MT HØJGAARD HOLDING

# ANNUAL REPORT 2021

**MT Højgaard Holding A/S** Knud Højgaards Vej 7 DK-2860 Søborg CVR 16888419

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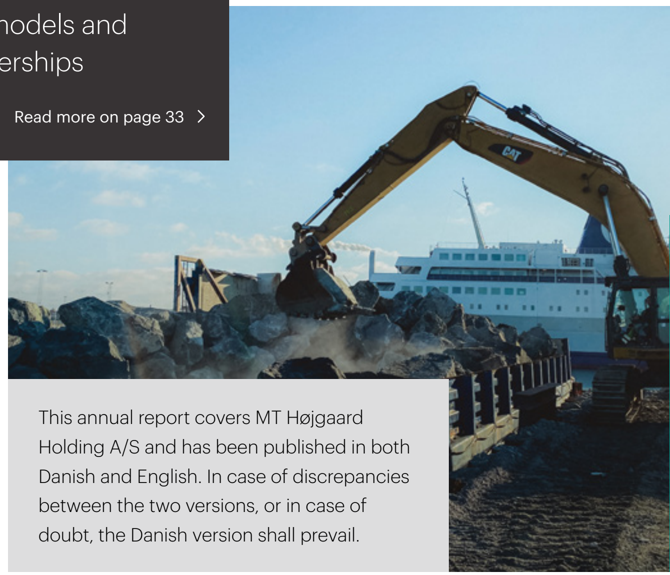

This annual report covers MT Højgaard Holding A/S and has been published in both Danish and English. In case of discrepancies between the two versions, or in case of doubt, the Danish version shall prevail.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Group delivered the expected results in respect of revenue, earnings and order book

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**COVER PAGE**

At Mølleparken in central Aarhus, MT Højgaard Danmark has converted the historic main library into a modern hostel with 92 rooms and two dormitories with a total of 452 beds, plus a bar, lobby and places to eat. They also built 85 new dwellings, an underground car park, a convenience store and a couple of small commercial properties. The project was carried out on a design-build basis.

# Overview

## EMPLOYEES

The MT Højgaard Holding Group is known for a high degree of professionalism and skilled employees who deliver quality building on time. All business units work systematically to provide a good working environment and a high level of safety in order to become the preferred workplace for the most competent employees in the industry.

**TERMS IN THE REPORT**
It applies to the annual report in general that

Operating profit/(loss) before special items is defined as Operating profit/(loss) before special items and special amortisation (PPA amortisation), see note 1.

Except for balance sheet, cash flows and related key figures, comparative figures for 2020 have been restated to reflect the sale of Ajos' activities.

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**POSTPARKEN KASTRUP**
Enemærke & Petersen is responsible for refurbishing and modernising 401 homes in Postparken in Kastrup. Postparken is a typical 1950s housing estate and in 2003 it was selected by the National Building Foundation (Landsbyggefonden) as a showcase project for the refurbishment of 1950s housing. The project features a number of interesting challenges in the areas of building design and skilled craftsmanship.

# Our profile

## RESOURCES

**RELATIONSHIPS**
Strong internal and external relationships are a prerequisite for delivering value on projects. The trust-based relationship is key.

**KNOWLEDGE**
Thorough insight into and knowledge of construction industry players and processes creates sound, high-quality projects. Knowledge-sharing throughout the value chain is key.

**MATERIALS**
Holistic thinking about materials and processes creates sustainable solutions.

**CAPITAL**
Capital is raised through our operations and credit facilities. We develop some projects in-house.

## PRESENCE

### MT HØJGAARD HOLDING

We develop, plan and carry out construction and infrastructure projects in Denmark and selected international markets.


## VALUE CREATION

Solutions with **the customer** and **the project** at the centre.

**Collaboration and partnerships** across value chains with public and private clients.

Value for **employees** through a safe workplace with interesting projects.

Value for **owners** through financial results and strategic ambitions.

Value for **society** through the creation of a framework for the physical spaces we live in.

## FOUNDATION

**EMPLOYEES**
The workplace of choice for the most competent employees in the industry

**COLLABORATION**
Trust-based collaboration as the lynchpin of project work

**SUSTAINABILITY**
Embedding sustainable thinking across our operations to the benefit of people, society and business

**PROCESSES**
The project and efficient processes are key

**INNOVATION**
Innovation in projects, processes and forms of collaboration

# Milestones

JANUARY 2021

**MT Højgaard International acquires RTS Contractors**

FEBRUARY 2021

**Enemærke & Petersen wins partnership with Civica**

3 DKK billion

MARCH 2021

**MT Højgaard Danmark wins partnership with The Capital Region of Denmark: DKK 2 billion**

**Enemærke & Petersen acquires Raunstrup**

APRIL 2021

**MT Højgaard Danmark wins phased project: DSB train workshop and railway facilities in Næstved**

**Sale of Ajos crane division**

**Scandi Byg gets approval to build up to 5-7 storeys in wood**

MAY 2021

**MT Højgaard Danmark wins design-build contract: construction of offices in Nordhavn (Holm 8)**

1.6 DKK billion

**MT Højgaard Danmark wins design-build contract. Expansion of Port of Rønne: DKK 0.3 billion**

JUNE 2021

**First school with Nordic Swan Ecolabel was hand over in a collaboration between Ajos and Scandi Byg as a part of Trust**

**MT Højgaard Projektudvikling completes 35,000 m² residential development at Skjeberg Allé, Høje Taastrup**

JULY 2021

**MT Højgaard Projekt-udvikling sells project at Dalum Paper Factory**

**Enemærke & Petersen acquires 60% of NemByg**

**Enemærke & Petersen wins refurbishment of Galgebakken**

1.1 DKK billion

SEPTEMBER 2021

**MT Højgaard Danmark signs contract with DSB**

0.6 DKK billion

OCTOBER 2021

**Outlook for 2021 is raised**

**Sale of Ajos site huts etc.**

NOVEMBER 2021

**MT Højgaard Danmark enters into partnership with the City of Copenhagen: DKK 2.5 billion**

DECEMBER 2021

**Sale of Ajos Pavillon**

**MT Højgaard International signs coastal protection project in the Maldives**

# The year in figures

**The Group's revenue and earnings improved for the third year in a row, matching the full-year outlook.**

**GALGEBAKKEN ALBERTSLUND**
Enemærke & Petersen is responsible for the refurbishment of the Galgebakken housing estate in Albertslund, which was built in 1972-74 and contains approx. 700 leases. The master plan for the refurbishment was drawn up with financial support from Landbyggefonden and is expected to take just under four years. This is Enemærke & Petersen's biggest refurbishment project to date.

**REVENUE**

7.2 DKK billion

Revenue increased by almost 25%, with four out of five business units delivering double- or triple-digit growth. Revenue matched expectations for the year.

**ORDER INTAKE**

10.0 DKK billion

Order intake was 35% higher than in 2020. The new orders are a good mix of large, medium-sized and small projects in the areas of new build, refurbishment, civil works and infrastructure.

**ORDER BOOK**

10.8 DKK billion

The order book increased by 34% compared to 2020.
To this should be added won but not yet contracted orders worth approx. DKK 4 billion and future production under the multi-year strategic partnerships.

**OPERATING PROFIT BEFORE SPECIAL ITEMS**

179 DKK million

Operating profit before special items increased by 72% from DKK 104 million in 2020, matching expectations for the year.

**OUTLOOK FOR 2022**

250-275 DKK million

The MT Højgaard Holding Group expects revenue of around DKK 8.0-8.2 billion and an increase in operating profit before special items to around DKK 250-275 million in 2022, compared to DKK 179 million in 2021.

# Continued improvements

Morten Hansen, Carsten Dilling, and Martin Solberg

**In 2021, we took another step towards the targets for the strategy period 2020-22. In a positive market, the Group achieved the forecast results in respect of revenue, earnings and improvements in the order book, and we expect continued progress in 2022**

2021 was a good year for the MT Højgaard Holding Group, in which the outlook for the year was revised upwards and met. Revenue rose by 25% compared to 2020, with sound growth in four out of five business areas. Operating profit before special items rose by 72% compared to the previous year and the operating margin was 2.5% compared to 1.8% in 2020, thanks to improved use of capacity and better project management.

These results were achieved against the background of the Group's strategic focus on increasing competitiveness and on new collaboration models. The focus areas and targets in the Sustainable>22 strategy resulted in an optimisation of the company portfolio, a simpler organisation with decentralised responsibility close to customers and projects, improved cost and risk management, high order intake, new collaboration agreements and fewer disputes.

We are therefore expecting continued positive development in the coming years.

### HEALTHY ORDER BOOK PROVIDES STABILITY AND ROBUSTNESS

The Group's order book grew in 2021, reaching DKK 10.8 billion, compared to DKK 8.0 billion at the end of 2020. The healthy order book provides stability and an opportunity to plan and optimise production and also strengthens the Group's robustness in the face of market fluctuations.

In addition to the portfolio of firm, unconditional orders, the business units have awarded but not yet contracted orders worth approx. DKK 4 billion. Lastly, the multi-annual strategic partnerships will support production for several years into the future as the projects under the partnerships are contracted and work on them begins.

> *We expect continued progress in 2022, despite challenges that will require special focus and an ability to come up with new ideas and find solutions."*

We are convinced that the new forms of collaboration will constitute a valuable supplement to the classic tendering market, in which we hope to maintain a strong position.

**FOCUS ON COLLABORATION**

Collaboration was a main focus area in 2021, when the Group's business units won a number of large strategic partnership agreements. Enemærke & Petersen thus again won the TRUST partnership with the City of Copenhagen and a new partnership with the social housing organisation Civica on Funen, and MT Højgaard Danmark won a major partnership with The Capital Region of Denmark.

In addition, the Group's business units won a number of orders in new collaboration models with early involvement, in which clients, consultants and contractors draw on each other's skills during the planning and design of projects in order to optimise the construction process and avoid conflicts.

Other partnerships with customers point the way forward with the development of completely new concepts. These include Scandi Byg's partnership with PensionDanmark on the development of sustainable residential concepts and MT Højgaard Projektudvikling's partnership with the housing association AAB on a completely new cooperative housing concept.

We are convinced that in the coming years, too, the new forms of collaboration extending beyond individual projects will constitute a valuable supplement to the classic tendering market, in which we hope to maintain a strong position.

**OPTIMISATION OF THE COMPANY PORTFOLIO**

The sale of Lindpro in 2020 and all activities in Ajos in the course of 2020-21 marked the end to the planned major sale of non-core activities. We now have five business units that make up the strong core of the Group and, after reducing interest-bearing debt in 2021, we have even better possibilities for supporting the continuing development of each unit.

The Group also made three strategic acquisitions in 2021, all of which have made a positive contribution to growth, earnings and market position. Enemærke & Petersen's acquisition of Raunstrup strengthened our position in Central Jutland and in the field of building maintenance services, while the acquisition of NemByg provided access to the market in southern Denmark. MT Højgaard International increased its focus on civil works by acquiring the Faroese company RTS Contractors.

**A STRONGER PLATFORM**

As a Group we have reaped the benefits of recent years' growth in the construction and civil works market, for instance in areas where the business units have a strong position in sustainable building, refurbishment, civil works and projects in new collaboration and partnership models.

At the same time, the strategic focus on competitiveness has led to a reduction in costs, improved tendering and an organisation with strong power of execution that is close to clients and projects. We have also invested in developing skills and processes that increase collaboration, both internally and with customers and advisers.

All in all, the Group now has a stronger platform, though there is still plenty of work to be done. For MT Højgaard Danmark, this concerns the long, hard struggle towards improving earnings on the basis of last year's growth in revenue and the order book. In MT Højgaard International, the new local managements of the individual companies will have to ensure greater competitiveness and higher revenue and earnings. For Scandi Byg, the main task will be to increase volume after a year of postponed projects, while for Enemærke & Petersen and MT Højgaard Projektudvikling will be all about continuing the good trend.

**CONTINUED PROGRESS EXPECTED IN 2022**

In 2022, we expect continued progress, even though there will be challenges. Rising prices and shortages of both building materials and labour will require special focus and an ability to come up with new ideas and find solutions.

In the field of sustainability we will also tread new paths in close collaboration with customers and partners, spurred on by both EU and national legislation. Customers are ambitious and sustainability certification is coming to the fore. Across the Group we have built up strong internal capabilities and in 2021 we completed 39 construction projects with DGNB certification and/or the Nordic Swan Ecolabel.

On the basis of a strong order book, for 2022 we expect revenue of DKK 8.0-8.2 billion and operating profit before special items of DKK 250-275 million. This means we are taking another step in the right direction, and from 2023 an updated strategy will chart out the scope for our continued development.

In 2022, we will continue working on making full use of the Group's positive momentum and living up to the great confidence in us displayed by our customers, partners and investors. We must also say a big thank you to the Group's employees for their great effort, commitment and determination, which form the basis for the Group's success now and in the future.

**Carsten Dilling**
Chairman

**Morten Hansen**
CEO

**Martin Solberg**
CFO

# Consolidated financial highlights

| Amounts in DKK million | 2021 | 2020* | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | |
| Revenue | 7,203 | 5,780 | 4,672 | 58 | 60 |
| Gross profit/(loss) | 534 | 435 | 185 | 12 | 15 |
| Operating profit/(loss) before special items | 179 | 104 | 77 | 6 | 9 |
| Special items | -52 | -71 | -100 | - | - |
| EBIT | 127 | 33 | -23 | 6 | 9 |
| Net financials | -34 | -44 | 112 | 13 | -1 |
| Net profit/(loss) for the year from continuing operations | 134 | 4 | 62 | - | - |
| Net profit/(loss) for the year from discontinued operations | -16 | 97 | 4 | - | - |
| Net profit/(loss) for the year | 118 | 101 | 66 | -300 | -40 |
| **BALANCE SHEET** | | | | | |
| Non-current assets | 1,453 | 1,647 | 1,937 | 207 | 462 |
| Current assets | 2,886 | 2,363 | 2,471 | 12 | 20 |
| Total assets | 4,339 | 4,010 | 4,408 | 219 | 482 |
| Share capital | 156 | 156 | 156 | 84 | 84 |
| Equity | 737 | 624 | 521 | 190 | 427 |
| Non-current liabilities | 1,151 | 1,150 | 1,233 | 27 | 43 |
| Current liabilities | 2,451 | 2,235 | 2,653 | 1 | 12 |
| **CASH FLOW** | | | | | |
| Cash flows from operating activities | 76 | 137 | 123 | -17 | 3 |
| Cash flows for investing activities, net | 367 | 159 | -202 | 28 | - |
| Of which for investment in property, plant and equipment | -239 | -84 | -134 | - | - |
| Cash flows from financing activities | -358 | -134 | 83 | - | - |
| Net increase (decrease) in cash and cash equivalents | 85 | 161 | 5 | 11 | 3 |

| Amounts in DKK million | 2021 | 2020* | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **OTHER INFORMATION** | | | | | |
| Order intake | 9,950 | 7,370 | 5,061 | - | - |
| Order book, year end | 10,762 | 8,015 | 6,595 | - | - |
| Working capital | 126 | -142 | -119 | - | - |
| Net interest-bearing deposit/debt (+/-) | -668 | -823 | -967 | -16 | -30 |
| Average invested capital incl. goodwill | 1,426 | 1,468 | 1,123 | - | - |
| Average number of employees | 2,785 | 2,595 | 2,178 | 29 | 30 |
| **FINANCIAL HIGHLIGHTS, %** | | | | | |
| Gross margin | 7.4 | 7.5 | 5.4 | 20.7 | 25.0 |
| Operating margin before special items | 2.5 | 1.8 | 0.3 | - | - |
| EBIT margin | 1.8 | 0.6 | -0.5 | 10.3 | 15.0 |
| Return on invested capital incl. goodwill (ROIC)** | 14.8 | 10.4 | 10.7 | - | - |
| Return on invested capital incl. goodwill after tax** | 11.6 | 8.1 | 8.3 | - | - |
| Return on equity (ROE) | 17.7 | 18.0 | 17.4 | -97.2 | -8.9 |
| Solvency ratio | 16.6 | 15.2 | 11.5 | 86.8 | 88.6 |
| Solvency ratio incl. subordinated loan | 25.8 | 25.2 | 20.6 | 86.8 | 88.6 |
| **SHARE-RELATED RATIOS** | | | | | |
| Number of shares at year end, million shares | 7.8 | 7.8 | 7.8 | 4.2 | 4.2 |
| Earnings per share (EPS), DKK | 15.2 | 12.9 | 8.8 | -71.4 | -9.5 |
| Diluted earnings per share (EPS-D), DKK | 15.1 | 12.9 | 8.8 | -71.4 | -9.5 |
| Earnings per share from continuing operations, DKK | 17.3 | 0.4 | 8.2 | -71.4 | -9.5 |
| Diluted earnings per share from continuing operations, DKK | 17.2 | 0.4 | 8.2 | -71.4 | -9.5 |
| Book value per share, DKK | 92.4 | 78.2 | 65.0 | 45.2 | 101.7 |
| Total market capitalisation, DKK million | 1,698 | 1,324 | 650 | 245 | 728 |

Please note that the financial highlights for the MT Højgaard Holding Group for the years 2017-2018 are for Højgaard Holding A/S, and figures for 2019 cover the period 5 April 2019 to 31 December 2019 for the MT Højgaard Holding Group.
Financial highlights have not been restated to reflect IFRS 16 for 2017-2018 or IFRS 9 and IFRS 15 for 2017. Financial ratios have been calculated in accordance with CFA Society Denmark's "Recommendations and Financial highlights", and are defined on page 64+65 of the notes under accounting policies.
Operating profit/(loss) before special items is used as an alternative performance measure for the MT Højgaard Holding Group in order to provide a more accurate, comparable picture of the Group's ordinary operating activities.
Special items and PPA amortisation, which consists of amortisation of the write-ups as a result of purchase price allocations, have been eliminated from the performance measure used.
* Except for balance sheet, cash flows and related financial ratios, comparative figures for 2020 have been restated to reflect the sale of Ajos' activities.
**ROIC for 2021 after elimination of average invested capital relating to Ajos was 18.3% and 14.2% respectively.

# Highlights 2021

**Following a sound fourth quarter, the expectations of double-digit growth in revenue and earnings in 2021 were met.**

### FOURTH-QUARTER RESULTS

As expected, the fourth quarter was the best of the year with a high level of activity and good earnings.

Revenue increased by 45%, to DKK 2.2 billion, compared with the same period last year. All business units, with the exception of Scandi Byg, delivered high, double-digit growth, driven by increased activity on projects in progress and the start-up of new projects. MT Højgaard Projektudvikling's project sales also increased.

Operating profit before special items improved by 90%, to DKK 84 million, and the operating margin rose to 3.8% from 2.9% in the fourth quarter of 2020. Reporting a DKK 44 million increase in operating profit before special items, MT Højgaard Danmark contributed the biggest improvement, confirming the gradual progress of this business unit.

Order intake was DKK 2.3 billion, compared to DKK 2.9 billion in the fourth quarter of 2020.

### FULL-YEAR RESULTS

With its fourth-quarter results, MT Højgaard Holding met its most recent profit outlook for the year.

Revenue of 'around DKK 7.0 billion' had been forecast, but actual revenue reached DKK 7.2 billion after 25% growth. With the exception of Scandi Byg, growth was broadly spread across all the business units.

Operating profit before special items increased by 72% to DKK 179 million, in line with the published outlook of operating profit before special items of 'around DKK 175 million'. The operating margin was 2.5%, up from 1.8% in 2020 following higher activity and better use of capacity in MT Højgaard Danmark and Enemærke & Petersen, while MT Højgaard Projektudvikling reported increasing proceeds from the sale of projects and sites. By contrast, MT Højgaard International and Scandi Byg reported decreasing operating profit.

### GROWING ORDER BOOK

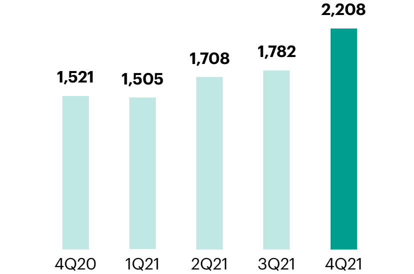
Following high order intake of DKK 10 billion, the portfolio of firm, unconditional orders increased by 34% to DKK 10.8 billion. The value of won but not yet contracted orders was approx. DKK 4 billion, which will not be included in the order book until the orders are contracted. To this should be added future activity in strategic construction partnerships. In 2021, the Group won three multi-year, strategic construction partnerships with public and private clients, cementing its position as the market leader in this field.

### REDUCED RISK

At the end of 2021, MT Højgaard Danmark, Scandi Byg and Enemærke & Petersen had

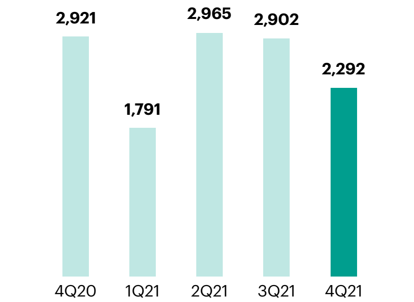
### REVENUE

DKK million



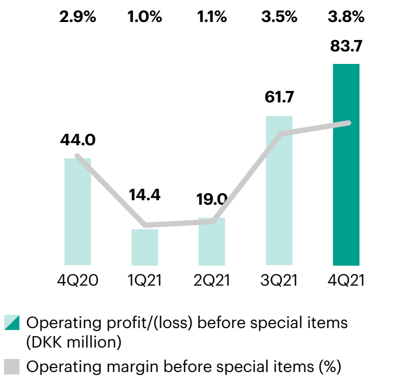

### ORDER INTAKE

DKK million




### OPERATING PROFIT

DKK million




| Amounts in DKK million | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Revenue | Operating profit/ (loss) before special items | Order book | Revenue | Operating profit/ (loss) before special items | Order book |
| MT Højgaard Danmark | 3,091 | 15.6 | 4,494 | 2,551 | -44.9 | 3,170 |
| Enemærke & Petersen | 2,835 | 152.4 | 5,147 | 2,048 | 96.6 | 3,656 |
| Scandi Byg | 378 | 2.5 | 138 | 469 | 17.0 | 309 |
| MT Højgaard International | 860 | 0.7 | 982 | 712 | 13.1 | 1,060 |
| MT Højgaard Projektudvikling | 494 | 23.1 | | 224 | 12.1 | |
| Other (eliminations and other staff) | -455 | -15.5 | 1 | -224 | 10.0 | -180 |
| **MT Højgaard Holding Group** | **7,203** | **178.8** | **10,762** | **5,780** | **103.9** | **8,015** |

closed 28 of the 29 cases relating to the replacement of MgO boards that commenced in 2018 when, in an unexpected change of practice, the Danish Building and Construction Arbitration Board placed the liability for the use of MgO boards on contractors. The MgO boards in the final building will be replaced in 2022. The works have been completed within the original provisions of just under DKK 400 million and almost all the employees who had been working on this have now been freed up for income-generating work. MgO cases will no longer be reported on.

The Group settled or closed a number of disputes in 2021. However, at the end of the year there were still outstanding cases, in which it has not been possible to reach solutions with clients. The biggest ongoing disputes relate to public contracts, including the regional hospitals in Aalborg and Gødstrup and the Niels Bohr Institute in Copenhagen. There are still too many disputes, and this is a focus area for the Group.

The risk on projects in progress was reduced as the business units completed and handed over legacy projects that have not met the Group's earnings requirements.

**SCANDI BYG'S FACTORY, LØGSTØR**

Scandi Byg manufactures building modules with the Nordic Swan Ecolabel in large, highly automated workshop buildings in Løgstør. Scandi Byg implemented lean processes in 2021, significantly enhancing both productivity and competitiveness.

# Order intake and order book

**The business units contracted new orders worth DKK 10 billion, and the order book increased to DKK 10.8 billion.**

## ORDER INTAKE

At DKK 10 billion, full-year order intake was 35% higher than in 2020. The growth reflected good demand within the Group's focus areas, the efforts to strengthen the business units' competitiveness and the investment in new forms of collaboration. The new orders were a good mix of large, medium-sized and small projects, and the geographical spread was good.

MT Højgaard Danmark, in particular, recorded high growth in order intake. This business unit contracted new orders worth DKK 4.4 billion, up 61% on 2020. The growth came from new builds, refurbishment and a number of civil works projects.

Enemærke & Petersen's order intake of DKK 4.3 billion was 35% higher than in 2020. The increase reflected mainly refurbishment of social housing, new builds, schools and day care institutions. On their acquisition, Raunstrup and NemByg contributed order books worth DKK 0.3 billion and a total order intake during the period of DKK 1.3 billion.

MT Højgaard International's order intake of DKK 0.8 billion was 10% lower than in 2020, partly because the Maldives were affected by COVID-19 for large parts of the year.

Scandi Byg's order intake of DKK 0.2 billion was 49% lower than in 2020 due to postponed projects. The order intake included a childcare institution in Lejre Municipality and modules for Ajos' projects.

## ORDER BOOK

The value of the Group's total portfolio of firm, unconditional orders was DKK 10.8 billion at year end, compared to DKK 8 billion at the end of 2020, up 34%.

Enemærke & Petersen accounted for almost half of the Group's order book, viz. DKK 5.1 billion – a 41% increase. MT Højgaard Danmark's order book grew by 42% to DKK 4.5 billion, while MT Højgaard International's order book decreased by 7% to DKK 1 billion.

Scandi Byg's order book decreased to DKK 0.1 billion. However, this business unit has a sound pipeline with four major projects, three of which are currently undergoing regulatory approval processes, while the fourth has been postponed. Pending realisation of these projects, production capacity has been adjusted, and the business unit is focusing on higher productivity, lower square metre prices and entering into new collaboration agreements.

Besides the DKK 10.8 billion order book, the Group had won but not yet contracted orders with a total value of approx. DKK 4 billion, more than half of which are phased agreements with DSB. These orders will not be included in the order book until they have been contracted. To this should be added future activity in the strategic construction partnerships with The Capital Region of Denmark, the City of Copenhagen and the housing associations KAB and Civica. The activity in these partnerships has a potential total value of around DKK 7-8 billion.

## DEVELOPMENT IN THE ORDER BOOK

| Amounts in DKK million | Q4 21 | Q4 20 | 2021 | 2020 |
|---|---|---|---|---|
| Order book, beginning of period | 10,679 | 6,615 | 8,015 | 6,425 |
| Order intake during the period | 2,292 | 2,921 | 9,950 | 7,370 |
| Production during period | 2,208 | 1,521 | 7,203 | 5,780 |
| Order book, end of period | 10,762 | 8,015 | 10,762 | 8,015 |

# Collaboration

**In 2021, Enemærke & Petersen and MT Højgaard Danmark won strategic construction partnerships with a potential value of approx. DKK 7.5 billion. The ability to collaborate is becoming increasingly important in competition.**

Public and social housing clients have put nine multi-year, strategic construction partnerships with a potential value of up to DKK 20 billion out to tender since 2017. MT Højgaard Holding's two largest business units have won five of these partnerships with a total potential value of approx. DKK 13 billion.

In 2021, Enemærke & Petersen won two new construction partnerships with Funen's largest housing organisation, Civica, and the City of Copenhagen. The new TRUST II partnership with the City of Copenhagen is a continuation of the successful collaboration in TRUST I – the industry's first construction partnership. Enemærke & Petersen and its partners have so far completed 44 construction and refurbishment projects in TRUST I. The last project will be completed in 2027. To date, all projects have been handed over on schedule or ahead of time and without any budget overruns or disputes. However, an interim project was handed over with staggered delivery by mutual agreement.

In TRUST II, the scope is broader and the focus will be even more on sustainability, with reuse of materials, emission-free construction sites, DGNB certification etc.

In an independent unit dedicated to partnerships, Enemærke & Petersen has built up the knowledge required for success in interest-based, multi-year collaborations under a single focused management including representatives of clients, contractors and consultants.

In 2021, MT Højgaard Danmark won its first strategic construction partnership with The Capital Region of Denmark. MT Højgaard Danmark has many years of experience with partnerships, integrated project delivery (IPD), dialogue-based tenders, early involvement etc., but has achieved sharper focus with a new collaboration model, and in 2021 a high proportion of orders came from contracts in new forms of collaboration.

In 2021, MT Højgaard Danmark signed a DKK 641 million contract with DSB for a new workshop with railway facilities in Copenhagen. The contract was an offshoot of the conditional, phased tender with a potential value of DKK 1.6 billion that this business unit won in 2020. The collaboration continues on the other two projects in the tender – the new build of a workshop in Aarhus and the conversion and extension of a workshop in Copenhagen.

Also in 2021, MT Højgaard Danmark won a new phased tender from DSB. This tender was for a workshop and railway facilities in Næstved and has a potential value of DKK 900 million, if MT Højgaard Danmark qualifies for all three phases of the tender.

The other business units also have collaborations extending over several years. For example, Scandi Byg has a partnership with PensionDanmark on the promotion of sustainable housing concepts in wood, and in 2021 Scandi Byg handed over 791 student accommodation units to PensionDanmark and Boligfonden DTU – the first Danish buildings with both the Nordic Swan Ecolabel and DGNB Gold certification. Collaborations in MT Højgaard Projektudvikling include the construction of private cooperative housing with the housing association AAB, and new cohousing communities with EcoVillage.

# Market conditions

**Market conditions in Denmark, the Group's undisputedly largest market, remained positive in 2021, despite fierce competition. By contrast, the international markets were impacted by COVID-19.**

In Denmark, there was sound demand in the areas in which the MT Højgaard Holding Group has a strong position, for example major residential and institutional refurbishment projects; projects in new collaboration and partnership models; sustainable building and refurbishment; and, increasingly, also civil works.

### SOCIAL HOUSING AND PUBLIC PROJECTS

Demand from public customers and the social housing sector was firm as a result of the cap on local authority civil works in 2021 being raised, new funding for energy renovation of public buildings, and "Green Housing Agreement 2020", which allocates DKK 30 billion from Landsbyggefonden to renovation and green conversion of the social housing sector.

The business units won a number of orders for new builds and refurbishment of schools and institutions. Enemærke & Petersen won the refurbishment and extension of Damhusengens School in Vanløse and other school and institution projects for the City of Copenhagen. Aarhus Municipality chose MT Højgaard Danmark as design-build contractor for a new primary school and leisure centre in Gellerup – a contract worth DKK 320 million that is expected to be signed in 2022, when it will be included in the order book. MT Højgaard Danmark also won the DKK 280 million contract for a new laboratory building for DTU that is also expected to be contracted in 2022.

In 2021, the business unit also handed over Ny Islands Brygge School in Copenhagen, an extension to the upper secondary school Horsens Gymnasium & HF and a new Sports and Culture Campus in Aarhus.

Scandi Byg supplied the modules for Ajos' projects with Denmark's first schools and day care institution with the Nordic Swan Ecolabel in 2021.

In the social housing sector, Enemærke & Petersen won its biggest refurbishment project to date, the upgrading of Galgebakken in Albertslund, and refurbishment of the residential areas Ringparken in Viborg, Åhaven in Odense and Skovlyparken in Holte. MT Højgaard Danmark won the refurbishment of the apartment complex Det Gamle Vesterport in Frederikshavn.

### HOUSING AND OFFICES

Demand from institutional investors and property investors centred especially around well-situated housing and office buildings. MT Højgaard Projektudvikling sold its biggest residential project – 301 apartments in nine blocks with DGNB Gold certification on the site of the former Dalum Paper Factory – for DKK 577 million. Part of the construction work is being carried out by Enemærke & Petersen's subsidiary Raunstrup. Residential projects in Roskilde, Frederiksberg, Nivå and Måløv proceeded according to plan.

MT Højgaard Danmark won and began the construction of a head office building in Nordhavn in Copenhagen for AP Pension, and the business unit is also building a DGNB Platinum-certified multi-user office building for PFA Pension in Nordhavn. MT Højgaard Projektudvikling sold phase two of a MultiFlex office building in Aarhus to PFA Ejendomme, while Enemærke & Petersen won the order for a head office building in Aarhus.

### CIVIL WORKS AND INFRASTRUCTURE

The biggest infrastructure orders and agreements in 2021 were for the extension of the Port of Rønne, several agreements with DSB and a new ring road bridge across Gudenåen. Demand for infrastructure is expected to grow following the Danish Parliament's decision to allocate DKK 161 billion to public transport, road network, electric charging stations, cycle paths, ports etc. in the period to 2035. This will create opportunities for MT Højgaard Danmark's civil works division, in particular. In addition, in December MT Højgaard International signed a contract for a coastal protection project on the island of Fuvahmulah.

### SUSTAINABILITY

Private, institutional and public clients continued to show great interest in sustainability certification on projects as proof that these meet requirements relating to, among other things, materials, process, waste management and energy consumption. For further details, see page 38 of the annual report and the sustainability report at *https://mthh.eu/Responsibility/CSR*.

### COVID-19

Demand in the North Atlantic area was also positive but in the first half year COVID-19 led to postponements and delays to projects in Greenland, partly due to strict entry restrictions for Danish personnel. The restrictions were eased in the second half year, but the labour shortage in Greenland remained problematic.

In the Maldives, large parts of the administration were closed during COVID-19 outbreaks. This caused delays to the contracting of projects for which MT Højgaard International had submitted bids. Towards the end of the year, the country returned to more normal conditions. The pandemic also affected Portugal and the parts of Africa where the joint venture company Seth operates. However, Seth still has a healthy order book, and demand is expected to increase once the EU recovery plan, Next Generation EU, starts to have greater effect in Portugal.

In Denmark, the effect of COVID-19 was limited to the postponement of a few projects in Scandi Byg at the start of the year. All construction sites were focused on preventing the spread of infection.

### RESOURCES AND SUPPLIES

Like many other industries, from the third quarter onwards the business units experienced rising costs for materials and labour, and problems with some deliveries of building materials required a special effort. The Group does not expect the price pressure or supply challenges to diminish in 2022, and these will continue to require extra focus and measures in all business units.

# Financial review

**The MT Højgaard Holding Group delivered the expected improvement in results in 2021. Interest-bearing debt was reduced as a result of the sale of Ajos' activities.**

## REVENUE

Group revenue rose by 25%, to DKK 7.2 billion, matching the outlook of revenue of 'around DKK 7.0 billion'. Organic growth accounted for approx. 18% and acquisitions for the rest.

Four out of five business units delivered double- or triple-digit growth: MT Højgaard Projektudvikling raised its top line by 121% following the sale of a number of projects and sites. Enemærke & Petersen reported 38% growth, of which the acquisitions of Raunstrup and NemByg contributed 25%. MT Højgaard Danmark and MT Højgaard International also delivered double-digit growth rates, both showing 21% growth.

Scandi Byg's revenue declined by 20% following lower order intake, partly due to deferred projects.

## RESULTS

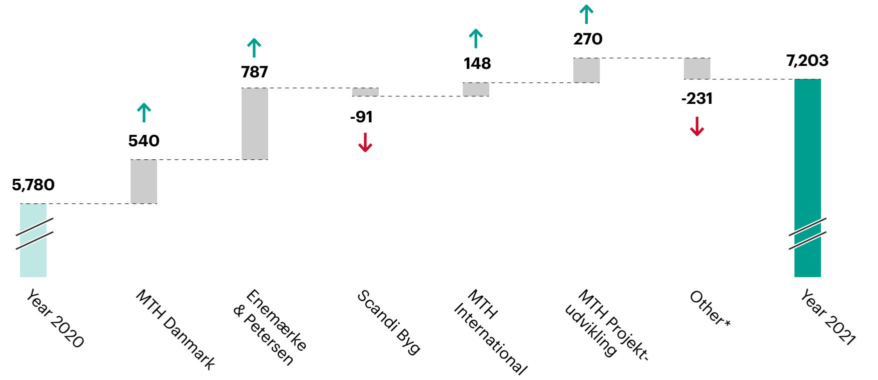
Operating profit before special items increased to DKK 179 million, from DKK 104 million in 2020. Earnings thus met the outlook of operating profit before special items of 'around DKK 175 million'.

The improvement reflected higher activity, better utilisation of capacity, lower write-downs, proceeds from the sale of projects and sites, and a positive contribution from acquired enterprises. Gross profit increased to DKK 534 million, equivalent to a gross margin of 7.4%, in line with 2020. Write-downs on projects amounted to a charge of DKK 70 million net (2020: charge of DKK 90 million).

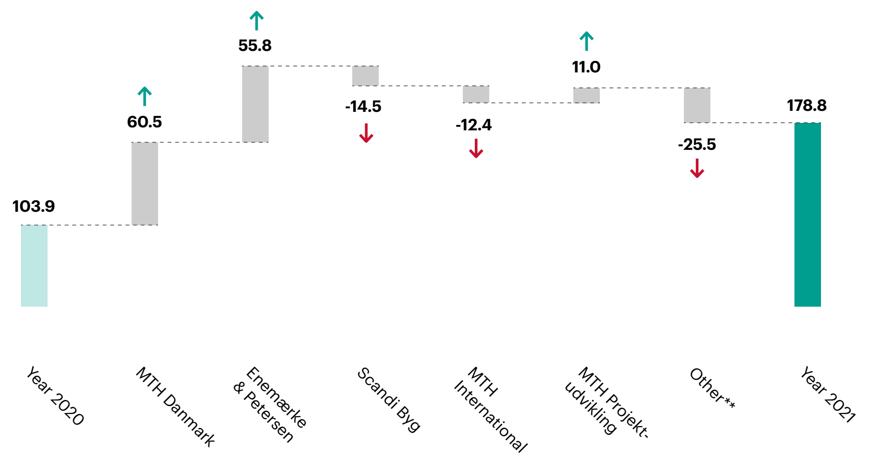
MT Højgaard Danmark improved its operating profit by DKK 61 million. Enemærke & Petersen delivered a DKK 56 million improvement, of which DKK 22 million came from Raunstrup and NemByg, and MT Højgaard Projektudvikling's earnings were up DKK 11 million following higher proceeds from sales and the sale of equity interests in four PPP companies. By contrast, Scandi Byg's operating profit decreased by DKK 15 million following lower activity, and MT Højgaard International's earnings decreased by DKK 12 million following a loss in the Faroe Islands as a result of clearing-up of disputes and provisions for other cases.

The Group's selling and bidding costs increased by 36% to DKK 163 million following high bidding activity, which led to considerable order intake. Acquisition of enterprises and participation in tenders that have yet to be decided also contributed to the increase.

**CHANGES IN REVENUE - MT HØJGAARD HOLDING GROUP**




**CHANGES IN OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS - MT HØJGAARD HOLDING GROUP**




* Other: Eliminations
** Other: Joint staff etc.

Administrative expenses increased by 17% to DKK 235 million, partly as a result of acquisitions, but amounted to only 3.3% of revenue compared to 3.5% in 2020. There is still focus on reducing unallocated costs; for instance two vacant floors at the head office have been let out.

Special items amounting to an expense of DKK 12 million related primarily to write-down of an ERP asset in MT Højgaard Danmark. In 2020, special items amounted to an expense of DKK 34 million for redundancy payments and write-down of a lease asset (head office).

Net of special amortisation amounting to an expense of DKK 40 million (2020: expense of DKK 37 million), EBIT increased to DKK 127 million from DKK 33 million in 2020. The EBIT margin thus increased to 1.8% from 0.6% in 2020. Return on invested capital (ROIC) was 15% before adjustment of invested capital for the Ajos sale and 18% adjusted for the Ajos sale. In 2020, ROIC was 10% incl. Ajos.

After net financials amounting to an expense of DKK 34 million (2020: expense of DKK 44 million) and taxes of DKK 41 million (2020: DKK 15 million), profit from continuing operations was DKK 134 million, a clear improvement on DKK 4 million in 2020.

In 2021, an amount of DKK 46 million from write-downs in previous years of the Group's tax asset was reversed as the Group expects future earnings to increase.

The result after tax on discontinued operations (Ajos + Lindpro) was a loss of DKK 16 million compared to a profit of DKK 97 million in 2020, when the sale of Lindpro A/S yielded considerable proceeds.

Net profit was thus DKK 118 million (2020: DKK 101 million). The Board of Directors recommends that profit be transferred to reserves.

## BALANCE SHEET

The balance sheet total increased by 8% in 2021, to DKK 4.3 billion, due to the high level of activity.

Intangible assets and property, plant and equipment and lease assets totalled DKK 1.2 billion, compared to DKK 1.4 billion at the end of 2020. The decrease mainly reflected the sales of Ajos' activities, which offset additions from acquisitions, investments in Greenland and purchases and leasing of properties.

The value of sites and of properties developed in-house for resale decreased to DKK 0.3 billion following the sale of properties and sites (2020: DKK 0.5 billion). The focus on reducing capital tied up in the property portfolio is continuing.

Total receivables amounted to DKKK 1.9 billion, compared to DKK 1.4 billion at the end of 2020. The increase reflected the higher level of activity, the timing of customer payments, VAT, and outstanding claims on disputes.

Contract items in progress were a liability item of DKK 448 million net versus DKK 476 million at year-end 2020. Trade payables were DKK 996 million, up from DKK 709 million in 2020, mainly reflected higher activity in MT Højgaard Danmark and Enemærke & Petersen, including acquisitions.

Working capital was DKK 126 million, excluding sites for resale, compared to an outflow of DKK 142 million at year-end 2020. The change was mainly due to the increase in receivables, including a receivable related to the sale of a site, and acquisitions and disputes, only partially offset by higher trade payables.

Net interest-bearing debt (NIBD) was DKK 668 million, compared to DKK 823 million in 2020.

## EQUITY

Equity increased to DKK 0.7 billion (2020: DKK 0.6 billion), and the solvency ratio improved by 1.4 percentage points to 16.6%. Solvency ratio was 25.8%, including a subordinated loan from Knud Højgaards Fond.

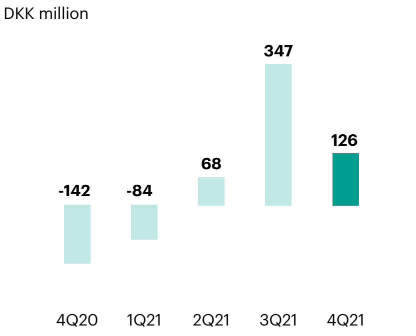
## CASH FLOW

Operating activities generated a cash inflow of DKK 76 million (2020: inflow of DKK 137 million). The change mainly reflected higher receivables due to rising activity, and the payment of deferred A-taxes (tax deducted from income at source) and labour market contributions from 2020. By comparison, 2020 benefited from extended deadlines for payment of A-tax and labour market contributions, totalling approx. DKK 100 million, due to COVID-19.

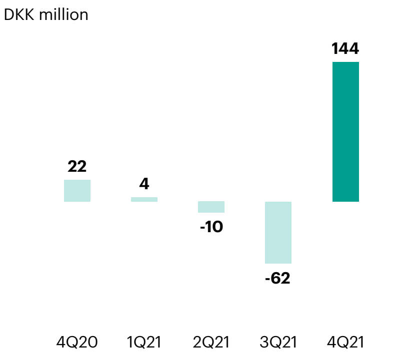
Investing activities generated a cash inflow of DKK 367 million (2020: inflow of DKK 159 million). The sale of Ajos, PPP companies and other activities generated proceeds of DKK 537 million, while investments in the acquisition of enterprises and activities absorbed DKK 90 million.

Financing activities absorbed cash of DKK 358 million (2020: outflow of DKK 134 million) following a decrease in lease debt in connection with the sale of Ajos' activities. Purchase of treasury shares amounted to DKK 19 million.

## WORKING CAPITAL EXCL. PROPERTIES




## CASH FLOWS FROM OPERATING ACTIVITIES




## MT HØJGAARD HOLDING A/S

The parent company takes care of a variety of Group functions, including legal affairs, facility management, IT and finance.

In 2021, the parent company reported EBIT amounting to a loss of DKK 13 million (2020: loss

HENRIK MIELKE

of DKK 7 million) and net profit of DKK 118 million (2020: DKK 100 million).

**CAPITAL RESOURCES**

The Board of Directors judges that the total capital resources will be adequate to cover the planned level of activity and realise the strategic plans.

**EVENTS AFTER THE REPORTING PERIOD**

MT Højgaard Holding has appointed Henrik Mielke as new President and CEO, replacing Morten Hansen, who wished to step down. At the Annual General Meeting on 16 March 2022, Morten Hansen will instead be nominated for election to the company's Board of Directors.

Henrik Mielke has been working for Enemærke & Petersen for a number of years, for the past seven years as CEO. Henrik Mielke joined MT Højgaard Holding's management on 1 February 2022 and will replace Morten Hansen as President and CEO on 15 March 2022 in a smooth succession. From that date, the Group Executive Board will be made up of Henrik Mielke and CFO Martin Solberg.

The new CEO of Enemærke & Petersen is Troels Aggersbo, the company's Bid Director until his appointment.

Group Director for Strategy and Business Development, Rasmus Untidt, will join MT Højgaard Holding's Group management on 1 April 2022.

No other material events have arisen between the reporting date and the date of publication of the annual report that have not already been included in this annual report or have a material effect on the assessment of the company's financial position.

NUUK

In Nuuk, MT Højgaard International is building a new fire station with a central location in this growing city. The fire station is being built in steel. The exterior facade works have been completed, and installations and fitting-out are in full swing. The project was put out to tender as a design-build contract by Nuuk City Development and will be handed over to the client in May 2022.

## COLLABORATION

Good collaboration between employees and with customers and partners on projects is vital in order for the MT Højgaard Holding Group to be able to create long-term value. The Group is therefore focusing on early involvement in major projects, as well as new construction partnerships and other forms of collaboration.

# Outlook

**LEJRE**
Scandi Byg has constructed owner-occupied dwellings and a communal building with the Nordic Swan Ecolabel for a cohousing community in a sustainable EcoVillage in Lejre. A report from BUILD, "Erfaringer fra 20 Træbyggerier" (Experience from 20 wooden buildings), showed that the buildings had the lowest climate footprint of the analysed terraced housing.

# Outlook for 2022

**MT Højgaard Holding expects double-digit growth in both revenue and operating profit before special items again in 2022.**

Revenue for 2022 is expected to be around DKK 8.0-8.2 billion, corresponding to expected growth of 11-14%. Increasing revenue is expected from projects in progress, orders already contracted with start-up in 2022 and the strategic construction partnerships won in 2021.

Operating profit before special items is expected to be DKK 250-275 million, corresponding to an expected increase of 40-54%. The progress is expected to be driven by higher activity and improved margins as a result of higher utilisation of capacity and lower write-downs.

Based on the known phasing of projects and orders, the highest earnings are expected in the second half year.

In October 2021, MT Højgaard Holding published a preliminary forecast for 2022 of revenue of more than DKK 8 billion and operating profit before special items of around DKK 280 million. The reason for specifying the expected operating profit before special items was the sale of the last of Ajos' activities in December and greater clarity about the effect of price increases on building materials and labour.

In 2022, the focus will continue to be on measures for strengthening the competitiveness of the business units. All parts of the Group will also remain focused on generating positive cash flows on all projects.

**KEY ASSUMPTIONS**

Key assumptions relating to market and demand:

- Almost 80% of the year's expected contract revenue had been contracted by the start of January. Postponements of project start-ups or delays to contract signing may occur due to COVID-19 or other factors, but it is assumed that any such postponements or delays will be limited.
- The effects of COVID-19 are expected to be generally decreasing in all the Group's markets.
- Demand in the civil works area is expected to grow in the wake of the broad political agreement on Danish infrastructure.
- Across customers and projects in Denmark, the high level of interest in sustainable building and refurbishment and new forms of collaboration with early involvement of contractors is expected to continue.
- Demand from public customers and the social housing sector in Denmark is expected to remain high, albeit slightly lower than in 2021 following political measures to alleviate pressure on capacity in the construction industry.
- The challenges related to increasing prices and scarcity of building materials such as wood, steel, iron, plastic etc. are expected to be on a par with what the Group has experienced in recent months. Price increases are only expected to have limited effect on ongoing or planned projects, see the risk section on page 39, but price increases may contribute to delays to new projects from clients.
- The challenges related to increasing pay and high demand for competent employees remain a focus area in Denmark and Greenland. In Denmark, the abolition of the private BoligJob (Housing-Job) scheme is expected to free up capacity at subcontractors.

Acquisition and disposal of enterprises and activities may affect the full-year outlook.

**REVENUE**

8.0-8.2 DKK billion

Outlook 2022 — 8.0-8.2 DKK billion

Realised 2021 — 7.2 DKK billion

**OPERATING PROFIT/(LOSS) BEFORE SPEICAL ITEMS**

250-275 DKK million

Outlook 2022 — 250-275 DKK million

Realised 2021 — 179 DKK million

**COMMENT**

The annual report contains forward-looking statements, including projections of financial performance in 2022, which, by their nature, involve risks and uncertainties that may cause actual performance to differ materially from that contained in the forward-looking statements, see the risk section on pages 39-42.

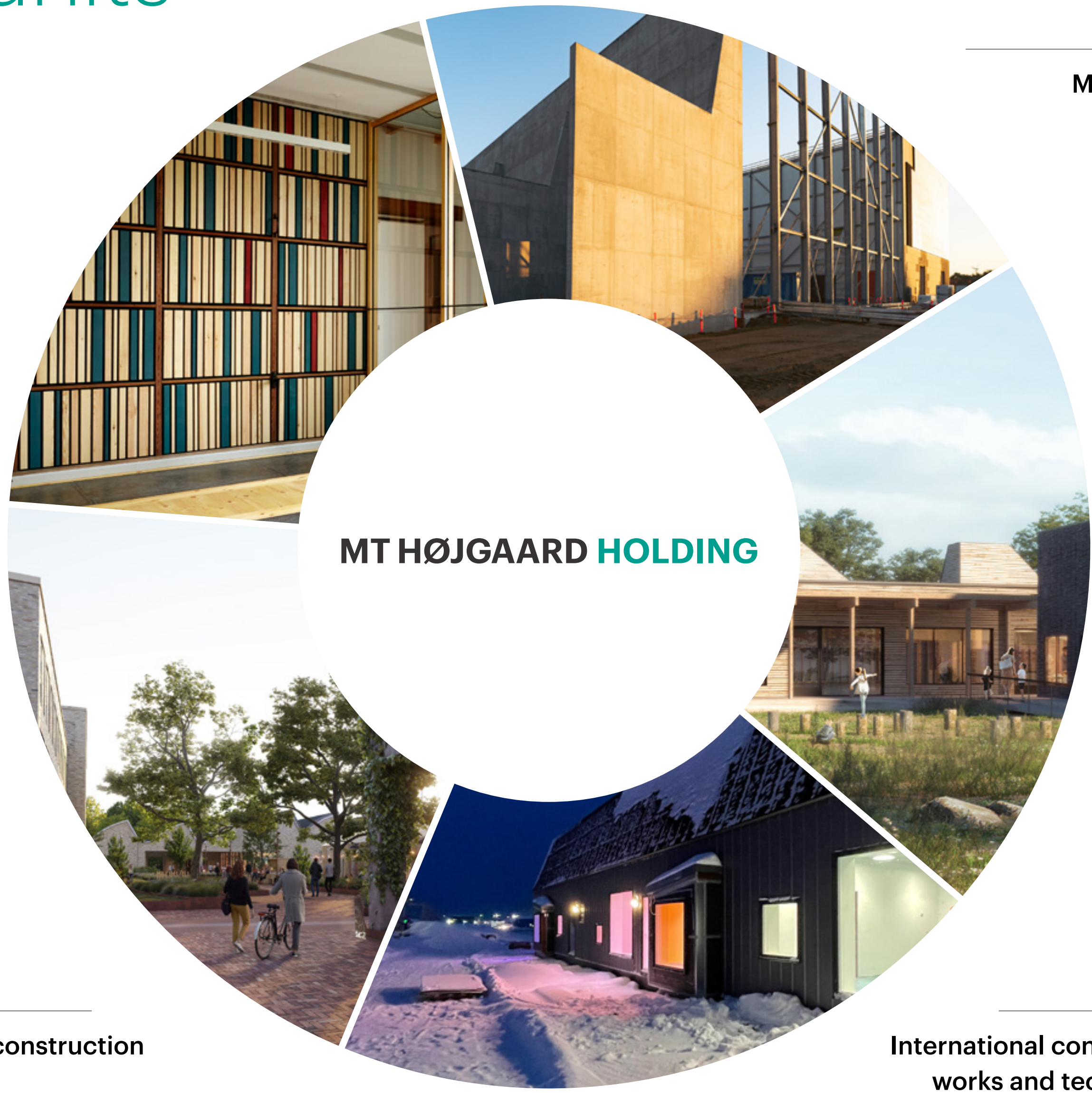
# The business

**RULLESTENEN**
MT Højgaard Projektudvikling is building the Rullestenen cohousing community in collaboration with EcoVillage. It consists of 47 owner-occupied dwellings plus a large communal building and is being built as part of the new diverse 'Musicon' district in Roskilde. Rullestenen is for people who want to live with culture, sustainability and a sense of community as part of everyday life.

## SUSTAINABILITY

Sustainability has become a key parameter for competition in the construction and civil engineering industry, with ever clearer requirements for the consumption of energy and resources as well as certification etc. The MT Højgaard Holding Group is investing in maintaining a strong position in this area so the business units will create value for customers and society in general.

# Business units



**MT HØJGAARD HOLDING**

## MTHøjgaard Danmark

Major contractor for construction, civil works and infrastructure

Read more on page 22-23

## Enemærke & Petersen

Contractor for new build and refurbishment and strategic partnerships throughout Denmark

Read more on page 24-25

## scandibyg

TÆNK I NYE RAMMER

Market leader in the field of sustainable, certified flexible building in wood

Read more on page 26-27

## MTHøjgaard Projektudvikling

Development and realisation of construction projects and PPP

Read more on page 30-31

## MTHøjgaard International

International contractor within construction, civil works and technical installations contracts on selected markets and projects

Read more on page 28-29

MTHøjgaard Danmark

**VIKING LINK**

Viking Link is a new 1,400 MW cable link between Denmark and the UK that is to connect the two countries' power transmission systems across the North Sea. MT Højgaard Danmark is responsible for the construction of the Danish substation in Revsing near Vejen, a building complex of about 15,000 m² plus a warehouse building of approx. 1,200 m². The connection will be established by the Danish independent public enterprise Energinet and the British power company National Grid.

# The year in figures

**REVENUE**

3,091 DKK million

**ORDER INTAKE**

4,415 DKK million

**ORDER BOOK**

4,494 DKK million

**OPERATING PROFIT BEFORE SPECIAL ITEMS**

15.6 DKK million

**OPERATING MARGIN BEFORE SPECIAL ITEMS**

0.5 %

## ACTIVITIES

MT Højgaard Danmark undertakes construction, civil works and infrastructure activities throughout Denmark. The company builds on more than 100 years' experience in the areas of residential buildings, hospitals, educational institutions, commercial buildings, roads, bridges, harbours and entire urban areas.

## FINANCIAL PERFORMANCE

The trend towards rising activity levels over the year continued in the fourth quarter. Full-year revenue reached DKK 3,091 million, compared to DKK 2,551 million in 2020, up just under 21%. Fourth-quarter 2021 revenue was DKK 958 million, compared to DKK 626 million in the fourth quarter of 2020.

The full-year operating result was a profit of DKK 16 million, compared to a loss of DKK 45 million in 2020. The operating result for the fourth quarter of 2021 was a profit of DKK 5 million, compared to a loss of DKK 39 million in the same period last year.

The improvement in the key figures for the year shows that the transformation process already begun is taking effect. Determined focus on creating a project-oriented organisation with extensive specialist knowledge and great collaborative ability has raised both the top and bottom lines. This provides grounds for optimism for the coming years. However, as with the first nine months of 2021, the fourth-quarter result was negatively affected by older, ongoing problem cases, in which it has proved difficult to reach closure because of disagreements with clients.

After more than two and a half years' work, the final project for replacing MgO boards was completed before the turn of the year, and the overall process has been carried out in accordance with plans.

## SPECIAL PROJECTS AND INITIATIVES

The make-up of orders in 2021 shows that a high proportion of contracts won were in new forms of collaboration, including phased collaborative projects, partnerships and framework agreements. Examples are the four-year partnership agreement with The Capital Region of Denmark on construction and refurbishment work on the region's hospitals and the phased projects for DSB on the electric train facilities in Copenhagen and Næstved.

These projects are characterised by a high degree of collaboration, in which the players make use of each other's strengths and knowledge in order to create efficient processes and buildable projects to the benefit of all. Our experience with the new forms of collaboration with early involvement of all the parties in construction projects has strengthened our belief that this is the right way to proceed in order to achieve optimum results throughout the project period. External and internal collaboration will therefore be a key initiative in MT Højgaard Danmark again in 2022.

| Amounts in DKK million | Q4 21 | Q4 20 | 2021 | 2020 |
|---|---|---|---|---|
| Revenue | 958 | 626 | 3,091 | 2,551 |
| Operating profit/(loss) | 5 | -39 | 16 | -45 |
| Order book, end of period | | | 4,494 | 3,170 |
| Order intake during period | 658 | 1,316 | 4,415 | 2,735 |

In addition to collaborative projects, the year offered a number of new, exciting civil engineering and construction projects across Denmark. These included the extension of the Port of Rønne, a large headquarters complex for AP Pension and Nykredit in the Nordhavn area of Copenhagen, the refurbishment of 538 apartments for the Vesterport Housing Association in Frederikshavn, and a new ring road bridge in Silkeborg.

## ORDER INTAKE

MT Højgaard Danmark's fourth-quarter order intake was DKK 658 million, compared to DKK 1,316 million in the same period last year. The order book consequently totalled DKK 4,494 million at the end of the fourth quarter of 2021 compared to DKK 3,170 million at the end of the fourth quarter of 2020, representing a 42% increase.

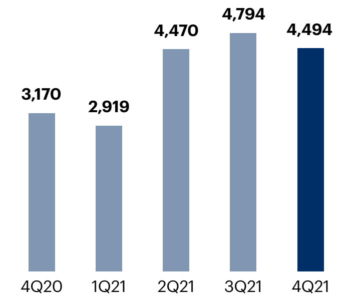
MT Højgaard Danmark is looking at a sound pipeline of new project opportunities and expects that the market for both construction and civil works will remain stable at a high level of activity for the foreseeable future.

## NEW MAJOR PROJECTS AND STRATEGIC PARTNERSHIPS IN 2021

- Strategic partnership with The Capital Region of Denmark, framework agreement
- Establishment of train workshop and railway facilities in Næstved and the central freight yard, Godsbanen, in Copenhagen for DSB, framework agreement
- Svanemølleholm/Holm 8, new headquarters for AP Pension and Nykredit
- Extension of the Port of Rønne
- Refurbishment of Vesterport in Frederikshavn
- Refurbishment of Knud Højgaards Hus
- Refurbishment of Sankt Kjelds Gård
- Phase 2 of construction of MultiFlex office block, Mosevej, Risskov
- New ring road bridge, Silkeborg

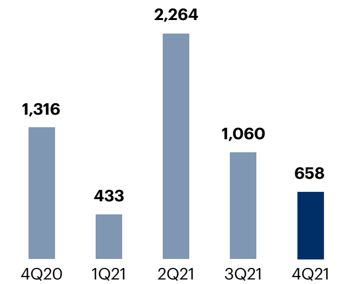
## ORDER BOOK

DKK million



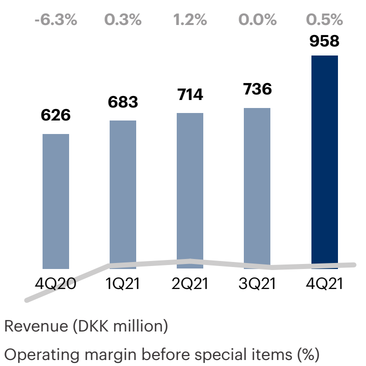

## ORDER INTAKE

DKK million




## REVENUE AND OPERATING MARGIN BEFORE SPECIAL ITEMS

DKK million and %



# The year in figures

**REVENUE**

2,835 DKK million

**ORDER INTAKE**

4,326 DKK million

**ORDER BOOK**

5,147 DKK million

**OPERATING PROFIT BEFORE SPECIAL ITEMS**

152.4 DKK million

**OPERATING MARGIN BEFORE SPECIAL ITEMS**

5.4 %

Enemærke & Petersen a/s

**DANISH NATIONAL BUSINESS ARCHIVES**

The Danish National Business Archives in Aarhus – also known as Smykkeskrinet (the Jewel Box) – was a very special project for the construction management and craftsmen of Enemærke & Petersen. The close collaboration between skilled craftsmen, consultants and construction management ensured a good process and a result that aroused external attention and internal pride.

## ACTIVITIES

Enemærke & Petersen is a nationwide contracting company with 46 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 include refurbishment of schools, commercial buildings, day care institutions and co-operative and owner-occupied housing; and construction of new housing, schools, institutions, offices and other buildings. The acquisitions of Raunstrup and NemByg in Central and South Jutland respectively have strengthened Enemærke & Petersen's position as a nationwide contracting and carpentry business and within building maintenance services.

## FINANCIAL PERFORMANCE

Full-year 2021 revenue was DKK 2,835 million, up almost 38% from DKK 2,048 million in 2020 due to good order intake in 2020 and the acquisitions of Raunstrup and NemByg, which contributed combined revenue of DKK 519 million in March-December 2021. Fourth-quarter revenue was DKK 863 million, up from DKK 560 million in the fourth quarter of 2020.

Full-year 2021 operating profit was DKK 152 million, up 57% from DKK 97 million last year, mainly reflecting higher revenue and the resulting improved use of capacity, improved earnings on a few completed projects, and a positive contribution from the acquisitions of Raunstrup and NemByg. Fourth-quarter operating profit was DKK 51 million compared to DKK 35 million last year.

MgO projects were carried out as planned with completion expected in mid-2022.

## SPECIAL PROJECTS AND INITIATIVES

In November, Enemærke & Petersen together with the TRUST team won the City of Copenhagen's large strategic partnership tender, this time for the period 2022–2026, with potential revenue of DKK 2.5 billion. This new phase focuses even more strongly on sustainability and has been extended to cover the areas of culture, leisure and housing in addition to schools and day care institutions that are continuing from the first partnership period.

A milestone was reached in the first quarter when Enemærke & Petersen won the strategic partnership with Funen's largest social housing organisation, Civica, gaining a solid footing on Funen. The partnership embraces refurbishment of housing and new builds, including the extensive development plan for the Vollsmose residential area in Odense, with a strong focus on sustainability.

In the third quarter, the housing association BO-VEST awarded Enemærke & Petersen the main contract for the refurbishment of the Galgebakken housing estate in Albertslund. With a total value of DKK 1.1 billion over almost four years, this is Enemærke & Petersen's biggest refurbishment project to date.

The acquisitions of Raunstrup A/S and NemByg A/S in 2021 have strengthened Enemærke & Petersen's position as a nationwide contractor with rising activity in building maintenance services, an area of growing demand. A new strategy for NemByg and increased collaboration between NemByg, Enemærke & Petersen and the rest of the Group have opened up new opportunities for working on a greater variety of projects in South and South-West Jutland.

| Amounts in DKK million | Q4 21 | Q4 20 | 2021 | 2020 |
|---|---|---|---|---|
| Revenue | 863 | 560 | 2,835 | 2,048 |
| Operating profit/(loss) | 51 | 35 | 152 | 97 |
| Order book, end of period | | | 5,147 | 3,656 |
| Order intake during period | 790 | 1,065 | 4,326 | 3,194 |

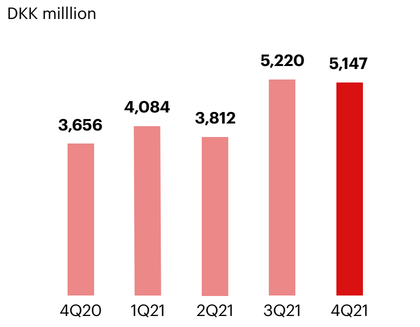
## ORDER INTAKE

Order intake in 2021, at DKK 4,326 million, was up 35% from DKK 3,194 million in 2020. This considerable rise was mainly due to the BO-VEST order and order intake from Raunstrup and NemByg. The order book stood at DKK 5,147 million at year end, up 41% on 2020. The figures include Raunstrup and NemByg's order books with a combined value of DKK 330 million.

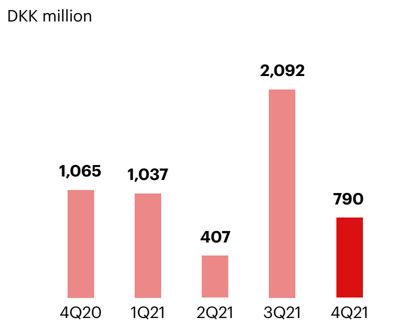
## NEW MAJOR PROJECTS AND STRATEGIC PARTNERSHIPS IN 2021

- Four-year strategic partnership (LIVA) with Civica on Funen
- Four-year strategic partnership (TRUST) with Byggeri København
- Refurbishment of Damhusengens School, Vanløse
- Establishment of special needs unit at Strandboulevarden School, Copenhagen
- New head office for Bravida, Aarhus
- Construction of new housing, Silkeborg
- Construction of two day care institutions on Store Møllevej and Ringtoften, Copenhagen
- Construction of new dwellings, Dalum
- Refurbishment of Galgebakken housing estate, Albertslund
- Construction of new housing, Esbjerg

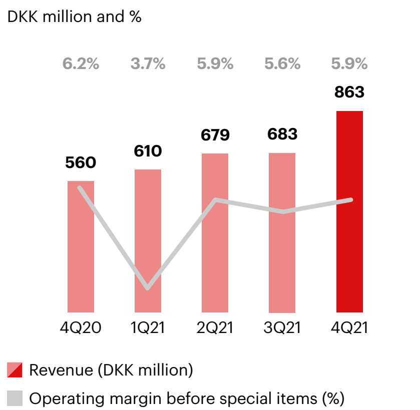
## ORDER BOOK




## ORDER INTAKE




## REVENUE AND OPERATING MARGIN BEFORE SPECIAL ITEMS



scandibyg

**FLEXIBLE BUILDING SYSTEM**

Sweco and Scandi Byg have created a flexible building system for child care institutions that was tried out for the first time on Børnehuset in Lejre. The concept focuses on sustainable solutions and can be certified, for example, with DGNB and the Nordic Swan Ecolabel.

Visualisation by Sweco Architects.

# The period in figures

**REVENUE**

378 DKK million

**ORDER INTAKE**

207 DKK million

**ORDER BOOK**

138 DKK million

**OPERATING PROFIT BEFORE SPECIAL ITEMS**

2.5 DKK million

**OPERATING MARGIN BEFORE SPECIAL ITEMS**

0.7 %

## ACTIVITIES

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

## FINANCIAL PERFORMANCE

Full-year revenue was DKK 378 million, compared to DKK 469 million in 2020, down 19%. Fourth-quarter revenue was DKK 70 million, compared to DKK 123 million in the same quarter in 2020.

Full-year operating profit was DKK 3 million, compared to DKK 17 million last year, mainly reflecting reduced order intake at the start of the year and the postponement of projects pending regulatory approval. The fourth-quarter operating result was a loss of DKK 4 million compared to a profit of DKK 1 million in the fourth quarter of 2020.

The final MgO project was completed in the fourth quarter, and all MgO cases are now closed.

## SPECIAL PROJECTS AND INITIATIVES

In December, Scandi Byg handed over the last 300 student accommodation units in Ballerup to PensionDanmark and Boligfonden DTU. Together with the corresponding student accommodation in Lyngby, the units in Ballerup are the first in Denmark to have both the Nordic Swan Ecolabel and DGNB Gold certification. These buildings are part of the strategic collaboration agreement between PensionDanmark and Scandi Byg on the development of sustainable housing concepts. In November, the design for sustainable student accommodation was awarded the Project Development Prize for 2021, and a number of projects within the framework of the agreement are in the planning stage.

Scandi Byg is in the process of building a childcare institution for Lejre Municipality. This will be the first to be built using Scandi Byg's design for institutions with the Nordic Swan Ecolabel. The concept, which was developed in close collaboration with Sweco, can be scaled to suit the needs of the individual customer.

Scandi Byg continues to set the standard in the field of sustainable wooden buildings. In a report from BUILD "Erfaringer fra 20 Træbyggerier" (Experience from 20 wooden buildings) published in November 2021, calculations from four buildings showed that Scandi Byg's $CO_2$ footprint is 5.1-7.4 kg $CO_2/m^2/$year compared with the limit of 8.0 kg in the Voluntary Sustainability Class. Data from the model is now being used to further reduce the climate footprint and thus put Scandi Byg's solutions in a strong position in relation to market demand for climate-friendly solutions.

Internally, Scandi Byg has invested in reviewing its strategy with the aim of creating a broader customer and project portfolio and increasing flexibility and scalability in production. Productivity increased by 20% in 2021, thanks to the introduction of lean processes and training.

## ORDER INTAKE

Full-year order intake was DKK 207 million, compared to DKK 404 million in 2020. This lower intake was due mainly to the postponement of major projects. At the end of December, Scandi Byg had won non-contracted projects worth DKK 450 million, mainly for residential building and student accommodation in the Greater Copenhagen area. The projects are expected to be contracted in the course of 2022.

The order book amounted to DKK 138 million at the end of the fourth quarter, compared to DKK 309 million at the end of 2020.

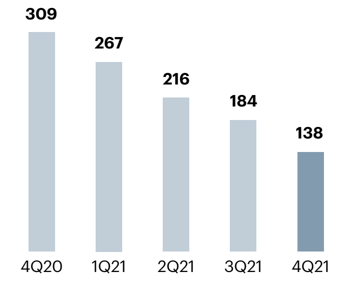
## NEW MAJOR PROJECTS IN 2021

- Huts and pavilions for Ajos
- Site huts for FLC, Fehmarn
- Day care institution in Ejby, Lejre Municipality

| Amounts in DKK million | Q4 21 | Q4 20 | 2021 | 2020 |
|---|---|---|---|---|
| Revenue | 70 | 123 | 378 | 469 |
| Operating profit/(loss) before special items | -4 | 1 | 3 | 17 |
| Order book, end of period | | | 138 | 309 |
| Order intake during period | 24 | 5 | 207 | 404 |

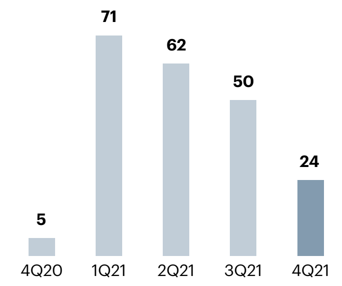
## ORDER BOOK

DKK million



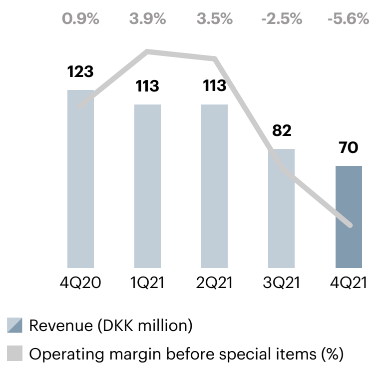

## ORDER INTAKE

DKK million

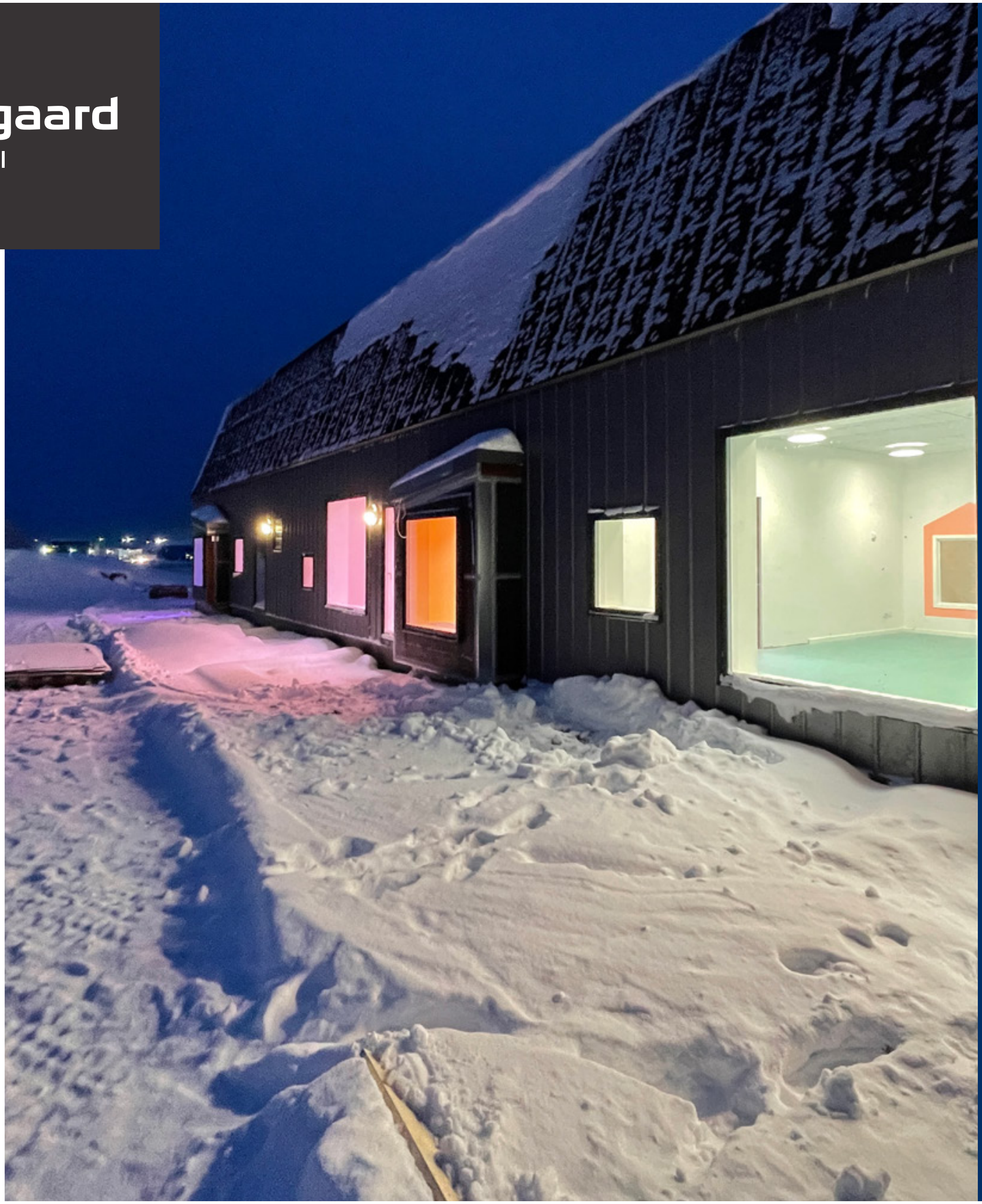



## REVENUE AND OPERATING MARGIN BEFORE SPECIAL ITEMS

DKK million and %



MTHøjgaard International



**INTEGRATED INSTITUTION**
In Nuuk, MT Højgaard Grønland is building an integrated institution, which will house 80 children. The institution is equipped with a catering kitchen and lift, and the choice of colours for walls and floors as well as the small houses around the windows and bays give the building the right atmosphere for children.

# The year in figures

**REVENUE**
860 DKK million

**ORDER INTAKE**
782 DKK million

**ORDER BOOK**
982 DKK million

**OPERATING PROFIT BEFORE SPECIAL ITEMS**
0.7 DKK million

**OPERATING MARGIN BEFORE SPECIAL ITEMS**
0.1 %

## ACTIVITIES

MT Højgaard International takes care of the Group's activities in selected markets, with particular focus on Greenland, the Faroe Islands, Portugal, the Maldives and selected parts of Africa. MT Højgaard International's specialist capabilities are also in demand on other projects in the Group.

## FINANCIAL PERFORMANCE

Full-year revenue was DKK 860 million, up from DKK 712 million in 2020. The markets have been affected to varying degrees by COVID-19, which has delayed revenue on small projects with quick start-ups in several places where earnings are often good. Fourth-quarter 2021 revenue was DKK 246 million up from DKK 183 million in 2020.

Full-year operating profit was DKK 1 million, compared to DKK 13 million in 2020. The poorer result was mainly due to the clearing up of disputes and provisions for the closure of the remaining cases, especially in the Faroe Islands. 2022 starts with a healthier balance sheet and project finance. The fourth-quarter 2021 operating result was nil, compared to a DKK 1 million loss in 2020.

In the fourth quarter, MT Højgaard International introduced a new management and organisational structure. This will ensure local anchoring and value creation as a prerequisite for improving the company's competitiveness, revenue and earnings in the year ahead.

## SPECIAL PROJECTS AND INITIATIVES

**Maldives**: Tourism has started up again after major COVID-19 lockdowns. This has reduced uncertainty and it is expected that several contracts will be signed for projects for which bids have been submitted. In December, a contract worth DKK 120 million was signed for coastal protection on the southern island of Fuvamulah. This two-year contract and comprises the protection of 2.5 km of coastline.

**Sweden:** The company's biggest project, Hisingsbron Bridge in Gothenburg, was officially inaugurated in the third quarter, with demolition of the old bridge still in progress. Final handover is expected in summer 2022.

**Faroe Islands:** Work is in progress on the kindergarten Gjáir and various other projects. In December, a bid for 22 dwellings was won and the contract negotiations are expected to be completed in January. Activity in the excavation and blasting firm RTS Contractors is high and the company has a sound order book, which is expected to be extended in 2022, with many interesting tenders emerging.

**Greenland:** The company is busy with ongoing projects, including a residential refurbishment project in Maniitsoq, halls of residence in Nuuk and Qaqortoq, and a new fire station and airport buildings in Nuuk. COVID-19 cases have risen in recent months, especially in Nuuk, but restrictions have not been significantly tightened. The fast-track for recruiting foreign labour has not had the desired effect and the lack of adequate labour remains a challenge.

At the technical installations company Arssarnerit, work on ongoing contracts is proceeding to plan, and the order book for both electrical and plumbing and heating work is good.

**Seth:** The level of activity in Seth is still low due to the pandemic and this led to a decline in the company's results. In the fourth quarter, Seth won the contract for the supply of 28 km of high-voltage power lines and associated pylons to the harbour town of Beira in Mozambique.

## ORDER INTAKE

Order intake was DKK 782 million, versus DKK 871 million in 2020. Fourth-quarter order intake was DKK 229 million versus DKK 505 million in 2020.

The year-end order book stood at DKK 982 million versus DKK 1,060 million at the end of 2020. The order book was judged to be sound, providing the basis for stable development in 2022. From early 2022, there is the prospect of many interesting tenders in the Maldives, the Faroe Islands and Greenland, and MT Højgaard International expects to win its fair share of these.

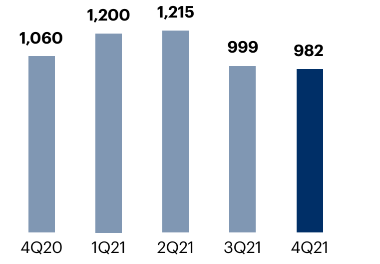
## NEW MAJOR PROJECTS IN 2021

- Coastal protection Fuvamulah, Maldives
- Hall of residence, Nuuk
- Hall of residence, Qaqortoq

| Amounts in DKK million | Q4 21 | Q4 20 | 2021 | 2020 |
|---|---|---|---|---|
| Revenue | 246 | 183 | 860 | 712 |
| Operating profit/(loss) before special items | 0 | -1 | 1 | 13 |
| Order book, end of period | | | 982 | 1,060 |
| Order intake during period | 229 | 505 | 782 | 871 |

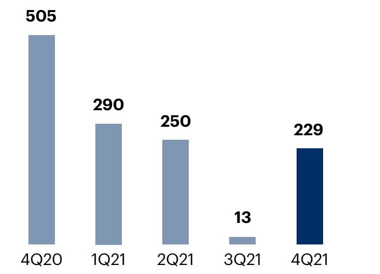
## ORDER BOOK

DKK million



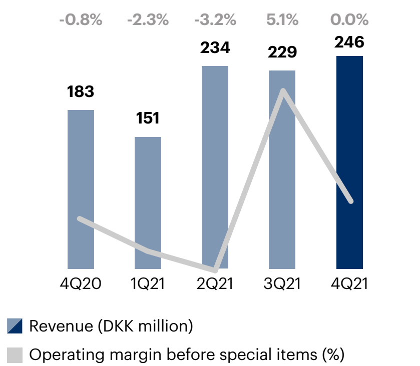

## ORDER INTAKE

DKK million




## REVENUE AND OPERATING MARGIN BEFORE SPECIAL ITEMS

DKK million and %



# The year in figures

**REVENUE**

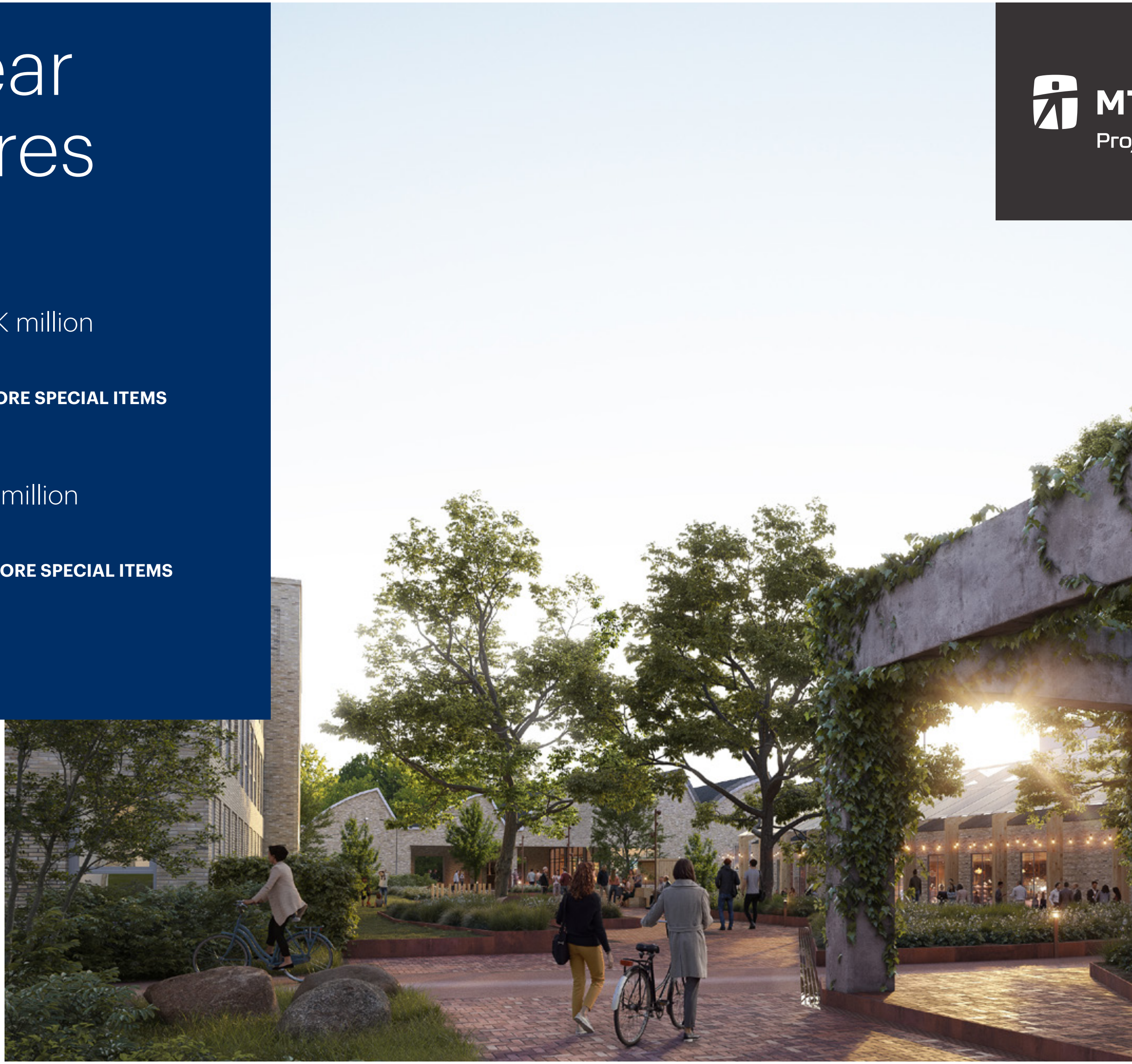
494 DKK million

**OPERATING PROFIT BEFORE SPECIAL ITEMS**

23.1 DKK million

**OPERATING MARGIN BEFORE SPECIAL ITEMS**

4.7 %



**DALUM PAPER FACTORY**
Amid the beautiful scenery of southern Odense lies the former Dalum Paper Factory, where MT Højgaard Projektudvikling is busy developing and building homes for all generations, with 20 exclusive, New York-inspired owner-occupied apartments; 63 family-friendly terraced houses; 301 light, attractive apartments; and 58 retirement homes.

## ACTIVITIES

MT Højgaard Projektudvikling develops and realises sustainable commercial and residential projects and constructs and operates buildings on a public-private partnership basis (PPP). MT Højgaard Projektudvikling plays an important strategic role in the Group and helps to create synergies between the individual business units.

## FINANCIAL PERFORMANCE

Full-year revenue was DKK 494 million, up from DKK 224 million in 2020, mainly due to the sale of properties to a value of DKK 293 million compared to DKK 124 million in 2020. To this should be added the new Group structure, where intercompany contract revenue between MT Højgaard Danmark and MT Højgaard Projektudvikling is no longer eliminated in MT Højgaard Projektudvikling. Fourth-quarter revenue was DKK 188 million, compared to DKK 100 million in 2020.

Full-year operating profit was DKK 23 million, compared to DKK 12 million in 2020. The higher earnings were due mainly to the sale of a number of large properties and property projects, including Byggefelt Z in Sydhavnen in Copenhagen, Mosevej in Risskov and a property in Husby Allé in Høje Taastrup.

In the fourth quarter, operating profit reached DKK 35 million, up from DKK 23 million the previous year due to the sale of a large residential development project at the former Dalum Paper Factory to Niam and the equity interests in four PPP companies.

MT Højgaard Projektudvikling is still experiencing firm interest from investors and private individuals in well-situated homes in the middle segment, and current negotiations demonstrate renewed interest in commercial properties. The required rate of return for investments in new properties is expected to remain stable.

The value of the property portfolio was DKK 282 million at the end of 2021, compared to DKK 515 million at the same time last year, due to a significantly bigger transaction volume on sale of properties and the handover of phase one of the Teglsøerne residential development in Nivå.

## SPECIAL PROJECTS AND INITIATIVES

There is a high level of activity at the former Dalum Paper Factory in Odense, where 300 dwellings with DGNB Gold certification are being built for the property company Niam. In addition, the sale of owner-occupied dwellings developed in-house will begin in the second quarter of 2022.

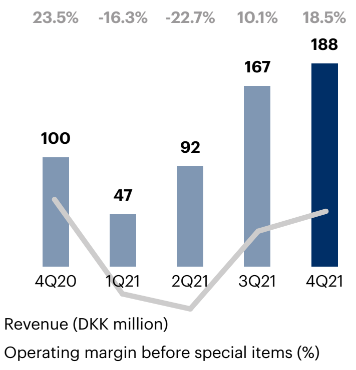
July 2021 saw the inauguration of the first phase of Engsøhus, a new multi-user office block in Risskov. The building was developed in collaboration with PFA as investor, and work has started on phase two. Both buildings will have DGNB Gold certification. At Flintholm Station in Frederiksberg, 54 exclusive apartments - Livas Have - with DGNB Gold certification are under construction for the CapMan property company.

On the Teglsøerne residential project in Nivå, phase one was handed over in December 2021. The construction of the next two phases is proceeding according to plan and is almost fully sold. The sale of the homes in the final phase is also well underway and their construction will start in the second quarter of 2022.

In collaboration with EcoVillage, MT Højgaard Projektudvikling is developing the cohousing community Rullestenen in Roskilde with a total of 48 dwellings and a communal building, all with the Nordic Swan Ecolabel. The sale of these homes began in the fourth quarter 2020 and construction is expected to begin in the first quarter of 2022. The collaboration with EcoVillage will continue on a new project for a cohousing community in Måløv.

## REVENUE AND OPERATING MARGIN BEFORE SPECIAL ITEMS

DKK million and %




New legislation concerning a $CO_2$ emissions cap and requirements for life cycle assessment for new builds will come into force from 2023. MT Højgaard Projektudvikling is well-prepared to meet the coming requirements with a team of in-house sustainability specialists whose work includes carrying out life cycle assessments on in-house and external projects and participating in a number of advisory and certification projects for the Group's companies. The team is also the auditor for the Group's first DGNB Platinum certification and advises on two pilot projects that will meet the requirements of the Voluntary Sustainability Class.

| Amounts in DKK million | Q4 21 | Q4 20 | 2021 | 2020 |
|---|---|---|---|---|
| Revenue | 188 | 100 | 494 | 224 |
| Operating profit/(loss) before special items | 35 | 23 | 23 | 12 |
| Capital tied up in property portfolio* | | | 281 | 515 |

* excl. construction projects developed in-house

## PROCESSES

Agile and efficient processes are the basis of good project management and ensure a comprehensive view of individual projects for customers, partners and employees. All parts of the MT Højgaard Holding Group are constantly working on optimising processes and making use of digital tools.


**GØTUGJÓGV**

In Gøtugjógv in the Faroe Islands, MT Højgaard International is erecting a new day care institution of 1,300 m² on two floors, with 112 nursery and kindergarten places. MT Højgaard International is the main contractor for this project, which will be handed over in summer 2020.

# Sustainable>22 – Group strategy

**The MT Højgaard Holding Group announced its Sustainable>22 strategy in February 2020. The strategy charted the course for long-term, sustainable development of the Group based on a new portfolio model. The arrival of the COVID-19 pandemic just after the announcement caused many changes and put our new common strategy to the test from day one.**

In 2021, the business units implemented their sub-strategies within the framework of the Group strategy. At Group level, the portfolio has been developed and adjusted through a number of acquisitions and disposals. At the same time, the existing business has been optimised with a focus on creating value and balancing stability and change on the one hand and operation and development on the other.

The strategy's five focus areas: Employees, Sustainability, Innovation, Processes and Collaboration have bound the Group together and created a common framework of understanding and language across the business units.

**PORTFOLIO MODEL**

Sustainable>22 introduced a portfolio model with independent business units that are on an equal footing.

The Board of Directors and Executive Board of MT Højgaard Holding put the portfolio together, exercise active ownership of the business units and set up the strategic and financial frameworks. Within these frameworks the management of each business unit has responsibility for strategy, operation and results. The units work together across the Group to utilise each other's skills in order to increase value creation in the Group as a whole.

The Group management continuously optimises the portfolio. Processes have been established that enable the Group to step forward when opportunities arise within the overall strategic framework or attractive opportunities that can develop the framework. This strategic framework for the portfolio is most important in Denmark, where the Group covers the entire value chain from project development,

**PROCESSES**

Agile and efficient processes form the basis for good project management. All parts of the MT Højgaard Holding Group are constantly striving to optimise and streamline processes and to use digital tools.

**INNOVATION**

Projects are, in principle, unique and each requires its own selection of collaboration models, processes, materials and methods. We use state-of-the-art technology and draw on expertise from across the Group when developing solutions.

**SUSTAINABILITY**

Sustainability is a key competitive parameter, and the Group is experiencing growing interest in sustainable projects from both private and public clients. We are investing in maintaining a position of strength in this area, so that the business units will create value for customers and society.

**COLLABORATION**

Good collaboration on projects is crucial to enable us to create long-term value, both with external partners and internally in the business. We therefore focus on early involvement on large projects, as well as on new construction partnerships and other forms of collaboration.

**EMPLOYEES**

All business units work systematically to provide a good working environment and a high level of safety in order to become the preferred workplace for the most competent employees in the industry.

construction, civil works and refurbishment through to operation and building maintenance services. The Group is also active in selected geographies through direct ownership, part-ownership or joint ventures, especially in the North Atlantic, the Maldives and selected projects in Africa through the jointly controlled entity Seth in Portugal. The most significant adjustments to the portfolio in 2021 are shown in the overview below:

**THE STRATEGIC MANAGEMENT AT HOLDING LEVEL HAS THREE MAIN TASKS:**

**1** Delivering on the strategy in the business units

**2** Delivering on the five strategic focus areas

**3** Activeportfolio-management

## MERGERS & ACQUISITIONS

JANUARY 2021

**ACQUISITION OF 80% OF RTS CONTRACTORS**
MT Højgaard International acquires **80%** of the shares in Faroese RTS Contractors, which specialises in excavation and civil works in the North Atlantic region and blasting in Arctic conditions.

APRIL 2021

**SALE OF CRANE DIVISION**
Ajos sells its crane division to Normas Cranes A/S for **DKK 62 million**.

OCTOBER 2021

**SALE OF ACTIVITIES WITHIN SITE HUTS, CONSTRUCTION SITE ORGANISATION ETC.**
Ajos sells all its activities within site huts, construction site organisation and temporary installations to the rental company CP ApS for **DKK 167 million**.

MARCH 2021

**ACQUISITION OF RAUNSTRUP**
Enemærke & Petersen acquires the contracting and carpentry enterprise Raunstrup for **DKK 73 million** (EV), bolstering its activities on Funen, in East and Central Jutland and within building maintenance services.

JULY 2021

**ACQUISITION OF 60% OF NEMBYG**
Enemærke & Petersen acquires 60% of the shares in NemByg for **DKK 43 million**, gaining a foothold in South Jutland. The current owners will continue as non-controlling shareholders until the end of 2024.

DECEMBER 2021

**SALE OF AJOS PAVILLON**
MT Højgaard Holding sells the pavilion activities in Ajos to Adapteo, Northern Europe's leading supplier of flexible buildings. The selling price is agreed at approx. **DKK 325 million** and will be finally adjusted after four years based on an earn-out agreement.

## PRIORITIES FOR 2021-2022

| | SUSTAINABILITY | INNOVATION | PROCESSES | COLLABORATION | EMPLOYEES |
|---|---|---|---|---|---|
| MTHøjgaard Danmark | New sustainability team that is to ensure progress and prioritisation | New forms of collaboration, partnerships, phased framework agreements | Streamlining of processes starting with everyday work on projects | Closer collaboration with clients, consultants and internally to enhance productivity and quality | Project-oriented culture with strong specialist skills |
| **ACTIVITIES IN THE PAST YEAR** | Recycling of expanded polystyrene in collaboration with the company Råt & Godt in Aalborg The project employs vulnerable young people | New partnering project at AAU Science & Innovation Hub with joint design before final contract | Simplification of systems and procedures, e.g. financial management with joint system, manuals, training and better insight into project data | Several phased collaboration contracts and strategic partnership agreement with The Capital Region of Denmark | New internal collaboration model that creates strong, dynamic project teams on the individual projects |
| Enemærke & Petersen a/s | Recycling | Construction models | Increased productivity through collaboration | Projects with integrated collaboration | Apprenticeships |
| **ACTIVITIES IN THE PAST YEAR** | Reuse of building materials at Åhaven on Funen in collaboration with a number of recycling players | Refurbishment at DTU building 208 (auditorium) in an integrated collaboration with establishment of a joint 7D BIM model | "The Helping Hand" - where the different trades working on construction sites help each other to increase productivity and create a better working environment | Joint project office with client and consultants on Køge Kyst project and on refurbishment of Nøjsomhed in Elsinore | Attract local apprentices to the refurbishment of Galgebakken in Albertslund in collaboration with BO-VEST and DI |
| scandibyg | Target: max. 5 kg $CO_2$/$m^2$/year<br>Training of internal DGNB auditors | Promoting wooden building | Lean and 6S in production<br>Data-driven/industrial approach | Strategic collaboration with clients | Lean training, "One team" and Safety |
| **ACTIVITIES IN THE PAST YEAR** | Lowest climate footprint for terraced housing (Skråningen in Lejre) and multi-storey buildings (student accommodation in Lundtofte and Ballerup) | Permission to build higher than four storeys in wood<br>Development work on circular prefabricated box buildings<br>Partner in EU project Build In Wood | 20% productivity improvements in production<br>500+ ongoing improvements | EcoVillage cohousing communities with MT Højgaard Projektudvikling<br>Student accommodation concept with PensionDanmark | 30% of employees have been issued with a LEAN "driver's licence", 100% have completed LEAN/6S induction<br>Four employees DGNB-certified<br>Leadership development programme |

| | SUSTAINABILITY | INNOVATION | PROCESSES | COLLABORATION | EMPLOYEES |
|---|---|---|---|---|---|
| MTHøjgaard International | Reduction in energy consumption<br>Waste and recycling initiative | Local strategies and marketing per market | Roll-out of project model across units | Strengthening collaboration between local units | Recruitment and retention of qualified employees |
| **ACTIVITIES IN THE PAST YEAR** | Reduction of energy consumption at permanent locations and on construction sites<br>Systematic registration and sorting | Individual strategies for all units and implementation locally | Joint project model comprising processes, stage gates, quality assurance, health and safety etc. | Collaborate on projects between units in the same geography and between all units on processes and employees | Exploit potential of job rotation between units with diverse projects in different geographies |
| MTHøjgaard Projektudvikling | Client programme and visible sustainability profile<br>Requirements for processes/ materials for projects and construction sites | Further develop and market concepts for cohousing communities, cooperative housing, office buildings | Simplification and streamlining of procedures and systems | Collaboration model with sister companies<br>Establish partnerships and strategies with capital partners and landowners | Adapt and develop organisation, retain employees, succession |
| **ACTIVITIES IN THE PAST YEAR** | The Group's sustainability team integrated in MT Højgaard Projektudvikling | Meetings with housing associations and authorities to market concepts<br>New website | Simplification of procedures<br>Investment plan with set criteria | Revised model for internal collaboration<br>Partnership strategies with several landowners and capital partners | Three employees certified DGNB consultants<br>Strengthened collaboration with universities |

# Corporate social responsibility

The MT Højgaard Holding Group has prepared a separate sustainability report, which constitutes the Group's corporate social responsibility report for the period 1 January – 31 December 2021, see section 99(a) of the Danish Financial Statements Act, its report on the gender composition of governance bodies, see section 99(b) of the Danish Financial Statements Act, and its report on the diversity of governance bodies, see section 107(d) of the Danish Financial Statements Act. The sustainability report also serves as the Group's reporting in relation to the EU Taxonomy Regulation requirements on reporting of the taxonomy-eligible share of revenue, CAPEX and OPEX. The report can be viewed at *https://mthh.eu/Responsibility/CSR*.

MT Højgaard Holding joined the UN Global Compact in 2015, and the English version of the sustainability report also constitutes the Group's Communication on Progress under the UN Global Compact.

In the construction and civil engineering industry there is increasing focus on sustainability. Both public and private customers are asking for solutions that also take account of environmental and social factors. As a major player in the industry – and in society in general – the MT Højgaard Holding Group has an important obligation to create climate-friendly, healthy and sustainable environments.

MT Højgaard Holding's sustainability strategy forms the framework for the Group's sustainability work. The strategy was adopted by MT Højgaard Holding's Board of Directors in November 2020. In 2021, we set goals, both at Group level and in the various companies, for sustainable development and our work on initiatives under each of our strategic focus areas. These goals and initiatives support the UN Sustainable Development Goals nos 3, 4, 5, 7, 8, 9, 11, 12, 13 and 17. The Group has selected these areas as the ones where it can make the biggest difference.

| FOCUS AREA | SELECTED ACTIONS |
|---|---|
| **Local & social responsibility** | Wherever possible, we enter into close collaboration with clients, especially housing associations, on involving residents and creating diverse and socially cohesive residential areas. We also collaborate with local authorities and educational institutions in order to help people into work and encourage more young people to choose vocational courses. The Group is working on a number of diversity initiatives that are aimed at increasing the proportion of women from 12% to 15%. |
| **Health & learning** | The Group's injury rate increased to 10.8 in 2021. Any occupational injury is one too many and we work to prevent occupational injuries and attrition and to ensure a healthy and safe physical and mental working environment. The Group also helps to train the next generation – including apprenticeships, work placements, student assistants and PhDs. In 2021, employees in training posts accounted for 7% of all employees. |
| **Climate & environment** | Reduction of climate and environmental impacts is high on the agenda of all companies. We are working to achieve better monitoring of our $CO_2$ emissions and to extend measurements and methods to cover more of the construction process and materials. This is of key importance to enable us and our clients to choose the optimum options for the climate and the environment. |
| **Circular economy** | Management focus on waste-sorting has meant that a number of projects have considerably increased their reuse of waste. The use of recycled materials, the reduction of wastage and the application of Design for Disassembly principles are also initiatives that are repeated across all companies. The Group has set an objective of increasing reuse of waste from 57.6% to 70%. |
| **Collaboration & certifica-tions** | The Group is seeing a large increase in demand for voluntary certifications and approval schemes. Revenue from the Group's 39 pre-certified or certified projects represented 21.5% of total Group revenue in 2021. We have added to our skills within DGNB, the Nordic Swan Ecolabel and the Voluntary Sustainability Class and we continually endeavour to improve the way we deal with the requirements for documentation and data from certifications and sustainability legislation. |

# Sustainability

MT Højgaard Holding's sustainability strategy forms the framework for the business units sustainability work.

## SOCIAL SUSTAINABILITY

### Local & social responsibility

**Through our building projects we promote local cooperation and social responsibility**

- We take local responsibility and add local value through our projects and products
- We work to promote diversity and employ people who are on the edge of the labour market

### Health & learning

**We are a safe and healthy workplace that stimulates learning and knowledge-sharing**

- We are firmly focused on zero injuries, and the physical and mental health of our employees is paramount
- We develop our employees and train the next generation

3 SUNDHED OG TRIVSEL · 4 KVALITETSUDDANNELSE · 5 LIGESTILLING MELLEM KØNNENE · 8 ANSTÆNDIGE JOBS OG ØKONOMISK VÆKST

## ENVIRONMENTAL SUSTAINABILITY

### Climate & environment

**Ambitious climate and environmental initiatives are an integral part of our core operations and business models**

- We make concerted efforts to reduce our energy consumption and environmental impact
- We factor nature conservation and climate change adaptation into our projects

### Circular economy

**We create a closed loop that eliminates the concept of waste**

- We increase recycling and reuse of materials and reduce waste
- We use durable materials and solutions and factor in flexibility

7 BÆREDYGTIG ENERGI · 9 INDUSTRI, INNOVATION OG INFRASTRUKTUR · 11 BÆREDYGTIGE BYER OG LOKALSAMFUND · 12 ANSVARLIGT FORBRUG OG PRODUKTION · 13 KLIMAINDSATS

17 PARTNERSKABER FOR HANDLING

### Collaboration & certifications

**We give priority to collaboration and promote recognised standards**

- We collaborate with relevant players on finding solutions to sustainability challenges across the value chain
- We use and contribute to the development of standards and certifications in the field of sustainable construction and civil works

# Risk management

Good risk management on projects, in business units and at Group level is vital to ensure long-term value creation in the MT Højgaard Holding Group. Risk management is therefore an integral part of the Group strategy and its implementation by the business units, and of the decision-making processes in day-to-day operations.

The Group's risk management is based on the portfolio model's decentralising of responsibility to the individual business units in order to ensure a clear structure and make use of the fact that the professionally competent management team in each business unit has the best overview of key risks through their knowledge of the individual projects, customers and business partners. Risk assessments are carried out on a continuous basis, close to projects, and reported to the finance function and the Executive Board of MT Højgaard Holding.

## ORGANISATION

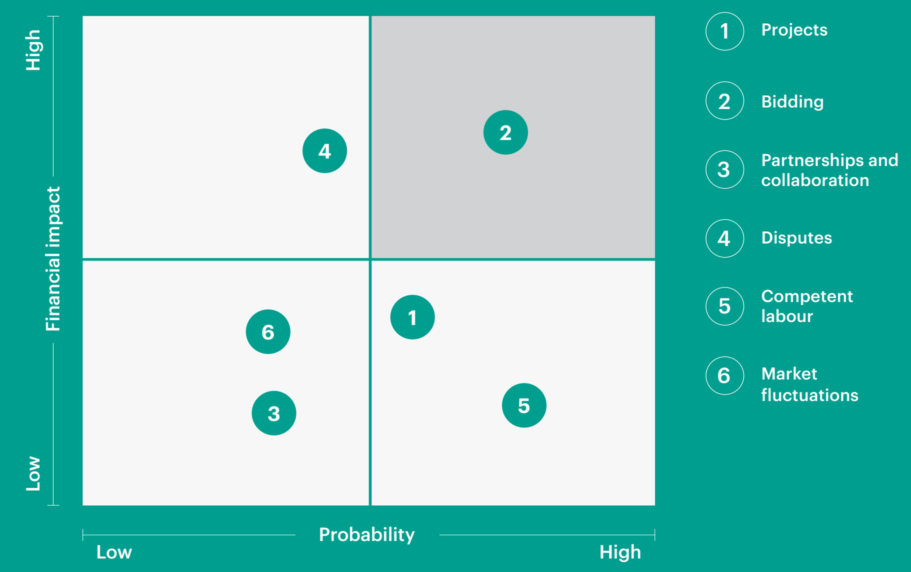
The Board of Directors has overall responsibility for risk management in the Group, and regularly discusses the principal risks and any changes in these based on quarterly reporting from the Executive Board. The Board of Directors oversees the Executive Board, which regularly identifies and mitigates company and project-specific risks in close collaboration with the business units and reports to both the Audit Committee and the Board of Directors.

The Executive Board reviews the overall risk assessment annually and adjusts the principles, processes and activities of risk management as required based on the probability and potential financial impact of the identified risks. The management of each business unit reports, monthly or as required, changes in and assessment of risks to the Executive Board, which is supported by the Group's finance department. The reports from the individual business units are assessed by the finance department and the Executive Board, ensuring relevant knowledge-sharing between the business units.

## MATERIALITY ASSESSMENT

Principal risks for the Group relate to the execution of projects, bidding, partnerships and collaboration, involvement in disputes, market fluctuations, and the ability to attract and retain employees with the right skills. The Executive Board considers that these risks have the greatest and most significant effect on the Group's ability to realise the stated expectations and ensure long-term value creation. These risks and the Group's efforts to mitigate them are described in the following.

The MT Højgaard Holding Group is also exposed to a number of other risks, including changes to regulations and legislation; increasing requirements for sustainability certification and reporting; the effects of COVID-19 in the Group's international markets, in particular; IT security and disruptions; and financial circumstances as described in note 29 to the financial statements.

## Projects

**RISK**

The Group plans, manages and carries out projects that are often complex, long-term and contracted at a fixed price. The execution of projects is always associated with risks, and small variations may occur on individual projects and be acceptable as a prerequisite for ensuring development and value creation. However, the Group focuses on avoiding projects that may incur sizeable losses that could have a significant effect on overall earnings.

**MITIGATION**

Project managers and management in the business units, and the Executive Board of MT Højgaard Holding, make determined efforts to improve the quality of tendering and on projects in order to reduce the number and extent of project delivery issues. Decisions on selecting or rejecting projects are reached on the basis of concrete evaluations of competition, conditions, risks and the possibility of efficient execution for the projects concerned as well as the ambition to secure a balanced project portfolio made up of small, medium-sized and large projects, with the main emphasis on projects within the Group's strategic focus areas.

The Executive Board helps to ensure that essential resources and competent management are available in the business units, while project managers have full responsibility for delivering the individual projects on time, on budget and within the agreed framework. In this connection the focus is on ensuring that processes and procedures are sufficient and function well, and digital tools are used to help provide a better basis for evaluating the projects' risk profile before start-up, when changes are made, and during execution.

In order to further reduce risks in execution and achieve the forecast earnings, project managers work closely with subcontractors, and the Group enters into strategic agreements on collaboration and purchasing, concentrating on the use of standardised components and industrialised processes.

As part of the Group's strategy, great attention is paid to close collaboration with clients, consultants, architects and subcontractors at an early stage in order to harmonise frameworks and conditions for individual projects and minimise risks.

Projects developed in-house by the Group should in principle be wholly or partly sold/let to customers or tenants before start-up, depending on the risk profile of each particular project.

## Bidding

**RISK**

The Group is using considerable resources on participating in tenders and bidding for projects without any guarantee that these efforts will result in a satisfactory proportion of new orders won. In addition, business units bid for and enter into binding contracts for projects at fixed prices that may turn out to be too low to ensure satisfactory earnings.

The Group's results may be adversely impacted by significant increases in raw materials prices, payroll costs and costs for subcontractors as a result of a high level of activity in the construction and civil engineering industry, which is at the same time characterised by fierce price competition. Earnings on projects and the Group's ability to avoid loss-making projects also depend, to a great extent, on whether the estimates of time and materials is correctly reflected in the pricing.

**MITIGATION**

The Group is constantly working to improve the quality of bidding and increasing the proportion of new orders won by focusing on the areas in which the business units have specialist capabilities and are in a stronger competitive position and a stronger position when it comes to negotiating prices with clients. At the same time, the Group has strengthened its presence in and made acquisitions across its Danish domestic market in order to boost its competitiveness and the collaboration with local clients and suppliers.

In order to counter the risk of increasing project costs, the Group is focusing on contracting the highest possible proportion of costs by entering into agreements with clients and entering into fixed-price contracts with subcontractors at an early stage of projects. Bidding is based on current raw materials prices and costs for subcontractors that can usually be adjusted later in the course of the projects, whereas rising wage costs do not generally result in adjustments to hourly rates. Due to its size, the Group also benefits from significant economies of scale in the form of attractive purchase prices.

## Partnerships and collaboration

**RISK**

The Group's business units Enemærke & Petersen and MT Højgaard Danmark have entered into a number of significant strategic partnerships, long-term collaboration and framework agreements and major phased contracts, which, in combination, make up an ever-growing share of overall revenue and earnings. Establishing and operating strategic partnerships is resource intensive and if the business units are unable to carry out the projects and create the right collaborative relationships within the partnerships and with the clients, this may lead to unsatisfactory earnings on large orders over a longer period.

**MITIGATION**

The business units have acquired considerable experience in establishing and operating strategic partnerships on the basis of a collaboration model that strengthens cohesion and optimises internal collaboration across the partners' specialisms and geography, so that the participants act as a single player when dealing with a client who is competent to make decisions.

Within the strategic partnerships, the focus is on securing common interests and establishing long-term collaborative relationships between partners and clients to create trust, avoid conflicts and achieve greater budget security, better processes and higher quality construction. Through repeated projects and ongoing collaboration with both strategic partners and clients, the Group creates closer relationships with and deeper understanding of the skills and preferences of the parties involved, which helps to reduce the risk of misunderstandings, disagreements and disputes. For example, in the construction partnership "Byk med Trust" Enemærke & Petersen has not been involved in any conflicts during the period 2017-2021.

The Group's extensive experience of establishing and operating strategic partnerships is also utilised in long-term collaborative and framework agreements as well as in major phased contracts, where the business units are involved at an early stage and contribute their knowledge of time and financial management, prices, deliveries, building technology etc., before the contract for the actual construction work is signed.

## Disputes

**RISK**

The Group may be involved in litigation, arbitration or regulatory proceedings, which may arise from claims concerning delays or defects on projects, warranty claims and breach of contract.

Latent defects may appear after some time and result in significant claims being lodged later than expected and thus reducing the possibility of seeking redress from any joint venture parties, subcontractors or other parties involved, who may have caused the defect.

Negative outcomes of any disputes may result in reassessment of the Group's financial results, and the Group may also be held responsible for financial losses.

**MITIGATION**

The Group continuously strives to reduce the total number and scope of disputes and in 2021 a number of important cases were settled and closed. Work on rectifying MgO-related construction cases proceeded according to plan. MT Højgaard Danmark and Scandi Byg replaced the last MgO boards towards the end of 2021, and Enemærke & Petersen still expects to carry out the final replacements in 2022 as originally planned.

The Group focuses on avoiding new disputes by ensuring close, binding collaboration with clients and consultants. In connection with this the Group seeks to establish long-term, strategic construction partnerships; conclude contracts with early involvement in projects; and ensure quality in tendering for and execution of projects. Multi-annual, strategic construction partnerships and other collaboration models account for a growing proportion of revenue.

When major contracts are entered into on a joint venture basis in order to reduce the Group's overall financial risk, the management of the various business units and the Executive Board of MT Højgaard Holding carry out a thorough assessment of potential partners in order to reduce the risk of any financial or capability weakness of a joint venture partner imposing significantly higher risks on the Group.

## Competent labour

**RISK**

The demand for and pay expectations of experienced and competent managers, project managers and other employees are high in the construction and civil engineering industry, where recruitment and retention of a qualified workforce is vital for ensuring a sound balance between order intake, earnings and risk.

If the Group is not able to attract and retain competent managers, project managers and other employees, lack of experience and continuity can lead to issues in terms of winning orders and identifying and mitigating potential risks in the course of the development and execution of projects.

**MITIGATION**

The size of the Group and the versatility and breadth of the business units as well as the varied nature of the project portfolio create good career and personal development opportunities for employees, while also providing a sound basis for ensuring flexibility and continuity in the manning of projects. The Group actively profiles the opportunities for working on technically challenging and interesting projects in order to attract the most proficient employees to the business units.

The Group always endeavours to offer competitive employment conditions and a good working environment with a sharp focus on safety in order to be able to attract and retain skilled people and ensure swift, flexible access to the right resources if the need arises. The organisation is scaled up or down on an ongoing basis depending on the size and composition of the order book and the demand for special skills on particular projects.

The business units and the Group make substantial investments in further training, a graduate programme and talent development in order to develop and retain managers, project managers and other employees.

## Market fluctuations

**RISK**

Activity in commercial, institutional and residential building and infrastructure and the extent of public civil works projects are largely dependent on macroeconomic developments. Market fluctuations can lead to opposite effects on activity levels in the private and public sectors and have a significant impact on the Group's overall level of activity and earnings. Markets are sensitive to rent fluctuations and changes in the economy, and an economic slowdown can lead to recession in the construction and civil engineering industry in Denmark and in the Group's international markets.

Following the implementation of a number of political initiatives aimed at producing significant stimulation of activity levels in the construction and civil engineering industry following the outbreak of COVID-19 in 2020, the parties behind the Danish Finance Act for 2022 agreed to moderately alleviate the pressure on capacity in the construction and civil engineering industry by deferring a small proportion of refurbishment projects in the social housing sector and allowing housing organisations more time to issue tenders for the construction of social housing.

**MITIGATION**

The business units are constantly working on putting together a varied project portfolio with a wide range of small, medium-sized and large construction and civil works projects for private clients, professional investors, public customers and the social housing sector.

The Group also focuses on ensuring stability and robustness by maintaining a strong position in the area of strategic partnerships and major collaboration agreements as well as by ensuring a considerable order book and portfolio of projects that extend over several years. Diversification through selection of projects, contracts, collaboration partners and types of work are vital in order to reduce the potential negative effect of market fluctuations and political initiatives.

# Corporate governance

## CORPORATE GOVERNANCE

The statutory corporate governance report, which forms an integral part of the Management's review, can be found at *mthh.eu/Corporate-governance/Corporate-governance*. The report describes MT Højgaard Holding A/S's management structure and the key elements of the company's internal control and risk management systems related to financial reporting.

The report also describes MT Højgaard Holding A/S's position on Recommendations on Corporate Governance, which can be viewed at *www.corporategovernance.dk/english* and have been implemented in Nasdaq Copenhagen's Rules for Issuers of Shares.

## MANAGEMENT STRUCTURE

The shareholders in general meeting are the company's supreme authority and their responsibilities include electing the Board of Directors of MT Højgaard Holding A/S. The Board of Directors is responsible for the overall and strategic management; oversees the Group's activities, management and organisation; and appoints and removes the Executive Board.

The Executive Board is responsible for the day-to-day management and for executing the strategy and decisions made by the Board of Directors. Details of the management structure are provided in the statutory corporate governance report, which can be found at *mthh.eu/Corporate-governance/Corporate-governance* along with the company's remuneration policy and equal opportunities policy.

## SELF EVALUATION

The Board of Directors carries out an annual self evaluation of its work, performance, composition and skills. In order to enable the Board to take care of its managerial and strategic tasks and at the same time be a good sparring partner for the Executive Board, the following skills are particularly relevant: knowledge of the construction and civil engineering industry, strategic business development, management of complex projects, risk management, financial and accounting knowledge, and general management of listed companies. The Board is judged to possess these skills. The individual members' skills of relevance to MT Højgaard Holding are set out on pages 46-48.

## BOARD COMMITTEES

The Board of Directors has established an Audit Committee that assists the Board in overseeing the financial reporting process and reviewing the adequacy and effectiveness of internal control systems. The Committee also helps oversee that applicable laws are being complied with and helps regularly assess whether accounting policies are relevant and current, and the manner in which material and exceptional items are accounted for. The Committee also assesses and makes recommendations in relation to the appointment of auditors at the general meeting.

The Board of Directors has also established a Nomination Committee that prepares decisions to be made by the Board of Directors relating to the compositions of the Board of Directors and the Executive Board based on the skills needed on management.

Lastly, the Board of Directors has established a Remuneration Committee that prepares decisions to be made by the Board of Directors relating to remuneration policy, guidelines for incentive pay, Executive Board and terms of employment, and the remuneration of the Board of Directors *mthh.eu/Corporate-governance/Corporate-governance*

The Committees' terms of reference can be found at *mthh.eu/Corporate-governance/Corporate-governance*

## BOARD OF DIRECTORS AND EXECUTIVE BOARD IN 2021

The Board of Directors of MT Højgaard Holding has nine members, six of whom were elected by the shareholders in general meeting for terms of one year at a time. All shareholder-elected Board members are independent. Carsten Dilling is Chairman of the Board and Anders Lindberg is Deputy Chairman.

At the Annual General Meeting on 18 March 2021, two new Board members were elected, and three employee-elected members joined the Board under a voluntary scheme on Group representation. Jesper Hoffman, employee-elected Board member, has resigned from the Board and has been replaced by Stine Marie Søderdahl Friis.

There were no other changes to the Board during the year.

On 1 January 2021, MT Højgaard A/S's operations were split into three independent companies – MT Højgaard Danmark A/S, MT Højgaard International A/S and MT Højgaard Projektudvikling A/S. This means that all five business units are now separate companies with their own Boards of Directors and Executive Boards.

The Board met six times in 2021 (2020: eight meetings). Attendance details are shown in the figure on this page.

The Executive Board of MT Højgaard Holding A/S consists of President and CEO Morten Hansen and CFO Martin Solberg.

| Board member | Meeting attendance |
|---|---|
| Carsten Dilling | ●●●●●● |
| Anders Lindberg | ●●●●●● |
| Christine Thorsen | ●●●●● |
| Pernille Fabricius | ●●●●● |
| Janda Campos* | ●●●●● |
| Steffen Baungaard* | ●●●●● |
| Peter Martin Facius* | ●●●●● |
| Lars Tesch Olsen* | ●●●●● |
| Jesper Hoffmann** | ●●● |
| Stine Marie Søderdahl Friis*** | ● |

* New member, joined the Board at the Annual General Meeting on 18 March 2021

** Resigned from the Board as an employee-elected Board member

*** Joined the Board as an employee-elected Board member

# Shareholder information

### INVESTOR RELATIONS POLICY
The management of MT Højgaard Holding A/S strives to maintain open, honest and trustworthy dialogue with all market participants to ensure that the Group's actual and expected value creation are reflected in the share price. The company's IR policy can be found at *https://mthh.eu/Corporate-governance/Corporate-governance*

### IR ACTIVITIES IN 2021
The Executive Board is in regular dialogue with investors, share analysts, media and other stakeholders. CFO Martin Stig Solberg is responsible for contact with investors and analysts. The dialogue with investors and analysts was strengthened further in 2021, partly through participation in more investor meetings and seminars.

Annual and interim financial reports and other company announcements can be found at *www.mthh.eu/Investor/Announcements*. The company also publishes information about, for example, major orders as investor news and through other channels.

### ANALYST COVERAGE
Danske Bank and ABG Sundal Collier cover the MT Højgaard Holding share.

### THE SHARE
At 31 December 2021, MT Højgaard Holding's share capital remained unchanged at DKK 155,741,380 divided into 7,787,069 shares of DKK 20 each. There is only one class of share, and no shares carry special rights. All shares are listed on Nasdaq Copenhagen under ISIN DK0010255975. Trading in the share decreased by 47% in 2021 compared to 2020. A total of 943,733 shares were traded (2020: 1,782,698 nos.), corresponding to 12% of the share capital (2020: 23%). The value of share turnover was approx. DKK 191 million (2020: DKK 205 million).

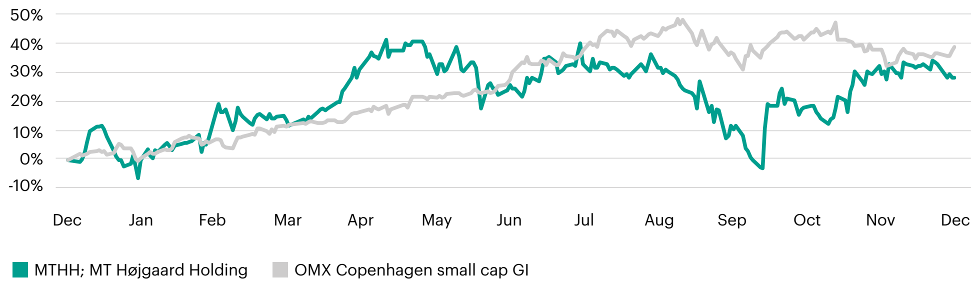
The share closed 2021 at 218, compared to 170 on 31 December 2020. The increase in the share price corresponds to a return of approx. 28.2%, compared to 38.8% for all SmallCap shares in OMX Small Cap DKK GI (OMXCSCGI).

MT Højgaard Holding's market capitalisation totalled DKK 1,698 million at year-end (2020: DKK 1,324 million).

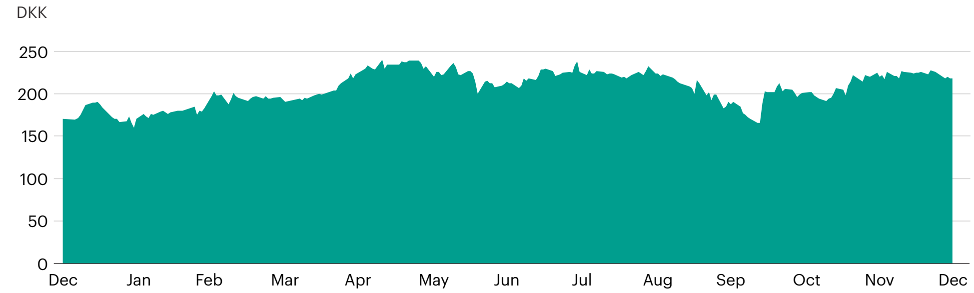
### SHAREHOLDERS
MT Højgaard Holding had a total of 2,972 registered shareholders at 31 December 2021, who held altogether 97.1% of the shares (2020: 2,898 shareholders holding 96.33% in total).

The 20 largest shareholders held approx. 83.4% of the share capital at year-end (2020: 81.8%). Top 20 was made up of foundations and individuals associated with the two original owner companies, companies associated with the families behind the original owner companies, and Danish institutional investors.

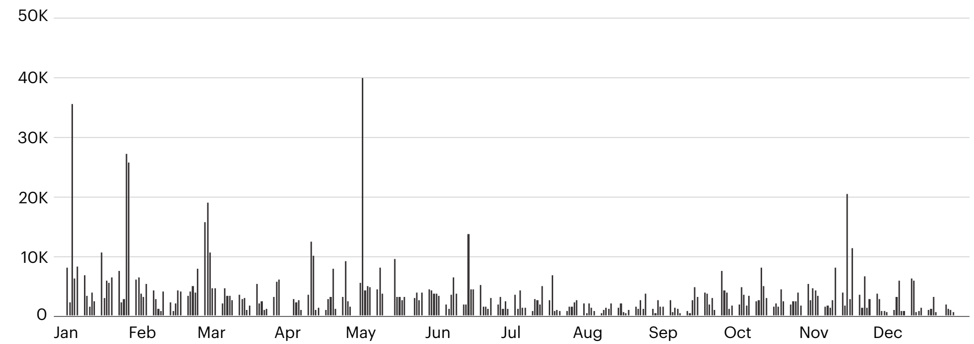
### SHARE PRICE PERFORMANCE COMPARED WITH OMX SMALL CAP DKK GI (INDEXED)




### SHARE PRICE PERFORMANCE IN 2021




### TRADING IN THE SHARE IN 2021



### TREASURY SHARES

On 23 November 2020, MT Højgaard Holding initiated a share buyback programme of up to DKK 15 million in total. The purpose was to meet the obligations arising from the company's share-based incentive programme. The programme ended on 30 September 2021 with altogether 75,000 shares repurchased at a total price of DKK 14.4 million.

On 28 September 2021, MT Højgaard Holding initiated a new share buyback programme of up to DKK 11 million. The purpose was to meet the obligations arising from the company's share-based incentive programme. The programme will end on 18 March 2022 at the latest. In 2021, the company purchased 29,299 shares at a total price of just under DKK 6 million under this programme. The company consequently held 104,299 treasury shares at year-end, corresponding to 1.34%, compared to 0.15% at year-end 2020.

### DIVIDEND POLICY

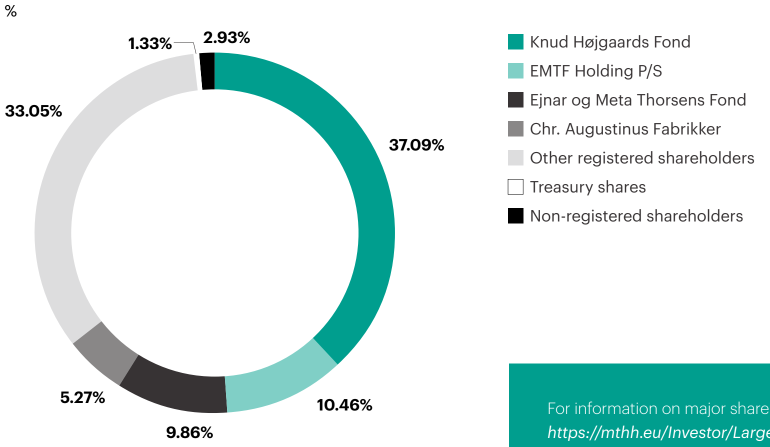
MT Højgaard Holding will endeavour to pay dividends, taking into account the need to reduce debt as well as the Group's liquidity forecast and solvency.

Dividend payments related to the solvency ratio:

- If the Group's solvency is 20-30%, the company will endeavour to distribute 25-30% of net profit for the year.
- If the Group's solvency exceeds 30%, the company will endeavour to distribute at least 50% of net profit for the year.

The Board will recommend that no dividend be paid for 2021. The objective of 20% solvency has not been met yet.

### SHAREHOLDER COMPOSITION AT 31.12.2021




For information on major shareholders, see *https://mthh.eu/Investor/Largest-shareholders*

# Data ethics

### DATA ETHICS REPORT

The MT Højgaard Holding Group has introduced a GDPR and data ethics policy based on its existing GDPR policy. The policy sets out the Group's data ethics guidelines for the collection, use and sharing of data with a view to ensuring good practice and respecting the rights of customers, partners and employees. The policy also describes how these principles are embedded in the business units and the efforts to promote knowledge-sharing and ensure training of relevant representatives across the Group.

The MT Højgaard Holding Group collects, uses and shares data in accordance with applicable laws and for legitimate business purposes. Data is stored safely and with a clear legal basis in accordance with fixed procedures for erasure, data subject access requests etc. The Group does not use algorithms or systematically collect and record data on customers, partners or employees.

The MT Højgaard Holding Group works systematically to protect stored data against cyber attacks. Data security is monitored continuously and immediate action is taken if an attack is suspected. Any breaches of data security or leaks of personal data are reported to the Danish Data Protection Agency.

# Executive Board and Board of Directors

**External appointments at 31 December 2021**
(CB) = Chairman of the board of directors
(DCB) = Deputy Chairman of the board of directors
(B) = Member of the board of directors
(D) = Executive position

## EXECUTIVE BOARD

### MORTEN HANSEN
President and CEO

**Joined:** 2019
**Born:** 1963
**Gender:** Male
**Nationality:** Danish
**Education:** BSc in Civil and Structural Engineering

**External appointments:**
- Omnia Invest A/S (D)
- Tirsbæk Bakker A/S (D)
- Juulsbjerg Ejendomme A/S (D)
- Enemærke & Petersen (CB)
- Raunstrup Byggeri A/S (CB)

**Shareholding:** 45,931
**Change in 2021:** 5,046

### MARTIN STIG SOLBERG
CFO

**Joined:** 2019
**Born:** 1974
**Gender:** Male
**Nationality:** Danish
**Education:** MSc in Business Administration and Auditing; Executive MBA

**External appointments:**
- Enemærke & Petersen (B)
- MT Højgaard Grønland ApS (B)
- Scandi Byg A/S (B)
- Greenland Contractors (B)

**Shareholding:** 0
**Change in 2021:** 0

## BOARD OF DIRECTORS

### CARSTEN DILLING
Chairman of the Board of Directors

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

**Independent:** Yes

**Elected first time in:** 2018

**Board committees**: Chairman of the Nomination and Remuneration Committees in MT Højgaard Holding A/S

**Position**: Professional board member

**Education:** HA and HD in International Business

**External appointments:**
- Icotera A/S, DK (CB)
- NNIT A/S, DK (CB)
- SAS AB, Sweden (CB)
- Terma A/S, DK (B)
- Bank of America, Senior Advisor
- Member of Maj Invest investment committees

**Special skills:** Strategic and operational management experience across sales, commercial and operational departments; mergers and acquisitions; economic and financial management in service, project and technology enterprises; digital transformation; board experience from listed companies.

**Shareholding:** 0
**Change in 2021:** 0

### ANDERS LINDBERG
Deputy Chairman of the Board of Directors

**Born:** 1965
**Gender:** Male
**Nationality:** Swedish

**Independent:** Yes

**Elected first time in:** 2019

**Board committees:** Chairman of the Audit Committee since August 2020, member of the Nomination and Remuneration Committees in MT Højgaard Holding A/S.

**Position:** CEO & President Dellner Couplers AB

**Education:** MSc in Electrical Engineering, MBA

**External appointments:**
- IEC Holden Inc, Canada (B)
- Climeon AB, Sweden (B)

**Special skills:** Complex projects, including risk management and understanding of the value chain and the necessity of transverse cooperation with many stakeholders; technical understanding; understanding of the market; broad management experience, including practical experience with change management processes.

**Shareholding:** 0
**Change in 2021:** 0

# Executive Board and Board of Directors

**External appointments at 31 December 2021**
(CB) = Chairman of the board of directors
(DCB) = Deputy Chairman of the board of directors
(B) = Member of the board of directors
(D) = Executive position

## BOARD OF DIRECTORS

### CHRISTINE THORSEN

**Born:** 1958
**Gender:** Female
**Nationality:** Danish

**Independent:** Yes

**Elected first time in:** 2016

**Board committees:** Member of the Sustainability Committee in MT Højgaard Holding A/S

**Position:** Member of the executive board, Dynamic Approach ApS (D)

**Education:** Master of Management of Technology (DTU), Consulting and Coaching for Change (INSEAD)

**External appointments:**
- ANT-Fonden, DK (CB)
- World Guide Foundation, DK (B)

**Special skills:** Change management, cost optimisation and experience from the contracting industry; board experience from listed company.

**Shareholding:** 19,001
**Change in 2021:** +12,805 (inheritance)

### PERNILLE FABRICIUS

**Born:** 1966
**Gender:** Female
**Nationality:** Danish

**Independent:** Yes

**Elected first time in:** 2014

**Board committees:** Member of the Audit Committee in MT Højgaard Holding A/S

**Position:** EVP and Group CFO, NNIT

**Education:** MSc in Business Economics and Auditing, MSc in Finance, LLM (EU law), MBA

**External appointments:**
- Gabriel A/S, DK (B and head of audit committee)

**Special skills:** Management and strategy, financial reporting, auditing, financing, refinancing, mergers and acquisitions, board experience from listed companies.

**Shareholding:** 0
**Change in 2021:** 0

### JANDA CAMPOS

**Born:** 1973
**Gender:** Female
**Nationality:** Brazilian and Danish

**Independent:** Yes

**Elected first time in:** 2021

**Board committees:** Member of the Sustainability Committee in MT Højgaard Holding A/S

**Position:** Group Director, Sustainability, Grundfos

**Education:** MSc in Business Administration and Philosophy

**External appointments:**
- Børsen Bæredygtig, Member of Advisory Board

**Special skills:** Knowledge and experience of ESG in both a Danish and an international perspective, especially within corporate sustainability, including strategic integration of sustainability in organisations, ESG analyses, sustainability forecasts and related reporting. She has previously worked as relationship executive of SOS Børnebyerne's department for business partnerships and as executive vice president in Carlsberg, where her responsibilities included sustainability (CSR) and Public Affairs, and she is a former member of the Foreign Ministry's Information Committee.

**Shareholding:** 0
**Change in 2021:** 0

# Executive Board and Board of Directors

**External appointments at 31 December 2021**
(CB) = Chairman of the board of directors
(DCB) = Deputy Chairman of the board of directors
(B) = Member of the board of directors
(D) = Executive position

## BOARD OF DIRECTORS

### STEFFEN BAUNGAARD

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

**Independent:** Yes

**Elected first time in:** 2021

**Position:** Professional board member

**Education:** MSc in Economics (HD-A), Constructing Architect, various leadership courses through IMD / Harvard

**External appointments:**
- DEKO A/S (CB)
- Brøndum Holding A/S (CB)
- M.B.P A/S (CB)
- Frederikshøj Ejendomme A/S (CB)
- Arkil Holding A/S (DCB)
- EBK Huse A/S (B)
- Carl Ras A/S (B)
- Nordic Waterproofing AB (B)

**Special skills:** More than 20 years' experience as a CEO in the construction industry through NCC and HusCompagniet.

**Shareholding:** 0
**Change in 2021:** 0

## EMPLOYEE REPRESENTATIVES ON THE BOARD OF DIRECTORS

### PETER MARTIN FACIUS

(1976, M)

**Company:** MT Højgaard Danmark

**Nationality:** Danish

**Position:** Qualified carpenter

**Education:** Skilled carpenter/joiner

### LARS TESCH OLSEN

(1970, M)

**Company:** Enemærke & Petersen

**Nationality:** Danish

**Position:** Carpenter

**Education:** Carpenter, undergoing board member training

### STINE MARIE SØDERDAHL FRIIS

(1984, F)

**Company:** Scandi Byg

**Nationality:** Danish

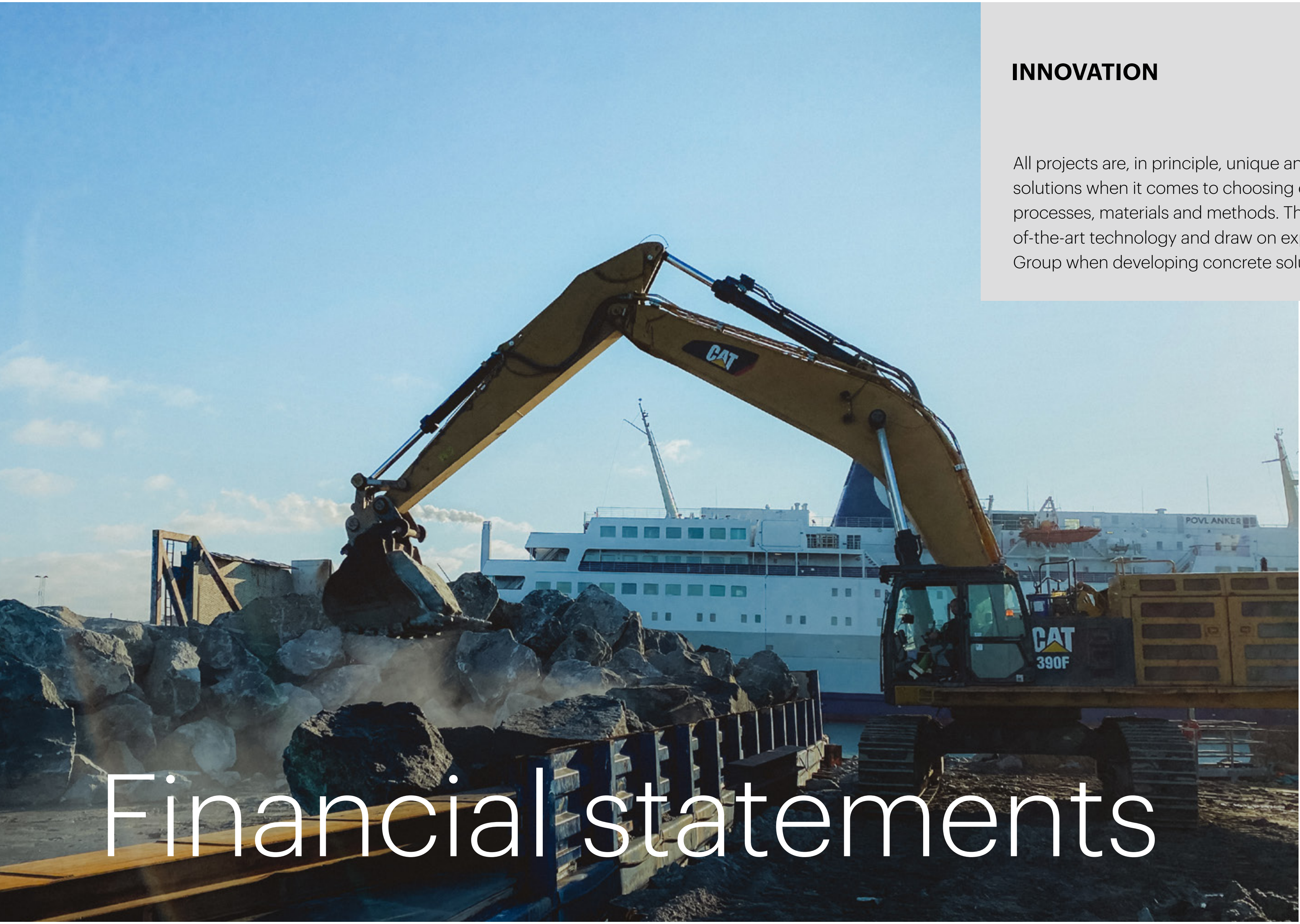
**Position:** Carpenter

**Education:** Carpenter

These employees were elected to the Board of Directors of MT Højgaard Holding A/S in 2021. Employee-elected members are elected for four-year terms, while members elected by the shareholders in general meeting are elected for one-year terms.

## INNOVATION

All projects are, in principle, unique and require customised solutions when it comes to choosing collaboration models, processes, materials and methods. The employees use state of-the-art technology and draw on expertise from across the Group when developing concrete solutions on projects.




# Financial statements

**PORT OF RØNNE**
MT Højgaard Danmark is busy with a major expansion of the Port of Rønne. The project includes the extension of the outer pier by 450 metres, 300 metres of new heavy cargo quay and increasing the depth of the harbour basin to 11 metres. The project on Bornholm is MT Højgaard Danmark's biggest marine engineering project for many years.

# Consolidated financial statements

## CONTENTS



## NOTES

# Income statement and statement of comprehensive income

| Note | Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|---|
| | **INCOME STATEMENT** | 2021 | 2020 | 2021 | 2020 |
| 4 | Revenue | 7,203.1 | 5,779.9 | 166.8 | - |
| 5-7 | Production costs | -6,669.1 | -5,344.8 | -133.1 | - |
| | **Gross profit/(loss)** | **534.0** | **435.1** | **33.7** | **-** |
| 7 | Distribution costs | -162.9 | -119.9 | - | - |
| 7-8 | Administrative expenses | -235.2 | -201.1 | -46.3 | -7.4 |
| | **Profit/(loss) before share of profit/(loss) of joint ventures** | **135.9** | **114.1** | **-12.6** | **-7.4** |
| 9 | Share of profit/(loss) after tax of joint ventures | 42.9 | -10.2 | - | - |
| | **Profit/(loss) before special items** | **178.8** | **103.9** | **-12.6** | **-7.4** |
| 10 | Special items | -52.1 | -71.1 | - | - |
| | **EBIT** | **126.7** | **32.8** | **-12.6** | **-7.4** |
| 9 | Share of profit/(loss) of subsidiaries | - | - | 152.4 | 122.6 |
| 11 | Finance income | 4.1 | 6.1 | 12.4 | 0.3 |
| 12 | Finance costs | -37.7 | -49.8 | -42.8 | -23.6 |
| | **Profit/(loss) before tax from continuing operations** | **93.1** | **-10.9** | **109.4** | **91.9** |
| 13 | Tax on profit/(loss) for the year from continuing operations | 41.3 | 14.6 | 8.2 | 8.5 |
| | **Net profit/(loss) for the year from continuing operations** | **134.4** | **3.7** | **117.6** | **100.4** |
| 32 | Net profit/(loss) for the year from discontinued operations | -16.2 | 97.1 | - | - |
| | **Net profit/(loss) for the year** | **118.2** | **100.8** | **117.6** | **100.4** |
| | **Attributable to:** | | | | |
| | Shareholders of MT Højgaard Holding A/S | 117.6 | 100.4 | 117.6 | 100.4 |
| | Non-controlling interests | 0.6 | 0.4 | - | - |
| | **Total** | **118.2** | **100.8** | **117.6** | **100.4** |
| | **Earnings per share** | | | | |
| 14 | Earnings per share (EPS), DKK | 15.2 | 12.9 | | |
| 14 | Diluted earnings per share (EPS-D), DKK | 15.1 | 12.9 | | |
| 14 | Earnings per share from continuing operations, DKK | 17.3 | 0.4 | | |
| 14 | Diluted earnings per share from continuing operations, DKK | 17.2 | 0.4 | | |

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **STATEMENT OF COMPREHENSIVE INCOME** | 2021 | 2020 | 2021 | 2020 |
| Net profit/(loss) for the year | 118.2 | 100.8 | 117.6 | 100.4 |
| **Other comprehensive income** | | | | |
| Items that may be reclassified to the income statement: | | | | |
| Foreign exchange adjustments arising on translation of foreign entities | -1.9 | 4.0 | -1.9 | 4.0 |
| Capital items, joint ventures | 7.0 | -1.6 | 5.5 | -1.6 |
| Other capital items | -1.5 | - | - | - |
| **Other comprehensive income after tax** | **3.6** | **2.4** | **3.6** | **2.4** |
| **Total comprehensive income** | **121.8** | **103.2** | **121.2** | **102.8** |
| **Attributable to:** | | | | |
| Shareholders of MT Højgaard Holding A/S | 121.2 | 102.8 | 121.2 | 102.8 |
| Non-controlling interests | 0.6 | 0.4 | - | - |
| **Total** | **121.8** | **103.2** | **121.2** | **102.8** |

# Balance sheet

| Note | Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|---|
| | **ASSETS** | **2021** | **2020** | **2021** | **2020** |
| | **Non-current assets** | | | | |
| 15 | Intangible assets | 529.0 | 433.6 | 3.0 | - |
| 16 | Property, plant and equipment | 367.2 | 421.3 | 15.2 | - |
| 17 | Lease assets | 256.3 | 513.1 | 91.1 | - |
| 9 | Investments in subsidiaries | - | - | 1,820.8 | 1,632.1 |
| 9 | Investments in joint ventures | 90.8 | 86.5 | - | - |
| 19 | Receivables | 13.0 | 37.4 | - | - |
| 13 | Deferred tax assets | 196.8 | 155.3 | 6.7 | 3.7 |
| | **Total non-current assets** | **1,453.1** | **1,647.2** | **1,936.8** | **1,635.8** |
| | **Current assets** | | | | |
| 18 | Inventories | 356.2 | 548.1 | - | |
| 19 | Receivables | 1,876.1 | 1,367.9 | 17.4 | 0.2 |
| | Receivables from group enterprises | | | 678.7 | 45.2 |
| 20 | Construction contracts | 379.6 | 209.4 | - | |
| | Income tax | 1.9 | 3.6 | 3.8 | 3.9 |
| | Prepayments | 20.4 | 29.6 | 9.3 | |
| 21 | Cash and cash equivalents | 252.0 | 203.9 | 191.1 | 1.6 |
| | **Total current assets** | **2,886.2** | **2,362.5** | **900.3** | **50.9** |
| | **Total assets** | **4,339.3** | **4,009.7** | **2,837.1** | **1,686.7** |

| Note | Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|---|
| | **EQUITY AND LIABILITIES** | **2021** | **2020** | **2021** | **2020** |
| | **Equity** | | | | |
| | Share capital | 155.7 | 155.7 | 155.7 | 155.7 |
| | Translation reserve | 1.1 | 3.0 | - | - |
| | Net revaluation reserve according to the equity method | - | - | 225.1 | 66.4 |
| | Retained comprehensive income | 563.9 | 450.9 | 339.9 | 387.5 |
| | **Equity attributable to shareholders** | **720.7** | **609.6** | **720.7** | **609.6** |
| | Non-controlling interests | 16.1 | 14.8 | - | - |
| | **Total equity** | **736.8** | **624.4** | **720.7** | **609.6** |
| | **Liabilities** | | | | |
| | **Non-current liabilities** | | | | |
| 13 | Deferred tax liabilities | 110.5 | 101.6 | - | - |
| 23 | Provisions | 187.6 | 153.3 | - | - |
| 24 | Mortgage debt | 12.0 | 17.3 | - | - |
| 17 | Lease commitments | 241.1 | 331.7 | 99.2 | - |
| 25 | Subordinated loan | 400.0 | 400.0 | 400.0 | 400.0 |
| 24 | Payables to group enterprises | 17.3 | 17.3 | 17.3 | 616.2 |
| 24 | Other non-current liabilities | 182.9 | 128.9 | 8.4 | - |
| | **Total non-current liabilities** | **1,151.4** | **1,150.1** | **524.9** | **1,016.2** |
| | **Current liabilities** | | | | |
| 24 | Mortgage debt | 5.3 | 5.3 | - | - |
| 24 | Bank loans | 1.0 | 37.1 | - | 56.6 |
| 17 | Lease commitments | 65.1 | 125.0 | 18.2 | - |
| 20 | Construction contracts | 827.9 | 685.6 | - | - |
| | Trade payables | 996.4 | 709.3 | 16.4 | 4.3 |
| 24 | Other liabilities | 363.0 | 372.9 | 17.4 | - |
| | Payables to group enterprises | - | - | 1,536.3 | - |
| | Income tax | 10.5 | 4.3 | 1.2 | - |
| 23 | Provisions | 171.2 | 280.9 | 2.0 | - |
| | Deferred income | 10.7 | 14.8 | - | - |
| | **Total current liabilities** | **2,451.1** | **2,235.2** | **1,591.5** | **60.9** |
| | **Total liabilities** | **3,602.5** | **3,385.3** | **2,116.4** | **1,077.1** |
| | **Total equity and liabilities** | **4,339.3** | **4,009.7** | **2,837.1** | **1,686.7** |

# Statement of cash flows

| Note | Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| | EBIT | 126.7 | 32.8 | -12.6 | -7.4 |
| | EBIT from discontinued operations | -15.8 | -3.8 | - | - |
| 28 | Adjustments for items not included in cash flow etc. | 307.0 | 320.6 | 36.2 | - |
| | **Cash flows from operating activities before working capital changes** | **417.9** | **349.6** | **23.6** | **-7.4** |
| | **Working capital changes:** | | | | |
| | Inventories | 74.8 | -78.8 | - | - |
| | Receivables | -296.4 | -26.6 | -26.4 | -0.1 |
| | Receivables and liabilities from group enterprises | - | - | 288.7 | -45.2 |
| | Construction contracts | -53.7 | 114.4 | - | - |
| | Trade and other current payables | -5.2 | -154.3 | 54.9 | - |
| | **Cash flows from operations (operating activities)** | **137.4** | **204.3** | **340.8** | **-52.7** |
| | Finance income | 3.4 | 6.1 | 12.4 | 0.3 |
| | Finance costs | -57.4 | -57.6 | -42.8 | -23.6 |
| | Income taxes paid | -7.0 | -16.2 | 6.5 | 0.9 |
| | **Cash flows from operating activities** | **76.4** | **136.6** | **316.9** | **-75.1** |
| 15 | Purchase of intangible assets | -8.9 | -1.8 | -18.4 | - |
| 16 | Purchase of property, plant and equipment | -238.5 | -83.6 | -22.9 | - |
| | Sale of property, plant and equipment | 78.2 | 61.6 | 1.3 | - |
| 31 | Acquisition of enterprises and activities | -90.0 | -28.2 | - | -553.8 |
| 32 | Disposal of enterprises and activities | 536.5 | 210.5 | - | - |
| 9 | Capital changes in joint ventures and subsidiaries | - | - | -30.0 | - |
| | Loans to joint ventures | 89.9 | - | - | - |
| | **Cash flows from investing activities** | **367.2** | **158.5** | **-70.0** | **-553.8** |

| Note | Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| 26 | **Loan financing:** | | | | |
| | Decrease in bank loans | -5.3 | -11.5 | - | - |
| | Decrease in lease debt | -334.6 | -120.9 | -11.8 | - |
| | Transfer of lease debt | | | 29.5 | - |
| | Increase in loans from group enterprises | - | - | - | 598.9 |
| | **Shareholders:** | | | | |
| | Purchase of treasury shares | -18.5 | -1.9 | -18.5 | -1.9 |
| | **Cash flows from financing activities** | **-358.4** | **-134.3** | **-0.8** | **597.0** |
| | **Net increase (decrease) in cash and cash equivalents** | **85.2** | **160.8** | **246.1** | **-31.9** |
| | Cash and cash equivalents at 01-01 | 166.8 | 6.0 | -55.0 | -23.0 |
| 21 | **Cash and cash equivalents at 31-12** | **252.0** | **166.8** | **191.1** | **-55.0** |

# Statement of changes in equity, Group

Amounts in DKK million — 2021

| GROUP | Share capital | Translation reserve | Retained compre-hensive income | Equity attributable to share-holders | Non-con-trolling interests | Total-equity |
|---|---|---|---|---|---|---|
| Equity at 01-01 | 155.7 | 3.0 | 450.9 | **609.6** | 14.8 | **624.4** |
| Net profit/(loss) for the year | - | - | 117.6 | **117.6** | 0.6 | **118.2** |
| **Other comprehensive income:** | | | | | | |
| Foreign exchange adjustments arising on translation of foreign entities | - | -1.9 | - | **-1.9** | - | **-1.9** |
| Capital items, joint ventures | - | - | 7.0 | **7.0** | - | **7.0** |
| Other capital items | - | - | -1.5 | **-1.5** | - | **-1.5** |
| **Total other comprehensive income** | **-** | **-1.9** | **5.5** | **3.6** | **-** | **3.6** |
| **Transactions with owners:** | | | | | | |
| Purchase of treasury shares | - | - | -18.5 | **-18.5** | - | **-18.5** |
| Share-based payments | - | - | 8.4 | **8.4** | - | **8.4** |
| **Total transactions with owners** | **-** | **-** | **-10.1** | **-10.1** | **-** | **-10.1** |
| Addition non-controlling interests | | | **-** | **-** | **0.7** | **0.7** |
| **Total changes in equity** | **-** | **-1.9** | **113.0** | **111.1** | **1.3** | **112.4** |
| **Equity at 31-12** | **155.7** | **1.1** | **563.9** | **720.7** | **16.1** | **736.8** |

Amounts in DKK million — 2020

| GROUP | Share capital | Translation reserve | Retained compre-hensive income | Equity attributable to share-holders | Non-con-trolling interests | Total-equity |
|---|---|---|---|---|---|---|
| Equity at 01-01 | 155.7 | -1.0 | 352.0 | **506.7** | 14.4 | **521.1** |
| Net profit/(loss) for the year | - | - | 100.4 | **100.4** | 0.4 | **100.8** |
| **Other comprehensive income:** | | | | | | |
| Foreign exchange adjustments arising on translation of foreign entities | - | 4.0 | - | **4.0** | - | **4.0** |
| Capital items, joint ventures | - | - | -1.6 | **-1.6** | - | **-1.6** |
| **Total other comprehensive income** | **-** | **4.0** | **-1.6** | **2.4** | **-** | **2.4** |
| **Transactions with owners:** | | | | | | |
| Purchase of treasury shares | - | - | -1.9 | **-1.9** | - | **-1.9** |
| Share-based payments | - | - | 2.0 | **2.0** | - | **2.0** |
| **Total transactions with owners** | **-** | **-** | **0.1** | **0.1** | **-** | **0.1** |
| **Total changes in equity** | **-** | **4.0** | **98.9** | **102.9** | **0.4** | **103.3** |
| **Equity at 31-12** | **155.7** | **3.0** | **450.9** | **609.6** | **14.8** | **624.4** |

# Statement of changes in equity, parent company

Amounts in DKK million — 2021

| PARENT COMPANY | Share capital | Net revaluation reserve according to the equity method | Retained comprehensive income | Totalequity |
|---|---|---|---|---|
| Equity at 01-01 | 155.7 | 66.4 | 387.5 | **609.6** |
| Net profit/(loss) for the year | - | 152.4 | -34.8 | **117.6** |
| **Other comprehensive income:** | | | | |
| Foreign exchange adjustments, foreign entities | - | -1.9 | - | **-1.9** |
| Capital items, subsidiaries | - | 5.5 | - | **5.5** |
| **Total other comprehensive income** | **-** | **3.6** | **-** | **3.6** |
| **Transactions with owners:** | | | | |
| Purchase of treasury shares | - | - | -18.5 | **-18.5** |
| Share-based payments | - | 2.7 | 5.7 | **8.4** |
| **Total transactions with owners** | **-** | **2.7** | **-12.8** | **-10.1** |
| **Total changes in equity** | **-** | **158.7** | **-47.6** | **111.1** |
| **Equity at 31-12** | **155.7** | **225.1** | **339.9** | **720.7** |

Amounts in DKK million — 2020

| PARENT COMPANY | Share capital | Net revaluation reserve according to the equity method | Retained comprehensive income | Totalequity |
|---|---|---|---|---|
| Equity at 01-01 | 155.7 | - | 351.0 | **506.7** |
| Net profit/(loss) for the year | - | **64.0** | 36.4 | **100.4** |
| **Other comprehensive income:** | | | | |
| Foreign exchange adjustments, foreign entities | - | 4.0 | - | **4.0** |
| Capital items, subsidiaries | - | -1.6 | - | **-1.6** |
| **Total other comprehensive income** | **-** | **2.4** | **-** | **2.4** |
| **Transactions with owners:** | | | | |
| Purchase of treasury shares | **-** | - | -1.9 | **-1.9** |
| Share-based payments | - | - | 2.0 | **2.0** |
| **Total transactions with owners** | **-** | **-** | **0.1** | **0.1** |
| **Total changes in equity** | **-** | **66.4** | **36.5** | **102.9** |
| **Equity at 31-12** | **155.7** | **66.4** | **387.5** | **609.6** |

# Notes

## Note 1 Accounting policies

The 2021 annual report of the MT Højgaard Holding Group and the parent company has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act.

On 22 February 2022, the Board of Directors and the Executive Board discussed and approved the Annual Report 2021 of MT Højgaard Holding A/S. The annual report will be presented to the shareholders of MT Højgaard Holding A/S for approval at the Annual General Meeting on 16 March 2022.

The annual report is presented in Danish kroner (DKK million).

Except as stated below, the accounting policies are unchanged from those applied in the 2020 consolidated financial statements and parent company financial statements.

**CHANGES IN ACCOUNTING POLICIES**

MT Højgaard Holding A/S has implemented the following new or amended standards and interpretations with effect from 1 January 2021:

- Amendments to IFRS 9, IAS 39 and IFRS 7 on the IBOR reform, phase 2

MT Højgaard Holding A/S has implemented the standards and interpretations that become effective in the EU for 2021. None of these standards or interpretations has affected recognition or measurement in 2021 or is expected to affect the Group.

**CHANGES TO PRESENTATION**

In order to make the operating results clearer and ensure they match the presentation of the published outlook, operating profit/(loss) and operating margin are presented before special items and special amortisation (amortisation and write-downs of the write-ups of customer relationships, brand and order book in connection with enterprise acquisitions). The reportable business units/segments also use operating profit/(loss) and operating margin as an alternative performance measure before special items and special amortisation. This performance measure provides a more accurate picture of the Group's and the business units' overall ordinary operating activities.

Operating profit/(loss) (before special items and special amortisation) is classified separately in the income statement in order to provide a clearer picture of the company's operating profit/(loss) that excludes special income and costs of no relevance to the business units' activities.

Operating profit/(loss) (before special items and special amortisation) is the result that is reported to the Executive Board and the Board of Directors to enable them to assess the business unit's/segment's financial performance.

Special items comprise material income and costs not directly attributable to the company's ordinary operating activities. Income and costs relate to considerable restructuring of processes and structural adjustments as well as the resulting gains or losses.

Special amortisation is PPA amortisation, i.e. amortisation of the write-ups of customer relationships, brand and order book in connection with enterprise acquisitions.

The application of the new alternative performance measure has resulted in a change to gross profit/(loss) and gross margin with PPA amortisation now being extracted from production costs. Operating profit/(loss) (EBIT) is unchanged.

Comparative figures have been restated accordingly.

**GOING CONCERN STATEMENT**

In connection with the financial reporting, the Board of Directors, the Audit Committee and the Executive Board have assessed whether it is appropriate to adopt the going concern basis of accounting. The Board of Directors, the Audit Committee and the Executive Board have concluded that there are no factors, at the time of publication of the financial statements, that cast any doubt on the Group's and the parent company's ability and willingness to continue as a going concern until at least the next reporting date. This conclusion has been reached on the basis of knowledge of the Group and the future outlook.

**CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the parent company MT Højgaard Holding A/S and subsidiaries controlled by the Group. The Group controls an enterprise when it is exposed to, or has rights to, variable returns from its involvement with the enterprise and has the ability to affect those returns through its power over the enterprise.

When assessing control, the Group takes into account de facto control and potential voting rights that are substantive at the reporting date. Subsidiaries' items are fully consolidated in the consolidated financial statements. Non-controlling interests' share of net profit/(loss) for the year and of equity in subsidiaries that are not wholly-owned is recognised as part of the Group's profit/(loss) or equity but is presented separately.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises.

The consolidated financial statements of MT Højgaard Holding are prepared on the basis of the parent company's and the individual enterprises' audited financial statements determined in accordance with the MT Højgaard Holding Group's accounting policies. On

# Notes

## Note 1 Accounting policies (continued)

preparation of the consolidated financial statements, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from transactions between the consolidated enterprises are also eliminated.

Joint arrangements are operations or entities over which the Group has joint control through contractual agreements with one or more parties. Joint control means that decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified as joint ventures or joint operations. Joint operations are arrangements whereby the parties have direct rights to the assets, and obligations for the liabilities, while joint ventures are arrangements whereby the parties have rights to the net assets only.

All the Group's jointly owned companies are classified as joint ventures, i.e. the Group does not have any joint operations that are recognised on a pro rata basis in the consolidated financial statements. Gains and losses on disposal of subsidiaries and joint ventures are determined by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

**FOREIGN CURRENCY TRANSLATION**

For each of the reporting enterprises in the Group, the functional currency is determined as the primary currency in the market in which the enterprise operates. The parent company's functional currency is Danish kroner and the Group's presentation currency is Danish kroner.

Transactions denominated in all currencies other than the functional currency are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the reporting date. Foreign exchange differences arising between the exchange rate at the transaction date or the reporting date and the date of settlement are recognised in the income statement as finance income and costs.

On recognition of foreign subsidiaries and joint arrangements, income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates, which do not differ significantly from the exchange rates at the transaction date, while balance sheet items are translated at the exchange rates at the reporting date. Foreign exchange differences arising on translation of the opening equity of foreign enterprises at the exchange rates at the reporting date and on translation of the income statement items from average exchange rates to the exchange rates at the reporting date are recognised in other comprehensive income and in a separate translation reserve in equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

**BUSINESS COMBINATIONS**

Acquisitions of enterprises over which the parent company obtains control are accounted for by using the acquisition method The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right, and the fair value can be determined reliably. The tax effect of the restatements performed is taken into account.

Any excess of the cost over the fair value of the assets acquired and liabilities and contingent liabilities assumed is recognised in intangible assets as goodwill. Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down through the income statement to the recoverable amount if this is lower than the carrying amount. Impairment losses relating to goodwill are not reversed.

**NON-CONTROLLING INTERESTS**

On initial recognition, non-controlling interests are measured either at the fair value of the non-controlling interests' equity interest or at their proportionate share of the fair value of the acquiree's identifiable assets acquired and liabilities and contingent liabilities assumed.

The Group has entered into put and call options on the acquisition of non-controlling shareholders' ownership interests in some subsidiaries. The put option entitles non-controlling shareholders to sell their non-controlling interests to the Group at a predefined exercise price that reflects an EBITDA multiple. At the same time, the Group has call options for the non-controlling shareholdings at an exercise price that is identical to the price applying to the put options referred to above.

Subsidiaries with non-controlling shareholdings that are subject to put options are fully consolidated. The non-controlling ownership interest that is subject to the put option is reclassified to a liability at the time the agreement is entered into.

**DERIVATIVE FINANCIAL INSTRUMENTS**

The Group uses derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities. For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as finance costs or finance income as they occur.

# Notes

## Note 1 Accounting policies (continued)

For derivative financial instruments that qualify for cash flow hedge accounting, changes in fair value are recognised in other comprehensive income and in a separate hedging reserve in equity.

Income and expenses relating to such hedging transactions are transferred from the reserve in equity to the income statement at the date on which the hedged cash flows affect profit/(loss) and are recognised in the same item as the hedged item.

Derivative financial instruments are recognised from the trade date and measured in the balance sheet at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates (Level 2).

### INCOME STATEMENT

#### Revenue

Revenue comprises goods supplied, completed construction contracts and construction contracts in progress, sale of development projects, sale of properties as well as services determined on a contract basis.

Where several contracts have been entered into with the same customer at the same time, the contracts are combined if they have a single commercial objective, the amount of consideration in one contract depends on the other contract, and the goods or services promised are a single performance obligation.

The Group's sales contracts are broken down into separately identifiable performance obligations, which are recognised and measured separately at fair value. Where a sales contract comprises several performance obligations, the total selling price is allocated to each separate performance obligation based on the selling price of each performance obligation. Revenue is recognised when control of each separately identifiable performance obligation has transferred to the customer. The recognised revenue is measured at the fair value of the agreed consideration excluding VAT and taxes collected on behalf of third parties. All forms of discounts granted are recognised in revenue. Fair value corresponds to the agreed price discounted to present value if the payment terms are greater than 12 months. The amount of variable consideration, for example in the form of performance bonuses, incentives, penalties, etc., is only recognised in revenue if it is highly probable that a reversal of the amount of consideration will not occur in future periods, for example as a result of failure to meet targets.

Any contract modifications are recognised when they have been approved by all parties to the contract. Modifications and the associated revenue are accounted for based on an assessment of the standalone price of the modifications and an actual assessment of the elements of the contract compared with the other performance obligations under the sales contract.

#### CONSTRUCTION CONTRACTS

Revenue from construction contracts related to work performed on a customer's land can be categorised as improvements of the customer's property and is consequently recognised over time.

Revenue from construction contracts is also recognised over time if the subject matter of the contract is of such a specialised nature that there is no alternative use for it and the contract states that the Group is entitled to payment for work performed in the event of the contract being terminated for reasons that are not due to breach on the part of the Group.

The Group's construction contracts comprise the construction of major construction and civil engineering projects for private and public customers. Construction contracts basically comprise a single performance obligation as the customer only obtains benefits from the performance of the whole construction contract and the contract involves a high degree of integration of the various contract components.

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

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

#### FACILITY MANAGEMENT ETC.

Services such as facility management are considered to be a series of homogenous services that have the same pattern of transfer to the customer. Service contracts are accounted for as a single performance obligation. As customers receive and obtain benefits from the work performed on an ongoing basis, revenue is recognised over time. Revenue is recognised using input methods based on costs incurred relative to total estimated costs.

#### PROJECT DEVELOPMENT

Revenue from project development where the overall project has not been sold prior to project start-up is recognised over time during the construction period based on the number of apartments sold and the overall percentage of completion.

Recognition of revenue over time is based on an assessment that the apartments are so specialised that they cannot be used for any other purpose and that the Group is legally entitled to payment and that payment will be received.

Unsold apartments are recognised at cost under inventories.

# Notes

## Note 1 Accounting policies (continued)

### RENTAL INCOME

Rental income comprises equipment hire and-building hire under operating leases. Rental is accrued and recognised as income on a straight-line basis over the lease period under the lease agreement.

### DIRECT PROPERTY SALES

Direct property sales, both as sales of individual assets and sale of an enterprise, are recognised in revenue when control of the separately identifiable performance obligation in the sales contract transfers to the customer, i.e. at the acquisition date according to the terms of sale.

### PRODUCTION COSTS

Production costs comprise both direct and indirect costs incurred in generating the revenue for the year, and expected losses on construction contracts in progress.

Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses on capital equipment, subcontractor supplies, leasing of capital equipment, design and technical assistance, remedial and guarantee works as well as subsupplier claims, for example relating to extra work, including any related interest payments, etc.

### DISTRIBUTION COSTS

Distribution costs include bidding, advertising and marketing costs as well as salaries etc. relating to sales and marketing departments.

### ADMINISTRATIVE EXPENSES

Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

### SPECIAL ITEMS

Special items comprise material income and costs not directly attributable to the company's ordinary operating activities. Income and costs relate to considerable restructuring of processes and structural adjustments as well as the resulting gains or losses. Special amortisation is PPA amortisation, i.e. amortisation of the write-ups of customer relationships, brand and order book in connection with enterprise acquisitions.

These items are presented as separate items in the income statement to provide a better basis for assessing the company's operating profit/(loss) without any effect from income or costs considered to be special.

### THE GROUP'S SHARE OF PROFIT/(LOSS) AFTER TAX OF JOINT VENTURES

The proportionate share of profit/(loss) of joint ventures is recognised in the consolidated income statement net of tax and after elimination of intragroup gains and losses and gains/losses on sale of joint ventures.

### FINANCE INCOME AND COSTS

Finance income and costs comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on financial assets, payables and transactions denominated in foreign currencies, as well as finance lease costs and income tax surcharges and refunds, and gains/losses on sale of subsidiaries. Borrowing costs attributable to the acquisition, construction or development of self-constructed assets are recognised as part of the cost of those assets.

### INCOME TAX

Income tax expense, consisting of current tax and changes in deferred tax, is recognised in net profit/(loss) for the year, other comprehensive income or directly in equity.

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

MT Højgaard Holding A/S is the management company for the Danish joint taxation and consequently settles all income tax payments to the Danish tax authorities.

Current tax is allocated among the jointly taxed Danish companies in proportion to their taxable income.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes and office premises. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question have previously been recognised in equity.

Deferred tax assets, including the value represented by the tax base of tax loss carry-forwards, are recognised at the value at which it is expected that they can be utilised either by set-off against deferred tax liabilities or tax on future profits/(losses) of the parent company and the other jointly taxed enterprises in the same country. Deferred tax assets are entered as a separate line item within other non-current assets.

Deferred tax assets are reviewed annually and are only recognised to the extent that it is probable that they will be utilised within the foreseeable future.

# Notes

## Note 1 Accounting policies (continued)

**BALANCE SHEET**

**Intangible assets**
Recognition and measurement of goodwill is described in the section on business combinations. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life. The basis of amortisation is reduced by any impairment losses. Other intangible assets comprise customer relationships, brands, order book and ERP and other IT systems.

Expected useful lives:

| | |
|---|---|
| • Customer relationships | 5 years |
| • Brands | 20 years |
| • Order book | 1-3 years |
| • ERP and other IT systems | 3-7 years |

**Property, plant and equipment**
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises purchase price and any costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect cost of materials, components, subsuppliers and labour as well as borrowing costs attributable to the construction of the assets.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life to the expected residual value. Useful lives are determined on an individual basis for major assets, while the useful lives of other assets are determined for groups of uniform assets.

Expected useful lives:

| | |
|---|---|
| • Buildings | 10-50 years |
| • Plant and machinery | 3-10 years |
| • Fixtures and fittings, tools and equipment | 3-10 years |
| • Leasehold improvements | 2-10 years |

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the acquisition date and reviewed annually.

Gains and losses on disposal of property, plant and equipment are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal and are recognised in the income statement as production costs or administrative expenses.

**LEASES**
A lease asset and a lease liability are recognised in the balance sheet when, under a lease entered into for a specific identifiable asset, the lease asset is made available to the Group for the lease term, and when the Group obtains the right to substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Lease liabilities are measured initially at the present value of future lease payments discounted using the Group's alternative borrowing rate.

The following lease payments are recognised as part of the lease liability:

- Fixed payments
- Variable payments that depend on an index or a rate, based on the index or interest rate in question
- Payments due under residual value guarantees
- The exercise price of a purchase option if management is reasonably certain to exercise that option
- Payments comprised by an option to extend the lease if the Group is reasonably certain to exercise that option
- Penalty related to an option to terminate the lease unless the Group is reasonably certain not to exercise that option.

The lease liability is measured at amortised cost under the effective interest method. The lease liability is reassessed if the underlying contractual cash flows change as a result of

- changes in an index or a rate,
- if there are changes in a residual value guarantee or the amount the Group expects to be payable under a residual value guarantee,
- if the Group changes its assessment of whether it is reasonably certain to exercise a purchase option or an option to extend or terminate the lease.

The lease asset is measured initially at cost, corresponding to the value of the lease liability less any prepayments of lease payments and with the addition of any directly related costs and estimated costs for dismantling, restoration or similar and less any discounts or other types of incentive payments from the lessor.

The asset is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses. The lease asset is depreciated over the shorter of the lease term and the useful life of the lease asset. Depreciation is recognised in the income statement on a straight-line basis.

The lease asset is adjusted for changes in the lease liability as a result of changes in the terms and conditions of the lease or changes in the contractual cash flows depending on changes in an index or a rate.

Lease assets are depreciated on a straight-line basis over the expected lease term, which is:

| | |
|---|---|
| • Vehicles | 2-5 years |
| • Properties | 2-10 years |
| • Plant and machinery | 2-4 years |

# Notes

## Note 1 Accounting policies (continued)

The Group presents the lease asset and the lease liability separately in the balance sheet.

The Group has elected not to recognise lease assets of low value and short-term (less than 12 months) leases in the balance sheet. Instead, lease payments relating to such leases are recognised in the income statement on a straight-line basis.

Assets that are leased out on operating lease terms are recognised, measured and presented in the balance sheet in the same way as the Group's other assets of a similar type. Lease income is recognised in the income statement under revenue over the lease term on a straight-line basis.

The Group enters into agreements to sublease an underlying asset to a third party while the Group remains the primary obligor under the original lease. In these arrangements, the Group acts as both the lessee and lessor of the same underlying asset. If the leased asset is subleased on terms that transfer substantially all the remaining risks and benefits under the head lease to the sublease, the right of use is deducted, and a lease receivable recognised.

The gain/loss on the right-of-use asset, if any, is recognised in the income statement.

### INVESTMENTS IN JOINT VENTURES IN THE CONSOLIDATED FINANCIAL STATEMENTS

In the Group's balance sheet, investments in joint ventures are measured using the equity method. Accordingly, as a rule investments are measured at the proportionate shares of the joint ventures' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Joint ventures with a negative net asset value are recognised at nil. If the Group has a legal or constructive obligation to cover a joint venture's negative balance, the negative balance is offset against the Group's receivables from the enterprise. Any balance is recognised in other provisions.

The Group is a party to several PPP and PPC companies, which are all recognised as joint ventures in accordance with IFRS 11. According to the contractual arrangements between the parties, decisions require the unanimous consent of all parties.

### INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES IN THE PARENT COMPANY FINANCIAL STATEMENTS

In the parent company balance sheet, investments in subsidiaries and joint ventures are measured using the equity method. Accordingly, as a rule investments are measured at the proportionate shares of the joint ventures' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Subsidiaries and joint ventures with a negative net asset value are recognised at nil. If the parent company has a legal or constructive obligation to cover an enterprise's negative balance, the negative balance is offset against the parent company's receivables from the enterprise. Any balance is recognised in other provisions.

The proportionate share of profit/(loss) of subsidiaries and joint ventures is recognised in the parent company income statement net of tax and after elimination of intragroup gains and losses.

### IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amounts of intangible assets, property, plant and equipment and other non-current assets, including lease assets, are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset or cash-generating unit is determined. However, the recoverable amount of goodwill is always determined annually.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed. Impairment losses relating to goodwill are not reversed.

### OTHER NON-CURRENT ASSETS

Call options relating to non-controlling equity interests in some subsidiaries are measured at fair value through the income statement, and adjustments are recognised in net financials.

The fair value adjustment includes the effect of the change in the estimated present value of the expected cash flows for acquiring the remaining equity interests. The fair value of the call options relating to non-controlling equity interests in some subsidiaries are included in the item "Other non-current assets".

### INVENTORIES

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than the cost, the carrying amount is written down to this lower value. The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

Properties, project development in progress as yet unsold under IFRS 15 and undeveloped sites that are not classified as held for continued future ownership or use are measured at the lower of cost and net realisable value and are carried as properties held for resale. Properties held for resale include undeveloped sites held with a view to project development activities, and completed residential projects for resale.

# Notes

## Note 1 Accounting policies (continued)

**RECEIVABLES**
The simplified IFRS 9 expected credit loss model, where the expected loss over the life of the financial asset is recognised immediately in the income statement, is applied to financial assets related to trade receivables and construction contract assets. The financial asset is recognised at the same time as the receivable is recognised in the balance sheet.

For the purpose of measuring expected credit losses, trade receivables and construction contract assets are grouped based on characteristics and number of days past due.

Risks related to losses on trade receivables are assessed prior to contract inception and continuously monitored until realisation in accordance with the Group's risk management policies. Write-downs are determined based on the expected percentage loss, which is determined on the basis of historical data, a default day of 90 days and adjusted for estimates of the effect of expected changes in relevant parameters, including market trends in the construction and civil engineering industry and cyclical fluctuations etc. that are expected to potentially affect the industry.

**CONSTRUCTION CONTRACTS (ASSETS/ EQUITY AND LIABILITIES)**
The selling price is measured by reference to the total expected income from each construction contract and the stage of completion at the reporting date. The stage of completion is determined on the basis of the costs incurred and the total expected costs.

When it is probable that total expected costs on a construction contract in progress will exceed total expected contract income, the total expected loss on the contract is recognised as an expense immediately.

Where the selling price cannot be measured reliably, it is recognised at the lower of costs incurred and net realisable value.

The individual construction contract in progress is recognised in the balance sheet as a contract asset or a contract liability, depending on the selling price less progress billings and recognised losses.

**CONTRACT COSTS**
Contract performance costs incurred as a direct consequence of the contract having been entered into and which are expected to be recovered, including soil investigations, manning plans etc., are capitalised and charged as expenses over the term of the contract.

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

**PREPAYMENTS AND DEFERRED INCOME**
Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years, apart from items relating to construction contracts in progress.

**EQUITY**
**DIVIDENDS**
Dividends are recognised as a liability at the date of their adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item in equity.

**TRANSLATION RESERVE**
The translation reserve in the consolidated financial statements comprises foreign exchange differences that have arisen from the translation of the financial statements of foreign entities from their functional currencies to Danish kroner.

**SHARE-BASED PAYMENTS**
MT Højgaard Holding A/S has established a long-term bonus-based share programme in accordance with the current remuneration policy ("LTI programme").

Share-based payments are recognised over the period in which the participant renders the service entitling him/her to the payment. This is, in principle, from the date of grant until the date on which the vesting conditions may have been met.

The portion of vested short-term executive bonus used by the participant to invest in the LTI programme is recognised as staff costs under production or distribution costs or administrative expenses, depending on the participant's affiliation with the company in the year in which the short-term bonus vests, and it is not included in the fair value of the LTI programme on the date of grant.

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 under production or distribution costs or administrative expenses, depending on the participant's affiliation with the company, 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.

**PROVISIONS**
Provisions are recognised when the Group has a legal or constructive obligation as a result of an event in the financial year or previous years, and it is probable that an outflow will be

# Notes

## Note 1 Accounting policies (continued)

required to settle the obligation and the amount can be reliably estimated. When measuring provisions the costs required to settle the obligation are discounted if this has a material effect on the measurement of the obligation.

Provisions comprise expected costs for guarantee obligations, losses on work in progress, provisions for disputes/litigation and other liabilities. Provisions for guarantee obligations are made on the basis of guarantee claims received where it has not been possible to make a final determination of the amount, and on the basis of known defects in connection with one-year and five-year reviews and, for some contracts, assessed costs in connection with longer guarantee periods.

**FINANCIAL LIABILITIES**

Bank loans, etc., are recognised at inception at fair value net of transaction costs incurred. Subsequent to initial recognition, the liabilities are measured at amortised cost using the effective interest rate method. Accordingly, the difference between the proceeds (net) and the nominal value is recognised in the income statement over the term of the loan. The fair value of financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.

Liabilities relating to the acquisition of non-controlling shareholders' equity interests are measured at fair value through the income statement, and adjustments are recognised in net financials.

Earn-out on sale of enterprises is measured at fair value through the income statement.

Other liabilities, comprising trade payables and other payables, are measured at amortised cost.

**DISCONTINUED OPERATIONS**

Discontinued operations are a considerable component of the business, the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the business and that have either been disposed of or are 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 with restated comparative figures for 2020. 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 32.

**STATEMENT OF CASH FLOWS**

The statement of cash flows shows cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on cash and cash equivalents.

**CASH FLOWS TO/FROM OPERATING ACTIVITIES**

Cash flows from operating activities are determined using the indirect method, whereby operating profit/(loss) is adjusted for the effects of non-cash operating items, changes in working capital, and net financials and income taxes paid.

**CASH FLOWS TO/FROM INVESTING ACTIVITIES**

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

**CASH FLOWS TO/FROM FINANCING ACTIVITIES**

Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends, increases and decreases in loan facilities, and decreases in lease commitments.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and cash equivalents less payables related to on-call overdraft facilities that form part of the Group's day-to-day cash management.

**SEGMENT INFORMATION**

The Group's segment information is based on the Group's management control and internal control and reporting, which is broken down by activity.

Operating segments that have similar financial characteristics, and similar products/services, customers, manufacturing and delivery methods, are aggregated.

Segment income and segment expense are those items that can be directly attributed to the individual segment or allocated to the individual segment on a reliable basis.

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.

Assets and liabilities are not allocated to segments in the financial reports reported to the Executive Board and the Board of Directors.

Segment information is recognised and measured in accordance with IFRS.

# Notes

## Note 1 Accounting policies (continued)

**Change to legal group structure**
As a result of the implementation of the Group's strategy, Sustainable›22, which introduced a new business model, MT Højgaard Holding A/S initially changed its segment reporting on 1 January 2020. The implementation of the Group's new business model continued unchanged on 1 January 2021.

While Enemærke & Petersen, Scandi Byg and Ajos have already been separated into independent companies, as of 1 January 2021 MT Højgaard A/S was converted into three independent companies comprising activities in Denmark, international activities and project development respectively, corresponding to the three current reporting segments.

The change was made in order to enhance transparency and cement each entity's accountability for its own results and operation.

Comparative figures were restated accordingly in 2020. The latest change does not give rise to any restatement of comparative figures for the individual segments/companies.

### REPORTING IN ACCORDANCE WITH THE ESEF REGULATION

The Commission's Delegated Regulation (EU) 2019/815 on a single electronic reporting format (European Single Electronic Format (ESEF)) – the ESEF Regulation – has introduced a single electronic reporting format to be used by issuers of financial instruments on EU regulated markets in connection with the preparation of annual financial reports.

The combination of XHTML format and iXBRL tags allows annual reports to be read by both humans and machines, which improves the accessibility, analysis and comparability of the information included in annual reports.

The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is part of the ESEF Regulation and has been developed on the basis of the IFRS taxonomy.

The items in the consolidated financial statements are tagged to elements in the ESEF taxonomy. For items that are not directly defined in the ESEF taxonomy, extension taxonomy elements have been created. These extension elements are anchored to elements in the ESEF taxonomy, except for extensions that are subtotals.

This annual report, which has been submitted to the Danish Financial Supervisory Authority (the Officially Appointed Mechanism), consists of the XHTML document and technical files, all of which are included in the ZIP file MTHojgaard-Holding_2021_12_31.zip.

**Key definitions**
XHTML (eXtensible HyperText Markup Language) is a text-based language used to structure and mark up content such as text, images and hyperlinks in documents displayed in a web browser.

iXBRL tags (or Inline XBRL tags) are hidden metadata embedded in the source code of an XHTML document, which enables the conversion of XHTML-formatted information into a machine-readable XBRL data record by appropriate software.

A financial reporting taxonomy is an electronic dictionary of reporting elements used to report business data. A taxonomy element is an element defined in a taxonomy that is used for the machine-readable labelling of information in an XBRL data record.

### FINANCIAL RATIOS

MT Højgaard Holding A/S has revised the calculations of specific financial ratios starting on 1 January 2021. The financial ratios used comply with the recommendations of the CFA Society Denmark. Where a revision has led to changes, comparative figures have been restated accordingly. Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33.

Revised financial ratio definitions and formulas are set out below:

**Invested capital**: Capital invested in operating activities that generate income and contribute to EBIT. Invested capital: Intangible assets and property, plant and equipment used in operations + lease assets + investments in joint ventures + deferred tax assets and liabilities + provisions for current and non-current liabilities + net working capital incl. properties for development and resale

**Interest-bearing debt/deposit**: Interest-bearing assets + cash and cash equivalents + interest-bearing intragroup balances + interest-bearing tax liabilities/receivables + frozen holiday pay. The changes have had the following derived effect on financial ratios: Working capital excluding properties for resale and ROIC and comparative figures have been restated accordingly.

**Operating margin before special items and special amortisation**: Starting with the interim financial report for the first quarter of 2021, operating profit/(loss) before special items and PPA amortisation is defined as Operating profit/(loss). In order to make the operating results clearer and ensure they match the presentation of the published outlook, operating profit/(loss) and operating margin are presented before special items and special amortisation. Special amortisation is PPA amortisation (amortisation of the write-ups of customer relationships, brand and order book in connection with enterprise acquisitions).

Operating margin = Operating profit/(loss) x 100 / Revenue.

# Notes

## Note 1 Accounting policies (continued)

The financial ratios in the annual report have been calculated as follows

**Working capital (net) excl. properties for resale:**

| | |
|---|---|
| Working capital (NWC) | Accounts receivable + Inventories + Work in progress – Accounts payable |

**Return on invested capital after tax incl. goodwill:**

| | |
|---|---|
| ROIC after tax | NOPLAT / Average invested capital incl. goodwill |
| Gross margin | Gross profit x 100 / Revenue |
| Operating margin before special items | Operating profit before special items x 100 / Revenue |
| Return on equity (ROE) | Profit after tax excl.non-controlling interests x 100 / Average equity excl. non-controlling interests |
| EBIT margin | EBIT x 100 / Revenue |
| Average number of shares | Average number of outstanding shares in a given period |
| Net asset value per share | Equity excl. non-controlling interests / Number of shares, end of year |

**Invested capital: Intangible assets and property, plant and equipment used in operations + net working capital**

| | |
|---|---|
| Invested capital | Intangible assets and property, plant and equipment used in operations + net working capital |
| Price-book value (P/BV) | Price / Book value |
| Market capitalisation | Market price x number of outstanding shares at year end excl. the company's treasury shares |
| Net interest-bearing debt (NIBD) | Interest-bearing debt – (interest-bearing assets + cash and cash equivalents) |
| Pre-tax margin | Profit/(loss) before tax x 100 / Revenue |

**Earnings and diluted earnings per share (EPS and EPS-D):**

| | |
|---|---|
| EPS and EPS-D | Earnings excl. non-controlling interests / Average number of shares |
| Solvency ratio | Equity excl. non-controlling interests, end of year / Total assets |

# Notes

## Note 2 Significant accounting estimates and judgements

**ESTIMATION UNCERTAINTY**

Determining the carrying amount of some assets and liabilities requires estimation of the effects of future events on those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates.

Estimates deemed critical to the financial reporting primarily relate to the recognition of construction contracts and the risks associated with their execution, i.e. measurement of the selling price of construction contracts in progress, determination of guarantee obligations, and assessment of the outcome of disputes. Key accounting estimates are also made when assessing the need for impairment charges in connection with the measurement of intangible assets, deferred assets and acquisitions.

**COVID-19**

As stated in the Management's review, COVID-19 has not had a material impact on the Group. However, COVID-19 will continue to cause a certain amount of uncertainty about developments in construction and civil works. The principal risks are new restrictions on activities and construction sites in the event of infection rates worsening.

For these reasons, accounting estimates have not been changed during the financial year compared with previously.

**CONSTRUCTION CONTRACTS, INCLUDING ESTIMATED RECOGNITION AND MEASUREMENT OF REVENUE AND CONTRIBUTION MARGIN**

For construction contracts, management considers that they essentially constitute a single performance obligation and that 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. An important criterion for using the percentage-of-completion method is that it must be possible to estimate income and costs associated with the individual contracts reliably.

Variable consideration is only recognised in revenue if it is highly probable that a reversal of the amount of consideration will not occur in future periods. This assessment is made by regular review during the performance of the individual construction contracts. Expected income and costs on a construction contract may change as the contract is being carried out and any uncertainties are resolved. Similarly, the contract may be modified during the performance of the contract work, and assumptions on which the performance of the contract work are based may be found not to have been met.

The assessment of disagreements relating to extra work, extensions of time, demands concerning liquidated damages, etc., is based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disagreements, external legal opinions are a fundamental part of the assessment.

The Group's internal business processes, financial management and calculation tools, coupled with the project management's knowledge and expertise, provide a basis for reliable measurement of work in progress in accordance with the percentage-of-completion method.

The biggest ongoing disputes relate to public contracts, including the regional hospitals in Aalborg and Gødstrup and the Niels Bohr Institute in Copenhagen.

**DISPUTES, LEGAL AND ARBITRATION PROCEEDINGS AND CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Due to the nature of its business, the Group is naturally involved in various disagreements, disputes and legal and arbitration proceedings in both Danish and a few international companies. An assessment is made in all instances of the extent to which such cases may result in obligations for the Group, and the probability of this. In some instances, a case may also result in a contingent asset or claims against other parties than the client. Management's estimates are based on available information and legal opinions from consultants. The outcome may be difficult to assess and, depending on the nature of the case, may differ from the Group's estimate.

**PROVISIONS FOR GUARANTEE OBLIGATIONS**

Provisions for guarantee obligations in the Group are assessed individually for each construction contract and relate to normal one-year and five-year guarantee works and, for a few contracts, longer guarantee periods. The level of provisions is based on experience and the characteristics of each project. By their nature such estimates involve uncertainty, and actual guarantee obligations may consequently differ from those estimated.

**RECOVERY OF DEFERRED TAX ASSETS**

Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available, in the foreseeable future (normally 3-5 years), against which tax loss carry-forwards, etc., can be offset. The amount to be recognised as deferred tax assets is deter-

# Notes

## Note 2 Significant accounting estimates and judgements (continued)

mined on the basis of an estimate of the probable timing and amount of future taxable profits and taking into account current tax legislation.

The projections of future profits in the enterprises in which losses can be utilised are updated annually. At the end of the financial year, management assesses the extent to which, under current tax legislation, taxable profits can be realised in the foreseeable future, and the tax rates that will apply at the date of utilisation. The recognition of deferred tax assets is reviewed against this background.

Non-capitalised tax assets in the Group relate to tax losses that can be carried forward indefinitely. They may be recognised as income when the Group reports the necessary positive results.

Deferred tax is calculated using the tax rates effective in the respective countries to which the deferred tax relates.

**IMPAIRMENT TESTING OF EQUITY INVESTMENTS AND INTANGIBLE ASSETS**
In connection with impairment testing of goodwill, estimates are made of how the relevant enterprises or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the goodwill and other net assets in the relevant part of the enterprise. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied.

The carrying amounts of goodwill are tested annually for impairment. Goodwill is primarily attributable to the merger of Højgaard Holding A/S and Monberg & Thorsen A/S, to which should be added goodwill attributable to the acquisitions in 2021 of Raunstrup A/S, NemByg A/S and RTS Contractors SP/F, and to the acquisition of Matu A/S in 2020. In connection with the conversion of MT Højgaard A/S into three separate companies for Denmark, international activities and project development on 1 January 2021, goodwill, customer relationships and brands were reallocated on the basis of approved budgets for the following two years and estimates for the following three years, and qualitative assessments.

The recoverable amount is determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the annual test, net cash flows are determined on the basis of the latest approved budgets for the following two years and estimates for the following three years. The growth in the terminal period is kept constant. The present value is determined using a discount rate before tax. The primary key assumptions are estimated to be the growth rates and the EBIT margins applied, which depend on the general economic development and the Group's risk management on individual projects. Budgets and estimates are determined on the basis of previous experience, including budgeted returns on the order portfolio and on anticipated orders and planned capacity, and taking into account management's expectations for the future, including announced expectations concerning future growth, EBIT margin and cash flows. In addition, sensitivity analyses are prepared in order to support carrying amounts.

For customer relationships, order book and brands, intangible assets have been recognised in connection with the merger of Højgaard Holding A/S and Monberg & Thorsen A/S, the acquisitions in 2021 of Raunstrup A/S, NemByg A/S and RTS Contractors SP/F, and the acquisition of Matu A/S in 2020. An assessment of the recognised value is made based on expected future revenue, order book and earnings, and impairment testing is prepared in the event of any major changes. The value of customer relationships is assessed on the basis of whether there have been any changes in revenue and on key account revenue. The value of the order book is assessed on the basis of whether there have been any significant changes in earnings on expected revenue and any changes in the order book. The value of brands is assessed on the basis of the development in revenue.

**ACQUISITIONS**
On acquisition of enterprises, the acquiree's identifiable assets, liabilities and contingent liabilities must be recognised at fair value using the acquisition method. The principal assets are normally goodwill, property, plant and equipment, intangible assets, receivables, and work in progress. For a large proportion of the assets and liabilities acquired there are no efficient markets that can be used to determine the fair value. This applies particularly to intangible assets acquired. The methods typically used are based on the present value of future cash flows. Accordingly, management makes estimates when determining the fair value of acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, the determination of fair value may be subject to uncertainty and may be adjusted subsequently.

**MANAGEMENT JUDGEMENTS APPLYING THE ACCOUNTING POLICIES**
In the process of applying the Group's accounting policies, management regularly makes judgements, in addition to estimates, that may have a significant effect on the amounts recognised in the annual report. This is described in the following section on joint ventures and joint operations.

# Notes

## Note 2 Significant accounting estimates and judgements (continued)

**JOINT VENTURES AND JOINT OPERATIONS**
IFRS 11 operates with the concept "joint arrangements", where the share of such arrangements is recognised in proportion to the financial interest in the project in the consolidated financial statements. Jointly controlled entities are operations or entities over which the Group has joint control through contractual agreements with one or more parties. Such entities are classified as joint ventures if the rights of the parties sharing control are limited to net assets in separate legal entities, or as joint operations if the parties sharing control have direct and unlimited rights to the assets and obligations for the liabilities respectively.

Joint ventures are recognised using the equity method in the consolidated financial statements. Joint operations are recognised at the proportionate share of income, expenses, assets and liabilities. The Group's joint ventures are primarily in the PPP and PPS companies, Soc. de Empreitadas e Trabalhos Hidráulicos, S.A. ("Seth") and Skanska-MTH Hisingsbron HB.

The Group assesses on an entity-by-entity basis whether an arrangement is a joint venture or a joint operation, based on an assessment of control and joint control.

The Group holds 60% of the voting rights in Seth. Under the contract between the parties, decisions about the company's relevant activities require the unanimous consent of the parties. The Group and Operatio SGPS, S.A. consequently have joint control over the arrangement. Because of this contractual arrangement, the parties have rights to net assets only, and Seth is consequently accounted for as a joint venture.

# Notes

## Note 3 Segment information

| Amounts in DKK million | | | | | | | | 2021 |
|---|---|---|---|---|---|---|---|---|
| **GROUP** | MT Højgaard Danmark | Enemærke & Petersen | Scandi Byg | Ajos | MT Højgaard International | MT Højgaard Projektudvikling | Lindpro | **Total** |
| Revenue to external customers | 2,999.5 | 2,756.0 | 236.8 | 104.6 | 852.6 | 491.4 | - | **7,440.9** |
| Intersegment revenue | 91.5 | 78.8 | 141.0 | 80.2 | 7.4 | 2.9 | - | **401.8** |
| **Total segment revenue** | **3,091.0** | **2,834.8** | **377.8** | **184.8** | **860.0** | **494.3** | **-** | **7,842.7** |
| Depreciation, amortisation and impairment losses | -27.8 | -24.4 | -11.6 | -67.0 | -29.2 | -3.3 | - | **-163.3** |
| Profit/(loss) from joint ventures | - | - | - | - | 1.8 | 21.6 | - | **23.4** |
| Profit/(loss) before special items | 15.6 | 152.4 | 2.5 | -15.9 | 0.7 | 23.1 | - | **178.4** |

| Amounts in DKK million | | | | | | | | 2020 |
|---|---|---|---|---|---|---|---|---|
| **GROUP** | MT Højgaard Danmark | Enemærke & Petersen | Scandi Byg | Ajos | MT Højgaard International | MT Højgaard Projektudvikling | Lindpro | **Total** |
| Revenue to external customers | 2,542.4 | 2,043.5 | 417.0 | 170.9 | 711.6 | 223.9 | 174.3 | **6,283.6** |
| Intersegment revenue | 8.9 | 4.2 | 52.3 | 76.8 | - | - | 15.8 | **158.0** |
| **Total segment revenue** | **2,551.3** | **2,047.7** | **469.3** | **247.7** | **711.6** | **223.9** | **190.1** | **6,441.6** |
| Depreciation, amortisation and impairment losses | -5.1 | -16.7 | -10.5 | -59.2 | -22.0 | - | -13.1 | **-126.6** |
| Profit/(loss) from joint ventures | - | - | - | - | -4.3 | 5.5 | - | **1.2** |
| Profit/(loss) before special items | -44.9 | 96.6 | 17.0 | 18.2 | 13.1 | 12.1 | -25.0 | **87.1** |

For further information on segments, see the section on the business on pages 21-31.

# Notes

## Note 3 Segment information (continued)

### Geographical breakdown of revenue and non-current assets

| Amounts in DKK million | 2021 | 2020 |
|---|---|---|
| **GROUP** | | |
| **Revenue** | | |
| Denmark | 6,592.4 | 5,560.4 |
| Rest of world | 850.2 | 723.2 |
| Hisingsbron Bridge (joint venture) | -134.9 | -158.5 |
| Discontinued operations | -104.6 | -345.2 |
| **Total revenue** | **7,203.1** | **5,779.9** |
| **Non-current assets** | | |
| Denmark | 979.6 | 1,269.7 |
| Rest of world | 276.7 | 222.2 |
| **Total non-current assets** | **1,256.3** | **1,491.9** |

### Reconciliation of revenue and profit/(loss) from continuing operations before tax for reportable segments

| Amounts in DKK million | 2021 | 2020 |
|---|---|---|
| **GROUP** | | |
| **Revenue** | | |
| Segment revenue for reportable segments | 7,842.7 | 6,441.6 |
| Revenue MT Højgaard Holding | 1.7 | - |
| Elimination of intersegment revenue | -401.8 | -158.0 |
| Revenue Hisingsbron Bridge (joint venture) | -134.9 | -158.5 |
| Revenue from discontinued operations | -104.6 | -345.2 |
| **Revenue, see income statement** | **7,203.1** | **5,779.9** |
| **Profit/(loss) from continuing operations** | | |
| Profit/(loss) before special items for reportable segments | 178.4 | 87.1 |
| Profit/(loss) before special items for discontinued operations | 15.9 | 6.8 |
| Unallocated Group expenses | -15.5 | 10.0 |
| Special items | -52.1 | -71.1 |
| Net financials | -33.6 | -43.7 |
| **Profit/(loss) before tax from continuing operations, see income statement** | **93.1** | **-10.9** |

# Notes

## Note 4 Revenue

The Group is engaged in construction and civil works activities in Denmark and internationally. In 2021, the Group was engaged in international activities in the North Atlantic (Faroe Islands and Greenland), Asia (Maldives and Vietnam), and in Sweden, Portugal and Africa through joint ventures. Sale of properties, DKK 335 million (2020: DKK 119 million), 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.

Amounts in DKK million — 2021

| GROUP | MT Højgaard Danmark | Enemærke & Petersen | Scandi Byg | MT Højgaard International | MT Højgaard Projektudvikling | MT Højgaard Holding | Total |
|---|---|---|---|---|---|---|---|
| **Primary geographical markets:** | | | | | | | |
| Denmark | 2,999.5 | 2,756.0 | 236.8 | 2.4 | 491.4 | 1.7 | **6,487.8** |
| Rest of world | - | - | - | 715.3 | - | - | **715.3** |
| **Total revenue** | **2,999.5** | **2,756.0** | **236.8** | **717.7** | **491.4** | **1.7** | **7,203.1** |
| **Products:** | | | | | | | |
| Construction contracts | 2,926.8 | 2,617.2 | 236.8 | 588.8 | 193.9 | - | **6,562.7** |
| Project development | - | - | - | 41.4 | 293.3 | - | **334.7** |
| Rental income | - | - | - | - | 4.0 | 1.1 | **5.1** |
| Other (services etc.) | 72.7 | 138.8 | - | 88.3 | 0.2 | 0.6 | **300.6** |
| **Total revenue** | **2,999.5** | **2,756.0** | **236.8** | **717.7** | **491.4** | **1.7** | **7,203.1** |

Amounts in DKK million — 2020

| GROUP | MT Højgaard Danmark | Enemærke & Petersen | Scandi Byg | MT Højgaard International | MT Højgaard Projektudvikling | MT Højgaard Holding | Total |
|---|---|---|---|---|---|---|---|
| **Primary geographical markets:** | | | | | | | |
| Denmark | 2,542.4 | 2,043.5 | 415.5 | - | 223.9 | - | **5,225.3** |
| Rest of world | - | - | 1.5 | 553.1 | - | - | **554.6** |
| **Total revenue** | **2,542.4** | **2,043.5** | **417.0** | **553.1** | **223.9** | **-** | **5,779.9** |
| **Products:** | | | | | | | |
| Construction contracts | 2,443.3 | 1,983.3 | 417.0 | 475.7 | 81.7 | - | **5,401.0** |
| Project development | - | - | - | - | 142.2 | - | **142.2** |
| Other (services etc.) | 99.1 | 60.2 | - | 77.4 | - | - | **236.7** |
| **Total revenue** | **2,542.4** | **2,043.5** | **417.0** | **553.1** | **223.9** | **-** | **5,779.9** |

# Notes

## Note 5 Staff costs

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Wages and salaries | 1,547.0 | 1,346.9 | 58.2 | - |
| Defined-contribution pension schemes | 120.6 | 100.8 | 3.9 | - |
| Other social security costs | 44.7 | 52.2 | 0.3 | - |
| Share-based payments | 2.2 | 0.4 | 1.9 | - |
| **Total** | **1,714.5** | **1,500.3** | **64.3** | **-** |
| Average number of employees | 2,785 | 2,595 | 62 | - |
| Board remuneration | 4.0 | 3.9 | 4.0 | 0.9 |
| **Executive Board:** | | | | |
| Salaries and fees | 17.2 | 16.9 | 17.2 | - |
| Share-based payments | 1.7 | 0.1 | 1.7 | - |
| **Total Executive Board** | **18.9** | **17.0** | **18.9** | **-** |

The remuneration package for the Executive Board consists of fixed remuneration (base salary), a short-term bonus and a long-term incentive programme (LTI programme, see note 6)

In addition, in individual cases, the Board of Directors may award a member of the Executive Board an option programme and/or an extraordinary bonus.

## Note 6 Share-based payments

In 2020, the Group introduced a restricted share programme for executive officers employed by the parent company and subsidiaries in the MT Højgaard Holding Group ("LTI programme"). The LTI programme entitles participants to invest the equivalent of 25-100% of any short-term bonus earned under the executive bonus programme in restricted shares in MT Højgaard Holding A/S ("LTI grant") subject to a three-year vesting period.

As part of the LTI programme, the participants' share of the LTI grant may be either increased by a number of additional restricted shares ("Matching Shares") paid for by the company, or reduced, provided certain conditions are met. This adjustment will be made on the basis of an annual statement showing how the MT Højgaard Holding A/S share has performed. Any dividend on shares under the LTI grant, including any Matching Shares, will be automatically reinvested in shares in MT Højgaard Holding A/S ("Dividend Shares").

MT Højgaard Holding A/S is under obligation to settle the LTI grant, including any Matching Shares and Dividend Shares, at the vesting date. Shares comprised by the LTI grant will be purchased by the company and placed in a depository with MT Højgaard Holding A/S, so that they are available for release on vesting and fulfilment of the vesting conditions.

The LTI programme was granted on 17 March 2020 and 18 March 2021 and comprises the grant of a total of 78,434 nos. restricted shares in MT Højgaard Holding A/S at a fixed grant price of DKK 78.10 and DKK 96.59 per share respectively. The LTI programme has a rolling vesting period of three years from the date of the Annual General Meeting of MT Højgaard Holding A/S until the expiry of the deadline for adoption of the financial statements of MT Højgaard Holding A/S at the Annual General Meeting three years later, following which the executive officers become the owners of the LTI grant. The entitlement to restricted shares that do not vest on this date will lapse without any compensation. The LTI grant is conditional upon the executive officers remaining employed by the company on the final vesting date.

Management expects to be able to increase the LTI grant in 2021 by 50% additional restricted shares during the vesting period, corresponding to 25,632 nos. shares, based on an expected increase in the share price over the period until the vesting date. The LTI programme will be settled in shares.

A total of eight persons participate in the LTI programme. Two persons left the LTI programme in 2021.

# Notes

## Note 6 Share-based payments (continued)

Amounts in DKK million

| BREAKDOWN OF OUTSTANDING RESTRICTED SHARES | Parent company Executive Board No. shares | Other employees No. shares |
|---|---|---|
| Outstanding at 1 January 2020 | 0 | 0 |
| Granted 2020 | 11,546 | 11,577 |
| Expected further grant 2020 | 5,773 | 5,787 |
| **Outstanding at 31 December 2020** | **17,319** | **17,364** |
| Cancelled 2021 | 0 | -10,169 |
| Granted 2021 | 36,036 | 26,055 |
| Expected further grant 2021 | 13,873 | 11,759 |
| **Outstanding at 31 December 2021** | **67,228** | **45,009** |
| Number of restricted shares that may be sold at 31 December 2021 | 0 | 0 |

The average remaining term to vesting for outstanding restricted shares at 31 December 2021 was approx. 1.75 years.

The fair value of the LTI grant at the grant date totalled DKK 11.2 million. In 2021, an expense of DKK 2.2 million was recognised in profit in respect of the LTI programme (2020: expense of DKK 0.4 million), excluding the share of the short-term executive bonus for 2020 invested in the LTI programme, which was expensed in 2020.

The fair value of Matching Shares at the grant date was calculated using a Monte Carlo simulation model based on the following assumptions (2021 vs. 2020):

| | |
|---|---|
| Share price at grant date January 2021 and 2020 (average of first five trading days of the year) | 96.59 / 78.10 |
| Expected term | 3 years / 3 years |
| Volatility | 25% / 25% |
| Required return on equity | 15% / 15% |
| Fair value per share at grant date March 2021 and 2020 | 195.62 / 75,01 |
| Payment of dividend or decrease in non-current debt | |

Volatility was determined based on a five-year observation period for the return for a representative group.

## Note 7 Depreciation, amortisation and impairment losses

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Amortisation of intangible assets | 64.0 | 65.2 | 15.4 | - |
| Impairment of intangible assets | 9.2 | - | - | - |
| Depreciation of property, plant and equipment | 65.7 | 73.8 | 3.5 | - |
| Impairment of property, plant and equipment | 7.6 | 8.2 | 0.8 | - |
| Depreciation of lease assets | 89.9 | 90.7 | 11.5 | - |
| Impairment of lease assets | 7.1 | 13.7 | -2.8 | - |
| **Total depreciation, amortisation and impairment losses** | **243.5** | **251.6** | **28.4** | **-** |

Amortisation and impairment charges on intangible assets are recognised in production costs with DKK 23.7 million (2020: DKK 28.6 million) and in special items with DKK 49.5 million (2020: DKK 36.6 million). Depreciation of property, plant and equipment, DKK 28.9 million (2020: DKK 31.5 million), and depreciation and impairment of lease assets, DKK 38.1 million (2020: DKK 33.9 million), is recognised in discontinued operations.

Impairment of intangible assets relates to the ERP system and is recognised in production costs. Impairment of property, plant and equipment and lease assets in 2021 mainly relates to buildings, plant and machinery and leases in Ajos and is recognised in discontinued operations. The impairment charge in 2020 relates to the lease for Knud Højgaards Vej and is recognised in special items.

## Note 8 Fees paid to auditor appointed at the Annual General Meeting (EY)

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Audit fees | 5.3 | 3.9 | 0.8 | 0.6 |
| Other assurance engagements | 0.4 | 0.2 | 0.2 | - |
| Tax and VAT advice | 0.3 | 0.3 | - | - |
| Non-audit services | 0.5 | 0.6 | - | 0.3 |
| **Total fees** | **6.5** | **5.0** | **1.0** | **0.9** |

# Notes

## Note 9 Investments in other enterprises

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Investments in subsidiaries** | | | | |
| Cost at 01-01 | - | - | 1,565.7 | 1,011.9 |
| Additions | - | - | 30.0 | 553.8 |
| **Cost at 31-12** | **-** | **-** | **1,595.7** | **1,565.7** |
| Adjustments at 01-01 | | | 66.4 | -60.6 |
| Foreign exchange adjustments | - | - | -1.9 | 4.0 |
| Net profit/(loss) for the year | - | - | 152.4 | 122.6 |
| Other adjustments | - | - | 8.2 | 0.4 |
| **Adjustments at 31-12** | **-** | **-** | **225.1** | **66.4** |
| **Carrying amount at 31-12** | **-** | **-** | **1,820.8** | **1,632.1** |
| **Investments in joint ventures and jointly controlled entity** | | | | |
| Cost at 01-01 | 88.2 | 88.2 | - | - |
| Disposals | 17.1 | - | - | - |
| **Cost at 31-12** | **105.3** | **88.2** | **-** | **-** |
| Adjustments at 01-01 | -1.7 | 13.7 | - | - |
| Foreign exchange adjustments | 1.9 | -0.9 | - | - |
| Dividends | -17.5 | -3.3 | - | - |
| Share of net profit/(loss) for the year | 26.8 | -10.2 | - | - |
| Other adjustments | 7.0 | -1.0 | - | - |
| Disposals | -31.0 | - | - | - |
| **Adjustments at 31-12** | **-14.5** | **-1.7** | **-** | **-** |
| **Carrying amount at 31-12** | **90.8** | **86.5** | **-** | **-** |

A list of consolidated enterprises is provided in note 36.
Four PPP companies were divested in 2021, yielding a gain of DKK 16.1 million, which has been recognised in profit/(loss) of joint ventures.

**Financial information for each of the Group's individually material joint ventures, adjusted to reflect any differences in accounting policies.**

| Amounts in DKK million | Soc. de Empreitadas e Trabalhos Hidráulicos, S.A. | | Skanska-MTH Hisingsbron HB | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Ownership | 60% | 60% | 30% | 30% |
| **Statement of comprehensive income** | | | | |
| Revenue | 276.3 | 142.3 | 407.9 | 528.4 |
| Net profit/(loss) for the year | 3.0 | -7.2 | 65.5 | -38.1 |
| **Balance sheet** | | | | |
| Non-current assets | 38.8 | 48.4 | - | - |
| Current assets | 201.5 | 185.4 | 353.8 | 359.1 |
| Non-current liabilities | 38.9 | 48.4 | - | 38.6 |
| Current liabilities | 122.5 | 112.7 | 230.3 | 262.2 |
| Equity | 78.9 | 72.7 | 123.5 | 58.3 |
| **Equity attributable to the Group** | **47.3** | **43.6** | **37.1** | **17.5** |

Soc. de Empreitadas e Trabalhos Hidráulicos (Seth) carries out contracting activities in Portugal and has activities in Africa through joint ventures etc.

Skanska-MTH Hisingsbron HB is a joint venture between Skanska Sverige AB (70%) and MT Højgaard Danmark A/S (30%). The joint venture is constructing the Hisingsbron Bridge in Sweden for the Traffic and Public Transport Authority in Gothenburg (Göteborgs Stad Trafikkontoret).

For further details on recognition for accounting purposes, see notes 1 and 2.

# Notes

## Note 9 Investments in other enterprises (continued)

**Reconciliation of carrying amount at 31 December**

| Amounts in DKK million | 2021 | 2020 |
|---|---|---|
| Carrying amount of material joint ventures | 84.4 | 61.1 |
| Carrying amount of other joint ventures | 6.4 | 25.4 |
| **Carrying amount at 31-12** | **90.8** | **86.5** |

## Note 10 Special items

| Amounts in DKK million | GROUP | |
|---|---|---|
| | 2021 | 2020 |
| Redundancy costs and severance pay etc. | 1.5 | -20.8 |
| Impairment and cost related to lease assets | 0.4 | -13.7 |
| Impairment and cost related to ERP system | -13.7 | - |
| **Special items before special amortisation (PPA amortisation)** | **-11.8** | **-34.5** |
| Special amortisation (PPA amortisation) | -40.3 | -36.6 |
| **Total special items** | **-52.1** | **-71.1** |

In 2021, costs and write-downs were incurred as a result of the implementation of the Sustainable˃22 strategy, mainly write-down of the ERP system, which is no longer used at Group level.

The write-downs would have been recognised in production costs, if a decision had not been made to use special items.

Special items in 2020 related to costs associated with workforce cuts in order to adjust capacity. This also led to a write-down of the lease asset in Søborg, where two of four floors became vacant following adjustments.

## Note 11 Finance income

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Interest, cash and cash equivalents etc. | 2.3 | 6.1 | - | 0.3 |
| Interest, subsidiaries | - | - | 12.4 | - |
| Value adjustment put option | 0.8 | - | - | - |
| Foreign exchange gains (net) | 1.0 | - | - | - |
| **Total finance income** | **4.1** | **6.1** | **12.4** | **0.3** |

## Note 12 Finance costs

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Interest, bank loans etc. | 6.2 | 6.9 | 3.4 | 0.8 |
| Interest, lease commitments | 11.6 | 11.5 | 6.8 | - |
| Interest, group enterprises | 19.9 | 19.9 | 19.9 | 19.9 |
| Interest, subsidiaries | - | - | 3.8 | 2.9 |
| Loss on decrease in debt | - | - | 8.9 | - |
| Foreign exchange losses (net) | - | 11.5 | - | - |
| **Total finance costs** | **37.7** | **49.8** | **42.8** | **23.6** |

# Notes

## Note 13 Income tax

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Income tax expense for the year can be broken down as follows:** | | | | |
| Tax on profit/(loss) for the year from continuing operations | 41.3 | 14.6 | 8.2 | 8.5 |
| Tax related to discontinued operations | 8.7 | 4.3 | - | - |
| **Tax in the income statement** | **50.0** | **18.9** | **8.2** | **8.5** |
| **Tax on profit/(loss) for the year from continuing operations can be broken down as follows:** | | | | |
| Current tax | 7.6 | -0.3 | 3.8 | 3.9 |
| Deferred tax | 33.9 | 5.3 | 3.0 | 3.7 |
| Adjustments to deferred tax in respect of prior years | 5.0 | 10.5 | - | - |
| Adjustments to current tax in respect of prior years | -5.2 | -0.9 | 1.4 | 0.9 |
| **Tax on profit/(loss) for the year from continuing operations** | **41.3** | **14.6** | **8.2** | **8.5** |
| Calculated 22% tax on profit/(loss) before tax from continuing operations | -20.5 | 2.4 | -24.1 | -20.2 |
| Adjustments of calculated tax in foreign group enterprises in relation to 22% | 0.3 | - | - | - |
| **Tax effect of:** | | | | |
| Non-deductible expenses/non-taxable income | 6.8 | -0.3 | -2.7 | -0.3 |
| Share of profit/(loss) after tax of subsidiaries and joint ventures | 9.3 | -2.2 | 33.6 | 27.0 |
| Adjustment of current and previous years' tax assets | 45.6 | 5.3 | - | 1.1 |
| Adjustments to tax in respect of prior years | -0.2 | 9.4 | 1.4 | 0.9 |
| **Tax on profit/(loss) for the year from continuing operations** | **41.3** | **14.6** | **8.2** | **8.5** |
| **Effective tax rate (%)** | **-44.4** | **133.9** | **19.1** | **27.7** |

The Group's effective tax rate for 2021 was affected by reversal of previous years' write-downs of the tax asset.

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Deferred tax at 01-01 | -53.7 | -53.4 | -3.7 | - |
| Addition on acquisition of subsidiary | 23.1 | 7.7 | - | - |
| Deferred tax from discontinued operations | -16.8 | 7.8 | - | - |
| Deferred tax recognised in profit/(loss) for the year | -38.9 | -15.8 | -3.0 | -3.7 |
| **Deferred tax at 31-12** | **-86.3** | **-53.7** | **-6.7** | **-3.7** |
| **Deferred tax is recognised in the balance sheet as follows:** | | | | |
| Deferred tax assets | -196.8 | -155.3 | -6.7 | -3.7 |
| Deferred tax liabilities | 110.5 | 101.6 | - | - |
| **Deferred tax at 31-12, net** | **-86.3** | **-53.7** | **-6.7** | **-3.7** |
| **Deferred tax relates to:** | | | | |
| Intangible assets | 70.6 | 72.9 | 0.5 | - |
| Property, plant and equipment | -5.7 | 37.7 | 16.4 | - |
| Current assets | 143.5 | 110.4 | - | - |
| Provisions | -94.1 | -108.2 | -21.5 | - |
| Tax loss carryforwards | -200.6 | -166.5 | -2.1 | -3.7 |
| **Deferred tax at 31-12** | **-86.3** | **-53.7** | **-6.7** | **-3.7** |
| **Deferred tax liabilities not recognised in the balance sheet** | | | | |
| Temporary differences relating to distributable reserves in foreign subsidiaries | 13.9 | 5.9 | - | - |
| **Deferred tax assets not recognised in the balance sheet** | | | | |
| Tax loss carryforwards | 127.3 | 192.2 | - | - |

# Notes

## Note 13 Income tax (continued)

Deferred tax liabilities not recognised in the balance sheet relate to distributable reserves in foreign subsidiaries that are subject to higher taxation if distributed. These liabilities have not been recognised, as the Group checks whether they will crystallise. It is probable that the liabilities will not crystallise in the foreseeable future.

**RECOVERY OF DEFERRED TAX ASSETS**

The projections of future profits in the enterprises in which losses can be utilised have been updated. At 31 December 2021, the management of MT Højgaard Holding A/S assessed the extent to which, under current tax legislation, taxable profits can be realised in the foreseeable future, and the tax rates that will apply at the date of utilisation. Against this background, the recognition of deferred tax assets has been adjusted.

Like last year, tax loss carryforwards have not been fully capitalised in the assessment of deferred tax assets. They have been capitalised based on expected positive earnings in the next five years. Non-capitalised tax assets amounted to approx. DKK 127 million in the Group and nil in the parent company and relate to tax losses that can be carried forward indefinitely. The non-capitalised tax asset may be recognised as income when the Group reports the necessary positive results.

| Amounts in DKK million | | | | | 2021 |
|---|---|---|---|---|---|
| **GROUP** | Opening balance sheet | Addition on acquisition of subsidiary | Recognised in profit(/loss) for the year | Discontinued operations | **Closing balance sheet** |
| Intangible assets | 72.9 | 13.7 | -15.0 | -1.0 | **70.6** |
| Property, plant and equipment | 37.7 | 0.3 | 24.4 | -68.1 | **-5.7** |
| Other current assets | 110.4 | 11.6 | 21.6 | -0.1 | **143.5** |
| Provisions | -108.2 | -1.2 | -24.6 | 39.9 | **-94.1** |
| Tax loss carryforwards | -166.5 | -1.3 | -45.3 | 12.5 | **-200.6** |
| **Total** | **-53.7** | **23.1** | **-38.9** | **-16.8** | **-86.3** |

| Amounts in DKK million | | | | | 2020 |
|---|---|---|---|---|---|
| **GROUP** | Opening balance sheet | Addition on acquisition of subsidiary | Recognised in profit(/loss) for the year | Discontinued operations | **Closing balance sheet** |
| Intangible assets | 102.4 | 7.3 | -31.0 | -5.8 | **72.9** |
| Property, plant and equipment | 74.0 | 0.7 | -32.6 | -4.4 | **37.7** |
| Other current assets | 127.1 | -0.1 | -8.2 | -8.4 | **110.4** |
| Provisions | -182.2 | -0.1 | 66.5 | 7.6 | **-108.2** |
| Tax loss carryforwards | -174.7 | -0.1 | -10.5 | 18.8 | **-166.5** |
| **Total** | **-53.4** | **7.7** | **-15.8** | **7.8** | **-53.7** |

| Amounts in DKK million | | | | | 2021 |
|---|---|---|---|---|---|
| **PARENT COMPANY** | Opening balance sheet | Addition on acquisition of subsidiary | Recognised in profit(/loss) for the year | Discontinued operations | **Closing balance sheet** |
| Intangible assets | - | - | 0.5 | - | 0.5 |
| Property, plant and equipment | - | - | 16.4 | - | 16.4 |
| Provisions | - | - | -21.5 | - | -21.5 |
| Tax loss carryforwards | -3.7 | - | 1.6 | - | -2.1 |
| **Total** | **-3.7** | **-** | **-3.0** | **-** | **-6.7** |

| Amounts in DKK million | | | | | 2020 |
|---|---|---|---|---|---|
| **PARENT COMPANY** | Opening balance sheet | Addition on acquisition of subsidiary | Recognised in profit(/loss) for the year | Discontinued operations | **Closing balance sheet** |
| Tax loss carryforwards | - | - | -3.7 | - | -3.7 |
| **Total** | **-** | **-** | **-3.7** | **-** | **-3.7** |

# Notes

## Note 14 Earnings per share

| Amounts in DKK million | GROUP 2021 | 2020 |
|---|---|---|
| **Net profit (loss) for the year** | 118.2 | 100.8 |
| Non-controlling interests' share of Group profit(/loss) | 0.6 | 0.4 |
| **Group share of net profit(/loss) for the year** | **117.6** | **100.4** |
| | | |
| Average number of shares, number | 7,787,069 | 7,787,069 |
| Average number of treasury shares, number | -62,633 | -695 |
| **Average number of shares outstanding, number** | **7,724,436** | **7,786,374** |
| Average diluting effect of share-based incentive programme, number | 62,633 | 695 |
| **Average number of shares outstanding, number** | **7,787,069** | **7,787,069** |
| Earnings per share (EPS), DKK | 15.2 | 12.9 |
| Diluted earnings per share (EPS-D), DKK | 15.1 | 12.9 |
| Earnings per share from continuing operations, DKK | 17.3 | 0.4 |
| Diluted earnings per share from continuing operations, DKK | 17.2 | 0.4 |

## Note 15 Intangible assets

Amounts in DKK million — 2021

| GROUP | Goodwill | Brands | Order book | Customer relation-ship | Other intangible assets | Total |
|---|---|---|---|---|---|---|
| Cost at 01-01 | 152.8 | 193.4 | 69.8 | 65.6 | 95.9 | **577.5** |
| Addition on acquisition of subsidiary | 97.6 | 21.9 | 18.8 | 24.5 | 0.4 | **163.2** |
| Additions | - | - | - | - | 8.9 | **8.9** |
| Disposals | - | -3.9 | - | - | -10.9 | **-14.8** |
| **Cost at 31-12** | **250.4** | **211.4** | **88.6** | **90.1** | **94.3** | **734.8** |
| Amortisation and impairment losses at 01-01 | - | 16.9 | 66.7 | 18.2 | 42.1 | **143.9** |
| Amortisation | - | 11.1 | 16.8 | 12.6 | 23.5 | **64.0** |
| Impairment losses | - | - | - | - | 9.2 | **9.2** |
| Disposals | - | -0.5 | - | - | -10.8 | **-11.3** |
| **Amortisation and impairment losses at 31-12** | **-** | **27.5** | **83.5** | **30.8** | **64.0** | **205.8** |
| **Carrying amount at 31-12** | **250.4** | **183.9** | **5.1** | **59.3** | **30.3** | **529.0** |

Amounts in DKK million — 2020

| GROUP | Goodwill | Brands | Order book | Customer relation-ship | Other intangible assets | Total |
|---|---|---|---|---|---|---|
| Cost at 01-01 | 134.1 | 205.3 | 69.8 | 49.6 | 182.2 | **641.0** |
| Addition on acquisition of subsidiary | 18.7 | - | - | 16.0 | - | **34.7** |
| Additions | - | - | - | - | 1.8 | **1.8** |
| Disposals | - | -11.9 | - | - | -88.1 | **-100.0** |
| **Cost at 31-12** | **152.8** | **193.4** | **69.8** | **65.6** | **95.9** | **577.5** |
| Amortisation and impairment losses at 01-01 | - | 7.7 | 49.5 | 7.4 | 22.7 | **87.3** |
| Amortisation | - | 9.6 | 17.2 | 10.8 | 27.6 | **65.2** |
| Disposals | - | -0.4 | - | - | -8.2 | **-8.6** |
| **Amortisation and impairment losses at 31-12** | **-** | **16.9** | **66.7** | **18.2** | **42.1** | **143.9** |
| **Carrying amount at 31-12** | **152.8** | **176.5** | **3.1** | **47.4** | **53.8** | **433.6** |

# Notes

## Note 15 Intangible assets (continued)

| Amounts in DKK million | | | | | | 2021 |
|---|---|---|---|---|---|---|
| **PARENT COMPANY** | Goodwill | Brands | Order book | Customer relation-ship | Other intangible assets | Total |
| Cost at 01-01 | - | - | - | - | - | - |
| Additions | - | - | - | - | 18.4 | 18.4 |
| **Cost at 31-12** | **-** | **-** | **-** | **-** | **18.4** | **18.4** |
| Amortisation and impairment losses at 01-01 | - | - | - | - | - | - |
| Disposals | - | - | - | - | 15.4 | 15.4 |
| **Amortisation and impairment losses at 31-12** | **-** | **-** | **-** | **-** | **15.4** | **15.4** |
| **Carrying amount at 31-12** | **-** | **-** | **-** | **-** | **3.0** | **3.0** |

| GOODWILL ATTRIBUTABLE TO | DKK million |
|---|---|
| - Goodwill related to merger on 5 April 2019 | |
| • Enemærke & Petersen | 59.6 |
| • MT Højgaard Danmark | 33.5 |
| • MT Højgaard International | 29.8 |
| • MT Højgaard Projektudvikling | 11.2 |
| - To this should be added additions of goodwill in | |
| • MT Højgaard International as a result of | |
| * the acquisition of Matu (2020) | 18.7 |
| * the acquisition of RTS Contractors (2021) | 10.9 |
| • There were also additions of goodwill in Enemærke & Petersen as a result of | |
| * the acquisition of Raunstrup (2021) | 30.9 |
| * the acquisition of NemByg (2021) | 55.8 |

### GOODWILL, BRANDS, CUSTOMER RELATIONSHIPS AND ORDER BOOK

On 1 January 2021, the carrying amount of goodwill related to the merger on 5 April 2019 that is attributable to MT Højgaard A/S, DKK 74.5 million, was allocated to the demerged companies/business units MT Højgaard Danmark, MT Højgaard International and MT Højgaard Projektudvikling based on the calculated value of each business unit (EV). The allocation is shown in the overview on the top right under "– Goodwill related to merger on 5 April 2019".

The overall impairment test of the carrying amount of goodwill in the MT Højgaard Holding Group was prepared based on accounting figures at 30 September 2021. The impairment test is based on the estimated value in use. In connection with the impairment test for 2021, revenue was determined for each business unit on the basis of accounting figures at 30 September, forecasts for 2022 and 2023 and estimates for the years 2024-2026 approved by management. Growth in the terminal period was set at 1%.

Profit/(loss) is also based on accounting figures at 30 September and forecasts for 2022 and 2023, and the pre-tax margin is consequently increased over time to the long-term target of 3.5-3.8%. Earnings are underpinned by the order book and the strategic initiatives launched by the companies. The business units are reviewed individually and adjusted up or down based on management's expectations, knowledge and estimates. Net cash flows are determined on this basis. The present value was determined using a discount rate set for each unit. The rate was estimated to be the same for the business units due to uniform market/geography and amounted to 14.91% before tax.

The impairment test did not give rise to any write-downs of goodwill to recoverable amount. Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

Management also tested for impairment the carrying amounts at 30 September 2021 of the order book, customer relationships and brands recognised in connection with the merger of Højgaard Holding A/S and Monberg & Thorsen A/S and the acquisitions of Matu, RTS Contractors, Raunstrup and NemByg. The tests did not give rise to any write-downs.

### OTHER INTANGIBLE ASSETS

Other intangible assets primarily comprise ERP and other IT systems. In 2021, a total impairment charge of DKK 9.2 million was recognised, partly in connection with the portfolio strategy and the demerger of MT Højgaard A/S.

At the end of the year, the carrying amount of the ERP platform in MT Højgaard Danmark was DKK 16.8 million and the HR platform for the MT Højgaard Holding Group DKK 3.0 million. The IT platform is amortised over 3-7 years. The cost of fully amortised assets still in use was DKK 28.0 million.

Management did not identify any factors indicating a need for impairment testing of other intangible assets.

# Notes

## Note 16 Property, plant and equipment

| Amounts in DKK million | | | | | 2021 |
|---|---|---|---|---|---|
| **GROUP** | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Property, plant and equipment under construction | Total |
| Cost at 01-01 | 204.6 | 248.8 | 65.5 | 6.1 | **525.0** |
| Addition on acquisition of subsidiary | 3.8 | 6.3 | 5.9 | - | **16.0** |
| Additions | 47.4 | 170.7 | 12.4 | 8.0 | **238.5** |
| Transfers | 8.4 | - | 1.8 | -10.2 | **0.0** |
| Disposals | -28.3 | -263.8 | -4.7 | - | **-296.8** |
| **Cost at 31-12** | **235.9** | **162.0** | **80.9** | **3.9** | **482.7** |
| Depreciation and impairment losses at 01-01 | 10.4 | 71.7 | 21.6 | - | **103.7** |
| Depreciation | 7.1 | 45.0 | 13.6 | - | **65.7** |
| Impairment losses | 4.4 | 2.4 | 0.8 | - | **7.6** |
| Disposals | -6.8 | -53.4 | -1.3 | - | **-61.5** |
| **Depreciation and impairment losses at 31-12** | **15.1** | **65.7** | **34.7** | **-** | **115.5** |
| **Carrying amount at 31-12** | **220.8** | **96.3** | **46.2** | **3.9** | **367.2** |

Plant and machinery that is hired out (operating leases) amounted to nil at 31 December 2021 and DKK 126.4 million at 31 December 2020.

| Amounts in DKK million | | | | | 2020 |
|---|---|---|---|---|---|
| **GROUP** | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Property, plant and equipment under construction | Total |
| Cost at 01-01 | 180.9 | 250.8 | 58.2 | 35.7 | **525.6** |
| Addition on acquisition of subsidiary | - | 1.0 | 1.0 | - | **2.0** |
| Additions | 14.8 | 40.0 | 19.2 | 9.6 | **83.6** |
| Transfers | 39.2 | - | - | -39.2 | **0.0** |
| Disposals | -30.3 | -43.0 | -12.9 | - | **-86.2** |
| **Cost at 31-12** | **204.6** | **248.8** | **65.5** | **6.1** | **525.0** |
| Depreciation and impairment losses at 01-01 | 5.8 | 31.8 | 12.7 | - | **50.3** |
| Depreciation | 7.0 | 53.0 | 13.8 | - | **73.8** |
| Impairment losses | 8.2 | - | - | - | **8.2** |
| Disposals | -10.6 | -13.1 | -4.9 | - | **-28.6** |
| **Depreciation and impairment losses at 31-12** | **10.4** | **71.7** | **21.6** | **-** | **103.7** |
| **Carrying amount at 31-12** | **194.2** | **177.1** | **43.9** | **6.1** | **421.3** |

| Amounts in DKK million | | | | | 2021 |
|---|---|---|---|---|---|
| **PARENT COMPANY** | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Property, plant and equipment under construction | Total |
| Cost at 01-01 | - | - | - | - | - |
| Additions | - | - | 22.9 | - | 22.9 |
| Disposals | - | - | -4.1 | - | -4.1 |
| **Cost at 31-12** | **-** | **-** | **18.8** | **-** | **18.8** |
| Depreciation and impairment losses at 01-01 | - | - | - | - | - |
| Depreciation | - | - | 3.5 | - | 3.5 |
| Impairment losses | - | - | 0.8 | - | 0.8 |
| Disposals | - | - | -0.7 | - | -0.7 |
| **Depreciation and impairment losses at 31-12** | **-** | **-** | **3.6** | **-** | **3.6** |
| **Carrying amount at 31-12** | **-** | **-** | **15.2** | **-** | **15.2** |

# Notes

## Note 17 Leasing

| Amounts in DKK million | | | | 2021 |
|---|---|---|---|---|
| **GROUP** | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Total |
| Carrying amount at 01-01 | 163.1 | 311.7 | 38.3 | **513.1** |
| Addition on acquisition of subsidiary | 10.4 | 4.5 | 12.5 | **27.4** |
| Additions | 54.4 | 68.7 | 19.4 | **142.5** |
| Remeasurement of lease commitment | 2.1 | - | - | **2.1** |
| Depreciation | -33.1 | -29.2 | -27.6 | **-89.9** |
| Write-downs for the year | -7.1 | - | - | **-7.1** |
| Disposals | -7.6 | -319.4 | -4.8 | **-331.8** |
| **Carrying amount at 31-12** | **182.2** | **36.3** | **37.8** | **256.3** |

Lease assets that are hired out (operating leases) amounted to DKK 91.0 million at 31 December 2021 and DKK 283,2 million at 31 December 2020.

Future lease income from hiring out of property, plant and equipment and lease assets is made up as follows: within one year DKK 6.8 million (2020: DKK 134.8 million), between one and five years DKK 20.5 million (2020: DKK 115.0 million) and more than five years DKK nil (2020: DKK 10.0 million).

| Amounts in DKK million | | | | 2020 |
|---|---|---|---|---|
| **GROUP** | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Total |
| Carrying amount at 01-01 | 196.8 | 308.0 | 84.3 | **589.1** |
| Addition on acquisition of subsidiary | 10.8 | 50.3 | 15.1 | **76.2** |
| Additions | 1.5 | - | - | **1.5** |
| Depreciation | -32.3 | -28.0 | -30.4 | **-90.7** |
| Write-downs for the year | -13.7 | - | - | **-13.7** |
| Disposals | - | -18.6 | -30.7 | **-49.3** |
| **Carrying amount at 31-12** | **163.1** | **311.7** | **38.3** | **513.1** |

| Amounts in DKK million | | | | 2021 |
|---|---|---|---|---|
| **PARENT COMPANY** | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Total |
| Carrying amount at 01-01 | - | - | - | - |
| Additions | 99.4 | - | 0.2 | **99.6** |
| Remeasurement of lease commitment | 0.2 | - | - | **0.2** |
| Depreciation | -11.4 | - | -0.1 | **-11.5** |
| Write-downs for the year | 2.8 | - | - | **2.8** |
| **Carrying amount 31-12** | **91.0** | **-** | **0.1** | **91.1** |

Lease assets that are hired out (operating leases) amounted to DKK 91.0 million at 31 December 2021 (2020: nil).

Future lease income from hiring out of lease assets is made up as follows: within one year DKK 13.9 million (2020: nil), between one and five years DKK 28.4 million (2020: nil) and more than five years DKK nil (2020: nil).

# Notes

## Note 17 Leasing (continued)

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Lease commitments** | **2021** | **2020** | **2021** | **2020** |
| **Future lease expenditure commitments** | | | | |
| Due within one year | 67.1 | 126.3 | 18.6 | - |
| Due between one and five years | 190.9 | 292.8 | 74.2 | - |
| Due after more than five years | 90.9 | 93.2 | 51.0 | - |
| **Total non-discounted lease commitment at 31 December** | **348.9** | **512.3** | **143.8** | **-** |
| **Lease commitments recognised in balance sheet** | | | | |
| Current | 65.1 | 125.0 | 18.2 | - |
| Non-current | 241.1 | 331.7 | 99.2 | - |
| **Total** | **306.2** | **456.7** | **117.4** | **-** |

The Group's leases primarily relate to vehicles, operating equipment and office buildings. The lease term for vehicles and operating equipment is typically between two and five years with an option to extend the lease. The lease term for office buildings is up to 10 years.

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **Amounts recognised in the income statement** | **2021** | **2020** | **2021** | **2020** |
| Interest expenses related to lease commitments | 11.6 | 11.5 | 6.8 | - |
| Variable lease payments not recognised as part of the lease commitment | 4.2 | 6.5 | - | - |
| Costs related to short-term leases | 0.2 | - | - | - |

## Note 18 Inventories

| Amounts in DKK million | GROUP | |
|---|---|---|
| | **2021** | **2020** |
| Raw materials and consumables | 47.9 | 33.5 |
| Properties held for resale | 308.3 | 514.6 |
| **Total** | **356.2** | **548.1** |

Cost of sales for properties for resale was DKK 265.3 million in 2021.

# Notes

## Note 19 Receivables

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Trade receivables | 1,664.6 | 1,192.1 | 0.1 | - |
| Receivables from joint ventures | 38.1 | 103.9 | - | - |
| Receivables from subleasing | 24.3 | - | - | - |
| Other receivables | 162.1 | 109.3 | 17.3 | 0.2 |
| **Total** | **1,889.1** | **1,405.3** | **17.4** | **0.2** |
| **Recognised in the balance sheet as:** | | | | |
| Current assets | 13.0 | 37.4 | - | - |
| Non-current assets | 1,876.1 | 1,367.9 | 17.4 | 0.2 |
| **Total** | **1,889.1** | **1,405.3** | **17.4** | **0.2** |

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Write-downs for bad and doubtful debts at 1 January | 9.4 | 4.6 | - | - |
| Write-downs for the year | 20.8 | 4.9 | - | - |
| Realised during the year | -3.8 | - | - | - |
| Reversals | -2.6 | -0.1 | - | - |
| **Write-downs at 31-12** | **23.8** | **9.4** | **-** | **-** |

Trade receivables include DKK 122 million that is due after one year. The amount has been recognised in current assets.

The fair value of receivables is deemed to correspond to the carrying amount.

Trade receivables include amounts that are subject to normal contract disputes. See note 27 for details.

### CREDIT RISKS RELATED TO RECEIVABLES AND CONSTRUCTION CONTRACTS

Credit risks are generally managed by regular credit rating of customers and business partners. The Group has no material risks relating to a single customer or business partner.

The vast majority of the Group's activities are carried out in Denmark for private and public customers, organisations and housing associations. The Group also carries out civil works projects in North Atlantic countries and a few chosen geographies. Private customers are normally major Danish and international companies with high credit ratings. Credit risk on public customers is considered to be very limited.

The credit risk exposure relating to dealings with private counterparties other than banks is estimated to be limited, as the Group requests security to a great extent, normally in the form of bank guarantees and guarantee insurance or similar, when entering into contracts with private clients. On construction and civil works projects, customers are billed as the work is performed, reducing the Group's credit risk. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.

Write-downs for bad and doubtful debts are consequently negligible and are due to ongoing disputes and compulsory winding-up or expected compulsory winding-up of customers.

| Amounts in DKK million | | | | 2021 |
|---|---|---|---|---|
| GROUP | Percentage loss | Amount due | Expected loss | Total |
| Not due | 0.0% | 972.4 | - | **972.4** |
| 1-30 days past due | 0.0% | 217.4 | - | **217.4** |
| 31-60 days past due | 0.0% | 99.8 | - | **99.8** |
| 61-90 days past due | 1.4% | 21.0 | 0.3 | **20.7** |
| More than 90 days past due | 6.2% | 377.8 | 23.5 | **354.3** |
| **Total** | | **1,688.4** | **23.8** | **1,664.6** |

| Amounts in DKK million | | | | 2020 |
|---|---|---|---|---|
| GROUP | Percentage loss | Amount due | Expected loss | Total |
| Not due | 0.0% | 561.2 | - | **561.2** |
| 1-30 days past due | 0.0% | 320.3 | 0.1 | **320.2** |
| 31-60 days past due | 0.0% | 36.4 | - | **36.4** |
| 61-90 days past due | 0.4% | 24.8 | 0.1 | **24.7** |
| More than 90 days past due | 3.6% | 258.8 | 9.2 | **249.6** |
| **Total** | | **1,201.5** | **9.4** | **1,192.1** |

# Notes

## Note 20 Construction contracts

| Amounts in DKK million | GROUP 2021 | GROUP 2020 |
|---|---|---|
| Progress billings | 15,003.6 | 12,767.8 |
| Selling price of construction contracts | -14,555.3 | -12,291.6 |
| **Construction contracts (net)** | **448.3** | **476.2** |
| **Construction contracts in progress are recognised in the balance sheet as follows:** | | |
| Current liabilities | 827.9 | 685.6 |
| Receivables | -379.6 | -209.4 |
| **Construction contracts (net)** | **448.3** | **476.2** |
| Prepayments from custumers included in progress billing | - | 15.3 |
| **Outstanding performance obligations related to construction contracts** | | |
| Within one year | 6,046.7 | 4,639.7 |
| More than one year | 4,652.7 | 3,250.6 |
| **Total** | **10,699.4** | **7,890.3** |
| Contract assets related to costs for the performance of construction contracts | - | 2.8 |
| Depreciation charge recognised under production costs | 2.8 | 1.6 |

**RECOGNISED REVENUE RELATED TO CONSTRUCTION CONTRACTS**

Efforts are made to ensure that progress billings on construction contracts reflect the underlying stage of completion based on the detailed project plan. Payment terms are typically net 30-45 days. For project sales, the Group does not receive payment until the finished project has been completed and handed over, and payment is consequently not received until after the work has been completed.

Construction contracts (assets) comprise the selling price of work performed where the Group does not yet have an unconditional right to payment.

Construction contracts (liabilities) comprise agreed progress billings for work yet to be performed.

For warranty obligations relating to projects or other sales, reference is made to note 27.

The selling price of work in progress rose at 31 December 2021 compared with 31 December 2020, reflecting higher activity and an increase due to acquisitions of enterprises.

Of current liabilities at 31 December 2020, DKK 14.7 million was not recognised in revenue in 2021.

# Notes

## Note 21 Cash and cash equivalents

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Cash and cash equivalents | 225.3 | 30.5 | 191.1 | - |
| Cash and cash equivalents that are not available to the whole Group | 26.7 | 173.4 | - | 1.6 |
| **Cash and cash equivalents** | **252.0** | **203.9** | **191.1** | **1.6** |
| Overdraft facilities that are part of the ongoing cash management | - | -37.1 | - | -56.6 |
| **Total cash and cash equivalents** | **252.0** | **166.8** | **191.1** | **-55.0** |

Cash and cash equivalents that are not available to the whole Group are funds lodged in connection with projects in progress, disposals of enterprises, property transactions etc.

## Note 22 Capital management

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position complies with current regulations and is aligned to the business concept and the activity level. The aim is for the Group to achieve and maintain solvency of around 30%.

The solvency ratio was 16.6% at the end of 2021, compared to 15.2% at the end of 2020.

The solvency ratio including subordinated loan was 25.8% at the end of 2021, compared to 25.2% at the end of 2020.

Dividends paid in 2021 amounted to nil per share (2020: nil).

## Note 23 Provisions

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Provisions at 01-01 | 434.2 | 595.7 | - | - |
| Provided in the year | 170.8 | 129.1 | 10.0 | - |
| Utilised during the year | -192.2 | -239.1 | -5.9 | - |
| Reversal of unutilised prior year provisions | -54.0 | -51.5 | -2.1 | - |
| **Provisions at 31-12** | **358.8** | **434.2** | **2.0** | **-** |
| **Recognised in the balance sheet as follows:** | | | | |
| Non-current liabilities | 187.6 | 153.3 | - | - |
| Current liabilities | 171.2 | 280.9 | 2.0 | - |
| **Total provisions** | **358.8** | **434.2** | **2.0** | **-** |

Provisions comprise, for example, completed construction contracts and include costs related to one- and five-year reviews. They also include provisions for disputes on completed construction contracts. These are held until the cases have been settled.

The majority of the provisions are expected to be incurred within three years.

# Notes

## Note 24 Bank loans and mortgage debt

| Amounts in DKK million | GROUP 2021 | GROUP 2020 |
|---|---|---|
| **Bank loans are recognised in the balance sheet as follows:** | | |
| Current liabilities | 1.0 | 37.1 |
| **Carrying amount at 31-12** | **1.0** | **37.1** |
| **Bank loans can be broken down by fixed and floating-rate debt as follows:** | | |
| Floating-rate debt | 1.0 | 37.1 |
| **Carrying amount at 31-12** | **1.0** | **37.1** |

| Amounts in DKK million | GROUP 2021 | GROUP 2020 |
|---|---|---|
| **Mortgage debt is recognised in the balance sheet as follows:** | | |
| Non-current liabilities | 12.0 | 17.3 |
| Current liabilities | 5.3 | 5.3 |
| **Carrying amount at 31-12** | **17.3** | **22.6** |
| **Mortgage debt can be broken down by fixed-rate and floating-rate debt as follows:** | | |
| Fixed-rate debt | 17.3 | 22.6 |
| **Carrying amount at 31-12** | 17.3 | 22.6 |
| Weighted average effective interest rate (%) | 0.3 | 0.3 |
| Weighted average remaining term (years) | 8.5 | 8.3 |

Bank loans are only denominated in DKK, and movements are made up of modest drawdowns on credit facilities.

Mortgage debt is only denominated in DKK, and movements are made up of decreases in debt.

### INTEREST RATE RISKS

The Group measures and manages interest rate risks on debt and deposits, which are determined and reviewed on a continuous basis. The Group has no material interest rate risks.

Interest rate risks relate mainly to cash and cash equivalents and interest-bearing liabilities.

At the end of 2021, cash amounted to DKK 252.0 million and was mainly placed on short-term, fixed-term deposit and escrow accounts.

The Group's interest-bearing liabilities excluding the subordinated loan of DKK 400 million, were DKK 341.8 million at the end of 2021, with short-term borrowings accounting for 23%. The DKK 341.8 million was made up of: bank loans DKK 1.0 million, mortgage debt DKK 17.3 million, lease commitments DKK 306,2 million and other liabilities DKK 17.3 million. Fixed-rate debt accounted for 87% of the Group's interest-bearing liabilities.

Other non-current liabilities of DKK 182.9 million mainly consist of frozen holiday pay that is index-adjusted on an ongoing basis in line with the development in wages and salaries and liability related to the acquisition of non-controlling shareholders' equity interests.

Changes in cash flows: All other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash/cash equivalents and debt would have been a DKK 1.4 million increase in consolidated net profit/(loss) for the year and equity at 31 December 2021 (2020: DKK 0.6 million increase). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

The above calculations exclude the subordinated loan of DKK 400 million, see note 25.

### LIQUIDITY RISKS

Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.

The Group's cash flow is managed centrally, mainly through a DKK cash pool and regular cash flow forecasts from the Group's subsidiaries.

# Notes

## Note 24 Bank loans and mortgage debt (continued)

Amounts in DKK million

| GROUP | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
|---|---|---|---|---|---|
| | | | | | 2021 |
| **Non-derivative financial instruments** | | | | | |
| Mortgage debt | 17.3 | 18.4 | 5.6 | 5.4 | 7.4 |
| Payables to group enterprises | 17.3 | 17.8 | 0.4 | 17.4 | - |
| Trade payables | 996.4 | 996.4 | 996.4 | - | - |
| Other payables | 545.9 | 545.9 | 363.0 | 78.1 | 104.8 |
| **Total non-derivative instruments** | **1,576.9** | **1,578.5** | **1,365.4** | **100.9** | **112.2** |

Amounts in DKK million

| PARENT COMPANY | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
|---|---|---|---|---|---|
| | | | | | 2021 |
| **Non-derivative financial instruments** | | | | | |
| Payables to group enterprises | 17.3 | 17.8 | 0.4 | 17.4 | - |
| Trade payables | 16.4 | 16.4 | 16.4 | - | - |
| Other payables | 25.8 | 25.8 | 17.4 | 0.7 | 7.7 |
| **Total non-derivative instruments** | **59.5** | **60.0** | **34.2** | **18.1** | **7.7** |

Amounts in DKK million

| GROUP | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
|---|---|---|---|---|---|
| | | | | | 2020 |
| **Non-derivative financial instruments** | | | | | |
| Mortgage debt | 22.6 | 24.0 | 5.6 | 9.7 | 8.7 |
| Bank loans | 37.1 | 37.1 | 37.1 | - | - |
| Payables to group enterprises | 17.3 | 18.2 | 0.4 | 17.8 | - |
| Trade payables | 709.3 | 709.3 | 709.3 | - | - |
| Other payables | 501.8 | 501.8 | 373.0 | 17.4 | 111.6 |
| **Total non-derivative instruments** | **1,288.1** | **1,290.4** | **1,125.4** | **44.9** | **120.3** |

Amounts in DKK million

| PARENT COMPANY | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
|---|---|---|---|---|---|
| | | | | | 2020 |
| **Non-derivative financial instruments** | | | | | |
| Bank loans | 56.6 | 56.6 | 56.6 | - | - |
| Payables to group enterprises | 616.2 | 744.7 | 0.4 | 17.8 | 726.5 |
| Trade payables | 4.3 | 4.3 | 4.3 | - | - |
| **Total non-derivative instruments** | **677.1** | **805.6** | **61.3** | **17.8** | **726.5** |

# Notes

## Note 25 Subordinated loan

On 10 April 2019, MT Højgaard Holding A/S entered into an agreement with Knud Højgaards Fond on a subordinated loan facility of DKK 400 million. MT Højgaard Holding A/S made a DKK 400 million drawdown on the loan facility on 10 April 2019.

The loan facility is repayable with DKK 80 million annually, the first time on 31 March 2023 and the last time on 31 March 2027. MT Højgaard Holding A/S will be charged interest on a half-yearly basis in the form of 6-month CIBOR plus a margin.

No security has been provided in respect of the loan, and drawdowns under the loan facility will be treated as subordinated loan capital, so that any outstanding amounts will rank after claims under sections 93-97 and 98(1) of the Danish Insolvency Act.

Against the background of the accounting provision to cover the Group's liabilities in the MgO board cases, in 2018 Knud Højgaards Fond committed to providing up to DKK 250 million in the form of subordinated loan capital to MT Højgaard Danmark A/S.

MT Højgaard Danmark A/S did not make any drawdowns on the loan facility in 2021. The loan facility expired on 31 December 2021.

| Amounts in DKK million | | | | | 2021 |
|---|---|---|---|---|---|
| **GROUP** | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
| The subordinated loan is recognised in the balance sheet as follows: | | | | | |
| Non-current liabilities | 400.0 | 465.0 | 20.0 | 364.0 | 81.0 |
| **Carrying amount at 31-12** | **400.0** | **465.0** | **20.0** | **364.0** | **81.0** |

| Amounts in DKK million | | | | | 2020 |
|---|---|---|---|---|---|
| **GROUP** | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
| The subordinated loan is recognised in the balance sheet as follows: | | | | | |
| Non-current liabilities | 400.0 | 485.0 | 20.0 | 299.0 | 166.0 |
| **Carrying amount at 31-12** | **400.0** | **485.0** | **20.0** | **299.0** | **166.0** |

| Amounts in DKK million | | | | | 2021 |
|---|---|---|---|---|---|
| **PARENT COMPANY** | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
| The subordinated loan is recognised in the balance sheet as follows: | | | | | |
| Non-current liabilities | 400.0 | 465.0 | 20.0 | 364.0 | 81.0 |
| **Carrying amount at 31-12** | **400.0** | **465.0** | **20.0** | **364.0** | **81.0** |

| Amounts in DKK million | | | | | 2020 |
|---|---|---|---|---|---|
| **PARENT COMPANY** | Carrying amount | Contractual cash flows | Less than one year | Between one and five years | More than five years |
| The subordinated loan is recognised in the balance sheet as follows: | | | | | |
| Non-current liabilities | 400.0 | 485.0 | 20.0 | 299.0 | 166.0 |
| **Carrying amount at 31-12** | **400.0** | **485.0** | **20.0** | **299.0** | **166.0** |

# Notes

## Note 26 Liabilities from financing activities

Amounts in DKK million — 2021

| GROUP | 01-01 | Cash flows | Acquisition of enterprise | Disposal of enterprise | Other non-cash movements | 31-12 |
|---|---|---|---|---|---|---|
| Non-current liabilities | 434.6 | - | - | - | -5.3 | **429.3** |
| Current liabilities | 5.3 | -5.3 | 1.0 | - | 5.3 | **6.3** |
| Lease commitments | 456.6 | -334.6 | 27.5 | - | 156.7 | **306.2** |
| **Liabilities from financing activities** | **896.5** | **-339.9** | **28.5** | **-** | **156.7** | **741.8** |

Amounts in DKK million — 2021

| PARENT COMPANY | 01-01 | Cash flows | Acquisition of enterprise | Disposal of enterprise | Other non-cash movements | 31-12 |
|---|---|---|---|---|---|---|
| Non-current liabilities | 1,016.2 | - | - | - | -598.9 | **417.3** |
| Lease commitments | - | 17.7 | - | - | 99.7 | **117.4** |
| **Liabilities from financing activities** | **1,016.2** | **17.7** | **-** | **-** | **-499.2** | **534.7** |

Amounts in DKK million — 2020

| GROUP | 01-01 | Cash flows | Acquisition of enterprise | Disposal of enterprise | Other non-cash movements | 31-12 |
|---|---|---|---|---|---|---|
| Non-current liabilities | 444.9 | -10.3 | - | - | - | **434.6** |
| Current liabilities | 6.5 | -1.2 | - | - | - | **5.3** |
| Lease commitments | 545.1 | -120.9 | - | -30.0 | 62.4 | **456.6** |
| **Liabilities from financing activities** | **996.5** | **-132.4** | **-** | **-30.0** | **62.4** | **896.5** |

Amounts in DKK million — 2020

| PARENT COMPANY | 01-01 | Cash flows | Acquisition of enterprise | Disposal of enterprise | Other non-cash movements | 31-12 |
|---|---|---|---|---|---|---|
| Non-current liabilities | 417.3 | 598.9 | - | - | - | **1,016.2** |
| **Liabilities from financing activities** | **417.3** | **598.9** | **-** | **-** | **-** | **1,016.2** |

# Notes

## Note 27 Contingent liabilities and security arrangements

**DISPUTES, LEGAL AND ARBITRATION PROCEEDINGS AND CONTINGENT LIABILITIES**

Due to the nature of its business, the Group is naturally involved in various disagreements, disputes and legal and arbitration proceedings in both Danish and a few international companies. An assessment is made in all instances of the extent to which such cases may result in obligations for the Group, and the probability of this. In some instances, a case may also result in claims against other parties than the client. Management's estimates are based on available information and legal opinions from advisers. The outcome may be difficult to assess and, depending on the nature of the case, may differ from management's estimate.

MT Højgaard Holding A/S is taxed jointly with its Danish subsidiaries, and is the management company for the joint taxation. The management company has unlimited and joint and several liability with the other companies with respect to income taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2021, the total known net liability on payable income taxes and withholding taxes in the joint taxation group was DKK 5.7 million (2020: nil). Any subsequent adjustments of joint taxation income and withholding taxes etc. may result in the company's liability being higher.

For further information, see note 13.

| Amounts in DKK million | GROUP | |
|---|---|---|
| **Security arrangements** | **2021** | **2020** |
| Land and buildings with a carrying amount of | 104.5 | 104.3 |
| Bank loans in respect of which security has been provided | 17.3 | 22.6 |
| Normal security in the form of guarantees from financial institutions has been provided for contracts and supplies | 3,785.4 | 3,200.5 |

## Note 28 Adjustments for items not included in cash flow etc.

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Depreciation and amortisation | 243.5 | 251.6 | 28.4 | - |
| Provisions | 116.8 | 58.9 | - | - |
| Share of profit/(loss) after tax of joint ventures | -42.9 | 10.2 | - | - |
| Other non-cash operating items, net | -10.4 | -0.1 | 7.8 | - |
| **Total** | **307.0** | **320.6** | **36.2** | **-** |

## Note 29 Financial risks and financial instruments

The Group's activities entail various financial risks that may affect its development, financial position and operations.

The Group's most significant financial risks relate to loans, receivables, including construction contracts, and cash and cash equivalents as well as interest-bearing liabilities and trade payables.

The Group maintains an overview of its currency positions and interest rate sensitivity with a view to mitigating currency risk and maintaining interest rate sensitivity at a low level.

Based on the Group's expectations concerning the future operations and the Group's current financial resources, no material liquidity risks have been identified. A cash pool agreement has been established for the parent company and most of the Group's subsidiaries.

# Notes

## Note 29 Financial risks and financial instruments (continued)

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Categories of financial instruments** | | | | |
| Financial assets measured at fair value through profit or loss | 1.3 | 1.6 | - | - |
| Receivables | 1,874.8 | 1,366.3 | 9.8 | 0.2 |
| Cash and cash equivalents | 252.0 | 203.9 | 191.1 | 1.6 |
| **Financial assets measured at amortised cost** | **2,126.8** | **1,570.2** | **200.9** | **1.8** |
| Financial liabilities measured at fair value and recognised under other non-current liabilities | 61.8 | - | - | - |
| Mortgage debt | 17.3 | 22.6 | - | - |
| Bank loans | 1.0 | 37.1 | - | 56.6 |
| Lease commitments | 306.2 | 456.7 | 117.4 | - |
| Trade payables | 996.4 | 709.3 | 13.4 | 4.3 |
| Payables to group enterprises | 417.3 | 417.3 | 417.3 | 1,016.2 |
| **Financial liabilities measured at amortised cost*** | **1,738.2** | **1,643.0** | **548.1** | **1,077.1** |

* amortised cost corresponds largely to fair value.

The Group's derivative financial instruments are valued based on recognised valuation methods in the form of discount models and observable market data such as interest rate curves and exchange rates (Level 2).

It is the Group's policy to recognise transfers between the various categories from the date on which an event or a change in circumstances results in a change of classification. No transfers were made between levels in 2021.

### PUT AND CALL OPTIONS RELATING TO THE ACQUISITION OF NON-CONTROLLING SHAREHOLDERS' EQUITY INTERESTS

The Group entered into put and call options with the non-controlling shareholders on the acquisition of NemByg A/S on 1 July 2021. The put option entitles the non-controlling shareholders to sell their remaining 40% equity interest to the Group. At the same time, the Group has a call option to acquire the non-controlling shareholders' equity interest.

### PUT OPTION

The fair value of the Group's liability relating to the acquisition of the non-controlling shareholders' equity interest has been estimated at DKK 31.8 million based on the expected earnings of the acquired enterprise and an EBITDA multiple. The expected payment has been discounted using a discount rate of 11.6%.

The total payment for NemByg amounts to DKK 67.5 million as a minimum. This is a fair value measurement at Level 3 under the fair value hierarchy applied.

In calculating the estimate, the expected results were a key assumption. A +/- 10% change in the expected results will lead to a DKK 6 million change in the liability.

The liability is presented under other non-current liabilities.

### CALL OPTION

The fair value of the Group's call option relating to the acquisition of the non-controlling shareholders' equity interest corresponds to the estimated market value of the underlying asset at the balance sheet date less the estimated exercise price for the equity interests.

The estimated exercise price for the call option is based on the same assumptions and calculation methods as were used to estimate the value of the liability relating to the acquisition of non-controlling shareholders' equity interests.

The market value of the underlying asset has been estimated using a DCF model based on the expected earnings of the acquired enterprise according to approved budgets and 1% growth during the terminal period.

This is a fair value measurement at Level 3 (non-observable data) under the fair value hierarchy applied.

At 31 December 2021, the fair value of the call option was estimated at nil. In calculating the fair value of the call option, the expected results were a key assumption. A +/- 10% change in the expected results will have no effect on the fair value at 31 December 2021 of the call option.

# Notes

## Note 30 Derivative financial instruments

**CURRENCY RISKS**

Currency risks are managed centrally in the Group with a view to mitigating the effects of currency fluctuations. On projects, the Group strives to minimise risks by seeking to match income to expenditure so that they balance with respect to currency and by using forward exchange contracts. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. EUR to DKK is not currently considered a currency exposure due to DKK/EUR fixed-rate policy.

Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. The amount recognised in the consolidated income statement was an expense of nil (2020: nil).

The open forward exchange contracts at 31 December 2021 had a remaining term of up to 3 months.

| Amounts in DKK million | | | 2021 |
|---|---|---|---|
| **GROUP** | SEK exposure | Effect on profit/ (loss) | Effect on equity |
| SEK/DKK, probable increase in exchange rate 10% | -33.4 | -3.3 | - |

| Amounts in DKK million | | | 2020 |
|---|---|---|---|
| **GROUP** | SEK exposure | Effect on profit/ (loss) | Effect on equity |
| SEK/DKK, probable increase in exchange rate 10% | -88.4 | -8.8 | - |

As the exposure in SEK is primarily due to contractual in- and outflows, the Group is of the view that the effect of any change in the exchange rate will be offset over time. Accordingly, the effect on profit shown will only reflect the effect on the balance sheet date viewed in isolation.

A decrease in the exchange rate will have a corresponding opposite effect on profit and/or equity.

# Notes

## Note 31 Acquisition of enterprises

| | 2021 | | | |
|---|---|---|---|---|
| Amounts in DKK million | NemByg A/S | Raunstrup A/S | RTS Contractors | Total |
| Intangible assets | 26.4 | 32.4 | 6.8 | 65.6 |
| Property, plant and equipment | 5.3 | 0.5 | 10.2 | 16.0 |
| Lease assets | 1.9 | 21.0 | 4.5 | 27.4 |
| Current assets | 36.4 | 93.3 | 7.4 | 137.1 |
| Cash and cash equivalents | 29.3 | 40.8 | 2.9 | 73.0 |
| Bank loans | - | - | -1.0 | -1.0 |
| Lease commitments | -1.9 | -21.0 | -4.6 | -27.5 |
| Deferred tax liabilities | -7.7 | -15.2 | -1.5 | -24.4 |
| Other non-current liabilities | -32.7 | -12.3 | -3.3 | -48.3 |
| Provisions | -1.8 | -3.7 | - | -5.5 |
| Trade payables | -17.8 | -42.6 | -5.5 | -65.9 |
| Other liabilities | -49.3 | -24.0 | -7.1 | -80.4 |
| **Net assets** | **-11.9** | **69.2** | **8.8** | **66.1** |
| Goodwill | 55.8 | 30.9 | 10.9 | 97.6 |
| **Equity incl. non-controlling interests** | **43.9** | **100.1** | **19.7** | **163.7** |
| Non-controlling interests | - | - | -0.7 | -0.7 |
| **Purchase price** | **76.6** | **100.1** | **19.0** | **195.7** |
| Due purchase price | -32.7 | - | - | -32.7 |
| Of which cash and cash equivalents | -29.3 | -40.8 | -2.9 | -73.0 |
| **Cash consideration** | **14.6** | **59.3** | **16.1** | **90.0** |

On 4 February 2021, MT Højgaard International acquired 80% of the shares in the Faroese company RTS Contractors. With the acquisition MT Højgaard International will gain access to strong excavation and civil works capabilities in the Faroe Islands and Greenland, including blasting in Arctic conditions.

RTS Contractors is recognised in revenue with DKK 36.5 million and net profit of continuing operations with DKK 1.3 million.

Enemærke & Petersen acquired the nationwide contracting and carpentry company Raunstrup A/S effective 1 March 2021. The acquisition will strengthen Enemærke & Petersen, especially in East and Central Jutland and on Funen, and will also considerably expand Enemærke & Petersen's activities in the field of building maintenance services.

Raunstrup is recognised in revenue with DKK 390.0 million and net profit of continuing operations with DKK 4.0 million for the period since the acquisition on 1 March.

In addition, on 1 July, Enemærke & Petersen acquired 60% of the shares in the contracting company NemByg A/S. The current owners, including management, will continue as non-controlling shareholders until the end of 2024 after which Enemærke & Petersen has an option to acquire NemByg in its entirety. The purchase price for 60% of the shares was DKK 43.9 million. The price for the remaining 40% will be determined based on NemByg's financial performance.

NemByg is recognised in revenue with DKK 108.1 million and net profit of continuing operations with DKK 5.1 million for the period since the acquisition on 1 July.

Revenue and net profit for the Group for 2021 (for the continuing operations) calculated on a pro forma basis as if Raunstrup A/S and NemByg A/S were acquired on 1 January 2021, were DKK 7,375.7 million and DKK 143.3 million respectively. The pro forma figures have been determined based on the actual purchase consideration and the purchase price allocation at the acquisition date, but amortisation, loan costs etc. are recognised in the pro forma figures from 1 January 2021.

### GOODWILL

The acquisition of RTS Contractors will strengthen MT Højgaard International's position in the Faroe Islands and Greenland, including within strong capabilities and experience within blasting in Arctic conditions.

The acquisition of the contracting and carpentry company Raunstrup will strengthen the activities on Funen and in East and Central Jutland and within building maintenance services.

The acquisition of the contracting group NemByg will secure Enemærke & Petersen a strong foothold in South Jutland.

# Notes

## Note 31 Acquisition of enterprises (continued)

| Amounts in DKK million | 2020 Matu A/S | Total |
|---|---|---|
| Intangible assets | 16.0 | 16.0 |
| Property, plant and equipment | 2.0 | 2.0 |
| Current assets | 3.6 | 3.6 |
| Cash and cash equivalents | 0.6 | 0.6 |
| Provisions | -7.7 | -7.7 |
| Other current liabilities | -4.4 | -4.4 |
| **Net assets** | **10.1** | **10.1** |
| Goodwill | 18.7 | 18.7 |
| **Purchase price** | **28.8** | **28.8** |
| Of which cash and cash equivalents | -0.6 | -0.6 |
| **Cash consideration** | **28.2** | **28.2** |

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 MT Højgaard International's focus on Greenland, where we want to expand our position as a locally anchored company in the areas in which we operate.

## Note 32 Discontinued operations

**SALE OF AJOS**

The crane division in Ajos was divested to the crane enterprise Normas Cranes A/S effective 1 April 2021. The transaction comprised seven specialised employees at two locations and the crane fleet with more than 50 tower and semi-mobile cranes as well as the crane division's order book.

Ajos divested all its activities within site huts, construction site organisation, temporary installations etc. to the rental company CP ApS effective 1 October 2021. The transaction comprised a number of specialised employees at locations in Køge and Vejle, and all equipment, incl. approx. 1,400 office and workmen's huts as well as containers and approx. 150 ordered units.

Effective 31 December 2021, an agreement was signed on the sale of the rental activities of the Ajos business unit's pavilion business to Adapteo, the leading provider of flexible buildings in Northern Europe.

The total selling price for the assets was DKK 531.8 million, which contributed to a loss from discontinued operations of DKK 7.3 million.

The selling price for the pavilion business included an earn-out of up to DKK 110 million, which runs until the end of 2025. The recognised earn-out will be determined annually at fair value and will be based on future rental activities.

**SALE OF LINDPRO**

A loss of DKK 8.9 million was recognised in 2021 related to adjustment of the selling price for Lindpro under profit from discontinued operations.

On 26 March 2020, the Danish competition authorities approved the sale of Lindpro A/S to Kemp & Lauritzen A/S effective 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 part of 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 87.3 million.

Sold assets comprise mainly working capital, including trade receivables.

# Notes

## Note 32 Discontinued operations (continued)

| Amounts in DKK million | GROUP | |
|---|---|---|
| **Discontinued operations** | **2021** | **2020** |
| Revenue | 104.6 | 345.2 |
| Costs | -120.4 | -349.0 |
| **EBIT** | **-15.8** | **-3.8** |
| Net financials | -11.6 | -8.2 |
| **EBT** | **-27.4** | **-12.0** |
| Income tax expense | 8.7 | 1.8 |
| **Profit/(loss) after tax** | **-18.7** | **-10.2** |
| Gain on sale less distribution costs and write-downs to fair value | 7.0 | 104.8 |
| Tax effect of write-downs | -4.5 | 2.5 |
| **Net profit/(loss) for the year from discontinued operations** | **-16.2** | **97.1** |
| Earnings from discontinued operations per share (EPS), DKK | -2.1 | 12.5 |
| Diluted earnings from discontinued operations per share (EPS-D), DKK | -2.1 | 12.5 |
| Cash flows from operating activities | 4.7 | 164.7 |
| Cash flows from investing activities | 441.8 | 65.6 |
| Cash flows from financing activities | -262.5 | -130.6 |
| **Total cash flows from discontinued operations** | **184.0** | **99.7** |

## Note 33 Related parties

| Amounts in DKK million | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **Related party transactions:** | | | | |
| Sales of goods and services to subsidiaries | - | - | 165.1 | - |
| Sales of goods and services to Knud Højgaards Fond | 36.3 | - | 0.1 | - |
| Sales of goods and services to joint ventures | 6.1 | 12.0 | - | - |
| Purchases of goods and services from subsidiaries | - | - | -1.6 | - |
| Interest, joint ventures | 1.5 | 1.5 | - | - |
| Interest, Knud Højgaards Fond | -19.9 | -19.9 | -19.9 | -19.9 |
| Receivables from joint ventures | 38.1 | 103.9 | - | - |
| Receivables from subsidiaries | - | - | 678.7 | 45.2 |
| Payables to subsidiaries | - | - | -1,536.3 | -598.9 |
| Subordinated loan; Knud Højgaards Fond | -400.0 | -400.0 | -400.0 | -400.0 |
| Balance with Knud Højgaards Fond | -17.3 | -17.3 | -17.3 | -17.3 |
| Acquisition of subsidiaries from MT Højgaard Danmark A/S | - | - | - | 553.8 |
| Transition of assets from MT Højgaard Danmark A/S | - | - | 167.6 | - |
| Transition of liabilities from MT Højgaard Danmark A/S | - | - | -167.8 | - |

**SIGNIFICANT INFLUENCE:**
Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board, and Knud Højgaards Fond with a shareholding of 37%.

**SUBSIDIARIES AND JOINT VENTURES:**
In 2021, the parent company took over the administrative functions (IT, legal affairs, procurement, facility management and Group finance) from MT Højgaard Danmark A/S.

# Notes

## Note 33 Related parties (continued)

In 2020, the parent company acquired the companies MT Højgaard Projektudvikling A/S, MT Højgaard International A/S, Ajos A/S, Enemærke & Petersen A/S and Scandi Byg A/S from MT Højgaard A/S at net asset value. Related parties also include joint ventures in which the Group has joint control. A list of the Group's companies is provided in note 36.

Remuneration to the Board of Directors and the Executive Board as well as the share-based incentive programmes are disclosed in note 5.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 11 and 12.

Dividends from subsidiaries and joint ventures are disclosed in note 9.

The Danish companies in the MT Højgaard Holding Group are taxed jointly from 5 April 2019. In 2021, transfers of joint taxation contributions among the Danish companies were DKK 3.8 million (2020: DKK 0.6 million).

Receivables from joint ventures relate to business-related balances concerning purchases and sales of goods and services as well as subordinated loans. The business-related balances are non-interest-bearing and are entered into on the same terms as apply to other customers and suppliers. Interest on intragroup loans is charged at the Group's internal interest rate. Balances with subsidiaries and joint ventures were not written down in 2021 or 2020.

Group receivables and payables are primarily attributable to the cash pool arrangement. As the Group did not incur any bad debts, an ECL loss is considered to be very limited.

For further information on the subordinated loan of DKK 400 million from Knud Højgaards Fond, see note 25.

## Note 34 Events after the reporting date

MT Højgaard Holding has appointed Henrik Mielke as new President and CEO, replacing Morten Hansen, who wished to step down. At the Annual General Meeting on 16 March 2022, Morten Hansen will instead be nominated for election to the company's Board of Directors.

Henrik Mielke has been working for Enemærke & Petersen for a number of years, for the past seven years as CEO. Henrik Mielke joined MT Højgaard Holding's management on 1 February 2022 and will replace Morten Hansen as President and CEO on 15 March 2022 in a smooth succession. From that date, the Group Executive Board will be made up of Henrik Mielke and CFO Martin Solberg.

## Note 34 Events after the reporting date (continued)

The new CEO of Enemærke & Petersen is Troels Aggersbo, the company's Bid Director until his appointment.

Group Director for Strategy and Business Development, Rasmus Untidt, will join MT Højgaard Holding's Group management on 1 April 2022.

No other material events have arisen between the reporting date and the date of publication of the annual report that have not already been included in this annual report or have a material effect on the assessment of the company's financial position.

## Note 35 New standards and interpretations

The IASB has issued the following new standards and interpretations that are not mandatory for MT Højgaard Holding A/S in connection with the preparation of the annual report for 2021:

- IFRS 17 Insurance Contracts
- IAS 1 Presentation of Financial Statements - Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- IAS 1 Presentation of Financial Statements - Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice 2: Disclosure of Accounting policies
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Amendments to IAS 8 Accounting policies in Accounting Estimates and Errors: Definition of Accounting Estimates
- IAS 12 Income taxes – Amendments to IAS 12 Income taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

None of the above standards or interpretations has been adopted by the EU.

The adopted but not yet effective standards and interpretations will be implemented as they become mandatory for MT Højgaard Holding A/S. It has been judged that none of the above standards or interpretations will affect recognition and measurement for MT Højgaard Holding A/S.

# Notes

## Note 36 Company overview

| Subsidiaries | Registered office | Ownership interest 2021 | Ownership interest 2020 |
|---|---|---|---|
| MT Højgaard Danmark A/S | Søborg DK | 100% | 100% |
| MT Højgaard Construction Management ApS | Søborg DK | 100% | 100% |
| MT Hojgaard Vietnam Company Limited | Vietnam VN | 100% | 100% |
| MTHI A/S | Søborg DK | 100% | 100% |
| Enemærke & Petersen A/S | Ringsted DK | 100% | 100% |
| E&P Murerforretning ApS | Ringsted DK | 100% | 100% |
| Raunstrup A/S | Aarhus DK | 100% | - |
| Raunstrup Tømrer A/S | Aarhus DK | 100% | - |
| Raunstrup Bygningsservice A/S | Aarhus DK | 100% | - |
| Raunstrup Byggeri A/S | Aarhus DK | 100% | - |
| NemByg A/S | Tjæreborg DK | 60% | - |
| Øresundsvej 11, Esbjerg ApS | Esbjerg DK | 100% | - |
| Ejendomsselskabet Skovagervej, Ry ApS | Ry DK | 100% | - |
| Scandi Byg A/S | Løgstør DK | 100% | 100% |
| MT Højgaard International A/S | Søborg DK | 100% | 100% |
| MTHI Projects A/S | Søborg DK | 100% | - |
| Greenland Contractors I/S* | Søborg DK | 67% | 67% |
| MT Højgaard Grønland ApS | Greenland GR | 100% | 100% |
| Arssarnerit A/S | Greenland GR | 100% | 100% |
| Matu Security ApS (fusioneret med Arssarnerit A/S i 2021) | Greenland GR | - | 100% |
| MT (UK) Ltd. | England GB | 100% | 100% |
| MT Højgaard Føroyar P/F | Faroe Islands DK | 100% | 100% |
| R.T.S. Contractors SP/F | Faroe Islands DK | 80% | - |
| MT Hojgaard (GIB) Ltd. | Gibraltar GB | - | 100% |
| MTH Qatar LCC** | Qatar QA | 49% | 49% |
| MT Højgaard Norge AS | Norway NO | 100% | 100% |
| MT Hojgaard Private Limited | Maldiv. MV | 100% | 100% |
| MT Højgaard Projektudvikling A/S | Søborg DK | 100% | 100% |
| Horsensvej, Vejle ApS | Søborg DK | 100% | 100% |
| Gaardhaverne ApS | Søborg DK | 100% | 100% |

| Subsidiaries | Registered office | Ownership interest 2021 | Ownership interest 2020 |
|---|---|---|---|
| Nordre Mellemvej, Roskilde ApS | Søborg DK | 100% | 100% |
| Sjællandsbroen, København ApS | Søborg DK | 100% | 100% |
| Strandvej, Korsør ApS | Søborg DK | 100% | 100% |
| Sjællandsbroen Erhverv ApS | Søborg DK | 100% | 100% |
| Solrækkerne ApS | Søborg DK | 100% | 100% |
| Halland Boulevard, Høje Taastrup ApS | Søborg DK | 100% | 100% |
| Vestervænget, Høje Taastrup ApS | Søborg DK | 100% | 100% |
| Skjeberg Allé, del 3, Høje Taastrup ApS | Søborg DK | 100% | 100% |
| Mosevej 15b, Risskov ApS | Søborg DK | 100% | 100% |
| Mosevej 17, Risskov ApS | Søborg DK | 100% | 100% |
| Nivåvej, Nivå - del 1 ApS | Søborg DK | 100% | 100% |
| Nivåvej, Nivå - del 2 ApS | Søborg DK | 100% | 100% |
| Petersborg, Nordre Strandvej 3A, Helsingør ApS | Søborg DK | - | 100% |
| Kildegården, Roskilde ApS | Søborg DK | - | 100% |
| MTH Projekt 17 ApS | Søborg DK | - | 100% |
| MTH Projekt 5 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 19 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 21 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 22 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 23 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 24 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 25 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 27 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 28 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 29 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 30 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 31 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 32 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 33 ApS | Søborg DK | 100% | 100% |
| MTH Projekt 34 ApS | Søborg DK | 100% | 100% |
| Administrationsselskabet af 1. oktober 2007 A/S | Køge DK | 100% | 100% |

* As permitted by section 5(1) of the Danish Financial Statements Act, the partnership has elected not to present an annual report.
** The company is fully consolidated on the basis of a shareholders' agreement that gives the Group control of and the right to the financial return from the company's activities.

# Notes

## Note 36 Company overview (continued)

| Joint ventures | Registered office | Ownership interest 2021 | Ownership interest 2020 |
|---|---|---|---|
| OPP Hobro Tinglysningsret A/S | Fr.berg DK | - | 33% |
| OPP Randers P-hus A/S | Fr.berg DK | - | 33% |
| OPP Vildbjerg Skole A/S | Fr.berg DK | - | 33% |
| OPP Ørstedskolen A/S | Fr.berg DK | - | 33% |
| OPS Frederikshavn Byskole A/S | Fr.berg DK | 50% | 50% |
| OPS Skovbakkeskolen A/S | Fr.berg DK | 50% | 50% |
| Driftsselskabet OPP Vejle A/S | Fr.berg DK | 50% | 50% |
| Driftsselskabet OPP Slagelse sygehus A/S | Fr.berg DK | 50% | 50% |
| Soc. de Empreitadas e Trabalhos Hidráulicos, S.A.,(Seth) | Portugal PT | 60% | 60% |
| Skanska-MTH Marieholmsbron HB | Sweden SE | 30% | 30% |
| Skanska-MTH Hisingsbron HB | Sweden SE | 30% | 30% |
| Bravida MT Højgaard ApS | Brøndby DK | 50% | 50% |

# Statement by the Executive Board and the Board of Directors

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

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in 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 Group's and the parent company's financial position at 31 December 2021 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 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year, cash flows and financial position and describes the significant risks and uncertainty factors pertaining to the Group and the parent company.

In our opinion, the 2021 annual report of MT Højgaard Holding A/S with the file name MTHojgaard-Holding_2021_12_31.zip has been prepared, in all material respects, in compliance within the ESEF Regulation.

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 22 February 2022

## EXECUTIVE BOARD

**Morten Hansen**
President and CEO

**Martin Solberg**
CFO

## BOARD OF DIRECTORS

**Carsten Dilling**
Chairman of the Board of Directors

**Anders Lindberg**
Deputy Chairman of the Board of Directors

**Christine Thorsen**

**Janda Campos**

**Pernille Fabricius**

**Steffen Baungaard**

**Peter Martin Facius**

**Lars Tesch Olsen**

**Stine Marie Søderdahl Friis**

# Independent auditor's report

## TO THE SHAREHOLDERS OF MT HØJGAARD HOLDING A/S

### OPINION

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard Holding A/S for the financial year 1 January – 31 December 2021 which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the 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 2021 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 2021 in accordance with International Financial Reporting 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

We were initially appointed as auditor of MT Højgaard Holding A/S on 5 April 2019 for the financial year 2019. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2021.

### 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 2021. 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. 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.

#### 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 1, 2, 4 and 20 to the consolidated financial statements and the parent company financial statements.

MT Højgaard Danmark, Enemærke & Petersen, Scandi Byg, MT Højgaard International and MT Højgaard Projektudvikling erect major building and construction projects for private as well as public customers, where the delivery of the projects typically extends over more than one financial year. Due to the characteristics of the projects and in accordance with the accounting policies, MT Højgaard Holding recognises and measures revenue on these construction contracts over time based on input-based accounting methods.

Recognition and measurement of construction contracts involve considerable estimates and judgements by Management to assess claims raised by the contractor, costs of completion of the projects, including warranties and disputes, as well as the period of completion. Changes to these accounting estimates during the project phase can have a material impact on revenue, production costs and results.

Therefore, we consider recognition of construction contracts a key audit matter in respect of the consolidated financial statements and the parent company financial statements.

In connection with our audit, we assessed the Group's business procedures and tested the design, implementation and efficiency of selected controls for revenue recognition in relation to construction contracts.

We analysed the project accounts prepared by Management, and based on selected projects, we assessed and reconciled revenue recognised and production costs incurred to the cost estimate at the proposal date, the actual stage of completion and the latest projection. Our audit includes an evaluation of considerable estimates and assessments made by Management, whereby we have verified project documentation and discussed the status of projects in progress with members of Management, the finance function or project management.

We have obtained attorney's letters from the Group's external and internal attorneys and discussed with members of Management cases subject to disputes and/or legal proceedings to provide an assessment thereof.

During our audit, we focused on ensuring that policies and processes for performing management estimates have been applied consistently to uniform contracts and in accordance with previous years.

**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 form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

**MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act Moreover, Management is responsible 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 communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON COMPLIANCE WITH THE ESEF REGULATION**

As part of our audit of the financial statements of MT Højgaard Holding A/S we performed procedures to express an opinion on whether the annual report for the financial year 1 January – 31 December 2021 with the file name MTHojgaard-Holding_2021_12_31.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 an annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

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 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;
- 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.

In our opinion, the annual report for the financial year 1 January – 31 December 2021 with the file name MTHojgaard-Holding_2021_12_31.zip has been prepared, in all material respects, in compliance with the ESEF Regulation.

*Copenhagen, 22 February 2022*
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

**Torben Bender**
State Authorised Public Accountant
mne21332

**Thomas Bruun Kofoed**
State Authorised Public Accountant
mne28677

**MT Højgaard Holding A/S** Knud Højgaards Vej 7 DK-2860 Søborg CVR 16888419