



**MILTON**  
HUSE



2021

# ANNUAL REPORT

Milton Huse A/S, Plutovej 1, 8700 Horsens, CVR-no. 33492782

The annual general meeting adopted the Annual Report on 20 May 2022

  
Chairman of the general meeting - Kåre Stolt





# MILTON HUSE - HIGHLIGHTS

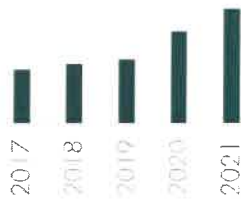
FOUNDED BY THE  
**REHNQUIST FAMILY**  
IN 2013

**THE REHNQUIST FAMILY  
ULTIMATELY OWNS  
100% OF SHARES**

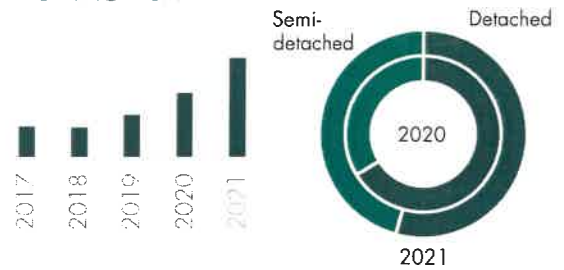
**2,122**  
HOUSES SOLD  
DURING 2021



**182**  
FTEs  
ON AVERAGE DURING 2021



**1,098**  
HOUSES DELIVERED  
DURING 2021



**14**  
LOCATIONS



**DKK 2,286m**  
IN REVENUES  
DURING 2021



Note: Figures for 2017, 2018 and 2019 are unaudited based on Danish local GAAP and excluding Menzer & Kristensen. See Note 1 for definitions.





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## LETTER FROM THE EXECUTIVE MANAGEMENT

2021 was another record year for Milton Huse – a year characterised by continued double-digit growth and sustained market share gains.

Despite a rough start to the year with COVID-19 restrictions, we experienced high demand among retail customers in the first half of 2021. This provided us with a unique opportunity to gain scale, which we will benefit from in the years to come. We are grateful to see that more customers than ever chose Milton Huse as their homebuilder.

We are also very pleased to see accelerated growth in our semi-detached business, where we successfully managed to build on strong customer relationships to more than triple the number of units sold. Recurring customers represented the vast majority of sales in 2021. A solid proof of our ability to meet and hopefully exceed customers' expectations.

Across segments, we delivered 1,098 houses in 2021 – also a new record. In addition, we sold 2,122 detached and semi-detached houses for future delivery. Based on available information, Milton House for the first time sold more houses than any competitor in the Danish market.

The Danish construction sector was extremely busy during 2021. This caused labour shortage and wage inflation among our subcontractors, ultimately leading to cost inflation. Furthermore, distressed supply chains led to scarcity of materials, which aggravated cost inflation.

These factors had an adverse impact on our production costs, and we did not meet our earnings target for the year despite reaching our activity target. In response, we launched margin supportive initiatives, which will support earnings in 2022.

We continued to invest in strengthening our growth capabilities in 2021. We opened new offices in four cities, bringing the number of Milton Huse locations up to 14. Amid the high growth, we also ramped up staff, bringing the number of full-time employees (FTEs) up to 197 by the end 2021, compared to 140 by the end of 2020. Our employees are the backbone of our business, and we wish to thank all of them for their remarkable efforts during an extraordinary year with high growth in a challenging business environment.





# LETTER FROM THE EXECUTIVE MANAGEMENT (CONTINUED)

## 2022 Outlook

**Revenues:** We expect 2022 revenues above the 2021 level – the highest in our history (Above DKK 2.3bn)

**EBIT before special items:** We expect 2022 EBIT before special items to be the highest in our history (Above DKK 138m)

Based on current expectations and the following key assumptions:

- Normalised market demand for detached houses for the remainder of 2022
- The challenges related to increasing prices and scarcity of building materials are not expected to significantly exceed current levels. We assume that no material deterioration in supply chains will occur and that price increases will only have a limited effect on ongoing or planned projects

Looking ahead, we expect 2022 revenue to exceed 2021 levels of DKK 2.3bn with a record-high operating profit (EBIT) exceeding DKK 138m. Our expectations are supported by a strong backlog, improved operating environment as well as profitability-enhancing initiatives, including higher sales prices to compensate for higher production costs.

2022 has started with continued high interest in the semi-detached segment, while market demand in the detached market has normalised. During the first months of 2022, we have started to see the benefits of profitability initiatives taken during 2021. We expect to see the full impact of these initiatives in H2 2022. Simultaneously, we will continue our constant work to improve our business and strengthen our position.

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, including projections of financial performance in 2022 as well as future strategies and plans. The forward-looking statements are based on our current expectations, estimates and assumptions. Although we believe that these assumptions were reasonable when made, forward-looking statements by their nature involve risks and uncertainties, and many factors, some of which beyond our control, may result in actual developments differing considerably from the expectations set out in this report. Such factors include, but are not limited to, general economic and business conditions and interest rate fluctuations, market demand and competition.

**Erik Rehnquist** CEO

**Lars Arenfeldt Jensen** COO

**Michael Hvid** CFO



# BUSINESS MODEL





## CORPORATE SOCIAL RESPONSIBILITY

Milton Huse has adopted an overall Corporate Social Responsibility (CSR) policy, which will become effective from 2022. This policy was under development in 2021 and Milton Huse started planning the implementation of the most material CSR topics in own operations and with suppliers. As such, Milton Huse will report on the development in the next report. Milton Huse has an impact on the surrounding communities. We deliver houses of good quality at reasonable prices for consumers and professional real estate investors (for further details, refer to the description of our business model on page 6). As houses last for decades, the impact on the surrounding communities varies through their lifespan. The new CSR policy is based on Milton Huse's strive to deliver value to societies by acting responsibly as homebuilder.

The foundation of the CSR policy is the ten principles of the UN Global Compact, comprising four overall themes: Human Rights, Labour, Environment, and Anti-Corruption.

We fundamentally believe in respecting and treating others fair. As determined in our CSR policy, Milton respects human rights in all of its business and activities. Furthermore, we support the and respect the protection of internationally proclaimed human rights. Human rights violations are unacceptable, and we have at no time experienced human rights violations in connection with our business and we assess that the risk therefore is very limited. A more structured approach to mitigating potential risks related to human rights is currently under development and will be reported on in greater depth next year.

The backbone of Milton Huse is the employees. To ensure a sustainable labour force with the right skills, we provide both apprenticeships and internships. We believe this will not only benefit

us but also the entire industry and the broader society.

Milton Huse should be an inclusive workplace with right to equal opportunities without discrimination. We hire new employees solely based on their competencies and experiences. Gender, belief, age, nationality, ethnicity, or sexual orientation are of no relevance. We, however, acknowledge that the construction sector is heavily male-dominated, which increases the need for us to act proactively to improve the gender diversity and Milton Huse has therefore adopted a diversity policy. The initiatives include implementing discussions about leadership ambitions in employee development dialogues and the ambition to establish regular statistics for the gender distribution in the organisation among other initiatives.

Milton Huse takes responsibility for its work environment, which should be safe and healthy for its employees. Furthermore, Milton Huse supports the elimination of all forms of forced and compulsory labour, and the effective abolition of child labour.

We engage with hundreds of local subcontractors and suppliers as a part of our business model. We believe that partnerships offer win-win situations for the involved parties due to comparative advantages. We are pleased to see that some of our partners have grown together with us.

Our business model relies on the use of subcontractors and suppliers, who we strongly encourage to follow our stance on CSR and act responsibly. Not following our stance in practice will inevitably lead to termination of our relationship. As the vast majority of our subcontractors and suppliers are local with many years of experience from the industry, we assess the risk of them not following our CSR stance as low.





## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

From an environment and climate perspective, we always comply with local regulations. We aim to be ahead in the implementation of known upcoming regulations. Furthermore, we encourage the development and diffusion of environmentally friendly technologies as part of CSR policy. We also favour environmentally friendly technologies in our offerings. One example is dual flush toilets with low water consumption, which are the standard offering at Milton Huse.

Climate change caused by human-driven activities is one of the biggest challenges facing the world. We aim to minimise the negative consequences of our activities through selective choices of materials in our offerings. Likewise, we also encourage our customers to consider renewable energy sources such as solar panels or geothermal heating.

The last principle in our new CSR policy is that we do not accept any form of corruption or bribery. Similar to previous years, we have not detected any violations related to this in 2021. A more structured approach to mitigating potential risks related to corruption or bribery is currently under development and will be reported on in greater depth next year.

Furthermore, the section "Towards a more sustainable future" provides a high-level introduction to our plans for sustainability in the coming years, which include the introduction of systematic measurement of our performance and development of more climate and environmentally friendly offerings.

### CERTIFIED SUSTAINABLE HOUSING

During 2021, we have had focus on increasing the number and share of semi-detached houses sold with a DGNB certificate. As a result we sold 940 semi-detached houses with a DGNB certificate, corresponding to 78% of all semi-detached houses sold in 2021.

By comparison, we sold 25 semi-detached houses with a DGNB certificate in 2020, corresponding to 7% of all semi-detached houses sold that year.

The DGNB certificate evidence that projects meet specific requirements relating to, among other things, the life cycle of building materials, transportation, recycling, consumption of water and energy during and after construction as well as economic and social conditions.

We will continue our focus on increasing the number and share of semi-detached houses during 2022. Furthermore, we strongly welcome DGNB's plans to launch an additional certificate for detached houses, allowing us to offer sustainability certified houses to retail customers, as well.

### DATA ETHICS POLICY

The Board of Directors has adopted a Data Ethics Policy. In working with data, Milton Huse ensures that appropriate measures are in place to safeguard ethical data processing, and it has implemented security measures to ensure secure storage of data. Milton Huse adheres to a high standard of data ethics and solely uses and processes data for legitimate purposes that serves shared benefit for all interested

parties. Data processing must never lead to any form of discrimination or biased decisions, decision-making or results. Regardless of how Milton Huse collects data, the company always respects applicable data privacy laws. When sharing data, Milton Huse imposes high standards on the recipients to ensure appropriate data security.





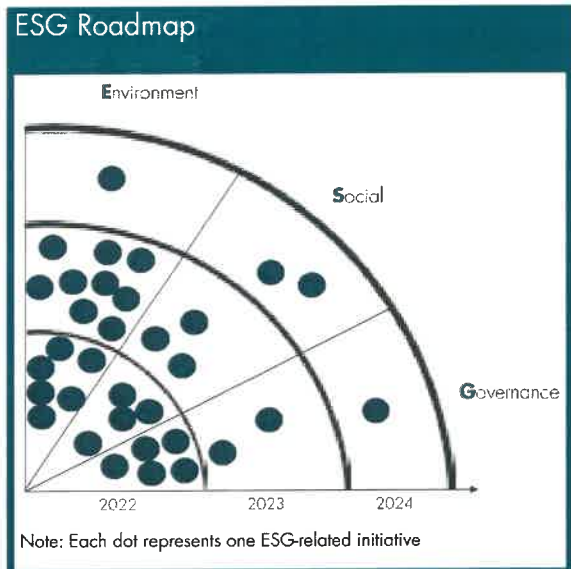
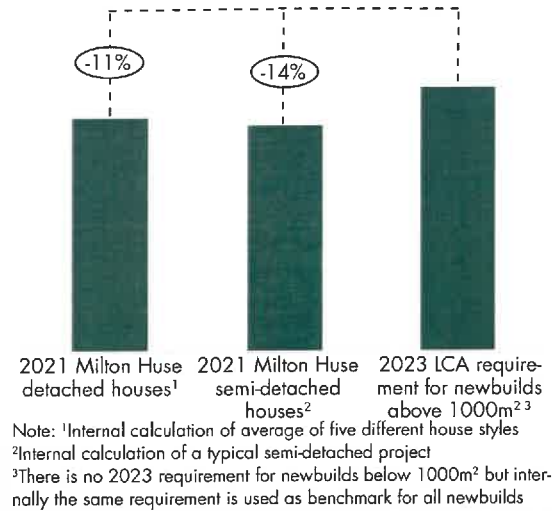
# TOWARDS A MORE SUSTAINABLE FUTURE

At Milton Huse, it is part of our DNA to act properly and treat others fair. Since the start of our business, we have worked quietly with subjects closely related to sustainability as a natural part of the way we do business. An example is our constant internal focus on waste reduction.

We comply with national building regulations, and we are keen to be ahead of future regulation. A life-cycle assessment (LCA) of the carbon footprint on a typical semi-detached project in 2021 indicates that we are already 14% better than the 2023 regulatory requirement. This is a result of our conscious selection and efficient use of building materials.

From 2022, we will be taking a more structured approach to Environmental, Social and Governance (ESG) matters. We are currently finalising a comprehensive roadmap with initiatives for the coming three years across the ESG agenda. These initiatives include development of CO<sub>2</sub>-reduced product offerings and setting targets for CO<sub>2</sub> scope 1-3 emission reduction. We aim to update the roadmap at least once a year, ensuring that we always have a plan for the coming three years. We are also establishing a set of ESG measurements that allow internal and external stakeholders to track our progress. Hence, suppliers, subcontractors, customers and other stakeholders should expect to see an increased focus on sustainability matters from us.

## Examples of carbon footprint (LCA) of houses vs. upcoming requirement



## CORPORATE GOVERNANCE

Milton Huse has a two-tier management structure comprising Board of Directors and Executive Management.

The Board of Directors determines guidelines on the day-to-day responsibilities and the obligations of the Executive Management. The Board of Directors also outlines and supervises the overall strategy and objectives of the Group's business activities. The Board meets 11 times annually and holds extraordinary meetings when needed. The Board's annual wheel covers all essential areas of the business, including strategy, risks and ESG.

The Executive Management is responsible for the execution of the strategy, the objectives set for the business and the day-to-day management of the Group. Executive Management also contributes essential input to support the work done by the Board of Directors.

### BOARD OF DIRECTORS

The Board of Directors consists of 6 members: Kåre Stolt, Erik Rehnquist, Lars Arenfeldt Jensen, Christina Rehnquist, Søren Rehnquist and Axel Ulrik Henriques.

It is a priority for Milton Huse to modernise the governance structure and create a better balance between independent and non-independent members of the Board, according to the definitions set by the Danish Committee on Corporate Governance. The first step was taken in 2021 when Axel Ulrik Henriques was elected as new independent Board member.

At the Annual General meeting in May 2022, a female candidate is nominated for election as independent Board member while CEO Erik Rehnquist, COO Lars Arenfeldt and Søren Rehnquist have decided not to seek re-election as Board members.

The Board of Directors currently consists of 1 female and 5 male directors. As included in the new diversity policy, Milton Huse aims for an equal gender distribution in the Board, as defined by the Danish Business Authority's guidelines. The Group aims to meet the target no later than 2023. The new target replaces the old minimum target for the underrepresented gender of 25% no later than 2024.

If the proposed changes to the Board of Directors are adopted at the Annual General meeting in May 2022, the Board consists of 2 female and 2 male directors and the new target is thereby met.

### EXECUTIVE MANAGEMENT

The Executive Management is unchanged and comprises 3 members: CEO Erik Rehnquist, COO Lars Arenfeldt Jensen, and CFO Michael Hvid.

Currently, the Executive Management consists of three men and no women. As included in the new diversity policy, Milton Huse aims for an improvement of the gender distribution throughout the staff including managerial positions. Currently, one fifth of management (defined as the Executive Management and employees with managerial responsibilities reporting directly to the Executive Management) is female. The initiatives include implementing discussions about leadership ambitions in employee development dialogues and the ambition to establish regular statistics for the gender distribution in the organisation among other initiatives.

Previously, we have aimed to include at least one of each gender among the last three candidates for management positions. The result of this initiative is that the Executive Management consists of three men and no women, as there has been no changes during the year.



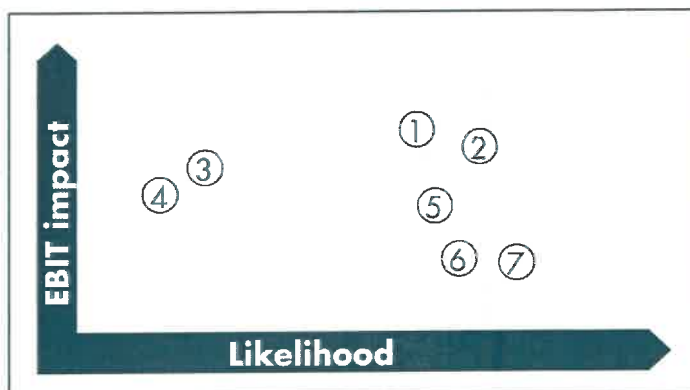
# RISK MANAGEMENT

As a part of the operating model, Milton Huse is exposed to both internal and external risk factors.

In order to achieve the long-term ambitions of Milton Huse, a thorough understanding throughout the group of key risk factors is essential.

The Board of Directors and the Executive Management are ultimately responsible for the risk management. The Board of Directors is responsible for updating the risk management strategy. The Executive Management is responsible for operational risk management and the day-to-day risk management processes. All employees are responsible for risk management at the front line on a daily basis, identifying risks and mitigating avoidable risks.

The Group has identified 7 short-term and long-term risk factors and mapped them on financial impact measured on EBIT and likelihood. The supply chain risk factor has the greatest impact according to our assessment. The regulatory risk factor has the greatest likelihood but also the lowest impact in our risk map.



- 01 **Supply Chain:** By relying on subcontractors and suppliers in the construction phase, Milton Huse is exposed to supply chain disruptions that could adversely impact availability and prices.
- 02 **Macro economy:** Milton Huse is subject to macro-economic risk factors, e.g. increasing unemployment and rising interest rates, which could cause a decline in demand.
- 03 **Employees:** The employees are the backbone of Milton Huse. Failing to attract and retain talents and highly-skilled individuals could have adverse consequences for the business.
- 04 **Technology:** Homebuilding has remained a manual process with various specialised craftsmen involved. A technological breakthrough could trigger a need for changing the operating model.
- 05 **IT:** System outages or cyberattacks could restrict parts of our operations e.g. sales, while other parts, e.g. construction would be less impacted in the short-term.
- 06 **Climate:** Climate changes could lead to changes in customer demand. Likewise, extreme weather events could trigger a need for changing processes. Failure to adapt and mitigate impose a risk to Milton Huse.
- 07 **Regulation:** New regulations could have adverse impact for projects sold at a fixed price with delivery after the regulations turn effective. New regulations could also trigger a need for changing processes.







## 2021 PERFORMANCE

**Number of houses sold:** Milton Huse sold 2,122 houses during 2021, corresponding to 128% growth y/y. Overall, Milton Huse met the 2021 guidance of increased activity during the year.

The detached segment represented 914 houses (43% of the total), of which 86 came from the Menzer & Kristensen brand. Especially, during the first half of 2021, demand for detached houses was high, supporting the strong sales growth. Towards the end of 2021, market demand normalised.

In the semi-detached segment, Milton Huse sold 1,208 houses, corresponding to 223% growth y/y. Sales in the semi-detached segment benefited from strong relationships to recurring customers.

**Number of houses delivered:** Milton Huse delivered 1,098 houses during 2021, up 53% y/y. In the detached segment Milton Huse delivered 596 houses (54% of the total), 65 of which from the Menzer & Kristensen brand. In the semi-detached segment, Milton Huse delivered 502 houses, corresponding to 107% growth y/y.



## INCOME STATEMENT

**Revenue:** Milton Huse generated 29% organic growth in 2021, leading to a Group revenue of DKK 2,286m. The detached segment delivered organic revenue growth of 46%, mainly led by the high market demand at the end of 2020 and in the first half of 2021. Organic revenue growth for the semi-detached segment was 5%, as new sales was backend-loaded with delivery over the coming years. The detached segment represented DKK 1,526m or 67% of Group revenue, while the semi-detached segment delivered of DKK 760m.

To fully understand the revenue development in Milton Huse, it is important to pay attention to the applied revenue recognition principles, as 94% were recognised over time in 2021 as a percentage of completion. In 2020 90% of revenues were recognised over time. Revenue growth will therefore lag the growth in number of houses sold.

The average selling price for houses delivered in 2021 was on par with the level seen in 2020 for both segments.

**Gross profit** came in at DKK 203m, corresponding to a gross margin of 8.9%, down from 2020 gross profit of DKK 255m and a gross margin of 14.4%. The gross margin for the detached segment was 8.7%, while the semi-detached segment delivered a gross margin of 9.3%. During 2021, the gross margin in both segments was adversely impacted by headwind from cost inflation due to labour shortage in the sector, as well as distressed supply chains for materials. Consequently, margin supportive initiatives including higher sales prices were launched and the full effect of these initiatives is expected from H2 2022.

## 2021 PERFORMANCE (CONTINUED)

Furthermore, the combined revenue from sales of completed houses (show houses) and sales of land plots, where the gross margin usually is significantly higher, dropped to 5.6% of Group revenue from 10.1% in 2020.

**EBITDA** was DKK 47m, corresponding to an EBITDA margin of 2.0%, down from 2020 EBITDA was DKK 149m and an EBITDA margin of 8.4%. Staff costs and other external expenses grew by 45% y/y and came in at DKK 159m, corresponding to 6.8% of total revenue. The cost ratio was up 0.7 pp y/y, amid staff ramp up ahead of revenue recognition, which come as a percentage of completion.

By the end of 2021 Milton Huse had 197 FTEs compared to 140 FTEs by the end of 2020. Staff costs per average FTE rose approximately 15% during 2021, partly led by higher sales commissions due to the high sales rate.

**EBIT** ended at DKK 34m in 2021, corresponding to an EBIT margin of 1.5%. 2020 EBIT was DKK 138m and the 2020 EBIT margin was 7.8%. Depreciation, amortisation and impairment losses grew 12% y/y to DKK 12m, corresponding of 0.5% of total revenues. This was down 0.1 pp y/y.

Depreciation of property, plant and equipment was DKK 5m, down from DKK 7m in 2020. Depreciation of right-use-assets was DKK 7m, up from DKK 4m in 2020.

**Pre-tax profit** was DKK 9m compared to DKK 127m in 2020. Thus, the guidance of higher pre-tax profit in 2021 was not met. This was mainly due to the above-mentioned headwind on production costs, as well as the staff ramp up. Net financial expenses were DKK 25m in 2021, up DKK 14m y/y reflecting an increased medium-term financing need amid the underlying growth in the business and the new subordinated debt raised in 2021.

**Net profit** was DKK 6m, compared to 2020 net profit of DKK 98m. The effective tax rate for 2021 was 32% due to a greater share of non-deductible expenses to pre-tax profit than in 2020.

### BALANCE SHEET

**Total assets** amounted to DKK 1,109m year-end, compared to DKK 992m at the end of 2020. Total non-current assets amounted to DKK 38m, compared to DKK 31m at 31 December 2020. Total current assets amounted to DKK 1,071m at 31 December 2021, up from DKK 961m one year earlier, mainly led by higher contract assets amid an increased activity level. However, relative to Group revenue contract assets accounted for 38.8%, down from 40.7% in 2020.

**Equity** amounted to DKK 201m at 31 December 2021, compared to DKK 195m one year earlier. On the back of the 2021 results, Milton Huse proposes not to distribute dividends to its shareholders.

**Subordinated debt** was DKK 153m at 31 December 2021, compared to DKK 0m at 31 December 2020. The subordinated debt was raised during 2021 in order to finance growth opportunities and it is due in 2023.

**Bank loans** were DKK 282m, compared to DKK 408m in at 31 December 2021. This decline was led by the subordinated debt raised in 2021. During 2021 Milton Huse also replaced its previous credit facility with a committed credit facility with expiry in 2023.

### CASH FLOWS

**Cash flow from operating activities** was DKK 28m in 2021, compared to DKK -192m in 2020. The lower contribution from



## 2021 PERFORMANCE (CONTINUED)

operating profit was more than offset by a less negative impact from changes to net working capital in 2021 compared to 2020.

**Cash flow from investing activities** amounted to DKK -5m during 2021, compared to DKK -5m in 2020. This was driven by new investments in property, plant and equipment.

### OTHER

**Implementation of IFRS:** The Group's financial statements have for the first time been prepared in accordance with International Financial Reporting Standards (IFRS). Comparative figures have been restated. As a result of the implementation of IFRS, the Group recognised an increase in lease liabilities of DKK 26.5m at 31 December 2021 (31 December 2020: DKK 20.7m) and DKK 27.5m (31 December 2020: DKK 20.7m) of right-of-use assets. Additionally, depreciation increased by DKK 7.4m (2020: DKK 4.7m) and finance costs increased by DKK 0.5m (2020: DKK 0.4m) for the year ended 31 December 2021.

**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.

Geopolitical risks are elevated due to the Russian invasion of Ukraine. Currently, we expect no material impact to the Group's financial performance in 2022 related to the war in Ukraine. This, however, creates elevated uncertainty, and in severe scenarios Milton Huse may see substantial negative effects from e.g. changes to the macroeconomic environment or disrupted supply chains. The developments are closely monitored by management.





## 5-YEAR SUMMARY TABLE

DKKm	2021	2020	2019*	2018**	2017**
<b>Statement of profit or loss</b>					
Revenue	2,286	1,770	1,162	704	308
Gross profit	203	255	142	91	53
Operating profit/(loss)	34	138	21	19	21
Net financials	-25	-11	-7	-4	-3
Profit/loss before tax	9	127	13	15	18
Net profit for the year	6	98	10	11	30
<b>Balance sheet</b>					
Total non-current assets	38	31	13	13	46
Total current assets	1,071	961	682	349	243
Total assets	1,109	992	696	362	289
Equity	201	195	104	72	66
Subordinated debt	153	0	0	0	0
Total non-current liabilities	496	46	30	7	1
Total current liabilities	412	750	562	283	222
<b>Other key figures</b>					
Average number of full-time equivalent employees	182	136	136	69	44
Investments in property, plant and equipment (DKKm)	7	4	7	6	4
<b>Ratios</b>					
Gross margin	8.9%	14.4%	12.3%	12.9%	17.1%
EBIT margin	1.5%	7.8%	1.8%	2.7%	7.0%
Profit margin	0.3%	5.6%	0.9%	1.6%	9.6%
Return on equity	3.2%	65.6%	11.8%	16.3%	44.9%
Equity ratio	18.2%	19.7%	15.0%	19.9%	22.9%

Note: \*) Figures for 2019 are based on Danish local GAAP.

\*\*\*) Figures for 2017 and 2018 are based on Danish local GAAP and non-consolidated for Milton Huse A/S. See Note 1 for definitions of ratios.



# ALTERNATIVE PERFORMANCE MEASURES



In the table below with alternative performance measures, we aim to offer an improved understanding of the development in the consolidated Group activities.

2019 reported figures for Milton Huse include the activity Menzer & Kristensen in the segment for detached houses following the acquisition. In the table below the activity Menzer & Kristensen is excluded for 2019, as Menzer & Kristensen was fully integrated on 1 January 2020. We argue this provides an improved understanding of the financial performance. The Menzer & Kristensen activity is included in the in 2020-21 figures below as in the reported figures. The difference in 2019 is; revenue DKK -192m, gross profit DKK -4m, operating profit DKK 39m, net profit DKK 32m, total assets DKK -50m, equity DKK 9m.

Furthermore, the 2017-18 reported figures are non-consolidated and represent only Milton Huse A/S, while the figures below for 2017-18 are consolidated (based on Danish local GAAP) for the Group for improved comparability and understanding of the financial performance. The difference in 2018 is; revenue DKK 3m, gross profit DKK 1m, operating profit DKK 0m, net profit DKK 0m, total assets DKK 19m, equity DKK 5m. The difference in 2017 is; revenue DKK 356m, gross profit DKK 53m, operating profit DKK 22m, net profit DKK 0m, total assets DKK 23m, equity DKK 5m.

The 2017-19 figures are hence unaudited. 2020-21 reported figures do not deviate from the figures below.

DKK m	2021	2020	2019	2018	2017
<b>Statement of profit or loss</b>					
Revenue	2,286	1,770	970	707	664
Gross profit	203	255	138	92	106
EBITDA	47	149	65	24	47
Operating profit/(loss)	34	138	60	19	43
Net financials	-25	-11	-6	-5	-5
Profit/loss before tax	9	127	54	15	38
Net profit for the year	6	98	42	11	30
<b>Balance sheet</b>					
Total non-current assets	38	31	9	12	12
Total current assets	1,071	961	638	369	300
Total assets	1,109	992	647	381	311
Equity	201	195	114	77	71
Subordinated debt	153	0	0	0	0
Total non-current liabilities	496	46	2	2	2
Total current liabilities	412	750	515	293	234
<b>Other key figures</b>					
Number of houses sold	2,122	931	842	440	367
Number of houses delivered	1,098	717	472	336	351
Average number of full-time equivalent employees	182	136	95	88	80
Investments in property, plant and equipment (DKK m)	7	4	3	6	4
<b>Ratios</b>					
Revenue growth	29.2%	82.5%	37.2%	6.5%	46.1%
Organic revenue growth	29.2%	63.3%	37.2%	6.5%	46.1%
Gross margin	8.9%	14.4%	14.2%	13.0%	16.0%
EBITDA margin	2.0%	8.4%	6.7%	3.4%	7.1%
EBIT margin	1.5%	7.8%	6.1%	2.7%	6.5%
Profit margin	0.3%	5.6%	4.4%	1.6%	4.5%
Return on equity	3.2%	65.6%	44.4%	15.4%	41.8%
Equity ratio	18.2%	19.7%	17.6%	20.2%	22.8%
Equity ratio incl. subordinated debt	32.0%	19.7%	17.6%	20.2%	22.8%
Equity ratio incl. subordinated debt and loans to affiliates	36.1%	28.7%	-	-	-

Note: See Note 1 for definitions of key figures and ratios.





# FINANCIAL STATEMENTS 2021 - CONSOLIDATED

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

DKK'000	Note	2021	2020
Revenue	4	2,286,305	1,770,015
Cost of sales		-2,083,498	-1,514,801
<b>Gross profit</b>		<b>202,807</b>	<b>255,214</b>
Staff costs	5	-124,159	-80,149
Other external expensens		-31,840	-27,273
Other operating income		0	1,069
<b>Operating profit/(loss) before depreciation and amortisation (EBITDA) before special items</b>		<b>46,808</b>	<b>148,861</b>
Special items		0	0
<b>Operating profit/(loss) before depreciation and amortisation (EBITDA) after special items</b>		<b>46,808</b>	<b>148,861</b>
Depreciation, amortisation and impairment losses	6	-12,386	-11,079
<b>Operating profit/(loss) (EBIT)</b>		<b>34,422</b>	<b>137,782</b>
Financial expenses	7	-25,046	-11,236
<b>Profit before tax</b>		<b>9,376</b>	<b>126,546</b>
Tax for the year	8	-3,004	-28,294
<b>Total comprehensive income for the year</b>		<b>6,372</b>	<b>98,252</b>



## BALANCE SHEET - CONSOLIDATED (ASSETS)

DKK'000	Note	31 Dec 2021	31 Dec 2020	01 Jan 2020
Property, plant and equipment	9	7,439	5,429	8,072
Right-of-use assets	10	27,492	23,208	27,436
Deposits (asset)		2,430	2,111	1,661
Other equity investments		250	250	250
<b>Total non-current assets</b>		<b>37,611</b>	<b>30,998</b>	<b>37,419</b>
Inventories	12	146,341	204,468	209,167
Trade receivables	13	22,004	22,270	5,676
Contract assets	14	887,536	720,209	388,584
Other receivables		8,590	5,309	3,925
Prepayments		3,856	2,745	893
Cash		2,801	5,587	73,769
<b>Total current assets</b>		<b>1,071,128</b>	<b>960,588</b>	<b>682,014</b>
<b>Total assets</b>		<b>1,108,739</b>	<b>991,586</b>	<b>719,433</b>







## BALANCE SHEET - CONSOLIDATED (LIABILITIES)

DKK'000	Note	31 Dec 2021	31 Dec 2020	01 Jan 2020
Share capital	16	2,600	2,600	2,600
Retained earnings		198,828	192,455	101,704
<b>Total equity</b>		<b>201,428</b>	<b>195,055</b>	<b>104,304</b>
Deferred tax	8	13,063	9,582	4,096
Other provisions	11	19,570	17,909	22,632
Bank loans (non-current)	17	281,813	0	0
Subordinated debt	17	152,982	0	0
Other payables (non-current)		6,958	0	0
Lease liabilities (non-current)	10	21,312	18,615	26,099
<b>Total non-current liabilities</b>		<b>495,698</b>	<b>46,106</b>	<b>52,827</b>
Bank loans (current)	17	0	408,427	252,538
Lease liabilities (current)	10	7,365	4,377	1,245
Deposits (liability)		1,588	3,917	373
Trade payables		275,982	188,575	173,923
Payables to affiliates		45,878	89,597	105,074
Current tax liability	8	9,095	21,417	2,925
Other payables		71,705	34,115	26,224
<b>Total current liabilities</b>		<b>411,613</b>	<b>750,425</b>	<b>562,302</b>
<b>Total liabilities</b>		<b>907,311</b>	<b>796,531</b>	<b>615,129</b>
<b>Total equity and liabilities</b>		<b>1,108,739</b>	<b>991,586</b>	<b>719,433</b>



## STATEMENT OF CHANGES IN EQUITY - CONSOLIDATED

DKK'000	Share capital	Retained earnings	Total
<b>2021</b>			
Balance at 1 January	2.600	192.455	195.055
<b>Total comprehensive income</b>			
Net profit/(loss) for the period	0	6.372	6.372
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>6.372</b>	<b>6.372</b>
<b>Balance at 31 December</b>	<b>2.600</b>	<b>198.828</b>	<b>201.428</b>

DKK'000	Share capital	Retained earnings	Total
<b>2020</b>			
Balance at 1 January	2.600	101.703	104.303
Effect of initially applying IFRS	0	0	0
<b>Adjusted equity at 1 January</b>	<b>2.600</b>	<b>101.703</b>	<b>104.303</b>
<b>Total comprehensive income</b>			
Net profit/(loss) for the period	0	98.252	98.252
<b>Total comprehensive income</b>	<b>0</b>	<b>98.252</b>	<b>98.252</b>
<b>Transactions with owners</b>			
Dividends	0	-7.500	-7.500
<b>Total transactions with owners</b>	<b>0</b>	<b>-7.500</b>	<b>-7.500</b>
<b>Balance at 31 December</b>	<b>2.600</b>	<b>192.455</b>	<b>195.055</b>

## CASH FLOW STATEMENT - CONSOLIDATED

DKK'000	Note	2021	2020
Operating profit/loss		34,422	137,782
Depreciation, amortisation and impairment losses		12,386	11,079
Change in provisions		1,661	-4,723
Change in working capital	15	16,300	-320,669
Financial expenses paid		-25,046	-11,236
Income taxes refunded/(paid)		-11,845	-4,316
<b>Cash flow from operating activities</b>		<b>27,878</b>	<b>-192,083</b>
Investments in property plant and equipment		-5,201	-4,439
Deposits		-319	-220
<b>Cash flow from investing activities</b>		<b>-5,520</b>	<b>-4,659</b>
Proceeds from borrowings	17	152,982	155,889
Repayment of interest-bearing liabilities	17	-126,614	0
Payment of principal portion of lease liabilities	10	-7,795	-4,352
Repayment of loans from affiliates		-43,717	-15,477
Capital increase (+) / dividend paid (-)		0	-7,500
<b>Cash flow from financing activities</b>		<b>-25,144</b>	<b>128,560</b>
<b>Change in cash and cash equivalents</b>			
Cash, 1 January		5,587	73,769
Net cash flow		-2,786	-68,182
<b>Cash 31 December</b>		<b>2,801</b>	<b>5,587</b>



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## NOTE 1 - ACCOUNTING POLICIES

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class C (large) enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRSbekendtgørelsen ") issued in accordance with the Danish Financial Statements Act ("DFSA").

### **Basis of preparation**

The financial statements are presented in Danish kroner (DKK). All amounts have been rounded to the nearest DKK thousand, unless otherwise indicated.

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

### **Basis of consolidation**

The Consolidated Financial Statements comprise the Financial Statements of Milton Huse A/S (the Parent Company) and subsidiaries which are entities controlled by Milton Huse A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

### **Principles of consolidation**

The Consolidated Financial Statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries.

The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

The line items of subsidiaries are recognised 100% in the Consolidated Financial Statements. Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Accounting policies are described in full in this note below.

## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

### First-time adoption of IFRS

The Group's financial statements have for the first time been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish requirements for the presentation of financial statements. In previous years, the financial statements of the Parent Company were prepared in accordance with the DFSA for reporting class C (large) enterprises. As a result of the transition to IFRS, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

In accordance with IFRS 1, the statement of financial position at 31 December 2021 and comparative figures for 2020 have been prepared in accordance with IFRS/IAS and IFRIC/SIC applicable at 31 December 2021. The statement of financial position at 1 January 2020 has been prepared in accordance with the same principles.

### *Changes in accounting policies*

As a result of first time adoption of IFRS, the Group has changed its accounting policies for recognition of leases. The Group has adjusted for the changes in accounting policies in the opening balance of equity at 1 January 2021.

Under DFSA, a lease was classified as a finance lease or an operating lease according to the previous IAS 17, Leases. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognised an increase of DKK 26,503 thousand 31 December 2021 (31 December 2020: DKK 20,725 thousand) of lease liabilities and DKK 27,492 thousand (31 December 2020: DKK 20,725 thousand) of right-of-use assets. Additionally, depreciation increased by DKK 7,420 thousand (2020: DKK 4,688 thousand) and finance costs increased by DKK 471 thousand (2020: DKK 419 thousand) for the year ended 31 December 2021.

### Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial income and expenses paid and income tax paid.



## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment, and financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid.

Cash comprise demand deposits in banks and cash on hand.

### Statement of profit or loss

#### *Revenue*

Revenue consists of sale of houses and land plots. Revenue comprises revenue contracts which are recognized over time and revenue contracts which are recognized at a point in time as described below. The Group 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.

Payment is typically due at the time of final delivery of the construction. The timevalue of the transaction price for contracts with a duration that exceeds 12 months is assessed insignificant and hence, an adjustment of the transaction price with regards to a financing component in the contracts with customers is not required.

#### *Revenue recognised over time*

Revenue are recognised over time according to percentage-of-completion based on input from costs recognised, as all performance obligations are fulfilled on an ongoing basis throughout the construction period.

The revenue consists of sales of houses sold on customers building sites and sales of houses sold on own building sites. For houses sold on customers building sites, sales contracts are considered to comprise of only one performance obligation, as all components are considered interrelated. For houses sold on own building sites the site and building are considered two separate performance obligations, however these are combined into one performance obligation if the contract with the customers also include significant amenities in the form of roads, pavement, and utilities for an area with multiple houses.

For detached houses the Group receives a bank guarantee in connection with the start-up of each contract, no termination option is included in the contract and Milton has no practice of terminating the contracts.

Contracts for semi-detached can typically be terminated by the buyer, in which case Milton has a legal right to payment for work performed including profit. 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.

## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

The transfer of control and recognition of revenue are determined using input methods based on costs incurred relative to total estimated costs 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 costs. If the outcome of a construction contract cannot be estimated reliably, revenue is only recognised corresponding to costs incurred and indirect production costs, if it is probable that these will be recovered.

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

### *Revenue recognised at a point in time*

Revenue is recognised in the income statement when the performance obligation is fulfilled. This is defined as the point in time when control of the completed houses or land plots (sold separately or as a separate performance obligation together with a building) is transferred to the customer, the amount of revenue can be measured reliably and collection is probable. Furthermore, revenue is only recognised when it is highly probable that a significant reversal in the revenue amount will not occur.

### *Cost of sales*

Cost of sales include costs of land plot, raw materials, consumables and other related costs as well as subcontractors incurred in generating the revenue for the year.

### *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.

### *Staff costs*

Staff costs consist of salaries, sales commissions, bonuses, pensions and social costs, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, vacation pay, and other benefits are recognised in the year in which the associated services are rendered by the employees. Contributions to defined contribution plans are recognised in the statement of profit or loss in the period to which they relate and any contributions outstanding are recognised in the statement of financial position as other liabilities.

### *Other operating income*

Other operating income and other operating expenses comprise income and expenses of a secondary nature relative to the principal activities of the Group.

### *Financial income and financial expenses*

Financial income and expenses include interest income, interest expense, amortisation of borrowing costs and realised and unrealised exchange gains and losses.

## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

### *Tax*

Tax on the profit or loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit or loss for the year is recognised in the statement of profit or loss, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity.

Current tax payable and receivable is recognised in the statement of financial position as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the statement of financial position date. Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the statement of profit or loss.

The Group is included in national joint taxation with its Parent Company, F Holding Horsens ApS. The tax charge for the year is allocated between the Danish jointly taxed companies in proportion to their taxable income, taking into account taxes paid.

### **Balance sheet**

#### *Property, plant and equipment*

Property, plant and equipment comprise other fixtures and fittings, tools and equipment and are measured at cost less accumulated depreciation and accumulated impairment losses. Other fixtures and fittings, tools and equipment are depreciated on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

- Other fixtures and fittings, tools and equipment – 3-5 years
- Leasehold improvements – 5 years, max. remaining lease period

Property, plant and equipment are tested for impairment if indications of impairment exist. Property, plant and equipment are written down to their recoverable amount, if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognised in the statement of profit or loss.



## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

### *Leases*

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the assets.

The Group leases properties which include a service element in the payments to the lessor in the form of car services and car related cost etc. This service is deducted from the lease payment when measuring the lease obligation. Where the Group cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short term leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognised in "Lease liabilities", is measured at the present value of the remaining lease payments, discounted by the Group's incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the exercise of options to extend or shorten the lease period due to a material event or material change in circumstances which are within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the statement of profit or loss.

### *Other equity investments*

Other equity investments are measured at fair value.

### *Inventories*

Inventories mainly comprises show-houses and semi-detached houses and are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, based on broker reports, observed site trades in the market and other relevant input.

## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

### *Contract assets and contract liabilities*

Contract assets, includes costs of direct materials and labour. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Contract liabilities, comprise agreed, unconditional payments received on account for work yet to be performed

### *Trade receivables*

Trade receivables are measured at amortised cost less allowance for lifetime expected credit losses.

To measure the expected credit losses, credit risk for trade receivables has been based on an individual assessment. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

The cost of allowances for expected credit losses and write-offs for trade receivables are recognised in the statement of profit or loss in other external expenses.

### *Prepayments*

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### *Bank loans*

Bank loans are measured at amortised cost.

### *Trade payables and other payables*

Trade payables include the normal vendors payments. Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Such payables are measured at cost.

### **Definitions and ratios**

*Number of houses sold:* A house is sold when the customer signs the house purchase contract and the cancellation period has ended

*Number of houses delivered:* A house is accounted for as delivered, when the Group has received the full purchase price of the house

*Gross margin:*  $\text{Gross profit} / \text{revenue} * 100$

*EBITDA margin:*  $\text{EBITDA} / \text{revenue} * 100$

*EBIT margin:*  $\text{EBIT} / \text{revenue} * 100$

*Profit margin:*  $\text{Total comprehensive income for the year after tax} / \text{revenue} * 100$

*Return on equity:*  $\text{Total comprehensive income for the year after tax} / \text{average equity} * 100$

*Equity ratio:*  $\text{Shareholders' equity} / \text{total assets}$

*Equity ratio incl. subordinated debt:*  $(\text{Shareholders' equity} + \text{subordinated debt}) / \text{total assets}$

## NOTE 2 - ADOPTION OF NEW AND AMENDED STANDARDS

The new and amended Standards and Interpretations that have been issued, but are not yet effective, up to the date of issuance of the Group's Financial Statements are not disclosed in detail, as the Group does not expect any material impact from the IFRS standards that have not been implemented. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective.

## NOTE 3 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

As part of the preparation of the financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The accounting policies are described in detail in note 1 to the financial statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements:

### **Project sale structured through a corporate wrapper (accounting judgement)**

In the semi-detached segment the revenue contracts are structured so that the construction contract is made between Milton Huse A/S and an entity (SPV) established and regulated according to agreements with the ultimate customer. The shares in the SPV are delivered to the ultimate customer at closing through a Share Purchase Agreement at closing [a Corporate wrapper]. Such a corporate wrapper structure has been raised as an issue with the International Accounting Standards board (IASB) regarding whether such a sale should be regarded as sale of a subsidiary or a sale of an asset in the entity's ordinary business. As the IASB has not yet reached a formal conclusion, diversity in practice exist and the Management has chosen to apply a policy, that best reflect the substance of the transactions and the activities performed by the Group.



## NOTE 3 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Management has deemed that contracts with the following characteristics are in scope of IFRS 15:

- The outcome that are produced is within Milton Huse's ordinary activities
- The construction contract and the Share Purchase Agreement are entered into at the same time and the construction does not begin before these contracts are signed
- The SPV contains only inventory in the form of semi-detached houses and any related income tax asset or liability at the time of closing
- Milton Huse retains no interest in the inventory or the shares transferred to the customer

For 2021 DKK 385.1 million of the revenue is from transactions structured in corporate wrappers (2020: DKK 255.7 million). If revenue were recognised at the closing time, DKK 280.1 million of this revenue would have been deferred (2020: DKK 201.6 million)

### **Judgement regarding when the performance obligation is satisfied (accounting judgement)**

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

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

### **Judgement regarding number of performance obligations (accounting judgement)**

At contract inception, management further assesses if the contract for sales of building(s), land plots, and or amenities should be treated as one or several distinct performance obligations. Complexity arises when selling bundled site and building(s), and the consequence of the accounting judgement is related to the timing of revenue recognition, especially for point in time sales. The assessment is based on an analysis of each contract on how the amenities transform the site and hence tie the site and building together. If the amenities transform the site all performance obligations are combined into one performance obligation.

### **Estimate degree of completion (accounting estimate)**

The degree of completion is based on an estimate of the total expected costs for our contracts. The estimates primarily relate to the level of contingencies to cover unforeseen costs, such as cost changes due to changes in future suppliers of raw materials and subcontractors products as well as unforeseen cost related to execution and hand-over.

The estimates are based on the specifics for each contract while taking historical data into account.

## NOTE 4 - SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

- The detached houses in Denmark segment, which comprise brick houses built on site and plot
- The semi-detached houses in Denmark segment, which comprise brick houses built on site and plots, includes both business-to-business and business-to-consumers

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision making. And for the monitoring of the operating results of the operating segments for the purpose of performance assessment. Segment performance is evaluated based on revenue and is measured consistently with revenue in the Consolidated Financial Statements.

DKK'000	Detached houses	Semi-detached houses	Non allocated	Total
<b>2021</b>				
<b>Revenue</b>				
Revenues from external customers	1,526,321	759,984	0	2,286,305
Cost of sales	-1,393,925	-689,573	0	-2,083,498
<b>Segment gross profit</b>	<b>132,396</b>	<b>70,411</b>	<b>0</b>	<b>202,807</b>
Total fixed cost			-155,999	-155,999
<b>Segment EBITDA before special items</b>			<b>-155,999</b>	<b>46,808</b>
Special items			0	0
Depreciation			-12,386	-12,386
Interest expenses			-25,046	-25,046
<b>Segment profit before tax</b>			<b>-193,431</b>	<b>9,376</b>
Tax for the year			-3,004	-3,004
<b>Segment profit after tax</b>			<b>-196,435</b>	<b>6,372</b>
<b>EBIT margin %</b>				<b>1.5%</b>



## NOTE 4 - SEGMENT INFORMATION (CONTINUED)

DKK'000	Detached houses	Semi-detached houses	Non allocated	Total
<b>2020</b>				
<b>Revenue</b>				
Revenues from external customers	1,048,401	721,614	0	1,770,015
Cost of sales	-923,872	-590,929	0	-1,514,801
<b>Segment gross profit</b>	<b>124,529</b>	<b>130,685</b>	<b>0</b>	<b>255,214</b>
Total fixed cost			-106,353	-106,353
<b>Segment EBITDA before special items</b>			<b>-106,353</b>	<b>148,861</b>
Special items			0	0
Depreciation			-11,079	-11,079
Interest expenses			-11,236	-11,236
<b>Segment profit before tax</b>			<b>-128,668</b>	<b>126,546</b>
Tax for the year			-28,294	-28,294
<b>Segment profit after tax</b>			<b>-156,962</b>	<b>98,252</b>
<b>EBIT margin %</b>				<b>7.8%</b>





## NOTE 4 - SEGMENT INFORMATION (CONTINUED)

DKK'000	Detached houses	Semi-detached houses	Non allocated	Total
<b>2021</b>				
<b>Revenue recognised over time</b>				
Sales value houses sold on customers building sites	1,330,115	52,994	0	1,383,109
Sales value houses sold on own building sites	68,081	706,990	0	775,071
Other revenue	0	0	0	0
<b>Total revenue recognised over time</b>	<b>1,398,196</b>	<b>759,984</b>	<b>0</b>	<b>2,158,180</b>
<b>Revenue recognised at a point in time</b>				
Completed houses	128,125	0	0	128,125
Sales of land plots	0	0	0	0
Other revenue	0	0	0	0
<b>Total revenue recognised at a point in time</b>	<b>128,125</b>	<b>0</b>	<b>0</b>	<b>128,125</b>
<b>Total revenue</b>	<b>1,526,321</b>	<b>759,984</b>	<b>0</b>	<b>2,286,305</b>



## NOTE 4 - SEGMENT INFORMATION (CONTINUED)

DKK'000	Detached houses	Semi-detached houses	Non allocated	Total
<b>2020</b>				
<b>Revenue recognised over time</b>				
Sales value houses sold on customers building sites	847,137	66,780	0	913,917
Sales value houses sold on own building sites	61,076	616,711	0	677,787
Other revenue	0	0	0	0
<b>Total revenue recognised over time</b>	<b>908,213</b>	<b>683,491</b>	<b>0</b>	<b>1,591,704</b>
<b>Revenue recognised at a point in time</b>				
Completed houses	140,188	0	0	140,188
Sales of land plots	0	38,123	0	38,123
Other revenue	0	0	0	0
<b>Total revenue recognised at a point in time</b>	<b>140,188</b>	<b>38,123</b>	<b>0</b>	<b>178,311</b>
<b>Total revenue</b>	<b>1,048,401</b>	<b>721,614</b>	<b>0</b>	<b>1,770,015</b>



## NOTE 5 - STAFF COSTS

DKK'000	2021	2020
Salaries	109,425	70,732
Pensions	11,428	6,564
Other social security costs	1,942	1,436
Other staff costs	1,364	1,417
<b>Total</b>	<b>124,159</b>	<b>80,149</b>
Average numbers of full-time equivalent employees during the year	182	136

### Executive Management (Key Management Personnel)

Salaries and wages	4,962	7,320
Pensions	403	96
<b>Total</b>	<b>5,365</b>	<b>7,416</b>

### Board of Directors

Salaries and wages	798	588
Pensions	0	0
<b>Total</b>	<b>798</b>	<b>588</b>

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies including terms of notice and non-competitive clauses.



## NOTE 6 - DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

DKK'000	2021	2020
Depreciation of property, plant and equipment	4,965	7,428
Loss or gain from sale of intangible assets and property, plant and equipment	0	-161
Depreciation of right-of-use assets	7,421	3,812
<b>Total</b>	<b>12,386</b>	<b>11,079</b>

## NOTE 7 - FINANCIAL EXPENSES

DKK'000	2021	2020
Interest expenses from affiliated companies	9,383	2,326
Foreign exchange losses and other adjustments	0	0
Interest on debt and borrowings	12,821	8,017
Other interest expenses	2,842	893
<b>Total</b>	<b>25,046</b>	<b>11,236</b>

Using the effective interest method for financial liabilities, total interest expense calculated is DKK 12,821 thousand (2020: DKK 8,017 thousand).





## NOTE 8 - TAX FOR THE YEAR

DKK'000	2021	2020
Current tax for the year income	-477	17,594
Changes in deferred tax	3,481	9,807
Regulation from previous years	0	893
<b>Total</b>	<b>3,004</b>	<b>28,294</b>
Tax calculated as 22% of profit/loss before tax	2,063	27,862
Non-deductible expenses	941	531
Regulation from previous years	0	0
<b>Total</b>	<b>3,004</b>	<b>28,393</b>
Effective tax rate for the year (%)	32%	22%

### Deferred tax liabilities, net

Deferred tax 1 January	9,582	4,096
Deferred tax for the year recognised in the statement of profit or loss	3,481	9,807
Other adjustments	0	-4,321
<b>Deferred tax 31 December</b>	<b>13,063</b>	<b>9,582</b>

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

Deferred tax (asset)	0	0
Deferred tax (liability)	-13,063	-9,582
<b>Total</b>	<b>-13,063</b>	<b>-9,582</b>

### Deferred tax concerns:

Contract costs	16,406	11,667
Tangible assets other than contract costs	-858	-706
Liabilities	-2,202	-1,002
Intangible assets	-283	-377
Tax loss carried forward	0	0
<b>Total</b>	<b>13,063</b>	<b>9,582</b>

## NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements
<b>2021</b>		
Cost at 1 January	25,368	8,077
Additions	3,441	3,383
Disposals	152	0
<b>Cost at 31 December</b>	<b>28,961</b>	<b>11,460</b>
Depreciation at 1 January	-22,112	-5,904
Depreciation during the year	-3,048	-1,918
<b>Depreciation at 31 December</b>	<b>-25,160</b>	<b>-7,822</b>
<b>Carrying amount at 31 December</b>	<b>3,801</b>	<b>3,638</b>
<b>2020</b>		
Cost at 1 January	24,650	6,315
Additions	2,217	1,762
Disposals	-1,499	0
<b>Cost at 31 December</b>	<b>25,368</b>	<b>8,077</b>
Depreciation at 1 January	-19,255	-3,638
Depreciation during the year	-4,125	-2,266
Disposals	1,268	0
<b>Depreciation at 31 December</b>	<b>-22,112</b>	<b>-5,904</b>
<b>Carrying amount at 31 December</b>	<b>3,256</b>	<b>2,173</b>



## NOTE 10 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

DKK'000	Buildings & Offices	Cars
<b>2021</b>		
Cost at 1 January	23,408	5,865
Adjustments and revaluations	7,061	4,644
<b>Cost at 31 December</b>	<b>30,469</b>	<b>10,509</b>
Depreciation at 1 January	3,651	2,414
Depreciation during the year	5,293	2,128
<b>Depreciations at 31 December</b>	<b>8,944</b>	<b>4,542</b>
<b>Carrying amount at 31 December</b>	<b>21,525</b>	<b>5,967</b>
<b>2020</b>		
Cost at 1 January	21,571	5,865
Adjustments and revaluations	1,837	0
<b>Cost at 31 December</b>	<b>23,408</b>	<b>5,865</b>
Depreciation at 1 January	0	1,377
Depreciation during the year	3,651	1,037
<b>Depreciations at 31 December</b>	<b>3,651</b>	<b>2,414</b>
<b>Carrying amount at 31 December</b>	<b>19,757</b>	<b>3,451</b>

Carrying amounts of lease liabilities and movements during the period:

DKK'000	2021	2020
At 1 January	22,992	27,344
Additions	12,918	0
Accrual of interest	561	419
Payments	-7,795	-4,771
<b>At 31 December</b>	<b>28,676</b>	<b>22,992</b>
<b>Non-current</b>	<b>21,312</b>	<b>18,615</b>
<b>Current</b>	<b>7,365</b>	<b>4,377</b>

## NOTE 10 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The following amounts have been recognised in the statement of profit or loss:

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Depreciation expense of right-of-use assets	-7,421	-4,688
Interest expense on lease liabilities	-562	-419
<b>Total amount recognised in the statement of profit or loss</b>	<b>-7,983</b>	<b>-5,107</b>

The Group had total a outflow for leases of DKK 7,795 thousand (2020: DKK 4,771 thousand). The Group leases offices and lease terms are negotiated on an individual basis and contain different terms and conditions. As part of COVID-19, no rent concession has been received. The applied interest rate for leases are fixed (2%).



## NOTE 11 - OTHER PROVISION

DKK'000	2021	2020
Other provisions at 1 January	17,909	22,632
Arising during the year	31,244	16,656
Utilised	-29,583	-21,379
<b>Other provisions at 31 December</b>	<b>19,570</b>	<b>17,909</b>
<i>Distributed in the balance as follows:</i>		
Non-current liabilities	19,570	17,909
Current liabilities	0	0
<b>Total</b>	<b>19,570</b>	<b>17,909</b>

No unsued amount has been reversed during the year.

Other provisions comprise 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.

## NOTE 12 - INVENTORIES

DKK'000	31 Dec 2021	31 Dec 2020	01 Jan 2020
Raw materials	9,158	6,321	6,016
Show-houses and semi-detached houses	137,183	198,147	203,151
Write-down inventories	0	0	0
<b>Total at 31 December</b>	<b>146,341</b>	<b>204,468</b>	<b>209,167</b>

During the year DKK 0 (2020: DKK 0) was recognised as an expense and DKK 0 (2020: DKK 0) as an impairment.

## NOTE 13 - TRADE RECEIVABLES

DKK'000	31 Dec 2021	31 Dec 2020	01 Jan 2020
Trade receivables	23,743	23,727	7,408
Write-downs	-1,739	-1,457	-1,732
<b>Total</b>	<b>22,004</b>	<b>22,270</b>	<b>5,676</b>

The Group receives security in the form of a bank guarantee or deposit in connection with the startup of construction contracts and there is therefore limited risk of loss on trade receivables in connection with the Group's receivable from sales activities. The Group's trade receivables consist of invoices issued shortly before delivering the house, and no key is delivered until payment is received.

The Group has no material risks relating to a single customer or business partner. The credit risk exposure relating to dealing with private counterparties is estimated to be limited.

## NOTE 14 - CONTRACT ASSETS

### Construction contracts (assets/liabilities)

Contract assets comprise the selling price of work performed where the Group does not yet have invoiced the work performed as the work performed has not yet been approved by the customer and hence billing is not allowed according to contracts. 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. The Group receives a bank guarantee in connection with the start-up of each contract for detached houses, and is entitled to payment for work performed, including profit during the project.

DKK'000	31 Dec 2021	31 Dec 2020	01 Jan 2020
Selling price of contract assets	981,667	720,209	388,584
Prepayments from customers	94,131	0	0
<b>Presented as follows:</b>			
Contract assets	887,536	720,209	388,584
Contract liabilities	0	0	0
<b>Total</b>	<b>887,536</b>	<b>720,209</b>	<b>388,584</b>

Prepayments from customers regarding construction contracts not yet started	0	0	0
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### Delivery obligations

Within one year	1,365,516	702,659	806,153
After one year	1,135,611	126,481	255,170

There are no detained payments related to contract assets.

## NOTE 15 - WORKING CAPITAL CHANGES

DKK'000	2021	2020
Changes in inventory	58,127	4,699
Change in receivables and prepayments	-171,453	-351,455
Change in trade payables and other debt etc	129,626	26,087
<b>Total</b>	<b>16,300</b>	<b>-320,669</b>

## NOTE 16 - SHARE CAPITAL

At 31 December 2021, the share capital consisted of 2,600,000 (2020: 2,600,000) shares with a nominal value of DKK 1.

The shares are not divided into classes and carry no right to fixed income.

### DKK'000

<b>Issued and fully paid-up shares:</b>	
At 1 January 2020	2,600
<b>Share capital at 31 December 2021</b>	<b>2,600</b>



## NOTE 17 - INTEREST-BEARING LIABILITIES

DKK'000	31 Dec 2021	31 Dec 2020	01 Jan 2020
<b>Borrowings</b>			
Subordinated debt*	152,982	0	0
Non-current bank loans	281,813	0	0
Current bank loans	0	408,427	252,538
<b>Total</b>	<b>434,795</b>	<b>408,427</b>	<b>252,538</b>

DKK'000	Currency	Interest type	Carrying amount
<b>2021</b>			
Subordinated debt*	DKK	Fixed	152,982
Non-current bank loans	DKK	Floating	281,813
<b>Total as of 31 December</b>			<b>434,795</b>

<b>2020</b>			
Current borrowings	DKK	Floating	408,427
<b>Total as of 31 December</b>			<b>408,427</b>

\*) The subordinated debt is raised through Milton Holding Horsens A/S and MHH NewCo ApS (intercompany). The subordinated debt is subordinated to any other payables in the Group. The subordinated debt is due during 2023. Interest will then accrue on the total amount of outstanding principal and rolled-up interest.

The fair value of the debt instrument does not differ material from the carrying amount.

### Changes in interest-bearing borrowings, incl. lease liabilities

DKK'000	2021	2020
Liabilities at 1 January	431,419	279,882
Loans raised	0	155,889
Subordinated debt raised	152,982	0
Change in lease liabilities	5,685	-4,352
Change short-time bank overdraft	0	0
Repayments including leasing	-126,614	0
Accrued interest	0	0

The Group had non-cash additions to right-of-use assets and lease liabilities of DKK 12,918 thousand in 2021 (DKK 0 thousand in 2020).

## NOTE 18 - FINANCIAL RISKS

### Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

### Financial risk management

Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks. It is Group policy to operate with a low risk profile, so that interest rate risk and credit risk only occur in commercial relationships. The scope and nature of the Group's financial instruments appear from the statement of profit or loss and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to the Group's financial instruments.

### Credit risk

Milton Huse 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 debt-or loss, as all payment rights are secured before the houses are delivered. For semi-detached projects, Milton Huse typically receives collateral of 15-20% of the agreed selling price, as Milton Huse has access to land during the construction or otherwise receives ongoing payments. It is the Group's assessment that the exposure to credit risk is low. Impairment of receivables amounted to DKK 0m in 2021 and 2020.

### Liquidity risk

Milton Huse does not receive payment until construction is finished and the house is handed over to the customer for detached houses and for certain semi-detached houses. For other semi-detached houses Milton Huse receives ongoing payments for parts of the agreed selling prices. 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 committed credit facility of DKK 473m to ensure that the Group is able to meet its obligations (2020: DKK 103m). Management considers the credit availability to be sufficient for the next 12 months. Milton Huse has in 2021 entered a committed bank credit facility for the first time.

The following table summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

## NOTE 18 - FINANCIAL RISKS (CONTINUED)

DKK'000	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	Carrying amount
<b>Year ended 31 December 2021</b>						
Interest-bearing loans and borrowings	0	0	434,795	0	<b>434,795</b>	152,982
Lease liabilities	2,136	5,659	20,650	232	<b>28,677</b>	28,677
Other payables	64,747	0	6,958	0	<b>71,705</b>	71,705
Trade payables	275,982	0	0	0	<b>275,982</b>	275,982
<b>Total non-derivative financial liabilities</b>	<b>342,865</b>	<b>5,659</b>	<b>462,403</b>	<b>232</b>	<b>811,159</b>	<b>529,346</b>
<b>Year ended 31 December 2020</b>						
Interest-bearing loans and borrowings	0	0	408,427	0	<b>408,427</b>	408,427
Lease liabilities	1,076	3,695	16,721	1,500	<b>22,992</b>	22,992
Other payables	27,235	0	6,880	0	<b>34,115</b>	34,115
Trade payables	188,575	0	0	0	<b>188,575</b>	188,575
<b>Total non-derivative financial liabilities</b>	<b>216,886</b>	<b>3,695</b>	<b>432,028</b>	<b>1,500</b>	<b>654,109</b>	<b>654,109</b>
<b>Year started 01 January 2020</b>						
Interest-bearing loans and borrowings	0	0	252,538	0	<b>252,538</b>	252,538
Lease liabilities	311	934	26,099	0	<b>27,344</b>	27,344
Other payables	26,224	0	0	0	<b>26,224</b>	26,224
Trade payables	173,923	0	0	0	<b>173,923</b>	173,923
<b>Total non-derivative financial liabilities</b>	<b>200,458</b>	<b>934</b>	<b>278,637</b>	<b>0</b>	<b>480,029</b>	<b>480,029</b>

### Interest rate risk

Interest rate risk arises in relation to interest-bearing assets and liabilities. The Group's interest-bearing debt to credit institutions of DKK 282m at 31 December 2021 is subject to a floating rate of interest. If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions at year-end 2021 would lead to a yearly increase in interest expenses of DKK 2.8m before tax. A corresponding decrease in market interest rates would have the opposite impact. Milton Huse has fixed the interest rate for borrowings on its committed credit facility of up to DKK 300m for the entire 2022.

## NOTE 18 - FINANCIAL RISKS (CONTINUED)

### Categories of financial assets and financial liabilities measured at amortised cost

DKK'000	31 Dec 2021	31 Dec 2020	01 Jan 2020
Deposits (asset)	2,430	2,111	1,661
Receivables	22,004	22,270	5,676
Other equity investments	250	250	250
Cash	2,801	5,587	73,769
<b>Total assets</b>	<b>27,485</b>	<b>30,218</b>	<b>81,356</b>
Bank loans, non-current	-281,813	0	0
Subordinated debt	-152,982	0	0
Bank loans, current	0	-408,427	-252,538
Lease liabilities	-28,677	-22,992	-27,344
Deposits (liability)	-1,588	-3,917	-373
Trade payables	-275,982	-188,575	-173,923
Payables to affiliated companies	-45,878	-89,597	-105,074
Other payables	-71,705	-34,115	-26,224
<b>Total liabilities</b>	<b>-858,625</b>	<b>-747,623</b>	<b>-585,476</b>
<b>Total, net</b>	<b>-831,140</b>	<b>-717,405</b>	<b>-504,120</b>

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.



## NOTE 19 - GUARANTEES, CONTINGENT LIABILITIES AND COLLATERAL

### Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement where F Holding Horsens ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Group is involved in disputes. Management expects no material negative consequences for the group companies.

### Collateral

Milton Huse A/S has issued a letter of indemnity with a corporate mortgage of nominal DKK 10m as collateral for the interest-bearing liability with the bank. The indemnity letter covers intangible and tangible assets, inventories and trade receivables, which carrying amount, per 31 December 2021, is DKK 66m (31 December 2020: DKK 57m).

As collateral for bank debt in Milton Huse A/S, Milton Huse has provided a mortgage deed of DKK 95m with a carrying amount at 31 December 2021 that amounts to DKK 133m. The bank debt amounts to DKK 279m at 31 December 2021.

## NOTE 20 - RELATED PARTIES

### Ownership structure

Shareholders (Companies)	Address	Registered office	Basis of influence
F Holding Horsens ApS	Plutovej 1, 8700 Horsens	Denmark	*) See below
- MHH NewCo ApS	Plutovej 1, 8700 Horsens	Denmark	100%
- Milton Holding Horsens A/S	Plutovej 1, 8700 Horsens	Denmark	100%
- Milton Huse A/S	Plutovej 1, 8700 Horsens	Denmark	100%

\*) F Holding Horsens ApS is fully owned by the individuals; Erik Rehnquist, Christina Rehnquist and Søren Rehnquist.

The immediate parent company is Milton Holding Horsens A/S; the ultimate parent company is F Holding Horsens ApS.

### Transactions with related parties:

DKK'000	2021	2020
Transactions:		
Sales of property and other assets	73,200	66,000
Purchase of goods and services	-22,000	-2,900
Sales of goods and services	1,000	750
Interest paid to affiliates	-1,210	-2,145
Year end balance:		
Subordinated debt	-152,982	0
Payables to affiliates	-45,878	-89,597

### Other related parties

Other related parties of Milton Huse A/S with a significant influence comprise the Board of Directors and the Executive Management and their related parties. Remuneration is disclosed in note 5. There were no other related parties identified and no other transactions either in 2021 nor 2020.

## NOTE 21 - LIST OF GROUP COMPANIES

Name	Registered office	Equity interest
Skovmårvej, Hinnerup ApS	Horsens, Denmark	100%
Svinholtvej, Vejle I A/S	Horsens, Denmark	100%
SKR ApS	Horsens, Denmark	100%
Snærildgaard Etape 1 ApS	Horsens, Denmark	100%
Snærildgaard 2018 ApS	Horsens, Denmark	100%
Abelonelundvej Etape 1 ApS	Horsens, Denmark	100%
Abelonelundvej Etape 2 ApS	Horsens, Denmark	100%
Udviklingselskabet Gl. Færgevej ApS	Horsens, Denmark	100%
Vonsild Område IV ApS	Horsens, Denmark	100%
Møllevej 91 ApS	Horsens, Denmark	100%
Græsmarken Jerlev ApS	Horsens, Denmark	100%
Bregnhovedvej Give ApS	Horsens, Denmark	100%
Fore Merianhaven ApS	Horsens, Denmark	100%

## NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

From the statement of financial position date and until today, no further matters, which would influence the evaluation of the financial statements have occurred. Refer to page 15 in the management review section for further details.

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2022.

# FINANCIAL STATEMENTS - PARENT COMPANY

- 56** STATEMENT OF PROFIT OR  
LOSS - PARENT COMPANY
- 57** BALANCE SHEET  
- PARENT COMPANY (ASSETS)
- 58** BALANCE SHEET  
- PARENT COMPANY (LIABILITIES)
- 59** STATEMENT OF CHANGES IN  
EQUITY - PARENT COMPANY



## STATEMENT OF PROFIT OR LOSS - PARENT COMPANY

DKK'000	Note	2021	2020
Revenue	2	2,220,053	1,770,015
Cost of sales		-2,018,284	-1,511,699
<b>Gross profit</b>		<b>201,769</b>	<b>258,316</b>
Staff costs	3	-124,159	-80,132
Other external expensens		-32,437	-29,128
Other operating income		832	1,069
<b>Operating profit/(loss) before depreciation and amortisation (EBITDA)</b>		<b>46,004</b>	<b>150,125</b>
Depreciation, amortisation and impairment losses	4	-12,386	-11,079
<b>Operating profit/(loss) (EBIT)</b>		<b>33,618</b>	<b>139,047</b>
Income from investment in affiliated companies		-140	-1,647
Financial income	5	836	0
Financial expenses	6	-24,938	-10,756
<b>Profit before tax</b>		<b>9,376</b>	<b>126,644</b>
Tax for the year	7	-3,004	-28,393
<b>Profit for the year</b>	8	<b>6,372</b>	<b>98,251</b>



## BALANCE SHEET - PARENT COMPANY (ASSETS)

DKK'000	Note	31 Dec 2021	31 Dec 2020
Other fixtures and equipment	9	3,801	4,224
Right of use assets	9	27,492	23,208
Leasehold improvements	9	3,638	2,173
<b>Tangible assets</b>		<b>34,931</b>	<b>29,605</b>
Investment in subsidiaries		81,413	35,651
Deposits (asset)		2,430	2,111
Other equity investments		250	250
<b>Financial assets</b>	<b>10</b>	<b>84,094</b>	<b>38,012</b>
<b>Total non-current assets</b>		<b>119,024</b>	<b>67,617</b>
Raw materials		9,158	6,321
Assets held for sale		142,122	185,935
Prepayments of goods		0	5,000
<b>Inventories</b>		<b>151,280</b>	<b>197,256</b>
Trade receivables		22,004	22,270
Work in progress	11	779,710	640,147
Receivables from affiliated companies		36,482	42,699
Other receivables		8,027	5,304
Prepayments	12	3,850	2,745
<b>Receivables</b>		<b>850,074</b>	<b>713,166</b>
Cash		954	4,598
<b>Total current assets</b>		<b>1,002,309</b>	<b>915,020</b>
<b>Total assets</b>		<b>1,121,333</b>	<b>982,637</b>

## BALANCE SHEET - PARENT COMPANY (LIABILITIES)

DKK'000	Note	31 Dec 2021	31 Dec 2020
Share capital		2,600	2,600
Retained earnings		198,829	192,455
<b>Total equity</b>		<b>201,429</b>	<b>195,055</b>
Deferred tax	13	13,207	12,921
Other provisions	14	19,570	17,909
<b>Provisions</b>		<b>32,777</b>	<b>30,830</b>
Lease liabilities (non-current)		21,312	19,583
Bank loans (non-current)		281,813	0
Subordinated debt		152,982	0
Other payables (non-current)		6,958	0
<b>Total non-current liabilities</b>	<b>15</b>	<b>463,065</b>	<b>19,583</b>
Current portion of non-current liabilities other than provisions	15	0	0
Bank loans (current)		0	401,688
Deposits (liability)		1,588	3,917
Trade payables		281,982	188,576
Lease liabilities		7,365	4,377
Payable to affiliated companies		61,112	89,661
Current tax liability		2,647	17,693
Other payables		69,369	31,257
<b>Total current liabilities</b>		<b>424,063</b>	<b>737,168</b>
<b>Total liabilities</b>		<b>887,128</b>	<b>756,751</b>
<b>Total equity and liabilities</b>		<b>1,121,333</b>	<b>982,637</b>



## STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

DKK'000	Share capital	Retained earnings	Total
<b>2021</b>			
Equity beginning of year	2,600	192,455	195,055
Profit/loss for the year		6,372	6,372
Equity end of year	2,600	198,829	201,429



## NOTES - PARENT COMPANY

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## NOTE 1 - ACCOUNTING POLICIES

The separate Parent Company Financial Statements have been incorporated in the Annual Report because a separate set of financial statements is required for the Parent Company under DFSA requirements for annual reports of reporting class C (large) enterprises. The Company is required to apply the requirements for reporting class C (large) enterprises in accordance with DFSA. Unless stated below the accounting principles are the same as the ones applied in the group financial statement.

Referring to section 86(4) of DFSA, no cash flow statement has been prepared.

As a consequence of implementation of IFRS in the Consolidated Financial Statements, Management has decided to align the accounting policies applied to the Parent Company Financial Statements as well. Other than the described changes, the accounting policies applied are consistent with those applied in previous years.

### **Change in accounting policies**

#### *Leases*

The Parent Company has decided to change its accounting policy for recognition of leases.

To better achieve a true and fair view of the Parent Company's financial position and results, leases are recognised in accordance with the accounting principles of the International Financial Reporting Standard IFRS 16 "Leases", effective 1 January 2020. IFRS 16 does not distinguish between operating leases and finance leases but requires the recognition of a lease asset (right-of-use asset) and a lease liability when entering into leases, except for leases with a lease term ending within 12 months (short-term leases) and contracts to lease assets of low value.

### **Monetary effect of changes in accounting policies**

The change in accounting policies lead to a reduction in other external expenses by DKK 6,331 thousand (2020: DKK 7,267 thousand), an increase in depreciation by DKK 6,331 thousand (2020: DKK 7,267 thousand), and an increase in interest expenses by DKK 472 thousand (2020: DKK 343 thousand). The total effect of the change in accounting policies amounts to a reduction in results for the year before tax of DKK 1.309 thousand (2020: DKK 0 thousand). Tax for the year as a result of the change in accounting policies, consisting of an adjustment of deferred tax, amounts to DKK 288 thousand (2020: DKK 0 thousand), after which results for the year after tax are reduced by DKK 1,021 thousand (2020: DKK 0 thousand). The statement of financial position total is increased by DKK 26,503 thousand (2020: DKK 20,725 thousand) while equity is reduced by DKK 1,021 thousand (2020: DKK 0 thousand) at 31 December 2021.



## NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

### *Investments in subsidiaries*

The Company's investments in subsidiaries, including corporate wrappers, 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.

The statement of profit or loss reflects the Company's share of the results of operations of the subsidiary. 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 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.

To align with the IFRS group presentation, the company has in 2021 changed the presentation of profit and loss from a function of expense-divided income statement to a nature of expense-divided income statement. Furthermore, the balance sheet has been prepared in accordance to an IFRS-presentation as an addition in accordance to DFSA.



## NOTE 2 - REVENUE

DKK'000	Detached houses	Semi-detached houses	Non allocated	Total
<b>2021</b>				
Revenues from external customers	1,526,321	693,732	0	2,220,053
<b>2020</b>				
Revenues from external customers	1,048,401	721,614	0	1,770,015

## NOTE 3 - STAFF COSTS

DKK'000	2021	2020
Salaries	109,425	70,715
Pensions	11,428	6,563
Other social security costs	1,942	1,438
Other staff costs	1,364	1,416
<b>Total</b>	<b>124,159</b>	<b>80,132</b>
<hr/>		
Average numbers of full-time equivalent employees during the year	182	136

### Executive Management (Key Management Personnel)

Salaries and wages	4,962	7,320
Pensions	403	96
<b>Total</b>	<b>5,365</b>	<b>7,416</b>

### Board of Directors

Salaries and wages	798	588
Pensions	0	0
<b>Total</b>	<b>798</b>	<b>588</b>

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies including terms of notice and non-competitive clauses.



## NOTE 4 - DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

DKK'000	2021	2020
Depreciation of intangible assets	0	0
Depreciation of property, plant and equipment	4,966	6,552
Loss or gain from sale of intangible assets and property, plant and equipment	0	-161
Depreciation of right-of-use assets	7,420	4,688
<b>Total</b>	<b>12,386</b>	<b>11,079</b>

## NOTE 5 - FINANCIAL INCOME

DKK'000	2021	2020
Financial income from affiliated companies	836	0
<b>Profit/loss for the year</b>	<b>836</b>	<b>0</b>

## NOTE 6 - FINANCIAL EXPENSES

DKK'000	2021	2020
Financial expenses from affiliated companies	9,383	2,326
Other interest expenses	2,194	954
Interes on debts and borrowings	12,713	7,118
Other financial expenses	648	358
<b>Profit/loss for the year</b>	<b>24,938</b>	<b>10,756</b>



## NOTE 7 - TAX

DKK'000	2021	2020
Current tax	2,718	17,693
Changes in deferred tax	286	9,807
Adjustments prior year	0	893
<b>Profit/loss for the year</b>	<b>3,004</b>	<b>28,393</b>

## NOTE 8 - PROPOSED DISTRIBUTION OF PROFIT AND LOSS

DKK'000	2021	2020
Dividend	0	0
Retained earnings	6,372	98,251
<b>Profit/loss for the year</b>	<b>6,372</b>	<b>98,251</b>

## NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Right of use assets
<b>2021</b>			
Cost at 1 January	25,817	7,996	21,994
Additions	3,440	3,382	12,918
Disposals	0	0	0
<b>Cost at 31 December</b>	<b>29,257</b>	<b>11,378</b>	<b>34,912</b>
Depreciation at 1 January	-22,409	-5,822	0
Depreciation during the year	-3,047	-1,918	-7,420
Disposals	0	0	0
<b>Depreciation at 31 December</b>	<b>-25,456</b>	<b>-7,740</b>	<b>-7,420</b>
<b>Carrying amount at 31 December</b>	<b>3,801</b>	<b>3,638</b>	<b>27,492</b>

## NOTE 10 - FINANCIAL ASSETS

DKK'000	Investment in affiliated companies	Other equity investments	Deposits
<b>2021</b>			
Cost at 1 January	37,577	250	2,111
Additions	57,313	0	498
Disposals	-10,245	0	-179
<b>Cost at 31 December</b>	<b>84,645</b>	<b>250</b>	<b>2,430</b>
Depreciation at 1 January	-1,926	0	0
Share of profit/loss for the year	23,939	0	0
Other adjustments	-25,891	0	0
Disposal	646	0	0
<b>Depreciations at 31 December</b>	<b>-3,232</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>81,413</b>	<b>250</b>	<b>2,430</b>

## NOTE 11 - WORK IN PROGRESS

DKK'000	2021	2020
Work in progress	779,710	640,147
<b>Cost at 31 December</b>	<b>779,710</b>	<b>640,147</b>

## NOTE 12 - PREPAYMENTS

Prepayments comprise incurred costs for rent and insurance, relating to subsequent financial years. Prepayments are measured at cost.



## NOTE 13 - DEFERRED TAX

<b>Changes during the year</b>		
Beginning of the year	12,921	3,114
Recognised in the statement of profit and loss	286	9,807
<b>End of year</b>	<b>13,207</b>	<b>12,921</b>

## NOTE 14 - OTHER PROVISIONS

Other provisions comprise provision for guarantees on construction contract and provisions for restructuring costs etc. See Note 11 in the consolidated financial statements for further details.

## NOTE 15 - NON-CURRENT LIABILITIES

DKK'000	Less than 1 year 2021	Less than 1 year 2020	More than 1 year 2021	Total
<b>Year ended 31 December 2021</b>				
Bank loans (non-current)	0	0	281,813	281,813
Subordinated debt*	0	0	152,982	152,982
Lease liabilities	7,365	4,377	21,312	28,677
Other payables	0	6,880	6,957	6,957
<b>Total</b>	<b>7,365</b>	<b>11,257</b>	<b>463,064</b>	<b>481,686</b>

\*) The subordinated debt is raised through Milton Holding Horsens A/S and MHH NewCo ApS (inter-company). The subordinated debt is subordinated to any other payables in the Group. The subordinated debt is due during 2023. Interest will then accrue on the total amount of outstanding principal and rolled-up interest.

The fair value of the debt instrument does not differ material from the carrying amount.

## NOTE 16 - GUARANTEES, CONTINGENT LIABILITIES AND COLLATERAL

### Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement where F Holding Horsens ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Company has entered into agreements regarding purchase of land. The agreements are conditional to detailed agreed terms. If the terms are fulfilled the contingent liability, as of 31 December 2021, amounts to DKK 3,996 thousand.

The Group is involved in disputes. Management expects no material negative consequences for the group companies.

### Collateral

Milton Huse A/S has issued a letter of indemnity with a corporate mortgage of nominal DKK 10m as security for the interest-bearing liability with the bank. The indemnity letter covers intangible and tangible assets, inventories and trade receivables, which carrying amount, per 31 December 2021, is DKK 66m (31 December 2020: DKK 57m).

As security for bank debt in Milton Huse A/S is mortgaged DKK 95m with a carrying amount at 31 December 2021 amounts to DKK 133m. The bank debt amounts to DKK 279m at 31 December 2021.



## NOTE 17 - RELATED PARTIES

### Related parties with controlling interest

Milton Holding Horsens A/S, owns the majority of the shares within the Company, thus having controlling influence thereon. The ultimate owner is F Holding Horsens ApS. The ownership structure is:

Company	Address	Country	Ownership
F Holding Horsens ApS	Plutovej 1, 8700 Horsens	Denmark	*) See below
- MHH NewCo ApS	Plutovej 1, 8700 Horsens	Denmark	100%
- Milton Holding Horsens A/S	Plutovej 1, 8700 Horsens	Denmark	100%
- Milton Huse A/S	Plutovej 1, 8700 Horsens	Denmark	100%

\*) F Holding Horsens ApS is fully owned by the individuals; Erik Rehnquist, Christina Rehnquist and Søren Rehnquist.

### Related parties (subsidiaries)

Name	Registered office	Equity interest
Skovmårvej, Hinnerup ApS	Horsens, Denmark	100%
Svinholtvej, Vejle I A/S	Horsens, Denmark	100%
SKR ApS	Horsens, Denmark	100%
Snæildgaard Etape 1 ApS	Horsens, Denmark	100%
Snæildgaard 2018 ApS	Horsens, Denmark	100%
Abelonelundvej Etape 1 ApS	Horsens, Denmark	100%
Abelonelundvej Etape 2 ApS	Horsens, Denmark	100%
Udviklingselskabet Gl. Færgevej ApS	Horsens, Denmark	100%
Vonsild Område IV ApS	Horsens, Denmark	100%
Møllevvej 91 ApS	Horsens, Denmark	100%
Græsmarken Jerlev ApS	Horsens, Denmark	100%
Bregnhovedvej Give ApS	Horsens, Denmark	100%
Fore Merianhaven ApS	Horsens, Denmark	100%

### Related party transactions

The annual report only discloses transactions with related parties that have not been carried out on market terms.

No such transactions were completed during the financial year



# STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT ON THE 2021 ANNUAL REPORT

The Board of Directors and the Executive Management have today considered and approved the annual report of Milton Huse A/S for 2021.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU. The parent financial statements are presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at as well as of the results of their operations and Group's cash flows for 2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Horsens, 27 April 2022

## Executive Management:

  
**Erik Rehnquist**  
CEO

  
**Lars Arenfeldt Jensen**  
COO

  
**Michael Hvid**  
CFO

## Board of Directors:

  
**Kåre Stolt**  
Chairman

  
**Axel Ulrik Henriques**

  
**Christina Rehnquist**

  
**Søren Rehnquist**

  
**Erik Rehnquist**

  
**Lars Arenfeldt Jensen**



# INDEPENDENT AUDITOR'S REPORTS

## To the shareholders of Milton Huse A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Milton Huse for the financial year 2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated 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, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2021, and of the results of its operations and cash flows for the financial year 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2021, and of the results of its operations for the financial year 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those

standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on the management commentary

Management is responsible for the management commentary.

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

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



## INDEPENDENT AUDITOR'S REPORTS (CONTINUED)

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

### **Management's responsibilities for the consolidated financial statements and the parent financial statements**

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements

unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

## INDEPENDENT AUDITOR'S REPORTS (CONTINUED)

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Aarhus, 27 April 2022

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR-no 33963556

### **Jacob Tækker Nørgaard**

Statsautoriseret revisor  
mne40049



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