
- The time of transfer of legal title
- Payment terms, including early termination of contract
- Enforceable right to payment for performance completion to date.

For construction contracts, management considers that they constitute a single performance obligation and that the recognition of the selling price of contracts over time is best depicted by using an input method based on costs incurred relative to budgeted project costs.

Variable elements of consideration are not recognised in revenue until it is highly probable that a reversal of the amount of consideration will not occur in future periods.

Reference is made to note 2.7 for more details

## Management's review

### Statutory CSR report

The Company has not drawn up any separate CSR report, as the parent company has done so for the entire Group. The report is rendered in the parent company's annual report and may be downloaded from the site <https://investors.huscompagniet.com/English/reports-and-presentations/annual-reports/default.aspx>

### Data Ethics Policy

The Company has not drawn up any separate Data Ethics Policy, as the parent company has done so for the entire Group.

The policy is rendered in the parent company's annual report and may be downloaded from the site <https://investors.huscompagniet.com/Danish/rapporter-og-prsentationer/arsberetninger/default.aspx>

### Account of the gender composition of Management

At HusCompagniet Danmark A/S, we strive towards a diverse and inclusive work environment. A diverse workforce can bring many advantages to an organization. The starting point is providing equal opportunity for people of all ages, genders, nationalities, religions, political opinions, and abilities. The construction sector has traditionally been a male-dominated industry, which poses a challenge for the industry and for HusCompagniet Danmark A/S. The starting point for improving the gender diversity of our workforce is to monitor the demographics of our employees, with the aim to track and increase gender balance over time.

As of 31 December 2022, the underrepresented gender is female and constituted 0% of our workforce in management. Of the 4 members in the Board of Directors, 1 is constituted from the underrepresented gender.

People are encouraged to apply for HusCompagniet positions, irrespective of gender, age, nationality, sexual orientation, religion or ethnicity, and decisions regarding recruitment, promotion and dismissal are not influenced by these. Our employees have equal opportunities for career development and management ambitions, which are discussed as part of the yearly performance reviews. Gender representation is considered in the recruitment process of managers.

The tone set at the top is important, not least when it comes to diversity and inclusion. In 2022, women comprised of 0% of other levels of management, which remained stable compared to 2021. In 2022, other levels of management are defined by the executive management and their direct reports with employee responsibility. The method used to determine the percentage of other levels of management that comprise of women is the weighted actual headcount method. HusCompagniet Danmark A/S has set a target to increase the representation of women in other levels of management to 25% by 2025 and 30% by 2030.

In 2021 HusCompagniet Danmark A/S did set a goal that by 2025 one woman should be appointed to the Board of Directors. Changes were made during 2022 where one female was appointed, and the target originally set for 2025 was achieved. Hence HusCompagniet Danmark A/S has achieved the desired gender composition in the Board of Directors and no further goalsetting is deemed necessary.

### Unusual circumstances

There have been no unusual circumstances which have influenced the results for the year.

### Events after the balance sheet data

No material events have occurred between 31 December 2022 and the date of publication of this annual report that have not already been included in the annual report and that would have a material effect on the assessment of the company's financial position.

### Outlook

Our target is to pursue continued growth in line with the detached market segment whilst maintaining strong margins.

In 2023 The Company expects revenue to be in the level of DKK 1,700-1,800 million and EBITDA to be in the level of DKK 60-64 million.

## Key Figures

DKK'm	2022	2021	2020	2019	2018
<b>Income statement</b>					
Revenue	3.684	3.767	3.326	3.290	2.873
Gross profit	647	705	658	632	588
Operating profit before depreciation and amortisation (EBITDA) before special items	285	335	329	300	283
Operating profit (EBIT)	246	319	346	282	272
Financial Income/Expenses, net	-4	-10	-10	-9	-4
Profit for the year	188	242	261	213	209
<b>Balance sheet</b>					
Total assets	2.818	2.564	2.274	2.067	1.724
Equity	1.917	1.729	1.487	1.226	1.013
<b>Cash flow</b>					
Cash flow from operating activities	188	298	182	243	307
Cash flow from investing activities	-4	-5	-5	-8	-10
- Hereof from investment in property, plant and equipment	-4	-5	-5	-8	-10
Cash flow from financing activities	-183	-293	-1.174	-6	-31
Free cash flow	183	293	177	235	297
<b>Key figures</b>					
Revenue growth	-2%	13%	1%	14%	10%
Gross margin	18%	19%	20%	19%	20%
EBITDA margin before special items	8%	9%	10%	9%	10%
EBITDA margin after special items	7%	9%	11%	9%	10%
Average number of employees	292	324	320	316	299

The key figures for the year 2018 have not been adjusted following the implementation of IFRS 16 at 1 January 2019.

Huscompagniet Danmark A/S is a merge of HusCompagniet Sjælland A/S, HusCompagniet Fyn A/S, HusCompagniet Sønderjylland A/S, FM-Søkjær Enterprise A/S samt HusCompagniet Midt- og Nordjylland A/S, with HusCompagniet Midt-Nordjylland A/S as the continuing company (name changes to HusCompagniet Danmark A/S). The merge is effective 1 January 2019. Key figures and comparable figures in the financial statements have been adjusted according to this.

## MANAGEMENT REVIEW

	Page
Company details	2
Operating review	3
Key figures	5

## FINANCIAL STATEMENTS

### PRIMARY STATEMENTS

Income statement	7
Balance sheet	9
Statement of cashflow	11
Statement of changes of equity	12

## NOTES

### 1 BASIS OF PREPARATION

1.1 General accounting policies	13
1.2 Introduction to significant estimates and judgements	14
1.3 Application of materiality	14

### 2 EBITDA

2.1 Revenue	15
2.2 Costs including staff costs and remuneration	16
2.3 Share based payments	16
2.4 Special items	17
2.5 Financial risk management	17
2.6 Accounting policy	18
2.7 Significant estimates and judgements	19

### 3 WORKING CAPITAL

3.1 Inventories	20
3.2 Contract assets	20
3.3 Trade and other receivables	21
3.4 Guarantee commitments and contingent liabilities	21

3.5 Net working capital	22
3.6 Financial risk management	22
3.7 Other liabilities	22
3.8 Accounting policy	23
3.9 Significant estimates and judgements	23

### 4 INVESTMENTS

4.1 Property, plant and equipment and rights of use assets	24
4.2 Accounting policy	25
4.3 Significant estimates and judgements	26

### 5 FUNDING AND CAPITAL STRUCTURE

5.1 Equity	27
5.2 Borrowings and non-current liabilities	27
5.3 Lease liabilities	28
5.4 Financial income and expenses	28
5.5 Financial risk management	29
5.6 Accounting policy	30

### 6 OTHER DISCLOSURES

6.1 Tax	31
6.2 Other non-cash items	32
6.3 Related parties	32
6.4 Auditor's fee	32
6.5 Events after the balance sheet date	33
6.6 Definitions	33
6.7 Accounting policy	33
Statement by the board of directors and executive board	34
Independent auditor's report	35

## INCOME STATEMENT

DKK'000	Note	2022	2021
Revenue	2.1	3.683.787	3.766.996
Cost of Sales		-3.037.078	-3.061.555
<b>Gross profit</b>		<b>646.709</b>	<b>705.441</b>
Staff cost	2.2, 2.3	-322.321	-331.253
Other external expenses		-39.097	-39.391
Other operating income		0	66
<b>Operating profit before depreciation and amortisation (EBITDA) before special items</b>		<b>285.291</b>	<b>334.863</b>
Special items	2.4	-23.434	0
<b>Operating profit before depreciation and amortisation (EBITDA) after special items</b>		<b>261.857</b>	<b>334.863</b>
Depreciation and amortisation	4.1	-15.672	-15.422
<b>Operating profit (EBIT)</b>		<b>246.185</b>	<b>319.441</b>
Financial income	5.4	146	8
Financial expenses	5.4	-4.618	-9.561
<b>Profit before tax</b>		<b>241.712</b>	<b>309.888</b>
Tax on profit	6.1	-53.729	-67.877
<b>Profit for the period</b>		<b>187.983</b>	<b>242.011</b>

### Profits attributable to:

DKK'000	2022	2021
Equity owners of the Company	<b>187.983</b>	<b>242.011</b>

## STATEMENT OF OTHER COMPREHENSIVE INCOME

DKK'000	Note	2022	2021
<b>Profit for the year</b>		187.983	242.011
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to the income statement in subsequent periods</i>			
<b>Other comprehensive income, net of tax</b>		0	0
<b>Total comprehensive income for the year</b>		<b>187.983</b>	<b>242.011</b>
<b>Total comprehensive income attributable to:</b>			
DKK'000	Note	2022	2021
Equity owners of the Company		187.983	242.011



## BALANCE SHEET

DKK'000	Note	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	4.1	24.612	32.054
Other Fixtures and fittings, tools and equipment	4.1	4.337	4.144
Leasehold improvements	4.1	4.337	5.121
Other receivables	3.3	4.151	4.756
<b>Total non-current assets</b>		<b>37.438</b>	<b>46.076</b>
<b>Current assets</b>			
Inventories	3.1	296.929	290.573
Contract assets	3.2	618.068	651.150
Trade and other receivables	3.3	204.768	127.042
Prepayments		2.513	1.217
Receivable from affiliated companies		1.658.232	1.448.227
<b>Total current assets</b>		<b>2.780.510</b>	<b>2.518.209</b>
<b>Total assets</b>		<b>2.817.948</b>	<b>2.564.285</b>

## BALANCE SHEET - Continued

DKK'000	Note	2022	2021
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5.1	2.001	2.001
Retained earnings and other reserves		1.915.227	1.727.244
<b>Total equity</b>		<b>1.917.228</b>	<b>1.729.245</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	5.3	20.597	23.963
Provisions	3.4	6.363	7.835
Deferred tax liability	6.1	22.107	26.480
<b>Total non-current liabilities</b>		<b>49.066</b>	<b>58.278</b>
<b>Current liabilities</b>			
Lease liabilities	5.3	11.998	11.450
Trade and other payables	5.5	529.684	518.873
Contract liabilities	3.2	76.314	49.343
Prepayments from customers	3.2	15.312	8.778
Provisions	3.4	25.451	31.338
Income tax payable	6.1	58.103	58.545
Payables to affiliated companies		38.179	0
Other liabilities	3.7	96.614	98.435
<b>Total current liabilities</b>		<b>851.654</b>	<b>776.762</b>
<b>Total liabilities</b>		<b>900.720</b>	<b>835.040</b>
<b>Total equity and liabilities</b>		<b>2.817.948</b>	<b>2.564.285</b>

Reference to off-balance sheet notes: Related parties 6.3, and Contingent liabilities 3.4

## STATEMENT OF CASH FLOWS

DKK'000	Note	2022	2021
<b>Cash flow from operating activities</b>			
EBITDA, after special items		261.857	334.863
<b>EBITDA</b>		<b>261.857</b>	<b>334.863</b>
Adjustments for non-cash items	6.2	-1.893	2.723
<b>Adjusted EBITDA</b>		<b>259.964</b>	<b>337.586</b>
Changes in working capital	3.5	-9.196	46.408
<b>Cash flow from operating activities before financial items and taxes</b>		<b>250.768</b>	<b>383.994</b>
Interest received	5.4	146	8
Interest elements of lease payments	5.4	-1.713	-2.159
Interest paid	5.4	-2.905	-7.402
Taxes paid	6.1	-58.545	-76.714
<b>Net cash generated from operating activities</b>		<b>187.751</b>	<b>297.727</b>
<b>Cash flow from investing activities</b>			
Investment in assets	4.1	-4.377	-5.086
<b>Net cash generated from investing activities</b>		<b>-4.377</b>	<b>-5.086</b>
<b>Cash flow from financing activities</b>			
Proceeds from payables to affiliated companies		-171.828	-282.212
Repayment of lease	5.2	-11.546	-10.429
<b>Net cash generated from financing activities</b>		<b>-183.374</b>	<b>-292.641</b>
<b>Total cash flows</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents at 1 January		0	0
Net foreign currency gains or losses		0	0
<b>Cash and cash</b>		<b>0</b>	<b>0</b>
<b>Cash and cash equivalents</b>			
Cash at bank and on hand		0	0
<b>Cash and cash equivalents as at 31 December</b>		<b>0</b>	<b>0</b>
Bank overdrafts		0	0
<b>Net cash and cash equivalents as at 31 December</b>		<b>0</b>	<b>0</b>
<b>Free cash flow</b>		<b>183.374</b>	<b>292.641</b>

## STATEMENT OF CHANGES IN EQUITY

2022			
DKK'000	Share capital	Retained earnings	Total
Equity at 1 January	2.001	1.727.244	1.729.245
Profit for the period	0	187.983	187.983
Other comprehensive income:			
Total other comprehensive income	0	0	0
Transactions with owners of the Company and other equity transactions:			
Total transactions with owners of the Company and other equity transactions	0	0	0
Equity on 31 December	2.001	1.915.227	1.917.228

2021			
DKK'000	Share capital	Retained earnings	Total
Equity at 1 January	2.001	1.485.233	1.487.234
Profit for the period	0	242.011	242.011
Other comprehensive income:			
Total other comprehensive income	0	0	0
Transactions with owners of the Company and other equity transactions:			
Total transactions with owners of the Company and other equity transactions	0	0	0
Equity on 31 December	2.001	1.727.244	1.729.245

### Capital structure

The primary objective of HusCompagniet Danmark's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business. The Company manages its capital structure and adjusts in response to changes in economic conditions.

## SECTION 1: BASIS OF PREPARATION

### Introduction

HusCompagniet Danmark A/S ('HusCompagniet Danmark') is a company incorporated and domiciled in Denmark. The Company is principally engaged in construction and sale of single-family-houses in Denmark.

The following is a summary of the significant accounting policies adopted by HusCompagniet Danmark referred to in these financial statements as the "Company".

General accounting policies applied to the financial statements as a whole are described below. Significant accounting policies covering specific accounts are placed in each section to which they relate.

These Financial Statements for the Company are for the year ended 31 December 2022.

The financial statements were approved by the shareholders at the general meeting on 2 June 2023, signed by chairman Søren Haugaard.

The accounting policies described below have been applied consistently to the financial year and the comparative figures. For standards implemented prospectively, comparative figures are not restated.

### The following notes are presented in Section 1:

- 1.1 General accounting policies
- 1.2 Introduction to significant estimates and judgements
- 1.3 Application of materiality

## Note 1.1 General accounting policies

### Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("IFRS") and additional requirements of the Danish Financial Statements Act, applying to large reporting class C entities.

The financial statements have been prepared on a historical cost basis, except as noted in the various accounting policies.

These financial statements are expressed in DKK, as this is the Company's functional and presentation currency. All values are rounded to the nearest thousand DKK '000.

### Foreign currency translation

#### Transactions and balances

Foreign currency transactions are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are recognised in the Income Statement under financial items. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

### Implementation of new or amended standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company's consolidated annual financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has adopted relevant new or amended standards (IFRS) and interpretation (IFRIC) as adopted by the EU and which are effective for the financial year 1 January – 31 December 2022. The Company has assessed that the new or amended standards and interpretations have not had any material impact on the Company's Annual Report in 2022.

The Company expects to implement the new standards when they become effective. It has been assessed that the implementation of the new standards will not have any significant effect on the recognition and measurement of the balance sheet at 1 January 2023.

#### Note 1.2 Introduction to significant estimates and judgements

In preparing the financial statements, management made various judgements, estimates and assumptions concerning future events that affected the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and have been prepared taking the financial market situation into consideration, but still ensuring that one-off effects which are not expected to exist in the long term do not affect estimation and determination of these key factors.

The most significant risks are assessed to be restrictions on building activities and construction sites related to a lower demand on houses due to a declining economy.

Based on the above assumptions the estimates are assessed to be unchanged from previous years.

Significant estimates and judgements covering specific accounts are placed in each section to which they relate.

#### Significant judgements

Percentage-of-completion profit recognition  
Leases - Estimating the incremental borrowing rate and lease period

#### Significant estimates

Guarantee provisions

#### Note 1.3 Application of materiality

The financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the financial statements.

If a line item is not individually material, it is aggregated with other items of a similar nature in the financial statements or in the notes.

The disclosure requirements are substantial in IFRS and the Company provides these specific required disclosures unless the information is considered immaterial to the economic decision-making of the readers of the financial statements or not applicable.

## SECTION 2: EBITDA

### Introduction

This section provides information regarding the Company's performance in 2022, including the effects of non-recurring items on EBITDA.

The development of primary costs, staff costs and remuneration, and information about the Company's low exposure towards currency risk on transaction level is also contained in this section.

### The following notes are presented in Section 2:

- 2.1 Revenue
- 2.2 Costs including staff costs and remuneration
- 2.3 Share-based payments
- 2.4 Special items
- 2.5 Financial risk management
- 2.6 Accounting policy
- 2.7 Significant estimates and judgements

### 2.1 Revenue

#### Revenue per segment and category - Contracted sales

2022

	Denmark		
	Detached houses	Semi-detached houses	Total segments
DKK'000			
Sales value houses sold on customers building sites	3.134.065	107.239	3.241.304
Sales value houses sold on own building sites	190.082	132.268	322.350
<b>Total Contracted sales</b>	<b>3.324.147</b>	<b>239.507</b>	<b>3.563.654</b>

#### Revenue per segment and category - Non-contracted sales

2022

	Denmark		
	Detached houses	Semi-detached houses	Total segments
DKK'000			
Show- and project houses	97.998	0	97.998
Other revenue	2.120	0	2.120
Sale of land plots	20.014	0	20.014
<b>Total Non-contracted sales</b>	<b>120.132</b>	<b>0</b>	<b>120.133</b>
<b>Total Revenue</b>	<b>3.444.279</b>	<b>239.507</b>	<b>3.683.787</b>

#### Revenue per segment and category - Contracted sales

2021

	Denmark		
	Detached houses	Semi-detached houses	Total segments
DKK'000			
Sales value, houses sold on customers' building sites	2.820.321	50.089	2.870.410
Sales value, houses sold on own building sites	390.886	224.798	615.684
<b>Total Contracted sales</b>	<b>3.211.206</b>	<b>274.888</b>	<b>3.486.094</b>

#### Revenue per segment and category - Non-contracted sales

2021

	Denmark		
	Detached houses	Semi-detached houses	Total segments
DKK'000			
Show- and project houses	139.679	0	139.679
Other revenue	1.151	0	1.151
Sale of land plots	140.072	0	140.072
<b>Total Non-contracted sales</b>	<b>280.901</b>	<b>0</b>	<b>280.901</b>
<b>Total Revenue</b>	<b>3.492.108</b>	<b>274.888</b>	<b>3.766.995</b>

The Company is engaged in construction activities in Denmark.

Non-contracted sales are recognised on delivery (point-in-time). Contracted sales are recognised over time. Payment is typically due at the time of final delivery of the house project, however a small deposit is paid upon contract negotiation. The Company receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit, during the project.

Construction contracts with professional investors may also include payments on account. Contracted sales comprise the sale of houses constructed on the customers land, or houses sold on own land (semi detached includes land plots) that are covered by a customer contract before construction is started. Conversely, non-contracted sales comprise of:

1. The sale of houses constructed on own land to which no customer contract has been entered into before construction starts.
2. The sale of detached land-plots to which no customer contract has been entered into before purchase and development of the land plots.

## Note 2.2 Costs including staff costs and remuneration

### Staff costs

DKK'000	2022	2021
Wages and salaries	303.612	311.154
Defined contribution plans	12.963	14.694
Other social security costs	3.100	3.190
Share-based remuneration	2.645	2.214
<b>Total</b>	<b>322.321</b>	<b>331.253</b>
Average number of full-time employees	292	324

### Remuneration to Management and Board of Directors

The Management and Board of Directors are not remunerated directly by the Company, but through the ultimate parent company HusCompagniet A/S to which we refer. The Company is charged management fees from the ultimate parent company to reflect remuneration to The Management and Board of Directors for their work performed for the Company during 2022 as specified in the tables below

#### Remuneration of Management

DKK'000	2022
Base salary and non-monetary benefits	3.845
Bonus	1.306
Share-based remuneration	593
<b>Total</b>	<b>5.744</b>

#### Remuneration of Board of Directors

DKK'000	2022
Base salary and non-monetary benefits	4.713
<b>Total</b>	<b>4.713</b>

The long-term incentive programme is described in note 2.3

## Note 2.3 Share-based payments

### Share-based payments

In accordance with the Group's Remuneration Policy, individual members of the Executive Management and other employees participate in a long-term incentive programme consisting of restricted share units ("RSUs"), which was implemented on 23 November 2020. Participants of the RSU programme are granted RSUs which entitle the participant to receive for free a number of shares in HusCompagniet A/S equivalent to the number of vested RSUs upon vesting as described below.

The RSUs will vest over a three-year vesting period. Vesting is not conditional upon achieving any financial or non-financial targets, but is, however, conditional upon (i) the participant remaining employed with the Group for a period of three years from the date of grant, or the participant becoming a good leaver during the vesting period in which case only a proportionate portion of RSUs shall vest, and (ii) the participant having complied in all respects with the general terms and conditions as determined by the Board of Directors.

Participation in the RSU programme is offered to members of the Executive Management and other employees as an element of remuneration as incentive for the Executive Management and other employees to remain focused on value creation and achievement of the Company's long-term objectives. As determined by the Board of Directors, a selected number of employees of the Company in key positions may also be eligible to participate in long-term incentive programmes on terms similar to those of the Executive Management.

Executive Management do participate in the RSU programme, but only through their executive role in the parent company HusCompagniet A/S.

### Fair value measurement

The Group measures share-based payments at fair value at the grant date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

	Executive management	Other employees	Total shares
<b>Number of shares at January 2021</b>	0	65.426	65.426
Granted during the year	0	0	0
Exercised during the year	0	0	0
Forfeited during the year	0	-7.854	-7.854
<b>Outstanding at 31 December 2021</b>	<b>0</b>	<b>57.572</b>	<b>57.572</b>
<b>Outstanding at 1 January 2022</b>	<b>0</b>	<b>57.572</b>	<b>57.572</b>
Granted during the year	0	28.118	28.118
Exercised during the year	0	0	0
Forfeited during the year	0	-403	-403
<b>Outstanding at 31 December 2022</b>	<b>0</b>	<b>85.287</b>	<b>85.287</b>
Number of restricted shares that may be sold at 31 December 2022	0	0	0

The average remaining term to vesting for outstanding restricted shares at 31 December 2022 was approx. 0.9 years. The fair value of the RSU grant at the grant date totalled DKK 7.7 million at Company level. In 2022, an expense of DKK 2.6 million was recognised in the income statement at Company level in respect of the incentive program (2021: 2.2). The fair value of the RSU at the grant date was calculated based on the share price at grant date. An amount equal to the RSU expense is invoiced to HusCompagniet A/S for granting the shares.



#### Note 2.4 Special items

DKK'000	2022	2021
<b>Special items</b>		
-Strategic organisational changes	17.049	0
-Impairment of right-of-use assets	6.981	0
-Other special items	-596	0
<b>Total special items</b>	<b>23.434</b>	<b>0</b>

Strategic organisational changes include severance payments to former senior management and employees.

#### Reconciliation of EBITDA

DKK'000	2022	2021
<b>Operating profit before depreciation and amortisation</b>	<b>285.291</b>	<b>334.863</b>
Special items	-23.434	0
<b>Operating profit before depreciation and amortisation (EBITDA) after special items</b>	<b>261.858</b>	<b>334.863</b>

The Company presents certain financial measures in the financial statements that are not defined under IFRS. It is Management's belief that these measures provide valuable supplemental information to investors and the Company's management, as they allow for evaluation of trends and the Company's performance.

Since such financial measures are not calculated by all companies in the same way, they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. The definition section 6.6 provides information in greater detail regarding definitions of financial performance measures. Information regarding special items is included in note 2.4

#### Note 2.5 Financial risk management

##### Currency Risk

The Company is not exposed to currency fluctuations from its activities.

Management continuously assesses the significance of the Company's activities denominated in foreign currencies.

**Revenue**

Revenue comprises completed construction contracts and construction contracts in progress (contracted sales), land plots and sale of showhouses (non-contracted sales).

**Contracted sales**

Contracted sales are recognized over time according to percentage-of-completion in relation to costs recognized, as all performance obligations are fulfilled on an ongoing basis through-out the construction. The contracted sales contracts are considered to comprise of only one performance obligation, as all components are considered interrelated, and any changes to a contract will therefore be recognized as changes to the original contract and not as a separate performance obligation. The Company acts as primarily responsible for the delivery of the performance obligation and carries the risks related to the construction and is therefore considered as the principal.

The contracts are not assessed to have a significant financing component. The time value of the transaction price for contracts with a duration that exceeds 12 months is assessed insignificant, as the Company does not consume the main part of the costs before the end of the contract phase. Therefore, an adjustment of the transaction price with regards to a financing component in the contracts with customers is not required. Payment is typically due at the time of final delivery of the construction, however a small deposit is paid upon contract negotiation. The Company receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit during the project.

Contract modifications are recognised when they have been approved by all parties to the contract. Modifications and the associated revenue are accounted for based on an assessment of the stand-alone price of the modifications and an actual assessment of the elements of the contract with the other performance obligations under the sales contract.

The transfer of control and recognition of revenue are determined using input methods based on construction days incurred relative to total estimated construction time for the contracts, as these methods are considered to best depict the continuous transfer of control.

The selling price is measured by reference to the total expected income from each contract and the stage of completion at the reporting date. The stage of completion is determined on the basis of the costs incurred and the total expected construction time.

If the outcome of a construction contract cannot be estimated reliably, revenue is only recognised corresponding to costs incurred and indirect production costs, insofar as it is probable that these will be recovered.

The company expenses incremental costs of obtaining a contract, as the amortisation period of the asset that the entity otherwise would have recognized is less than one year.

Costs in connection with sales work to secure contracts are recognized as costs in the income statement in the financial year in which they are incurred.

**Non-contracted sales**

For non-contracted sales, revenue is recognised in the income statement when the performance obligation is fulfilled. This is defined as the point in time when control of the non-contracted construction (sale of land plot or sales of houses constructed on own land for which no customer contract has been entered into before construction starts) is transferred to the customer, the amount of revenue can be measured reliably and collection is probable. The transfer of control to customers takes place according to agreed delivery date. Furthermore, revenue is only recognised when it is highly probable that a significant reversal in the revenue amount will not occur.

**Cost of sales**

Cost of sales include costs of raw materials and consumables incurred in generating the revenue for the year.

**Other external expenses**

Other external expenses include the period's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, low-value and short-term leases, etc.

**Other operating income**

Other operating income includes income from secondary activities such as gains/losses from sale of property, plant and equipment.

**Staff costs**

Staff costs include wages and salaries, including compensated absence, share-based payments and pensions, as well as other social security contributions, etc. made to the Company's employees.

The item is net of refunds made by public authorities.

The Group has established a long-term bonus-based share programme (LTI) in accordance with the current remuneration policy.

Share-based payments are recognised over the period in which the participant renders the service entitling the participant to the payment.

This is, in principle, from the date of grant until the date on which the vesting conditions may have been met.

The LTI programme is classified as an equity-settled plan. The value of services received as consideration for the granted right to restricted shares is measured at the fair value of the shares at the date of grant. The fair value of the granted right to restricted shares is not subsequently adjusted. The component of the fair value that can be attributed to employees that do not meet the vesting conditions is adjusted and recognised over the vesting period. In the consolidated financial statements, the cost is recognised as staff costs and a set-off to the recognised cost is recognised in equity over the vesting period.

In the parent company, costs associated with the LTI programme related to participants employed by subsidiaries are recognised in investments in subsidiaries, and a set-off to the recognised cost is recognised in equity over the vesting period. The LTI programme is classified as an equity-settled plan.

**Special items**

Special items include significant income and costs of a special nature in terms of the Company's revenue-generating operating activities which cannot be attributed directly to the Company's ordinary operating activities. Such income and costs include costs related to significant restructuring of processes and fundamental structural adjustment, as well as gains or losses arising in this connection, and which are significant.

Special items also include items that by nature are non-recurring, specifically impairment of goodwill, gains and losses on the disposal of activities and transaction cost from a business combinations.

These items are classified separately in the Income Statement, in order to provide a more accurate and transparent view of the Company's recurring operating profit.

**Construction contracts, including estimated recognition and measurement of revenue and contribution margin**

At contract inception, management assesses that the contracts involve a high degree of individual customisation and satisfy the criteria for recognition over time. The assessment is based on an analysis of, among other things, the contract provisions on:

- The degree of customisation, including the potential alternative use of buildings
- The time of transfer of legal title
- Payment terms, including options of early termination of contract
- Enforceable right to payment for performance completion to date

For construction contracts, management considers if they constitute a single performance obligation and if the recognition of the selling price of contracts over time is best depicted by using an input method based on costs incurred relative to budgeted project costs.

Variable elements of consideration are not recognised in revenue until it is highly probable that a reversal of the amount of consideration will not occur in future periods.

**Percentage-of-completion profit recognition**

A fundamental condition for being able to estimate percentage-of-completion profit recognition is that project revenues and project costs can be established reliably. This reliability is based on such factors as compliance with the Company's systems for project control and that project management.

The assessment of project revenues and project costs is based on a number of estimates and assessments that depend on the experience and knowledge of project management in respect of project control, training and the prior management of project. There is a risk that the final result will differ from the profit accrued based on percentage-of-completion. At year-end, recognised revenues from contract assets amounted to DKK 647 million (2021: DKK 700 million); refer to note 3.2 Contract assets.

### SECTION 3: Working Capital

#### Introduction

This section provides information regarding the development in the Company's working capital. This includes notes to understand the development in construction contracts and related guarantee commitments.

Information to understand the Group's low exposure towards credit risk is also contained in this section

#### The following notes are presented in Section 3:

- 3.1 Inventories
- 3.2 Contract assets
- 3.3 Trade and other receivables
- 3.4 Guarantee commitments and contingent liabilities
- 3.5 Changes in working capital
- 3.6 Financial risk management
- 3.7 Other liabilities
- 3.8 Accounting policy
- 3.9 Significant estimates and judgements

#### Note 3.1 Inventories

DKK'000	2022	2021
Raw materials	1.318	1.553
Show-houses and semi-detached houses (non-contracted)	158.973	135.089
Land	139.643	153.932
Write-down inventories	-3.005	0
<b>Total inventories</b>	<b>296.929</b>	<b>290.573</b>

#### Note 3.2 Contract assets

DKK'000	2022	2021
Selling price of contract assets	647.387	700.898
Invoicing on Accounts	-105.634	-99.091
	<b>541.753</b>	<b>601.807</b>

Calculated as follows:

Contract assets	618.068	651.150
Contract liabilities	-76.314	-49.343
	<b>541.753</b>	<b>601.807</b>

Prepayments from customers regarding construction contracts not yet started	<b>15.312</b>	<b>8.778</b>
---	---------------	--------------

Delivery obligations	2022	2021
Within one year	1.214.739	2.823.423
After one year	28.995	170.342

#### Construction contracts (assets/liabilities)

Contract assets comprise the selling price of work performed where the Company does not yet have an unconditional right to payment, as the work performed has not yet been approved by the customer.

Contract liabilities comprise agreed, unconditional payments received on account for work yet to be performed. During 2022, the entire contract liability recognized at the beginning of the period has been recognized as revenue.

Payment is typically due at the time of final delivery of the house project, however a small deposit is paid upon contract negotiation. The Company receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit during the project.

The decrease in contract assets in 2022 reflects a high level of delivery houses and a decrease in sales compared to last year.

Contract liabilities were largely affected by a high level of deposits due to the negative interest rate environment. Deposit level was high in 2022, but relatively low compared to prior year.

Delivery obligations are secured orders from customers, where HusCompagniet are required to build a house for the customer. Delivery obligations are relative lower than 2021 due to the decreased activity level in 2022.

Credit risk on contract assets is generally managed by regular credit rating of customers and business partners, furthermore bank deposits or bank guarantees are obtained before the house is build. The credit risk exposure relating to dealing with private counterparties is estimated to be limited.

**Note 3.3 Trade and other receivables**

DKK'000	2022	2021
Trade receivables	123.338	36.497
Provision for expected credit losses	-350	-2.334
Other receivables	85.930	97.635
<b>As at 31 December</b>	<b>208.919</b>	<b>131.798</b>
DKK'000	2022	2021
<b>Provision for expected credit losses at 1 January</b>	<b>-2.334</b>	<b>-2.670</b>
Arising during the year	-295	-55
Reversed	2.188	289
Utilised	91	102
<b>Provision for expected credit losses at 31 December</b>	<b>-350</b>	<b>-2.334</b>

The Company receives security in the form of a bank guarantee or deposit in connection with the start-up of construction contracts and there is therefore limited risk of loss on trade receivables in connection with the Company's receivable from sales activities. The Company's trade receivables consist of invoices issued shortly before delivering the house, and no key is delivered until payment is received. The increase in trade receivables is due to an increase in houses delivered January 2022. Other receivables include restricted cash which amounts to DKK 61 million (2021: DKK 64 million). The cash are released from the restricted account when the completed houses are delivered to the customers.

**Note 3.4 Guarantee commitments and contingent liabilities**

DKK'000	2022	2021
<b>Guarantee provision at 1 January</b>	<b>39.173</b>	<b>36.366</b>
Arising during the year	23.979	31.900
Utilised	-31.338	-29.092
<b>Guarantee provision at 31 December</b>	<b>31.814</b>	<b>39.173</b>
Distributed in the balance as follows:		
Non-current liabilities	6.363	7.835
Current liabilities	25.451	31.338

At year-end, the guarantee provision amounted to DKK 32 million (2021: DKK 39 million). Provisions for future costs of guarantee commitments at one and five year reviews of houses delivered are recognized at the amounts expected at the balance sheet date to be required to settle the commitment.

This estimate is based on calculations, assessments by company management and experiences gained from past transactions.

**Contingent liabilities**

The Company is regularly involved in disputes. In 2021 the Company entered an arbitration which has not been settled in 2022. The Company expects a positive outcome of the dispute but has recognised a provision. The Company is jointly taxed with its other Danish companies in the HusCompagniet Group. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2016 and forward and withholding taxes falling due for payment on or after 1 January 2016 in the group of jointly taxed entities.

**Collateral**

DKK 61 million of cash and short-term deposits is held in restricted accounts and released when the completed houses are delivered to the customers (2021: DKK 64 million). Restricted accounts are classified as other receivables.

**Guarantees**

The Company had issued guarantees to trade creditors of DKK 46 million as of 31 December 2022 (2021: DKK 30 million).

**Contractual obligations**

The Company has no material obligations not already recognised as liabilities in the financial statements.

**Note 3.5 Net working capital**

DKK'000	2022	2021
Inventories	296.929	290.573
Contract assets	618.068	651.150
Trade and other receivables	208.919	131.798
Prepayments	2.513	1.217
Trade and other payables	-529.684	-518.873
Contract liabilities	-76.314	-49.343
Prepayments from customers	-15.312	-8.778
Other liabilities	-96.614	-98.435
<b>Total</b>	<b>408.505</b>	<b>399.309</b>

**Change in working capital**

DKK'000	2022	2021
Inventories	6.356	-23.730
Contract assets	-33.082	129.253
Trade and other receivables	77.121	-34.386
Prepayments	1.296	842
Trade and other payables	-10.811	-165.378
Contract liabilities	-26.971	24.932
Prepayments from customers	-6.534	4.742
Other liabilities	1.821	17.317
<b>Cash flow effect</b>	<b>9.196</b>	<b>-46.408</b>

**Note 3.6 Financial risk management****Credit risk**

HusCompagniet is exposed towards customers' inability to meet their financial obligations. To address this risk, the Company obtains a bank guarantee on agreed sales price from all customers before construction starts and the customers pay by deliverable. In contracts where the scope and price is subsequently changed, the bank guarantee is updated, if the change by Management is considered significant. This means that there are no debtorloss, as all payments rights are secured before deliver og the houses.

It is the Company's assessment that the exposure towards credit risk is not significant.

Impairment of other receivables amounted to nil in 2022 and 2021.

**Note 3.7 Other liabilities**

DKK'000	2022	2021
Wages and salaries, payroll taxes, social security costs, etc.	25.473	32.338
Holiday obligation	4.508	6.456
VAT and duties	66.633	59.642
<b>Total other payable</b>	<b>96.614</b>	<b>98.435</b>

### Note 3.8 Accounting policy

#### Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost price of raw materials includes costs of bringing each product to its present location and condition. Cost of raw materials are measured on a first-in/first-out basis.

#### Work in progress and finished houses (non-contracted construction)

The cost of work in progress and finished houses (non-contracted), includes costs of direct materials and labour.

The cost price of land plots includes indirect costs such as development costs etc. bringing the land to its present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Work in progress is described further in Note 3.2 Contract assets.

#### Provisions

Provisions differ from other liabilities in that there is a degree of uncertainty concerning when payment will occur or concerning the size of the amount required to settle the provision.

Provisions are recognised in the balance sheet when a legal or informal commitment exists due to an event that has occurred and it is probable that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably.

#### Trade and other receivables

Receivables are measured at amortised cost. Write-down to counter losses is made according to the simplified expected credit loss model, after which the total loss is recognised immediately in the profit and loss account at the same time as the receivable is recognised in the balance sheet on the basis of expected loss during the total lifetime of the receivable.

The effective rate of interest used at the time of initial recognition is used as the discount rate for the individual receivable or portfolio.

Other receivables includes restricted cash. On initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. The EIR amortisation is included in financial income in the income statement. The losses arising from impairment are recognised in the income statement in financial expenses.

#### Other liabilities

Other liabilities which include debt to public authorities, employee-related costs payable and accruals etc. are measured at amortised cost.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and demand deposits.

For the purpose of the consolidated financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, net of outstanding overdrafts.

### Note 3.9 Significant estimates and judgements

#### Guarantee commitments

Provisions for future costs due to guarantee commitments are recognized at the amount expected to be required to settle the commitment on the balance-sheet date. This estimate is based on calculations, assessments by company management and experiences gained from past transactions.

At year-end, the guarantee provision amounted to DKK 32 million (2021: DKK 39 million), refer to note 3.4 Provisions and contingent liabilities.

SECTION 4: INVESTMENTS

Introduction

In this section the Company's investments are explained. This includes investments in intangible and intangible assets, and how these are tested for impairment.

The following notes are presented in Section 4:

- 4.1 Property, plant and equipment and rights of use assets
- 4.2 Accounting policy
- 4.3 Significant estimates and judgements

Note 4.1 Property, plant and equipment and rights of use assets

2022

DKK'000	Right of use assets, property	Other Fixtures and fittings, tools and equipment	Leasehold improvements	Total
<b>Cost at 1st January</b>	63.602	21.199	16.304	101.105
Exchange rate adjustments	0	0	0	0
Additions	149	2.958	1.419	4.526
Remeasurement of lease liabilities	8.552	0	0	8.552
Disposals	0	-6.182	-1.179	-7.361
<b>Cost at 31 December</b>	<b>72.303</b>	<b>17.975</b>	<b>16.544</b>	<b>106.822</b>
<b>Depreciation and impairment 1 January</b>	31.547	17.055	11.183	59.785
Exchange rate adjustments	0	0	0	0
Depreciation	11.148	2.594	1.931	15.672
Impairment losses	4.995	0	0	4.995
Depreciation of disposals	0	-6.011	-907	-6.918
<b>Depreciation and impairment 31 December</b>	<b>47.690</b>	<b>13.638</b>	<b>12.207</b>	<b>73.535</b>
<b>Carrying amount at 31 December</b>	<b>24.612</b>	<b>4.337</b>	<b>4.337</b>	<b>33.287</b>

2021

DKK'000	Right of use assets, property	Other Fixtures and fittings, tools and equipment	Leasehold improvements	Total
<b>Cost at 1st Jan</b>	54.695	20.987	15.632	91.314
Exchange rate adjustments	0	0	0	0
Additions	10.431	3.473	1.613	15.517
Remeasurement of lease liabilities	0	0	0	0
Disposals	-1.524	-3.261	-941	-5.726
<b>Cost at 31 December</b>	<b>63.602</b>	<b>21.199</b>	<b>16.304</b>	<b>101.105</b>
<b>Depreciation and impairment 1 January</b>	20.628	17.811	10.063	48.502
Exchange rate adjustments	0	0	0	0
Depreciation	10.919	2.450	2.052	15.422
Impairment losses	0	0	0	0
Depreciation of disposals	0	-3.206	-932	-4.139
<b>Depreciation and impairment 31 December</b>	<b>31.547</b>	<b>17.055</b>	<b>11.183</b>	<b>59.785</b>
<b>Carrying amount at 31 December</b>	<b>32.055</b>	<b>4.144</b>	<b>5.121</b>	<b>41.320</b>



#### Note 4.2 Accounting policy

##### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and costs of materials, components, suppliers, direct wages and salaries and indirect production costs until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives, which are 3-5 years for operating assets and equipment, and 3-5 for leasehold improvements.

##### Lease agreements

The Company has lease contracts for leaseholds, used in its operations. Lease of leaseholds generally has lease terms between 3 and 5 years.

Generally, the Company is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The lease obligation is measured at amortised cost using the effective interest rate method. The lease obligation is remeasured when changes in the underlying contractual cash flow occur from e.g. changes in an index or a borrowing rate, changes in determining whether extension and termination options are reasonably certain to be exercised.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease agreements. Subsequently the right-of-use asset is measured at cost less accumulated depreciation and impairment losses.

The right-of-use asset is adjusted for changes in the lease obligation as a consequence of changes in lease terms or changes in the cash flows of the lease agreement upon changes in an index or a borrowing rate.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leaseholds: 3-5 years

The Company presents lease assets and lease obligations separately in the balance sheet.

The Company also has certain leases of other equipment with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the short-term lease and lease of low-value assets' recognition exemptions for these leases.

#### Note 4.3 Significant estimates and judgements

##### Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). In determining its incremental borrowing rate, the Company groups its lease assets in which the Company assesses that the lease agreements and the underlying assets in have the same characteristic and risk profile. The category are as follows:

##### - Leaseholds

The Company determines its incremental borrowing rate for the above categories in relation to the first recognition in the balance sheet. Moreover, it is determined in connection with subsequent changes in the underlying contractual cash flows upon changes in the estimation of a changed assessment of the use of the extension or termination options or in case of altered agreements.

In the determination of the incremental borrowing rate for leaseholds the Company has performed its determination based on an interest rate from a mortgage loan with a loan maturity that resembles the maturity of the lease agreements. The rate on the financing of the part where a mortgage loan cannot be accomplished, has been estimated based on a reference rate with a supplement of a credit margin from the Company's existing credit facilities. The Company has adjusted the credit margin for lessor's right to take back the asset in case of violation of the lease payments (secured debt).

The Company has determined its incremental borrowing rate on lease agreements regarding cars with basis on a reference rate with a credit margin from the Company's existing credit facilities. The applied incremental borrowing rates are 5-6%.

SECTION 5: FUNDING AND CAPITAL STRUCTURE

**Introduction**

This sections includes information regarding the Company's capital structure, and information on how the activities and investments of the Company is funded.

Information regarding the Company's exposure towards liquidity and interest rate risk is also contained in this section.

**The following notes are presented in Section 5:**

- 5.1 Equity
- 5.2 Borrowings and non-current liabilities
- 5.3 Lease liabilities
- 5.4 Financial income and expenses
- 5.5 Financial risk management
- 5.6 Accounting policy

**Note 5.1 Equity**

**Share capital**

	2022		2021	
	Nominal value (DKK'000)	Number of shares	Nominal value (DKK'000)	Number of shares
Share capital at 1 January (issued and fully paid)	2.001	2.001	2.001	2.001
Additions	0	0	0	0
<b>Share capital at 31 December</b>	<b>2.001</b>	<b>2.001</b>	<b>2.001</b>	<b>2.001</b>

There has not been any changes to the share capital for the past five years other than a capital injection of DKK 1,000 made in 2019 which is related to merger with HusCompagniet Sjælland A/ S, HusCompagniet Fyn A/S, HusCompagniet Sønderjylland A/ S and FM-Søkjær Entreprise A/S.

**Note 5.2 Borrowings and non-current liabilities**

**Borrowings (Lease liabilities)**

	2022	2021
DKK'000		
Non-current liabilities	20.597	23.963
Current liabilities	11.998	11.450
<b>Total carrying amount</b>	<b>32.595</b>	<b>35.413</b>
Nominal value	35.879	37.647

**Interest-bearing borrowings**

	2022	2021
DKK'000		
Interest-bearing borrowings, 1 January	35.413	37.082
Additions	149	10.431
Repayments	-11.546	-10.429
Other (amortised cost, reassessment leasing liabilities IFRS 16 etc.)	8.579	-1.671
<b>Interest-bearing borrowings, 31 December</b>	<b>32.595</b>	<b>35.413</b>

**2022**

DKK'000	Currency	Interest rate	Average interest rate	Carrying amount
Commitments on leasing agreements	DKK	Fixed-rate	6,00%	32.595
<b>Total carrying amount</b>				<b>32.595</b>

**2021**

DKK'000	Currency	Interest rate	Average interest rate	Carrying amount
Commitments on leasing agreements	DKK	Fixed-rate	5,42%	35.413
<b>Total carrying amount</b>				<b>35.413</b>

**Note 5.3 Lease liabilities****Lease liabilities**

	2022	2021
DKK'000		
<b>Maturity of lease liabilities</b>		
Due within 1 year	11.998	11.450
Due between 1 and 5 years	20.597	21.947
Due after 5 years	0	2.015
<b>Total lease liabilities 31 December 2020</b>	<b>32.595</b>	<b>35.413</b>
Lease liabilities recognized in balance sheet		
- Hereof short-term lease liabilities	11.998	11.450
- Hereof long-term lease liabilities	20.597	23.963

**Amounts recognized in income statement**

	2022	2021
DKK'000		
Interest expenses related to lease liabilities	1.713	2.159
<b>Total amount recognized in income statement</b>	<b>1.713</b>	<b>2.159</b>

Reference is made to note 4.2 for statement of right of use assets in connection with lease liabilities.

**Note 5.4 Financial income and expenses****Financial income and financial expenses**

	2022	2021
DKK'000		
<b>Financial income</b>		
Interests received from banks	146	2
Other financial income	0	6
<b>Total financial income</b>	<b>146</b>	<b>8</b>
<b>Financial expenses</b>		
Interest paid to banks	2.682	7.185
Interest lease liabilities	1.713	2.159
Exchange rate losses	0	0
Other financial cost	223	216
<b>Total financial expenses</b>	<b>4.618</b>	<b>9.561</b>

## Note 5.5 Financial risk management

The Company's activities and capital structure is exposed to a variety of financial risks: Market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's management oversees the management of these risks in accordance with the Company's risk management policies.

This section includes description of the risks related to liquidity risk and interest rate risk. Please refer to section 2 for description of currency risk, and section 3 for description of credit risk.

### Liquidity risk

The Company does not receive payment until construction is finished and the house is handed over to the client.

Accordingly, the Group needs sufficient credit facilities to fund constructions in progress.

The Group continues monitoring the need of liquidity. At 31 December 2022, the Group has an undrawn credit facility of DKK 400 million to ensure that the Group is able to meet its obligations (2021: DKK 400 million). Management considers the credit availability to be sufficient for the next 12 months.

The below presented cash flows are non-discounted amounts, on the earliest possible date at which the Group can be required to settle the financial liability. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

### Contractual maturity analysis of financial liabilities

#### 2022

DKK'000	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
<b>Non-derivative financial liabilities</b>						
Trade and other payables	529.684	0	0	0	529.684	529.684
Bank Borrowings	0	0	0	0	0	0
Lease liabilities	12.539	17.866	5.474	0	35.879	32.595
Other Liabilities	96.614	0	0	0	96.614	96.614
<b>Total non-derivative financial liabilities</b>	<b>638.836</b>	<b>17.866</b>	<b>5.474</b>	<b>0</b>	<b>662.176</b>	<b>658.892</b>
<b>Total financial liabilities</b>	<b>638.836</b>	<b>17.866</b>	<b>5.474</b>	<b>0</b>	<b>662.176</b>	<b>658.892</b>

#### 2021

DKK'000	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
<b>Non-derivative financial liabilities</b>						
Trade and other payables	518.873	0	0	0	518.873	518.873
Bank Borrowings	0	0	0	0	0	0
Lease liabilities	13.163	9.285	6.890	8.308	37.646	35.413
Other Liabilities	98.435	0	0	0	98.435	98.435
<b>Total non-derivative financial liabilities</b>	<b>630.471</b>	<b>9.285</b>	<b>6.890</b>	<b>8.308</b>	<b>654.954</b>	<b>652.721</b>
<b>Total financial liabilities</b>	<b>630.471</b>	<b>9.285</b>	<b>6.890</b>	<b>8.308</b>	<b>654.954</b>	<b>652.721</b>

The presented cash flows are non-discounted amounts, on the earliest possible date at which the group can be required to settle the financial liability. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

### Interest rate risk

HusCompagniet Danmark is exposed to fluctuations in market interest rates.

The Company aims to keep a reasonable part of its borrowings at fixed interest rates.

If the interest rate increased (decreased) by 1% the effect on interest during 2022 would have been DKK 0 million (2021: DKK 0 million)

#### Note 5.5 Financial risk management - continued

##### Categories of financial assets and financial liabilities

DKK'000	2022	2021
Trade and other receivables (financial assets at amortised cost)	208.919	131.798
Receivable from affiliated companies (financial assets at amortised cost)	1.658.232	1.448.227
Lease liabilities (financial liabilities at amortised cost)	32.595	35.413
Trade and other payables (financial liabilities at amortised cost)	529.684	518.873
Other liabilities (financial liabilities at amortised cost)	96.614	98.435
Payables to affiliated companies (financial liabilities at amortised cost)	38.179	0

It is estimated that the fair value of financial assets and liabilities corresponds to carrying amount in balance sheet.

#### Note 5.6 Accounting policy

##### Equity

###### Dividends

The expected dividend payment for the year is disclosed as a separate item in equity. Proposed dividends are recognized as a liability at the date they are adopted by the annual general meeting (declaration date).

###### Financial income and expenses

Financial income and expenses comprise interest income and expenses including interest on leases, cost of permanent loan facilities, gains and losses on securities, receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc.

###### Financial assets

Financial assets are measured at amortised cost. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

##### Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities comprise trade payables, borrowings and other payables (primarily staff-related costs not due for payment).

SECTION 6: OTHER DISCLOSURES

**Introduction**

This section includes other disclosures required by IFRS or additional disclosures required by the Danish Companies Act.

**The following notes are presented in Section 6:**

- 6.1 Tax
- 6.2 Other non-cash items
- 6.3 Related parties
- 6.4 Auditor's fee
- 6.5 Events after the balance sheet date
- 6.6 Definitions
- 6.7 Accounting policy

**Note 6.1 Tax**

**Current tax**

DKK'000	2022	2021
Income tax	58.103	58.544
Movement in deferred tax	-4.374	9.333
Adjustment relating to previous years	0	0
<b>Income taxes in the income statement</b>	<b>53.729</b>	<b>67.877</b>
<b>Profit before tax</b>	<b>241.712</b>	<b>309.888</b>
Tax rate, Denmark	22,00%	22,00%
Calculated Tax at the applicable rate for continued operations	53.177	68.175
Non-taxable income	0	0
Expenses not deductible for tax purposes	567	12
Adjustments relating to prior years	0	0
Effective change in tax rate	0	0
Other	-15	-310
<b>Tax expense for the year</b>	<b>53.729</b>	<b>67.877</b>
<b>Effective tax rate, %</b>	<b>22,23%</b>	<b>21,90%</b>

Expenses not deductible for tax purpose primarily relates to costs related to transactions (incl. IPO).

**Deferred tax**

DKK'000	2022	2021
<b>Deferred tax at 1 January</b>	<b>26.480</b>	<b>17.147</b>
Recognised in profit or loss, continued business	-4.374	9.333
Adjustments relating to prior years	0	0
Exchange differences	0	0
<b>Deferred tax at 31 December</b>	<b>22.107</b>	<b>26.480</b>

Deferred tax is presented in the statement of financial position as follows:

DKK'000	Deferred tax asset		Deferred tax liability	
	2022	2021	2022	2021
Intangible assets	0	0	0	0
Right-of-use assets and Property, plant and equipment	0	0	-2.664	-1.665
Inventories	0	0	24.771	28.145
Provisions	0	0	0	0
<b>Deferred tax</b>	<b>0</b>	<b>0</b>	<b>22.107</b>	<b>26.480</b>

**Income tax payable**

DKK'000	2022	2021
<b>Income tax payable at 1 January</b>	<b>58.544</b>	<b>76.715</b>
Tax at the applicable rate	58.103	58.544
Income tax paid during the year	-58.544	-76.715
<b>Income tax payable at 31 December</b>	<b>58.103</b>	<b>58.544</b>

**Note 6.2 Other non-cash items**

DKK'000	2022	2021
Other non-cash items	5,466	-84
Movements in provisions recognised in the income statement	-7,359	2,807
<b>Other non-cash items</b>	<b>-1,893</b>	<b>2,723</b>

**Note 6.3 Related parties****Transactions with Executive Management & Board of Directors**

Transactions with Executive Management & Board of Directors include transactions with companies controlled by the Executive Management & Board of Directors.

**The ultimate Parent**

The ultimate Parent of the Company is HusCompagniet A/S. There were no transactions between the Company and the ultimate company.  
The direct Parent of the Company is HusCompagniet Holding A/S.

**Significant transactions between the Group and related parties with a significant influence**

Management fee transactions between the Company and Group amounts to 119,7 million DKK (2021: 84.5 million DKK). There are no other transactions between Group and related parties with significant influence in 2022.

**Note 6.4 Auditor's fee****Fees to auditors**

DKK'000	2022	2021
Audit Service	541	500
Tax advice services	0	0
Other non-audit services	67	5
<b>Total</b>	<b>608</b>	<b>505</b>



#### Note 6.5 Events after the balance sheet date

No material events have occurred between 31 December 2022 and the date of publication of this annual report that have not already been included in the annual report and that would have a material effect on the assessment of the Company's financial position.

#### Note 6.6 Definitions

##### Financial ratios

##### EBITDA before special items (EBITDA)

Operating profit excluding amortisation and depreciation and special items.

##### Operating profit (EBITDA) before special items

Operating profit before special items

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	
EBITDA margin (before and after special items)	$\frac{\text{EBITDA before special items} \times 100}{\text{Revenue}}$	$\frac{\text{EBITDA after special items} \times 100}{\text{Revenue}}$

#### Note 6.7 Accounting policy

##### Current income tax

The Company is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly-taxed companies in proportion to their taxable income. The jointly-taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit (loss) for the year is recognised in the income statement, and the tax expense relating to amounts recognised in other comprehensive income is recognised in other comprehensive income.

Current tax payable is recognised in current liabilities and deferred tax is recognised in non-current liabilities. Tax receivable is recognised in current assets and deferred tax assets are recognised in non-current assets.

##### Deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the period, adjusted for tax on the taxable income of prior periods and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

## Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of HusCompagniet Danmark A/S for 2022.

The annual report has been prepared in accordance with International Financial Reporting 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 financial position of the Company at 31 December 2022 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's activities and financial matters, results for the year, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

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

Virum, 2 June 2023  
Executive Board:

---

Martin Ravn-Nielsen  
CEO

Board of Directors:

---

Søren Haugaard  
Chairman

---

Jesper Mølskov Høybye

---

Martin Ravn-Nielsen

---

Anna Schøning

## Independent auditor's report

To the shareholders of HusCompagniet Danmark A/S

### Opinion

We have audited the financial statements of HusCompagniet Danmark A/S for the financial year 1 January – 31 December 2022, which comprise income statement, statement of other comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company 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.

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's report

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



## Independent auditor's report

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

Copenhagen, 2 June 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Torben Bender  
State Authorised  
Public Accountant  
mne21332

Morten Weinreich Larsen  
State Authorised  
Public Accountant  
mne42791

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Martin Ravn-Nielsen

### Executive Board

On behalf of: HusCompagniet Danmark A/S

Serial number: 587a03fd-3b4f-4428-98ae-43776fbdcd10

IP: 217.74.xxx.xxx

2023-06-02 08:11:29 UTC



## Jesper Mølskov Høybye

### Board of Directors

On behalf of: HusCompagniet Danmark A/S

Serial number: f8f8ebca-a57d-42ea-b3b6-e85c24bfd36c

IP: 87.49.xxx.xxx

2023-06-02 08:36:47 UTC



## Martin Ravn-Nielsen

### Board of Directors

On behalf of: HusCompagniet Danmark A/S

Serial number: 587a03fd-3b4f-4428-98ae-43776fbdcd10

IP: 217.74.xxx.xxx

2023-06-02 08:39:14 UTC



## Søren Haugaard

### Chair of the meeting

On behalf of: HusCompagniet Danmark A/S

Serial number: c7921d38-e9a6-457a-9f5b-4fe6c7c794e0

IP: 217.74.xxx.xxx

2023-06-02 08:48:44 UTC



## Søren Haugaard

### Chairman

On behalf of: HusCompagniet Danmark A/S

Serial number: c7921d38-e9a6-457a-9f5b-4fe6c7c794e0

IP: 217.74.xxx.xxx

2023-06-02 08:48:44 UTC



## Anna Schøning

### Board of Directors

On behalf of: HusCompagniet Danmark A/S

Serial number: b2205601-5691-4f86-b12f-86baaaee2416

IP: 217.74.xxx.xxx

2023-06-02 10:54:09 UTC



Penneo document key: SETLIK-AA0N3-72MEP-BFPS2-3G2PH-VOW26

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

#### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Morten Weinreich Larsen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 49c919d9-2e1d-4491-96c0-83c23db0031b

IP: 145.62.xxx.xxx

2023-06-02 11:13:56 UTC



## Torben Poul Bender

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 42c11d2b-6a6d-437e-9225-1dffa84d9687

IP: 147.78.xxx.xxx

2023-06-02 16:09:45 UTC



This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <[penneo@penneo.com](mailto:penneo@penneo.com)>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>