RækkehusCompagniet A/S
Plutovej 3
8700 Horsens
CVR. 33160062

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

RækkehusCompagniet A/S
Plutovej 3
8700 Horsens
Denmark

Telephone:	88 62 30 00
Website:	www.huscompagniet.dk
CVR no.:	33160062
Fiscal year:	1. January - 31. December

Executive Board:
Søren Henrik Ravn

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

Auditor
EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36
2000 Frederiksberg

Management's review

Business review

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

Financial review

Net revenue totaled DKK 229 million in 2021 which was mainly driven by an increase in the number of delivered semi detached houses compared to DKK 0 million in 2020 as the company had no operating activities in 2020. Profit before tax totaled DKK 31 million for 2021 compared to DKK -1 million in 2020.

Non-financial matters

RækkehusCompagniet is a Danish company that develop and sell B2B projects and land plots.

The B2B housing projects are tailored for the individual investor all the way from idea to finished project.

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 http://investors.huscompagniet.com/Danish/overblik/default.aspx

Account of the gender composition of Management

At RækkehusCompagniet, 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 RækkehusCompagniet. 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.

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.

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 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.

Outlook

The Company expect operating activities in 2022 and a higher level of income than realized in 2021. This is primarily due to 2021 being the first year with project sales and deliveres both are expect to increase as the company matures.

Key Figures

DKK'm	2021	2020	2019	2018	2017
Income statement					
Revenue	229	0	0	2	26
Gross profit	50	0	0	1	4
Operating profit (EBIT)	31	-3	0	1	1
Financial income/expenses, net	0	1	1	1	1
Profit for the year	25	-1	1	1	4
Balance sheet					
Total assets	143	64	65	64	63
Equity	87	63	64	63	62
Cash flow					
Cash flow from operating activities	-35	-1	0	0	27
Cash flow from investing activities	0	0	0	-38	-38
- Hereof from investment in property, plant and equipment	0	0	0	-44	-44
Cash flow from financing activities	35	1	0	-93	-93
Free cash flow	-35	-1	0	137	137
Key figures					
Revenue growth	1432931%	0%	-100%	-91%	767%
Gross margin	22%	-692%	100%	27%	15%
Average number of employees	14	9	0	0	0

The key figures for the years 2017 have not been adjusted following the implementation of IFRS 9 and IFRS 15 at 1 January 2018.

Furthermore, the key figures for the years 2017-2018 have not been adjusted following the implementation of IFRS 16 at 1 January 2019.

Management review

FINANCIAL STATEMENTS

PRIMARY STATEMENTS

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3 WORKING CAPITAL

4 INVESTMENTS

5 FUNDING AND CAPITAL STRUCTURE

6 OTHER DISCLOSURES

INCOME STATEMENT

DKK'000	Note	2021	2020
Revenue	2.1	229.285	16
Cost of Sales		-179.021	-127
Gross profit		**50.264**	**-111**
Staff cost	2.2, 2.3	-16.727	-1.795
Other external expenses		-2.275	-911
Operating profit (EBIT)	**2.5**	**31.262**	**-2.817**
Share of result of subsidiary companies after tax	4.1	0	-31
Financial income	5.2	244	1.322
Financial expenses	5.2	-54	0
Profit before tax		**31.452**	**-1.526**
Tax on profit	6.1	-6.931	318
Profit for the year		**24.521**	**-1.208**

Profits attributable to:

DKK'000	2021	2020
Equity owners of the Company	**24.521**	**-1.208**

STATEMENT OF OTHER COMPREHENSIVE INCOME

DKK'000	Note	2021	2020
Profit for the year		24.521	-1.208
Other comprehensive income, net of tax		**0**	**0**
Total comprehensive income for the year		**24.521**	**-1.208**

Total comprehensive income attributable to:

DKK'000	Note	2021	2020
Equity owners of the Company		24.521	-1.208

BALANCE SHEET

DKK'000	Note	2021	2020
Assets			
Non-current assets			
Investment in subsidaries	4.1	0	49
Total non-current assets		**0**	**49**
Current assets			
Contract assets	3.1	107.228	0
Trade and other receivables		7.011	20
Income tax receivable	6.1	0	329
Receivable from affilated companies		29.106	63.740
Total current assets		143.345	64.089
Total assets		**143.345**	**64.138**

BALANCE SHEET - continued

DKK'000	Note	2021	2020
Equity and liabilities			
Equity			
Share capital	5.1	500	500
Retained earnings and other reserves		86.626	62.104
Total equity		**87.126**	**62.604**
Liabilities			
Non-current liabilities			
Provisions	3.3	210	40
Deferred tax liability	6.1	4.090	0
Total non-current liabilities		**4.300**	**40**
Current liabilities			
Trade and other payables	5.3	37.830	676
Prepayments from customers	3.1	1.303	0
Provisions	3.3	839	10
Income tax payable	6.1	2.841	0
Other liabilities		9.105	808
Total current liabilities		**51.919**	**1.494**
Total liabilities		**56.219**	**1.534**
Total equity and liabilities		**143.345**	**64.138**

Reference to off-balance sheet notes: Related parties 6.3, and Contingent liabilities 3.3

STATEMENT OF CASH FLOWS - CONSOLIDATED

DKK'000	Note	2021	2020
Cash flow from operating activities			
EBIT		31.262	-2.816
EBIT		**31.262**	**-2.816**
Adjustments for non-cash items	6.2	999	-32
Adjustet EBIDTA		**32.261**	**-2.848**
Changes in working capital	3.4	-67.463	822
Cash flow from operating activities before financial items and taxes		**-35.202**	**-2.026**
Interest received	5.2	244	1.323
Interest paid	5.2	-54	0
Taxes paid/received	6.1	329	-271
Net cash generated from operating activities		**-34.684**	**-974**
Cash flow from investing activities			
Acquisition of subsidaries, net cash acquired		0	-49
Sale of subsidary entity		49	0
Net cash generated from investing activities		**49**	**-49**
Cash flow from financing activities			
Change in intercompany balances		34.635	981
Net cash generated from financing activities		**34.635**	**981**
Total cash flows		**0**	**-42**
Cash and cash equivalents at 1 January		0	42
Net foreign currency gains or losses		0	0
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		**-34.635**	**-1.023**

STATEMENT OF CHANGES IN EQUITY

2021 DKK'000	Share capital	Revaluations reserve under the equity method	Retained earnings	Total
Equity at 1 January	**500**	**-31**	**62.135**	**62.604**
Profit for the year	**0**	**0**	**24.521**	**24.521**
Reserve for Net Revaluation according to Equity Method	0	31	-31	**0**
Total comprehensive income	**0**	**31**	**24.491**	**24.522**
Equity on 31 December	**500**	**0**	**86.626**	**87.126**

2020 DKK'000	Share capital	Revaluations reserve under the equity method	Retained earnings	Total
Equity at 1 January	**500**	**0**	**63.312**	**63.812**
Profit for the year	**0**	**0**	**-1.208**	**-1.208**
Reserve for Net Revaluation according to Equity Method	0	-31	31	**0**
Total comprehensive income	**0**	**-31**	**-1.177**	**-1.208**
Equity on 31 December	**500**	**-31**	**62.135**	**62.604**

Capital structure

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

SECTION 1: BASIS OF PREPARATION

Introduction

RækkehusCompagniet A/S is a company incorporated and domiciled in Denmark. The Company is principally engaged in construction and sale of larger B2B projects.

The following is a summary of the significant accounting policies adopted by RækkehusCompagniet 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.

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 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 class B 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.

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 RækkehusCompagniet are included in the Consolidated Financial Statements of HusCompagniet A/S, Virum, CVR-nr. 36972963.

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 amendment that has been issued but is not yet effective.

Standards issued but 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 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 Company has not been materially affected by COVID-19 but there are still some uncertainties related to the economic development and how it will affect the house developing market. The most significant risks are assessed to be restrictions on building activities and construction sites related to an increase in the number of infections and 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 estimates	**Note**
Percentage-of-completion profit recognition	2.6
Significant estimates	
Guarantee provisions	3.3

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: EBITA

Introduction

This section provides information regarding the Company's performance in 2021.
The development of primary costs, staff costs and remuneration, and information about the Group'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

Revenue - Contracted sales
2021

DKK'000	Semi-detached houses
Sales value, houses sold on customers' building sites	61.539
Sales value, houses sold on own building sites	167.746
Total Contracted sales	**229.285**
Total Revenue	**229.285**

The Company is engaged in construction activities in Denmark.

Contracted sales are recognised over time. 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. Construction contracts with professional investors may also include payments on account.

Contracted sales comprise the sales of houses constructed on the customers land, or houses sold on own land that are covered by a customer contract before construction is started.

Revenue - Contracted sales
2020

DKK'000	Semi-detached houses
Sales value, houses sold on customers' building sites	16
Sales value, houses sold on own building sites	0
Total Contracted sales	**16**
Total Revenue	**16**

Note 2.2 Costs including staff costs and remuneration

Staff costs

DKK'000	2021	2020
Wages and salaries	15.344	1.722
Defined contribution plans	684	69
Other social security costs	87	4
Share-based remuneration	612	0
Total	**16.727**	**1.795**
Average number of full-time employees	14	9

Remuneration of Management

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed.

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 Executive Management 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.

DKK'000	Other employees	Total shares
Number of shares January 2020	0	**0**
Granted during the year	15.696	**15.696**
Exercised during the year	0	**0**
Forfeited during the year	0	**0**
Outstanding at 31 December 2020	**15.696**	**15.696**
Outstanding at 1 January 2021	**15.696**	**15.696**
Granted during the year	0	**0**
Exercised during the year	0	**0**
Forfeited during the year	0	**0**
Outstanding at 31 December 2021	**15.696**	**15.696**

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 1.8 million. In 2021, an expense of DKK 0.6 million was recognised in the income statement in respect of the incentive program (2020: 0,0). 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 Financial risk management

Currency Risk
The Company is not exposured to currency fluctuations from it's activities.

Note 2.5 Accounting policy

Revenue
Revenue comprises completed construction contracts and construction contracts in progress (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 outcoume 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.

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.

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.

Note 2.6 Significant estimates and judgements

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 107 million (2020: DKK 0 million); refer to note 3.1 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 Company's low exposure towards credit risk is also contained in this section

The following notes are presented in Section 3:

Note 3.1 Contract assets

DKK'000	2021	2020
Selling price of contract assets	107.228	0
Invoicing on account	0	0
	107.228	**0**
Calculated as follows:		
Contract assets	107.228	0
Contract liabilities	0	0
	107.228	**0**
Prepayments from customers regarding construction contracts not yet started	**1.303**	**0**

Delivery obligations	**2021**	**2020**
Within one year	316.845	0
After one year	15.633	0

There are no detained payments related to contract assets

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.

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.

Note 3.2 Trade and other receivables

DKK'000	2021	2020
Other receivables	7.011	20
As at 31 December	**7.011**	**20**

DKK'000	2021	2020
Provision for expected credit losses at 1 January	0	0
Provision for expected credit losses at 31 December	**0**	**0**

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 other receivables is due to an increase in bonus

Note 3.3 Guarantee commitments and contingent liabilities

DKK'000	2021	2020
Guarantee provision at 1 January	50	50
Arising during the year	1.008	0
Utilised	-10	0
Guarantee provision at 31 December	**1.048**	**50**
Distributed in the balance as follows:		
Non-current liabilities	210	40
Current liabilities	839	10

At year-end, the guarantee provision amounted to DKK 1.048 thousands (2020: DKK 50 thousand). 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.

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

Contingent liabilities
The Company is regularly involved in minor dispute, but was not a party to any major dispute at 31 December 2021.

The Company is jointly taxed with its parent, HusCompagniet A/S, which acts as Management Company for the other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2013 and forward and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

Note 3.4 Net working capital

DKK'000	2021	2020
Contract assets	107.228	0
Trade and other receivables	7.011	20
Trade and other payables	-37.830	-676
Prepayments from customers	-1.303	0
Other liabilities	-9.105	-808
Total	**66.000**	**-1.464**

DKK'000	2021	2020
Contract assets	107.228	0
Trade and other receivables	6.991	20
Trade and other payables	-37.154	-436
Prepayments from customers	-1.303	0
Other liabilities	-8.298	-406
Cash flow effect	**67.463**	**-822**

Note 3.5 Financial risk management

Credit risk

The Company is exposed to customers' inability to meet their financial obligations. To address this risk, the Group obtains a bank guarantee on the agreed selling price from all customers before construction starts and the customers pay on delivery. In contracts where the scope and price is subsequently changed, the bank guarantee is updated if Management considers the change to be significant. This eliminates the risk of debtor loss, as all payment rights are secured before the houses are delivered.

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

Impairment of other receivables amounted to nil in 2021 and 2020.

Note 3.6 Accounting policy

Trade and other receivables

Receivables are measured at amortized 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
the profit and loss account at the same time as the receivable is recognised in the balance sheet on the basis of expected loss in the total lifetime of the receivable.

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

Other receivables. Are 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.

Provisions

Provisions differ from other liabilities because 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 recognized in the balance sheet when a legal or informal commitment exists due to an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably.

Other liabilities

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

Cash and cash equivalents

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

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

Note 3.7 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 1.048 thousands (2020: DKK 50 thousands, refer to note 3.3 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:

Note 4.1 Investments in subsidiaries

Investments in subsidiaries

DKK'000	**2021**	**2020**
Cost at Januar 1	80	0
Additions	0	80
Disposals	-80	0
Cost at 31 December	**0**	**80**
Share of result at 1 January	-31	0
Share of results	0	-31
Other comprehensive income	31	0
Share of results at 31 December	**0**	**-31**
Net book Value	**0**	**49**

Reference is made to note 6.6 for overview of subsidiaries

Note 4.2 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 Company'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 subsidiaries 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 and
non-controlling interests 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 Company determines whether it is necessary to recognise 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 calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises the loss as 'Share of profit of a subsidiary' in the income statement.

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:

Note 5.1 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)	500	500	500	500
Share capital at 31 December	**500**	**500**	**500**	**500**

The Company's share capital is nominally DKK 500,000 divided into 500,000 shares of DKK 1 each or multiples herof.

Note 5.2 Financial income and expenses

Financial income and financial expenses

DKK'000	2021	2020
Financial income		
Interests from Group Entitites	244	1.322
Total financial income	**244**	**1.322**
Financial expenses		
Other financial cost	54	0
Total financial expenses	**54**	**0**

Note 5.3 Financial risk management

The Company's activities and capital structure is exposes 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 2021, the Group has an undrawn credit facility of DKK 400 million to ensure that the Group 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	37.830	0	0	0	37.830	37.830
Other Liabilities	9.105	0	0	0	9.105	9.105
Total non-derivative financial liabilities	**46.935**	**0**	**0**	**0**	**46.935**	**46.935**
Total financial liabilities	**46.935**	**0**	**0**	**0**	**46.935**	**46.935**

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	676	0	0	0	676	676
Other Liabilities	808	0	0	0	808	808
Total non-derivative financial liabilities	**1.484**	**0**	**0**	**0**	**1.484**	**1.484**
Total non-derivative financial liabilities	**1.484**	**0**	**0**	**0**	**1.484**	**1.484**

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

RækkehusCompagniet 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
Trade and other receivables	7.011	20
Receivable from affiliated companies	29.106	63.740
Trade and other payables	37.830	676
Other liabilities	9.105	808

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

Note 5.4 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 classified as receivables. 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:

Note 6.1 Tax

Current tax

DKK'000	2021	2020
Income tax	2.841	-329
Movement in deferred tax	4.090	11
Income taxes in the income statement	**6.931**	**-318**
Profit before tax	**31.452**	**-1.526**
Tax rate, Denmark	22,00%	22,00%
Calcutlated Tax at the applicable rate for continued operations	6.919	-336
Expenses not deductible for tax purposes	0	7
Other	12	11
Tax expense for the year	**6.931**	**-318**
Effective tax rate, %	**22,04%**	**20,82%**

Deferred tax

DKK'000	2021	2020
Deferred tax at 1 January	**0**	**-11**
Recognised in profit or loss	4.090	11
Deferred tax at 31 December	**4.090**	**0**

Corporation tax payable

DKK'000	2021	2020
Corporation tax payable at 1 January	**-329**	**271**
Current tax including jointly taxed subsidaries	2.841	-329
Corporation tax paid during the year	329	-271
Corporation tax payable at 31 December	**2.841**	**-329**

Note 6.2 Other non-cash items

DKK'000	**2021**	**2020**
Non-cash financial items	999	-32
Other non-cash items	**999**	**-32**

Note 6.3 Related parties

Transactions with Executive M anagement & Board of Directors
Transactions with key management personnel include transactions with companies controlled by the key management personnel.

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 3.3 DKK (2020: no transactions). There are no other transactions between Group and related parteis with significant influence in 2021.

Note 6.4 Auditor's fee

Fees to auditors

DKK'000	**2021**	**2020**
Audit Service	250	31
Tax advice services	0	4
Other non-audit services	5	42
Total	**255**	**77**

Note 6.5 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 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.

Note 6.6 Definitions

The financial ratios under consolidated key figures have been calculated as follows:

	Gross profit x 100	Operating profit (EBIT)
Gross margin	Revenue	Total assets - Current Liabilities

Key figures and ratios

The ratios have been calculated in accordance with www.keyratios.org/ issued by CFA Society Denmark. The ratios mentioned in the five-year summary are calculated as described in the definitions above.
ESG key figures have been calculated in accordance with FSR - Danish Auditors, CFA Society Denmark and Nasdaq's 15 suggestions on standardised ESG key figures for the annual report.

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 recognized in current liabilities and deferred tax is recognized in non-current liabilities. Tax receivable is recognized in current assets and deferred tax assets are recognized 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 RækkehusCompagniet 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:

Søren Henrik Ravn
CEO

Board of Directors:

Martin Ravn-Nielsen Chairman	Mads Dehlsen Winther Vice Chairman	Søren Haugaard

Independent auditor's report

To the shareholders of RækkehusCompagniet A/S

Opinion

We have audited the financial statements of RækkehusCompagniet 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

Morten Weinreich Larsen
State Authorised
Public Accountant
mne42791