HusCompagniet Holding A/S
Plutovej 3
8700 Horsens
CVR. 28505035

HusCompagniet

Co-creating the homes of tomorrow – today

Annual report 2021

The annual report was presented and approved at the Company's annual general meeting on, 16 June 2022

Management's review

Company details

HusCompagniet Holding A/S
Plutovej 3
8700 Horsens
Denmark

Telephone:	88 62 30 00
Website:	www.huscompagniet.dk
CVR no.:	28505035
Fiscal year:	1. January - 31. December

Board of Directors:
Mads Dehlsen Winther
Søren Haugaard
Martin Ravn-Nielsen

Executive Board:
Martin Ravn-Nielsen

Auditor
EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Management's review

Business review

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

Financial review

Profit before tax totaled DKK 291 million for 2021 compared to DKK 226 million in 2020.

Non-financial matters

HusCompagniet Holding A/S is a Danish company that acts as a parent company for danish and swedish entities. The company is a subsidiary to HusCompaniget A/S which is the ultimate parent company.

Special risks

The Company has not drawn up any seperate 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. https://investors.huscompagniet.com/Danish/rapporter-og-prsentationer/arsberetninger/default.aspx

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/Danish/rapporter-og-prsentationer/arsberetninger/default.aspx

Account of the gender composition of Management

At HusCompagniet Holding A/S, we strive towards a diverse and inclusive work environment. A diverse workforce can bring many advantages to an organisation. 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 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 2021, the underrepresented gender is female and constituted 10% of our workforce, the same as last year.

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.

In 2021, other levels of management are defined by the executive management and their direct reports with employee responsibilty. HusCompagniet has set a target to increase the representation of women in management to 25% by 2025 and 30% by 2030. HusCompagniet Holding A/S has set the goal that one woman should be appointed to the Board of Directors by 2025.

There were no changes in the Board of Directors for 2021, hence we did not acheive our target.

Management review

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

Unusual circumstances

No material events have occurred between 31 December 2021 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. The geopolitical uncertainty has increased significantly in Europe in 2022. The Russian invasion of Ukraine and the continued Covid-19 pandemic is expected to have a material impact on the Company in 2022 although this assessment is subject to uncertainty especially towards the development of the conflict in Ukraine. The events may have substantial effect on macroeconmic factors and disruption of supply chains. HusCompagniet can be directly impacted by supply chain deficiencies for certain materials such as timber and tiles, and indirectly due to a general pressure on energy and freight cost. The possible social and economic effects that potentially could impact the Company's operations and supply chain, and is being carefully monitored by the Management.

Events after the balance sheet data

No other material events have occurred between 31 December 2021 and the date of publication of this annual report that have not already been included in this annual report and that would have a material effect on the assessment of the company's financial position.
The Company has signed agreement to acquire prefabricated (prefab) factory from NVV GmbH and JAWS Holding ApS ("Danhaus"). Closing is expected to be in June 2022.

Outlook

Assumptions for the Outlook

Outlook is based on the activities in the subsidiares which are accounted for on basis of the equity method

Key figures

DKK'm	2021	2020	2019	2018	2017
Income statement					
Revenue	90	78	84	65	56
Gross profit	90	77	84	65	56
Operating profit before depreciation and amortisation (EBITDA) before special items	-4	-211	-51	-3	-2
Operating profit before depreciation and amortisation (EBITDA) after special items	-4	-221	-55	-10	-2
Operating profit (EBIT) before special items	-29	-236	287	-7	2
Operating profit (EBIT)	-29	-245	283	-14	2
Financial income and expenses	28	15	4	2	2
Profit for the year	291	226	123	153	166
Balance sheet					
Total assets	2.793	2.705	2.005	1.775	1.544
Equity	2.078	1.788	1.559	1.436	1.285
Cash flow					
Cash flow from operating activities	47	-193	-51	-46	-3
Cash flow from investing activities	-14	-16	-60	-23	-74
- Hereof from investment in property, plant and equipment	-3	-5	-60	-4	-1
Cash flow from financing activities	-31	422	149	-70	65
Free cash flow	33	-209	-111	-69	-77
Key figures					
Revenue growth	15%	-7%	28%	16%	41%
Gross margin	100%	98%	100%	100%	100%
EBITDA margin before special items	-4%	-269%	-61%	-4%	-4%
EBITDA margin after special items	-4%	-281%	-66%	-16%	-4%
Average number of employees	49	51	50	47	40

The key figures for the years 2017 have not been adjusted following the implementation of IFRS 9 and IFRS 15 at January 2018.
Furthermore, the key figures for the years 2017-2018 have not been adjusted following the implementation of IFRS 16 at January 2019.

Management review

FINANCIAL STATEMENTS

PRIMARY STATEMENTS

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INCOME STATEMENT - PARENT

DKK'000	Note	2021	2020
Revenue	2.1	90.099	78.461
Cost of sales		0	-1.689
Gross profit		**90.098**	**76.771**
Staff cost	2.2, 2.3	-47.786	-53.261
Other external expenses		-46.172	-234.931
Other operating income		107	255
Operating profit before depreciation and amortisation (EBITDA) before special items		**-3.753**	**-211.166**
Special items	2.4	0	-9.343
Operating profit before depreciation and amortisation (EBITDA) after special items		**-3.753**	**-220.509**
Depreciation and amortisation	3.1 , 3.2	-24.839	-24.970
Operating profit (EBIT)		**-28.592**	**-245.480**
Share of result of subsidiary companies after tax	3.3	291.698	406.442
Financial income	4.4	37.178	28.962
Financial expenses	4.5	-9.087	-13.806
Profit before tax		**291.197**	**176.118**
Tax on profit	5.1	32	50.214
Profit for the year		**291.229**	**226.332**

Profits attributable to:

DKK'000	Note	2021	2020
Equity owners of the Company		291.229	226.332

STATEMENT OF OTHER COMPREHENSIVE INCOME - PARENT

DKK'000	Note	2021	2020
Profit for the year		291.229	226.332
Other comprehensive income			
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation differences, subsidiary		-2.114	3.225
Other comprehensive income, net of tax		**-2.114**	3.225
Total comprehensive income for the year		**289.115**	**229.557**

Total comprehensive income attributable to:

DKK'000	Note	2021	2020
Equity owners of the Company		289.115	229.557

BALANCE SHEET - PARENT

DKK'000	Note	2021	2020
Assets			
Non-current assets			
Intangible assets	3.1	39.741	46.471
Property, plant and equipment	3.2	4.503	3.494
Right of use assets	3.2	15.671	14.425
Deferred tax asset	5.1	25.647	21.782
Investments in subsidiaries	3.3	2.606.316	2.316.733
Total non-current assets		**2.691.878**	**2.402.904**
Current assets			
Trade and other receivables		213	155
Prepayments		10.834	10.877
Income tax receivable	5.1	0	26.944
Receivables from affiliated companies		90.098	263.901
Total current assets		101.145	301.877
Total assets		**2.793.023**	**2.704.782**

BALANCE SHEET - PARENT - Continued

DKK'000	Note	2021	2020
Equity and liabilities			
Equity			
Share capital	4.1	600	600
Retained earnings and other reserves		2.076.990	1.787.875
Total equity		**2.077.590**	**1.788.475**
Liabilities			
Non-current liabilities			
Lease liabilities	4.3	10.788	10.562
Total non-current liabilities		**10.788**	**10.562**
Current liabilities			
Trade and other payables		5.880	8.151
Income tax payable	4	3.834	0
Lease liabilites	4.3	5.782	4.778
Payables to affiliated companies		679.270	878.475
Other liabilities		9.879	14.340
Total current liabilities		**704.645**	**905.744**
Total liabilities		**715.433**	**916.306**
Total equity and liabilities		**2.793.023**	**2.704.782**

Reference to off-balance sheet notes: Related parties 5.6, Contingent liabilities 5.10

STATEMENT OF CASH FLOWS - CONSOLIDATED

DKK'000	Note	2021	2020
Cash flow from operating activities			
EBITDA		**-3.753**	**-220.509**
Adjustments for non-cash items	5.3	2.037	0
Adjustet EBITDA		**-1.716**	**-220.509**
Changes in working capital	5.2	-6.746	718
Cash flow from operating activities before financial items and taxes		**-8.462**	**-219.791**
Interest received	4.4	37.178	28.962
Interest elements of lease payments	4.5	-887	-1.016
Interest paid	4.5	-8.200	-12.790
Corporation tax received	5.1	26.945	11.820
Net cash generated from operating activities		**46.574**	**-192.815**
Cash flow from investing activities			
Investment in assets recognised as property, plant and equipment	3.1	-3.398	-4.684
Investment in assets recognised as intangible assets	3.2	-10.435	-11.383
Net cash generated from investing activities		**-13.833**	**-16.067**
Cash flow from financing activities			
Change in intercompany balances		-25.402	428.909
Repayment of long-term debt		0	-2.212
Repayment of lease liabilities	4.2	-5.224	-4.944
Net cash generated from financing activities		**-30.626**	**421.753**
Total cash flows		**2.115**	**212.871**
Cash and cash equivalents at 1 January		0	-216.096
Net foreign currency gains or losses		-2.115	3.225
Cash and cash equivalents at 31 December		**0**	**0**
Cash and cash equivalents			
Cash at bank and on hand		0	0
Cash and cash equivalents as at 31 December		**0**	**0**
Bank overdrafts		0	0
Net cash and cash equivalents as at 31 December		**0**	**0**
Free cash flow		**32.741**	**-208.882**

STATEMENT OF CHANGES IN EQUITY - PARENT

2021 DKK'000	Share capital	Revaluations reserve under the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January	**600**	**1.338.640**	**-3.000**	**452.235**	**0**	**1.788.475**
Profit for the period	**0**	**0**	**0**	**291.229**	**0**	**291.229**
Reserve for Net Revaluation according to Equity Method	**0**	**291.698**	**0**	**-291.698**	**0**	**0**
Other comprehensive income:						
Foreign currency translation differences, subsidiary	**0**	**-2.114**	**0**	**0**	**0**	**-2.114**
Total other comprehensive income	**0**	**-2.114**	**0**	**0**	**0**	**-2.114**
Transactions with owners of the Company and other equity transactions:						
Total transactions with owners of the Company and other equity transactions	**0**	**0**	**0**	**0**	**0**	**0**
Equity on 31 December	**600**	**1.628.224**	**-3.000**	**451.766**	**0**	**2.077.590**

2020 DKK'000	Share capital	Revaluations reserve under the equity method	Foreign currency t ranslat ion reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January	**600**	**928.973**	**-3.000**	**632.345**	**0**	**1.558.918**
Profit for the period	**0**	**0**	**0**	**226.332**	**0**	**226.332**
Reserve for Net Revaluation according to Equity Method	**0**	**406.442**	**0**	**-406.442**	**0**	**0**
Other comprehensive income:						
Foreign currency translation differences	**0**	**3.225**	**0**	**0**	**0**	**3.225**
Total other comprehensive income	**0**	**3.225**	**0**	**0**		**3.225**
Transactions with owners of the Company and other equity transactions:						
Total transactions with owners of the Company and other equity transactions	**0**	**0**	**0**	**0**	**0**	**0**
Equity on 31 December	**600**	**1.338.640**	**-3.000**	**452.235**	**0**	**1.788.475**

Capital structure

The Capital structure in HusCompagniet Holding A/S is based on intercompany loans from parent company which are maintained and adjusted accordingly as nessescary for HusCompagniet Holding A/S.

SECTION 1: Introduction to significant estimates and judgements

Introduction

HusCompagniet Holding A/S (previously named "HusCompagniet A/S") is a company incorporated and domiciled in Denmark.

The following is a summary of the significant accounting policies adopted by HusCompagniet Holding A/S 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 2021.

Consolidated Financial Satements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of HusCompagniet Holding A/S are included in the Consolidated Financial Statements of HusCompagniet A/S, Virum, CVR-nr. 36972963.

The financial statements were approved by the shareholders at the general meeting on 16 June 2022, signed by chairman Mads Dehlsen Winther.

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 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.

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 2020, except for the adoption of new standards effective as of 1 January 2021. The Company has not early adopted any standard, interpretation or amend-ment 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 2021. 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 2021.

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 2022.

Note 1.2 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 2021, 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

Note 2.1 Revenue

DKK'000	2021	2020
Revenue from management services provided to subsidiaries and affiliated companies	90.099	78.461
Total	**90.099**	**78.461**

Note 2.2 Costs including staff costs and remuneration

Staff costs

DKK'000	2021	2020
Wages and salaries	43.624	50.151
Defined contribution plans	2.516	2.694
Other social security costs	373	316
Share based payment	1.273	101
Total	**47.786**	**53.261**
Average number of full-time employees	49	51

Remuneration of Management

The Management is not remunerated directly by the Company, but through the parent company HusCompagniet A/S to which we refer.
25% percent of the Management remuneration disclosued in HusCompagniet A/S is assessed to be in regards of HusCompagniet Holding A/S.

Note 2.3 Share-based payments

Share-based payments

In accordance with the Group's Remuneration Policy, individual members of the 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 Other employees as an element of remuneration as incentive for the 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.

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 vailable to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

	Other employees	**Total shares**
Number of shares		
Granted during the year	34.202	34.202
Exercised during the year	0	0
Forfeited during the year	0	0
Outstanding at 31 December 2020	**34.202**	**34.202**
Outstanding at 1 January 2021	**34.202**	**34.202**
Granted during the year	0	**0**
Exercised during the year	0	**0**
Forfeited during the year	-1.560	**-1.560**
Outstanding at 31 December 2021	**32.642**	**32.642**
Number of restricted shares that may be sold at 31 December 2021	0	0

The avarage remaining term to vesting for outstanding restricted shares at 31 December 2021 was approx. 1.9 years. The fair value of the RSU grant at the grant date totalled DKK 4.0 million. In 2021, an expense of DKK 1.3 million was recognised in the income statement in respect of the incentive program (2020: 0,1). The fair value of the RSU at the grant date was calculated based on the share price at grant date.

Note 2.4 Special items

Special items

DKK'000	2021	2020
-Strategic organisational changes	0	-2.700
-Costs in connection with Acquisition and Vendor Due Dilligence	0	-1.572
-Cost related to IPO	0	-4.976
-Other special items	0	-95
Total special items	**0**	**-9.343**

Reconciliation of EBITDA

DKK'000	2021	2020
Operating profit before depreciation and amortisation	-3.753	220.509
Special items	0	-9.343
Operating profit before depreciation and amortisation (EBITDA) before special items	**-3.753**	**-211.166**

Note 2.5 Financial risk management

Currency Risk

The Group is exposured to currency fluctuations from it's activities in Germany and Sweden. The subsidiaries in the two counties are not affected, as income and costs are denominated in the local functional currency

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

Note 2.6 Accounting policy

Revenue
Revenue comprises management services provided to subsidiaries and affiliated companies.

Other external expenses
Other external expenses include the period's expenses relating to the Group'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 such as gains and losses on the disposal of activities and transaction cost from 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.

SECTION 3: 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 3:

3.1 Intangible assets

3.2 Property, plant and equipment and rights of use assets

3.3 Investments in subsidiaries

3.4 Accounting policy

3.5 Significant estimates and judgements

Note 3.1 Intangible assets

Intangible assets

2021

DKK'000	Trademarks	Software development	Software development projects in progress	Total
Cost at 1 January	29.166	75.424	0	104.590
Additions	0	5.211	5.224	10.435
Cost at 31 December	**29.166**	**80.635**	**5.224**	**115.025**
Amortisation and impairment losses at 1 January	29.166	28.952	0	58.118
Amortisation	0	17.166	0	17.166
Amortisation and impairment losses at 31 December	**29.166**	**46.119**	**0**	**75.285**
Carrying amount at 31 December	**0**	**34.516**	**5.224**	**39.740**

2020

DKK'000	Trademarks	Software development	Software development projects in progress	Total
Cost at 1st Jan	29.166	64.041	0	93.207
Additions	0	11.383	0	11.383
Cost at 31 December	**29.166**	**75.424**	**0**	**104.590**
Amortisation and impairment losses at 1 January	29.166	11.057	0	40.223
Amortisation	0	17.895	0	17.895
Amortisation and impairment losses at 31 December	**29.166**	**28.952**	**0**	**58.118**
Carrying amount at 31 December	**0**	**46.472**	**0**	**46.472**

Note 3.2 Property, plant and equipment and rights of use assets

2021

DKK'000	Right of use assets, Motor vehicles	Other Fixtures and fittings, tools and equipment	Total
Cost at 1st January	28.683	9.542	38.225
Additions	7.618	3.398	11.017
Remeasurement of lease liabilities	0	0	0
Disposals	-1.089	0	-1.089
Cost at 31 December	**35.213**	**12.940**	**48.153**
Depreciation and impairment 1 January	14.259	6.048	20.307
Depreciation	5.283	2.389	7.673
Depreciation and impairment 31 December	**19.542**	**8.437**	**27.980**
Carrying amount at 31 December	**15.671**	**4.503**	**20.174**

2020

DKK'000	Right of use assets, Motor vehicles	Other Fixtures and fittings, tools and equipment	Total
Cost at 1st Jan	29.657	7.111	36.768
Exchange rate adjustments	0	0	0
Additions	1.114	2.431	3.545
Remeasurement of lease liabilities	-951	0	-951
Disposals	-1.137	0	-1.137
Cost at 31 December	**28.683**	**9.542**	**38.225**
Depreciation and impairment 1 January	8.983	4.249	13.232
Depreciation	5.276	1.799	7.075
Depreciation and impairment 31 December	**14.259**	**6.048**	**20.307**
Carrying amount at 31 December	**14.424**	**3.494**	**17.918**

Note 3.3 Investments in subsidiaries

Investments in subsidiaries

DKK'000	2021	2020
Cost at 1 January	978.092	978.092
Additions	0	0
Cost at 31 December	**978.092**	**978.092**
Share of result at 1 January	1.338.640	928.973
Share of results	291.698	406.442
Other comprehensive income	-2.114	3.225
Share of results at 31 December	**1.628.224**	**1.338.640**
Net book value	**2.606.316**	**2.316.732**

Reference is made to note 6.7 in the consolidated financial statements for overview of subsidiaries.

Note 3.4 Accounting policy

Income from investments in subsidiaries
Income from investments in subsidiaries comprises the pro rata share of the individual profit/loss after full elimination of internal profits or losses.

Investments in subsidiaries

The Company's investments in subsidiaries are accounted for using the equity method.

Under the equity method, the investments in subsidiaries are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the subsidiary is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Com-pany's share of the results of operations of the subsidiary. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the subsidiary, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the sub-sidiaries are eliminated in the subsidiary.

The aggregate of the Company's share of profit or loss of an subsidiary is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax of the subsidiary. The financial statements of the subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Compa-ny determines whether it is necessary to recog-nise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calcu-lates the amount of impairment as the difference between the recoverable amount of the subsid-iary and its carrying value, and then recognises the loss as 'Share of profit of a subsidiary' in the income statement.

Intangible assets

Trademarks
Trademarks are initially recognised at cost. Subsequently, trademarks are measured at cost less accumulated amortisation and impairment. Trademarks are amortised on a straight-line basis over their estimated useful lives up to no more than 10 years.

Trademarks are tested for impairment on an annual basis using the relief-from-royalty method and based on future free cash flows expected to be generated by the individual trademark during the following five years and and projections forsubsequent years.

Software development projects
Software development projects that are clearly defined and identifiable where the technical equality, sufficient resources, and a potential future market or potential for use in the Company can be demonstrated and where it is intended to manufacture, market or use project.

These assets are recognised as intangible assets if the cost price can be reliably determined and there is sufficient reasonable assurance that future earnings or the net selling price may cover production, sales, administration and development costs.

Other development costs are recognised in the income statement under research and development costs, as costs likely to be held. Recognised development costs are measured at cost less accumulated depreciation and impairment losses. Cost includes salaries, depreciation and other costs attibutable to the Company's development activities and borrowing costs from specific and general borrowing that relate directly to the development of development projects.
Upon completion of the development work, development projects are amortised on a straight-line basis over the assessment period economic life from the time the asset is ready for use. The amortisation period usually constitutes 3-5 years. The amortisation basis is reduced by any write-downs.

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.

Note 3.4 Accounting policy - continued

Lease agreements
The Company has lease contracts for leaseholds, vehicles and other equipment used in its operations. Lease of leaseholds generally has lease terms between 3 and 5 years, while vehicles generally have lease terms between 5 and 6 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 flows 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-ofuse asset is measured at cost less accumulated depreciation and impairment losses.

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:

Cars: 5-6 years

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

The Company also has certain leases of other eqipment with lease terms of 12 months or less and seases 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 3.5 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 the same category for which the Company assesses that the lease agreements and the underlying assets in each have the same characteristica and risk profile. The category is as follows:

- Cars

The Company determines its incremental borrowing rate for the above category 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 apllied incremental borrowing rates are 5-6%.

SECTION 4: 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 4:

Note 4.1 Equity

Share capital

	2021		2020	
	Nominal value (DKK'000)	**Number of shares**	**Nominal value (DKK'000)**	**Number of shares**
Share capital at 1 January (issued and fully paid)	600	600	600	600
Additions	0	0	0	0
Share capital at 31 December	**600**	**600**	**600**	**600**

The Company share capital is nominally DKK 600,000 divided into 600,000 shares of DKK 1 each or multiples hereof.

Note 4.2 Borrowings and non-current liabilities

Borrowings

DKK'000	2021	2020
Non-current liabilities	10.788	10.562
Current liabilities	5.782	4.778
Total carrying amount	**16.570**	**15.340**
Nominal value	18.094	16.716

Interest-bearing borrowings

DKK'000	2021	2020
Interest-bearing borrowings, 1 January	15.340	238.592
Additions	7.618	0
Repayments	-5.224	-222.037
Other (amortised cost, reassesment leasing liabilities IFRS 16 etc.)	-1.165	-1.215
Interest-bearing borrowings, 31 December	**16.570**	**15.340**

2021

DKK'000	Currency	Interest rate	Average interest rate	Carrying amount
Bank borrowings	DKK	Floating	1,55%	0
Commitments on leasing agreements	DKK	Fixed-rate	5.80%	16.570
				16.570

2020

DKK'000	Currency	Interest rate	Average interest rate	Carrying amount
Bank borrowings	DKK	Floating	3,70%	0
Commitments on leasing agreements	DKK	Fixed-rate	4,38%	15.340
				15.340

Note 4.3 Lease liabilities

Lease liabilities

DKK'000	2021	2020
Maturity of lease liabilities		
Due within 1 year	5.782	4.778
Due between 1 and 5 years	10.580	10.559
Due after 5 years	208	3
Total lease liabilities 31 December 2020	16.570	15.340
Lease liabilities recognized in balance sheet		
- Hereof short-term lease liabilities	5.782	4.778
- Hereof long-term lease liabilities	10.788	10.562

Amounts recognized in income statement

DKK'000	2021	2020
Interest expenses related to lease liabilities	887	1.016
Total amount recognized in income statement	**887**	**1.016**

Reference is made to note 3.2 for statement of right of use assets in connection with lease liabilities.

The presented cash flows are non-discounted amounts, on the earliest possible date at which the Company 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 Holding A/S is not exposed to fluctuations in market interest rates as the Company has no loans with third party.

Categories of financial assets and financial liabilities

DKK'000	2021	2020
Receivables	213	155
Receivable from affiliated companies	90.098	263.901
Lease liabilities	16.570	15.340
Trade and other payables	5.880	8.151
Other liabilities	9.879	14.340
Payables to affiliated companies	679.270	878.475

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

Note 4.4 Finance income

DKK'000	2021	2020
Exchange rate gains	1	0
Other financial income	58	44
Interest receivables, group entitites	37.119	28.918
Total financial income	**37.178**	**28.962**

Note 4.5 Finance costs

DKK'000	2021	2020
Interest lease liabilities	887	1.040
Exchange rate losses	0	10
Other financial cost	39	1.283
Interest payables, group entitites	8.162	11.473
Total financial costs	**9.087**	**13.806**

Note 4.6 Financial risk management

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 5 for description of credit risk.

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

The Company continues monitoring the need of liquidity. At 31 December 2021, the Company has an undrawn credit facility of DKK 400 million to ensure that the Company is able to meet its obligations (2020: 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

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
Non-derivative financial liabilities						
Trade and other payables	5.880	0	0	0	5.880	5.880
Lease liabilities	6.523	8.769	2.602	200	18.094	16.570
Other Liabilities	9.879	0	0	0	9.879	9.879
Total non-derivative financial liabilities	**22.282**	**8.769**	**2.602**	**200**	**33.853**	**32.329**
Total financial liabilities	**22.282**	**8.769**	**2.602**	**200**	**33.853**	**32.329**

2020 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
Non-derivative financial liabilities						
Trade and other payables	8.151	0	0	0	8.151	8.151
Lease liabilities	5.479	9.687	1.547	3	16.716	15.340
Other Liabilities	14.340	0	0	0	14.340	14.340
Total non-derivative financial liabilities	**27.970**	**9.687**	**1.547**	**3**	**39.207**	**37.831**
Total derivative financial liabilities	**27.970**	**9.687**	**1.547**	**3**	**39.207**	**37.831**

Note 4.7 Accounting policy

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 classified as receivables. The Group 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 5: 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 5:

Note 5.1 Tax

Current tax

DKK'000	**2021**	**2020**
Income tax	3.834	-26.945
Movement in deferred tax	-3.866	-23.270
Adjustment relating to previous years	0	1
Income taxes in the income statement	**-32**	**-50.214**

Profit before tax	**291.197**	**176.118**
Tax rate, Denmark	22,00%	22,00%
Tax at the applicable rate	64.063	38.746
Non-taxable income	-64.174	-89.417
Expenses not deductible for tax purposes	0	507
Other	78	-50
Tax expense for the year	**-32**	**-50.214**
Effective tax rate, %	**0,0%**	**-28,5%**

Note 5.1 Tax - Continued

Deferred tax

DKK'000	2021	2020
Deferred tax at 1 January	**-21.782**	**1.488**
Recognised in profit or loss	-3.866	-23.270
Deferred tax at 31 December	**-25.648**	**-21.782**

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

	Deferred tax asset		Deferred tax liability	
DKK'000	2021	2020	2021	2020
Intangible assets	-6.447	-10.224	0	0
Tangible assets	667	577	0	0
Other payables	31.429	31.429	0	0
Deferred tax	**25.648**	**21.782**	**0**	**0**

Corporation tax payable

DKK'000	2021	2020
Corporation tax payable / receivable at 1 January	**-26.944**	**-11.820**
Current tax including jointly taxed subsidiaries	3.834	-26.945
Corporation tax received during the year	26.944	11.820
Adjustment related to prior year	0	1
Corporation tax payable / receivable at 31 December	**3.834**	**-26.944**

Note 5.2 Net working capital

DKK'000	2021	2020
Trade and other receivables	213	155
Prepayments	10.834	10.877
Trade and other payables	-5.880	-8.151
Other liabilities	-9.879	-14.340
Total	**-4.712**	**-11.458**

Change in working capital

DKK'000	2021	2020
Trade and other receivables	58	-2.903
Prepayments	-43	5.556
Trade and other payables	2.271	675
Other liabilities	4.460	-4.047
Cash flow effect	**6.746**	**-718**

Note 5.3 Adjustments for non-cash items

DKK'000	2021	2020
Non-cash financial items	2.037	0
Other non-cash items	**2.037**	**0**

Note 5.4 Auditors fee

Fees to auditors

DKK'000	**2021**	**2020**
Statutory audit	125	115
Assurance engagements	0	200
Tax advice services	7	5
Other non-audit services	5	3
Total	**137**	**323**

Note 5.5 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. Reference is made to note 2.2 in the statements.

Related parties with a significant influence
The ultimate Parent of the Group is HusCompagniet A/S.
The direct owner of the Group is HusCompagniet A/S.

Significant transactions between the Company and related parties with a significant influence
There were no transactions between the Company and related parties with a significant influence in 2021 (2020: no transactions).

The Company was engaged in the below related parties transactions:

DKK'000	**2021**	**2020**
Acquisition of services (Management fee and allocated income) from parent company	10.240	15.665
Total	**10.240**	**15.665**

Note 5.6 Events after the balance sheet date

No material events have occurred between 31 December 2021 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 Group's financial position.

The geopolitical uncertainty has increased significantly in Europe in 2022. The Russian invasion of Ukraine and the continued Covid-19 pandemic is not expected to have material impact on the Group in 2022 although this assessment is subject to uncertainty especially towards the development of the conflict in Ukraine. The events may have substantial effect on macroeconmic factors and disruption of supply chains. HusCompagniet can be directly impacted by supply chain deficiencies for certain materials such as timber and tiles, and indirectly due to a general pressure on energy and freight cost.

The possible social and economic effects that potentially could impact the Group's operations and supply chain, and is being carefully monitored by the Management.

Note 5.7 List of Group companies

Investment in group companies comprise the following at 31 December 2021.

		% equity interest	
Name	Country of incorporation	2021	2020
HusCompagniet Danmark A/S	Denmark	100%	100%
RækkehusCompagniet A/S	Denmark	100%	100%
Svenska Huscompagniet AB (Discontinued)	Sweden	100%	100%
VårgårdaHus AB	Sweden	100%	100%
HusCompagniet Sverige AB	Sweden	100%	100%
Svenska HusCompagniet Fastighetsutveckling AB	Sweden	100%	100%
Svenska HusCompagniet Fastighetsutveckling Allerum 1 AB	Sweden	100%	100%
Svenska HusCompagniet Fastighetsutveckling Allerum 2 AB	Sweden	100%	100%
Die Haus-Compagnie GmbH (Discontinued)	Germany	100%	100%

* Die Haus-Compagnie GmbH, Deutschland sind eine vollständig konsolidierte Tochtergesellschaft, die Freistellungsbestimmung in § 264, Absatz 3 HGB nutzen.

Note 5.8 Definitions

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	Gross profit x 100 / Revenue	
EBITDA margin (before and after special items)	EBITDA before special items x 100 / Revenue	EBITDA after special items x 100 / Revenue
NIBD/EBITDA (before special items)	Net interest bearing debt, year-end / EBITDA before special items	

Note 5.9 Contingent liabilities

Contingent liabilities

The company is continiously involved in minor disputes indirectly via subsidiaries. In 2021 a subsidary in the Group entered an arbitration which is expected to be settled in 2022. The Group expects a positive outcome of the dispute but has recognised a provision.

The Company is jointly taxed with its Danish group entities and acts as Management Company. 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.

Note 5.10 Accounting policy

Current income tax
The parent 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-ac-count 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.

Note 5.11 Significant estimates and judgements

Recovery of deferred tax assets
Deferred tax assets are recognised for all unused tax losses, to the extent that it is considered likely that tax surpluses in which deficits can be offset. Determining the amount recognised for deferred tax assets are based on estimates of the likely timing and the amount of future taxable profits.

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of HusCompagniet Holding A/S for 2021.

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 2021 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2021.

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, 16 June 2022
Executive Board:

Martin Ravn-Nielsen
CEO

Board of Directors:

Mads Dehlsen Winther Chairman	Søren Haugaard	Martin Ravn-Nielsen

Independent auditor's report

To the shareholders of HusCompagniet Holding A/S

Opinion

We have audited the financial statements of HusCompagniet Holding A/S for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement 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 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 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, 16 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender State Authorised Public Accountant mne21332	Morten Weinreich Larsen State Authorised Public Accountant mne42791