MT HØJGAARD HOLDING

Company announcement No. 13/2020

Sound second-quarter results despite Covid-19 reaffirm the outlook for the year

19 August 2020

The MT Højgaard Group had a sound second quarter with rising order intake, a growing order book and improved earnings. Second-quarter EBIT was DKK 41 million, up from DKK 23 million in the second quarter of 2019, despite small effects from the Covid-19 crisis. First-half financial performance matched expectations, reaffirming the outlook of a gradual improvement in earnings during the year. The outlook for 2020 is unchanged.

Summary of the first half of 2020 – MT Højgaard Group

- First-half revenue was down 8% to DKK 2,881 million, as expected, mainly as a result of a temporary decline in activity at Enemærke & Petersen following low order intake in the first half of 2019.
- EBIT was DKK 44 million, up from DKK 41 million in the first half of 2019. The operating margin increased to 1.5% from 1.3% in the first half of 2019, reflecting an improved gross margin and lower costs. The second-quarter 2020 operating margin was 2.9%.
- MT Højgaard Denmark reported an increase in earnings and moved into profit, despite lower revenue.
- Limited impact from Covid-19 in Denmark, with a few delays and postponements of projects and minor disruptions to operations. Internationally, Covid-19 led to some slowdown in order intake.
- Order intake grew by 20% to approx. DKK 2.9 billion in the first half, with a good mix of large, medium-sized and relatively small orders. Enemærke & Petersen and Scandi Byg recorded the highest growth.
- The total order book at the end of June exceeded DKK 6.6 billion – up 14% on a year ago.

Summary of the first half of 2020 – MT Højgaard Holding A/S

- First-half EBIT was DKK 24 million, compared with a loss of DKK 3 million in the same period in 2019.
- Net profit for the period was DKK 78 million, including a DKK 79 million contribution from discontinued operations (Lindpro A/S).
- First-half cash flows from operating activities increased to an inflow of DKK 265 million from DKK 30 million in the same period last year, mainly reflecting extended payment deadlines for A-tax (tax deducted from income at source), labour market contributions and VAT, but also improved operating profitability.
- Financial resources increased to DKK 912 million, from DKK 594 million at the beginning of the year.

Lindpro A/S, which was sold on 31 March 2020, has been accounted for as a discontinued operation. Except for balance sheet and cash flows, all comparative figures for 2019 have been restated to reflect the effect of the sale.

Strategic update

- The implementation of the Group's new strategy is going according to plan and the Board has today considered sub-strategies for the six business units. The focus in all business units is on improved profitability.
- In 2021, all the business units will have been hived off into independent companies.
- On 1 July, MT Højgaard International expanded its activities in Greenland by acquiring the company MATU, which is expected to contribute revenue of about DKK 25 million in 2021.
- Our strategic focus on sustainability is underpinned by growing demand for sustainable, certified buildings.

Outlook for 2020 reaffirmed

The MT Højgaard Group reaffirms the outlook of revenue of around DKK 5.9 billion and EBIT before special items of approx. DKK 125 million.

- MT Højgaard Holding A/S still expects revenue of around DKK 5.9 billion and EBIT before special items of around DKK 85 million.

The majority of the expected revenue has been contracted, but Covid-19 may result in postponed start-ups of contracted projects or delays in the signing of new contracts. The uncertainty resulting from Covid-19 is to some extent offset by new political initiatives designed to promote construction and civil works activity in both the private and public sectors.

- We still have a considerable task ahead of us if we are to raise the EBIT margin to 4% in 2022, but we are on the right track. Despite a relatively small effect of Covid-19, we achieved the expected improvement in earnings and order intake in the second quarter. We are making good progress with the execution of individual projects, the portfolio continues to become healthier and the optimisation of MT Højgaard is beginning to show results. There is still uncertainty in the market because of Covid-19, but unless greater restrictions are placed on our activities or contracted projects are postponed for longer periods, we are still expecting positive development to continue for the rest of the year, says President and CEO Morten Hansen, MT Højgaard Holding A/S.

Morten Hansen and Martin Solberg can be contacted on telephone +45 22 70 93 65.

MT HØJGAARD HOLDING

Interim financial report 1 January – 30 June 2020

MT Højgaard Holding A/S
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TERMS IN THE REPORT

MT Højgaard Holding A/S comprises the parent company MT Højgaard Holding A/S, the wholly-owned subsidiary MT Højgaard A/S and its subsidiaries, the core ones of which are Enemærke & Petersen A/S, Scandi Byg A/S and Ajos A/S.

The terms the MT Højgaard Group and business units are both synonymous with the construction and civil engineering company MT Højgaard A/S and its subsidiaries. The Group is divided into six main business units, see overview below.

REPORTING STRUCTURE

The listed company: MT Højgaard Holding A/S

The operational entities in the Group: MT Højgaard Group

- MT Højgaard Denmark
- Enemærke & Petersen
- Scandi Byg
- Ajos
- MT Højgaard International
- MT Højgaard Project Development

For further details of the business units and their results, see pages 11-17.

This interim financial report covers MT Højgaard Holding A/S and has been published in both Danish and English. In case of discrepancies between the two versions, or in case of doubt, the Danish version shall prevail.

Date of publication: 19 August 2020

Photo on front page: The new homeowners have moved into Egeskov Vænge, constructed by Scandi Byg for KAB in Høje Taastrup. Scandi Byg supplies housing with the Nordic Swan Ecolabel as standard, and Egeskov Vænge is made up of a total of 96 social housing units with the Nordic Swan Ecolabel.

Photo on this page: Amagerbro School, Refurbishment by Enemærke & Petersen.

Summary of the second quarter of 2020 MT Højgaard Holding A/S

Revenue	EBIT	Cash flows from operating activities	Order intake	Order book
1.4 DKKbn in Q2 2020	**30** DKKm in Q2 2020	**243** DKKm in Q2 2020	**1.6** DKKbn in Q2 2020	**6.6** DKKbn in Q2 2020
1.6 DKKbn in Q2 2019*	1 DKKm in Q2 2019*	31 DKKm in Q2 2019*	1.2 DKKbn in Q2 2019*	5.8 DKKbn in Q2 2019

* 2019 excludes Lindpro A/S

Satisfactory first-half performance

First-half results met expectations, despite a small impact from the Covid-19 pandemic. The increase in earnings in the second quarter confirms expectations of a gradual improvement in earnings during the year.

- First-half 2020 revenue in MT Højgaard Holding and the MT Højgaard Group was DKK 2,881 million.
- Group revenue was down 8% on the same period last year, mainly reflecting an expected, temporary decline in revenue at Enemærke & Petersen.
- First-half 2020 EBIT was DKK 24 million in MT Højgaard Holding and DKK 44 million in the MT Højgaard Group.
- The first-half operating margin in the MT Højgaard Group increased to 1.5% from 1.3% in the same period in 2019, mainly reflecting an improved gross margin and lower overheads.
- The second-quarter operating margin in the MT Højgaard Group was 2.9% compared with 1.4% in the second quarter of 2019.
- MT Højgaard Denmark recorded a considerable improvement in earnings despite lower revenue.
- First-half operating cash flows were a cash inflow of DKK 265 million compared with DKK 30 million in the same period last year in MT Højgaard Holding and an inflow of DKK 278 million in the MT Højgaard Group compared with an outflow of DKK 80 million the previous year, primarily reflecting extended payment deadlines for A-tax (tax deducted from income at source), labour market contributions and VAT, but also improved operating profitability.
- Second-quarter order intake was up 29% to DKK 1.6 billion in the MT Højgaard Group. First-half order intake was strong at Enemærke & Petersen and Scandi Byg, while MT Højgaard Denmark saw increased order intake in the second quarter.
- The order book totalled DKK 6.6 billion at the end of the first half, 14% higher than at the end of the first half of last year.
- The majority of revenue for this year has currently been contracted but the start-up of new projects may be delayed because of Covid-19.
- Lindpro A/S has been accounted for as a discontinued operation.

Outlook for 2020 reaffirmed

The outlook for revenue and EBIT in 2020 is reaffirmed despite greater uncertainty in the market caused by the repercussions of the Covid-19 pandemic.

- The MT Højgaard Group reaffirms the outlook of revenue of around DKK 5.9 billion and EBIT before special items of around DKK 125 million.
- MT Højgaard Holding A/S reaffirms the outlook of revenue of around DKK 5.9 billion and EBIT before special items of around DKK 85 million.
- The Group remains focused on positive cash flows on all projects.
- The most significant risks associated with the Covid-19 pandemic are restrictions on activities and construction sites, postponements of already contracted projects and delays to the signing of contracts.

Comment
The interim financial report contains forward-looking statements, including projections of financial performance in 2020, which, by their nature, involve risks and uncertainties that may cause actual performance to differ materially from that contained in the forward-looking statements.

Outlook for MT Højgaard Holding A/S

DKK million	Actual H1 2020	Expected 2020	Actual* 2019
Revenue	2,881	5,900	4,672
EBIT before special items	24	85	12
EBIT	24	85	-23

* Excl. Lindpro A/S

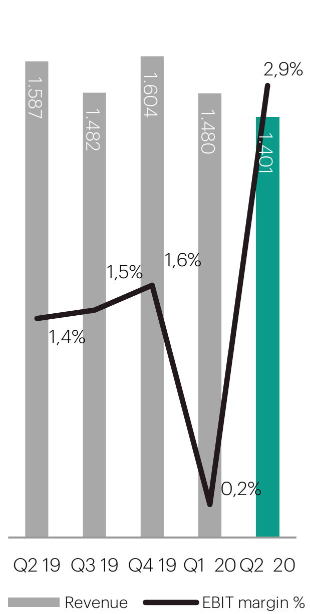
Summary of the second quarter of 2020 MT Højgaard Group

Revenue	EBIT	Cash flows from operating activities	Order intake	Order book
1.4 DKKbn in Q2 2020	**41** DKKm in Q2 2020	**255** DKKm in Q2 2020	**1.6** DKKbn in Q2 2020	**6.6** DKKbn in Q2 2020
1.6 DKKbn in Q2 2019*	23 DKKm in Q2 2019*	36 DKKm in Q2 2019	1.2 DKKbn in Q2 2019*	5.8 DKKbn in Q2 2019

* 2019 excludes Lindpro A/S

Revenue and EBIT margin before special items

DKK million and %

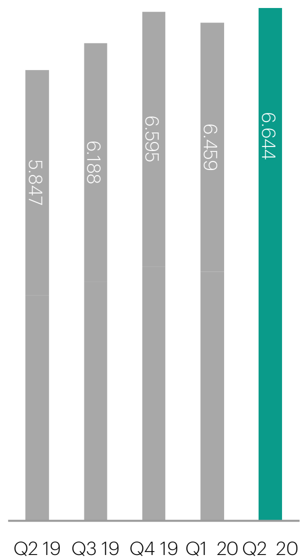


Order intake and extra work

DKKm

Order book

DKKm



SUMMARY – FIRST HALF 2020

	Revenue		EBIT		Order book	
Amounts in DKK million	2020	2019	2020	2019	2020	2019
MTH Denmark	1,289	1,404	3.7	-39.4	2,771	2,922
Enemærke & Petersen A/S	966	1,239	34.0	65.1	2,786	1,990
Scandi Byg A/S	231	189	11.1	9.5	501	44
Ajos A/S	128	141	8.3	10.9	242	253
MTH International	352	261	11.3	-7.7	778	1,021
MTH Project Development	99	153	-11.2	11.0		
Other (eliminations etc.)	-184	-266	-13.0	-8.7	-434	-383
MT Højgaard Group	**2,881**	**3,121**	**44.2**	**40.7**	**6,644**	**5,847**

Note: The business units are described on pages 11-17. Lindpro A/S has been accounted for as a discontinued operation.

Outlook for MT Højgaard Group

DKK million	Actual H1 2020	Expected 2020	Actual* 2019
Revenue	2,881	5,900	6,206
EBIT before special items	44	125	89
EBIT	44	125	54

* Excl. Lindpro A/S

Operating and financial review – First half 2020

The MT Højgaard Group's first-half performance matched expectations, with a good level of activity across the business units, despite a small impact from Covid-19.

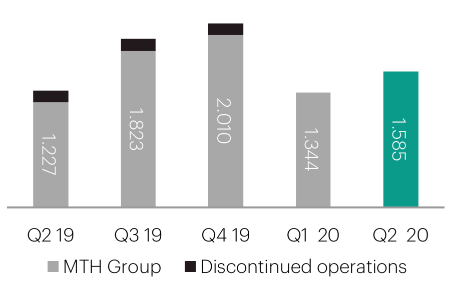
First-half 2020 revenue was DKK 2,881 million, down 8% on last year, mainly as a result of a temporary, expected decline in revenue at Enemærke & Petersen following low order intake in the first half of 2019.

First-half 2020 EBIT was up 8.6% to DKK 44 million, corresponding to an operating margin of 1.5% compared with 1.3% in the same period in 2019 after adjustment for the discontinued operations in Lindpro A/S. The increase mainly reflected MT Højgaard Denmark's improved earnings, while Enemærke & Petersen's earnings were impacted by lower activity than last year, as expected.

The Group's second-quarter operating margin increased to 2.9% from 1.4% in the same period in 2019. Second-quarter earnings confirmed expectations of a gradual improvement in earnings during the year.

At the end of the first half of 2020, the Group had contracted new orders to a value of approx. DKK 2.6 billion and extra work of DKK 0.4 billion, corresponding to an increase of 20% on the first half of 2019. New orders consisted of a good mix of large, medium-sized and a number of relatively small orders of good quality in the strategic focus segments, i.e. both new construction, refurbishment, civil works and infrastructure.

ORDER INTAKE INCL. EXTRA WORK

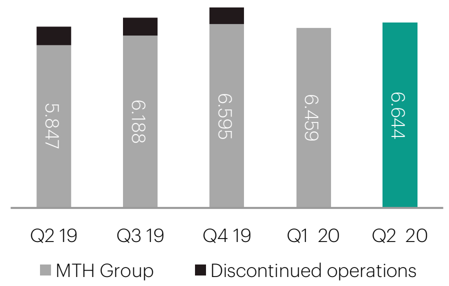


The total order book increased by 14% to DKK 6.6 billion compared with DKK 5.8 billion at the end of the first half of 2019. However, the increase was unevenly distributed, with high increases in the Enemærke & Petersen and Scandi Byg order books, but a decreasing order book at MT Højgaard Denmark despite growth in the second quarter.

The majority of revenue for the year has been contracted, but the start-up of projects may be delayed because of the effects of Covid-19.

Amounts in DKK million	Q2 20	Q2 19*	YTD 2020	YTD 2019*	2019*
Order book, beginning of period	6,459	6,206	6,595	6,534	6,534
Order intake	1,408	1,062	2,559	1,948	5,548
Other additions +/-	178	165	370	485	719
Production during period	1,401	1,586	2,881	3,121	6,206
Order book, end of period	6,644	5,847	6,644	5,847	6,595

ORDER BOOK



IMPACT FROM COVID-19

In the first half, the impact from Covid-19 in the Danish business units was limited to a few delays and postponements of projects and minor disruptions to operations on construction sites resulting from measures to protect workers and prevent the spread of infection.

Thanks to the employees' readiness to accept change and the general willingness on the part of clients and partners to find solutions, negative effects have so far been limited.

However, MTH International saw some slowdown in order intake due to Covid-19, while most projects in progress proceeded largely as originally planned.

Covid-19 is resulting in continued uncertainty about the outlook in the construction and civil engineering industry in the time ahead. The most significant risks are new restrictions on activities and construction sites in the event of new virus outbreaks, postponements of already contracted projects and delays to the signing of contracts.

Political initiatives are expected to have a positive, stabilising effect on demand from public clients and the social housing sector. The removal of the state cap on civil works for 2020 in May has enabled local authorities to bring forward capital expenditure totalling DKK 2.5 billion. Also in May, a broad political majority signed a "Green Housing Agreement 2020", which releases DKK 30 billion of funds from Landsbyggefonden for refurbishment projects in the social housing sector in 2021-2026. Of this sum, DKK 12 billion will be brought forward to 2020. Refurbishment of social housing is a focus area for MT Højgaard Denmark and Enemærke & Petersen, in particular.

However, the political initiatives have yet to translate into a large number of new projects, although the number of projects put out to tender is increasing. The Group is hoping that more projects will be put out to tender during autumn as the project basis is clarified and provided the local authorities have adequate economic flexibility.

Projects financed by private clients are subject to greater uncertainty, as these may also be affected by the knock-on effect of the global economic downturn resulting from Covid-19. The established partnerships of ByK with TRUST with the City of Copenhagen and &os Byggepartnerskabet with KAB are expected to make a significant contribution to ensuring the

*2019 figures have been adjusted for Lindpro A/S. In the table above, the item 'Other additions +/-' includes various extra work on existing projects, sale of development projects, minor operational projects etc.

Group's level of activity. Collaborations and partnerships is a strategic focus area for the whole Group, and the Group is continuously striving to enter into more such agreements. For example, during the period under review, Scandi Byg signed a cooperation agreement with PensionDanmark on extending the use of sustainable timber construction, mainly for student and youth accommodation.

ACQUISITIONS IN GREENLAND

MTH International is expanding in Greenland. Its subsidiary Arssarnerit acquired the company MATU with effect from 1 July 2020. This acquisition highlights MTH International's focus on Greenland and is part of MTH International's effort to expand its position as a locally anchored company in the markets in which it operates.

MATU is expected to contribute revenue of approx. DKK 25 million in 2021.

NEW STRATEGY AND REPORTING STRUCTURE

The Group's new strategy, Sustainable ˃22, was launched in February 2020 with the aim of achieving an EBIT margin of 4% in 2022 with largely unchanged revenue. The Group strategy identifies five focus area for the Group's future development: sustainability, innovation, processes, collaboration and employees.

Implementation of the Group strategy is proceeding according to plan. In the first half, the six business units drew up new strategies within this framework that were considered at the Board meeting on 19 August 2020. The strategies of all business units focus on improved profitability.

In 2021, MT Højgaard A/S will be reorganised into three independent public limited companies for the activities in Denmark, the international activities and project development, in accordance with the portfolio model. The reason for this reorganisation is to enhance the financial transparency of each business area. The other three business units – Enemærke & Petersen, Scandi Byg and Ajos – are already separate companies.

SUSTAINABILITY IN FOCUS

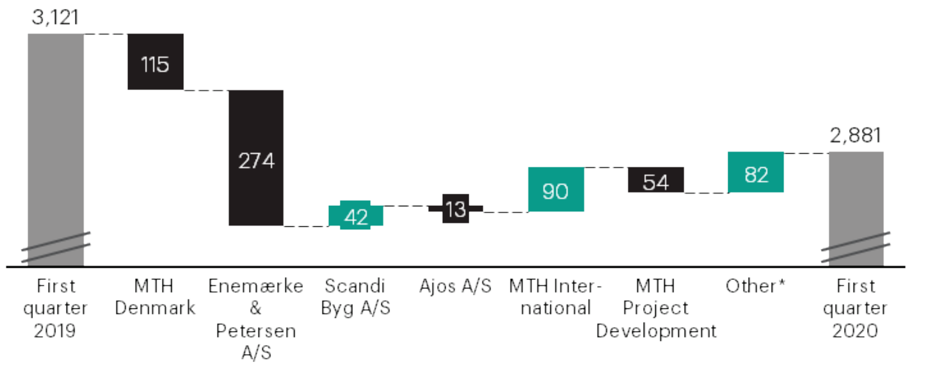
Sustainability is one of the strongest trends in society in general and the construction industry. The aim is for the MT Højgaard Group to be known and recognised for sustainable solutions throughout the life cycle of the building, from design and choice of materials to operation and recycling.

Sustainability is thus a strategic focus area in all business units and is regularly translated into concrete solutions and initiatives. Scandi Byg is a market leader in prefabricated modular buildings with the Nordic Swan Ecolabel and is working on several environment-friendly construction projects, the first of which was certified in May.

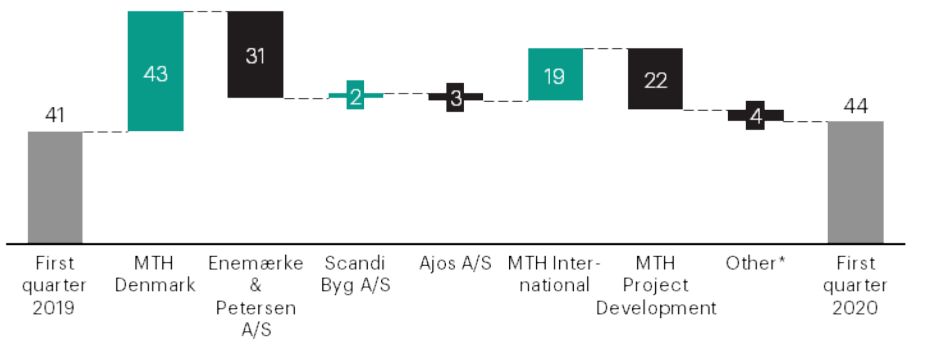
Ajos has developed a concept for sustainable pavilions that are supplied in collaboration with Scandi Byg. These can be used for such purposes as temporary day-care facilities and medical centres.

Sustainability is also an integral parameter in most of MT Højgaard Project Development's development projects, including the urban development project Dalum Papirfabrik in Odense and the Musicon project in Roskilde. "Green Housing Agreement 2020" will heighten the focus on sustainable construction and help to promote the green transition in the social housing sector. Refurbishment of

REVENUE PERFORMANCE – MT HØJGAARD GROUP



EBIT PERFORMANCE – MT HØJGAARD GROUP



* Other: Eliminations etc.

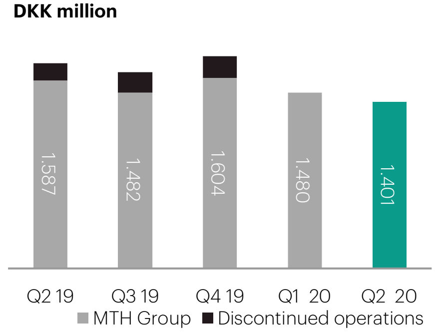
social housing is a focus area for MT Højgaard Denmark and Enemærke & Petersen.

REVENUE

First-half 2020 revenue totalled DKK 2,881 million, down 8%, principally due to an expected decline in revenue at Enemærke & Petersen following low order intake in the first half of 2019. MTH Denmark and MTH Project Development also saw decreases in revenue, as expected, while Ajos' revenue was to some extent affected by the Covid-19 crisis. Scandi Byg and MTH International both reported higher revenue.

Revenue in the MT Højgaard Group and MT Højgaard Holding is identical in 2020, while MT Højgaard Holding did not generate any revenue in the first quarter of 2019, as the merger of Højgaard Holding A/S and Monberg & Thorsen A/S was only implemented on 5 April 2019.

REVENUE



EARNINGS

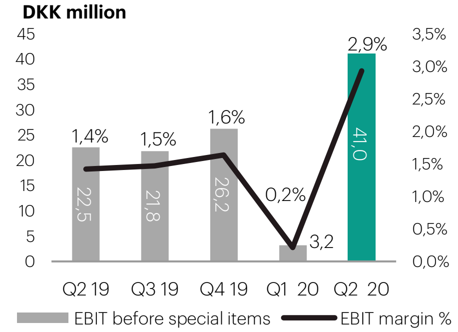
For MT Højgaard Holding, first-half 2020 EBIT was DKK 24 million, compared with a loss of DKK 3 million in the same period in 2019.

For the MT Højgaard Group, first-half 2020 EBIT was DKK 44 million, corresponding to an operating margin of 1.5%, compared with DKK 41 million and 1.3% in the same period in 2019, excl. Lindpro A/S.

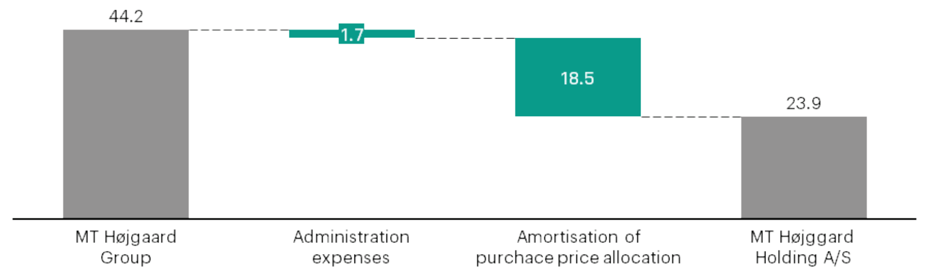
The difference between earnings in MT Højgaard Holding and the MT Højgaard Group was due to amortisation of DKK 18.5 million on the purchase price allocation and administrative expenses of DKK 1.7 million, see the graph above.

As expected, earnings were affected by a lower contribution from Enemærke & Petersen, which, however, was more than offset by an improvement in MT Højgaard Denmark's earnings as a result of the ongoing cost efficiencies.

EBIT



EBIT: MIGRATION FROM MT HØJGAARD GROUP TO MT HØJGAARD HOLDING, DKK MILLION



The MT Højgaard Group improved its EBIT in the second quarter to DKK 41 million from DKK 23 million in the same period in 2019.

The Group's gross margin was stable, amounting to 7.9% in the first half of 2020. Profit was depressed by project write-downs of approx. DKK 15 million net in the first half of 2020, corresponding to the net write-downs in the comparative period.

For the MT Højgaard Group, the net result from continuing operations for the first half of 2020 was DKK 23 million, compared with DKK 20 million in the same period last year, excl. Lindpro A/S. Including discontinued operations, net profit increased to DKK 110 million from DKK 4 million in the same period last year.

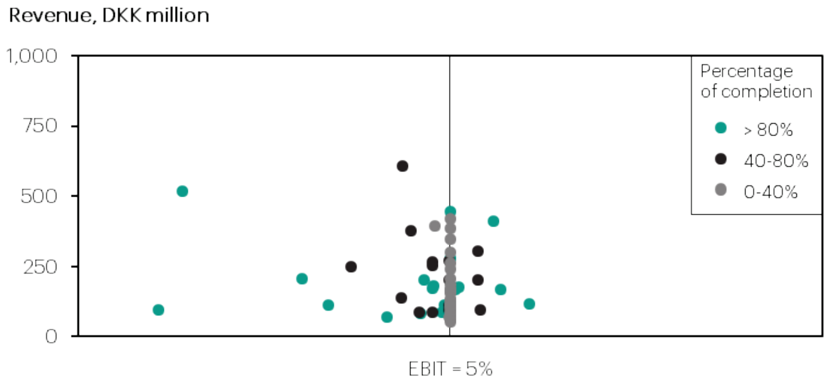
For MT Højgaard Holding, the net result from continuing operations was a loss of DKK 1 million, compared with a profit of DKK 123 million in the same period in 2019. Profit from discontinued operations in MT Højgaard Holding was DKK 79 million, consisting of the selling price for Lindpro A/S less net assets at 31/3 2020 for Lindpro A/S, various write-downs related to the sale and write-down of the Lindpro brand. See also breakdown in note 5. Net profit was consequently DKK 78 million, compared with DKK 116 million in the same period last year.

PROJECT PORTFOLIO AND EBIT REQUIREMENTS

The diagram at the top of the following page shows the extent to which the Group's projects in progress with a contract value of over DKK 50 million meet management's EBIT requirements.

The position of the projects indicates the degree to which they meet management's requirements concerning EBIT margin and should in principle be close to the centre axis and preferably to the right of it. Nevertheless, minor, negative fluctuations may occur at any time and be acceptable, but the small number of major, seriously loss-making contracts must be eliminated.

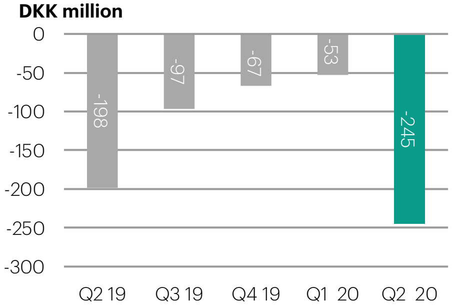
PROJECTS IN PROGRESS REVENUE > DKK 50 MILLION



BALANCE SHEET – MT HØJGAARD HOLDING

Intangible assets and property, plant and equipment and lease assets amounted to DKK 1,409 million at the end of the first half, compared with DKK 1,618 million at the end of 2019. The decrease was mainly due to write-downs on IT and brand assets and goodwill due to the disposal of Lindpro and amortisation.

WORKING CAPITAL (EXCL. PROPERTIES) FOR THE MT HØJGAARD GROUP



Inventories were DKK 482 million at the end of the first half, compared with DKK 466 million at the beginning of the year. Properties and construction projects developed in-house for resale amounted to DKK 456 million.

Trade receivables were DKK 1,058 million at the end of the first half, compared with DKK 1,286 million at the end of 2019.

Construction contracts in progress amounted to a net liability item of DKK 365 million at the end of June 2020 compared with a liability item of DKK 345 million at the end of 2019.

Trade payables were DKK 718 million at 30 June 2020 compared with DKK 859 million at the end of 2019.

Overall, at the end of June 2020, MT Højgaard Holding had a working capital outflow of DKK 230 million, excluding properties for resale, while the MT Højgaard Group had an outflow of DKK 245 million, excluding properties, compared with an outflow of DKK 67 million at the same time last year. The change in working capital was mainly driven by extended payment deadlines for A-tax (tax deducted from income at source), labour market contributions and VAT.

Equity at the end of June 2020 amounted to DKK 597 million, compared with DKK 521 million at the end of 2019, for MT Højgaard Holding and DKK 868 million, compared with DKK 759 million at the end of 2019, for the MT Højgaard Group. The solvency ratio for the MT Højgaard Group was 21.8% at the end of the first half of 2020 compared with 18% at the end of 2019.

CASH FLOWS AND FINANCIAL RESOURCES

First-half 2020 operating activities generated a cash inflow of DKK 265 million in MT Højgaard Holding compared with DKK 30 million in the same period last year, although the figures cannot be compared as the merger forming MT Højgaard Holding was only implemented on 5 April 2019.

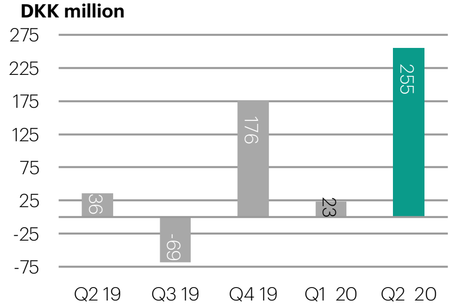
Cash flows from operating activities in the MT Højgaard Group improved to an inflow of DKK 278 million in the first half compared with an outflow of DKK 80 million in the same period in 2019. Operating cash flows benefited from extended payment deadlines for A-tax, labour market contributions and VAT, coupled with higher payments from customers and a reduction in trade payables and current liabilities.

Cash flows for investing activities in the first half of 2020 were mainly affected by the sale of Lindpro A/S, which contributed DKK 211 million. Cash flows for investing activities consequently amounted to DKK 168 million compared with an outflow of DKK 95 million in the same period in 2019 for the MT Højgaard Group.

MT Højgaard Holding's financial resources totalled DKK 912 million at the end of June 2020, including a subordinated loan of DKK 250 million from Knud Højgaards Fond, compared with DKK 594 million at the beginning of the year. Financial resources are considered satisfactory based on the current level of activity.

The subordinated loan of DKK 250 million was granted by Knud Højgaards Fond to provide the liquidity required by the Group to meet its obligations in the MgO board cases. No drawdowns have yet been made on the subordinated loan.

CASH FLOWS FROM OPERATING ACTIVITIES FOR THE MT HØJGAARD GROUP



Financial highlights – MT Højgaard Holding A/S and MT Højgaard Group

Amounts in DKK million	MT Højgaard Holding A/S 2020 Q2	2019 * Q2	2020 H1	2019 * H1	2019 * Year	MT Højgaard Group 2020 Q2	2019 * Q2	2020 H1	2019 * H1	2019 * Year
Income statement										
Revenue	1,401	1,587	2,881	1,587	4,672	1,401	1,587	2,881	3,121	6,206
Gross profit/(loss)	116	95	209	95	250	125	115	227	224	410
EBIT	30	1	24	-3	-23	41	23	44	41	54
Profit/(loss) before tax	17	131	1	127	89	33	16	31	26	31
Net profit/(loss) for the period from continuing operations	19	127	-1	123	62	30	12	23	20	-11
Profit/(loss) from discontinued operations	-	-6	79	-6	4	-	-5	88	-15	-5
Profit/(loss) for the period	19	121	78	116	66	30	7	110	4	-16
Cash flows										
Cash flows from operating activities	243	31	265	30	123	255	36	278	-80	28
Cash flows for investing activities, net	-24	-42	168	-42	-202	-24	-51	168	-95	-238
Including for investment in property, plant and equipment	-23	-53	-40	-53	-134	-23	-53	-40	-79	-143
Cash flows from financing activities	-46	115	-77	115	83	-46	119	-77	78	28
Net increase (decrease) in cash and cash equivalents	173	103	356	102	5	184	105	369	-97	-182
Balance sheet										
Non-current assets			1,696	1,925	1,937			1,453	1,607	1,664
Current assets			2,423	2,624	2,471			2,458	2,621	2,471
Equity			597	582	521			868	789	759
Non-current liabilities			1,205	1,217	1,233			740	731	761
Current liabilities			2,316	2,750	2,653			2,303	2,707	2,614
Balance sheet total			4,119	4,549	4,408			3,912	4,228	4,135

* Except for the balance sheet and the statement of cash flows, all comparative figures for 2019 exclude Lindpro A/S (sold to Kemp & Lauritzen A/S on 31 March 2020)

Financial highlights – MT Højgaard Holding A/S and MT Højgaard Group (continued)

	MT Højgaard Holding A/S					MT Højgaard Group				
Amounts in DKK million	**2020 Q2**	**2019 * Q2**	**2020 H1**	**2019 * H1**	**2019 * Year**	**2020 Q2**	**2019 * Q2**	**2020 H1**	**2019 * H1**	**2019 * Year**
Other information										
Order intake	1,585	1,227	2,929	1,227	5,061	1,585	1,227	2,929	2,433	6,267
Order book, end of period			6,644	5,847	6,595			6,644	5,847	6,595
Working capital			-230	-195	-54			-245	-198	-67
Net interest-bearing deposit/debt (+/-)			-549	-885	-991			-96	-457	-550
Average invested capital incl. goodwill			833	657	586			583	878	668
Average number of employees			2,835	1,486	2,178			2,835	2,969	2,920
Financial ratios										
Gross margin (%)	8.3	6.0	7.3	6.0	5.4	8.9	7.2	7.9	7.2	6.6
EBIT margin (%)	2.2	0.0	0.8	-0.2	-0.5	2.9	1.4	1.5	1.3	0.9
Pre-tax margin (%)	1.2	8.3	0.0	8.0	1.9	2.3	1.0	1.1	0.8	0.5
Return on invested capital incl. goodwill (ROIC) (%)			17.7	-1.2	19.0			23.8	-47.4	16.7
Return on invested capital incl. goodwill after tax (%)			13.8	-1.0	14.8			18.6	-37.0	13.0
Return on equity (ROE) (%)			14.2	32.1	17.4			13.8	0.7	-3.7
Solvency ratio (%)			14.2	12.6	11.5			21.8	18.4	18.0
Solvency ratio (%) incl. subordinated loan			23.9	21.4	20.6			21.8	18.4	18.0
Share-related ratios										
Average number of shares, million shares			7.8	6.0	6.9					
Earnings and diluted earnings per share (EPS og EPS-D) for continuing operations, DKK			-0.1	20.4	9.0					
Earnings and diluted earnings per share (EPS and EPS-D), DKK			10.0	14.9	8.8					
Net asset value per share, DKK			74.8	73.5	73.5					
Total market capitalisation, DKK million (end of period)			883.8	580.1	650.2					

* Except for the balance sheet and the statement of cash flows, all comparative figures for 2019 exclude Lindpro A/S (sold to Kemp & Lauritzen A/S on 31 March 2020)

Business units

MTHøjgaard
DANMARK

Full-service contractor specialising in construction, civil works and infrastructure projects for public and private customers in Denmark, new building and refurbishment.

Enemærke & Petersen a/s

Refurbishment of social housing, schools, commercial buildings, day-care facilities and co-operative and owner-occupied housing as well as construction of new housing, schools, institutions, offices and other buildings.

MTHøjgaard
INTERNATIONAL

Construction, civil works and technical installations projects in selected international markets for private and public customers.

scandibyg
TÆNK I NYE RAMMER

Prefabricated modular residential buildings (Nordic Swan Ecolabel certification), offices, institutions and healthcare facilities; modular site huts; pavilions for accommodation, institutions and offices.

MTHøjgaard
PROJEKTUDVIKLING

Development, specification and realisation of sustainable commercial and residential projects (BtC + BtB) and construction and operation of buildings on a public-private partnership basis (PPP).

ajos

Establishment of temporary buildings in the form of pavilions, and establishment, organisation, operation and dismantling of construction sites. Equipment hire for construction, civil works and refurbishment projects.

MT Højgaard Denmark

ACTIVITIES

MT Højgaard Denmark handles MT Højgaard's construction, civil works and infrastructure activities throughout Denmark. This business unit builds on more than 100 years' experience in the areas of residential buildings, hospitals, educational institutions, commercial buildings, roads, bridges and entire urban areas.

FINANCIAL REVIEW – FIRST HALF 2020

Stabilising MT Højgaard Denmark's operation and production has been a key focus area over the past year, and the work on securing healthy projects is beginning to show results. For example, activity was stable through the first half, despite small effects from Covid-19.

First-half 2020 revenue was DKK 1,289 million compared with DKK 1,404 million in the same period last year. Activities were evenly distributed across Denmark, and around two-thirds of projects were within construction and refurbishment, while the rest were civil works and infrastructure projects.

First-half EBIT was a profit of DKK 4 million, compared with a loss of DKK 39 million in the same period last year, an improvement of DKK 43 million. Second-quarter EBIT was a profit of DKK 11 million, compared with a loss of DKK 24 million in the second quarter of 2019.

Production on the construction sites generally went well despite Covid-19 after a number of new measures were put in place to protect employees and prevent the spread of infection. These measures also led to record-low sickness absence in the organisation.

With regard to the market, a few projects due to be put out to tender are delayed or have been postponed due to uncertainty caused by Covid-19. By contrast, the number of public sector projects put out to tender is increasing. In general, MT Højgaard Denmark has a positive view of the market, with a robust pipeline of potential new construction and civil works projects in the second half of 2020.

MgO projects are being carried out in accordance with plans.

SPECIAL PROJECTS AND INITIATIVES

MT Højgaard Denmark's new management is now in place. CEO Carsten Lund and CFO Søren Wulff took up their posts on 15 June and 1 June respectively. In the second half, this business unit will roll out a new organisational and strategic platform that is designed to drive continued stable development, continual improvements in earnings and better integration between activities east and west of the Great Belt. The new platform builds on a high level of professionalism, a strong project culture and improved competitiveness.

MT Højgaard Denmark is about to embark on several new, exciting projects that involve creating innovative, trust-based collaboration on construction and civil works projects together with clients and consultants. One such example is the Danish Building and Property Agency's ongoing project "AAU Science & Innovation Hub" at Aalborg University. MT Højgaard Denmark is also gearing up for the major framework agreements currently being put out to tender across Denmark. Most recently, these efforts led to MT Højgaard Denmark prequalifying for the Building and Property Agency's nationwide strategic framework agreement.

ORDER INTAKE

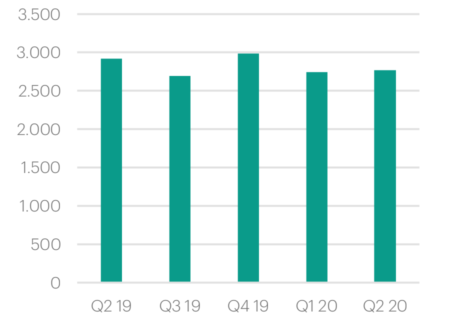
First-half order intake was DKK 1,074 million compared with DKK 1,125 million last year. MT Højgaard Denmark's order book was thus DKK 2.7 billion at the end of the second quarter of 2020, compared with DKK 2.9 billion at the same time last year.

MAJOR PROJECTS CONTRACTED IN H1 2020:

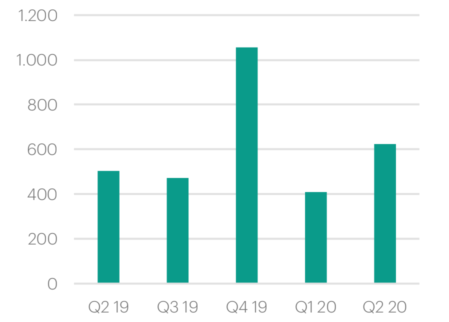
Gellerup Sports and Culture Campus
Residential units at Flintholm, Frederiksberg
Enghaven Risskov, residential units in Risskov
Civica, residential units at Dalum Papirfabrik
Codan Medical, commercial building in Køge
Lindebo Afd. 14, refurbishment in Frederikshavn

Amounts in DKK million	Q2 20	Q2 19	YTD 2020	YTD 2019	2019
Revenue	603	733	1,289	1,404	2,867
EBIT	11	-24	4	-39	-38
Order book, end of period			2,771	2,922	2,986
Order intake and extra work during the period	666	503	1,074	1,125	2,652

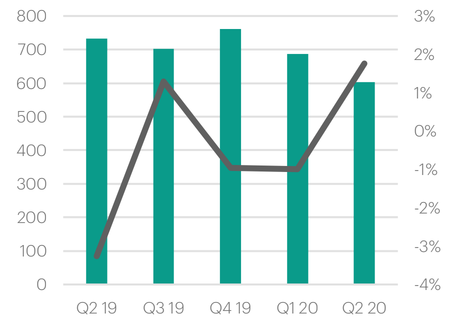
CHANGES IN ORDER BOOK, DKK MILLION



CHANGES IN ORDER INTAKE, DKK MILLION



CHANGES IN REVENUE (DKK MILLION) AND EBIT (%)



Enemærke & Petersen

ACTIVITIES

Enemærke & Petersen is a nationwide contracting company with 45 years' experience as a main and design-build contractor. Enemærke & Petersen is a market leader in strategic partnerships and refurbishment of social housing. The company's other activities are refurbishment of schools, commercial buildings, daycare facilities and co-operative and owner-occupied housing as well as construction of new housing, schools, institutions, offices and other buildings.

FINANCIAL REVIEW – FIRST HALF 2020

As expected, revenue in the first half of 2020 decreased to DKK 966 million from DKK 1,239 million in the same period last year following low order intake in the first half of 2019.

EBIT decreased to DKK 34 million from DKK 65 million last year due to lower revenue and the resulting lower capacity utilisation. Second-quarter earnings were DKK 21 million, compared with DKK 29 million in the second quarter of 2019.

Covid-19 led to lower productivity in the second half of March, when 54 employees were furloughed. However, the furloughed employees were recalled already on 11 May due to an increase in the level of activity.

Service activities were hit harder by the Covid-19 lockdown than construction work. Covid-19 has also meant that the start-up of a few projects has been postponed.

The impact of Covid-19 on Enemærke & Petersen's operations in the second half of the year is still uncertain. However, in the coming months the removal of the state cap on civil works in 2020 and the release of funds from Landsbyggefonden are expected to have a positive effect on the refurbishment of residential and public buildings – areas in which Enemærke & Petersen has traditionally held a strong position.

MgO projects are being carried out in accordance with plans.

ORDER INTAKE

First-half order intake at DKK 1,242 million was up 73% on the same period last year. Enemærke & Petersen won several school refurbishment projects through the strategic partnership ByK with TRUST with the City of Copenhagen and refurbishment of social housing in the Greater Copenhagen area through &os Byggepartnerskabet with KAB.

The order book amounted to approx. DKK 2.8 billion at the end of the first half – up 40% on the same period in 2019.

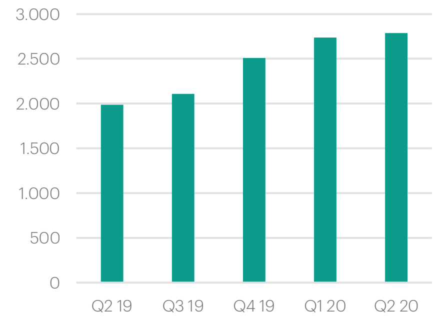
The growing order book is expected to lead to growing activity in the second half of 2020, subject to any postponement of projects due to Covid-19.

MAJOR PROJECTS CONTRACTED IN H1 2020:

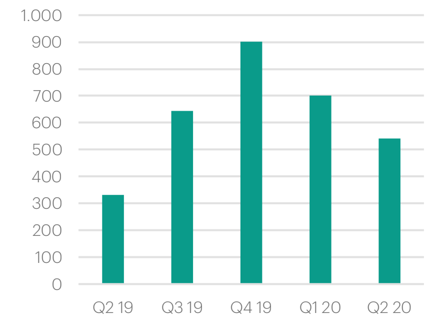
Refurbishment of Postparken, phases 2 and 3, Tårnby
Refurbishment of Nøjsomheden housing, Elsinore
Construction of new school in Sydhavn
Construction of new sheltered housing Ydungaard, Værløse

Amounts in DKK million	Q2 20	Q2 19	YTD 2020	YTD 2019	2019
Revenue	493	600	966	1,239	2,266
EBIT	21	29	34	65	133
Order book, end of period			2,786	1,990	2,510
Order intake and extra work during the period	541	332	1,242	719	2,266

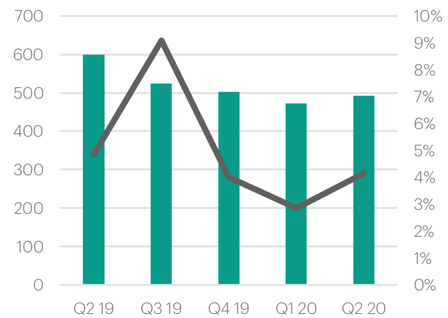
CHANGES IN ORDER BOOK, DKK MILLION



CHANGES IN ORDER INTAKE, DKK MILLION



CHANGES IN REVENUE (DKK MILLION) AND EBIT (%)



Scandi Byg

ACTIVITIES

Scandi Byg is a market leader in prefabricated modular buildings for housing, offices, institutions and healthcare facilities with Nordic Swan Ecolabel certification; modular site huts; and pavilions for accommodation, institutions and offices. Scandi Byg's expertise builds on more than 40 years' product development.

FINANCIAL REVIEW – FIRST HALF 2020

Scandi Byg had a good start to the year. First-half revenue was DKK 231 million, compared with DKK 189 million in the same period last year.

Revenue from March up to the end of the second quarter increased to a level not seen since 2018.

First-half EBIT was DKK 11 million, compared with DKK 10 million in the same period last year. Second-quarter EBIT doubled from DKK 3 million to DKK 6 million, following 51% revenue growth in the second quarter.

The Covid-19 impact on first-half profit is judged to be relatively small. Sickness absence has normalised following a considerable increase in sickness absence at the start of the crisis, and deliveries to Scandi Byg are not presenting any problems at present either.

However, generally speaking, there is still uncertainty about the longer-term effects. A number of projects due to be contracted in the coming months may be delayed or postponed. By contrast, the removal of the state cap on civil works in 2020 may boost activity.

MgO projects are being carried out in accordance with plans.

SPECIAL PROJECTS AND INITIATIVES

In May, Scandi Byg's terraced housing project Gaardhaverne in Høje Taastrup was granted a Nordic Swan Ecolabel licence by Ecolabelling Denmark. Gaardhaverne is being constructed for MT Højgaard Project Development.

Demand for Scandi Byg's prefabricated modular buildings with the Nordic Swan Ecolabel is generally rising. Gaardhaverne is the second completed construction project with the Nordic Swan Ecolabel. A further five projects are in progress, consisting of social housing, senior housing, student accommodation and owner-occupied dwellings.

In May, Scandi Byg signed a strategic cooperation agreement with PensionDanmark on extending the use of sustainable, climate-friendly prefabricated modular buildings in timber for housing and student accommodation. The agreement will help reduce carbon emissions from PensionDanmark's new buildings, and all new buildings must be to a standard enabling them to achieve both DGNB and Nordic Swan Ecolabel certification. Scandi Byg and PensionDanmark are already cooperating on the development and construction of projects including 300 student housing units in Ballerup, 478 student housing units in Lyngby and an affordable housing project in Lyngby.

In May, Scandi Byg also won a main contract for Denmark's so far biggest social housing project with the Nordic Swan Ecolabel: 115 residential units and a common house in Teglskoven near Allerød are being built for Lejerbo with handover in early summer 2022. The residential units will all be timber-built.

ORDER INTAKE

Order intake in the first half of 2020 was significantly higher than in the same period in 2019, DKK 358 million, compared with DKK 62 million in the first half of 2019. Second-quarter order intake alone was DKK 316 million, up from DKK 18 million in the same period in 2019.

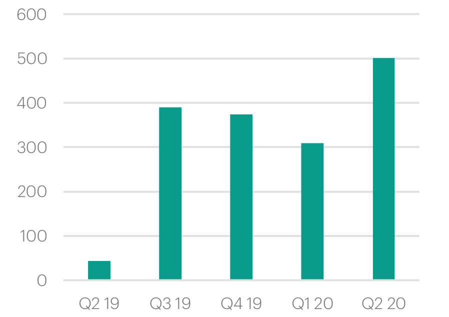
The order book was DKK 501 million at the end of the quarter, compared with DKK 44 million in the same period in 2019. The addition of youth accommodation with the Nordic Swan Ecolabel, in particular, and the addition of Teglskoven helped boost the order book.

MAJOR PROJECTS CONTRACTED IN H1 2020:

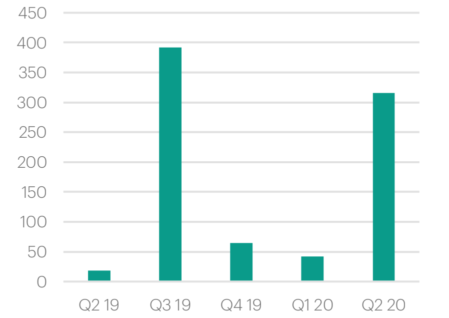
Teglskoven, 115 residential units with the Nordic Swan Ecolabel in Allerød, Lejerbo

Amounts in DKK million	Q2 20	Q2 19	YTD 2020	YTD 2019	2019
Revenue	124	82	231	189	315
EBIT	6	3	11	10	12
Order book, end of period			501	44	374
Order intake and extra work during the period	316	18	358	62	519

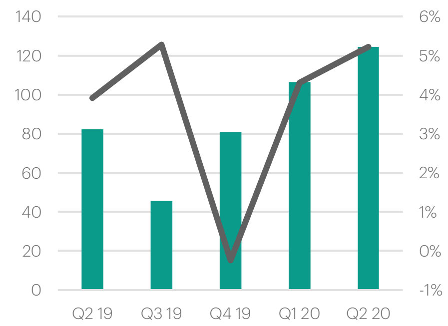
CHANGES IN ORDER BOOK, DKK MILLION



CHANGES IN ORDER INTAKE, DKK MILLION



CHANGES IN REVENUE (DKK MILLION) AND EBIT (%)



Ajos

ACTIVITIES
Ajos is one of the largest and most experienced hire companies in Denmark specialising in equipment hire to many types of projects and customers. Ajos assists with establishing temporary buildings in the form of pavilions; establishing, organising, operating and dismantling construction sites; and equipment hire for construction, civil works and refurbishment projects.

FINANCIAL REVIEW – FIRST HALF 2020
First-half 2020 revenue was DKK 128 million, compared with DKK 141 million in the same period last year. The half year kicked off with a high level of activity, but Covid-19 led to the postponement of projects in the second half of March and the rest of the period under review, with a resulting loss of revenue from rigging and erection of cranes, hoists and pavilions and subsequent equipment hire income.

Despite the partial lockdown in Denmark in March and April, Ajos maintained a high level of activity, mainly due to high utilisation of its fleet and a relatively large order book.

EBIT was DKK 8 million, down from DKK 11 million in the first half of 2019, mainly due to costs for relocating Ajos' operations from Hvidovre to Køge and the effect of projects that were postponed due to Covid-19. At DKK 5 million, second-quarter earnings were almost in line with the same period in 2019.

SPECIAL PROJECTS AND INITIATIVES
Ajos introduced pavilion buildings with the Nordic Swan Ecolabel in spring that help meet the growing demand for sustainable solutions, without any additional expenses being incurred. The pavilions are typically used for temporary offices, canteens, schools, day-care facilities and rehousing. The pavilions are built by Scandi Byg for Ajos.

In May, Ajos established a modern day-care facility for the City of Copenhagen consisting of 24 pavilion modules. The institution was established in only ten weeks.

Covid-19 has led to new assignments for Ajos, including involvement in the establishment of 16 temporary reception rooms for patients before they are transferred to a hospital room at Hvidovre Hospital.

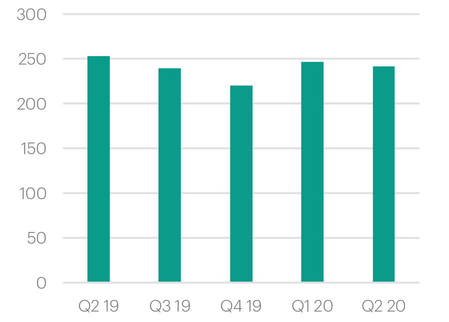
Work on the introduction of a new IT platform continued. The platform is expected to have been implemented in full in the fourth quarter and will help make operation and customer service even more efficient.

Amounts in DKK million	Q2 20	Q2 19	YTD 2020	YTD 2019	2019
Revenue	64	73	128	141	282
EBIT	5	6	8	11	23
Order book, end of period			242	253	221
Order intake and extra work during the period	59	97	149	170	279

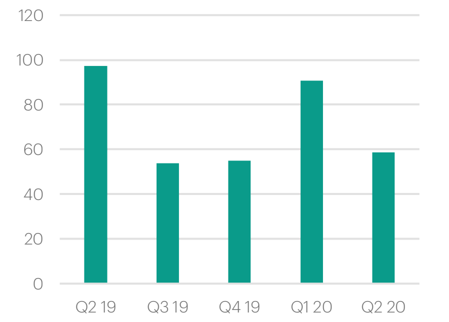
ORDER INTAKE
Ajos recorded a 12% decrease in order intake to DKK 149 million in the first half, compared with DKK 170 million in the first half of 2019.

The decrease took the total order book to DKK 242 million at the end of the first half – down 5% on the same time last year.

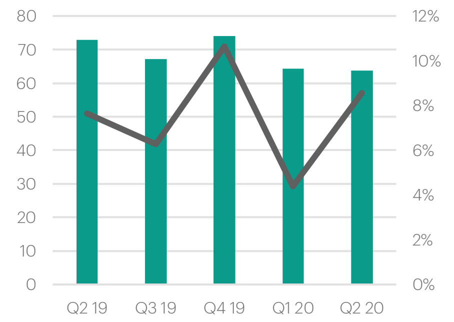
CHANGES IN ORDER BOOK, DKK MILLION



CHANGES IN ORDER INTAKE, DKK MILLION



CHANGES IN REVENUE (DKK MILLION) AND EBIT (%)



MT Højgaard International

ACTIVITIES

The business unit MT Højgaard International takes care of the Group's activities in selected markets, with particular focus on the North Atlantic, the Maldives and development projects in Africa.

FINANCIAL REVIEW – FIRST HALF 2020

First-half revenue increased to DKK 352 million, up 35% on the same period in 2019.

EBIT also improved, from a loss of DKK 8 million to a profit of DKK 11 million, driven by the higher revenue and continued cost focus throughout the organisation. Second-quarter EBIT improved from a loss of DKK 3 million to a profit of DKK 13 million, following 28% revenue growth.

The Covid-19 impact continued in the second quarter, with varying effects on the international activities. Despite some general slowdown in order intake, most projects in progress proceeded largely as originally planned.

The business unit MTH International is still experiencing strong demand for its services in the relevant markets, which led to high tendering activity in the second quarter. Against this background, order intake is expected to increase in the second half of 2020.

SPECIAL PROJECTS AND INITIATIVES

MTH International acquired the security company MATU in Greenland through the company Arssarnerit immediately after the end of the first half. This acquisition will strengthen Arssarnerit's market position and is expected to make positive contributions to both revenue and EBIT in the second half. MATU is expected to contribute revenue of DKK 25 million in 2021.

Activity on MTH International's currently largest project, Hisingsbron Bridge in Gothenburg, remained high during the first half, and several critical erection tasks were successfully completed.

The main contract on a major resort in the Maldives also continued, despite requirements concerning special measures due to Covid-19.

All areas within MTH International worked broadly on strategies for the period up to 2022 in the first half, using MT Højgaard Holding's general strategy framework with associated focus areas as a basis, and respecting the differences in MTH International's various markets.

ORDER INTAKE

Order intake at DKK 229 million was 17% lower than in the first half of 2019. Second-quarter order intake was DKK 147 million, in line with the same period last year, but did not meet MTH International's growth target. As already stated, order intake is expected to improve as the Covid-19 situation improves globally.

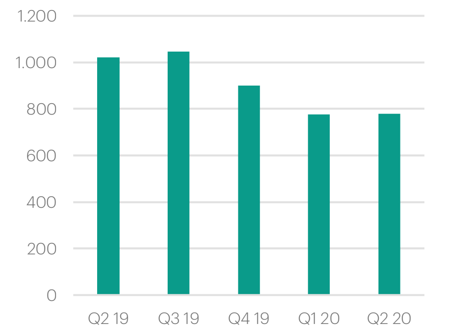
The order book was DKK 778 million at the end of the quarter, compared with DKK 1,021 million at the same time in 2019.

MAJOR PROJECTS CONTRACTED IN H1 2020:

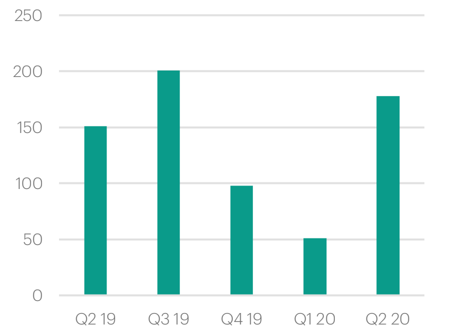
Technical installations at new school in Nuuk
Construction of 21 km segment of road between Kangerlussuaq and Sisimiut

Amounts in DKK million	Q2 20	Q2 19	YTD 2020	YTD 2019	2019
Revenue	177	138	352	261	680
EBIT	13	-3	11	-8	37
Order book, end of period			778	1,021	901
Order intake and extra work during the period	178	151	229	275	573

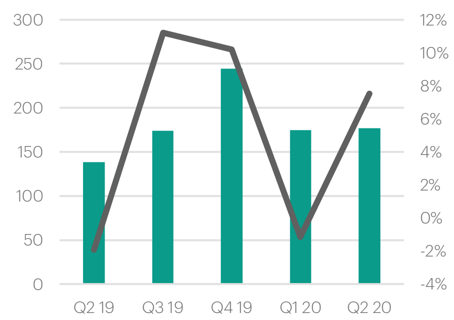
CHANGES IN ORDER BOOK, DKK MILLION



CHANGES IN ORDER INTAKE, DKK MILLION



CHANGES IN REVENUE (DKK MILLION) AND EBIT (%)



MT Højgaard Project Development

ACTIVITIES

MT Højgaard Project Development develops and realises sustainable commercial and residential projects and constructs and operates buildings on a public-private partnership basis (PPP).

MT Højgaard Project development plays an important strategic role in the Group and helps to create synergies between the individual business units. In 2019, the other business units derived DKK 460 million of revenue directly from Project Development. Direct revenue to other units is calculated annually in connection with the annual reporting.

FINANCIAL REVIEW – FIRST HALF 2020

First-half revenue was DKK 99 million, as expected, driven by good progress on ongoing projects.

Covid-19 did not have any great impact on ongoing projects, which are continuing with minimal impact. However, the start-up of sales on a couple of new projects to be developed in-house by Project Development (BtC) has been postponed until after the summer holidays.

First-half EBIT was a loss of DKK 11 million, compared with a profit of DKK 11 million in the same period last year, mainly reflecting the timing of the settlement of invoices on the various projects. Second-quarter EBIT was a loss of DKK 2 million.

The value of the property portfolio increased by DKK 39 million in the first half, partly due to investments in MT Højgaard Project Development's existing properties, and partly due to acquisitions of new project and development opportunities. These opportunities include Musicon in Roskilde, where Project Development has entered into cooperation with EcoVillage on the construction of a sustainable cohousing community.

Demand for well-situated residential units in the mid-segment is expected to remain sound, and demand for good residential rental projects in Denmark is expected to remain robust in the second half of 2020. However, the requirements concerning risk tolerance and profitability for investments in new sites and properties have been tightened.

SPECIAL PROJECTS AND INITIATIVES

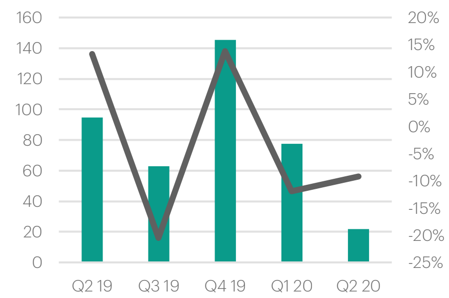
A joint venture consisting of DSB Property Development, the City of Aarhus, PensionDanmark and MT Højgaard Project Development is responsible for exploring the feasibility of covering the railway cutting between Frederiksbro and Aarhus Central Station in order to create a new district in Aarhus. The work is proceeding to plan and will be followed up by political debate and public consultation/dialogue scheduled for later in the year.

The work on environmental remediation of buildings to be preserved and demolition of the old factory buildings at Dalum Papirfabrik in Odense is proceeding to plan. The project focuses extensively on providing sustainable solutions by recycling materials and managing extreme weather in the future. MT Højgaard Project Development has already developed a senior cohousing community for the housing company Civica on this site. In May, MT Højgaard Denmark signed an agreement on the construction of the 58 senior residential units consisting of a mix of two and three-bedroom apartments. Construction is expected to commence in spring 2021.

Amounts in DKK million	Q2 20	Q2 19	YTD 2020	YTD 2019	2019
Revenue	22	95	99	153	361
EBIT	-2	13	-11	11	18
Capital tied up in property portfolio*			456	472	417

* Excl. construction projects developed in-house

CHANGES IN REVENUE (DKK MILLION) AND EBIT (%)



Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of MT Højgaard Holding A/S for the period 1 January – 30 June 2020.

The interim financial statements, which have not been audited or reviewed by the company's auditor, have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the interim financial statements give a true and fair view of the Group's financial position at 30 June 2020 and of the results of the Group's operations and cash flows for the period 1 January – 30 June 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's operations and financial matters, the results for the period and the Group's financial position and a description of the significant risks and uncertainty factors pertaining to the Group.

Søborg, 19 August 2020

EXECUTIVE BOARD

Morten Hansen
President and CEO

Martin Solberg
CFO

BOARD OF DIRECTORS

Carsten Dilling
Chairman

Anders Lindberg
Deputy Chairman, Chairman of the Audit Committee

Christine Thorsen

Ole Røsdahl

Pernille Fabricius

Amagerbro School

Enemærke & Petersen is refurbishing Amagerbro School. In the spring, they also acted briefly as schoolteachers, when they spent week 10 helping the pupils with their own craft project, which was to build a patio and brighten up the school playground. The pupils' task was part of the Kloge Hænder (Clever Hands) project, which puts vocational subjects on the school timetable.

Skovly, Vedbæk

In Vedbæk, MT Højgaard Denmark is re-furbishing four existing, new baroque-style buildings from 1908. They are also erecting new, exclusive terraced houses and residential properties. The area as a whole is called Magdalene Parken and the project was developed and sold to Artha Kapitalforvaltning by MT Højgaard Project Development. The project will be ready for handover in autumn 2020.

Dalum Papirfabrik, Odense
The demolition of Dalum Papirfabrik is proceeding to plan. The project is being carried out by MT Højgaard Project Development in cooperation with MT Højgaard Denmark. When work is completed, the area will consist of social, rental and owner-occupied housing, convenience stores and exclusive offices in the old paper-sorting halls. Several of the old historic buildings will be preserved and we will create a cultural axis that links the development with Odense River.

Electrification project in Mozambique
Seth is part of an extensive electrification project in Mozambique, which is one of a number of interesting future African markets. Expanding the infrastructure, including electrification, is a very high priority in many parts of Africa.

Consolidated financial statements – MT Højgaard Holding A/S 1 January – 30 June 2020

Ajos supplies temporary buildings to the School in Sydhavnen
In the last two years, Ajos has carried out over 20 exciting temporary pavilion projects around Denmark, including three mobile primary/lower secondary schools in the Copenhagen area. The buildings consist of flexible modules and can easily be adapted to suit customers' specific needs. The company is currently in the process of applying for a licence to erect pavilion buildings with the Nordic Swan Ecolabel.

Income statement and statement of comprehensive income

Amounts in DKK million	MT Højgaard Holding A/S 2020 Q2	2019* Q2	2020 H1	2019* H1	2019 * Year	MT Højgaard Group 2020 Q2	2019 * Q2	2020 H1	2019 * H1	2019 * Year
INCOME STATEMENT										
Revenue	1,401.2	1,586.5	2,881.3	1,586.5	4,671.7	1,401.2	1,586.5	2,881.3	3,120.8	6,206.0
Production costs	-1,285.1	-1,491.3	-2,672.4	-1,491.3	-4,421.5	-1,275.7	-1,471.6	-2,653.9	-2,896.6	-5,796.3
Gross profit/(loss)	116.1	95.2	208.9	95.2	250.2	125.4	114.9	227.5	224.2	409.7
Distribution costs	-25.0	-33.2	-57.6	-33.2	-76.1	-25.0	-33.2	-57.6	-65.3	-108.2
Administrative expenses	-56.9	-61.1	-115.9	-64.3	-180.5	-55.7	-58.8	-114.2	-118.8	-232.6
Profit/(loss) before share of profit/(loss) of joint ventures	34.1	0.9	35.4	-2.3	-6.4	44.7	22.9	55.6	40.1	68.9
Share of profit/(loss) after tax of joint ventures	-3.7	-0.4	-11.4	-0.4	18.8	-3.7	-0.4	-11.4	0.6	19.8
Operating profit/(loss) before special items	30.4	0.5	23.9	-2.7	12.4	41.0	22.5	44.2	40.7	88.7
Special items	-	-	-	-	-35.0	-	-	-	-	-35.0
EBIT	30.4	0.5	23.9	-2.7	-22.6	41.0	22.5	44.2	40.7	53.7
Profit/(loss) of jointly controlled entities	-	-	-	-1.6	-1.6	-	-	-	-	-
Net financials	-13.6	130.8	-23.1	130.8	113.2	-8.5	-7.0	-13.0	-14.7	-22.5
Profit/(loss) before tax	16.9	131.3	0.8	126.5	89.0	32.5	15.5	31.1	26.0	31.2
Income tax expense	2.4	-4.3	-1.9	-4.0	-27.3	-2.2	-3.2	-8.6	-6.5	-42.0
Profit/(loss) from continuing operations	19.3	127.0	-1.1	122.5	61.7	30.3	12.3	22.5	19.5	-10.8
Profit/(loss) from discontinued operations	-	-6.3	78.6	-6.3	4.1	-	-5.1	87.6	-15.2	-4.8
Profit/(loss) for the period	**19.3**	**120.7**	**77.5**	**116.2**	**65.8**	**30.3**	**7.2**	**110.2**	**4.3**	**-15.6**
Proposal for distribution of profit for the period										
Shareholders of MT Højgaard Holding A/S	19.3	127.0	77.5	122.5	60.8	30.3	7.2	110.2	4.3	-20.6
Non-controlling interests	-	-	-	-	5.0	-	-		-	5.0
Total	**19.3**	**127.0**	**77.5**	**122.5**	**65.8**	**30.3**	**7.2**	**110.2**	**4.3**	**-15.6**
STATEMENT OF COMPREHENSIVE INCOME										
Profit/(loss) for the period	**19.3**	**120.7**	**77.5**	**116.2**	**65.8**	**30.3**	**7.2**	**110.2**	**4.3**	**-15.6**
Other comprehensive income										
Items that may be reclassified to the income statement:										
Foreign exchange adjustments, foreign enterprises	1.4	1.4	1.6	1.4	-1.0	1.4	1.4	1.6	1.0	-1.4
Value adjustment of hedging instruments, joint ventures	-1.1	-6.5	-3.0	-4.2	-14.2	-1.1	-4.2	-3.0	-8.5	-16.1
Other comprehensive income after tax	**0.3**	**-5.1**	**-1.4**	**-2.8**	**-15.2**	**0.3**	**-2.8**	**-1.4**	**-7.5**	**-17.5**
Total comprehensive income	**19.6**	**115.6**	**76.1**	**113.4**	**50.6**	**30.6**	**4.4**	**108.8**	**-3.2**	**-33.1**
Attributable to:										
Shareholders of MT Højgaard Holding A/S	19.6	115.6	76.1	119.7	45.6	30.6	4.4	108.8	-3.2	-38.1
Non-controlling interests	-	-	-	-	5.0	-	-	-	-	5.0
Total	**19.6**	**115.6**	**76.1**	**119.7**	**50.6**	**30.6**	**4.4**	**108.8**	**-3.2**	**-33.1**

* Lindpro A/S has been accounted for as a discontinued operation.

Balance sheet

ASSETS Amounts in DKK million	MT Højgaard Holding A/S 2020 30-6	 2019 30-6	 2019 31-12	MT Højgaard Group 2020 30-6	 2019 30-6	 2019 31-12
NON-CURRENT ASSETS						
Intangible assets	419.2	603.1	553.7	176.5	284.9	280.8
Property, plant and equipment	458.0	447.2	475.3	458.0	447.2	475.3
Lease assets	532.2	591.4	589.1	532.2	591.4	589.1
Investments in joint ventures	87.0	110.5	101.9	87.0	110.4	101.9
Receivables from joint ventures	59.3	22.3	63.0	59.3	22.3	63.0
Deferred tax assets	140.4	150.5	154.1	140.4	150.5	154.1
Total non-current assets	**1,696.2**	**1,925.0**	**1,937.1**	**1,453.4**	**1,606.7**	**1,664.2**
CURRENT ASSETS						
Raw materials and consumables	25.9	33.1	36.6	25.9	33.1	36.6
Properties held for resale	456.3	473.5	429.2	456.3	473.5	429.2
Inventories	**482.2**	**506.6**	**465.8**	**482.2**	**506.6**	**465.8**
Trade receivables	1,057.9	1,400.1	1,285.5	1,057.9	1,400.1	1,287.6
Receivables from joint ventures	43.0	-	48.0	43.0	-	48.0
Construction contracts in progress	331.7	433.4	394.5	331.7	433.4	394.5
Income tax receivable	3.7	7.0	3.7	3.7	7.0	3.7
Other receivables	141.6	141.5	131.4	141.2	140.8	131.5
Cash and cash equivalents	362.3	134.9	141.6	398.6	133.2	139.8
Total current assets	**2,422.5**	**2,623.5**	**2,470.5**	**2,458.3**	**2,621.1**	**2,470.9**
Total assets	**4,118.7**	**4,548.5**	**4,407.6**	**3,911.7**	**4,227.8**	**4,135.1**

Balance sheet

EQUITY AND LIABILITIES	MT Højgaard Holding A/S			MT Højgaard Group		
	2020	2019	2019	2020	2019	2019
Amounts in DKK million	30-6	30-6	31-12	30-6	30-6	31-12
EQUITY						
Equity attributable to shareholders	582.8	572.7	506.7	853.8	779.9	745.0
Non-controlling interests	14.4	9.4	14.4	14.4	9.4	14.4
Total equity	**597.2**	**582.1**	**521.1**	**868.2**	**789.3**	**759.4**
NON-CURRENT LIABILITIES						
Subordinated loan	400.0	400.0	400.0	-	-	-
Payables to group enterprises	17.3	17.3	17.3	-	-	-
Bank loans	19.8	33.6	27.6	19.8	33.6	27.6
Lease commitments	352.1	401.3	401.1	352.1	401.3	401.1
Deferred tax liabilities	91.6	96.7	100.7	43.6	28.7	46.2
Provisions	205.6	267.6	212.6	205.6	267.6	212.6
Other non-current liabilities	119.1	-	73.8	119.1	-	73.8
Total non-current liabilities	**1,205.5**	**1,216.5**	**1,233.1**	**740.2**	**731.2**	**761.3**
CURRENT LIABILITIES						
Bank loans	5.5	28.8	142.0	5.5	16.4	117.2
Lease commitments	116.8	138.9	144.0	116.8	138.9	144.0
Construction contracts in progress	697.0	791.7	739.5	697.0	791.7	739.5
Trade payables	717.5	895.3	859.0	717.1	893.0	858.6
Income tax	21.8	3.7	17.4	24.3	3.7	17.4
Other payables	383.5	431.3	323.5	380.7	428.4	321.7
Deferred income	49.8	91.1	44.9	49.8	91.1	44.9
Provisions	324.2	369.1	383.1	312.2	344.1	371.1
Total current liabilities	**2,316.0**	**2,749.9**	**2,653.4**	**2,303.3**	**2,707.3**	**2,614.4**
Total liabilities	**3,521.5**	**3,966.4**	**3,886.5**	**3,043.5**	**3,438.5**	**3,375.7**
Total equity and liabilities	**4,118.7**	**4,548.5**	**4,407.6**	**3,911.7**	**4,227.8**	**4,135.1**

Statement of cash flows

Amounts in DKK million	MT Højgaard Holding A/S 2020 Q2	2019* Q2	2020 H1	2019 * H1	2019* Year	MT Højgaard Group 2020 Q2	2019* Q2	2020 H1	2019 * H1	2019* Year
OPERATING ACTIVITIES										
EBIT	30.4	-7.3	23.9	-10.5	-16.8	41.0	16.1	44.2	21.3	47.9
EBIT from discontinued operations	-	-	-23.4	-	-	-	-	-23.4	-	-
Adjustments for items not included in cash flow	76.3	114.0	144.5	114.0	362.0	66.9	93.0	125.9	148.2	359.1
Cash flows from operating activities before working capital changes	**106.7**	**106.7**	**145.0**	**103.5**	**345.2**	**107.9**	**109.1**	**146.7**	**169.5**	**407.0**
Working capital changes										
Inventories	-32.5	11.0	-15.0	11.0	51.8	-32.5	11.0	-15.0	1.4	42.2
Receivables	47.4	-94.1	116.9	-91.3	12.4	47.6	-100.9	119.0	-61.9	42.4
Construction contracts in progress	40.0	60.8	3.5	60.8	47.6	40.0	60.8	3.5	-14.7	-27.9
Trade and other current payables	95.4	-41.5	38.7	-42.2	-297.2	100.2	-36.4	37.9	-158.2	-404.9
Cash flows from operations (operating activities)	**257.0**	**42.9**	**289.1**	**41.8**	**159.8**	**263.2**	**43.6**	**292.1**	**-63.9**	**58.8**
Net financials	-13.5	-12.3	-23.4	-12.3	-30.6	-8.5	-7.7	-13.4	-15.5	-24.0
Cash flows from operations (ordinary activities)	**243.5**	**30.6**	**265.7**	**29.5**	**129.2**	**254.7**	**35.9**	**278.7**	**-79.4**	**34.8**
Income taxes paid, net	-0.1	-	-0.8	-	-6.0	-0.1	-	-0.8	-0.5	-6.8
Cash flows from operating activities	**243.4**	**30.6**	**264.9**	**29.5**	**123.2**	**254.6**	**35.9**	**277.9**	**-79.9**	**28.0**
INVESTING ACTIVITIES										
Purchase of intangible assets	-1.5	-	-2.2	-	-25.9	-1.5	-	-2.2	-	-39.9
Purchase of property, plant and equipment	-22.9	-52.6	-40.4	-52.6	-133.5	-22.9	-52.6	-40.4	-78.5	-143.1
Acquisition of enterprises	-	8.2	-	8.2	8.2	-	-	-	-	-
Disposal of enterprise	-	-	210.8	-	-	-	-	210.8	-	-
Loans to joint ventures	-	2.0	-	2.0	-50.3	-	2.0	-	-16.4	-54.6
Cash flows from investing activities	**-24.4**	**-42.4**	**168.2**	**-42.4**	**-201.5**	**-24.4**	**-50.6**	**168.2**	**-94.9**	**-237.6**
Subordinated loan	-	400.0	-	400.0	400.0	-	-	-	-	-
Repayment of subordinated loan	-	-250.0	-	-250.0	-250.0	-	-250.0	-	-250.0	-250.0
Decrease in borrowing facilities	-46.2	-35.2	-76.7	-35.2	-61.7	-46.2	-30.6	-76.7	-71.8	-121.9
Capital increase	-	-	-	-	-	-	400.0	-	400.0	400.0
Warrants	-	-	-	-	-5.4	-	-	-	-	-
Cash flows from financing activities	**-46.2**	**114.8**	**-76.7**	**114.8**	**82.9**	**-46.2**	**119.4**	**-76.7**	**78.2**	**28.1**
Net increase (decrease) in cash and cash equivalents	**172.8**	**103.0**	**356.4**	**101.9**	**4.6**	**184.0**	**104.7**	**369.4**	**-96.6**	**-181.5**
Cash and cash equivalents at beginning of period	189.6	0.3	6.0	1.4	1.4	214.5	9.3	29.1	210.6	210.6
Cash and cash equivalents at end of period	**362.4**	**103.3**	**362.4**	**103.3**	**6.0**	**398.5**	**114.0**	**398.5**	**114.0**	**29.1**

* 2019 comparative figures for cash flows have not been restated to reflect the sale of Lindpro A/S

Statement of changes in equity

Statement of changes in equity, DKK million	Share capital	Translation reserve	Retained earnings	Equity attributable to shareholders	Attributable to non-controlling interests	Total equity
2020						
Equity at 1 January	**155.7**	**-1.0**	**352.0**	**506.7**	14.4	**521.1**
Net profit/(loss)	**0.0**	**0.0**	**77.5**	**77.5**	**0.0**	**77.5**
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises	-	1.6	-	**1.6**	-	**1.6**
Value adjustment of hedging instruments, joint ventures	-	-	-3.0	**-3.0**	-	**-3.0**
Total other comprehensive income	**0.0**	**1.6**	**-3.0**	**-1.4**	**0.0**	**-1.4**
Total changes in equity	**0.0**	**1.6**	**74.5**	**76.1**	**0.0**	**76.1**
Equity at 30 June	**155.7**	**0.6**	**426.5**	**582.8**	**14.4**	**597.2**
2019						
Equity at 1 January	**84.1**	**0.9**	**105.4**	**190.4**	**0.0**	**190.4**
Merger with Monberg & Thorsen A/S	71.6	-0.9	205.4	**276.1**	9.4	**285.5**
Equity after merger	**155.7**	**0.0**	**310.8**	**466.5**	**9.4**	**475.9**
Net profit/(loss)	**0.0**	**0.0**	**116.2**	**116.2**	**0.0**	**116.2**
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises	-	1.2	-	**1.2**	-	**1.2**
Share of other comprehensive income in jointly controlled entity	-	-	-6.5	**-6.5**	-	**-6.5**
Total other comprehensive income	**0.0**	**1.2**	**-6.5**	**-5.3**	**0.0**	**-5.3**
Transactions with owners:						
Issued warrants	-	-	-4.7	**-4.7**	-	**-4.7**
Other	**0.0**	**0.0**	**-4.7**	**-4.7**	**0.0**	**-4.7**
Total changes in equity	**0.0**	**1.2**	**105.0**	**106.2**	**0.0**	**106.2**
Equity at 30 June	**155.7**	**1.2**	**415.8**	**572.7**	**9.4**	**582.1**

Notes

1 ACCOUNTING POLICIES

This interim financial report comprises the period 1 January – 30 June 2020.

The interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and Danish disclosure requirements for listed companies.

Except as stated below, the accounting policies are unchanged from the 2019 consolidated financial statements and parent company financial statements, to which reference is made.

A full description of accounting policies is provided in the 2019 consolidated financial statements and parent company financial statements.

Discontinued operations
Discontinued operations are recognised separately and consist of separate, major business units with operations and cash flows that can be distinguished from the rest of the Group and that have been disposed of or are classified as held for sale and where it is highly probable that the disposal will occur within twelve months.

Net profit from discontinued operations is presented as a separate line in the income statement with restated comparative figures. Revenue, expenses and taxes related to discontinued operations, and cash flows from operating, investing and financing activities of discontinued operations, are disclosed in note 5.

Changes to accounting policies
MT Højgaard Holding A/S has implemented the following new or amended standards and interpretations with effect from 1 January 2020:

- Amendments to References to the Conceptual Framework in IFRS on the IFRS conceptual framework
- Amendments to IFRS 3 on the definition of business combinations
- Amendments to IAS 1 and IAS 8 on the definition of materiality
- Amendments to IFRS 9, IAS 39 and IFRS 7 on the IBOR reform

MT Højgaard Holding A/S has implemented the standards and interpretations that become effective in the EU for 2020. None of these standards or interpretations has affected recognition or measurement in 2020 or is expected to affect the Group.

Changes to segment reporting
MT Højgaard Holding A/S has changed its segment reporting with effect from 1 January 2020 due to the implementation of the Group's new strategy, Sustainable ˃22. The strategy introduced a new business model, where the Group consists of separate business units that are responsible for every function from actual operation to finance, purchasing, HR etc.
Comparative figures have been restated accordingly.

The business units/segments are presented so that they correspond to the internal management reporting. Top management is made up of the Executive Board and the Board of Directors.

The accounting policies applied by the reportable segments are identical to the Group's accounting policies. EBIT shows profit/(loss) for each segment. EBIT is the profit/(loss) that is reported to the Executive Board and the Board of Directors for their assessment of segment profit/(loss). Assets and liabilities are not allocated to segments in the financial reports reviewed by the Executive Board and the Board of Directors.

Segment information is recognised and measured in accordance with IFRS.

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements requires management to make accounting estimates and judgements that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant estimates made by management applying the Group's accounting policies and the associated significant estimating uncertainties are the same for the preparation of the interim financial statements as for the preparation of the consolidated financial statements and parent company financial statements for 2019.

3 REVENUE

The Group is engaged in construction and civil works activities in Denmark and internationally. In 2020, the Group has been engaged in international activities in the North Atlantic (Faroe Islands, Greenland and Iceland), Asia (Maldives and Vietnam) and in Europe and Africa through joint ventures in Sweden and Seth (the business unit MT Højgaard International).

Sale of properties is recognised on delivery of the property (point-in-time). All other revenue is recognised over time. Reference is made to the accounting policies for further details on revenue recognition.

PRIMARY GEOGRAPHICAL SEGMENTS								First half 2020
Amounts in DKK million	**MTH DK**	**E&P**	**Scandi Byg**	**Ajos**	**MTH Int**	**MTH PD**	**Other**	**MT Højgaard Holding**
Denmark	1,289	966	231	128	-	99	-93	**2,621**
Rest of world	-	-	-	-	352	-	-91	**260**
Total revenue	**1,289**	**966**	**231**	**128**	**352**	**99**	**-184**	**2,881**
PRODUCTS:								
Construction contracts	1,250	914	231	-	320	14	-141	**2,588**
Project development	-	-	-	-	-	86	-	**86**
Rental income	-	-	-	128	-	-	-43	**85**
Other (services etc.)	39	52	-	-	32	-	-	**123**
Total revenue	**1,289**	**966**	**231**	**128**	**352**	**99**	**-184**	**2,881**

PRIMARY GEOGRAPHICAL SEGMENTS								First half 2019
Amounts in DKK million	**MTH DK**	**E&P**	**Scandi Byg**	**Ajos**	**MTH Int**	**MTH PD**	**Other**	**MT Højgaard Holding**
Denmark	1,404	1,239	189	141	-	153	-224	**2,902**
Rest of world	-	-	-	-	261	-	-42	**219**
Total revenue	**1,404**	**1,239**	**189**	**141**	**261**	**153**	**-266**	**3,121**
PRODUCTS:								
Contract	1,385	1,198	189	-	232	84	-218	**2,870**
PD	-	-	-	-	-	69	-	**69**
Rental income	-	-	-	141	-	-	-43	**98**
Other (services etc.)	18	41	-	-	30	-	-5	**84**
Total revenue	**1,404**	**1,239**	**189**	**141**	**261**	**153**	**-266**	**3,121**

4 SEGMENT INFORMATION

ACTIVITIES FIRST HALF 2020

AMOUNTS IN DKK MILLION	MTH DK	E&P	Scandi Byg	Ajos	MTH Int	MTH PD	Other	MT Højgaard Holding
Revenue to external customers	1,255	966	216	85	352	99	-91	**2,881**
Inter-segment revenue	35	0	15	43	-	-		**93**
Total segment revenue	**1,289**	**966**	**231**	**128**	**352**	**99**	**-91**	**2,974**
EBIT	**3.7**	**34.0**	**11.1**	**8.3**	**11.3**	**-11.2**	**-33.2**	**23.9**

5 DISCONTINUED OPERATIONS

On 26 March, the Danish competition authorities approved the sale of Lindpro A/S to Kemp & Lauritzen A/S with effect from 31 March 2020.

The reason for the sale was to reinforce the Group's positions of strength and overall competitiveness. The Greenland electrical installations company Arssarnerit A/S in Nuuk was not included in the sale and remains a separate company under MT Højgaard International as part of the expansion of the position within construction and infrastructure projects in the North Atlantic.

The selling price was DKK 265 million and contributed to profit from discontinued operations of DKK 86 million in MT Højgaard Holding and DKK 95 million in the MT Højgaard Group.

Amounts in DKK million	
Revenue	174.3
Costs	-197.7
EBIT	**-23.4**
Interest	-0.4
EBT	**-23.8**
Income tax	3.8
Profit/(loss) for the period	**-20.0**
Gain on sale of Lindpro A/S less distribution costs and write-downs to fair value	96.1
Tax effect of write-downs	2.5
Total discontinued operations	**78.6**
Cash flows from operating activities	75.3
Cash flows from investing activities	63.2
Cash flows for financing activities	-74.6
Total cash flows from discontinued operations	**63.9**

6 ACQUISITION OF SUBSIDIARY

On 1 July 2020, the subsidiary Arssarnerit A/S took over control of MATU by acquiring all shares, expanding its activities to include security and guarding services in both Nuuk and on the coast.

The acquisition of MATU cements MTH International's focus on Greenland, where we want to expand our position as a locally anchored company in the areas in which we operate.

The cash purchase price was DKK 6.4 million.

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