Co-creating the homes
of tomorrow — today

Annual report 2023

HusCompagniet

Our purpose

Co-creating the homes of tomorrow – today

In 2023, Tina and Jens built a house equipped with renewable energy solutions. With a combination of solar panels and an air-to-water heat pump they now have a home with low energy consumption, something that was on their wish list when they first started their journey with HusCompagniet. "For us, choosing renewable energy sources for our new home was an obvious choice. They work flawlessly and at the same time they give us a very a high level of comfort," the couple emphasises. Their house is situated north of Copenhagen.

Content

Letters from Management

Read letters from our Chairperson Claus V. Hemmingsen and our CEO Martin Ravn-Nielsen.

The management has taken solid action to address the market downturn and has observed extra careful financial discipline to ensure stability and enable the company to pursue its strategic priorities.

→ Page 8

Sustainability

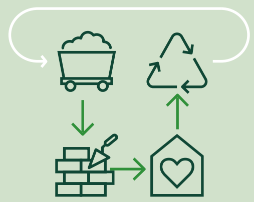
Sustainability is an integral part of our strategy, and we consistently pursue our ambitions of operating a responsible business, safeguarding the work environment for our people, and playing an active part in reducing climate change.

→ Page 31

Updated life-cycle assessment of our standard house

In 2023, we have, once again, updated the climate calculation of our standard house with the newest products and data to get an updated status on the achievement of our targets.

→ Page 42



Overview

At a glance

HusCompagniet a leading Nordic single-family housebuilder

HusCompagniet is a leading provider of detached houses in Denmark. We also facilitate semi-detached houses to both private consumers and professional investors. In 2022 we started offering prefabricated wood-framed houses to the semi-detached segment via our newly acquired factory in Esbjerg, HusCompagniet Production. We also have a presence in Sweden where we produce prefabricated wood-framed houses through our VårgårdaHus brand.

The Group operates an asset-light and flexible delivery model with on-site building, primarily on customer-owned land. The construction is outsourced to subcontractors, and visibility of the order book enables a flexible cost base.

HusCompagniet has nine offices with showrooms and 46 show houses throughout Denmark and Sweden. In addition, we offer digital sales through our online platform “HusOnline”.

2010
HusCompagniet brand established

395
employees

9
office locations in Denmark and Sweden

28,500
houses built since establishment, trailing 40 years back

Our purpose

Co-creating the homes of tomorrow – today

Our segments

Detached
Read more
On page 13

Semi-detached
Read more
On page 14

Sweden
Read more
On page 15

Performance Highlights

Revenue (DKK)

Segment split

71%
Detached
(2022: 79%)

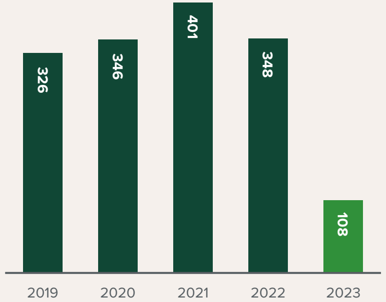
18%
Semi-detached*
(2022: 13%)**

11%
Sweden
(2022: 8%)

Revenue and EBITDA are adjusted for discontinued operations in 2019. Discontinued operations comprise Germany and the Swedish brick house activity closed in September 2020. **Semi-detached revenue split 2022 is annualised for HC Production.

EBITDA before special items

(DKKm)



108m
(2022: 348m)
EBITDA before special items (DKK)

4.5%
(2022: 8.0%)
EBITDA bsi margin

229m
(2022: 152m)
Free cash flow (DKK)

4.8/5.0
(2022: 4.7/5.0)
Based on more than
5,000 reviews on Trustpilot

1,054
houses built in 2023
(2022: 2,003)

851
houses sold in 2023
(2022: 957)

Sustainability Highlights

Environment

Climate - building materials

70%

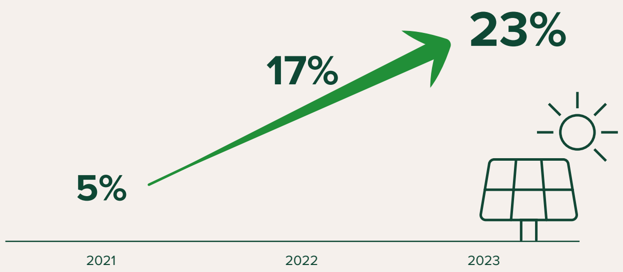
of houses for which climate calculations were made in 2023 are in the voluntary low emissions class (under 8 kg CO_2 e/ m^2/year)

Climate - Customer use phase

60%

of houses built in 2023 have an energy performance that is at least 10% better than NZEB (Nearly zero-energy building)

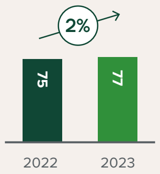
Proportion of customers in detached segment choosing solar panels (Denmark)



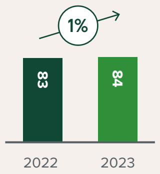
Social

Employee well-being

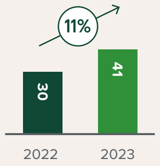
Satisfaction score (%)



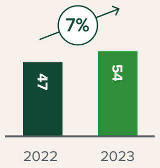
Loyalty score (%)



eNPS (%)
(employee Net Promoter Score)

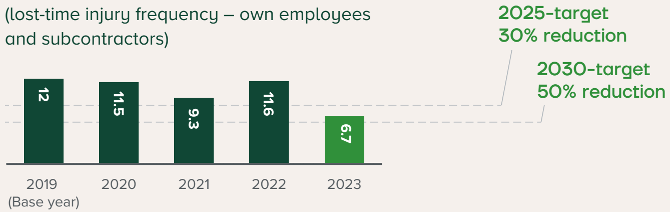


mNPS (%)
(manager Net Promoter Score)



Health and Safety

LTIf Total
(lost-time injury frequency – own employees and subcontractors)



Letter from the Chairperson

Navigating uncertainty and preparing for market recovery

2023 was another extremely challenging year in the housebuilding market. Uncertainty persisted throughout the year, and the tough market conditions became the new normal.

The pessimistic consumer sentiment entailed a continuation of the depressed demand for new houses, however, we benefited from the diligence and decisiveness displayed in 2022 when we adjusted our organisation and business to the adverse market. On this bleak backdrop, we were pleased to deliver performance in line with expectations in 2023. Moreover, our organisation remains tuned in to the growth opportunities expected to materialise in the coming years.

Strong support from investors

In the wake of the macroeconomic turmoil and ensuing industry volatility, we reviewed the financing and capital structure of HusCompagniet in the first half of the year and consequently decided to issue new shares securing gross proceeds of DKK 207 million. At the same time, we entered into new loan agreements to establish long-term financing towards 2028 and support the future development of our business.

We were very pleased to receive strong support from both existing and new investors during the turbulent market developments, and we enjoyed great cooperation with our banks throughout the process of refinancing our former loan agreements. The constructive dialogue with investors and lenders during the year has underlined the positive perception of HusCompagniet and highlighted the strength of our robust and flexible business model in uncertain times.

We are very thankful of the support from our stakeholders, and we will continue to carry out select strategic investments and develop our commercial initiatives enabling us to deliver on the expectations to a market leader like HusCompagniet. While we are maintaining strict financial discipline and are not proposing any dividend payments in 2024, we certainly look forward to be able to do so again as soon as possible.

The course is set

As we focus on the years ahead, the strategic direction is set and has proven its resilience in a difficult period. We will continue this track, carefully tweaking our approach and offering to continuously improve competitiveness and build a stronger foundation for sustainable and profitable growth.

While navigating the rough waters of today, we are preparing for the recovery of tomorrow with new initiatives to clearly differentiate HusCompagniet from competitors, provide best-in-class digital solutions and support – and further accelerate the offering of sustainable designs and construction processes, as well as green energy solutions. We are fully committed to further ascertain ourselves as the leading housebuilder in Denmark.

We are deeply grateful to our dedicated colleagues in HusCompagniet and the skilled teams of suppliers and subcontractors supporting us every day as they are instrumental to the realisation of our customer's dreams and our ambitions as we co-create the homes of tomorrow – today.

Claus V. Hemmingsen
Chairperson of the Board

Letter from the CEO

Maintaining focus and delivering on our promises

We faced significant challenges in 2023 in the wake of a dramatic shift in market sentiments and a deep reduction in our order book. I am proud of the tenacity displayed by our colleagues enabling us to report financial results in line with our guidance. Even though demand contracted significantly and drove a 47% decline in deliveries, we managed to generate revenue of DKK 2.4 billion and EBITDA of DKK 108 million. It is safe to say that we have proven our ability to adjust our business duly in difficult times.

While we saw small signs of recovery in consumer confidence in early 2023, the tides unfortunately turned and resulted in a continued stagnating demand for new houses in the second half of the year. Uncertainty rose among increasingly cautious consumers on the back of higher interest rates, changes to the Danish real estate tax system as well as continued and intensified geopolitical turmoil.

Staying focused

In this challenging environment, we maintained our sharp focus on ensuring a high level of customer satisfaction – and we were proud to elevate our industry-leading Trustpilot score further to 4.8 of 5.0. We remain committed to ensuring high customer satisfaction and are pleased that we continue to set the standard for sustainable house building and striving to deliver on this crucial metric in the future.

Stellar Trustpilot reviews, significantly improved net promoter scores received from our customers, and the strong investor support are all clear votes of confidence for HusCompagniet and our business model. With this in mind, we are confident that we are on track and well-positioned in a challenged market where trust, quality, and scale are key to ensure continued competitiveness.

Strong concepts and partnerships

We are stepping up our efforts to win market shares, strengthen our position across segments, and further improve performance when the tides turn again and demand for new houses rebounds. This year, we will take important steps to stand out from the competition in the detached market in Denmark by introducing clearly defined ready-made, custom-made, and tailor-made concepts to cater for the specific demands of relevant customer segments, while developing our market-leading digital tools.

Simultaneously, we aim to strengthen and form close partnerships with professional investors to reap the benefits of early involvement, alignment of interests, and long-term collaboration, which builds trust and creates value for all involved parties. In November, we announced a turn-key contract with leading Nordic property developers NREP for the development and construction of 164 semi-detached DGNB gold-certified houses under the modern housing concept ‘Plushusene’. The project is a nice fit with our ambitions in the professional segment, which we will continue to pursue. In early 2024, we cut first sod in a 52-unit project for PFA announced in 2023. Such projects and our efforts to strengthen HusCompagniet’s position towards professional investors are strongly supported by the capability of our own production facilities, providing a crucial competitive edge and adding to our sustainability profile.

Looking ahead

Near-term visibility remains limited as macroeconomic uncertainty persists and slow sales throughout 2023 will dampen activity in 2024. We will continue our targeted investments and strategic initiatives to deliver on our promises, and strongly supported by the dedicated efforts from our great employees we will strive to maintain a solid performance.

Martin Ravn-Nielsen
Chief Executive Officer

Consolidated key figures

DKKm	2023	2022	2021	2020	2019
Income statement					
Revenue	2,381	4,330	4,315	3,598	3,496
Gross profit	517	837	875	756	716
Operating profit before depreciation and amortisation EBITDA) before special items*	108	348	401	346	326
Special items	0	-32	0	-79	-17
Operating profit before depreciation and amortisation EBITDA) after special items*	108	316	401	268	309
Operating profit (EBIT) before special items*	62	300	355	299	288
Operating profit (EBIT)*	62	268	355	220	271
Financials, net	-39	-27	-20	-45	-51
Profit for the year (continued operations)	17	190	265	159	168
Profit for the year (discontinued operations)*****	-3	-20	0	-66	-168
Profit for the year	15	170	265	92	0
Balance sheet					
Total assets	3,264	3,572	3,578	3,408	4,528
Contract assets, net	262	626	725	445	676
Net working capital	316	526	517	433	412
Net interest bearing debt (NIBD)	356	768	713	697	832
Equity	2,098	1,881	1,885	1,857	1,777
Cash flow					
Cash flow from operating activities	249	268	258	141	134
Cash flow from investing activities	-20	-117	-22	-31	-43
- Hereof from investment in property, plant and equipment	-10	-22	-11	-20	-15
Cash flow from financing activities	-9	-192	-261	-152	-115
Free cash flow	229	152	237	110	91

***** 2022 loss is mainly due to currency loss related to intercompany loan

DKKm	2023	2022	2021	2020	2019
Key figures					
Revenue growth	-45.0%	0.3%	19.9%	2.9%	13.0%
Gross margin**	21.7%	19.3%	20.3%	21.0%	20.5%
EBITDA margin before special items**	4.5%	8.0%	9.3%	9.6%	9.3%
EBITDA margin after special items**	4.6%	7.3%	9.3%	7.4%	8.8%
EBIT margin**	2.6%	6.2%	8.2%	6.1%	7.7%
Earnings Per Share (EPS Basic), DKK ***	0.7	9.4	13.7	8.0	8.0
Diluted earnings per share (EPS-D) (DKK)***	0.7	9.4	13.7	8.0	8.0
Dividend per share, DKK	0	0	7.35	3.0	n.a.
Share price end of year	46.5	41.0	118.4	125.0	n.a.
Market value (bn)	1.0	0.7	2.4	2.5	n.a.
ROIC	2.5%	9.8%	13.2%	8.4%	n.a.
ROIC (Adjusted for goodwill)	12.2%	37.1%	53.4%	37.1%	n.a.
NIBD/EBITDA before special items ratio	3.3	2.2	1.8	2.0	2.5
Average number of employees****	395	518	455	452	436
ESG key figures					
CO_2-e/m² delivered (Scope 1+2) - market-based	33	23	18	20	21
CO_2-e/m² delivered (Scope 1+2) - location-based	14	9	8	10	13
Direct CO_2-e emissions (Scope 1)	402	761	772	776	878
LTIf	6,7	11.6	9.3	11.4	12
Sick leave	4.7%	1.9%	3.5%	2.8%	2.2%
Percentage female managers	30%	40%	21%	20%	20%
Number of female board members	2/6	2/6	2/6	2/6	1/6

Revenue and EBITDA are adjusted for discontinued operations in 2019. Discontinued operations comprise Germany and the Swedish brick house activity closed down in September 2020.

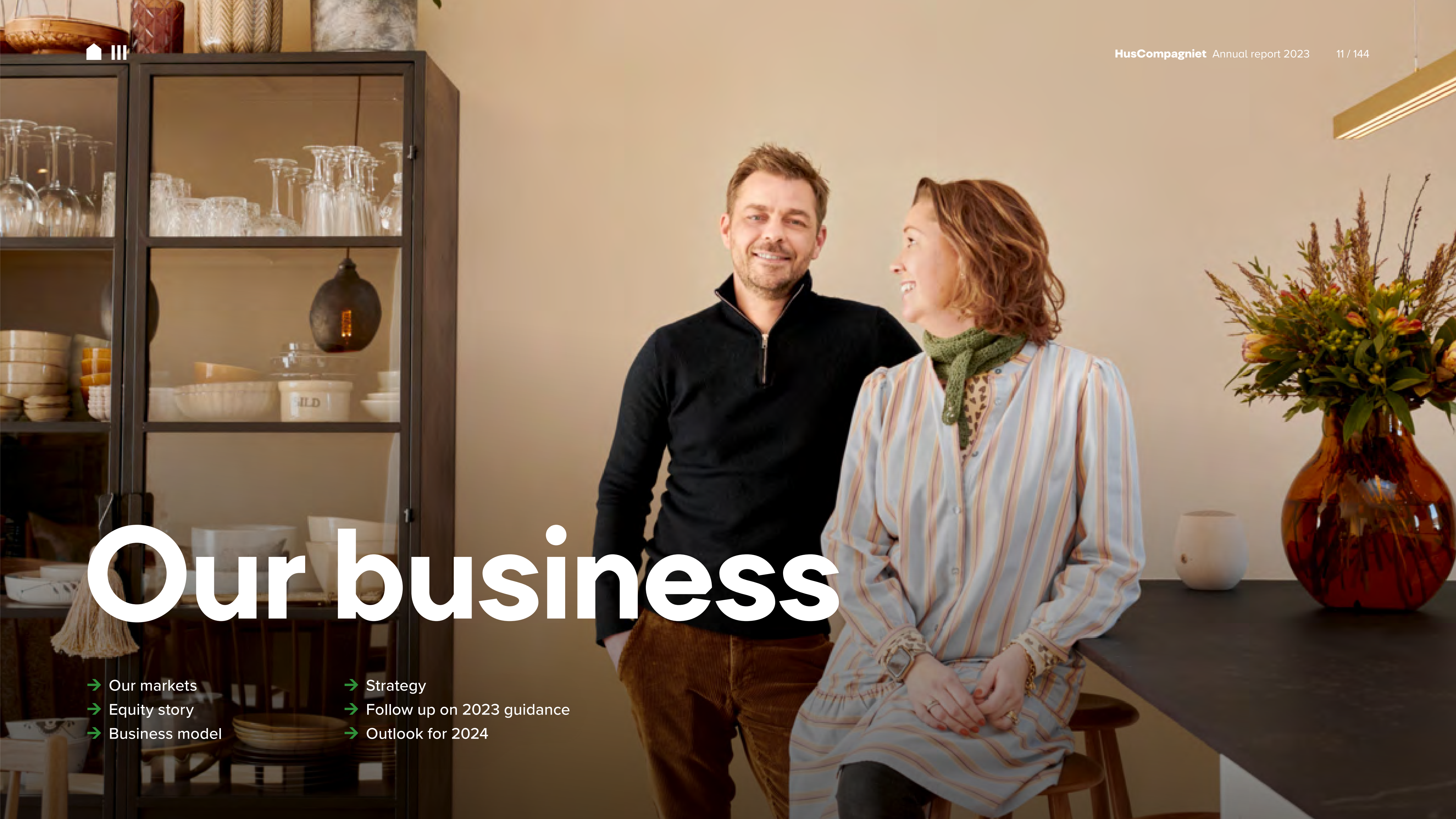
Net working capital comparable figures (2019-2020) are adjusted due to change of method.

* Operating profit before depreciation and amortisation (EBITDA) before special items and Operating profit (EBIT) before special items, respectively, are used as alternative performance measures to reflect a more true and comparable view of the Groups ordinary operations.

** Margins for continued operations

*** Earnings per share, basic and diluted are calculated in accordance with IAS 33. Other key figures are calculated in accordance with the key definitions in Section 6.8

**** 2019 numbers exclude discontinued operations which amounts to 47 average full-time employees



Our business

Our markets

HusCompagniet is present in Denmark and Sweden, where we facilitate the construction of detached and semi-detached houses for private costumers and professional investors.

HusCompagniet's core market, new-build detached houses in Denmark, is the most stable segment of the homebuilding market with average annual completions of approx. 6,000 houses over the last 40 years. Semi-detached market in Denmark and detached market in Sweden each have similar market sizes of approx. 6,000 houses, but with lower unit prices in both segments.

Besides building on new land, the demolition of older houses and building of new instead represents an additional opportunity for the detached market in Denmark. The current number of new-build detached houses in Denmark is well below the building boom in the 1960s and 1970s, during which more than 400,000 single-family detached houses were built. This huge stock of time-worn houses represents a growth opportunity due to favourable economics in tearing down an old house and replacing it with a new-build low-energy house instead of renovating the old house. Around 1/3 of HusCompagniet houses sold in 2023 will replace an older house.

General market developments in 2023

The continuous increase in interest rates throughout 2022 extended into 2023, creating uncertainties among consumers and prompting many to postpone new home purchases. Additionally, the higher cost of capital impacted the affordability of buying a new-build house. Lastly the new housing tax reform added to uncertainties in the new-build market.

In a positive turn, inflation stabilised in 2023, leading to a stabilisation of interest rates by the end of the year. Looking into 2024, there is an expectation that interest rates will remain stable, potentially experiencing a slight decrease.

The increase in construction costs during 2023 was offset by timely price increases maintaining gross margins in the range of 20%.

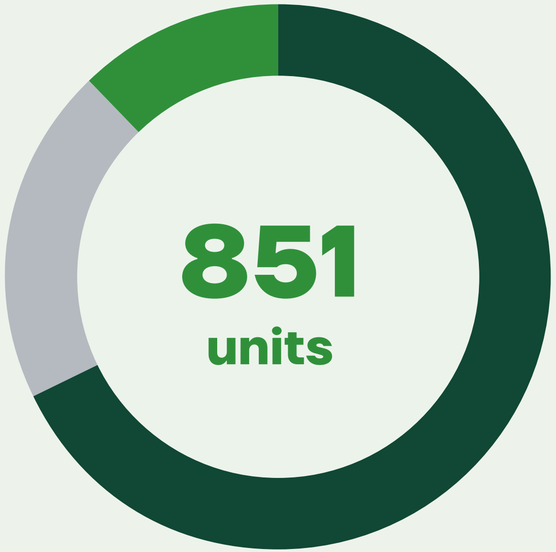
The stabilisation and potential decrease in interest rates enhance our optimism. However, as considerable uncertainty remains, we anticipate a flat or slightly increasing market in 2024. In the challenging market, we have adapted our business, maintained high customer satisfaction, and continuously developed the business. We believe HusCompagniet is well-positioned to be the preferred homebuilder when the market recovers.

1/3

of houses sold in 2023 will replace an older house

Units sold in 2023

Segment split



68%
Detached
(2022: 78%)

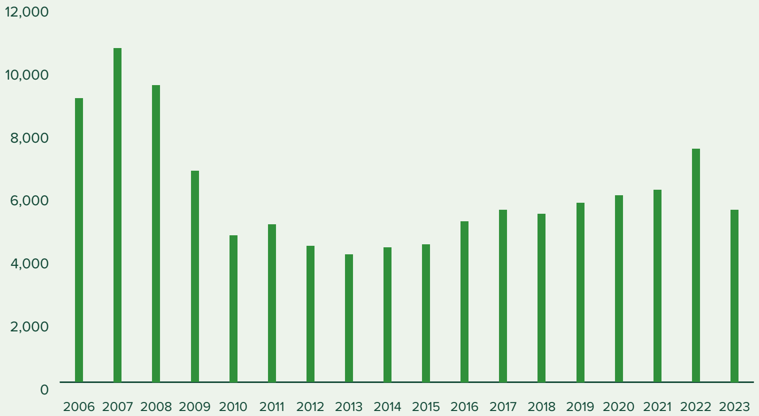
20%
Semi-detached
(2022: 14%)

12%
Sweden
(2022: 8%)

Denmark – detached

In the Danish market for detached houses, HusCompagniet has been market leader since 2011 and today holds an estimated market share around 17%. The four largest competitors together hold a market share of around 30-35%, while the rest of the market is composed of smaller to mid-sized competitors. Since 2007, HusCompagniet has taken a leading role in consolidating the originally highly fragmented market. HusCompagniet aims to gradually increase its market share while improving profitability.

Completions – Total detached, Denmark



Market and business development

In 2023, market size in terms of completions was approx. 5,470 units and declined by 37% compared to 2022. In terms of building permits awarded, market size amounted to approx. 3,370 and declined by 37% compared to 2022, and by 59% compared to 2021.

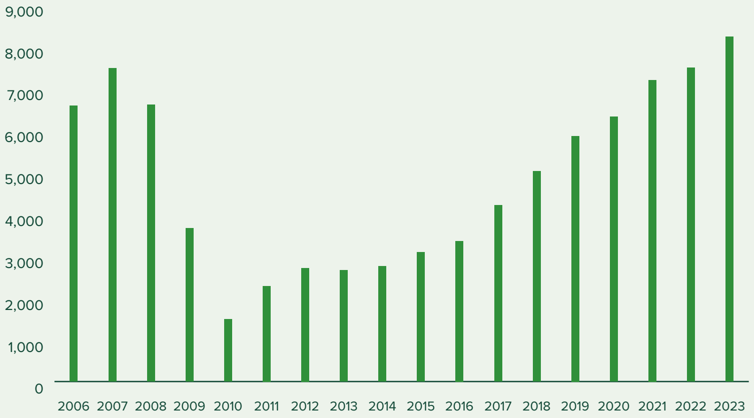
Permits are an indicator of the market activity. It is our view that permits describe the market activity with a delay in the range of 3-6 months from time of sale. In times like these with high volatility it is not possible to measure market shares accurately at a specific moment in time. We do believe, however, that our market share is around 17%.

The demand for new build increased in the first half of 2023 (after reaching market bottom towards the end of 2022) followed by a stagnation at lower levels in the second half of the year. This was mainly driven by increased uncertainty among our customers due to the macroeconomic situation of higher interest rates, inflation and the new housing tax reform. Overall, the Danish housing market for existing houses and new-builds experienced some volatility throughout the year with increasing activity within existing houses towards the end of the year ahead of the new housing tax reform being implemented in 2024.

Denmark – semi-detached

The semi-detached market in Denmark is large and highly fragmented, characterised by many small multi-regional construction companies and local builders. The market is similar to the characteristics of the detached market back in 2006. HusCompagniet is aiming at being at the forefront of an organic (non-acquisitive) consolidation of the Danish semi-detached market as well, and in 2023 our market share was approx. 3%.

Completions – Total semi-detached, Denmark



Market and business development

Market size (completions) amounted to 8,224 units in 2023 and increased by 3% year-on-year. In terms of building permits awarded, market size amounted to 5,320 and declined by 33% compared to 2022. The semi-detached market has had an average completion rate of approx. 6,000 a year the last 40 years. The market value is approx. half the size of the Detached market due to lower unit prices.

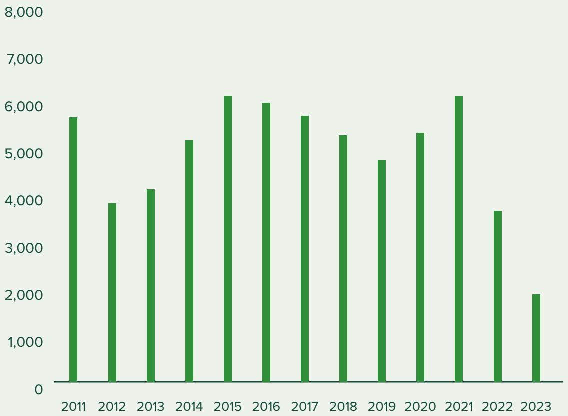
We have been delivering semi-detached houses for private customers over the past 10 years. To further grow our position in this market, we are focusing on developing the business-to-business (B2B) segment by offering building and delivery of semi-detached houses to professional investors, who then lease or sell the houses to end users. Average delivery time in the semi-detached segment from sale to delivery is around 1.5 year.

We offer the professional investors a highly standardised building process for multiple houses and have built a centralised project team ensuring an integrated offering. We offer an attractive pricing model, which benefits from our existing supply chain, scale, and competences. In 2021, we achieved a DGNB certification, which is further strengthening our business proposal. We use the capabilities of our factory in Esbjerg to provide wood elements for the B2B business, HusOnline and roof cassettes to our detached business. This makes us less dependent on subcontractors, strengthens our sustainability offering, and enables the business to become even more scalable.

Sweden

The Swedish market for new-build is characterised by a high degree of fragmentation with only a few large players and around 70% of the market is composed by smaller and mid-sized construction companies. HusCompagniet's Swedish subsidiary, VårgardaHus, decreased its deliveries from 259 in 2022 to 187 in 2023.

Permits, Total detached, Sweden



Market and business development

In terms of permits, the Swedish market for detached houses declined by 49% to 1,850 units in 2023 from 3,620 units in 2022. The decline is mainly driven by increased uncertainty due to the macroeconomic situation of higher interest rates, inflation and the geopolitical situation. We anticipate a flat or slightly increasing market in 2024 and the number of completions is expected to be lower than in 2023 due to a reduced order book entering into 2024 compared to 2023.

Our pre-fabricated houses made primarily of wooden frames and wooden facades are sold via our agent sales network. Our network comprises external agents and the relations have been built over the years. We aim to continue to optimise our agent network over the coming years.

Equity story

Driving profitable business and promoting sustainability whilst benefiting from scale to innovate and disrupt the industry.

Flexible business model through cycles

- Asset-light structure with outsourced construction and scale benefits from strong relations with suppliers
- High visibility in order book and ability to adapt capacity and costs to market fluctuations
- Limited financial risk with payment guarantee at the time of order

Proof of execution

- Danish market leader since 2010 in detached houses
- Clear benefits from scale and flexible business model
- Leading the consolidation of the Danish detached market
- Proven progress in targeting Danish semi-detached and Swedish markets – both highly fragmented markets with attractive growth opportunities
- Integrated factories into the internal value-chain to drive scalablity

Sustainability

- Driving the sustainability agenda as market leader
- Facilitating house construction of the future with focus on more sustainable housing
- Ongoing initiatives throughout the portfolio to avoid emissions and promote sustainable choices
- Increased use of wooden prefab effectively delivered through our factories
- Creating a positive impact for both our company, our customers, and society

Digital ambitions

- From analogue to digital platform
- Professionalising the industry through digitalisation and automation of all elements in the building process across segments
- Best-in-class sales process
- Improved customer experience with overview and safety from order to delivery
- Low-complexity projects
- Automation of factories ensuring efficiency and reduced costs
- After-sales services to retain customers
- Cross-function best-practice across segments

Market drivers

Strong structural trends in demographics. Strong growth potential in Danish semi-detached market. Opportunities for harvesting synergies between existing core business and prefab.

Business model

Resources

People
Our diverse workforce and industry experience are at the core of our business

Natural resources
HusCompagniet houses are built from raw materials, such as timber, aerated concrete, concrete, brick, steel and glass

Partners
We rely on strong, long-term relations with our material suppliers and subcontractors

Innovation
Digital and sustainable innovation

Our brand
Our private and B2B customers know us as a trusted brand in the industry

Financial capital
We finance investments through cash flow from operations and credit facilities. Financial strength to offer customers bank-guaranteed payment at delivery

Our business

Driving performance throughout the value chain

Sales
Customer-centric concept, a one-stop shop with early and extensive interaction

Design & construction
Customised solutions let customers built their dream home. We outsource construction to trusted partners for an asset light, flexible and risk-mitigated delivery model. At our Esbjerg factory, we manufacture wood elements enabling our B2B business to scale up and strengthen our sustainability position

On-time deliveries
We aim to deliver >98% of detached and semi-detached houses for private and commercial customers on time, approx. 80% on third-party

HusCompagniet co-creates houses with our customers and facilitates the construction, primarily on customers' land, through outsourced subcontractors

Value created

Customer value
- 1,054 houses delivered, providing quality houses at competitive prices
- Customer satisfaction score of 4.8 out of 5.0, being highest in the industry

Sustainable products
- Energy efficient, comfortable houses. Approximately 60% of houses calculated in 2023 have an energy performance above the screening criteria expressed for substantial contribution in the EU taxonomy

Planet
- 32 kg CO_2 e/m² delivered (Scope 1 & 2, market-based) in 2023
- Emissions from the production of building materials for a standard house reduced by 17% compared to 2019 (CO_2 e/m²/year)

Safety and well-being at work
- LTIf total 6.7 – down 44% from 12 in 2019
- LTIf 6.0 for own employees – down 60% since 2019
- eNPS score of 47

Shareholder value
- DKK 400m returned to shareholders since listing in 2020
- 2.4 DKKbn in revenue

Our purpose

Co-creating the homes of tomorrow – today

Strategy

At HusCompagniet, we have a shared vision of leading the market evolution and setting the standard for construction of sustainable homes to revise the way people perceive and embrace sustainable living.

We drive the sustainability agenda in our sector and urge our stakeholders to participate in promoting a more sustainable behaviour – fulfilling the needs of today without jeopardising the needs of future generations – and driving the green transition of house construction. Our purpose and approach set a clear direction and make us stand out to attract skilled talent and loyal customers, while driving innovation and new thinking in our industry. Our purpose guides our long-term objectives and short-term actions and decisions, enabling us to co-create the homes of tomorrow – today.

Incremental changes to strengthen the position

Our customer-centric co-creation concept focuses on the construction of homes – primarily on customers' own land and through outsourced subcontractors – ensuring a low-risk delivery model, which makes HusCompagniet's business model flexible and adaptable to market cycles.

We are continuously calibrating our approach to maintain and strengthen our position across segments by scaling our business efficiently and sustainably. We will continue to strengthen our competitiveness and pursue improved performance by differentiating our offering through sharply defined value propositions and strong partnerships. To lead the future of house building, we will continue to invest in digitalisation and sustainability, which are fundamental to raising industry standards and driving continuous and profitable growth in all business segments.

We are confident that the strategic direction and incremental upgrades of our approach will contribute to a strengthening of our current position, which has been built on dedicated customer focus, continuous innovation, and a key focus on customer-centric, professional end-to-end solutions.

Our strategy is targeted at three business segments and three key focus areas:

Our focus areas	Our strategic targets
Business segments	
Detached	Strengthen leadership position through market share gains in the Danish detached market through clear differentiation and leading customer experience and digitalisation. Leverage flexible business model to adjust to market changes while building closer and longer-term customer relationships.
Semi-detached	Expand footprint in the Danish business-to-business market for semi-detached through standardised solutions and economies of scale. Aim to increase the market share of the semi-detached business through quality-driven and end-to-end partnerships with professional investors.
Sweden	Continue to adapt to local market preferences and conditions while preparing to accommodate market rebound at prefabricated production facility.
Key focus areas	
Developing our digital platforms	Leverage data and be digital front-runners through personalised products and new services. Continue to develop and digitalise internal and external tools and platforms to support our customer journey and to improve scalability.
Refining our value propositions and customer journeys	Continue to improve our customer journey across our value propositions through differentiated customer-targeted solutions and digitalisation to sustain a scalable platform.
Sustainability and design	Lead the market evolution and set the standards for sustainable house building and living. Integrate sustainability throughout the value chain, from selection of building materials, making sustainable options available to customers, and through the use phase of the houses after handover and through to final demolition.

Update on business segments

Detached market in Denmark

The detached market in Denmark is our core market and main business segment in which we aim to strengthen our leadership position through market share gains, while utilising the advantages of our flexible business model to adjust to changes in the market and ensure continued improvement of our profitability. Our strategic initiatives in the single-family home market in Denmark include measures to clearly differentiate HusCompagniet from competitors and build closer and longer-term customer relationships.

We have a solid footprint with eight offices and ten show parks in Denmark and continue to offer country-wide coverage and local presence to maintain customer proximity. In addition to our physical presence, we also engage digitally with our customers offering best-in-class visualisation tools and the option of selecting a fully online sales process.

We leverage our scale to source high volumes, and our brand is widely recognised for high quality and customer service. Moreover, our flexible business model enables us to adapt to supply and demand fluctuations and changes to material prices and thereby safeguard continuous competitive offerings to our customers.

Progress in the Danish detached market will be driven by a continuous commitment to improve our leading customer experience through strengthening of our digital tools, customer support and personalised guidance throughout the home building process, lifting our value proposition above the market standard for home building.

Semi-detached B2B in Denmark

Our semi-detached business-to-business segment in Denmark focuses on building and delivering semi-detached houses to professional investors, who rent or sell the houses to end-users. Competition in the Danish market is highly fragmented, with many small multi-regional construction companies and local builders engaged. With our size, profitability, element factory, and focused one-stop-shop offering, HusCompagniet has a competitive advantage in this market.

We aim to increase our market share and strengthen our presence in the semi-detached segment, positioning HusCompagniet as a key player. We will do so by building and strengthening partnerships with professional investors to enjoy mutual scale benefits and reduce risk through early project involvement and ongoing collaboration.

Professional investors typically undertake larger projects compared to private investors. We use our highly standardised building process “Ready to build” product for multiple houses and have built a centralised project team to ensure a comprehensive one-stop-shop offering. HusCompagniet predominantly builds on customer-owned land, coupled with strategic use of own land plots and development projects.

Our factory in Esbjerg was acquired in July 2022 and plays an important role in the development of our semi-detached business as we have introduced a new dimension to our delivery model by manufacturing wooden elements for construction. The combination of building in blocks of multiple units and utilising digital tools ensures a very efficient building process.

Sustainability is a key selling point in our business-to-business offerings, which include DGNB (Deutsche Gesellschaft fur Nachhaltiges Bauen) certified projects. DGNB, originally developed in Germany, but chosen by the Danish building industry as sustainability certification, takes a holistic perspective on sustainability, including environmental, economic, and sociocultural issues. HusCompagniet’s first semi-detached project expected to be DGNB certified in 2024, was completed in 2023 and is located in North Zealand comprising 23 semi-detached houses, specifically designed for the elderly. Furthermore, we have initiated the construction of the first 30 semi-detached houses in a second project, located in Copenhagen, which is expected to receive DGNB gold certification and Swan-label certification. Both projects with NREP as customer. In addition, we have several projects to be DGNB certified in the pipeline of which at least one will commence in 2024.

Swedish market segment

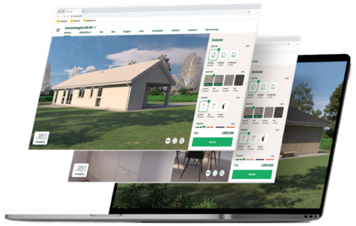
In our Swedish business, our value proposition is adapted to strong local preferences. Our more than 40 house models are based on a standardised prefabricated concept. The core features of our offering include value for money, responsive customer service and a strong local sales agent structure.

Our sales focus in Sweden targets three densely populated hub regions around Stockholm, Gothenburg, and Malmö in a market characterised by significant fragmentation. The headquarters and a modern prefabricated production facility with capacity to absorb increased demand and accommodate a market rebound, are located in Vårgårda, northeast of Gothenburg.

Developing our digital platforms

Our digital vision is to continuously improve the customer experience and make our platforms scalable, supporting a clear differentiation of HusCompagniet in the market. We use our size and scale to leverage data and become digital front-runners offering personalised products and new services to our customers through digital and partnership channels tailored to customers’ needs at the right time.

We will also use our digital platform to promote sustainable design and construction, and we will build a scalable platform that covers the entire value chain and business segments to ensure that we can realise our long-term growth ambitions. In the order-to-delivery process, our services are based on a best-in-class construction planning and project-management system combined with a safety-incident and inspection system.



→ https://husonline.dk/

Our state-of-the-art customer platform integrates customer-relationship management and document-case management, providing our customers with a comprehensive overview of their building project. The platform consolidates all relevant documents onto a unified platform and dynamically tracks projects from the initial meeting to delivery, offering customers visibility into the ongoing construction through pictures shared throughout the construction process. The system provides a strong foundation for our continuous development to support the customer journey through digital tools.

Moreover, the recent implementation of a new customer-relationship management system included an upgrade of all major IT systems to modern platforms, empowering HusCompagniet to develop and integrate new digital tools at an accelerated pace in support of our digital vision. In 2023, we also launched a new version of our online home building platform – HusOnline – to strengthen our position in the digital homebuilding market.

Refining our value propositions and customer journeys

Based on deep market insights and understanding of varying customer segments' preferences, we are sharpening our value propositions in the detached market in Denmark with the introduction of clearly defined concepts – ready-made, custom-made and tailor-made houses – to cater for each customer segment's specific demands.

The refined setup enables us to tailor our offering and provide bespoke services ensuring seamless, efficient, and personalised experiences for our customers. By delivering more relevant and meaningful experiences, we can support our customers from their initial thoughts of building a house through to after the house is completed. Our consistently high ratings on Trustpilot acknowledges our unwavering commitment to customer satisfaction and the exceptional experiences we provide.

As part of the efforts to refine our value propositions, we continue to strengthen our HusOnline concept as a key lead generator and separate sales channel as well as a fundamental instrument to advance the market and increase accessibility by simplifying the home building process for a wider audience. Sharpening our focus on tailor-made houses simultaneously provides an opportunity to serve a more affluent segment and develop new products and services, which can contribute positively to our value proposition in the custom-made business. We see an opportunity in the market to establish a national tailor-made brand based on our experience from already building premium houses.

Our solid digital foundation enables us to continuously strengthen the customer journeys through solutions such as "MitHus", which customers can access at all times without having to depend on an available sales force or open show houses. The offering is an important part of the transition towards implementing digital applications along the house purchasing journey. Another key strategic focus area is to drive post-delivery sales. While our current partnership and service selection is limited, our ambition is to establish a partnership programme via a digital platform to provide a broad range of support services for our customers, including among others a maintenance subscription programme.

Sustainability and design

Sustainability is embedded in our operating framework as an integral part of the strategic agenda, making it a key focus area throughout our business. We have intensified our efforts to integrate sustainability throughout the value chain, from selecting building materials and making sustainable options available to customers, and from the construction process through to the use phase of the houses after handover to the customers.

Heating is a critical element in the lifecycle of the house, and the choice of energy sources has a significant impact on emissions. We have set a target aiming for 60% of our houses sold to be delivered with renewable energy sources by 2025. This target was reached in 2022. In 2023, 54% of houses sold in Denmark had district heating, which on average is 70% renewable, and 46% had geothermal or heat pumps installed. 21% of sold detached houses had solar panels in 2023, up from 17% in 2022. We have promoted this choice by including solar panels on all new show houses since Q2 2023.

In 2023, we continued our development of new options for outdoor facades with a view to further reducing CO_2 emissions, in close dialogue and co-operation with our suppliers.

Our 2030 target is to achieve a 70% reduction in lifecycle CO_2 emissions. In our own operations, we now aim to reach zero emissions through a 100% electric vehicle fleet in 2028 as the development in range and infrastructure for larger vans for construction managers has been slower than anticipated.

4.8/5

Trustpilot score in 2023

Follow up on 2023 guidance

Outlook for 2023
Initial financial outlook for 2023 issued at 9 March 2023.

Revenue	EBITDA before special items	Operating profit (EBIT)
2,200 – 2,500 m(DKK)	75 - 125 m(DKK)	25 - 75 m(DKK)

Upgrade in May 2023
On 4 May 2023, we upgraded the full-year 2023 guidance due to expected increase in deliveries.

Revenue	EBITDA before special items	Operating profit (EBIT)
2,250 - 2,500 m(DKK)	100 - 130 m(DKK)	50 - 75 m(DKK)

2023 results
Realised 2023 figures are within guidance.

Revenue	EBITDA before special items	Operating profit (EBIT)
2,381 m(DKK)	108 m(DKK)	62 m(DKK)

Outlook for 2024

HusCompagniet introduces full-year 2024 guidance:

Revenue	EBITDA	Operating profit (EBIT)
2,300 - 2,600 m(DKK)	80 - 130 m(DKK)	30 - 80 m(DKK)

Forward-looking statements
This annual report includes forward-looking statements on various matters, such as expected earnings and future strategies and expansion plans. Such statements are uncertain and involve various risks, as many factors, some of which are beyond our control, may result in actual developments differing considerably from the expectations set out in the 2023 Annual Report. Such factors include, but are not limited to, general economic and business conditions, exchange rate and interest rate fluctuations, the demand for our services and competition in the market.

Assumptions for the 2024 outlook

The outlook comprises fewer guidance points and less quantified assumptions than previous years' outlook due to the uncertainties driven by the geopolitical situation combined with higher interest rates. The potential impact from these factors are elements adversely affecting HusCompagniet and during 2022 and 2023, we have experienced some of the consequences resulting in a significant decrease in sales – our financial visibility remains reduced.

Previous EBITDA guidance before special items have been replaced with EBITDA guidance (after special items).

The 2024 guidance is based on no severe disruption of supply chains emerging and on raw material prices not significantly exceeding current levels and that the market will slowly pick-up during 2024.

- Current expectations for 2024 deliveries are between 800 and 1,000 houses.
- Sales in the first two months of 2024 - 112 detached, 48 semi-detached, 11 wooden houses.
- No dividend is proposed to shareholders in 2024. Thus no distribution to shareholders will take place in 2024. HusCompagniet expects to return to making dividend payments, once the leverage is back within the long-term target of around 2x net debt to EBITDA.

Medium-term targets

For our three segments we have the following medium-term targets:

Detached

For the Danish detached business our target is to gradually increase market share whilst pursuing strong margins.

Semi-Detached

We aim to increase the market share of the semi-detached business.

Wooden-houses

For the Swedish business our target is to drive profitable growth in the business and increase market share by means of organic growth and potential acquisitions.

Financial review

Financial review

HusCompagniet delivered more than 1,050 houses in 2023 generating a revenue of DKK 2,381 million in line with our guidance. Sales were negatively impacted by sales level below historical average. The macroeconomic situation characterised by increased interest rates and general economic and geopolitical uncertainties affected the results in 2023.

After years of consecutive growth, 2023 will be remembered primarily as a year impacted by numerous macroeconomic factors, such as increasing energy prices, high inflation, and rapidly rising interest rates. Adding to the uncertainty was the new housing tax reform in Denmark and a drop in consumer confidence, which negatively affected sales, resulting in a decline of 11% compared to 2022, with 851 houses sold. In 2023, Huscompagniet benefited from the business adjustments made in the second half of 2022, where a number of initiatives were launched. The increase in sales prices supported a strong gross margin in 2023, and reductions in SG&A expenses, which unfortunately also meant letting go of 150+ employees, were crucial in achieving the results in 2023, in line with expectations. While 2023 has been an extraordinary year, we have also maintained focus on our strategic initiatives, preparing for a future rebound in the market and continually navigating in a market with reduced visibility.

The building process

All of our houses are built by subcontractors, and to ensure that our suppliers and subcontractors meet the high quality we demand, the construction phase is managed carefully by our very experienced construction managers. We are highly selective in our choice of suppliers in order to ensure the highest quality.

As we carefully embrace responsibility for the health and safety of our employees, we are also strongly focused on the health and safety of our subcontractors working at our building sites. We have a Code of Conduct that sets out our standards for safety and working conditions at the building sites, which all subcontractors are required to sign. Increased use of digital solutions is optimising the building process and leads to improved efficiency. Our average building time for a single family house is among the shortest in the market. HusCompagniet controls all stages of the building process and a house normally takes 17-21 weeks to build (after permits are obtained).

Revenue

HusCompagniet reported a total revenue of DKK 2,381 million in 2023, down 45.0% from DKK 4,330 million in 2022. The decrease was mainly due to a lower level of work in progress and sales activity compared to 2022. In 2023 the Group delivered 1,054 houses, a decrease of 949 from 2,003 houses delivered in 2022. The average sales price (ASP) in Detached increased from DKK 2.5 million to DKK 2.9 million, driven by a higher proportion of houses delivered in the Zealand region.

Revenue in Detached was DKK 1.678 million, a decrease of 51.3% compared to DKK 3,444 million in 2022, driven by fewer sales and work in progress also following a lower order book entering 2023.

Semi-detached realised a decrease in 2023 of 19.3%, as revenue was DKK 435 million in 2023 against DKK 539 million in 2022. Sales were 171 houses in 2023 compared to 137 houses in 2022 however, the revenue has not materialised due to project timings.

Sweden realised a revenue decrease of 22.5%, as 2023 reported DKK 268 million against DKK 346 million in 2022 due to lower sales in 2023.

Gross margin

Gross margin increased to 21.7% from 19.3% in 2022. The development is a combination of our ability to adjust prices in a timely manner and also the aquisition of the factory in Esbjerg has played a pivotal role in driving the positive trend.

The detached segment was negatively affected by the re-evaluation of provisions of DKK 15 million made in Q2 2023.

Gross margin in Detached increased from 18.5% in 2022 to 19.2% in 2023. The stabilisation in total cost on raw materials and subcontractors have alleviated some of the pressures faced in the previous year, contributing to an improved cost structure. Furthermore, the full effect of the H2 2022 price increases has been realised, providing a more substantial contribution to our margins than in the previous year.

Semi-detached gross margin was 24.9% in 2023 against 12.5% in 2022. The acquisition of the Esbjerg factory has been contributing to the positive development in the margins.

In Sweden, gross margin was 32.5% in 2023 against 38.1% in 2022. The margin was negatively affected by the write-down of a commercial contract of DKK 9 million.

EBITDA

EBITDA before special items was DKK 108 million, down 69.0% compared with DKK 348 million in 2022. This corresponds to an EBITDA margin before special items of 4.5% compared to a margin of 8.0% in 2022. Staff cost and other external expenses (SG&A) amounted to DKK 409 million a reduction of DKK 79 million from DKK 489 million in 2022.

Detached SG&A decreased DKK 89 million to DKK 272 million in 2023 against 361 million in 2022. The reduction in SG&A is driven in combination with other cost adjustments. Central to these adjustments is our enduring commitment to cost management.

21.7%

Gross margin

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY-22	FY-23	Change
Sales	374	358	138	87	226	219	194	212	957	851	-11%
Deliveries	480	526	417	580	344	265	213	232	2003	1,054	-47%

Semi-detached SG&A increased DKK 43 million to DKK 67 million in 2023 against 38 million in 2022, following an increased strategic focus and the aquisition of the factory in Esbjerg in 2022.

In Sweden, the decrease in SG&A expenses from DKK 89 million in 2022 to DKK 70 million in 2023, amounting to a DKK 19 million reduction, is also a result of our cost focus and adjustments to reflect the activity in the market.

Special items

Special items amount to a cost of DKK 0 million in 2023 compared to DKK 32 million in 2022.

Amortisation and depreciation

Amortisation and depreciation amounted to DKK 46 million compared to DKK 48 million in 2022. Amortisation mainly consists of developing projects including ERP system. Depreciation mainly refers to leasing contracts. In 2023, depreciation amounted to DKK 31 million (DKK 33 million in 2022), and amortisation amounted to DKK 15 million (DKK 15 million in 2022).

EBIT

Reported EBIT amounted to DKK 62 million, a decrease of DKK 206 million or 76.9% from DKK 268 million in 2022. The decrease is a result of the decrease in EBITDA.

Net financials

Reported net financials were an expense of DKK 39 million compared to DKK 27 million in 2022. The increase was due to an increase in the loan base rate (CIBOR 3-month), as global interest levels increased during 2023 and the refinancing of the bank loan which took place in connection with the offering of new shares.

Profit for the year before tax for continued operations

Profit for the year before tax from the continued operations was DKK 24 million in 2023, a decrease of DKK 217 million from DKK 241 million in 2022. 2023 was impacted by lower EBITDA and increased financial expenses.

Taxation

Reported tax for 2023 was DKK 6 million against DKK 50 million in 2022.

Net profit

Net profit generated was DKK 15 million against DKK 170 million in 2022. Reported loss from discontinued operations was DKK 3 million in 2023 against DKK 20 million in 2022, due to a non-cash effect of currency adjustments on loans received from group entities in 2022. The loan was settled in 2022 hence not affecting 2023.

Cash flows

Operating activities

Net cash generated from operating activities was DKK 249 million compared with DKK 268 million in 2022.

Investing activities

Net investments of DKK 20 million during 2023, against DKK 36 million in 2022 (excluding acquisition of the factory in Esbjerg).

Free cash flow

Free cash flow was DKK 229 million against DKK 152 million in 2022, mainly driven by changes in operating activities. Cash conversion was 212% (free cash flow to EBITDA Bsi) primarily due to lower sales relative to deliveries.

Financing activities

Financing activities were negative of DKK 9 million, against negative of DKK 192 million in 2022. The development is a result of the proceeds following the offering of new shares in 2023 of DKK 207 million off-set by DKK 8 million of transaction costs and a new facility agreement with the banks, reducing the bank loans with DKK 175 million. Aqusition of own shares used for the RSU programme was DKK 8 million.

Balance sheet

Financing

Net interest-bearing debt totalled DKK 356 million at 31 December 2023 against DKK 768 million at 31 December 2022. The net interest-bearing debt to EBITDA ratio was 3.3x in 2023 compared to 2.2x in 2022.

Equity

The Group's equity increased by DKK 218 million in 2023 to DKK 2,098 million from DKK 1,881 million by year end 2022. The increase was driven by the capital raise initiated in May 2023 of DKK 207 million less transaction costs of DKK 8 million and acquistion of own shares related to the RSU programme.

Net working capital
Net working capital totalled DKK 316 million at 31 December 2023, down from DKK 511 million at 31 December 2022. The change was partly caused by a DKK 378 million decrease in contract assets due to low sales activity, a decrease of DKK 62 million in inventory, and a decrease of DKK 65 million in trade and other receivables, partly offset by a DKK 230 million decrease in trade and other payables and DKK 46 million decrease in other liabilities.

Contract assets
Net contract assets amounted to DKK 262 million compared to DKK 626 million in 2022. Excluding contract liabilities, contract assets amounted to DKK 353 million against DKK 731 million in 2022.

The contract work in progress (CWIP) at 31 December 2023 was negatively affected by lower sales in 2023.

Order backlog
The order backlog (gross) as of 31 December 2023 amounted to DKK 1,513 million compared to DKK 2,057 million in 2022. The lower backlog was caused by lower sales in 2023 compared to 2022. Deliveries amounted to 1,054 houses. In 2023, 13.1% of deliveries were houses built on own land (11.1% in 2022). In Detached, the share of own land was 7.3% against 8.0% in 2022.

As of 31 December 2023, HusCompagniet's inventory comprised 230 land plots (including plots for show houses) and 46 show houses valued at DKK 79 million.

Estimates and judgements
Please refer to Note 1.2 introduction to significant estimates and judgements and Note 4.4 impairment.

Discontinued operations
During 2020, the Group closed down its German and Swedish brick house activities. Reported loss from discontinued operations was DKK 3 million in 2023 against a DKK 20 million loss in 2022.

Dividend
No dividend is proposed to shareholders in 2024.

HusCompagniet A/S
The profit for the year in the Parent company, HusCompagniet A/S, amounts to DKK 15 million and the equity as of 31.12.2023 amounted to DKK 2,098 million.

Events after the balance sheet date
No material events have occurred between 31 December 2023 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.

Units	2023	2022
Sales	**851**	**957**
Detached	579	744
Semi detached	171	137
Sweden	101	76
Deliveries	**1,054**	**2,003**
Detached	633	1,427
Semi detached	234	317
Sweden	187	259

	2023	2022
Orderbook value (DKKm) gross	**1,513**	**2,057**
Detached	1,058	1,244
Semi detached	363	598
Sweden	93	215
Orderbook value (DKKm) net	**1,145**	**1,364**
Detached	805	786
Semi detached	248	371
Sweden	93	206
Share of own land (Denmark)	**13.1%**	**11.1%**
Detached	7.3%	8.0%
Semi detached	29.1%	25.2%

Q4 Figures

DKKm	Q4 2023*	Q4 2022*	FY 2023	FY 2022
Income statement				
Revenue	531	980	2,381	4,330
Gross profit	129	195	517	837
Operating profit before depreciation and amortisation (EBITDA) before special items**	17	68	108	348
Special items	1	-18	0	-32
Operating profit before depreciation and amortisation (EBITDA) after special items**	18	50	108	316
Operating profit (EBIT) before special items**	4	55	62	300
Operating profit (EBIT)**	6	38	62	268
Financials, net	-8	-11	-39	-27
Profit for the year (continued operations)	0	25	17	190
Profit for the year (discontinued operations)	1	-7	-3	-20
Profit for the year	0	19	15	170
Financial position as of 31 December				
Total assets	3,264	3,572	3,264	3,572
Contract assets, net	262	626	262	626
Net working capital	316	526	316	526
Net interest bearing debt (NIBD)	356	768	356	768
Equity	2,098	1,881	2,098	1,881

* Unaudited

** Operating profit before depreciation (EBITDA) and before special items and Operating proft (EBIT) before special items, repectively, are used as alternative performance measures to reflect a more true and comparable view of the Group's ordinary operations.

DKKm	Q4 2023*	Q4 2022*	FY 2023	FY 2022
Cash flow				
Cash flow from operating activities	91	277	249	268
Cash flow from investing activities	-4	-6	-20	-117
- hereof from investment in property, plant and equipment	-1	-3	-9	-22
Cash flow from financing activities	-7	-258	-9	-192
Free cash flow	86	271	229	152
Key figures				
Revenue growth***	-7.0	-18.4%	-45.0%	0.3%
Gross margin***	24.3%	19.9%	21.7%	19.3%
EBITDA margin before special items***	3.2%	6.9%	4.5%	8.0%
EBITDA margin after special items***	3.4%	5.1%	4.6%	7.3%
EBIT margin***	1.0%	3.8%	2.6%	6.2%

* Unaudited

*** Continued operations

Key figures Q4

Revenue
HusCompagniet reported total revenue of DKK 531 million in Q4 2023 down 45.9% from DKK 980 million in Q4 2022. The decrease was negatively affected by lower number of deliveries and sales. Deliveries in the quarter comprised 232 houses, down 60.0% from 580 in Q4 2022. Revenue in detached decreased 49.7% down from DKK 786 million in Q4 2022 to DKK 395 million in Q4 2023. The decrease was driven by the low sales during 2023 impacting contracted work-in-progress negatively. The decrease was partly off-set by the average selling price (ASP) which increased 7.9% in detached y-o-y driven by price increases introduced in 2022 and 2023.

Semi-detached revenue decreased 12.3% or DKK 12 million to DKK 91 million down from DKK 103 million. The decrease was driven by the low sales in 2023 and delay of new projects, reducing the orderbook during the year. Unit price increased to DKK 2.1 million from DKK 1.2 million due to a higher contribution of sales of share of own land.

Wooden houses (SE) revenue was DKK 45 million in Q4 2023 down from 91 million, equivalent to a 50.6% decrease. Deliveries in the quarter decreased from 77 houses in Q4 2022 to 28 in Q4 2023, offset by an increase in unit price of 32.8% in the same period.

Gross margin
Gross profit was DKK 129 million in Q4 2023 against DKK 195 million Q4 2022, corresponding to a margin of 24.3% and 19.9%, respectively. Margin was positively affected by an increased share of own land from 4.8% in Q4 2022 to 10.3% in Q4 2023. Detached realised a margin of 22.7% in Q4 2023 up from 17.0% in Q4 2022 emphasising the focus on cost. Semi-detached margin was 25.0% in Q4 2023 against 22.2% in Q4 2022. The margin is positively impacted by an increase in share of own land from 0% in Q4 2022 to 43.6%

Wooden house gross margin was 36.8% in Q4 2023 against 42.6% in Q4 2022. The decrease is in line with previous quarters during the year where we experienced a cost increase.

EBITDA before special items
Reported EBITDA before special items was DKK 17 million compared with DKK 68 million in Q4 2022, corresponding to an EBITDA margin before special items of 3.2% compared to a margin of 6.9% in 2022.

Staff cost and other external expenses (SG&A) amounted to DKK 112 million in Q4 2023 against DKK 127 million in Q4 2022 driven by a cost focus and a strategic adjustment of the workforce executed in 2022.

Special items
Special items amounted to a gain of DKK 1 million in Q4 2023 due to partly reversals of impairments on leaseholds in 2022 where contracts have been exited prior to expectation.

Profit for the period
Profit for the period from continued operations was DKK 0 million in 2023.

Cash flow

Operating activities
Net cash generated from operating activities was DKK 91 million compared with DKK 277 million in Q4 2022. The decrease was driven by the reduction in activity in 2023 offset by the tax payment for 2022.

Investing activities
Net investments of DKK 4 million were made during Q4 2023, against DKK 6 million in Q4 2022. This was mainly driven by investments in property, plant and equipment in the factory as well as digitalisation.

Free cash flow
Free cash flow was DKK 86 million against DKK 271 million in Q4 2022.

Financing activities
Financing activities were negative DKK 7 million against negative DKK 258 million in Q4 2022. The financing activities in 2022 were affected by repayment of current debt (RCF).

232

houses delivered in Q4 2023

Units	Q4 2023	Q4 2022
Sales	**212**	**87**
Detached	160	76
Semi Detached	25	0
Sweden	27	11
Deliveries	**232**	**580**
Detached	165	429
Semi Detached	39	74
Sweden	28	77

Sustainability

Sustainability

Introduction

Sustainability is an integral part of HusCompagniet's strategy (page 18) and business model (page 17).

About this section

In this section, we communicate our sustainability progress, governance, and selected ESG data for 2023 covering HusCompagniet A/S and VårgårdaHus AB.

The information provided has been prepared in in accordance with sections 99a, 99b, 99d and 107d of the Danish Financial Statements Acts. Reference to page 17 for business model as part of section 99a.

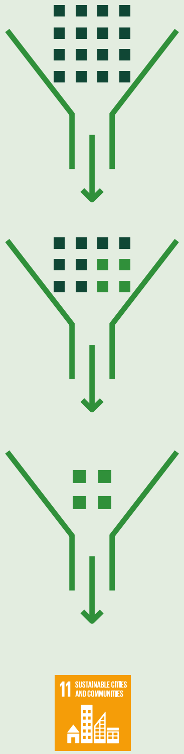
We disclose eligibility and alignment with the EU taxonomy for sustainable activities on pages 57-60 and report on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) on pages 63-65.

For 2023, the sustainability section has been restructured in preparation for the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards (ESRS) which HusCompagniet is required to comply with from 2025 onwards.

UN Global Compact

HusCompagniet is a signatory of the UN Global Compact and committed to upholding the ten principles of human rights, labour rights, anti-corruption, and the environment. Our response to the Communication on Progress (CoP) questionnaire is publicly available and can be found on https://unglobalcompact.org/what-is-gc/participants/141404-HusCompagniet-A-S

Our strategic approach to sustainability



A range of sustainable challenges impact our business and our stakeholders.

We identify and prioritise key challenges. For house building in particular, we identify what lies within our control and what we can influence in the best possible way.

We develop roadmaps, initiatives and programmes to address key challenges.

We relate our targets to specific SDGs. See page 33 for SDGs linked to our targets.

Our targets

	Area	Baseline (2019)	Target 2025	Target 2030	Related SDGs
Environment	**1: Climate – building materials**	• 5.8 kg CO_2e per m² per year from building materials throughout the lifecycle of a house • 3.7 kg CO_2e per m² per year from the production of building materials	• 35% reduction in upstream CO_2 emissions from building materials compared to 2019 (2.6kg CO_2 per m² per year)	• 70% reduction in CO_2 emissions from building materials throughout the lifecycle of a house compared to 2019 (1.7kg CO_2 per m² per year)	Target 9.4
Environment	**2: Climate – customer use phase**	• 48% of houses ordered with one or more on-site renewable energy technologies	• 60% of houses ordered with renewable energy sources • Target reached in 2022 (with 45% with renewable heating sources and 55% with district heating, which on average is 70% renewable)	• Assess and set new targets accordingly	Target 7.1
Environment	**3: Climate – own operations**	• 878 tonnes scope 1 CO_2 emissions (owned and leased company vehicles) • 1,536 tonnes scope 2 CO_2 emissions (purchased electricity and heating)	• Zero scope 1 emissions through 100% electric owned and leased vehicle fleet Target will not be reached in 2025 but is expected to be reached in 2028	• Carbon-neutral scope 1 and 2 emissions from operations	Target 13.3
Social	**4: Employee well-being**	Denmark (*2020-baseline): • 2.2% sick leave • Response rate: 89%* • Satisfaction score: 77%* • Loyalty score: 85%* • eNPS: 47* • mNPS: 42*	• Maintain sick leave at 2%	• Maintain sick leave at 2%	Target 8.5
Social	**5: Diversity & inclusion**	• One female out of seven total members on the Board of Directors • 20% females in management at Group level	• 40% female members on the Board of Directors • 25% females in management at Group level • Monitor possible new regulatory requirements around gender quotas in Denmark	• 40% female members on the Board of Directors • 30% females in management at Group level	Target 5.5 Target 10.3
Social	**6: Health & safety**	• LTIf of 15.2 for own blue and white collar • LTIf of 10.7 for subcontractors	• Reduce LTIf by 30% compared to 2019	• Reduce LTIf by 50% compared to 2019	Target 8.3, 8.5
Governance	**7: Business conduct**	• Employee Guidelines for Values and Ethics • Standards of Business Conduct	• Only annual targets set - see targets for 2024 on next page	• Only annual targets set - see targets for 2024 on next page	Target 16.5
Governance	**8: Sustainable sourcing**	• Supplier Code of Conduct • Whistle-blower system	• Only annual targets set - see targets for 2024 on next page	• Only annual targets set - see targets for 2024 on next page	Target 12.6
Governance	**9: Labour rights and human rights**	• Employee Guidelines for Values and Ethics • Standards of Business Conduct	• Only annual targets set - see targets for 2024 on next page	• Only annual targets set - see targets for 2024 on next page	Target 8.7, 8.8 Target 10.3

Our Progress in 2023 and Ambitions for 2024

	Ambitions	Results 2023	Ambitions 2024	Related SDGs
Environment	1: Climate – building materials	• 4 out of 10 houses (calculated in 2023) in voluntary low CO_2 emission class • LCA of standard house updated for the second time, showing 17% reduction from the production of building materials and 18% reduction for materials throughout the lifecycle • Wooden frames from HC Production integrated in both semi-detached and detached buildings • Data collected from LCAs to guide customer choices and to prioritise further work • Construction completed on first DGNB project, several other DGNB projects in our pipeline • DGNB consultants trained and hired	• Continue preparing for Danish regulatory requirement, including transportation and CO_2 emissions from construction sites in climate calculations • Commit to SBTi (Science Based Targets initiative) for Scope 3 emissions	Target 9.4
Environment	2: Climate – customer use phase	• Further increase in proportion of customers (in detached segment) choosing solar panels (from 17% to 23%) • All show houses built after Q3 2023 are with solar panels	• Continue monitoring regulatory requirements from the EU on solar energy	Target 7.1
Environment	3: Climate – own operations	• Continued installing charging infrastructure at offices • Started changing both smaller and larger vans to EVs, and reducing proportion of larger vans • PPA (Power Purchase Agreement) and other similar agreements considered	• Continue installing charging infrastructure at offices and employee homes (with company cars) • 40% of fleet to be EVs • Enter PPA (Power Purchase Agreement) or similar agreement • Commit to SBTi for Scope 1 and 2 emissions	Target 13.3
Social	4: Employee well-being	• 4.7% sick leave (including for the first time, our factory in Esbjerg) • Annual employee satisfaction survey carried out across Danish operations including our production operations as well as our Swedish operations. • Response rate: 90% (up 6 pp compared to 2022) • Satisfaction score: 77% (up 2 pp compared to 2022) • Loyalty score: 84% (up 1 pp compared to 2022) • eNPS: 41 (up 11 compared to 2022) (fulfilling our improvement ambition for 2023, achieved through a more stable organisation) • mNPS: 54 (up 7 compared to 2022)	• Use results from employee satisfaction survey to hold dialogue meetings and make action plans • Maintain results from survey at same level	Target 8.5
Social	5: Diversity & inclusion	• Two females out of six total members on the Board of Directors • 30% females in other management levels at Group level	• Two females out of six total members on the Board of Directors • Maintain 30% females in other management levels at Group level	Target 5.5 Target 10.3
Social	6: Health & safety	• Reduced overall LTIf from 11.6 in 2022 to 6.7 in 2023, reaching our 2025-target • Continued implementing initiatives and embedding safety in our own and our subcontractors' culture, among other through the launch of a work environment handbook	• Roll out work environment handbook to all departments • Launch of dedicated area on intranet	Target 8.3, 8.5
Governance	7: Business conduct	• Code of Conduct further integrated into contracts, operations, and HR manuals	• Structured Q&A processes with chosen suppliers and subcontractors to ensure compliance with HC Code of Conduct • Continue to work with suppliers and subcontractors to promote good business conduct • Raise awareness internally on business conduct and ethics	Target 16.5
Governance	8: Sustainable sourcing	• Continued dialogue with suppliers on documentation of more sustainable products, among other as input to LCAs	• Continue engaging with suppliers in creating more sustainable solutions • Continue focus on adoption of Code of Conduct throughout the supply chain	Target 12.6
Governance	9: Labour rights and human rights	• Continued awareness efforts have been conducted towards suppliers and subcontractors	• Structured Q&A processes with chosen suppliers and subcontractors to ensure compliance with HC Code of Conduct • Continue to work with suppliers and subcontractors to promote sound working conditions	Target 8.7, 8.8 Target 10.3

Sustainability governance

Sustainability is embedded in the way we do business throughout HusCompagniet, from Board oversight to integration in our operating model.

The role of the Board and Executive Management

The HusCompagniet Board of Directors has the ultimate oversight of sustainability matters, including those related to climate. These matters are on the Board's annual wheel, and are considered at least once annually, or more frequently as needed. Climate-related risks are an important part of HusCompagniet's overall ESG risk considerations and are incorporated into strategic discussions, in annual business planning, and in annual reporting.

The Executive Management team is responsible for assessing and managing sustainability matters, including climate-related risks. The Group CEO and Group CFO are actively involved in the sustainability strategy process, and the operationalisation of the sustainability focus areas is owned by the Head of Business Development.

ESG steering committee

In 2022, an ESG Steering Committee was established, counting Executive Management and those responsible for Marketing, Purchasing, and Business Development. In 2023 the committee's area of focus was extended to encompass social and governance-related topics.

Group sustainability

The Sustainability Officer (Bæredygtighedsansvarlig), reporting to the Head of Business Development, is responsible for developing HusCompagniet's sustainability strategy and working with Technical/Purchasing, Engineering, Marketing, Legal, and Human Resources to manage sustainability topics on a day-to-day basis. Sustainability is implemented across HusCompagniet and embedded in daily operations with a strong focus on monitoring indirect (Scope 3) emissions in building materials. In 2023, actions were taken to increase waste sorting in offices and on construction sites. Also, new employees are now introduced to HusCompagniet's sustainability priorities, and sustainability has a dedicated area on the company's intranet.

Life-cycle assessment steering committee

In 2023, an LCA (life-cycle assessment) steering committee was established, coordinated by the Sustainability Officer and with participants from Technical, Engineering and Business Development teams. The purpose of the committee is to oversee the LCAs carried out on every house (both detached and semi-detached) since 1 January 2023. To onboard and engage the entire organisation, webinars were organised with Sales, Building Design and Construction Managers on the topic of LCA.

Inclusion of sustainability in incentive schemes

The remuneration of the Executive Management is designed to support the priorities in HusCompagniet's strategy and thereby ensure that the interests of the company and the sustainable development of HusCompagniet are pursued and that certain short- and long-term goals are achieved. As such, the remuneration elements consider non-financial objectives, including ESG and strategic elements.

Sustainability hierarchy

Board of Directors

↓

Audit Commmitee

↓

Executive Management

↓

ESG Steering Committee

Group CEO
Group CFO
Group COO
Director, Detached segment
Purchasing Director
General Counsel
Head of HR
Head of PR & Marketing
Head of Strategy & Business Development
Sustainability Officer

↓ ↑

LCA Steering Committee

Business Development (Sustainability Officer)
Engineering
Technical

Our stakeholders

Engaging with the interests and views of stakeholders is critical for HusCompagniet to achieve its vision of paving the market evolution and setting the standard for sustainable construction practices. To change the way people think of sustainable homes and living, we need to engage our stakeholders in the journey. Our key stakeholders encompass shareholders, employees, customers (investors and end-users for the semi-detached segment; private customers in the detached segment), suppliers, subcontractors, and municipalities. Shareholders are engaged through annual general meetings and regular reports. Employees participate in engagement via annual employee satisfaction surveys. Customers are engaged through satisfaction surveys (including NPS (Net Promoter Score), community management and focus groups. We regularly engage suppliers on sustainable sourcing.

This engagement helps shape our strategy and operations. For example, results from the annual employee survey are considered by the Executive Management Team, and managers are responsible for reviewing the findings with their teams and putting in place concrete action plans.

	Shareholders	Employees	Customers	Suppliers	Subcontractors	Municipalities
Engagement and organisation	Annual report; annual general meeting; yearly strategy board meeting, where ESG is an integrated part of discussions.	Annual employee satisfaction survey; safety training; intranet; 'town hall' meetings.	Community management through various channels; customer satisfaction and opportunity for feedback throughout construction process and customer journey; customer studies.	Regular dialogue, signed supplier Code of Conduct in place.	Regular dialogue, signed supplier Code of Conduct in place, work environment handbook, safety reporting through project management App.	Regular dialogue about building permits and other administrative issues.
Purpose and outcome	Ensure alignment with ESG strategy and related targets and monitor progress on strategy and targets defined.	Monitor employee satisfaction and implement action plans, particularly related to work conditions; raise awareness on safety issues; inform about sustainability strategy and targets.	Understand customer preferences within ESG topics.	Secure sustainable sourcing and transparent documentation in relation to ESG.	Make sure subcontractors live up to Code of Conduct and achievement of safety targets; inform about need for ESG data collection.	Make sure LCA report for each built house lives up to requirements.

Preliminary double materiality assessment

To identify the sustainability topics that are material to our business, we conducted a preliminary double materiality assessment (DMA) in accordance with the requirements of the EU's European Sustainability Reporting Standards (ESRS) in November 2023.

The preliminary DMA was conducted with support from external consultants. The process began with a full-day workshop with participation from the executive and management team, representing all aspects of our business from sales to the construction sites. The workshop mapped HusCompagniet's full value chain and assessed materiality from the perspective of:

1. Impact materiality – HusCompagniet's impact on people or the environment; and

2. Financial materiality – sustainability matters that generate risks or opportunities that could affect HusCompagniet's financial position, financial performance, cash flows, access to finance, or cost of capital

A detailed analysis was carried out after the workshop which included scoring each of the sub-topics in the ESRS. The outcome of our preliminary DMA confirmed the materiality of the sustainability topics already part of our ESG work (climate change, workforce, and business conduct), while also identifying new potential material topics, not previously explicitly part of our ESG work.

The outcome is in line with the EU Taxonomy, as both Substantial Contribution Criteria (SCC) and Do-No-Significant-Harm (DNSH) topics for construction of new buildings for climate change mitigation are deemed material. These include Climate Change Mitigation, Climate Change Adaptation, Circular Economy, Pollution Prevention and Biodiversity.

In 2024, we plan to revisit the DMA to further deepen our understanding of topics and involving a broader range of stakeholders in refining it.

Sustainability

Environment information

Climate change

Climate change is one of the defining challenges of our time. It is an urgent global threat, and how we respond will determine the trajectory of global warming for generations.

The impacts of climate change are wide-ranging, from physical events such as flooding, extreme weather events, water, and heat stress to climate-related displacement and subsequent population movement, all of which have implications for business in the future. The climate transition also presents significant opportunities for HusCompagniet and others.

As a house builder, we have an impact on climate change, which we address across the lifecycle of a house. HusCompagniet's vision is to set a new standard for sustainable construction and change the way people think and talk about house building and sustainable living.

Climate risks and opportunities

For HusCompagniet, climate change presents opportunities to bring new, low-carbon house concepts and alternative energy technologies to our customers. It also presents risks that we must mitigate. In 2019, HusCompagniet conducted a detailed assessment of risks and opportunities in line with the TCFD recommendations, which was updated in 2021 and again in 2022. As detailed in the strategy section of our TCFD disclosures (p. 63), the analysis explored the implications to the business model and strategy in the context of three scenarios based on groupings of IEA (International Energy Agency), IPCC (Intergovernmental Panel on Climate Change), WEC (World Energy Council) scenarios, and other publicly available scenarios.

The analysis determined that our business model can be made resilient in all three scenarios. In 2023, we continued to use these insights when considering long-term exposure, and we plan to refresh the analysis as more data becomes available. Further information on HusCompagniet's climate-related risks and opportunities can be found in the TCFD disclosures on pages 63-65.

Sources of HusCompagniet's emissions

The Scope 1 and 2 emissions from our own operations account for approximately 3% of HusCompagniet's emissions. These emissions are under HusCompagniet's direct control, including reaching our ambitious targets for them.

However, 97% of HusCompagniet's emissions in the form of upstream and downstream Scope 3 emissions, are under HusCompagniet's influence, but not under direct control. Upstream emissions, which represent around 55% of Scope 3 emissions, are mostly derived from the manufacturing of building materials by our suppliers, which often include cement and lime.

Downstream emissions represent approximately 45% of Scope 3 emissions and are driven by the customer use-phase of houses built by HusCompagniet. Our role in these phases is more complex and requires engagement with our suppliers upstream and our customers downstream to achieve our targets.

HusCompagniet's total CO_2 emissions

3%

Emissions from operations
Scope 1 + 2

35%
Scope 1
(Diesel and Gasoline)

65%
Scope 2
(Electricity, District Heating, Natural Gas)

97%

Value-chain emissions
Scope 3

Upstream
Purchased goods and services (including production of building materials), upstream transporation and distribution, waste generated in operations, business travel, employee commute, upstream leased assets.

55%

45%

Downstream
Downstream transportation and distribution, use of sold products (hereunder energy consumption), end-of-life treatment of sold products.

Our GHG emissions reduction targets

2030 targets

- Reduce the lifecycle CO_2 emissions from building materials of HusCompagniet homes by 70% by 2030, from the 2019 baseline year.

- Become carbon neutral in our scope 1 and 2 emissions by 2030.

2025 targets

- 35% reduction in CO_2 emissions from the production of building materials by 2025, from 2019 baseline year.

- 60% of houses ordered with renewable energy sources. This target was considered reached already in 2022 as 45% of houses are with renewable heating sources (geothermal or heat pump), and 55% with district heating, which on average was 70% renewable in 2022.

Actions to mitigate climate change

To achieve our emissions reduction targets, we are focusing our efforts on the following levers, where we have the biggest impact.

1. Low-carbon building materials

As a large player in our sector, we see potential in leveraging our centralised purchasing and product development efforts to achieve emissions reductions across the value chain. We are in dialogue with all our suppliers about more sustainable products and transparent documentation of climate data.

2. Renewable energy

Renewable energy heating solutions have a substantial impact on the total lifecycle CO_2 emissions of a home. For instance, phasing out natural gas heating has reduced emissions from the use phase of our houses by 30% compared to 2019. In January 2022, we phased out gas as an energy source in our offering. Phasing out natural gas in households is an important part of achieving Denmark's common goal of reducing CO_2 emissions by 70% by 2030 (compared to a 1990 baseline).

3. Recycling and reuse

In the longer term, we will focus on the end-of-life/demolition phase, starting with materials selection, shifting towards more readily recycled and reused materials, thereby reducing future downstream scope 3 emissions. HusCompagniet has the least influence on the end-of-life phase. We continue to partner with demolition firms that focus on the reuse of materials and encourage circular and other innovations that further close the loop in the lifecycle of a house.

4. Own operations

We are reducing Scope 1 and 2 emissions from HusCompagniet's own operations by focusing on switching to electric vehicles and by investigating power purchasing agreements as a means of contributing to actual additional renewable energy production being added to the grid. The latter is a more efficient mean to a transition to renewable energy than the purchase of certificates of origin, that in our opinion do not contribute to this transition.

Actions in 2023

Building materials

In 2023, the LCA of standard house was updated for the second time, showing 17% reduction from the production of building materials and 18% reduction from materials throughout the lifecycle. Further details on LCAs of our houses are provided on pages 41-43. In the work with reducing CO_2 emissions from building materials, sustainable sourcing continues to be an area of focus and collaboration with suppliers with a view to further improving supply availability and traceability. In 2023, we have increased our efforts to improve transparency through a focus on EPDs (Environmental Product Declarations) of the materials and products we use for our houses. This focus makes it possible to compare different suppliers of similar products as well as products from the same suppliers and is the basis for decision-making when changing to lower-carbon versions of known materials, or to completely new materials.

Waste at the construction site is currently not included in LCAs. A crucial first step in the work on waste reduction is obtaining valid and consistent data on actual waste quantities of each fraction, and in 2023, we have continued our close dialogue with our waste handling companies, so that we can secure data and document the recycling percentage from every single construction site, which will be necessary in order to report according to the EU taxonomy, and also from 2025, according to the ESRS and expected new requirements in the Danish building code. In 2023, in the detached segment, increased sorting has been implemented in two municipalities and we expect to gradually roll this out in the whole country.

Customer use phase

In 2023, the percentage of houses with solar panels increased to 23%, compared to 17% in 2022. All show houses built after Q3 2023 are with solar panels. Furthermore, we started offering charging infrastructure for EVs as a standard on all new detached houses, free of charge, in partnership with the electricity supplier "OK".

CO_2 ↓

17%

reduction of CO_2 emissions pr. built m^2 for our standard house, from the production of building materials

Own operations

We have been working to install electric vehicle (EV) charging stations in all offices and after completing a full roll-out in 2021, we have in 2023 further increased the number of charging stations at some of our large offices as we move towards our 2025 target. We are monitoring developments in the EV market closely, and in 2023, we have started replacing both smaller and larger vans with EVs and started installing charging infrastructure also at employees' home (with company cars). As part of this process, a downsizing of our vans has been initiated, as smaller vans have longer range. While remaining firmly committed to the full electrification of our fleet, we expect to be able to reach this in 2028.

Emissions in 2023

Scope 1 & 2 emissions

Scope 1 emissions were down 47% compared to 2022 , and down 54% compared to our base year 2019. This can be explained by the decrease in our activities, and by the transition to electric vehicles, moving emissions from Scope 1 to Scope 2. Scope 2 emissions (market-based) were down 22% compared to 2022 and up 28% compared to our base year 2019. As Scope 1, this can be explained by the decrease in our activities, combined with emissions from electric vehicles increasing as our fleet is electrified.

The carbon intensity of our operations (market based) increased by 41% from 23.1 kg CO_2 e per m^2 to 32.5 kg, due to the decrease in our activities from 2022 to 2023.

Scope 3 emissions

In 2023, we have, for the second time, updated the climate calculation of our baseline house with the newest products and data to get an updated status on the achievement of our targets. The calculation shows that CO_2 emissions from the building of our baseline house has been reduced by 17% and emissions from materials throughout the entire life cycle has been reduced by 18% compared to 2019. See more details on page 42. Reductions come from aerated concrete and foundations.

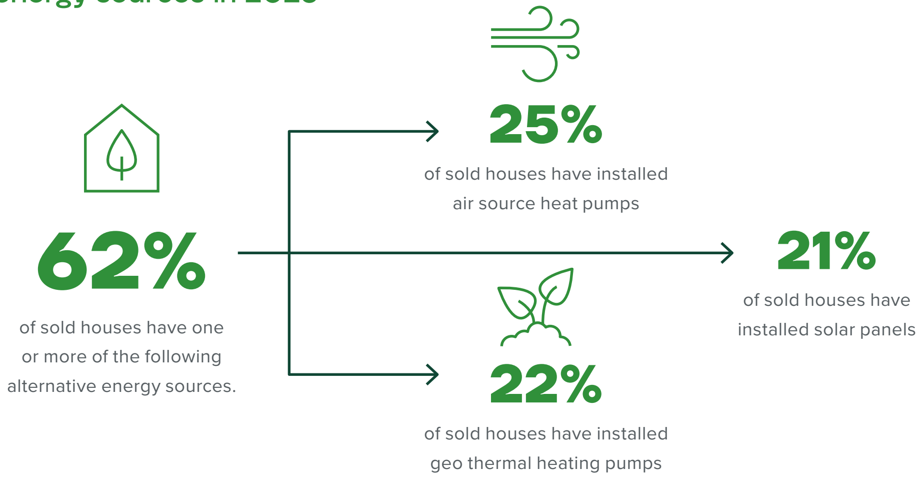
Scenario calculations & SBTi

In 2023, we also made scenario calculations of which further reductions we can expect towards 2025. This shows that by implementing existing, best-in-class low-CO_2 materials, we can expect a reduction of 20-25% in the emission from the production of materials. Such scenario calculations are uncertain, as it is not possible to precisely predict future emissions from existing and potential new suppliers. The calculations also show that if wooden frames are implemented in the entire portfolio, the reduction in emissions from the production of materials is 44%. However, when looking at materials throughout the entire lifecycle (which is the focus of our 2030-target), the reduction with wooden frames is 25-30%, as CO_2 is released at the end of life of wood.

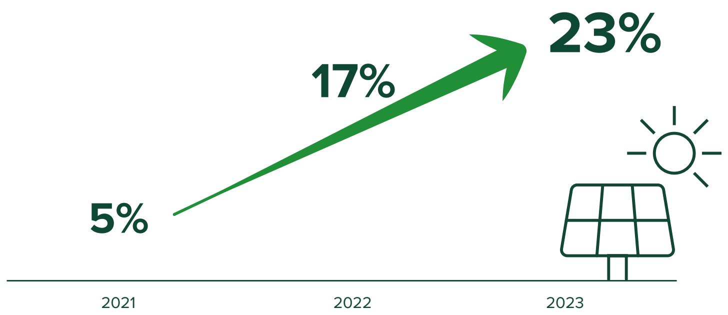
These scenarios highlight that our 2025 target, while ambitious, is realistic, even though it is not possible nor our ambition to roll out wooden frames throughout our entire portfolio. In 2023, wooden frames were for the first time implemented in houses for the detached segment. To reach our 2030 target, more radical reductions from ourselves and from our suppliers will be necessary.

In 2024, it is therefore our ambition to commit to SBTi (Science-based Targets initiative), and in 2025, to set new targets for Scope 1, 2 and 3 emissions (both short-term (5-10 years) and long-term (2050)).

Percentage of houses sold with renewable energy sources in 2023



Development in percentage of houses with solar panels.



Climate – building materials in the lifecycle

To make status on the achievement of our 2025 and 2030 targets for emissions from building materials, we update the CO_2 figures for the materials where we have either replaced the material, or our suppliers have come up with new CO_2 data. This is done with the help of an external third party: an independent consulting engineer.

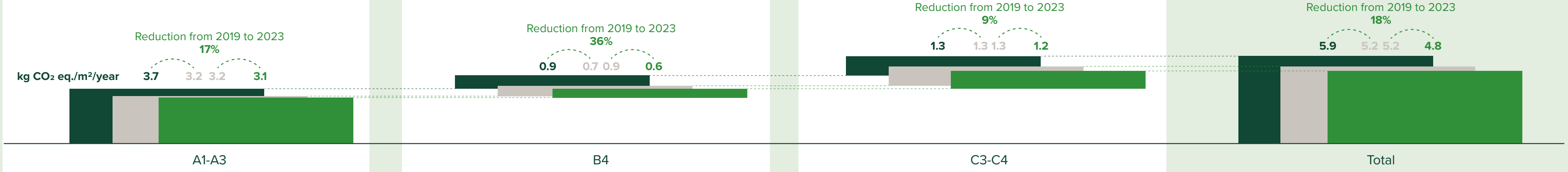
HusCompagniet's standard house - carbon emissions from materials across the lifecycle of the house

Upstream scope 3 emissions
Emissions from the production of building materials (A1-A3).

Downstream scope 3 emissions
Emissions from replacement of building materials and components throughout the lifecycle of the house (B4).

Downstream scope 3 emissions
When a house reaches the end of its lifetime and is torn down, how materials are disposed, recycled, recovered, and reused have a substantial impact on lifecycle CO_2 emissions (C3-C4).

2019
2022
2023



Reuse, Recycle and Recovery

We use materials which contain secondary (recycled) raw materials (e.g. insulation) and we expect this to increase in the future. We work to prevent waste at the construction site by precise quantification and to increase waste sorting.

Production of materials
Target 2025: 35% reduction of CO_2 emissions from the production of building materials, base year 2019.

House construction

Living in the house: replacement

Living in the house – energy consumption
Target 2025: 60% of houses ordered with renewable energy sources.

Considered reached with 45% of houses are with renewable heating sources (in 2022) (geothermal or heat pump), and 55% with district heating, which on average is 70% renewable.

End of life / Demolition
Currently, HusCompagniet has the least influence on the end-of-life phase. Our main contribution is through the selection of more readily recycled or reused building materials.

We continue to partner with demolition firms that focus on reuse of materials, and encourage circular and other innovations that further close the loop in the lifecycle of a house.

Living up to new regulatory requirements in Denmark

In March 2021, the Danish government published the National strategy for sustainable construction "National strategi for bæredygtigt byggeri", that set out expected future requirements for CO_2 emissions from buildings over a life cycle (LCA). We welcome initiatives towards more sustainable housing, and HusCompagniet is well-positioned to meet the requirements. We could even wish for more ambitious requirements.

According to the agreement, all new-builds below 1,000 sqm require a climate calculation (a simplified LCA) since 1 January, 2023, and from 2025 there will be introduced a threshold for maximum kg CO_2e/m^2/year. In 2023 and 2024, buildings with emissions under 8.0 kg CO_2e/m^2/year belong to the voluntary low-emission class. 7 out of 10 houses, for which we have made climate calculations in 2023, are in the voluntary low emission class, and on average, the houses have a global warming potential of 7.7 CO_2e/m^2/year.

It is worth noting that our climate calculations are not directly comparable to our baseline house, which has therefore been updated separately. This is because the building materials and elements included in the calculations have changed, so that for instance installations are now included in the calculations, and because the generic data used have also been substantially updated.

The test phase of the voluntary sustainable building class (to which we contributed back in 2021) was prolonged to December 2023. We monitor any further development of this class closely and take part in an ongoing dialogue with the authorities where we contribute with our perspective. Our own testing of the class back in 2021 has prepared us for any coming regulatory requirements.

On a more local level, that of municipalities, we currently see constraints on choice of for example facade materials. These could hinder the introduction of new lower-carbon alternatives.

Environmental responsibility

Our contribution is to further increase the focus on the full life cycle of a home, and the integration of circular thinking and environmental stewardship. We aim to further understand and integrate environmental and biodiversity considerations into our business model, from the ecosystems of the land we build on, to our construction processes and materials. This will include, for instance, increasing the re-use and recyclability of our building materials, and improving waste management on our construction sites as well as our production facilities. Materials used for HusCompagniet houses are mainly locally sourced, reducing the environmental impact of transportation.

Social information

Our employees are the most important asset at HusCompagniet, and their knowledge and insights are among our strongest capabilities. We rely on them to facilitate and deliver high-quality homes for families and doing so safely. We support and engage our people through focusing on safety, well-being, diversity, and inclusion.

HusCompagniet has a lean structure, and we work with local subcontractors for most of our construction work. This operating model gives us a high degree of agility and efficiency. Our operating model also means that we must maintain a close cooperation with our subcontractors to ensure that they also maintain satisfactory performance on safety, quality, and sustainability standards.

Operations overview

45

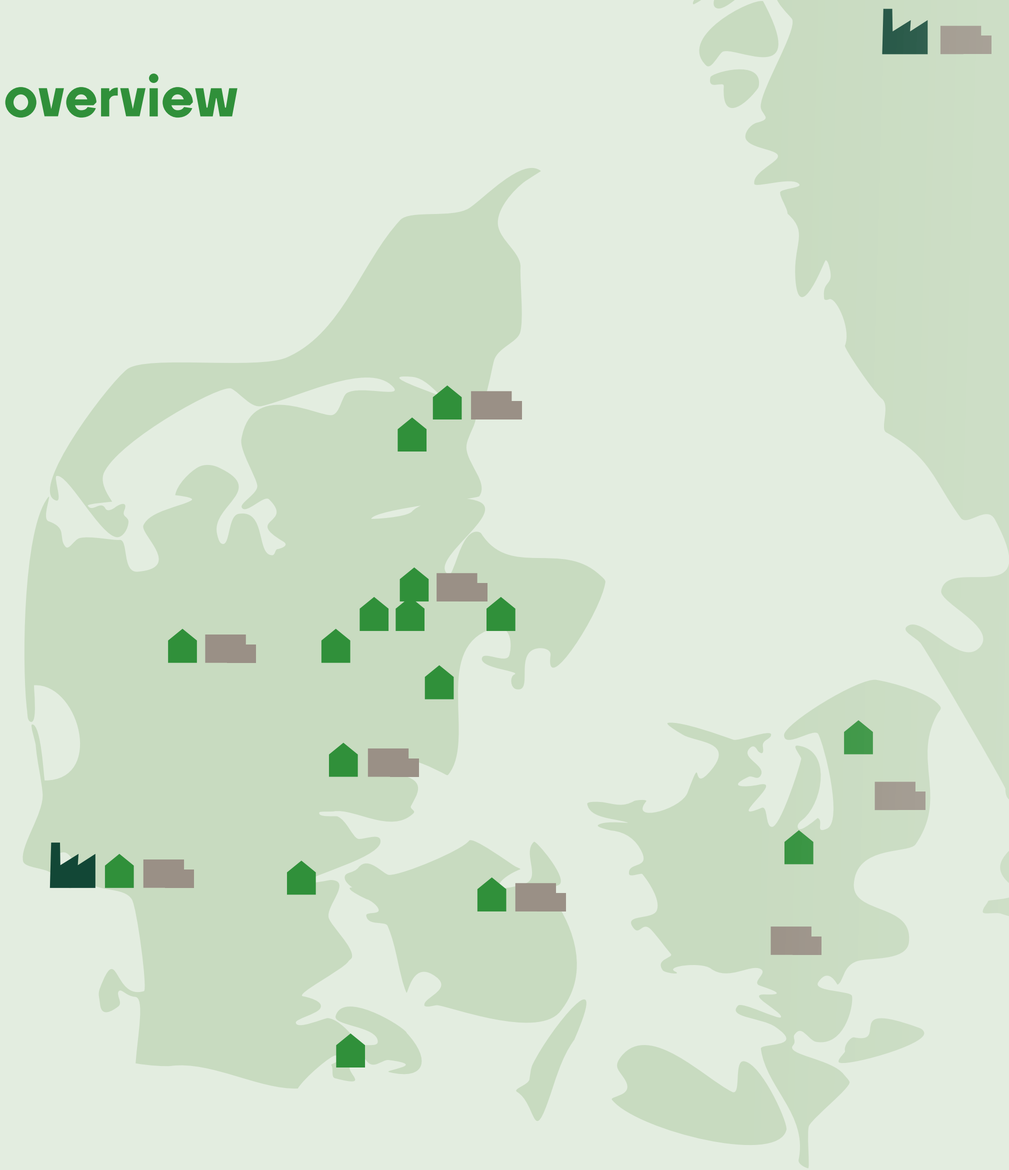
Show houses in Denmark

9

office locations in Denmark and Sweden

2

Production facilities in Denmark and Sweden



Office

Production

Show houses
For each show house location, there are from 1-6 show houses.

Gender split

Across all group employees in Denmark and Sweden
%

20.5%
Women

79.5%
Men

Profession split

Across all group employees in Denmark and Sweden
%

33%
construction managers, service, production

77%
Sales, Design, Engineering, Administration

Health and safety

The health and safety of our employees and subcontractors is an unwavering priority for HusCompagniet and we acknowledge that health and safety is an area of constant focus.

We start to see the positive effects of our ambitious programme **Tryg Arbejdsplads** (Secure Workplace) launched in 2021. A 44% reduction of the lost-time injury frequency (LTIf) for own employees and our contractors compared to 2019 is a strong testimony of our commitment, and with this, we have reached our 2025 target of reducing 30% compared to 2019. Our 2030 target is an LTIf reduction of 50% in 2030, compared to our baseline level from 2019.

Working environment policy

We have a Working Environment Policy in place to guide us in our ambition to protect our employees and the employees of our subcontractors, suppliers, and customers. In addition to complying with the Danish working environment regulations, the policy also covers a range of initiatives to prevent accidents and ensure that all partners comply with the same working environment standards and procedures, as we do. By analysing risks and monitoring accidents we aim to ensure that we have the right capabilities, processes, and tools applicable.

To monitor safety for both our own employees and our subcontractors, we make regular safety and work environment performance reporting. We value transparent and accurate

reporting, as it is the outset for improving safety performance, and we work to push towards complete coverage.

As part of our safety reporting, we also have a proactive and preventive safety registration on-site, which is integrated into our online project management system. The system enables our construction managers and subcontractors to register safety incidents and pre-emptive safety risk observation such as near misses, observations, and safety incidents in the app, we already use in the construction process.

Our updated Code of Conduct and Supplier Code of Conduct further detail our expectations of both employees and subcontractors, and we are firmly committed to uphold the highest safety standards on our construction sites.

6.7

LTIf Total
(Lost Time Injury frequency
- own employees and
subcontractors)

Tryg Arbejdsplads (Secure workplace)

Tryg Arbejdsplads is our transformational programme to create a safe and secure workplace for our employees and contractors. The programme includes a broad range of initiatives including systematic incident & observation reporting, better construction site architecture, special focus on working in heights as well as electricity hazards. The programme also includes initiatives to improve competencies among our own and subcontractors' employees and more visible leadership through regular site visits, clear communication and follow up.

Actions in 2023

During 2023, implementation of the activities under **Tryg Arbejdsplads** were fully rolled out. Although the full effect among HusCompagniet's large portfolio of subcontractors will take some time to be measurable, we are adamant that our improved safety performance is the result of our **Tryg Arbejdsplads** programme.

In 2023, we carried out a voluntary workplace assessment, including only psychological aspects. HusCompagniet has decided to conduct this survey on a yearly basis, more frequent than the compulsory three yearly cycle. The result of the assessment was satisfactory, as they showed improvements for several areas compared to 2022.

HusCompagniet additionally launched initiatives during 2023 to further improve safety performance:

- A work environment handbook as an effort to create simple and clear access to HusCompagniet's ambition of best-in-class work environment
- Implementation of safety knives to reduce cutting injuries in our production

2024 focus

Maintaining the positive trend will be our key focus for 2024. The following specific activities are planned:

- First aid trainings will be held for office-based personnel
- Increased focus on electricity related safety
- Development of new technical solutions for scaffolding and railing

Safety performance in 2023

With an overall LTIf of 6.7 accidents per million man-hours, down 44% compared to 2019, we have reached our 2025 target. The strong focus on safety will be maintained and we hope to continue the positive trend. 2023 LTIf for own employees is 6.0 and 7.1 for subcontractors.

Employee well-being

The physical and mental well-being of our people is of utmost importance to HusCompagniet.

Meeting our customers' expectations every day requires us to bring together a broad range of people and skill sets, from sales to architecture and construction management. To improve employee engagement and well-being, we continue to work with development and engagement initiatives that improve team dynamics and communication.

HusCompagniet uses a psychometric tool to measure and improve employees' awareness of strengths and development areas, and to promote understanding of different personality types working together. It is part of our goal to enable better communication both among our employees and in client engagement, and we have had positive feedback and commitment from many employees. In 2023, all new employees were also tested according to the system, with many already completing it during the recruitment process.

In 2023, sick leave increased to 4.7%, well above our 2025 target of 2%. Unfortunately, it is due to serious, long-term illness that has struck a number of employees in 2023. It can also partly be explained by the fact that data from our factory in Denmark have been included for the first time, with many blue collar workers, who naturally cannot work from home for instance with a light cold. We do not see the increase in sick leave as an expression of a general tendency.

Employee engagement

We see our own progress as an expression of employee feedback leading to concrete changes experienced by the employees.

Since 2020, we have been conducting an annual employee satisfaction survey measuring areas such as satisfaction and loyalty as well as questions concerning health and safety, diversity and inclusion. In 2023, the survey for the second time also includes employees in HusCompagniet Production and VårgårdaHus. The survey yielded a response rate of 90%, with a satisfaction score of 77%, and a loyalty score of 84% - all increasing compared to 2022. As part of the survey, we also achieved an employee Net Promoter Score (eNPS) of 41 compared to 30 in 2022, and a Manager Net Promoter Score (mNPS) of 54 compared to 47 in 2022. 2022 was a challenging year for our employees which was reflected in the 2022 assessment, and with the eNPS score of 41 and the mNPS score of 54, we reached our 2023-aim of improving these scores. In 2023, progress was thus made on all parameters (satisfaction, loyalty, eNPS, mNPS), while the benchmark for our industry goes back. We see our own progress as an expression of employee feedback leading to concrete changes experienced by the employees. However, for employees under 30, scores were consistently lower than the other age groups, and this is a point of attention going forward.

The results of the survey have been shared with local managers, who are tasked with engaging their teams to develop action plans based on the survey results. Our organisational structure, with smaller teams, is well positioned to anchoring efforts at the local level, with our central HR team following progress on local action plans. As such, the implementation of initiatives will be customised to suit the needs of each department at the discretion of managers, who drive our local efforts to improve employee well-being across our organisation.

Employee turnover increased to 34% (including redundancies) from 29% in 2022, still influenced by the substantial adaptation to the market situation that the group went through in 2022.

77%

Satisfaction score in employee survey

Training and skills development

During the year we continued our emphasis on employee development and improving our capabilities. During 2023, all sales employees (representing 15% of the total workforce) underwent sales training, and several designers/architects used the competence fund to get external sustainability training. Furthermore, an internal training programme for construction managers has been developed.

Diversity & inclusion

This section includes our statutory reporting on diversity & inclusion. At HusCompagniet, we strive to provide a diverse and inclusive work environment with equal opportunities. This approach is anchored in our diversity policy which is the overall responsibility of the CEO.

The construction sector has traditionally been a male-dominated industry, which poses a challenge for the industry and for HusCompagniet. The starting point for improving the gender diversity of our workforce is to monitor the demographics of our employees with the aim to track and improve gender balance over time. (See page 62 for the gender distribution of our workforce).

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

Diversity in management - HusCompagniet A/S

Management Level	Metric	2023
Board of Directors	Total number of members	6
	Percentage of underrepresented gender	33%
	Target in %	40%
	Year of acheivement of target	2025
Other levels of management*	Total number of members	2
	Percentage of underrepresented gender	0%
	Target in %	-
	Year of acheivement of target	-

* This includes the executive management in HusCompagniet A/S and their direct reports employed in the same legal entity.

HusCompagniet A/S maintains equal gender representation among the six members of its Board of Directors in compliance with the Danish Financial Statements Act, section 99b. HusCompagniet A/S employed less than 50 FTEs during the financial year 2023 and is as such exempted from the requirements to set targets for the underrepresented gender for both Board of Directors and other management levels. HusCompagniet has, however, maintained targets for both Board of Directors and on other management levels on group level and tracks development over the course of the financial year. It is important to us to both maintain and attract female talent and to build a pipeline in the organisation to increase female representation at all management levels.

Board diversity

The tone set at the top management is important, not least when it comes to diversity and inclusion. In 2023, the Board of Directors comprised 2/6 female directors and 4/6 male directors, which constitutes an equal distribution of gender according to the Danish Business Authority's guidelines. Our ambition is to maintain equal gender distribution on the Board of Directors and retain our adjusted 2025 and 2030 target of 40% female directors.

The Board of Directors represents comprehensive experience from a wide range of industries as well as diverse sets of competences to reflect the company's strategy and purpose. In 2023, the Board of Directors further strengthened its composition with the election of two new board members contributing with additional competences within areas such as business-to-consumer sales and marketing, production and manufacturing experience and industry knowledge.

Management diversity

The ratio of women in the Group among executive management and their direct reports with employee responsibility was 30% in 2023, down from 40% in 2022. The reduction was caused by organisational changes, leaving a vacancy unfilled.

The ratio of women with management responsibility in other levels remained unchanged in 2023. HusCompagniet's ambition is to continue to focus on gender diversity and to increase female representation on other management levels to reach equal representation at group level. HusCompagniet maintains its previously communicated targets of achieving 25% female representation in other management levels by 2025 and 30% by 2030. In 2023, HR initiatives (employment committees, representation at job interviews, development plans) have been taken to increase diversity.

In 2023, the ratio of women among executive mangement and their direct reports at Group level was 30% and we aim to maintain female representation in this management level in the Group at or above 30% in 2030.

Respect for labour rights and human rights

HusCompagniet is committed to respecting human rights and labour rights as set out in the Universal Declaration of Human Rights and the fundamental Conventions of the International Labour Organization (ILO).

We work to advance these principles both in our own organisation and among our business partners, subcontractors, and suppliers. Our Sustainability Policy, internal Standards of Business Conduct, and Supplier Code of Conduct reflect our commitment to the UN Global Compact (UNGC) and its principles related to human rights and labour rights, among other areas.

We respect our employees' right to freedom of association and collective bargaining

The construction industry in general has been scrutinised for labour issues, particularly related to vulnerable groups, such as migrant workers. This is a dilemma across geographies because the legal minimum wage may not necessarily reflect a living wage. We have minimum wage requirements integrated into our subcontractor agreements and have contractually secured our right to audit. HusCompagniet does not tolerate social dumping and will terminate subcontractors who engage in this practice, and we have a close positive dialogue with unions on these matters.

Going forward, we will continue to work with our suppliers and subcontractors to promote sound working conditions and protect human and labour rights throughout HusCompagniet's value chain. In 2023, no breaches of our Supplier Code of Conduct related to human rights were identified.

Governance information

Working against corruption, and in support of environmental responsibility, human rights, and labour rights throughout our value chain, is an essential part of our license to operate. Our sector is often exposed to challenges related to business ethics, labour relations and working conditions. Through our long-standing, recurring business relationships, we are well-positioned to address responsible business principles in collaboration with suppliers and subcontractors.

Business conduct

HusCompagniet's approach to business conduct is embedded within the responsibilities of our Board and Executive Management team, anchored in policies, and integrated into our contracts, operations and manuals.

The Board is responsible for the overall oversight and monitoring of our business conduct. This is done through annual review of our policies to ensure they are fit for purpose and address the correct issues for the organisation.

The Executive Management team ensures awareness of our commitments to business ethics and integrity by setting a clear tone from the top. In 2023, safety at the workplace for both our own employees and for our many subcontractors has been an important topic for the Executive Management team which has resulted in a detailed and operational manual on working environment which has been distributed to all subcontractors in 2023 and which will be fully implemented in 2024. In 2024, the Executive Management team has together with the Board of Directors decided to promote further awareness to our policies relating to anti-corruption and business ethics by increasing communication to the organisation. This will be done centrally from the Executive Management team and local leaders as well as in direct communication through townhalls, newsletters and on the intranet.

Code of Conduct

HusCompagniet's Code of Conduct and Code of Conduct for Suppliers set out our approach to business conduct and are integrated into our contracts, operations, and HR manuals throughout our organisation. They include HusCompagniet's requirements for employees and business partners on subjects such as health, climate and environment, labour rights, business ethics and anticorruption as well as human rights and trade sanctions. The General Counsel is responsible for the Code of Conduct and Code of Conduct for Suppliers which are reviewed annually.

Whistleblower system

Our whistleblower system provides employees and business partners with a confidential channel for addressing concerns or breaches of our ethical standards without fear of reprisal. The system is operated by an independent third-party provider and can be accessed via HusCompagniet's intranet and from our public websites. All whistleblower reports are initially considered by an independent law firm and depending on the matter of the report, investigations are made either by an independent law firm or internally. The process of investigation is based on dialogue between our General Counsel and the independent law firm and will always prioritise the interest of the whistleblower and be in compliance with our whistleblower policy. All reports to the whistleblower system are treated confidentially and whistleblowers are protected from retaliation of any kind. In 2023, we received two whistleblower reports. Both reports were made directly to the company outside of our whistleblower system and forwarded by us to the independent law firm. One report was investigated by an independent law firm and one report was investigated internally. No breaches to our Anti-Corruption Policy or Code of Conduct were identified, but the investigations have implied a need for increase of awareness of our Anti-Corruption Policy and our Code of Conduct. The Executive Management will therefore promote further awareness to our policies relating to anti-corruption and business ethics by increasing communication to the organisation both through local management and through group wide townhalls, newsletters and on the intranet.

2

Concerns of breaches to our Anti-Corruption Policy or Code of Conduct were reported in 2023

Anti-corruption and bribery

At HusCompagniet, we have a zero-tolerance policy against corruption and bribery in any form, and we are firmly committed to conducting our business responsibly. Our business operations are regulated by our Anti-Corruption and Business Ethics Policy, which details our approach to combating corruption, and formulates our company's position on the matter.

As a company operating in the construction sector, our main business ethics risks lie in our collaboration with third parties. As such, we take active measures to ensure that our business partners understand and uphold our ethical standards. All our suppliers are required to adhere to our Code of Conduct for Suppliers, which reflects our commitment to the UN Global Compact and align with our Anti-Corruption and Business Ethics Policy.

When working with suppliers and subcontractors, HusCompagniet requires compliance with all applicable regulation. All new contracts as well as renewals of existing contracts require suppliers to sign our Supplier Code of Conduct. All purchasing agreements with suppliers and subcontractors include a requirement to comply with the Supplier Code of Conduct, which includes elements of human and labour rights, anti-corruption, and environmental sustainability. We encourage our suppliers to further promote its principles within their own organisations and supply chains. Non-compliance, or where a supplier or subcontractor demonstrates a lack of improvement, may result in termination of the business relationship. Our construction managers monitor our subcontractors and a list of sanctions for non-compliance has been created.

To mitigate the risk of breaches, HusCompagniet negotiates the purchase of key materials categories directly with manufacturers, centralising a large portion of our procurement and enabling long-term relations with key materials suppliers. Additionally, substantial purchasing decisions are made at the relevant authority level, and approval processes have been put in place. Supplier agreements above a specific threshold must be approved by our Executive Management or Group procurement.

Smaller materials categories are sourced from builder merchants, and subcontractors used for the construction process are typically managed locally to enable flexibility. We are aware that flexible and decentralised decision making have the downside of potential increased risk in terms of business ethics.

Management of relationships with suppliers

HusCompagniet has a lean structure, and we work with local subcontractors for most of our construction work. As such, we maintain close co-operation with our subcontractors to ensure that they maintain satisfactory performance on safety, quality, and sustainability standards. Over the years, we have built long-term, recurring working relationships with our suppliers and subcontractors, which has led to an efficient, standardised operating model across projects.

This includes yearly meetings with all subcontractors and suppliers to ensure a continuous dialogue, making it possible to solve any emerging issues early on rather than taking legal actions. In 2023, a work environment handbook, focusing on safety on construction sites, primarily targeting subcontractors, was launched. Project management of construction sites is done using an App, which is also used by subcontractors for safety registrations. In 2023, we have continued to proactively making sure that our subcontractors make safety registrations, including near-misses. We also work collaboratively with our business partners to reduce emissions across our value chain and our dialogue focuses on documentation of sustainability and testing new products (for details, see page 40 in the Environmental Information section).

Political influence and lobbying activities

HusCompagniet does not make any direct or in-kind financial contributions to political parties, elected representatives or those seeking political office.

HusCompagniet is a member of the national trade and business association Danish Confederation of Industries. We became a member in 2023.

Data Ethics policy

Pursuant to section 99d of the Danish Financial Statement act, we are required to account for our data ethics policy and actions taken during the year. Our data ethics policy guides our processes and use of data. The policy supplements our other policies and guidelines governing ethical, security and personal data-related matters. The policy regulates how we process and use the information and personal data we keep, which are necessary to service our customers, complete our building activities and ensure transparency towards our investors. Our data ethics policy is developed according to the data ethics value compass.

Our customers are primarily private individuals, and we use personal data to ensure our customers the best possible service. All data is treated with great care and confidentiality and are processed in compliance with our data ethical principles, such as responsible, safe, and justified data processing, also in our collaboration with our suppliers.

In 2023, HusCompagniet has updated and implemented a new CRM system and e-mail security system which has strict access controls to limit security risks. External partners are only allowed access to data for a limited period and only related to the work-related needs.

Responsible tax policy

In line with the latest Danish Corporate Governance recommendations, HusCompagniet is guided by a Tax Policy to ensure compliance with applicable regulations, proper behaviour towards public authorities and payment of taxes as required by law.

Taxonomy-eligibility and alignment

On 21 April 2021, the European Commission adopted an ambitious and comprehensive package of measures to help improve the flow of capital towards sustainable activities across the European Union. By enabling investors to re-orient investments towards more sustainable technologies and businesses, these measures will be instrumental in making Europe climate neutral by 2050. They will make the EU a global leader in setting standards for sustainable finance.

A successful green transition must include both new-builds and renovation, and we applaud that both activities have been included in the EU Taxonomy for sustainable activities, as long as the relevant technical criteria are met. At HusCompagniet, we welcome this development towards a uniform classification system of sustainable activities, ensuring a level playing field and providing investors and stakeholders with clarity on how companies' activities are aligned with the green transition. Furthermore, we see strategic value in the EU Taxonomy, beyond reporting and compliance.

Accounting practice

Environmental objectives

For the HusCompagniet Group, the following two economic activities have been identified as relevant: 7.1 Construction of buildings and 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, which have both been assessed as contributing to environmental objective 1, climate change mitigation. In the context of the HusCompagniet Group, this environmental objective has been assessed as most relevant to report on. Taxonomy eligibility is characterised as an economic activity that is covered by the taxonomy regulations delegated acts. Whether an activity is taxonomy-eligible or not says nothing about the sustainability of that activity. To be characterised as sustainable, the activity has to be aligned.

Our accounting policies for the calculations are always based on our best interpretation, using external advisory, of the EU taxonomy regulation and delegated acts as well as the currently available guidelines from the European Commission and from Green Building Council Denmark. The latter is a non-profit membership organisation working to promote sustainability in the building industry and has recently published a first version of guidance on the taxonomy, developed among others in close dialogue with the industry and Climate Positive European Alliance.

KPI - Revenue

Numerator – Eligiblity

Taxonomy-eligible revenue is calculated as the revenue from the taxonomy-eligible activity stated in the table to the right, which is generated from one of the activities presented. Taxonomy-eligible share of revenue in 2023 was 100% the same as 2022.

Activity 7.1: All revenue streams are related to the construction of a house. Approx. 90% is constructed on third party land. For the remaining part, land is owned by HusCompagniet. In the sales process land and house will be divided into two contracts for the private customer. Yet, HusCompagniet does not speculate in land and will solely sell land in connection with construction of a house. Therefore, it is assessed that revenue stream from land is within scope 7.1. and thus, taxonomy eligible.

2023	Revenue	OPEX	CAPEX
Taxonomy-eligible activities			
7.1 Construction of new buildings	100%	76%	72%
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	0%	0%	20%
Taxonomy-non-eligible activities or activities not covered			
Non-eligible activities	0%	24%	8%
Sum of Activities	100%	100%	100%

Numerator – Alignment

Taxonomy-aligned revenue is calculated as the portion of the net revneue from the taxonomy-eligible activity stated above, which can be classified as taxonomy-aligned and comply with the screening criteria in the annex to the delegated act.

Due to a lack of data quality, we report 0% on taxonomy-alignment on activity 7.1 construction of new buildings. In 2022, our expectation was to report alignment for selected semi-detached projects for the financial year 2023 and report alignment for the remaining in 2024 (on environmental objective 1 (climate change mitigation)). However, in the semi-detached segment, due to unclarity (both regarding the criteria itself and how to document compliance with it) around particularly the DNSH (Do No Significant Harm) criteria for pollution prevention, our investors have not yet demanded taxonomy-aligned projects. Before reporting for the detached segment, we would like to gain experience with taxonomy-aligned semi-detached projects, that in terms of data, are more managable.

For objective 1, the technical screening criteria is an energy performance of at least 10% better than NZEB (Nearly Zero-Energy Building). Approximately 60% of houses calculated in 2023 have an energy performance above this threshold.

Denominator – Eligibility

Net revenue as shown in note 2.1 Segment information.

60%

of houses have an energy performance that is at least 10% better than NZEB

Proportion of Revenue from products or services associated with Taxonomy-aligned economic activites 2023				Substantial contribution criteria						DNSH criteria ('Do Not Significant Harm')									
Economic activities (1)	**Code(s) (2) *(a)***	**Absolute Revenue (DKK'000)**	**Proportion of Revenue, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned or -eligible revenue**	**Category enabling activity (19)**	**Category transitional activity (20)**
		DKK	%	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which transitional		0	0%	0%													0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities) *(g)*																			
				EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*										
Construction of new buildings	CCM 7.1	2,381,357	100%	EL	N	N	N	N	N								100%		
Revenue of Taxonomy-eligible but not environmentally sustainable		100%	100%	100%	0%	0%	0%	0%	0%								100%		
A. Revenue of Taxonomy-eligible activities (A.1+A.2)		2,381,357	100%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy-non-eligible activites		0.00	0%																
TOTAL (A + B)		2,381,357	100%																

KPI - OPEX

Numerator – Eligiblity

Taxonomy-eligible OpEx is calculated as OpEx related to the following economic activities. Taxonomy-eligible share of OpEx in 2023 was 76% against 75% in 2022. The 1 ppt. increase relates to higher maintenance cost of factory equipment.

Numerator – Alignment

Taxonomy-aligned OpEx is calculated as the proportion of the eligible-OpEx from taxonomy-eligible activities stated below, which can be classified as taxonomy-aligned and comply with the screening criteria in the annex to the delegated act.

Due to insufficient data, we report 0% taxonomy alignment for the activity.

Denominator – Eligibility

Direct non-capitalised costs that relate to: Costs incl. maintenance for short-term leased cars, costs relating to building renovation measures, costs related to maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment including wages for employees servicing data centres.

Denominator – Alignment

The taxonomy-eligible OpEx as defined in the delegated act, related to the relevant activities. Not aligned due to insufficient data quality.

Double Counting

There is no risk of double counting as all eligible expenses are related to activity 7.1 construction of new buildings.

Proportion of OpEX from products or services associated with Taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria ('Do Not Significant Harm')									
Economic activities (1)	Code(s) (2) *(a)*	OpEX (DKK'000)	Proportion of OpEX, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEX, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		DKK	%	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which transitional		0	0%	0%													0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities) *(g)*																			
				EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*										
Construction of new buildings	CCM 7.1	473	76%	EL	N	N	N	N	N								75%		
OpEX of Taxonomy-eligible but not environmentally sustainable		473	76%	76%	0%	0%	0%	0%	0%								75%		
A. OpEX of Taxonomy-eligible activities (A.1+A.2)		473	76%	76%	0%	0%	0%	0%	0%								75%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEX of Taxonomy-non-eligible activites		148	24%																
TOTAL (A + B)		621	100%																

KPI - CAPEX

Numerator – Eligiblity

Taxonomy-eligible CapEx is calculated as CapEx related to the following economic activities. Taxonomy-eligible share of CapEx in 2023 was 92% compared to 76% in 2022. Due to the cost focus CapEx have to a higher degree been allocated towards eligible costs.

Numerator – Alignment

Taxonomy-aligned CapEx is defined as the taxonomy-eligible CapEx, which can be classified as being in compliance with the screening criteria in the annex to the delegated act. Due to insufficient data we report 0% alignment on both activity 7.1 construction of new buildings and activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles.

Denominator – Eligibility

CapEx as shown in Note 4.1 Goodwill and Intangible assets and note 4.3 Property, plant and equipment and right-of-use assets

All CapEx additions are assessed individually. The Taxonomy-eligible share of investments primarily relates to 7.1. construction of new buildings. Items include, but are not limited to, additions of production facility equipment, investments in development or IT.

Denominator – Alignment

The taxonomy-eligible CapEx as defined in the delegated act, related to the relevant activities. Not aligned due to insufficient data quality.

Double Counting

There is no risk of double counting as CapEx allocated to activity 7.1 or 6.5 are not related to both activities.

Proportion of CapEX from products or services associated with Taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria ('Do Not Significant Harm')									
Economic activities (1)	**Code(s) (2) *(a)***	**Absolute CapEX (DKK'000)**	**Proportion of CapEX %**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEX, year N-1 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		DKK	%	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y;N; N/EL (b,c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which transitional		0	0%	0%													0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (Not Taxonomy-aligned activities) *(g)*																			
				EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*	EL; N/EL *(f)*										
Construction of new buildings	CCM 7.1	19,363	72%	EL	N	N	N	N	N								64%		
Transport by motorbikes, passenger cars and light commercial vehicle	CCM 6.5	5,381	20%	EL	N	N	N	N	N								12%		
CapEX of Taxonomy-eligible but not environmentally sustainable		24,744	92%	92%	0%	0%	0%	0%	0%								76%		
A. CapEX of Taxonomy-eligible activities (A.1+A.2)		24,744	92%	0%	0%	0%	0%	0%	0%								76%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy-non-eligible activites		2,208	8%																
TOTAL (A + B)		26,952	100%																

ESG disclosures and data

ENVIRONMENTAL	ESG data / disclosures	Unit	2023	2022
Energy consumption				
Nasdaq E.3, FSR/Nasdaq CPH/CFA	Total energy consumption	mWh	15,357	21,022
Nasdaq E.3	Energy from electricity consumption	mWh	12,243	16,468
Nasdaq E.3	Energy from district heating and thermal heating	mWh	1,158	1,157
Nasdaq E.3	Energy from natural gas for heating	mWh	353	409
Nasdaq E.3	Diesel consumption	Liters	135,248	273,064
Nasdaq E.3	Petrol consumption	Liters	29,583	29,015
GHG Emissions				
Nasdaq E.1.1	Total CO_2-e emissions (Scope 1 & 2) - market-based	Metric tonnes	5,630	7,481
Nasdaq E.1.1, FSR/Nasdaq CPH/CFA	Direct CO_2-e emissions (Scope 1)	Metric tonnes	402	761
Nasdaq E.1.2, FSR/Nasdaq CPH/CFA	Indirect CO_2-e emissions (Scope 2 - market-based)	Metric tonnes	5,228	6,720
Nasdaq E.1.2, FSR/Nasdaq CPH/CFA	Indirect CO_2-e emissions (Scope 2 - location-based)	Metric tonnes	2,055	2,272
GHG Intensity				
Nasdaq E.2	CO_2-e emissions per m^2 delivered (Scope 1 + 2 - market-based)	kg/m^2	32.5	23.1
Nasdaq E.2	CO_2-e emissions per m^2 delivered (Scope 1 + 2 - location-based)	kg/m^2	14.2	9.4
SASB, IF-HB-410a.1	Number of homes with Energimærkning for energy efficiency	%	100%	100%
SASB, IF-HB-410a.1	Average score of Energimærkning			
Renewable energy				
Nasdaq E.5, FSR/Nasdaq CPH/CFA	Renewable energy percentage (market-based)	%	33%	31%
Nasdaq E.5, FSR/Nasdaq CPH/CFA	Renewable energy percentage (location-based)	%	74%	61%
SASB, IF-HB-410a.1	Number of homes with Energimærkning for energy efficiency (BR18) and (lavenergi)	%	100%	100%
SASB, IF-HB-410a.1	Average score of Energimærkning		BR18 & Lavenergi	BR18 & Lavenergi
	Downstream emissions:			
Nasdaq E.1.3	Percentage of homes sold with renewable energy technologies	%	62%	51%
Land use & ecological impacts				
SASB F-HB-160a.2	Number of (1) lots and (2) homes sold in regional with High or Extremely High Baseline Water Stress[1]	#	23	0
SASB F-HB-160a.1	Number of (1) lots and (2) homes delivered on redevelopment sites[2]	#	37%	30%
Nasdaq E.7, SASB IF-HB-160a.4	Process to integrate environmental considerations into site selection, design, development and construction[1]	Description	See page 43	See page 50

1 in our markets (Denmark and Sweden), one area in Sweden has high water stress, according to the World Resources Institute.
2 comprise detached and semi-detached houses in Denmark. Data not available in Sweden.

SASB: Home Builders Standard.
Nasdaq: Nasdaq ESG Guide 2.0.
FSR/NasdaqCPH/CFA: ESG key figures in the annual report.

ENVIRONMENTAL	ESG data / disclosures	Unit	2023	2022
Climate risks				
SASB IF-HB-410a.4, TCFD	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Discussion & analysis	See TCFD disclosure table page 63	See TCFD disclosure table page 58
SASB IF-HB-420a.2, TCFD	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion & analysis	See TCFD disclosure table page 63	See TCFD disclosure tabel page 58

SOCIAL	ESG data / disclosures	Unit	2023	2022
FTE & Turnover				
FSR/Nasdaq CPH/CFA	FTE (continued operations)	#	395	518
Nasdaq S.3, FSR/Nasdaq CPH/CFA	Employee turnover ratio[3]	Ratio	34%	29%
Health & safety				
Nasdaq S.7, SASB IF-HB-320a.1	LTI (lost-time injuries) total - own employees and subcontractors	#	12	35
Nasdaq S.7, SASB IF-HB-320a.1	LTI own employees - blue and white collar	#	4	6
Nasdaq S.7, SASB IF-HB-320a.1	LTI subcontractors	#	8	29
Nasdaq S.7, SASB IF-HB-320a.1	LTIf (lost-time injury frequency) total - own employees and subcontractors	Frequency	6.7	11.6
Nasdaq S.7, SASB IF-HB-320a.1	LTIf own employees - blue and white collar	Frequency	6.0	6.9
Nasdaq S.7, SASB IF-HB-320a.1	LTIf - subcontractors	Frequency	7.1	13.4
FSR/Nasdaq CPH/CFA	Sick leave	Days per FTE	4.7%	1.9%
Diversity				
Nasdaq S.2, FSR/Nasdaq CPH/CFA	Gender Pay Ratio	Ratio	1.1	1.0
Nasdaq S.4, FSR/Nasdaq CPH/CFA	% females in the company	%	20.5%	19.0%
FSR/Nasdaq CPH/CFA	% females in management	%	30%	40.0%
Nasdaq S.6	Non-discrimination policy	Description	See page 50	See page 47
Nasdaq S.9	Child and forced-labour policy	Description	Sustainability policy	Sustainability policy

GOVERNANCE	ESG data / disclosures	Unit	2023	2022
Nasdaq G.1, FSR/Nasdaq CPH/CFA	Gender diversity on the Board of Directors - underepresented gender	#	33.3%	33.3%
Nasdaq S.1, FSR/Nasdaq CPH/CFA	CEO Pay Ratio	Ratio	12.10	16.10
FSR/Nasdaq CPH/CFA	Board Meeting Attendance Rate	Ratio	95%	93.0%

3 including redundancies.

SASB: Home Builders Standard.
Nasdaq: Nasdaq ESG Guide 2.0.
FSR/NasdaqCPH/CFA: ESG key figures in the annual report.

TCFD disclosures

	TCFD Recommendation	2023 Disclosures
Governance	**Describe the board's oversight of climate-related risks and opportunities**	The HusCompagniet Board of Directors has the ultimate oversight of climate-related risks and opportunities and ESG-related issues, including those related to climate. Sustainability and climate are items in the Board's annual wheel, meaning that climate risks are considered at least once annually, or more frequently as needed. Climate-related risks are an important part of HusCompagniet's overall ESG risk considerations, and are incorporated into strategic discussions, in annual business planning, and in annual reporting.
Governance	**Describe management's role in assessing and managing climate-related risks and opportunities**	The Executive Management team is responsible for assessing and managing climate-related risks. The Group CEO and Group CFO are actively involved in the sustainability strategy process, and the operationalisation of the sustainability focus areas is owned by the Head of Business Development. HusCompagniet has a Steering Committee for Sustainability, counting Executive Management, Marketing, Purchasing and Business Development, in order to further structure and strengthen our work towards our climate targets. In 2023, social and governance were also included in the scope of this committee's work.

	TCFD Recommendation	2023 Disclosures
Strategy	**Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term**	HusCompagniet has conducted an assessment of the risks and opportunities that we may be exposed to as a result of climate change in accordance with the TCFD recommendations. We have defined the following time frames: 0-3 years is considered to be short-term, 4-10 years to be medium-term, and more than 10 years to be long-term. In 2023, we assessed these adjustments to still be valid. **Short-term (0-3 years) risks identified:** Political risk from increased prices on emissions or standards; political push to bring new low-carbon products to market before they are fully tested; political preference for incentivising renovations instead of new-builds; technology-related risks from investments in unsuccessful new, renewable technologies; the physical risks identified were all expected to manifest in the longer term. **Medium-term (4-10 years) risks identified:** Reputational risks from potential shifts in consumer and market preferences towards low-carbon products; political ambitions of allocating more landmass to nature, resulting in reduced availability of plots suitable for commercial development. **Long-term (more than 10 years) risks identified:** Physical risks from: Reduced availability of lots without exposure to flooding or other weather hazards available for development; construction times marginally prolonged from chronic changes in weather patterns, such as heavier rainfall and increased temperatures; rising sea levels and heightened risk of flooding may impact the availability of development plots; increased accuracy in pricing; physical climate risks into mortgage and insurance policies may affect demand.

	TCFD Recommendation	2023 Disclosures
Strategy	**Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term**	HusCompagniet continues to identify the potential opportunities from climate change. To address the current and expected shift in consumer demand towards more sustainable house offerings, we launched our Climate-Improved House in 2021 and tested it towards the voluntary sustainable building class. Since then, we have continued to work on integrating solutions from the climate-improved house into our portfolio. Sustainable house offerings might also lead to increased market share in the house market as well as in new markets, as consumer preferences shift towards low-carbon solutions. This development might be further accelerated if increased climate-related damage on the existing property mass results in an increased demand for new houses.
Strategy	**Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**	In 2019, we conducted our first qualitative scenario analysis in alignment with the TCFD recommendations. The analysis explored the implications to the business model and strategy in the context of three scenarios based on groupings of IEA, IPCC, WEC scenarios, and other publicly available scenarios. The three scenarios explored were: a scenario based on "business as usual" and current policies, a scenario based on stated political commitments, and a decarbonisation scenario resulting in no more than a 2°C increase in average global temperatures. Each scenario included an overlay of the physical risks posed by the corresponding temperature increase based on data projecting the physical changes specific to Denmark prepared by DMI in accordance with the IPCC scenarios. The analysis showed that our business model can be made resilient in all three scenarios. In 2023, we continued to use these insights when considering long-term exposure.

	TCFD Recommendation	2023 Disclosures
Risk management	**Describe the organisation's processes for identifying and assessing climate-related risks**	In 2019, the Management conducted a detailed assessment of risks and opportunities in line with the TCFD classifications, which is refreshed on an annual basis. As we continue to work towards our ambitions and targets, risk management procedures will be put into place. HusCompagniet follows the developments of green building standards and certifications closely. We continue to increase our understanding and integration of physical climate risks into decision-making and strategy.
Risk management	**Describe the organisation's processes for managing climate-related risks**	Climate-related risks are evaluated on an annual basis, and action will be taken if and when needed. We continue to strengthen our ongoing processes for climate risk management.

	TCFD Recommendation	2023 Disclosures
Metrics and targets	**Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management**	We identify climate-related risks through the process of prioritising sustainability focus areas. Climate considerations have also informed our product development. Processes for integrating climate-related risks and opportunities were continued in 2023.
	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	See pages 68-69 in this report
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See pages 39-43 and 61 in this report
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See pages 33-34 in this report

Definitions

Scope 1, 2 and 3 CO_2 emissions are calculated based on the GHG (Greenhouse Gas) Protocol. Scope 1 are direct CO_2 emissions for the burning of fuel or natural gaz. Scope 2 are indirect CO_2 emissions from the purchase of electricity. Scope 2 can be calculated as market-based or location-based, where the market-based approach uses emissions factors taking into consideration the purchase of green certificates (in which HusCompagniet has decided not to participate), whereas the location-based approach used emissions factors based on geographical placement. For Scope 3 calculations, average values of phases A1-A3 (Production), B4 (Replacement), C3-C4 (Waste processing and Waste disposal) from LCAs of our houses have been used as input, supplemented by estimates for the upstream and downstream impact categories not included in these phases.

LCA: Life Cycle Assessment is a scientific methodology for assessing environmental impacts, including carbon footprint, for all the stages of the life cycle of a building, from extraction of raw materials used to manufacture the materials and components the building is made of, to the end of life of the building.

DGNB: Deutsche Gesellschaft für Nachaltiges Bauen is a holistic sustainability certification for buildings, originally developed in Germany, that has been chosen by the building industry in Denmark and adapted over the years to the Danish context.

LTIf: Lost Time Injury frequency: Number of lost time injuries occurring in a workplace per 1 million hours worked.

eNPS: Employee Net Promoter Score, a scoring system designed to help employers measure employee satisfaction and loyalty within their organization, and more specifically an indicator of whether an employee would recommend others to work in their organization.

mNPS: Manager Net Promoter Score, a scoring system designed to help employers measure employee satisfaction and loyalty within their organization, and more specifically an indicator of whether an employee would recommend others to work for their manager.

IEA: International Energy Agency.

IPCC: Intergovernmental Panel on Climate Change.

WEC: World Economic Center.

TCFD: Task Force Climate Related Discolosures is an initiative established by the Financial Stability Board (FSB), an international body that monitors and makes recommendations about the global financial system. The TCFD was launched in 2015 with the goal of developing a set of voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.

Risk Management

→ Risk Management

Risk Management

HusCompagniet is exposed to numerous inherent risks, some of which are market-driven, some industry related and some climate-related while others are more directly related to the Group's reputation.

The Board of Directors are responsible for ensuring that the Group's risk exposure is consistent with its target risk profile. The Board of Directors evaluates to ensure that the appropriate awareness and management processes are in place. Managing the risk process is part of the Group CFO's day-to-day responsibility and developments in the main risk areas are reported to the Audit Committee and Board of Directors.

Risk management is based on ongoing monitoring to identify relevant risks. Our enterprise risk management practice aims to identify, monitor, assess, and mitigate risks as early as possible to manage the likelihood and potential impact. Insurances are assessed on an ongoing basis by Group CFO and the Audit Committee to ensure sufficient coverage is provided to mitigate the day-to-day concerns. An insurance agency reports their assessment on HusCompagniet's coverage to the Board of Directors once a year.

Risk action hierarchy

Board of Directors

↓

Audit Commmitee

↓

Executive Management

Risk management matrix 2023

1 Macroeconomic risk (unchanged)

2 Supply chain risk (unchanged)

3 IT systems and information (unchanged)

4 Climate change and change in regulation

5 Our people

6 Health and safety

7 Cyber threats

Top risks

	Macroeconomic risk	Supply chain risk	IT systems and information	Climate risks and change in regulation
Risk	The Group is subject to general macroeconomic conditions, and an economic slowdown could adversely affect demand for the houses and land it sells. The geopolitical situation in the world has had severely negative effects on a number of external factors resulting in a rapidly increasing inflation, increasing interest rates and declining consumer confidence which in combination with new Danish housing tax reform has led to a general general uncertainty leading towards the economic situation resulting in a decline in sales below historical average. Other external factors that could have a negative impact include rate of employment, property prices, and GDP growth.	The Group setup means exposure to and reliance on third-party suppliers, contractors, subcontractors, and other service providers in executing its projects. Shortage of materials and/or subcontractors may result in price pressure or lack of labour for execution. This could cause liquidity strain due to the "payment at delivery" model and costs in terms of delay penalties. In 2023, the supply chains were less distressed given lower activity in the building industry. The risk of further constraints has increased in connection with the continued geopolitical instability.	The Group continues to integrate its IT systems to enhance control and drive efficiency. The failure of any of these systems, could restrict the Group's operations. Failure to comply with data regulations could also trigger significant financial penalties and reputational damage.	For HusCompagniet, climate risks and the expected transition to a low-carbon economy can pose financial challenges. Long-, medium- and short-term climate-related risks include market risks such as shifts in consumer preferences towards low-carbon homes, policy and legal risks stemming from increased regulation, carbon taxes and tariffs. Regulation towards sustainable housing is expected to increase over the coming years, requiring necessary R&D investment in product development from house builders.
Mitigation	The Group diversifies its business by operating in several business areas and only acquiring a small number of highly selective strategic land plots with a high turnover rate. The Group strives to maintain its share of own land projects at around 20% of total house deliveries in Denmark. The Group also operates a flexible cost base as most construction projects are outsourced to subcontractors, which adds resilience to the business model in facing downturns. An order book of minimum six months visibility enables rightsizing in due time and scaling the business accordingly.	Strong relationships established with subcontractors during boom-and-bust periods. The Group reduces its reliance on individual contractors by always engaging with several contractors. An overheated market can be partly mitigated through yearly negotiations on longer-term master agreements, and also by cascading costs to customers. The sustainability journey opens up for a larger variety of materials, thus reducing dependency of suppliers. We have a strong position due to our market share.	With increased digitalisation of work processes, critical applications are monitored and managed according to business continuity plan. We ensure segregation of duties on our application to prevent unintended usage. Risk of loss of data is mitigated by a daily backup placed on separate location for 30 days and a disaster recovery strategy is implemented with yearly exercise of disaster recovery. The Group data protection policy was reviewed in 2023.	HusCompagniet integrates considerations on climate-related risks and opportunities into our strategy and operations. The Group has since 2019 implemented and publicly supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have set ambitious targets towards 2025 and 2030 to reduce carbon emissions, and in our efforts to reach the targets set, we continuously expand our low-carbon offerings in terms of materials and renewable energy solutions. The efforts taken also prepares for future regulatory changes. For our semi-detached offerings, it is our expectation and ambition that we are on a transition towards delivering only projects that are sustainability certified.

Top risks

	Our people	Health and safety	Cyber threats
Risk	The Group depends upon its management team and on the expertise of its key personnel and may be unable to attract and retain a highly skilled and experienced workforce. Development of skilled employees is critical to delivery of the Group's strategy of profit and volume growth through quality and efficiency.	The Group's sub-contractors may fail to operate in accordance with high ethical and safety standards and in accordance with applicable laws and regulation.	The cyber threat has continued to increase. With increased digitalisation of business processes, cyber-attack could have financial and reputational consequences for HusCompagniet. Malicious hacking activities or theft of sensitive business data, personal employee data or customer data may result in significant business disruption, monetary losses or fines and penalties from authorities.
Mitigation	HR processes including retaining and recruiting talent are increasingly important to the Group. The Group has a key focus on maintaining an attractive workplace with competitive compensation packages and a long-term incentive programme has been introduced with a view to retaining key personnel. Employee surveys are conducted on regular basis in order to open a line of communication for all employees to provide feedback and help grow the company.	It is HusCompagniet's ambition to eliminate work-related injuries. HusCompagniet has increased the training of construction managers and engaging in subcontractors at building sites as well as maintaining a strong focus on safety when onboarding new companies. Training of construction managers and subcontractors are ongoing and continuously in development.	The Group's IT strategy comprises a continued effort to protect against cyber threats regarding IT infrastructure and business operations. Ongoing updates and investments in IT equipment and new technology as well as improvements of operating procedures seek to follow good practice. Furthermore, continuous user-awareness campaigns improves user behaviour, which minimize risk of successful cyberattacks.

Shareholder information

→ Shareholder information

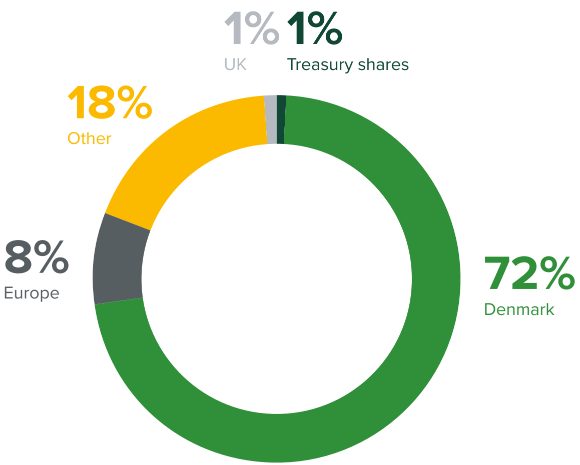
Shareholder information

The share price

HusCompagniet A/S is listed on Nasdaq Copenhagen and has since December 2023 been part of the Copenhagen small-cap index and prior to that the mid-cap index. The share price was at DKK 42 at the beginning of 2023 and closed at DKK 46.5 at year end. In comparison, the Copenhagen mid-cap index increased 3.0% in the period while the small-cap index increased by 4.2%.

Shareholder structure

HusCompagniet A/S' share capital is nominally DKK 108,550,000 divided into 21,710,000 shares, each with a nominal value of DKK 5 and carrying five votes. On 31 December 2023, HusCompagniet had more than 5,600 registered shareholders collectively holding 91.83% of the share capital.



At year-end, HusCompagniet A/S had registered major shareholder notifications from the following shareholders:

- Lind Value II ApS of holding 15% or more of the share capital and of the voting rights
- Danske Bank A/S of holding 10% or more of the voting rights and 5% or more of the share capital
- PFA Asset Management of holding 5% or more of the share capital
- Investeringsforeningen Danske Invest of holding 5% or more of the share capital
- BI Asset Management Fondsmæglerselskab A/S of holding 5% or more of the voting rights
- Nordea Funds Ltd. of holding 5% or more of the voting rights

HusCompagniet held 230,303 treasury shares at year end, corresponding to 1.06% of the share capital. The treasury shares are held to cover the commitments under the current share-based incentive programme and cancellation.

Share-based incentive schemes

In total, 197,770 RSUs were issued on 14 April 2023, of which 34,860 were granted to the Executive Management and 162,910 were granted to other employees. The fair value of the RSU grant in the 2020 programme totalled DKK 16 million and the fair value of RSU grant in 2022 was DKK 8.4. In 2023 the fair value of the RSU grant was DKK 9.3 million. In 2023, an expense of DKK 8.9 million was recognised in the income statement in respect of the incentive programmes (2022 : 6.6 million and 2021: 4.9 million).

Capital structure and financing

In May 2023, HusCompagniet issued new share capital of nominally DKK 17,500,000 divided into 3,500,000 shares, each with a nominal value of DKK 5 and carrying five votes. In connection with the issuance of new shares, HusCompagniet also entered into a new facilities agreement for the purpose of refinancing indebtedness at the time.

The primary objective of HusCompagniet's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. HusCompagniet manages its capital structure and adjusts in response to changes in economic conditions. To maintain or adjust the capital structure, HusCompagniet may adjust dividend payments to shareholders, acquire its own shares, or issue new shares. The financial leverage at year end 2023 was 3.3x net debt to EBITDA. According to HusCompagniet's facilities agreement, the permitted maximum leverage ratio - net interest bearing debt divided by last twelve months adjusted EBITDA - started at 3.5x for the 12-month period ending on 30 June 2023. The ratio increases to 4.5x for the 12-month period ending on 31 March 2024, following which it will decrease to 3.75x on 30 June 2024, and for any 12-month period ending on or after 30 September 2024, the leverage ratio must not exceed 3.5x. In case of breach of financial covenants, the banks may demand immediate repayment of the full nominal amount.

Management is continuously reviewing the financing and capital structure of HusCompagniet and conclude on that basis that there is an appropriate and justified basis for continuing the current plans and operations of HusCompagniet.

Dividend policy

The company's dividend policy has a target initial pay-out ratio of at least 25% by means of dividend, supplemented by means of share buyback for around 25%. The dividend policy is subject to change at the discretion of the Board of Directors, and there can be no assurance that the Group's performance will facilitate adherence to the dividend policy and that in any given year a dividend will be proposed or declared.

No dividend is proposed to shareholders in 2024.

HusCompagniet expects to return to making dividend payments, once the leverage is back within the long-term target of around 2x net debt to EBITDA.

Insiders and trading windows

Members of HusCompagniet A/S' Board of Directors and Executive Management are listed in the company's register of permanent insiders. These persons and their related parties are allowed to buy or sell shares in the company only during the four weeks immediately following the publication of each interim financial report, quarterly trading statements or annual report. If in possession of inside information, such persons are prohibited from trading even during the said four-week period for as long as such information remains inside information. The company may solely buy or sell its own shares during the four-week period immediately following each interim financial report, quarterly trading statement or annual report, and the company may not trade whilst in possession of inside information.

Communication with investors

To ensure that capital market participants, including current and prospective shareholders, can make well-informed investment decisions, HusCompagniet hosts conference calls with the Executive Management each quarter following the release of financial reports and trading statements. The Executive Management also meet current and potential investors on a regular basis at road shows and equity conferences.

Investor Relations Contact:

ir@huscompagniet.dk

Shareprice 2023

Financial calendar

Deadline for proposals to the agenda of the Annual General Meeting:	28 February 2024
Annual General Meeting:	11 April 2024
Trading statement for the period ending 31 March 2024:	2 May 2024
Interim report for the period ending 30 June 2024:	23 August 2024
Trading statement for the period ending 30 September 2024:	8 November 2024

Analyst coverage

In 2023, the company was covered by four equity research providers, Carnegie, Danske Bank, Nordea and SEB. The company is not normally available for dialogue about financial matters in the three-week period leading up to the publication of an interim financial report, trading statements or the annual report.

HusCompagniet share information

No. of shares: 21,710,000
Listing: Nasdaq Copenhagen
Trading symbol: HUSCO
Index: Nasdaq Copenhagen small-cap

Corporate governance

Corporate governance

HusCompagniet has a two-tier management structure comprising the Board of Directors and the Executive Management. There are no overlapping members. The Board of Directors is responsible for the overall and strategic management and proper organisation of the Group's business and operations. On behalf of the shareholders, the Board of Directors supervises HusCompagniet's organisation, day-to-day management, and results.

The Board of Directors sets guidelines on the day-to-day responsibilities and obligations of the Executive Management. The Board of Directors and the Executive Management further assess HusCompagniet's business processes, the organisation, strategy, risks, business objectives and controls. A set of rules of procedure governs the work of HusCompagniet's Board of Directors. These rules are reviewed annually by the Board of Directors and updated as necessary.

Board of Directors

The Board of Directors consists of six members and has appointed a Chairperson and a Vice Chairperson. All six members of the Board of Directors are at the end of 2023 regarded as independent. The Board of Directors represents broad international business experience and skills considered relevant to HusCompagniet. The Board of Directors evaluates its work on an annual basis, and determines once a year the qualifications, experience and skills needed for the Board of Directors to best perform its tasks. All board members are up for election at each Annual General Meeting. The Board of Directors meets five times a year and holds extraordinary meetings when required. In 2023, the Board of Directors held seven meetings of which one was extraordinary and one was a strategy meeting. The Board's annual wheel covers all essential areas of the business, including sustainability and climate. The Board attendance rate for 2023 is included in our table shown on page 75 and our ESG table on page 62.

Composition and competencies

At the Annual General Meeting on 14 April 2023, Claus V. Hemmingsen, Anja B. Eriksson, Ylva Ekborn and Stig Pastwa were re-elected as members of the Board. Michael Troensegaard Andersen and Ole Lund Andersen were elected as new members of the Board. The Board represents comprehensive experience and competencies, which is considered crucial for the further realisation of HusCompagniet's strategic targets. The Board's competencies are further described on page 78-79.

Every year, the Board of Directors conducts a self-evaluation and will engage external assistance for the evaluation at least every third year.

As a result of the self-evaluation performed in 2022, the Board of Directors saw a need for certain changes to the Board composition to strengthen its competences within business-to-consumer sales and marketing, industry supplier experience as well as increased building industry knowledge and production and manufacturing experience. Consequently, the Board of Directors proposed for the Annual General Meeting in 2023 to elect Michael Troensegaard Andersen and Ole Lund Andersen as new members of the Board of Directors.

33%

female board members in 2023

In 2023, the annual self-evaluation of the Board of Directors was performed internally without external advisor assistance. All board members participated in the evaluation along with the Group CEO and other internal management stakeholders. The self-evaluation consisted of conversations between the Chairperson and each member of the Board of Directors as well as with the Group CEO as a representative of the Executive Management team. This was supplemented by online tools in the form of a questionnaire covering subjects such as board composition and dynamics, cooperation between the Board and CEO, strategy development and implementation, meeting structure and effectiveness as well as value contribution of committees and evaluation of the Chairperson. In addition to the online questionnaire, the self-evaluation also covered four openly phrased questions relating to the productiveness of the Board meetings, the working relationship with the Executive Management teams and the openness of the dialogue in the meetings as well as the risk awareness in the Boards discussions. With the addition of Michael Troensegaard Andersen and Ole Lund Andersen to the Board, it is the conclusion of the self-evaluation that the composition of the Board represents the necessary competences relative to the strategy and purpose of the company. These include knowledge of digital transformation, business-to-business experience, executive experience and sales experience within the industry, knowledge of the Swedish market as well as business-to-consumer sales and marketing, industry supplier experience, and a significant building industry knowledge production and manufacturing experience. The self-evaluation furthermore showed that the Board has functioned efficiently with an open, challenging and transparent dialogue between the Board of Directors and the Executive Management team. Both the Board of Directors and the board committees will use the feedback from the self-evaluation to further develop the framework for its activities in the coming year.

Diversity

HusCompagniet strives towards diversity in the composition of the Board of Directors and Executive Management, including gender, international experience, qualifications, and competencies. HusCompagniet is strongly focused on promoting diversity and equal opportunities as we believe that diversity leads to better performance and decision making. The construction sector has traditionally been and still is a male-dominated sector, which poses a challenge for both HusCompagniet and other companies within the industry. Yet, we aim to reach our ambitious targets and we

Board meeting and board committee meeting attendance

	Board	Member since	Meetings	Audit Committee	Meetings	Remuneration & Nomination Committee	Meetings	Election period
Claus V. Hemmingsen	●	2020	7/7			●	4/4	1 year
Anja B. Eriksson*	●	2020	7/7			●	2/2	1 year
Stig Pastwa	●	2021	7/7	●	4/4			1 year
Ylva Ekborn**	●	2019	6/7	●	4/4			1 year
Michael Troensegaard Andersen	●	2023	5/5	●	3/3			1 year
Ole Lund Andersen	●	2023	4/5			●	2/2	1 year
Attendance rate			95%		100%		100%	

* member of audit committee from January to April 2023 (1/1 meetings).
** member of Remunerration & Nomination Committee from January to April 2023 (2/2 metings)

● Chairperson of the committee ● Vice Chairperson ● Member of the committee are compliant with regulatory guidelines. At Board level, we are currently at our previously communicated 2030 target that a minimum of two out of six directors should be females. In 2023, the targets for both 2025 and 2030 have been rephrased and aligned and our target for both 2025 and 2030 is therefore 40% female representation. According to the definition of the Danish Business Authority's relevant guidelines, the Board of Directors has an equal gender distribution with the current composition.

According to the Danish Business Authority's guidelines on equal gender distribution in management, HusCompagniet is exempted from the statutory requirement to set targets for the underrepresented gender as the Company currently is considered to have an equal gender distribution. However, since 2019, HusCompagniet has defined a target for female representation on Group level in other management levels of 25% in 2025 and 30% in 2030. Other management levels at Group level include the Executive Management and their direct reports holding employee responsibility. In 2023, HusCompagniet had a 30% female representation at Group level in other management levels. Guided by the principles of our diversity policy, the Board of Directors ensures that any change in Executive Management is based on presentation of a diverse panel of candidates, both in terms of experience, competencies, and gender, and corresponding principles are applied when recruiting to other management levels at Group level.

Board Chairpersonship and committees

The Board of Directors has established a Chairpersonship consisting of the Chairperson and the Vice Chairperson. They ensure a regular dialogue with the management with monthly meetings as well as ad-hoc sparring.

In order to support the Board of Directors, HusCompagniet has established an Audit Committee and a Remuneration & Nomination Committee. The purpose of the Board Committees is to report and make recommendations to the Board of Directors on committee related matters. The overall purposes and activities of the Audit Committee and Remuneration & Nomination Committee, respectively, can be found here: https://investors.huscompagniet.com/governance/committees/.

Remuneration

In our policies and reports, we aim to be transparent in terms of our structure and size. HusCompagniet has adopted a general remuneration structure for the Board of Directors and Executive Management, where targets are closely aligned with the company's strategy and typically include targets relating e.g., to EBITDA, number of houses sold and delivered as well as strategic and ESG-related targets as deemed relevant by the Board of Directors.

CEO pay ratio and gender pay ratios are included in our ESG disclosures (see page 62). Our Remuneration Policy is available here: https://investors.huscompagniet.com/governance/committees/. The remuneration report for 2023 can be found here: https://investors.huscompagniet.com/files/Governance-documents/RemunerationReport2023.pdf.

In 2023, all current Board members have received compensation fees. Mads Munkholt Ditlevsen has forfeited his compensation fee for his period of tenure from January 2023 to April 2023.

Reporting on Corporate Governance

HusCompagniet is committed to complying with Corporate Governance standards and creating transparency around the company's affairs to maintain the trust of the company's shareholders and stakeholders. HusCompagniet reports on compliance with the Committee on Corporate Governance's recommendations on Corporate Governance and the Board of Directors reviews the recommendations in force on a regular basis and at least once a year. The Board of Directors and the Executive Management share the committee's views in all material respects. HusCompagniet deviates from just one of the recommendations as the company publishes trading statements for Q1 and Q3 instead of quarterly reports. We believe trading statements will provide shareholders and other relevant stakeholders with sufficient information on the company's financials. HusCompagniet's position on the recommendations on Corporate Governance as well as an explanation for why and how HusCompagniet has opted to deviate from a recommendation, can be found in the Corporate Governance statement available here: https://investors.huscompagniet.com/files/Governance-documents/CorporateGovernanceStatement2023.pdf.

Business policies

HusCompagniet has a set of policies to govern and further guide our overall efforts towards responsible business conduct and governance. The relevant policies are available here: https://investors.huscompagniet.com/governance/governance-documents/.

General meeting

The next Annual General Meeting will be held on 11 April 2024 at 10.00 (CEST). The General meeting will be a physical meeting and held at Bech Bruun Advokatpartnerselskab, Gdanskgade 18, 2150 Nordhavn, Denmark. In addition, the Annual General Meeting will be webcasted and can be viewed both live and on demand on the company's investors website and in the shareholders portal.

Board of Directors

Claus V. Hemmingsen

Chairperson (Independent)
Chair of the Remuneration and Nomination Committee
Member since: May 2020. Term ends: AGM 2024.

Born: 1962 **Gender:** Male **Nationality:** Danish

Board meeting participation: 7/7
Committee participation: Remuneration & Nomination Committee 4/4

Position:
Non-executive board-member

Education:
Management Programmes, London Business School and Cornell University, Exec. MBA, IMD; International Directors Programme, INSEAD

Other management positions:
Chair: DFDS A/S, Innargi A/S, Board member: Rambøll Gruppen A/S, Noble Corporation plc, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Den A.P. Møllerske Støttefond, Bacher Work Wear A/S, Webmore Uniformer A/S, Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, Global Maritime Forum Fonden, Det Forenede Dampskibs-Selskabs Jubilæumsfond, Owner and director of CVH Consulting ApS.

Competencies:
Competencies and experiences from more than 10 years of vicechair- and chairmanship in listed companies, executive experience particularly from large corporation within the international maritime and offshore drilling industries, incl. M&A, commercial and general management, operational expertise, strategic planning, HSSE & Sustainability, and regulatory affairs.

Holdings*
65,499 (unchanged)

Anja B. Eriksson

Vice-Chairperson (Independent)
Member of the Audit Committee from January 2023 – April 2023
Member of the Remuneration and Nomination Committee from April 2023
Member since: July 2020. Term ends: AGM 2024.

Born: 1974 **Gender:** Female **Nationality:** Danish

Board meeting participation: 7/7
Committee participation: Audit Committee 1/1,
Remuneration & Nomination Committee 2/2

Position:
Vice President, ATP – Long Term Danish Capital.

Education:
M.Sc. in Applied Economics and Finance, B.Sc. International Business from Copenhagen Business School, Young Managers Programme and Negotiation Dynamics from INSEAD Business School and High-Performance Boards programme at IMD

Other management positions:
Chair: M.J. Eriksson Holding A/S, Board member: M.J Eriksson A/S, Pihl Holdings A/S, Veo Technologies A/S, Ferrosan Medical Devices A/S, owner and director F5 Invest ApS.

Competencies:
Experience from leading roles in the financial and construction industries, with a strong commercial focus, having driven change processes, M&A transactions, sale and HSSE.

Holdings*
33,326 (unchanged)

Stig Pastwa

Board member (Independent)
Chair of the Audit Committee
Member since: April 2021. Term ends: AGM 2024.

Born: 1967 **Gender:** Male **Nationality:** Danish

Board meeting participation: 7/7
Committee participation: Audit Committee 4/4

Position:
Professional board member, advisor and investor

Education:
Graduate Diploma, HD (r) Business Administration, Financial and Management Accounting from Copenhagen Business School. PED from IMD Business School and ADP from London Business School

Other management positions:
Member of Board of representatives: Hedeselskabet. Board member: Kaplak Partners ApS. Owner and director of SP Holding 2015.

Competencies:
Commercial and managerial experience, including M&A, ESG and real estate with a strong financial background as both CFO and CEO from executive roles and non-executive directorships in several large Danish and international corporations and institutions, both listed and private.

Holdings*
8,540 (unchanged)

* Indirect and direct

Board of Directors

Ylva Ekborn

Board member (Independent)
Member of the Audit Committee,
Member of Remuneration and Nomination
Committee from January 2023 – April 2023
Member since: July 2019. Term ends: AGM 2024.

Born: 1975 **Gender:** Female **Nationality:** Swedish

Board meeting participation: 6/7
Committee participation: Remuneration & Nomination Committee 2/2 and Audit Committee 4/4

Position:
CEO of PostNord Sweden & member of PostNord Group Leadership Team

Education:
M.Sc. in Economics and Business Administration, Stockholm School of Economics

Other management positions:
Chair: PostNord Strålfors Oy, PostNord Strålfors AS. Board member: PostNord TPL and PostNord Tidningstjänst AB

Competencies:
Nordic CEO with experience form both B2C and B2B companies. Focus on strategy, operational excellence, digital transformation, business development, and brand & communication.

Holdings*
20,247 (unchanged)

Michael Troensegaard Andersen

Board member (Independent)
Member of Audit Committee from April 2023
Member since: April 2023. Term ends: AGM 2024.

Born: 1961 **Gender:** Male **Nationality:** Danish

Board meeting participation: 5/5
Committee participation: Audit Committee 3/3

Position:
Non-executive board-member

Education:
MSc. Mechanical Engineering, DTU, Ba. Comm (HD accounting), CBS

Other management positions:
Chair: Solar A/S, BE Shark Holding ApS,

Competencies:
Executive experience from industry relevant listed companies (namely H+H International A/S), as well as competences and experience within strategic, structural, and organisational transformation, sustainability, and green transition, together with in-depth knowledge of the European building and building material Industry

Holdings
8,474 (acquired in 2023)

Ole Lund Andersen

Board member (Independent)
Member of Remuneration and Nomination Committee from April 2023
Member since: April 2023. Term ends: AGM 2024.

Born: 1959 **Gender:** Male **Nationality:** Danish

Board meeting participation: 4/5
Committee participation: Remuneration & Nomination Committee 2/2

Position:
Non-executive board-member

Education:
BSc. Production Engineering, Copenhagen Teknikum

Other managerial positions:
Board member: Lars Larsens JYSK Fond, Actona Group A/S, ScanCom International A/S, Contino Holding A/S, Nissen Capital A/S

Competencies:
Executive experience from both B2B and B2C with competences within consumer directed sales and marketing as well as a strong background within design, production, and manufacturing, both nationally and internationally

Holdings
33,898 (acquired in 2023)

* Indirect and direct

Executive Management

Martin Ravn-Nielsen

Group CEO

Born: 1971
Gender: Male
Nationality: Danish
Year of first employment: 2009
In current position since: 2020

Education:
Diploma in Economics and Law from Finansforbundet (Copenhagen)

Previous experience:
MD NCC Enfamiliehuse
Head of sales Eurodan-huse
Various leadership positions within HusCompagniet.

Holdings*
294,117, changed from 283,861 at 31 December 2022

Allan Auning-Hansen

Group CFO

Born: 1977
Gender: Male
Nationality: Danish
Year of first employment: 2023
In current position since: 2023

Education:
Strategy Execution Program at INSEAD
State Authorized Public Accountant
M.Sc. in Business Economics and auditing (cand.merc.aud.), Copenhagen Business School
B.Sc. in Economics and Business Administration (HA-Almen), Copenhagen Business School

Previous experience:
Group CEO, CEGO Group
Group CFO, Joe & the Juice
Group CFO, Danske Spil
Group Head of Finance, Qvartz (now Bain)
Audit Senior Manager, Deloitte
Holdings*
No current holdning

* Indirect and direct

Financial statements

Income statement – consolidated

DKK'000	Note	2023	2022
Revenue	2.1	2,381,357	4,329,833
Cost of Sales	2.1	-1,864,177	-3,492,916
Gross profit		**517,180**	**836,917**
Staff cost	2.2, 2.3	-281,391	-346,287
Other external expenses		-127,756	-142,400
Other operating income		0	67
Operating profit before depreciation and amortisation (EBITDA) before special items	2.4	**108,033**	**348,297**
Special items	2.4	347	-31,939
Operating profit before depreciation and amortisation (EBITDA) after special items		**108,380**	**316,358**
Depreciation and amortisation	4.1, 4.3	-46,075	-48,343
Operating profit (EBIT)		**62,305**	**268,014**
Financial income	5.5	2,301	697
Financial expenses	5.5	-40,830	-27,784
Profit before tax from continuing operations		**23,776**	**240,927**
Tax on profit	6.1	-6,437	-50,449
Profit for the period from continuing operations		**17,339**	**190,478**
Profit / (loss) after tax for the period from discontinued operations	6.2	-2,683	-20,169
Profit for the period		**14,656**	**170,309**
Profits attributable to:			
Equity owners of the Company		14,656	170,309

DKK	Note	2023	2022
Earnings per share:	2.5		
Earnings per share (EPS Basic)		0.7	9.4
Diluted earnings per share (EPS-D)		0.7	9.4
Earnings per share (EPS Basic) continuing operations		0.9	10.6
Diluted earnings per share (EPS-D) continuing operations		0.9	10.5
Earnings per share (EPS) (DKK) from discontinued business		-0.1	-1.1
Diluted earnings per share (EPS-D) (DKK) from discontinued business		-0.1	-1.1

Statement of other comprehensive income DKK'000	Note	2023	2022
Profit for the year		**14,656**	**170,309**
Other comprehensive income			
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation differences, subsidiary		1,662	-11,719
Other comprehensive income, net of tax		**1,662**	**-11,719**
Total comprehensive income for the year		**16,318**	**158,590**
Total comprehensive income attributable to:			
Equity owners of the Company		16,318	158,590

Balance sheet – consolidated

DKK'000	Note	2023	2022
Assets			
Non-current assets			
Goodwill	4.1	2,017,181	2,016,050
Intangible assets	4.1	33,289	37,550
Right-of-use assets	4.3	65,223	76,578
Property, plant and equipment	4.3	94,146	97,394
Deferred tax asset	6.1	32,602	29,254
Other receivables	3.3	15,293	4,151
Total non-current assets		**2,257,734**	**2,260,977**
Current assets			
Inventories	3.1	281,062	343,033
Contract assets	3.2	352,932	731,056
Trade and other receivables	3.3	140,678	217,221
Prepayments		8,405	14,796
Cash and cash equivalents		223,454	5,207
Total current assets		**1,006,531**	**1,311,313**
Total assets		**3,264,265**	**3,572,291**

DKK'000	Note	2023	2022
Equity and liabilities			
Equity			
Share capital	5.1	108,550	91,050
Retained earnings and other reserves		1,989,043	1,790,040
Total equity		**2,097,593**	**1,881,090**
Liabilities			
Non-current liabilities			
Borrowings	5.3	505,871	682,461
Lease liabilities	5.4	51,741	65,689
Provisions	3.4	28,228	22,126
Deferred tax liability	6.1	30,190	42,742
Total non-current liabilities		**616,030**	**813,018**
Current liabilities			
Borrowings	5.3	937	1,045
Lease liabilities	5.4	21,004	23,874
Trade and other payables	5.6	292,288	522,247
Contract liabilities	3.2	90,973	105,041
Prepayments from customers	3.2	2,865	15,312
Provisions	3.4	27,124	28,042
Income tax payable	6.1	19,427	40,750
Other liabilities	3.7	96,024	141,872
Total current liabilities		**550,642**	**878,183**
Total liabilities		**1,166,672**	**1,691,201**
Total equity and liabilities		**3,264,265**	**3,572,291**

Reference to off-balance sheet notes: Related parties 6.4, and Contingent liabilities 3.4

Statement of cash flows – consolidated

DKK'000	Note	2023	2022
Cash flow from operating activities			
EBITDA, after special items		108,380	316,358
EBITDA, discontinued activities		-317	-193
EBITDA		**108,063**	**316,164**
Adjustments for non-cash items	6.3	17,954	8,748
Adjustet EBITDA		**126,017**	**324,913**
Changes in working capital	3.5	209,564	35,711
Cash flow from operating activities before financial items and taxes		**335,581**	**360,624**
Interest received	5.5	2,301	697
Interest elements of lease payments	5.5	-4,333	-5,014
Interest paid	5.5	-36,497	-22,771
Corporation tax paid	6.1	-47,614	-65,065
Net cash generated from operating activities		**249,438**	**268,471**
Cash flow from investing activities			
Investment in assets recognised as property, plant and equipment	4.3	-11,032	-22,401
Sale of assets recognised as property, plant and equipment		1,435	0
Investment in assets recognised as intangible assets	4.1	-10,539	-13,155
Cash outflow on acquisition subsidiaries	4.2	0	-75,252
Cash and cash equivalents of subsidiaries on acquisition date	4.2	0	-5,746
Net cash generated from investing activities		**-20,136**	**-116,554**

DKK'000	Note	2023	2022
Cash flow from financing activities			
Repayment of long-term debt	5.3	-675,000	-125,000
Proceeds from loans	5.3	500,000	125,000
Repayment of mortgage	5.3	-948	-523
Repayment of lease liabilities	5.3	-23,736	-22,697
Dividends to equity holders		0	-132,276
Acquisition of own shares	5.2	-7,935	-36,821
Capital increase		206,500	0
Transaction costs share issue		-8,088	0
Net cash generated from financing activities		**-9,207**	**-192,317**
Total cash flows		**220,095**	**-40,400**
Cash and cash equivalents at 1 January		5,207	55,420
Net foreign currency gains or losses		-1,848	-9,813
Cash and cash equivalents at 31 December		**223,454**	**5,207**
Cash and cash equivalents			
Cash at bank		223,454	5,207
Cash and cash equivalents as at 31 December		**223,454**	**5,207**
Free cash flow		**229,302**	**151,916**

The cash flow statement cannot be inferred from the published financial information only.

Statement of changes in equity – consolidated

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
2023					
Equity at 1 January	**91,050**	**-10,063**	**1,800,103**	**0**	**1,881,090**
Profit for the period	**0**	**0**	**14,656**	**0**	**14,656**
Other comprehensive income:					
Foreign currency translation differences	0	1,662	0	0	1,662
Total other comprehensive income	**0**	**1,662**	**0**	**0**	**1,662**
Transactions with owners of the Company and other equity transactions:					
Capital increase	17,500	0	189,000	0	206,500
Transaction costs capital increase	0	0	-8,087	0	-8,087
Share-based payment	0	0	9,707	0	9,707
Purchase of own shares	0	0	-7,935	0	-7,935
Total transactions with owners of the Company and other equity transactions	**17,500**	**0**	**182,685**	**0**	**200,185**
Equity on 31 December	**108,550**	**-8,401**	**1,997,444**	**0**	**2,097,593**

Statement of changes in equity – consolidated

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
2022					
Equity at 1 January	**100,000**	**1,656**	**1,651,050**	**132,276**	**1,884,982**
Profit for the period	**0**	**0**	**170,309**	**0**	**170,309**
Other comprehensive income:					
Foreign currency translation differences	0	-11,719	0	0	-11,719
Total other comprehensive income	**0**	**-11,719**	**0**	**0**	**-11,719**
Transactions with owners of the Company and other equity transactions:					
Capital reduction	-8,950	0	8,950	0	0
Share-based payment	0	0	6,615	0	6,615
Purchase of own shares	0	0	-36,821	0	-36,821
Dividends paid	0	0	0	-132,276	-132,276
Total transactions with owners of the Company and other equity transactions	**-8,950**	**0**	**-21,256**	**132,276**	**-162,482**
Equity on 31 December	**91,050**	**-10,063**	**1,800,103**	**0**	**1,881,090**

Capital structure and financing

In May 2023, HusCompagniet issued new share capital of nominally DKK 17,500,000 divided into 3,500,000 shares, each with a nominal value of DKK 5 and carrying five votes. In connection with the issuance of new shares, HusCompagniet also entered into a new facilities agreement for the purpose of refinancing the indebtedness at the time.

The primary objective of HusCompagniet's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. HusCompagniet manages its capital structure and adjusts in response to changes in economic conditions. To maintain or adjust the capital structure, HusCompagniet may adjust dividend payments to shareholders, acquire its own shares or issue new shares. The financial leverage at year end 2023 was 3.3x net debt to EBITDA. According to HusCompagniet's facilities agreement, the permitted maximum leverage ratio - net interest bearing debt divided by last twelve months adjusted EBITDA - started at 3.5x for the 12-month period ending on 30 June 2023. The ratio increases to 4.5x for the 12-month period ending on 31 March 2024, following which it will decrease to 3.75x on 30 June 2024, and for any 12-month period ending on or after 30 September 2024 the leverage ratio must not exceed 3.5x. In case of breach of financial covenants, the banks may demand immediate repayment of the full nominal amount.

Management is continuously reviewing the financing and capital structure of HusCompagniet and concludes on that basis that there is an appropriate and justified basis for continuing the current plans and operations of HusCompagniet.

Dividend policy

The company's dividend policy has a target initial pay-out ratio of at least 25% by means of dividend, supplemented by means of share buyback for around 25%. The dividend policy is subject to change at the discretion of the Board of Directors, and there can be no assurance that the Group's performance will facilitate adherence to the dividend policy and that in any given year a dividend will be proposed or declared.

No dividend is proposed to shareholders in 2024.

HusCompagniet expects to return to making dividend payments, once the leverage is back within the long-term target of around 2x net debt to EBITDA.

Notes

Section 1

Basis of preparation

Introduction

HusCompagniet A/S is a company incorporated and domiciled in Denmark. HusCompagniet A/S and its subsidiaries are collectively referred to in the financial statement as the “Group”. The Group is a leading provider of single-family detached houses in Denmark. The Group’s core activity is the design, sale and delivery of customisable high-quality detached houses in Denmark to consumers predominantly built on-site on third-party (customer-owned) land. The Group also designs, sells and delivers semi-detached houses in Denmark to consumers, predominantly on land owned by the Group, and to professional investors, both on land also owned by the Group and on land owned by investors. Investors in the semi-detached business-to-business segment often lease or sell the houses to end-users. The Group is also present in Sweden, where it produces prefabricated wood-framed detached houses in its factory, which are finalised on-site and in most cases facilitated by third-party sales agents. In July 2022, the Group acquired the entire share capital of Danhaus Production A/S, which has subsequently been renamed HusCompagniet Production A/S. The acquisition of the production facilities intends to strenghten the Groups value chain and increase its ambitions in the B2B market.

The Group is in the process of closing down its German and Swedish brick house activities. In accordance with IFRS 5, the activities have in the consolidated financial statements been treated as discontinued operations. Accordingly, the net results of these activities are for year-end 31 December 2023 and 2022 respectively, presented separately in one line in the income statement.

The annual report has been approved by the Board of Directors at their meeting 8 March 2024. The annual report will be presented to the shareholders of HusCompagniet A/S for approval at the Annual General Meeting.

The accounting policies are, except for the amendment listed in Note 1.1 General accounting policies, unchanged compared to last year. For 2022, a reclassification of DKK 15 million has been made from trade and other payables to long-term provision.

The following notes are presented in Section 1:

Note 1.1 General accounting policies

Basis of preparation

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act for class D companies.

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

These consolidated financial statements are expressed in DKK, as it is HusCompagniet A/S’ functional and presentation currency. All values are rounded to the nearest thousand DKK ‘000.

Basis of consolidation

The consolidated financial statements comprise HusCompagniet A/S and entities controlled by HusCompagniet A/S. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements for the subsidiaries are prepared for the same accounting period as HusCompagniet using consistent accounting policies.

On consolidation, intragroup balances and intragroup transactions are eliminated in full.

These consolidated financial statements include the accounts of HusCompagniet and its subsidiary companies, which are listed in note 6.7.

Foreign currency translation

Transactions and balances

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

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

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

Group companies

On consolidation, the assets and liabilities in foreign operations are translated into DKK at the spot rate of exchange prevailing at the reporting date and their income statements are translated at spot exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations, and are translated at the closing rate of exchange.

Note 1.1 General accounting policies (continued)

Implementation of new or amended standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted relevant new or amended standards (IFRS) and interpretation (IFRIC) as adopted by the EU and which are effective for the financial year 1 January – 31 December 2023. The Group has assessed that the new or amended standards and interpretations have not had any material impact on the Group's annual report in 2023.

The Group expects to implement the new standards when they become effective. It has been assessed that the implementation of the new standards will not have any significant effect on the recognition and measurement of the balance sheet at 1 January 2024.

Note 1.2 Introduction to significant estimates and judgements

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

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

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

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

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

Estimates related to risk of impairment and recoverability of deferred tax assets are subject to impact from macro economical risks included those related to the war in Ukraine and general geopolitical turmoil. Fluctuating interest rates and inflation are also assessed to have an impact on future activities and profits. Please refer to risk management model page 67.

Significant judgements	Note
Classification as special items	2.4
Percentage-of-completion profit recognition	2.8
Compliance with capitalisation criterias for development projects	4.1
Business Combinations - Determining fair value of assets	4.2
Leases - Estimating the incremental borrowing rate and lease period	4.5

Significant estimates	
Assessment of risk of impairment of inventories	3.1
Assessment of future costs from guarantee provisions	3.9
Assessment of risk of impairment of non-financial assets including goodwill	4.6
Assessment of recoverability of deferred tax assets	6.10

Note 1.3 Application of materiality

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

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

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

Note 1.4 Climate related risks

Climate related risks

Political risks emerge from potential escalations in emission-related costs, the premature introduction on the market of untested low-carbon products, and a preference for refurbishing existing structures over new-builds. Long-term physical risks encompass the diminishing availability of lots without exposure to flooding or climatic adversities, elongated construction durations due to altered weather patterns. Furthermore, the integration of tangible climate risks into the pricing models of mortgages and insurance policies could influence market demand. Reputational risks are underscored by a shift in consumer and market inclinations towards environmentally sustainable products and the political directive to allocate greater land areas to conservation, potentially curtailing land for commercial development.

Currently, management does not believe that climate change has a significant effect on the estimates and judgements related to the impairment assessment.

Section 2

EBITDA

This section provides information regarding the Group’s performance in 2023, including the effects from special items on EBITDA.

The development of cost of sales, other external expenses, staff costs and remuneration, and information about the Group’s low exposure towards currency risk on transaction level is also contained in this section.

The following notes are presented in Section 2:

Note 2.1 Segment information

For management purposes, the Group is organised into business units based on its products and services as well as geographical location. The Group has three reportable segments, as follows:

- The detached houses in Denmark segment, which comprises brick houses built on sites and plots
- The semi-detached houses in Denmark segment, which comprises brick houses built on sites and plots, includes both business-to-business and business-to-consumers. In 2022 an aqusition of a pre-fab factory was completed. The pre-fab factory produces components used in semi-detached production
- The Swedish business which comprises detached prefabricated houses

Executive Management is responsible for operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is for 2023 evaluated based on EBITDA bsi and is measured consistently with operating profit (EBIT) plus amortisation and depreciation in the consolidated financial statements. The Group's depreciation, amortisations, financing (including financial income and financial expenses) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities are not allocated to segments.

A share of 44% semi-detached revenue is produced in the detached segment in 2023. All B2C semi-detached houses are built by the detached segment. Some B2B projects are currently being produced by the detached segment to optimise use of capacity. For segment purposes this revenue has been transferred via an inter-segment allocation. The transferred revenue carries a fixed mark-up. Transfer prices between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties.

Note 2.1 Segment information (continued)

2023	Denmark		Sweden				
DKK'000	Detached houses	Semi-detached houses	Wooden houses	Group*	Total continuing operations	Total discontinued operations	Total segments
Revenue							
External customers	1,747,700	365,697	267,960	0	2,381,357	0	2,381,357
Inter-segment	-69,416	69,416	0	0	0	0	0
Total revenue	**1,678,284**	**435,113**	**267,960**	**0**	**2,381,357**	**0**	**2,381,357**
Income / (expenses)							
Cost of goods	-1,423,147	-260,142	-180,888	0	-1,864,177	-19	-1,864,196
Inter-segment	66,639	-66,639	0	0	0	0	0
Segment gross profit	**321,776**	**108,332**	**87,072**	**0**	**517,179**	**-19**	**517,161**
Gross margin	**19.2%**	**24.9%**	**32.5%**	**n.a.**	**21.7%**	**n.a.**	**21.7%**
Other operating income	0	0	0	0	0	0	0
Staff costs	-196,265	-61,238	-23,888	0	-281,391	0	-281,391
Other operating expenses	-75,313	-6,168	-46,274	0	-127,755	-6,607	-134,363
Segment EBITDA bsi	**50,198**	**40,925**	**16,911**	**0**	**108,033**	**-6,626**	**101,407**
EBITDA bsi margin	3.0%	9.4%	6,3%	n.a.	4.5%	n.a.	4.3%
Special items	1,924	205	-1,783	0	347	6,309	6,656
EBITDA	**52,122**	**41,130**	**15,128**	**0**	**108,380**	**-317**	**108,063**
EBITDA margin	3.1%	9.5%	5.6%	n.a.	4.6%	n.a.	4.5%

* Costs which can not be allocated to one segment

Note 2.1 Segment information (continued)

2022	Denmark		Sweden				
DKK'000	Detached houses	Semi-detached houses	Wooden houses	Group*	Total continuing operations	Total discontinued operations	Total segments
Revenue							
External customers	3,683,787	300,049*	345,996	0	4,329,833	5	4,329,838
Inter-segment	-239,508	239,508	0	0	0	0	0
Total revenue	**3,444,279**	**539,558**	**345,996**	**0**	**4,329,833**	**5**	**4,329,838**
Income / (expenses)							
Cost of goods	-3,036,635	-242,200	-214,082	0	-3,492,916	-9	-3,492,925
Inter-segment	229,928	-229,928	0	0	0	0	0
Segment gross profit	**637,572**	**67,430**	**131,915**	**0**	**836,917**	**-4**	**836,913**
Gross margin	**18.5%**	**12.5%**	**38.1%**	**n.a.**	**19.3%**	**n.a.**	**19.3%**
Other operating income	67	0	0	0	67	0	67
Staff costs	-264,598	-34,305	-47,383	0	-346,287	0	-346,287
Other operating expenses	-96,621	-4,098	-41,680	0	-142,400	954	-141,446
Segment EBITDA bsi	**276,419**	**29,026***	**42,852**	**0**	**348,297**	**949**	**349,246**
EBITDA bsi margin	8.0%	5.4%	12.4%	n.a.	8.0%	n.a.	8.1%
Special items	-23,739	-5,047	0	-3,153	-31,939	-1,143	-33,082
EBITDA	**252.680**	**23,980**	**42,852**	**-3,153**	**316,358**	**-193**	**316,164**
EBITDA margin	7.3%	4.4%	12.4%	n.a.	7.3%	n.a.	7.3%

* Costs which can not be allocated to one segment

Note 2.1 Segment information (continued)

DKK'000	2023	2022
Reconciliation of profit		
Segment EBITDA before special items from continuing operations	108,033	348,297
Segment EBITDA before special items from discontinued operations	-6,626	949
Special items	6,487	-33,082
Depreciation and amortisations	-46,075	-48,343
Financial income	3,209	1,735
Financial expenses	-41,738	-42,250
Loss before tax from discontinued operations	486	13,621
Profit before tax from continuing operations	**23,776**	**240,927**

DKK'000	2023	2022
Revenue from external customers		
Denmark	2,113,397	3,983,836
Sweden	267,960	345,996
Sweden (Discontinued operations)	0	-661
Germany (Discontinued operations)	0	665
Total revenue	**2,381,357**	**4,329,838**

The revenue information above is based on the locations of the customers.

No individual customer amounts to more than 10% of the consolidated revenue.

There have been no new sales in discontinued entitites.

DKK'000	2023	2022
Non-current operating assets		
Denmark	1,913,012	1,915,959
Sweden	344,722	345,019
Germany	0	0
Total non-current operating assets	**2,257,734**	**2,260,977**

The non-current operating assets information above is based on the locations of the assets' physical location. For goodwill the locations are based on the CGU allocation from the purchase price allocations. The locations for the intagible assets is determined based on the legal owner/user.

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, other receivables, goodwill and intangible assets.

Note 2.1 Segment information (continued)

2023	Denmark		Sweden			
DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Revenue per segment and category - Contracted sales						
Sales value, houses sold on customers' building sites	1,508,196	250,375	267,960	2,026,531	0	2,026,531
Sales value, houses sold on own building sites	17,176	184,245	0	201,421	0	201,421
Total Contracted sales	**1,525,372**	**434,620**	**267,960**	**2,227,952**	**0**	**2,227,952**
Revenue per segment and category - Non-contracted sales						
Show and project houses	121,847	0	0	121,847	0	121,847
Other revenue	1,529	493	0	2,022	0	2,022
Sale of land plots	29,535	0	0	29,535	0	29,535
Total Non-contracted sales	**152,911**	**493**	**0**	**153,404**	**0**	**153,404**
Total Revenue	**1,678,284**	**435,113**	**267,960**	**2,381,357**	**0**	**2,381,357**

Note 2.1 Segment information (continued)

2022

DKK'000	Denmark: Detached houses	Denmark: Semi-detached houses	Sweden: Wooden houses	Total continuing operations	Total discontinued operations	Total segments
Revenue per segment and category - Contracted sales						
Sales value, houses sold on customers' building sites	3,134,065	364,238	345,996	3,844,299	0	3,844,299
Sales value, houses sold on own building sites	190,082	174,669	0	364,751	0	364,751
Total Contracted sales	**3,324,147**	**538,906**	**345,996**	**4,209,050**	**0**	**4,209,050**
Revenue per segment and category - Non-contracted sales						
Show and project houses	97,998	0	0	97,998	0	97,998
Other revenue	2,120	652	0	2,771	5	2,776
Sale of land plots	20,014	0	0	20,014	0	20,014
Total Non-contracted sales	**120,132**	**652**	**345,996**	**120,783**	**5**	**120,788**
Total Revenue	**3,444,279**	**539,558**	**345,996**	**4,329,833**	**5**	**4,329,838**

DKK'000	2023	2022
Revenue per continuing and discontinued operations		
Total revenue from continuing operations	2,381,357	4,329,833
Total revenue from discontinued operations	0	5
Total revenue	**2,381,357**	**4,329,838**

The Group is engaged in construction activities in Denmark and Sweden.

The Group is in the process of closing down its German and Swedish brick house acitivities. Please refer to note 6.2 for further disclosure hereof.

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

Contracted sales comprise the sale of houses constructed on the customers land, or houses sold on own land (semi detached includes land plots) that are covered by a customer contract before construction is started. All contracted sales are fixed price contracts and any changes to the cost price is carried by HusCompagniet as an adjustment to the gross profit

Conversely, non-contracted sales comprise of:

1. The sale of houses constructed on own land to which no customer contract has been entered into before construction starts.

2. The sale of detached land-plots to which no customer contract has been entered into before purchase and development of the land plots.

Note 2.2 Costs including staff costs and remuneration

DKK'000	2023	2022
Staff costs		
Wages and salaries	247,954	330,999
Hereof capitalised wages and salaries	-3,603	-5,854
Defined pension contribution plans	18,268	20,857
Other social security costs	11,188	13,674
Share-based remuneration	8,922	6,615
Transferred to Special items	-1,338	-20,004
Total	**281,391**	**346,287**
Average number of full-time employees	395	518
Number of full-time employees at year-end	393	471

Key management personnel is defined as the Executive Management, and disclosures are provided below.

DKK'000	2023	2022
Remuneration of Board of Directors		
Base salary and non-monetary benefits	3,263	3,050
Total remuneration	**3,263**	**3,050**
Remuneration of Executive Management		
Base salary and non-monetary benefits	7,311	7,896
Share-based remuneration	3,498	1,208
Bonus	3,465	2,658
Severance Pay	2,703	0
Total remuneration	**16,977**	**11,762**
Other Key Management Personnel		
Base salary and non-monetary benefits	4,927	3,220
Share-based remuneration	1,135	510
Bonus	2,554	1,004
Total remuneration	**8,616**	**4,734**

DKK'000	2023	2022
Remuneration of Executive Management		
Martin-Ravn Nielsen (CEO from May 2020):		
Salary	4,322	4,325
Bonus	2,290	1,469
Share-based payment	1,047	667
Total	**7,659**	**6,461**
Mads Dehlsen Winther (CFO from September 2019 to March 2023):		
Salary	932	3,571
Bonus	359	1,189
Share-based payment	2,076	542
Total	**3,367**	**5,301**
Jesper Mølskov Høybye (CFO from April 2023 to October 2023):		
Salary	1,599	0
Bonus	816	0
Share-based payment	375	0
Severance payment	2,703	0
Total	**5,493**	**0**
Allan Auning-Hansen (CFO from November 2023):		
Salary	458	0
Bonus	0	0
Share-based payment	0	0
Total	**458**	**0**

The long-term incentive programme is described in note 2.3.

Note 2.3 Share-based payments

Share-based payments

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

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

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

Fair value measurement

The Group measures share-based payments at fair value at the grant date. The share price of the time of allocation is expensed linearly over the vesting period.

	Executive Management	Other employees	Total shares
Number of shares at January 2022	**18,589**	**108,749**	**127,338**
Granted during the year	19,453	55,413	74,866
Exercised during the year	0	0	0
Forfeited during the year	0	-3,734	-3,734
Outstanding at 31 December 2022	**38,042**	**160,428**	**198,470**
Outstanding at 1 January 2023	**38,042**	**160,428**	**198,470**
Granted during the year	56,631	147,143	203,774
Exercised during the year	-51,062	-102,124	-153,186
Forfeited during the year	0	-31,482	-31,482
Outstanding at 31 December 2023	**43,611**	**173,965**	**217,576**
Number of restricted shares that may be sold at 31 December 2023	0	0	0

For the RSU programme implemented on 20 April 2022 the average remaining term to vesting for oustanding restriced shares at 31 December was approx. 1.3 years. For the RSU programme implemented on 13 April 2023 the average remaining term to vesting for oustanding restriced shares at 31 December was approx. 2.3 years. The fair value of RSU grant dated in 2022 was DKK 8.4 million and the fair value of RSU grant dated in 2023 was DKK 9.6 million. In 2023, an expense of DKK 8.9 million was recognised in the income statement in respect of the incentive programmes (2022: 6.6 million). The fair value of the RSU at the grant date was calculated based on the share price at grant date.

Note 2.4 Special items

DKK'000	2023	2022
Special items		
Strategic organisational changes	2,394	18,509
Accrued costs in connection with acquisition of subsidiary	-900	2,341
Impairment of right-of-use assets	-850	7,053
Other special items	-991	4,036
Total special items	**-347**	**31,939**
If special items had been included in the operating profit before special items, they would have been recognised and have effect as follows.		
Operating costs	-835	4,882
Employee costs	1,338	20,004
Operating profit before depreciation (EBITDA) and special items	**503**	**24,886**
Profit on disposal of non-current assets and associates, net	0	0
Amortisation, depreciation, and impairment losses on intangible and tangible assets	-850	7,053
Operating profit (EBIT) before special items	**-850**	**7,053**

Strategic organisational changes include severance payments to former senior management and employees. Cost in connection with acquisition and vendor due dilligence is related to the acquisition of Danhaus Production A/S.

Reconciliation of EBITDA	2023	2022
Operating profit before depreciation and amortisation	**108,033**	**348,297**
Special items	347	-31,939
Operating profit before depreciation and amortisation (EBITDA) after special items	**108,380**	**316,358**

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

Since such financial measures are not calculated in the same way by all companies they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. Definitions provided in section 6.9 provide information in greater detail regarding definitions of financial performance measures.

Management exercises judgment in the identification of special items, considering the nature and circumstances of each transaction or event. Special items may include, but are not limited to, gains or losses on the disposal of assets, restructuring costs, impairment of assets, and other significant non-recurring items.

Note 2.5 Earnings per share

DKK	2023	2022
Profit for the year	14,665,751	170,308,996
Average number of shares	20,290,556	18,210,000
Average number of treasury shares	-324,852	-169,801
Average number of outstanding shares	**19,965,704**	**18,040,199**
Dilution from share options	217,065	111,604
Average number of outstanding shares, diluted	**20,182,769**	**18,151,803**

DKK'000	2023	2022
Attributable to shareholders of HusCompaniet:		
Loss from discontinued business	-2,683	-20,169
Profit from continuing business	17,339	190,478
Profit for the year	14,656	170,309
In calculating dilution from RSU, 217,065 shares (2022: 111,604), could potentially dilute the profit per share in the future.		
Earnings per share (EPS) (DKK)	0.7	9.4
Diluted earnings per share (EPS-D) (DKK)	0.7	9.4
Earnings per share (EPS) (DKK) from continuing business	0.9	10.6
Diluted earnings per share (EPS-D) (DKK) from continuing business	0.9	10.5
Earnings per share (EPS) (DKK) from discontinued business	-0.1	-1.1
Diluted earnings per share (EPS-D) (DKK) from discontinued business	-0.1	-1.1

The 2023 per share calculations for continuing business and discontinued business are based on corresponding key figures in profit per share.

Note 2.6 Financial risk management

Currency Risk
The Group is exposed to currency fluctuations from its activities in Sweden. The subsidiary in the country is not affected, as income and costs are denominated in the local functional currency.

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

Total revenue generated in SEK for 2023 amounted to 267 million DKK (2022: 346 million DKK). Due to the reduced continuing business activities related to SEK the Management considers the Groups exposure to SEK as low.

Note 2.7 Accounting policy

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

It is considered appropriate to recognise the sale of properties through divestment of companies in accordance with IFRS 15 and not as divested companies under IFRS 10 as it is an asset that is being divested, not a company with a business.

Contracted sales
Contracted sales are recognised over time according to percentage-of-completion based on estimated construction time, as all performance obligations are fulfilled on an ongoing basis throughout the construction period. The contracted sales contracts are considered to comprise of only one performance obligation, as all components are considered interrelated, and any changes to a contract will therefore be recognised as changes to the original contract and not as a separate performance obligation. 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.

The contracts are not assessed to have a significant financing component. The time value of the transaction price for contracts with a duration that exceeds 12 months is assessed insignificant, as the Group does not consume the main part of the costs before the end of the contract phase.

Therefore, an adjustment of the transaction price with regards to a financing component in the contracts with customers is not required. Payment is typically due at the time of final delivery of the construction, however a small deposit is paid upon contract negotiation. The Group receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit, during the project.

Contract modifications are recognised when they have been approved by all parties to the contract.

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

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

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

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

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.

Note 2.7 Accounting policy (continued)

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

Cost of sales
Cost of sales include costs of raw materials, cost of subcontractors and consumables 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.

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

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

The item is net of refunds made by public authorities.

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

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

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

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

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

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

Special items also include items such as impairment of goodwill, gains and losses on the disposal of activities and transaction cost from business combinations.

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

Note 2.8 Significant estimates and judgements

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

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

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

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

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

Percentage-of-completion profit recognition

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

The assessment of project revenues and project costs is based on a number of estimates and assessments that depend on the experience and knowledge of project management in respect of project control, training and the prior management of project. There is a risk that the final result will differ from the profit accrued based on percentage-of-completion. At year-end, recognised revenues from contract assets amounted to DKK 355 million (2022: DKK 760 million); refer to note 3.2 Contract assets.

Section 3

Working capital

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

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

The following notes are presented in Section 3:

Note 3.1 Inventories

DKK'000	2023	2022
Raw materials	22,182	26,587
Show houses and semi-detached houses	81,876	164,158
Land	177,739	155,294
Write-down inventories	-735	-3,005
Total inventories	**281,062**	**343,033**
Hereof, unsold inventories	202,860	301,580

Unsold inventories comprise of raw materials, unsold land and unsold houses constructed on own land to which no customer contract has been entered into before construction starts (typically show houses). As these houses are constructed before being sold, they are recognised as inventories, and can therefore not be recognised as contracted work-in-progress.

The valuation of show houses involves inherent uncertainties due to the subjective nature of market trends, consumer preferences, and the unique characteristics of real estate assets. Management engages in a comprehensive assessment, considering factors such as:

- Current market conditions
- Comparable property valuations

Note 3.2 Contract assets

DKK'000	2023	2022
Selling price of contract assets	354,615	760,375
Invoicing on account	-92,657	-134,360
	261,958	**626,015**
Calculated as follows:		
Contract assets	352,932	731,056
Contract liabilities	-90,973	-105,041
	261,958	**626,015**
Prepayments from customers regarding construction contracts not yet started	**2,865**	**15,312**

DKK'000	2023	2022
Delivery obligations		
Within one year	1,231,415	1,966,382
After one year	140,612	90,714

There are no detained payments related to contract assets.

Construction contracts (assets/liabilities)

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

Contract liabilities comprise agreed, unconditional payments received on account for work yet to be performed. During 2023, the entire contract liability recognised at the beginning of the period has been recognised as revenue.

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

The decrease in contract assets in 2023 reflects a high level of delivered houses and a decrease in sales compared to last year.

Contract liabilities were largely affected by a high level of deposits from larger projects.

Delivery obligations are secured orders from customers, where HusCompagniet is required to build a house for the customer.

Credit risk on contract assests is generally managed by regular credit rating of customers and business partners, furthermore bank deposits or bank guarantees are obtained before the house is build. The credit risk exposure relating to dealing with private counterparties is estimated to be limited. For B2B projects the credit risk is management by obtaining credit rating of customers.

Note 3.3 Trade and other receivables

DKK'000	2023	2022
Trade receivables	71,321	121,041
Provision for expected credit losses	-9,943	-9,935
Other receivables	94,593	110,267
As at 31 December	**155,971**	**221,372**
Provision for expected credit losses at 1 January	**-9,935**	**-16,620**
Exchange rate adjustment	19	354
Arising during the year	-737	-295
Utilised	142	2,188
Reversed	568	4,437
Provision for expected credit losses at 31 December	**-9,343**	**-9,935**

The Group receives security in the form of a bank guarantee or deposit in connection with the start-up of construction contracts and there is therefore limited risk of loss on trade receivables and contract assets in connection with the Group's receivables 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. Provision for losses on trade receivables in 2022 and 2023 is recognised following the decision to close down of the brick houses in Sweden and Germany. Amounts related to Sweden and Germany are included in discontinued operations.

Credit risks are generally managed by regular credit rating of customers and business partners. The credit risk exposure relating to dealing with private counter-parties is estimated to be limited. The risk is further limited as the house is not delivered to the customer before payment has been received.

Write-downs for bad and doubtful debts are consequently limited except for debt in discontinued business which constitutes the main part of provision for expected credit losses in both 2022 and 2023.

Other receivables

Other receivables include primarily restricted cash. The cash is located on a restricted bank account until the house is delivered to the customer.

Note 3.4 Guarantee commitments and contingent liabilities

DKK'000	2023	2022
Guarantee provision at 1 January	**50,168**	**43,398**
Exchange rate adjustment	4	0
Arising during the year	33,222	40,292
Utilised	-28,042	-33,522
Guarantee provision at 31 December	**55,352**	**50,168**
Distributed in the balance as follows:		
Non-current liabilities	28,228	22,126
Current liabilities	27,124	28,042

At year-end, the guarantee provision amounted to DKK 55 million (2022: DKK 50 million). Provisions for future costs of guarantee commitments at one and five year reviews of houses delivered are recognised at the amounts expected at the balance sheet date to be required to settle the commitment.

As security for the borrowings and other liabilities part of the assets of HC Production A/S has been pledged. The booked value of the pledged assets amount to DKK 53 million. It can be split in the following way:

As security for mortgage of DKK 10 million there is a mortgage deed of nom. DKK 40 million in land and buildings, with a booked value of DKK 25 million. Additional commitments:

- Owner's mortgage deed of nom. DKK 5 million in buildings, with a booked value of DKK 25 million.
- Company charge of nom. DKK 9 million in the assets of the parent company with a booked value of DKK 28 million.
- Transport in income from specific projects nom. DKK 132 million.

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

Contingent liabilities

The Group is regularly involved in disputes arising out of the normal conduct of its business. In 2021 the Group entered an arbitration which has not been settled in 2023. The Group expects a positive outcome of the dispute.

Collateral

DKK 56 million of cash and short-term deposits is held in restricted accounts and released when the completed houses are delivered to the customers (2022: DKK 61 million). Restricted accounts are classified as other receivables.

Guarantees to trade creditors

The Company had issued guarantees to trade creditors of DKK 76 million as of 31 December 2023 (2022: DKK 76 million).

Contractual obligations

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

The new loan agreement as of May 2023 between Nordea, Danske Bank and HusCompagniet A/S includes negative pledge.

Note 3.5 Net working capital

DKK'000	2023	2022
Inventories	281,062	343,033
Contract assets	352,932	731,056
Trade and other receivables	155,972	221,372
Prepayments	8,405	14,796
Trade and other payables	-292,288	-522,247
Contract liabilities	-90,973	-105,041
Prepayments from customers	-2,865	-15,312
Other liabilities	-96,024	-141,872
Total	**316,221**	**525,785**

DKK'000	2023	2022
Change in working capital		
Inventories	-61,971	27,108
Contract assets	-378,124	-78,275
Trade and other receivables	-65,401	46,345
Prepayments	-6,390	593
Trade and other payables	229,959	16,971
Contract liabilities	14,068	-20,311
Prepayments from customers	12,447	-5,231
Other liabilities	45,848	6,252
Hereof non-cash fair value adjustment due to businesss combinations	0	-29,162
Cash flow effect	**-209,564**	**-35,711**

Note 3.6 Financial risk management

Credit risk
HusCompagniet 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 the Management considers the change to be significant. This eliminates the risk of debtor loss, as all payment rights are secured before the houses are delivered. Bank guarantees are obtained from primarily Danish financial institutions with a high credit rating.

Impairment of other receivables amounted to nil in 2023 and 2022.

Note 3.7 Other liabilitites

DKK'000	2023	2022
Wages and salaries, payroll taxes, social security costs, etc.	49,742	48,658
Holiday obligation	8,912	7,087
VAT and duties	31,578	77,493
Other costs payable	5,792	8,634
Other liabilities	**96,024**	**141,872**

Note 3.8 Accounting policy

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

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

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

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

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

Work in progress is described further in Note 3.2 Contract assets and Note 2.7 Accounting policy.

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

Other receivables include restricted cash.

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

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

Trade and other payables
Trade and other payables are measured at amortised cost, which, in all essentials, corresponds to the net realisable value.

Prepayments
Prepayments comprise incurred expenses relating to subsequent financial years.

Prepayments from customers
Prepayments from customers comprise payments received prior to start of construction.

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

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

Note 3.9 Significant estimates and judgements

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

The most significant key assumption include the cost of expected repairs from year 1 and year 5 reviews of delivered houses.

At year-end, guarantee provisions amounted to DKK 55 million (2021: DKK 50 million), refer to note 3.4 Provisions and contingent liabilities.

Section 4

Investments

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

The following notes are presented in Section 4:

Note 4.1 Goodwill and Intangible assets

Goodwill DKK'000	**Goodwill**
2023	
Cost at 1 January	**2,096,750**
Exchange rate adjustments	1,131
Additions from business combinations	0
Disposals	**-80,700**
Cost at 31 December	**2,017,181**
Impairment losses at 1 January	80,700
Disposals	-80,700
Impairment losses at 31 December	**0**
Carrying amount at 31 December	**2,017,181**
2022	
Cost at 1 January	**2,112,171**
Exchange rate adjustments	-21,391
Additions from business combinations	5,971
Cost at 31 December	**2,096,750**
Impairment losses at 1 January	80,700
Impairment losses at 31 December	**80,700**
Carrying amount at 31 December	**2,016,050**

Note 4.1 Goodwill and Intangible assets (continued)

Intangible assets DKK'000	Trademarks	Software development	Software development projects in progress	Total
2023				
Cost at 1 January	**29,166**	**94,455**	**12,164**	**135,785**
Additions	0	8,386	2,153	10,539
Transfered to complerted software development projects	0	10,230	-10,230	0
Exchange rate adjustments	0	0	-1,044	-1,044
Cost at 31 December	**29,166**	**113,071**	**3,043**	**145,280**
Amortisation and impairment losses at 1 January	**29,166**	**69,068**	**0**	**98,234**
Amortisation	0	13,755	0	13,755
Impairment losses	0	0	0	0
Exchange rate adjustments	0	1	0	1
Amortisation and impairment losses at 31 December	**29,166**	**82,824**	**0**	**111,989**
Carrying amount at 31 December	**29,166**	**30,247**	**3,043**	**33,289**
2022				
Cost at 1 January	**29,166**	**88,265**	**5,224**	**122,655**
Additions	0	4,349	8,807	13,155
Transfered to complerted software development projects	0	1,866	-1,866	0
Exchange rate adjustments	0	-26	0	-26
Cost at 31 December	**29,166**	**94,455**	**12,164**	**135,785**
Amortisation and impairment losses at 1 January	**29,166**	**53,748**	**0**	**82,914**
Amortisation	0	15,346	0	15,346
Impairment losses	0	0	0	0
Exchange rate adjustments	0	-26	0	-26
Amortisation and impairment losses at 31 December	**29,166**	**69,068**	**0**	**98,234**
Carrying amount at 31 December	**29-166**	**25,386**	**12,164**	**37,550**

Note 4.2 Business combinations

Acquisitions in 2023
The Group made no acquisitions during 2023.

Acquisitions in 2022
On 1 July 2022, the Group acquired the entire share capital of Danhaus Production A/S, at a price of DKK 90 million on a debt-free basis. As debt was recognised to DKK 14.7 million the purchase price was agreed to DKK 75.3 million. Of the total consideration, DKK 75.3 million was paid in cash.

With the acquisition the Group intends to strenghten its value chain and increase its ambitions in the B2B market.

The determination of the preliminary purchase price and the purchase price allocation is not considered final.

Based on the measurement of identifiable assets and liabilities at their fair values, the difference between the total consideration and the fair value of the identified net assets was calculated at DKK 6.0 million, which represents the goodwill from the acquisition of Danhaus Production A/S. Goodwill is not deductible for tax purposes.

In addition, the consideration paid for the business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Danhaus Production A/S. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Assets and liabilitites recognised have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the Group and the subsidiary. Please refer to fair value measurement below.

The acquired assets include receivables from sales and other receivables with a fair value measurement of DKK 22,628 thousands. The contractual gross receivable amount is DKK 22,734 thousands, of which DKK 106 thousands were assessed as uncollectible at the time of acquisition.

Special items
The Group has incurred acquisition costs of DKK 2.3 million in 2022, which are included in special items.

Fair value measurement
Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques.

Property, plant and equipment
Fair value of individual material property, plant and equipment assets has been measured based on external market valuations carried out by professional appraisers and assessments of prices on an active market.

Inventory
Fair value of inventory has been measured at the updated prices. No impairment of inventory was identified.

Trade receivables, payables and contract assests
Fair value of trade receivables and trade payables, contract assets and accrued cost of services has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables and payables generally is very short and the discounted effect therefore immaterial.

Financial liabilities
Lease liabilities have been measured at the present value of the remaining lease payments at the acquisition date discounted using an appropriate incremental borrowing rate.

Note 4.2 Business combinations (continued)

Assets and liabilitites recognised DKK'000	Preliminary purchase price allocation of acquisition of Danhaus Production A/S
Property, plant and equipment	66,285
Right-of-use assests	6,298
Total non-current assets	**72,583**
Inventories	20,513
Contract work in progress	5,858
Trade receivables and other receivables	6,147
Other receivables	16,481
Prepayments	475
Cash	13,212
Total current assets	**62,686**
Bank debt and borrowings	16,962
Leasing liabilities	6,623
Deferred tax liability	8,891
Total non-current liabilities	**32,476**
Trade payables	26,219
Prepayment from customers	874
Other payables	6,419
Total current liabilities	**33,512**
Net assets taken over	**69,281**
Goodwill	5,971
Total consideration	**75,252**
Cash payment	75,252
Total consideration	**75,252**

DKK'000	Revenue	Profit
Impact on revenue and profit/los from acquired business in 2022		
Danhaus Production A/S (since acquisition date, 1 July 2022)	45,440	-2,410
Danhaus Production A/S (Estimated full year)	90,880	-4,820

Note 4.3 Property, plant and equipment and right-of-use assets

DKK'000	Right of use assets, motor vehicles	Right of use assets, property	Right of use assets, plants	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Land and buildings	Total
2023							
Cost at 1 January	**39,033**	**133,306**	**5,882**	**63,360**	**24,267**	**61,091**	**326,938**
Exchange rate adjustments	0	149	0	118	0	0	**267**
Additions	4,909	472	0	7,840	1,570	1,622	**16,413**
Remeasurement of lease liabilities	-194	3,456	0	0	0	0	**3,262**
Disposals	-9,915	-15,434	0	-3,012	-4,260	0	**-8,264**
Cost at 31 December	**33,833**	**121,949**	**5,882**	**68,306**	**21,577**	**62,712**	**338,616**
Depreciation and impairment 1 January	**25,418**	**75,926**	**299**	**30,073**	**19,930**	**1,321**	**152,967**
Exchange rate adjustments	0	123	0	91	0	0	**214**
Depreciation	6,140	12,477	597	8,648	1,589	2,862	**32,313**
Impairment losses	0	0	0	0	0	0	**0**
Depreciation of disposals	-9,165	-15,373	0	-2,671	-3,393	0	**-6,246**
Depreciation and impair-ment 31 December	**22,393**	**73,153**	**896**	**36,141**	**18,126**	**4,183**	**179,248**
Carrying amount at 31 December	**11,440**	**48,796**	**4,987**	**32,165**	**3,451**	**58,529**	**159,368**

Note 4.3 Property, plant and equipment and right-of-use assets (continued)

DKK'000	Right of use assets, motor vehicles	Right of use assets, property	Right of use assets, plants	Other fixtures and fittings, tools and equipment	Leasehold improvements	Land and buildings	Total
2022							
Cost at 1 January	**34,654**	**128,095**	**0**	**49,490**	**24,104**	**0**	**236,344**
Exchange rate adjustments	0	-5,095	0	-1,321	-77	0	**-6,493**
Additions from business combinations	416	0	5,882	6,784	0	59,501	**72,583**
Additions	4,748	149	0	19,392	1,419	1,590	**27,298**
Remeasurement of lease liabilities	-566	10,157	0	0	0	0	**9,590**
Disposals	-219	0	0	-10,984	-1,179	0	**-12,383**
Cost at 31 December	**39,033**	**133,306**	**5,882**	**63,360**	**24,267**	**61,091**	**326.938**
Depreciation and impairment 1 January	**18,982**	**56,058**	**0**	**33,754**	**19,112**	**0**	**127,905**
Exchange rate adjustments	0	-2,130	-4	-717	-206	0	**-3,056**
Depreciation	6,202	15,397	302	7,844	1,931	1,321	**32,997**
Impairment losses	0	6,600	0	0	0	0	**6,600**
Depreciation of disposals	234	0	0	-10,808	-907	0	**-11,481**
Depreciation and impairment 31 December	**25,418**	**75,926**	**299**	**30,073**	**19,930**	**1,321**	**152,967**
Carrying amount at 31 December	**13,615**	**57,380**	**5,584**	**33,287**	**4,337**	**59,769**	**173,972**

Note 4.4 Impairment

Review of the annual impairment test

For impairment testing, goodwill is allocated to the three CGU's ("Detached", "Semi-detached" and "Wooden houses"), which are also the operating and reportable segments. Among other factors, the Group considers the relationship between its market capitalisation and the carrying value of assets including goodwill, when assessing for indicators of impairment. Impairment tests are performed separately for all three CGU's once a year or more frequently if indication of impairment excists.

Neither in 2023 nor in 2022 did the test however reveal an impairment need. The impairment test is an assessment of whether the cash generating units are expected to be able to generate sufficient positive net cash flow in the future to support the carrying amount of the net assets related to the CGUs. As highlighted under sensitivity changes, the conclusions from the impairment testing is subject to estimation uncertainty and possible future changes to key assumptions of future cash flows could result in impairments.

Cash Generating Unit

The Group's CGU's comprise: Detached houses, Semi-detached houses and Wooden houses. The discount rate is determined separately for each CGU to reflect the risks specific to each CGU. The discount rate applied is the weighted average cost of capital (WACC) and reflects the latest market assumptions for the cost of equity and the cost of debt.

Key Assumptions

The recoverable amount determined in the impairment test is based on a value-in-use calculation. To determine the value-in-use, Management is required to estimate the present value of the future free net cash flows based on budgets and strategy for the coming five years ("the budget period") as well as projections for the terminal period after the budget period. A five-year period is used to reflect a full business cycle.

Assumptions used in the estimate of the present value include the discount rate, revenue growth (estimated on basis of expected units to be delivered and expected unit price) and EBIT-margin. Other assumptions include expected required investments, market share and growth expectations in the terminal period. For the impairment test, a five-year budget period was used to estimate the present value. The five-year budget period is used to reflect the future risk, which is impacted by the current geopolitical turmoil and macroeconomic factors such as uncertainty in the housing markets, inflation, increase in interest rates etc.

The expected annual growth rate and the expected margins in the budget period are based on historical experience and the assumptions about expected market developments for each CGU. The long-term growth rate for the terminal period is based on the expected growth in the Danish and Swedish economy, specifically for the house building industry. In 2023, the long-term growth rate in the terminal period is set to 2.2%.

Currently, Management does not believe that climate change has a significant effect on the estimates and judgments related to the impairment assessment reference is made to note 1.4.

Note 4.4 Impairment (continued)

DKK'000	2023 Detached	2023 Semi-detached	2023 Wooden houses	2022 Detached	2022 Semi-detached	2022 Wooden houses
Carrying amount of goodwill	1,760,712	5,971	250,498	1,760,712	5,971	249,367
Pre-tax discount rate	11.2%	11.2%	11.2%	10.0%	10.0%	10.0%
Budget period						
Annual revenue growth	17.4%	16.1%	8.5%	-3.2%	12.0%	1.1%
Operating margin	3%-9%	3%-7%	-5%-13%	1-9%	3-7%	6-12%
Terminal period						
Growth rate	2.2%	2.2%	2.2%	2.0%	2.0%	2.0%
Operating margin	9.0%	7.2%	12.7%	9.1%	7.2%	12.2%
Sensitivity analysis						
Operating margin – decline (percentage points)	7.7%	3.3%	1.3%	0.2%	1.7%	2.4%
Revenue growth in budget period – allowed decline (percentage points)	2.5%	19.5%	2.5%	0.5%	8.8%	5.3%
Discount rate – allowed increase (percentage points)	1.4%	9.5%	1.0%	0.1%	3.1%	2.0%

CGU Detached

Despite ongoing global macroeconomic and geopolitical turmoil, we expect that the long-term (terminal period) demand for new detached houses will remain intact compared to the historical levels of new buildings in Denmark. The outlook for CGU detached in 2024 is still influenced by low visibility and some uncertainty. We anticipate that the ongoing geopolitical turmoil will continue to affect revenue in HusCompagniet, particularly in the first half of 2024. However, we anticipate a more positive outlook in the second half of 2024, with a gradual recovery expected from 2025 to 2028. We expect additions in SG&A to support and fuel rebound readiness. Additionally, we anticipate a gradual increase in operating margin during the budget period, approaching 2022 levels, as general market conditions are also expected to improve.

CGU Semi-detached

Semi-detached business is expected to be negatively impacted by the ongoing global macroeconomic and geopolitical turmoil, although to a lesser degree than what is expected for the detached business. Revenue is expected to decrease in 2024. However, the long term outlook reflects our ambition to gradually increase B2B collaborations. Revenue from HusCompagniet Production is expected to increase during the budget period compared to 2023 and be in line with the business case from the acquisition. We expect a gradual increase in the operating margin over the budget period compared to 2023 as a result of the continuous focus on margin improvements and scale.

CGU Wooden Houses

The outlook for CGU Wooden Houses in 2024 is impacted by the decline in housing sales in 2023 which negatively impact the orderbook for 2024. We expect a gradual recovery starting in 2025 and onwards coming back to the levels in 2021 and 2022 towards the end of the budget period. Operating profit is generally higher in Sweden compared to Denmark. In 2024 we expect a negative operating margin as a result of a lower order backlog, gradually rebounding towards 2028 as sales levels are expected to rebound.

Sensitivity analysis

The sensitivity analysis shows the lowest possible operating margin, growth rate or highest possible discount rate in percentage points by which the assumptions used can change before goodwill becomes impaired. Key assumptions and other assumptions are subject to estimation uncertainty especially related to the financial impact and length of the current macroeconomic turmoil and how it will continue to impact the interest rates and sales activities in all segments.

Note 4.5 Accounting policy

Goodwill
At the acquisition date, goodwill is recognised in the balance sheet at cost as described under Business combinations. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but is tested for impairment at least once a year. Goodwill is written down to the recoverable amount if the carrying amount is higher than the computed recoverable amount. The recoverable amount is computed as the present value of the expected future net cash flows from the enterprises or activities to which the goodwill is allocated. Impairment of goodwill is not reversed.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and independent cash inflows.

Intangible assets

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

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

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

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

Other development costs are recognised in the income statement under other external costs, as costs likely to be held.

Development costs are measured at cost less accumulated depreciation and impairment losses. Cost includes salaries, depreciation and other costs attibutable to the Group's development activities and borrowing costs from specific and general borrowing that relate directly to the development of development projects.

Upon completion of the development work, development projects are amortised on a straight-line basis over the assessment period economic life from the time the asset is ready for use.

The amortisation period usually constitutes 3-5 years. The amortisation basis is reduced by any write-downs.

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

Depreciation is provided on a straight-line basis over the expected useful lives, which are 10-30 years for buildings, 3-5 years for operating assets and equipment, and 3-5 years for leasehold improvements.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the consideration transferred for assets acquired and liabilities assumed in the business combination measured at fair value on acquisition date. Deferred tax related to the revaluations is recognised.

The most significant assets acquired generally comprise goodwill, property, plant and equipment and inventory.

The consideration paid for a business consists of the fair value of the agreed consideration in the form of the assets transferred, equity instruments issued, and liabilities assumed at the date of acquisition. Any adjustments after 12 months has been and will be recognised in income statement as a fair value adjustment of the consideration payable.

Lease agreements
The Group has lease contracts for leaseholds, vehicles and other equipment used in its operations. Lease of leaseholds generally has lease terms between 3 and 5 years, while vehicles generally have lease terms between 5 and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

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

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

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

Leaseholds:	3-5 years
Cars:	5-6 years

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

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

Note 4.6 Significant estimates and judgements

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for the terminal period. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 4.4.

Business Combinations

Key assumptions for the methods applied in determining the fair value is based on the present value of future cash flows, churn rates or the expected cash flows related to the specific asset. Estimates and methodologies used, can have a material impact on the respective values and ultimately the amount of the fair values recognised for identifiable assets and liabilities of the acquired business. Transferred, equity instruments issued, and liabilities assumed at the date of acquisition. If part of the consideration is contingent on future events, such consideration is recognised at fair value. Subsequent changes in the fair value of contingent consideration are recognised in the income statement.

A positive excess (goodwill) of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values, including goodwill, are adjusted retrospectively, until 12 months after the acquisition date, and comparative figures are restated

Leases - Estimating the incremental borrowing rate

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

- Leaseholds
- Cars

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

In the determination of the incremental borrowing rate for leaseholds the Group has performed its determination based on an interest rate from a mortgage loan with a loan maturity that resembles the maturity of the lease agreements. The rate on the financing of the part where a mortgage loan cannot be accomplished, has been estimated based on a reference rate with a supplement of a credit margin from the Group's existing credit facilities.

The Group has adjusted the credit margin for lessor's right to take back the asset in case of violation of the lease payments (secured debt). The Group has determined its incremental borrowing rate on lease agreements regarding cars with basis on a reference rate with a credit margin from the Company's existing credit facilities. The applied incremental borrowing rates are 5-6%.

Section 5

Funding and capital structure

This section includes information regarding the Group's capital structure, and information on how the activities and investments of the Group are funded.

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

The following notes are presented in Section 5:

Note 5.1 Equity

DKK'000	Nominal value	Number of shares
2023		
Share capital		
Share capital at 1 January (issued and fully paid)	**91,050**	**18,210,000**
Increase of share capital	17,500	3,500,000
Share capital at 31 December	**108,550**	**21,710,000**
2022		
Share capital		
Share capital at 1 January (issued and fully paid)	100,000	20,000,000
Reduction of share capital	-8,950	-1,790,000
Share capital at 31 December	**91,050**	**18,210,000**

The Company's share capital is nominally DKK 108,550,000 divided into 21,710,000 shares of DKK 5 each or multiples hereof.

Note 5.2 Treasury shares

Number of shares	2023	2022
Treasury shares at 1 January	209,989	1,683,058
Acquisition of treasury shares	173,500	316,931
Cancellation of treasury shares	0	-1,790,000
Transfers related to RSU programme	-153,186	0
Treasury shares at 31 December	**230,303**	**209,989**
Market value of treasury shares based on quoted share price at 31 December, DKK million	10,709,090	8,609,549

Until 1 November 2025, the Board of Directors are authorised to approve the acquisition of shares (treasury shares), on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company from time to time, provided that the Company's hold of treasury shares after such acquisition does not exceed 10% of the share capital. The consideration paid for such shares may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the date of the acquisition as determined by the Board of Directors. Based on this authorisation, the Board of Directors has authorised Executive Management to initiate share buy-backs of treasury shares to fully cover the Company's obligations under its long-term incentive programme. The treasury shares are held for the purpose of cancellation and HusCompagniet's commitments under RSU incentive programmes. In 2023, a share buy back of 173,500 shares was initiated and completed. The share buy back amounted to DKK 8 million.

Note 5.3 Borrowings and non-current liabilities

DKK'000	2023	2022
Borrowings		
Non-current liabilities	557,612	748,150
Current liabilities	21,941	24,920
Total carrying amount	**579,553**	**773,069**
Nominal value	595,502	789,024
Interest-bearing borrowings, incl. lease liabilities		
Interest-bearing borrowings at 1 January	773,069	768,381
Additions	5,381	4,897
Additions from business combinations	0	17,827
Repayment of long-term debt	-675,000	-125,000
Proceeds from loans	500,000	125,000
Repayment of mortgage	-948	-523
Repayment of lease liabilities	-23,736	-22,697
Other (amortised cost, reassesment leasing liabilities IFRS 16 etc.)	663	8,579
Exchange rate adjustments	124	-3,395
Interest-bearing borrowings at 31 December	**579,553**	**773,069**

Note 5.3 Borrowings and non-current liabilities

(continued)

DKK'000	Currency	Interest rate	Average interest rate	Carrying amount
2023				
Bank borrowings	DKK	Floating	5.75%	506,808
Commitments on leasing agreements	DKK	Fixed-rate	5.81%	72,745
				579,553
2022				
Bank borrowings	DKK	Floating	2.06%	683,506
Commitments on leasing agreements	DKK	Fixed-rate	5.85%	89,563
				773,069

Note 5.4 Lease liabilities

DKK'000	2023	2022
Lease liabilities		
Maturity of lease liabilities		
Due within 1 year	21,004	23,874
Due between 1 and 5 years	43,026	55,228
Due after 5 years	8,715	10,461
Total lease liabilities at 31 December	72,745	89,563
Lease liabilities recognised in balance sheet		
Hereof short-term lease liabilities	21,004	23,874
Hereof long-term lease liabilities	51,741	65,689
Amounts recognised in income statement		
Interest expenses related to lease liabilities	4,333	5,014
Costs related to leases less than 12 months (included in cost of sales)	0	0
Costs related to leasing contracts of low value (included in operating expenses)	107	0
Total amount recognised in income statement	**4,440**	**5,014**

Reference is made to note 4.3 for statement of right-of-use assets in connection with lease liabilities.

Note 5.5 Financial income and expenses

DKK'000	2023	2022
Financial income		
Interests received from banks	2,252	310
Exchange rate gains	0	281
Other financial income	48	105
Total financial income	**2,301**	**697**
Financial expenses		
Interest paid to banks	31,695	18,694
Interest lease liabilities	4,333	5,014
Exchange rate losses	887	33
Other financial cost	3,915	4,044
Total financial expenses	**40,830**	**27,784**
Net financials	**-38,529**	**-27,088**

Note 5.6 Trade payables

DKK'000	2023	2022
Trade and other payables		
Trade payables	237,580	463,935
Accrued trade payables	54,708	58,312
Total trade payables	**292,288**	**522,247**

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

Note 5.7 Financial risk management

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

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

Liquidity risk

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

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

The Group continues monitoring the need of liquidity. 31 December 2023, the Group has an undrawn credit facility of DKK 250 million to ensure that the Group is able to meet its obligations (2022: DKK 400 million). The Management considers the credit availability to be sufficient for the next 12 months.

The financial leverage at year-end 2023 was 3.3x net debt to EBITDA before special items. The leverage ratio - Net interest bearing debt divided with LTM adjusted EBITDA may not exceed 3.5x end of quarters according to the current bank agreement.

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

Note 5.7 Financial risk management (continued)

Contractual maturity analysis of financial liabilities DKK'000	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total contractual cash flow	Carrying amount
2023						
Non-derivative financial liabilities						
Trade and other payables	292,288	0	0	0	292,288	292,288
Bank borrowings	29,968	59,935	59,935	506,763	656,601	506,808
Lease liabilities	23,613	32,958	16,843	8,924	82,338	72,745
Total non-derivative financial liabilities	**345,869**	**92,893**	**76,778**	**515,687**	**1,031,227**	**871,841**
2022						
Non-derivative financial liabilities						
Trade and other payables	522,247	0	0	0	522,247	522,247
Bank borrowings	23,148	699,258	2,236	5,818	730,460	683,506
Lease liabilities	26,850	38,520	19,560	17,677	102,608	89,563
Total non-derivative financial liabilities	**572,245**	**737,778**	**21,796**	**23,495**	**1.355,315**	**1.295,316**

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

Interest rate risk

HusCompagniet is exposed to fluctuations in market interest rates primarily related to the Group's long-term loan with floating rates.

The bank agreement expires in 2026 with a two year extention option.

At 31 December 2023 the Group's long-term debt is kept at floating rates based on the 3M CIBOR with a variable interest rate based on the quarterly leverage ratio.

If the interest rate increased (decreased) by 1% the effect on interest during 2023 would have been DKK 5 million (2022: DKK 6.7 million, 2021: 6.7 million).

Note 5.7 Financial risk management (continued)

DKK'000	2023	2022
Categories of financial assets and financial liabilities		
Cash (financial assets at amortised cost)	223,454	5,207
Receivables (financial assets at amortised cost)	155,971	221,372
Bank borrowings (financial liabilities at amortised cost)	506,808	683,506
Lease liabilities (financial liabilities at amortised cost)	72,745	89,563
Trade and other payables (financial liabilities at amortised cost)	292,288	522,247

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

Note 5.8 Accounting policy

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item in equity. Proposed dividends are recognised as a liability at the date they are adopted by the Annual General Meeting (declaration date).

Foreign currency translation reserve

The reserve comprises currency translation adjustments arising on the translation of financial statements of foreign subsidiaries from their functional currencies into the presentation currency used by HusCompagniet.

Financial income and expenses

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

Financial assets

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

Financial liabilities

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

The Group's financial liabilities comprise trade payables, borrowings and other payables.

Section 6

Other disclosures

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

The following notes are presented in Section 6:

Note 6.1 Tax

DKK'000	2023	2022
Tax		
Tax for the year can be specified as follows:		
Tax on profit from continued operations	6,438	50,449
Tax on profit from discontinued operations	2,197	6,547
Income taxes in the income statement	**8,634**	**56,996**
Current tax continued operations		
Tax for the year from continued operations can be specified as follows:		
Income tax	22,796	57,426
Movement in deferred tax	-15,891	-7,193
Adjustment relating to previous years	-468	216
Income taxes in the income statement	**6,437**	**50,449**
Profit before tax	**23,775**	**240,927**
Tax rate, Denmark	22.00%	22.00%
Calculated tax at the applicable rate for continued operations	5,231	53,004
Non-taxable income	-2,095	-5,788
Expenses not deductible for tax purposes	4,876	2,245
Adjustments related to prior years	-467	216
Effective change in tax rate	0	0
Other	-1,108	772
Tax expense for the year	6,437	**50,449**
Effective tax rate, %	27.08%	**20.94%**

Expenses not deductible for tax purpose primarily relates to costs related to aquisition of DanHaus Production A/S.

Note 6.1 Tax (continued)

DKK'000	2023	2022
Deferred tax		
Deferred tax at 1 January	**-13,488**	**-10,531**
Recognised in profit or loss, continued business	15,891	-7,193
Recognised in profit or loss, discontinued business	-1,359	3,701
Adjustments relating to prior years	1,332	92
Exchange differences	36	443
Deferred tax at 31 December	**2,412**	**-13,488**

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

DKK'000	Deferred tax asset 2023	Deferred tax liability 2023	Deferred tax asset 2022	Deferred tax liability 2022
Intangible assets	178	0	0	3,071
Right-of-use assets and property, plant and equipment	5,776	-12,540	4,215	10,394
Construction contracts	0	-17,650	0	29,277
Other payables	5	0	5	0
Tax loss carried forward	26,643	0	25,034	0
Deferred tax	**32,602**	**-30,190**	**29,254**	**42,742**

DKK'000	2023	2022
Corporation tax payable		
Corporation tax payable at 1 January	**40,750**	**44,998**
Foreign exchange adjustments	-12	547
Adjustment of corporation tax related to prior year	-308	-216
Current tax including jointly taxed subsidiaries, from continued business	23,139	57,642
Current tax including jointly taxed subsidiaries, from discontinued business	838	2,846
Corporation tax regarding previous years tranferred from other receivables	0	0
Corporation tax paid during the year	-44,980	-65,066
Tax related to financial instruments	0	0
Corporation tax payable at 31 December	**19,427**	**40,750**

Note 6.2 Discontinued operations

In 2019, the Group decided to close down its German activities and to focus on its original core market segments. The decision was driven by the difficulty of establishing a network of suppliers to support its business and of establishing significant brand recognition in a new large market. Also in 2019, the Group decided to cease its Swedish brick-house business activities due to the substantial differences in the supply and sales process in Sweden as compared to Denmark and due to Swedish customer preferences for wood rather than brick houses. The German and Swedish brick house activities were closed down during September 2020. The closing of the discontinued operations are proceeding as expected. The closing is expected to be finalised in 2024.

Costs incurred in 2023 have been on a lower level. Finance costs are mainly related to currency exchange losses from intercompany loans and tax on profit/(loss) are related to adjustment of deferred tax and income taxes for the year.

Note 6.2 Discontinued operations (continued)

DKK'000	2023	2022
Revenue	0	5
Expenses	-317	-198
Impairment	0	0
Operating income	**-317**	**-193**
Finance costs	-169	-13,428
Profit / (loss) before tax from discontinued operations	**-486**	**-16,621**
Tax on profit / (loss)	-2,197	-6,547
Profit / (loss) after tax for the period from discontinued operations	**-2,683**	**-20,169**
Earnings per share (EPS) (DKK) from discontinued business	-0.1	-1.1
Diluted earnings per share (EPS-D) (DKK) from discontinued business	-0.1	-1.2

The net cash flows generated / (incurred) by the business segments brick houses in Sweden and the operations in Germany are, as follows: Financing costs are mainly related to currency exchange losses from intercompany loans. Tax on profit/ (loss) are mainly related to adjustment of deferred tax and income tax.

DKK'000	2023	2022
Operating cash flow	-5,015	-3,222
Investing cash flow	0	0
Financing cash flow	2,252	-6,100
Net cash inflow / (outflow)	**2,763**	**-9,322**

Note 6.3 Other non-cash items

DKK'000	2023	2022
Movements in provisions recognised in the income statement	6,559	-8,345
Movement in provisions regarding discontinued business	0	0
Non-cash financial items	11,395	17,093
Other non-cash items	**17,954**	**8,748**

Non-cash financial items consists of share based payments, equity movements from previous years, write down on right-of-use assets and other adjustments.

Note 6.4 Related parties

Transactions with Executive Management & Board of Directors
Transactions with the Executive Management & Board of Directors include transactions with companies controlled by the Executive Management & Board of Directors. Reference is made to note 2.2 and note 2.3.

Related parties with a significant influence
HusCompagniet A/S has no related parties with control of the Group and no related parties with significant influence other than key management personnel in the form of the Board of Directors and the Executive Management.

Significant transactions between the Group and related parties with a significant influence
There were no transactions between the Group and related parties with a significant influence besides remuneration in 2023 (2022: no transactions besides remuneration).

Note 6.5 Auditor's fee

Fees to auditors DKK'000	Group 2023	Group 2022	Parent 2023	Parent 2022
Audit services	2,208	2,221	669	813
Other assurance engagements*	44	0	15	0
Tax advice services	64	0	64	0
Other non-audit services*	30	240	0	212
Total	**2,346**	**2,461**	**748**	**1,025**

* The fee for non-audit services and assurance engagements delivered by EY Godkendt Revisionspartnerselskab to the Group amounts to DKK 0,1 million (2022: DKK 0,2 million) and consists of other assurance engagements, tax and VAT advisory services and other services.

Note 6.6 Events after the balance sheet date

No material events have occurred between 31 December 2023 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.

Note 6.7 List of Group companies

Investment in Group companies comprise the following at 31 December 2023.

Name	Country of incorporation	% equity interest 2023	% equity interest 2022
HusCompagniet Holding A/S	Denmark	100%	100%
HusCompagniet Danmark A/S	Denmark	100%	100%
RækkehusCompagniet A/S	Denmark	100%	100%
HusCompagniet Production A/S	Denmark	100%	100%
Svenska Huscompagniet AB (Discontinued)	Sweden	100%	100%
VårgårdaHus AB	Sweden	100%	100%
HusCompagniet Sverige AB	Sweden	100%	100%
Svenska HusCompagniet Fastighetsutveckling AB	Sweden	100%	100%
Svenska HusCompagniet Fastighetsutveckling Allerum 1 AB	Sweden	100%	100%
Svenska HusCompagniet Fastighetsutveckling Allerum 2 AB	Sweden	100%	100%
Die Haus-Compagnie GmbH* (Discontinued)	Germany	100%	100%

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

Note 6.8 Definitions

Definition of key figures and ratios

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

Gross margin	Gross profit x 100 / Revenue
EBITDA margin before special items	EBITDA before special items x 100 / Revenue
EBITA margin after special items	EBITA after special items x 100 / Revenue
Earnings per share*	Profit for the year excl. non-controlling interests / Average number of outstanding shares
Diluted earnings per share*	Profit for the year excl. non-controlling interests / Diluted average number of outstanding shares
Dividend per share	Proposed dividend for the year / Number of shares at the end of the year
Market value	Number of outstanding shares x share price end of year
NIBD/EBITDA before special items	Net interest bearing debt, year-end / EBITDA before special items
Average selling price	House delivered revenue / Number of houses delivered
Return on invested capital before tax	Operating profit (EBIT) before special items x 100 / Average invested capital
Free cash flow	Cash flow from operating activities + Cash generated from investment activites

* Earnings per share (EPS) and diluted earnings (EPS-D) are determined in accordance with IAS 33

Glossary

EBITDA before special items: Operating profit before depreciations, amortisations, financial items, tax and special items

EBITDA: Operating profit before depreciations, amortisations, financial items and tax

EBIT: Operating profit before financial items and tax

Net working capital (NWC): Trade receivables, other receivables and other current operating assets less trade payables, other payables, prepayments and other current operational liabilities

Net interest bearing debt: Cash less bank loans and other loans less bank debt less lease liabilities

Special items: Special items comprise non-recurring income and expenses, reference to note 2.4

Margin before special items: Consists of defined margins adjusted for special items

ASP (average selling price): House delivered revenue / Number of houses delivered

Invested capital: NWC + property, plant and equipment, right-of-use (ROU) assets, intangible assets including goodwill and customer relationships less long-term provisions

Order book
Delivery obligations are secured orders from customers, where HusCompagniet are required to build a house for the customer

Key figures and ratios

ESG key figures have been calculated in accordance with FSR - Danish Auditors, CFA Society Denmark and Nasdaq's 15 suggestions on standardised ESG key figures for the annual report

Note 6.9 Accounting policy

Current income tax

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

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

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

Deferred tax

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

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

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

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

Discontinued business

Discontinued operations are a considerable component of the entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that have either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan. Net profit / (loss) from discontinued operations and value adjustments after tax of the associated assets and liabilities and gains / losses on sale are presented as a separate line in the income statement.

Revenue, expenses, value adjustments and tax of discontinued operations are disclosed in the notes. Assets and related liabilities for discontinued operations are reported as separate line items in the balance sheet without restatement of comparative figures. Cash flows from the operating, investing and financing activities of discontinued operations are disclosed in note 6.2.

Note 6.10 Significant estimates and judgements

Recovery of deferred tax assets

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

Parent Company

Income statement – parent

DKK'000	Note	2023	2022
Revenue	2	24,653	20,982
Staff cost	3	-24,464	-20,823
Other external expenses		-4,729	-4,628
Operating profit before depreciation and amortisation (EBITDA) before special items		**-4,540**	**-4,469**
Special items	4	1,891	-5,249
Operating profit before depreciation and amortisation (EBITDA) after special items		**-2,649**	**-9,718**
Depreciation and amortisation		0	0
Operating profit (EBIT)		**-2,649**	**-9,718**
Share of result from subsidiaries after tax	7	80,402	205,166
Financial income		55	4
Financial expenses	5	-77,293	-32,498
Profit before tax		**515**	**162,955**
Tax on profit	6	14,141	7,354
Profit for the year		**14,656**	**170,309**
Profits attributable to:			
Equity owners of the Company		14,656	170,309

Statement of other comprehensive income DKK'000	Note	2023	2022
Profit for the year		**14,656**	**170,309**
Other comprehensive income			
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation differences, subsidiary		1,662	-11,720
Other comprehensive income, net of tax		**1,662**	**-11,720**
Total comprehensive income for the year		**16,318**	**158,590**
Total comprehensive income attributable to:			
Equity owners of the Company		16,318	158,590

Balance sheet – parent

DKK'000	Note	2023	2022
Assets			
Non-current assets			
Investments in subsidiaries	7	3,528,975	3,446,760
Total non-current assets		**3,528,975**	**3,446,760**
Current assets			
Income tax receivable	6	13,903	26,526
Receivables from affiliated companies		7,185	3,172
Total current assets		**21,088**	**29,698**
Total assets		**3,550,063**	**3,476,458**

DKK'000	Note	2023	2022
Equity and liabilities			
Equity			
Share capital		108,550	91,050
Retained earnings and other reserves		1,989,043	1,790,040
Total equity		**2,097,593**	**1,881,090**
Liabilities			
Non-current liabilities			
Borrowings	10	497,075	672,825
Total non-current liabilities		**497,075**	**672,825**
Current liabilities			
Credit institutions		7,388	5,462
Trade and other payables		914	3,010
Payables to affiliated companies		937,270	909,041
Other liabilities		9,823	5,031
Total current liabilities		**955,395**	**922,543**
Total liabilities		**1,452,470**	**1,595,369**
Total equity and liabilities		**3,550,063**	**3,476,458**

Reference to off-balance sheet notes: Other disclosures 12.

Statement of cash flows – parent

DKK'000	Note	2023	2022
Cash flow from operating activities			
EBITDA, after special items		-2,649	-9,718
EBITDA		**-2,649**	**-9,718**
Adjustments for non-cash items	9	9,707	6,615
Adjustet EBITDA		**7,058**	**-3,103**
Changes in working capital	8	2,696	2,667
Cash flow from operating activities before financial items and taxes		**9,754**	**-435**
Interest paid		-77,238	-32,493
Corporation tax received		26,526	7,335
Net cash generated from operating activities		**-40,958**	**-25,593**
Cash flow from financing activities			
Change in intercompany balances		24,303	191,134
Repayment of long-term debt	10	-675,000	-125,000
Proceeds from loans		501,178	128,556
Dividends from own treasury shares		0	0
Dividends to equity holders		0	-132,276
Acquisition of own shares		-7,935	-36,821
Capital increase		206,500	0
Transaction costs share issue		-8,088	
Net cash generated from financing activities		**40,958**	**25,593**
Total cash flows			
Cash and cash equivalents at 1 January		0	0
Net foreign currency gains or losses		0	0
Cash and cash equivalents at 31 December		**0**	**0**

DKK'000	Note	2023	2022
Cash and cash equivalents			
Cash at bank and on hand		0	0
Cash and cash equivalents as at 31 December		**0**	**0**
Bank overdrafts		0	0
Net cash and cash equivalents as at 31 December		**0**	**0**

The cash flow statement cannot be inferred from the published financial information only.

Statement of changes in equity – parent

DKK'000	Share capital	Revaluations reserve under the equity method	Retained earnings	Proposed dividend	Total
2023					
Equity at 1 January	**91,050**	**1,129,713**	**660,327**	**0**	**1,881,090**
Profit for the period	**0**	**0**	**14,656**	**0**	**14,656**
Reserve for net revaluation according to equity method	**0**	**80,402**	**-80,402**	**0**	**0**
Other comprehensive income:					
Foreign currency translation differences, subsidiary	0	1,662	0	0	1,662
Total other comprehensive income	**0**	**1,662**	**0**	**0**	**1,662**
Transactions with owners of the Company and other equity transactions:					
Capital increase	17,500	0	189,000	0	206,500
Transaction costs capital increase	0	0	-8,087	0	-8,087
Value of share-based payment	0	0	9,707	0	9,707
Purchase of own shares	0	0	-7,935	0	-7,935
Total transactions with owners of the Company and other equity transactions	**17,500**	**0**	**182,685**	**0**	**200,185**
Equity on 31 December	**108,550**	**1,211,777**	**777,266**	**0**	**2,097,593**

Statement of changes in equity – parent

DKK'000	Share capital	Revaluations reserve under the equity method	Retained earnings	Proposed dividend	Total
2022					
Equity at 1 January	**100,000**	**936,266**	**716,440**	**132,276**	**1,884,982**
Profit for the period	**0**	**0**	**170,309**	**0**	**170,309**
Reserve for net revaluation according to equity method	**0**	**205,166**	**-205,166**	**0**	**0**
Other comprehensive income:					
Foreign currency translation differences, subsidiary	0	-11,719	0	0	-11,719
Total other comprehensive income	**0**	**-11,719**	**0**	**0**	**-11,719**
Transactions with owners of the Company and other equity transactions:					
Capital reduction	-8,950	0	8,950	0	0
Value of share-based payment	0	0	6,615	0	6,615
Purchase of own shares	0	0	-36,821	0	-36,821
Dividends paid	0	0	0	-132,276	-132,276
Total transactions with owners of the Company and other equity transactions	**-8,950**	**0**	**-21,256**	**-132,276**	**-162,482**
Equity on 31 December	**91,050**	**1,129,713**	**660,327**	**0**	**1,881,090**

Parent Company financial statements

Notes

In this section

Note 1 Summary of significant accounting policies

Basis of preparation

The seperate financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act for class D companies. The separate financial statements have been-prepared on a historical cost basis, except as noted in the various accounting policies.

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

The accounting policies of the Parent Company are unchanged from last year and identical to the accounting policies in the consolidated financial statements, with the following exceptions.

Investments in subsidiaries

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

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

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

The aggregate of the Company's share of profit or loss of a subsidiary is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is an impairment indicator. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises the loss as 'Share of profit of a subsidiary' in the income statement.

Net revaluation reserve to the equity method

The net revaluation reserve according to the equity method comprises net revaluations of equity investments in Group entities compared to cost comprising i.a. recognised shares of profit/loss and foreign exchange adjustments less dividends.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates. The reserve cannot be recognised at a negative amount.

Significant judgement and estimates

Reference is made to the consolidated financial statements on page 90.

Note 2 Revenue

The Company was engaged in the below related parties transactions:

DKK'000	2023	2022
Sales of services (Management fee and allocated income) from subsidaries	24,653	20,982

Note 3 Costs including staff costs and remuneration

DKK'000	2023	2022
Staff costs		
Wages and salaries	23,413	22,989
Other social security costs	19	13
Share based payment	3,271	1,895
Movement in bonus provision	-3,295	-2,233
Transferred to special items	1,056	-1,841
Total	**24,464**	**20,823**
Average number of full-time employees	3	2
Number of full-time employees at year-end	3	3

DKK'000	2023	2022
Remuneration of Board of Directors		
Base salary and non-monetary benefits	3,263	3,050
Total remuneration	**3,263**	**3,050**
Remuneration of Executive Management		
Base salary and non-monetary benefits	7,311	7,896
Share-based remuneration	3,498	1,208
Bonus	3,465	2,658
Severance Pay	2,703	0
Total remuneration	**14,732**	**11,762**
Remuneration of Executive Management		
Base salary and non-monetary benefits	4,927	3,220
Share-based remuneration	1,135	0
Bonus	2,554	0
Total remuneration	**8,616**	**3,220**

Note 3 Costs including staff costs and remuneration (continued)

DKK'000	2023	2022
Remuneration to the Executive Management		
Martin-Ravn Nielsen (CEO from May 2020):		
Salary	4,322	4,325
Bonus	2,290	1,469
Share-based payment	1,047	667
Total	**7,659**	**6,461**
Mads Dehlsen Winther (CFO from September 2019 to March 2023):		
Salary	932	3,571
Bonus	359	1,189
Share-based payment	2,076	542
Total	**3,367**	**5,302**
Jesper Mølskov Høybye (CFO from April 2023 to October 2023):		
Salary	1,599	0
Bonus	816	0
Share-based payment	375	0
Severance Pay	2,703	
Total	**5,493**	**0**
Allan Auning-Hansen (CFO from November 2023):		
Salary	458	0
Bonus	0	0
Share-based payment	0	0
Total	**458**	**0**

Part of the management remuneration is partly paid by group companies.
The long term incentive programme is described in note 2.3 in Group.

Note 4 Special items

DKK'000	2023	2022
Strategic organisational changes	0	1,077
Accrued costs in connection with acquisition and vendor due dilligence	-900	2,331
Other special items	-991	1,841
Total special items	**-1,891**	**5,249**

DKK'000	2023	2022
Reconciliation of EBITDA		
Operating profit before depreciation and amortisation	-4,540	-4,468
Special items	1,891	-5,249
Operating profit before depreciation and amortisation (EBITDA) after special items	**-2,649**	**-9,718**

Other special items includes severance payment for senior management.

Note 5 Finance costs

DKK'000	2023	2022
Interests paid to banks*	31,740	15,243
Intra-group interest expenses*	41,642	13,784
Exchange rate losses	-2	14
Other financial cost	3,914	3,457
Total financial costs	**77,293**	**32,498**

* Interest income and expenses from financial assets and financial liabilities measured at amortised cost.

Note 6 Income taxes

DKK'000	2023	2022
Current tax		
Income tax	-14,038	-7,354
Movement in deferred tax	0	0
Adjustment relating to previous years	-101	0
Income taxes in the income statement	**-14,141**	**-7,354**
Profit before tax	**515**	**162,955**
Tax rate, Denmark	22.00%	22.00%
Tax at the applicable rate	113	38,850
Non-taxable income	-17,688	-45,136
Expenses not deductible for tax purposes	3,434	1,932
Tax expense for the year	**-14,141**	**-7,354**
Effective tax rate, %	**-27.67%**	**-5%**
Deferred tax		
Deferred tax at 1 January		
Recognised in profit or loss	0	0
Exchange differences	0	0
Deferred tax at 31 December	**0**	**0**
Corporation tax receivable		
Corporation tax receivable at 1 January	**26,526**	**27,149**
Adjustment of corporation tax at 1 January, from deferred tax	0	0
Current tax including jointly taxed subsidiaries	14,141	7,354
Corporation tax received during the year	-26,526	-7,335
Adjustment related to prior year	-238	-642
Corporation tax receivable at 31 December	**13,903**	**26,526**

Note 7 Investments in subsidiaries

Investments in subsidiaries DKK'000	2023	2022
Cost at 1 January	2,317,057	2,317,057
Additions	0	0
Cost at 31 December	**2,317,057**	**2,317,057**
Share of result at 1 January	1,129,703	936,254
Share of results	80,553	205,166
Other comprehensive income	1,662	-11,717
Share of results at 31 December	**1,211,918**	**1,129,703**
Net book value	**3,528,975**	**3,446,760**

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

Note 8 Changes in working capital

DKK'000	2023	2022
Increase / (decrease) in trade and other payables	2,697	2,667
Total	**2,697**	**2,667**

Note 9 Adjustments for non-cash items

DKK'000	2023	2022
Non-cash financial items	9,707	6,615
Other non-cash items	**9,707**	**6,615**

Note 10 Borrowings

DKK'000	2023	2022
Interest-bearing borrowings, 1 January	672,825	672,058
Additions	500,000	125,000
Other (amortised cost, etc.)	-750	767
Repayments	-675,000	-125,000
Interest-bearing borrowings, 31 December	**497,075**	**672,825**

Investments in subsidiaries have been provided as security for the Group's balances with Nordea and Danske Bank, covering all bank borrowings.

Note 11 Auditor's fee

Fees to auditors DKK'000	2023	2022
Audit services	669	813
Other assurance engagements*	15	0
Tax advice services	64	0
Other non-audit services*	0	212
Total fees to auditors appointed at the Annual General Meeting	**748**	**1,025**

* The fee for non-audit services and assurance engagements delivered by EY Godkendt Revisionspartnerselskab to the Group amounts to DKK 0.1 million (2022: DKK 0.2 million) and consists of other assurance engagements and tax and VAT advisory services.

Note 12 Other disclosures

For the following disclosures reference is made to the consolidated financial statements:

- Guarantee commitments and contingent liabilities (note 3.4)
- Equity (note 5.1)
- Related parties (note 6.4)
- Events after the balance sheet date (note 6.6)
- Receivables and payables from affiliated companies at 31 December 2023 stated in the balance sheet relates primarily to tax payments in joint taxation and cash pool. Balances are interdependant and settled on an ongoing basis. No write-downs have been made on balances in 2023 or 2022.

There are no losses on Group receivables, so an expected credit loss is considered to be very limited.

The Parent has provided collateral for bank loan amounting to DKK 750 million in 2023 comprise bank loan of DKK 500 million and DKK 250 million RCF (2022: DKK 1,075 million).

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of HusCompagniet A/S for 2023.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Virum, 8 March 2024

Executive Management:

Martin Ravn-Nielsen
Group CEO

Allan Auning-Hansen
Group CFO

Board of Directors:

Claus V. Hemmingsen
Chairperson

Anja B. Eriksson
Vice chairperson

Stig Pastwa

Ylva Ekborn

Michael Troensegaard Andersen

Ole Lund Andersen

Independent auditor's report

To the shareholders of HusCompagniet A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of HusCompagniet A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of other comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

Subsequent to HusCompagniet A/S being listed on Nasdaq Copenhagen, we were initially appointed as auditors of HusCompagniet A/S on 12 April 2021. We have been reappointed annually by resolution of the general meeting for a total consecutive period of three years up until the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2023. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements .

Key audit matter	Description of key audit matter	How our audit addressed the key audit matter
Recognition and measurement of construction contracts and related revenue recognition	Accounting policies and information regarding revenue recognition related to construction contracts are disclosed in notes 2.1, 2.7, 2.8 and 3.2 to the consolidated financial statements. The Group's main activity and revenue comes from sale and delivery of detached and semi-detached houses under construction contracts with private customers or professional investors, where the delivery of the houses typically extends over a longer period. Due to characteristics of the projects and in accordance with the accounting policies, HusCompagniet recognizes and measures revenue on these construction contracts over time based on input-based accounting methods as the performance obligation usually is considered fulfilled throughout the construction. Recognition and measurement of construction contracts involve estimates and judgments by Management to assess percentage-of-completion at the balance sheet date, cost of completion of the houses, including costs related to warranties or disputes. Changes to these accounting estimates during the construction phase, can have a material impact on revenue, production costs and results. Therefore, we consider recognition of construction contracts as a key audit matter in respect of the financial statements.	Our audit procedures included: • Assessment of the assumptions and methodology applied by Management to calculate the sales value of construction contracts and recognition and accrual of revenue. We have considered the approach taken by Management, assessed key assumptions and obtained corroborative evidence for the explanations provided by comparing key assumptions to past performance, contract estimate, our past experience of similar transactions and Management's forecast supporting the calculated sales value. • Analysis of selected contracts to assess and compare recognised revenue, including any contract modifications, and production cost to contract estimate, current project economy and the latest forecast of cost to complete, including any costs related to warranties or disputes. • Discussions of the status of houses in progress with members of Management, the finance function and project management. • For the purpose of assessing dispute and/or litigation, we obtained letters of attorney from the Group's external and internal attorneys and discussed with members of Management and the finance function cases subject to disputes to provide an assessment hereof. • Focused on ensuring that policies and processes for performing management estimates have been applied consistently to uniform contracts and in accordance with previous years.
Valuation of goodwill	Accounting policies and information regarding goodwill and impairment testing of goodwill are disclosed in notes 4.1, 4.4, 4.5 and 4.6 to the consolidated financial statements. Valuation of goodwill is significant to our audit due to the carrying value of goodwill and the risks related to Management's assessment of the future timing and amount of cash flows that are discounted to project the recoverability of the carrying amount of goodwill. Management's assessment is subject to uncertainty related to their expectations of the negative impact on future building activity from macroeconomic conditions, interest rates and inflation. Management applies significant assumptions when estimating the future sales volumes, sales prices, margins, discount rates and growth rates when projecting the recoverability of the carrying amount of goodwill as well as judgement when defining cash-generating units. Therefore, we consider valuation of goodwill as a key audit matter in respect of the financial statements.	Our audit procedures in relation to valuation of goodwill included: • Assessment of the discounted cash flow models prepared by Management, including consideration of the cash-generation units defined by Management and the valuation methodology applied. We evaluated the factors used by Management in their definition of cash-generating units. • Testing of the mathematical accuracy of the discounted cash flow models prepared by Management to project the recoverability of the carrying amount of goodwill. We reconciled the applied estimates of future cash flows to the most recent approved Management budgets to ensure internal consistency. • Evaluating the key assumptions and input data applied by Management based on our knowledge of the business and industry together with available supporting evidence such as available budgets and externally observable market data related to market volumes, inflation rates and interest rates etc. • Evaluating the sensitivity analysis on the assumptions applied in the valuations prepared by management in note 4.4 to the consolidated financial statement.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of HusCompagniet A/S, we performed procedures to express an opinion on whether the annual report of HusCompagniet A/S for the financial year 1 January – 31 December 2023 with the file name HusCompagniet-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor’s judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company’s iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;

- Evaluating the appropriateness of the company’s use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

IIn our opinion, the annual report of HusCompagniet A/S for the financial year 1 January – 31 December 2023 with the file name HusCompagniet-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 8 March 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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Design and production: Noted

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