HusCompagniet

Kom trygt i hus

HusCompagniet A/S

Offering of up to 9,600,000 shares

(a public limited liability company incorporated in Denmark under registration (CVR) no. 36972963)

This document relates to the initial public offering of up to 9,600,000 shares of DKK 5 nominal value each (the "**Offering**") of HusCompagniet A/S (the "**Company**"). Diego Holding Guernsey Limited (referred to as the "**Principal Shareholder**") and certain other shareholders in the Company (referred to as the "**Other Selling Shareholders**", and together with the Principal Shareholder referred to as the "**Selling Shareholders**"), are offering up to 9,600,000 existing shares excluding any shares subject to the Overallotment Option (the shares offered by the Selling Shareholders are together referred to as the "**Offer Shares**").

The Offering consists of (i) an initial public offering to retail and institutional investors in Denmark (the "**Danish Offering**"); (ii) a private placement in the United States to persons who are "qualified institutional buyers" or "**QIBs**" (as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**")) in reliance on Rule 144A or pursuant to another available exemption from the registration requirements under the U.S. Securities Act; and (iii) private placements to institutional investors in the rest of the world (together with the private placement contemplated under (ii) above, the "**International Offering**"). The Offering outside the United States will be made in compliance with Regulation S ("**Regulation S**") under the U.S. Securities Act.

The Principal Shareholder has granted the Joint Global Coordinators (as defined herein), an option (the "**Overallotment Option**") to purchase up to 1,440,000 additional Shares (the "**Option Shares**") at the Offer Price (as defined below), exercisable, in whole or in part, from the first day of trading in, and official listing of, the Shares until 30 calendar days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering. As used herein, "**Shares**" shall refer to all outstanding shares of the Company at any given time. If the Overallotment Option is exercised, the term "**Offer Shares**" shall also include the Option Shares.

You are advised to examine all the risks and legal requirements described in this document that might be relevant in connection with an investment in the Offer Shares. Investing in the Offer Shares involves a high degree of risk. See "*Risk Factors*" beginning on page 9 for a discussion of certain risks that prospective investors should consider before investing in the Offer Shares.

OFFER PRICE RANGE: DKK 112–DKK 130 PER OFFER SHARE

The offer price at which the Offer Shares will be sold (the "**Offer Price**") is expected to be between DKK 112 and DKK 130 per share (the "**Offer Price Range**"). The Offer Price and the exact number of Offer Shares to be sold will be determined through a book-building process by the Principal Shareholder in consultation with the Joint Global Coordinators, and is expected to be announced through Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") no later than 7:30 a.m. (CET) on 20 November 2020.

The offer period (the "**Offer Period**") will commence on 6 November 2020 and will close no later than 19 November 2020 at 11:00 a.m. (CET). The Offer Period may be closed prior to 19 November 2020; however, the Offer Period will not be closed in whole or in part before 17 November 2020 at 00:01 a.m. (CET). The Offer Period in respect of applications for purchases of amounts up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed. If the Offering is closed before 19 November 2020, the first day of trading and official listing and the date of payment and settlement may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen.

Payment for and settlement of the Offer Shares are expected to take place on 24 November 2020, two business days after the announcement of the Offer Price and allocation (the "**Settlement Date**") under the permanent ISIN DK0061412855 against payment in immediately available funds in Danish kroner in book-entry form to investors' accounts with VP Securities A/S ("**VP Securities**") and through the facilities of Euroclear Bank S.A./N.A., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, S.A. ("**Clearstream**"). The Offering may be withdrawn after Admission (as defined below) and until settlement of the Offering. All dealings in the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

Prior to the Offering, there has been no public market for the Shares. Application has been made for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen (the "**Admission**") under the symbol "HUSCO". The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect. The first day of trading of the Shares on Nasdaq Copenhagen under the permanent ISIN is expected to be 20 November 2020.

This document has been prepared under Danish law in compliance with the requirements set out in the Consolidated Act No. 377 of 2 April 2020 on Capital Markets, as amended (the "Danish Capital Markets Act"), Regulation (EU) no. 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "Prospectus Regulation"), Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 as well as Commission Delegated Regulation (EU) 2019/979 of 14 March 2019. This document does not constitute an offer to sell or the solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such a jurisdiction. The Offer Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold (i) in the United States only to persons who are reasonably believed to be QIBs in reliance on Rule 144A under the U.S. Securities Act or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For certain restrictions on transfer of the Offer Shares, see "*Transfer Restrictions*". The distribution of this document and the offer of the Offer Shares in certain jurisdictions are restricted by law. Persons into whose possession this document comes are required by the Company, the Selling Shareholders and the Joint Global Coordinators to inform themselves about and to observe such restrictions. For a description of certain restrictions on offers of Offer Shares and on distribution of this document, see "*Selling Restrictions*".

Joint Global Coordinators and Joint Bookrunners

Citigroup **Danske Bank** **Nordea**

Financial Advisor to the Principal Shareholder

Rothschild & Co

The date of this document is 6 November 2020

IMPORTANT NOTICE RELATING TO THE OFFERING CIRCULAR

In this Offering Circular (as defined below), the "**Company**" refers to HusCompagniet A/S registered under (CVR) no. 36972963. The "**Group**" refers to HusCompagniet A/S together with its consolidated subsidiaries.

No representation or warranty, express or implied, is made by Citigroup Global Markets Limited, Danske Bank A/S or Nordea Danmark, Filial af Nordea Bank Abp, Finland (collectively, the "**Joint Global Coordinators**" when acting as joint global coordinators and the "**Joint Bookrunners**" when acting as joint bookrunners, and the Joint Bookrunners together with the Joint Global Coordinators, the "**Managers**") and/or by N.M. Rothschild & Sons Limited (the "**Financial Advisor**") as to the accuracy or completeness of any information contained in this Offering Circular.

The information in this Offering Circular is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Offering Circular at any time does not imply that there has been no change in the Group's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In the event of any significant new factor, material mistake or material inaccuracy relating to the information in this Offering Circular that may affect the assessment of the Offer Shares during the period from the date of this Offering Circular and the first day of Admission, such changes will be announced to the extent required pursuant to the rules of the Prospectus Regulation, *inter alia*, which governs the publication of prospectus supplements.

In connection with the Offering, the Company has prepared two versions of this offering document: (i) a prospectus for purposes of the Danish Offering and the international private placements outside of the United States (the "**Prospectus**"); (ii) an offering circular in connection with the private placement in the United States (the "**U.S. Offering Circular**") and, together with the Prospectus, the "**Offering Circular**"). The Prospectus has been prepared in compliance with the standards and requirements of Danish law and approved by the Danish FSA as competent authority under the Prospectus Regulation as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The Prospectus and the U.S. Offering Circular are equivalent, except that (i) the Prospectus includes an application form for the Danish Offering and (ii) the Prospectus refers to Nordea on the cover page. In the event of any other discrepancy between the U.S. Offering Circular and the Prospectus, the Prospectus shall prevail. The U.S. Offering Circular shall be the prevailing version for any private placement in the United States as contemplated herein.

NOTICE TO INVESTORS

In making an investment decision, investors must rely on their own assessment of the Group and the terms of this Offering, as described in this Offering Circular, including the merits and risks involved. Any purchase of the Offer Shares should be based on the assessments of the information in the Offering Circular that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares.

No person has been authorized to give any information or make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorized by the Selling Shareholders, the Managers, the Financial Advisor or the Company. Neither the Company, the Selling Shareholders, the Financial Advisor nor the Managers accept any liability for any such information or representation.

The distribution of this Offering Circular and the offer or sale of the Offer Shares in certain jurisdictions are restricted by law. By purchasing Offer Shares, investors will be deemed to have made certain acknowledgements, representations and agreements as described in this Offering Circular. Prospective investors should be aware that they may be required to bear the financial risks of any such investment for an indefinite period of time.

The Offering will be completed under Danish law, and no action has been or will be taken by the Selling Shareholders, the Managers, the Financial Advisor or the Company to permit a public offering in any jurisdiction other than Denmark. Persons into whose possession this Offering Circular may come are required by the Selling Shareholders, the Managers, the Financial Advisor and the Company to inform themselves about and to observe such restrictions. This Offering Circular may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. For further information with regard to restrictions on offers and sales of the Offer Shares and the distribution of this Offering Circular, see "*Selling Restrictions*". This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer. This Offering Circular may not be forwarded, reproduced or in any other way redistributed by anyone but the Managers, the Financial Advisor and the Company. Investors may not reproduce or distribute this Offering Circular, in whole or in part, and investors may not disclose the content of this Offering Circular or use any information herein for any purpose other than considering the purchase of Offer Shares. Investors agree to the foregoing by accepting delivery of this Offering Circular.

Notice to Investors in the United States

The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offense in the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold (i) in the United States only to persons who are reasonably believed to be QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For certain restrictions on transfer of the Offer Shares, see "*Transfer Restrictions*".

In the United States, this Offering Circular is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Offering Circular has been provided by the Company and other sources identified herein. Distribution of this Offering Circular to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of this Offering Circular in the United States, in whole or in part, and any disclosure of its contents to any other person, is prohibited. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Offer Shares.

European Economic Area ("EEA") Restrictions

In relation to each Member State of the European Economic Area (other than Denmark) and the United Kingdom (each a "**Relevant State**"), no shares have been offered or will be offered pursuant to the International Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Offer Shares at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom Restrictions

This Offering Circular is for distribution only to, and is directed only at, qualified investors who: (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FSMA Order**"); (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FSMA Order; or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons, including qualified investors, together being referred to as "**relevant persons**").

In the United Kingdom, this Offering Circular is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person. In the United Kingdom, any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities that are the subject of the Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties (except for a public offering to investors in Denmark conducted pursuant to a separate prospectus that has been approved by and registered with the Danish FSA).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Information Regarding Investors' NPID number or LEI code

In order to participate in the Offering, applicants will need a global identification code according to the MiFID II to be able to carry out securities transactions. Physical persons will need a so-called NPID number (National Personal ID or National Client Identifier) and legal entities will need a so-called LEI code (Legal Entity Identifier) in order to be able to acquire shares in the Offering. Please note that it is the investor's legal status that determines whether an LEI code or NPID number is required, and that the Joint Global Coordinators may not be able to execute the transaction for the person in question if an LEI code or NPID number (as applicable) is not presented.

NPID number for physical persons: Physical persons will need an NPID number to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Danish citizenship, the NPID number is the ten digit personal ID (in Danish "*CPR-nummer*"). If the person in question has multiple citizenships or another citizenship than Danish, another relevant NPID number can be used. Investors are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need an LEI code to participate in a financial market transaction. An LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain an LEI code in time for the application. Legal entities who need to obtain an LEI code can turn to any of the suppliers available on the market. Instructions regarding the global LEI system can be found on www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations.

Stabilization

IN CONNECTION WITH THE OFFERING, DANSKE BANK A/S, AS THE STABILIZATION MANAGER, OR ITS AGENTS, ON BEHALF OF THE MANAGERS, MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SHARES FOR UP TO 30 DAYS FROM THE COMMENCEMENT OF TRADING AND OFFICIAL LISTING OF THE SHARES ON NASDAQ COPENHAGEN. SPECIFICALLY, THE MANAGERS MAY OVER ALLOT OFFER SHARES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. THE STABILIZATION MANAGER AND ITS AGENTS ARE NOT REQUIRED TO ENGAGE IN ANY OF THESE ACTIVITIES AND, AS SUCH, THERE IS NO ASSURANCE THAT THESE ACTIVITIES WILL BE UNDERTAKEN; IF UNDERTAKEN, THE STABILIZATION MANAGER OR ITS AGENTS MAY END ANY OF THESE ACTIVITIES AT ANY TIME AND THEY MUST BE BROUGHT TO AN END AT THE END OF THE 30-DAY PERIOD MENTIONED ABOVE. SAVE AS REQUIRED BY LAW OR REGULATION, THE STABILIZATION MANAGER DOES NOT INTEND TO DISCLOSE THE EXTENT OF ANY STABILIZATION TRANSACTIONS UNDER THE OFFERING. SEE “*PLAN OF DISTRIBUTION*”.

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RESPONSIBILITY STATEMENT

The Company's Responsibility

The Company is responsible for this Offering Circular in accordance with Danish law.

The Company's Statement

We hereby declare that we, as the persons responsible for this Offering Circular on behalf of the Company, have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of its contents.

We furthermore declare that this Offering Circular has been approved by the Danish FSA as competent authority under the Prospectus Regulation. The Danish FSA only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Shares.

6 November 2020

HusCompagniet A/S

Board of Directors

Claus V. Hemmingsen
Chairperson

Anja Bach Eriksson
Vice Chairperson

Steffen Martin Baungaard
Board member

Mads Munkholt Ditlevsen
Board member

Ylva Ekborn
Board member

Magnus Tornling
Board member

Claus V. Hemmingsen: Full-time board positions

Anja Bach Eriksson: Executive Chairman of M.J. Eriksson Holding A/S

Steffen Martin Baungaard: Full-time board positions

Mads Munkholt Ditlevsen: Partner and Head of EQT Partners Denmark ApS

Ylva Ekborn: CEO and a Managing Director of PostNord Strålfors AB

Magnus Tornling: Partner and Head of EQT Partners AS (Norway)

Executive Management

Martin Ravn-Nielsen
Group CEO

Mads Dehlsen Winther
Group CFO

SUMMARY

Section A — Introduction and warnings

Introduction	
Warnings	This summary should be read as an introduction to this Offering Circular. Any decision to invest in the Offer Shares should be based on consideration of the Offering Circular as a whole by the investor. Prospective investors in the Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Offering Circular is brought before a court, under the national legislation of the European Economic Area member states, the plaintiff investor might have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular or it does not provide, when read together with the other parts of the Offering Circular, key information in order to aid investors when considering whether to invest in the Offer Shares.
Issuer information	HusCompagniet A/S is the issuer of the Offer Shares in the Offering under this Offering Circular. The Shares will be issued under the permanent ISIN DK0061412855. The Company has the LEI code 894500SWECYCFZ58R246. The Nasdaq Copenhagen symbol for the Shares is: "HUSCO". The address and contact details of the Company are Plutovej 3, 8700 Horsens, Denmark, telephone number: +4576645799, email www.huscompagniet.dk. The secondary name of the Company is Diego HC TopCo A/S.
Competent authority	The Prospectus has been approved on 6 November 2020 by the Danish Financial Supervisory Authority as competent authority under the Prospectus Regulation. The address and other contact details of the Danish Financial Supervisory Authority are Århusgade 110, 2100 Copenhagen Ø, Denmark, telephone number +4533558282, email finanstilsynet@ftnet.dk.

Section B — Key information on the issuer

Who is the issuer of the securities?	The Company is incorporated in Denmark and operates as a public limited liability company (A/S) under the laws of Denmark with its registered domicile at Plutovej 3, 8700 Horsens, Denmark. The Company has the LEI code 894500SWECYCFZ58R246.
Principal activities	The Group is a leading provider of single-family detached houses in Denmark. The Group's core activity is the design, sale and delivery of customizable high-quality detached houses in Denmark to consumers predominantly built on-site on third-party (customer-owned) land. The Group also designs, sells and delivers semi-detached houses in Denmark to consumers, predominantly on land it owns, and since January 2020 to professional investors, both on land it owns and on land owned by such investors. Investors in the semi-detached business-to-business segment often lease or sell the houses to end-users. The Group is also present in Sweden, where it produces prefabricated wood-framed detached houses in its factory, which are finalized on-site and such sales are, in most cases, facilitated by third-party sales agents. In its core market segment for detached houses in Denmark, which accounted for 82.6% and 83.9% of the Group's revenue for the nine months ended 30 September 2020 and year ended 31 December 2019, respectively (88.4% and 88.9% of the Group's revenue excluding discontinued operations for the nine months ended 30 September 2020 and year ended 31 December 2019, respectively), the Group has a customer-centric consumer concept which seeks to guide customers towards their dream house. The Group is committed to optimizing its customers' purchasing experience, such as through the provision of attractive customer terms, including the setting of a fixed price at the time of sale (subject to adjustment only upon modifications in the scope of the project) and payment-at-delivery (which is made feasible through mainly the use of bank guarantees or, alternatively, the deposit of the full purchase price in a Group account). The Group maintains an asset-light and flexible delivery model while managing all the stages of the sales and building process, for which it enters into agreements with suppliers and sub-contractors who conduct the building works on-site. The Group offers customers an end-to-end housing solution, from showcasing houses through sales offices with show rooms that provide a broad selection of "touch-and-feel" materials, show parks and digital tools, to guiding customers through house selection based on the Group's portfolio of standardized design types with significant customization options and providing financing guidance, through building and the provision of after-sale services (including inspections and add-on sales). In Denmark, the Group retains control over all critical decisions in the building process, while using sub-contractors for the completion of construction allowing it to maintain a highly scalable and asset light business model with a flexible cost base built on the standardization of its operations. In Sweden, the

	Group's involvement is limited to the production, sale and delivery of the prefabricated house to the customer. The Group delivered a total of 1,565 houses in 2019 (1,696 including deliveries from discontinued operations) and 1,101 houses in the first nine months of 2020. The Group mainly operates through its HusCompagniet brand in Denmark and its VårgårdaHus brand in Sweden. The Group's current reporting segments as presented in the Group's unaudited condensed consolidated interim financial statements are classified as follows (i) Detached (Denmark), (ii) Semi-detached (Denmark) and (iii) Sweden.
Major Shareholders	Diego Holding Guernsey Limited (the "**Principal Shareholder**"), with its registered office at Arnold House, PO Box 273, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 3RD, holds 93.7% of the share capital and voting rights and is ultimately controlled by EQT VI, the fund managed and/or operated by EQT VI (General Partner) LP (acting by its general partner, EQT VI Limited), comprising EQT VI (No.1) Limited Partnership, EQT VI (No.2) Limited Partnership, EQT VI Executive Co-Investment Limited Partnership, certain assets of Investor Netherlands B.V. and the EQT VI Co-Investment Scheme. Other than the Principal Shareholder, the Company is not aware of any person who, directly or indirectly, owns or controls an interest in the Company's share capital or voting rights that is notifiable under Danish law.
Managing directors	The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The members of the Board of Directors are: Claus V. Hemmingsen, Chairperson, Anja Bach Eriksson, Vice Chairperson, Steffen Martin Baungaard, Mads Munkholt Ditlevsen, Ylva Ekborn and Magnus Tornling. The members of the Executive Management are: Martin Ravn-Nielsen, Group CEO and Mads Dehlsen Winther, Group CFO.
Statutory auditors	The statutory auditors of the Company are EY Godkendt Revisionspartnerselskab. The independent auditors' reports included in the audited Consolidated Financial Statements and in the unaudited Consolidated Interim Financial Statements were signed by State Authorized Public Accountant, Torben Bender and Thomas Bruun Kofoed.
What is the key financial information regarding the issuer?	The key financial information shown below has been derived from the Group's unaudited condensed consolidated interim financial statements as at and for the nine months ended 30 September 2020 with comparative figures as at and for the nine months ended 30 September 2019 ("**Consolidated Interim Financial Statements**") and the Group's audited consolidated financial statements as at and for the years ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 ("**Consolidated Financial Statements**"). In preparing and reporting the comparative figures for 2018 and 2017 in the Consolidated Financial Statements certain reclassifications have been made compared to the previously published financial statements for 2018 and 2017 in order to align them with the presentation and classification applied in the Consolidated Financial Statements for 2019. In addition, compared to the previously published consolidated financial statements for 2019, a reclassification has been made between revenue and cost of sales for the year ended 31 December 2019 in the Consolidated Financial Statements to align with other information presented. During 2020, the Group closed down its German and Swedish "brick" house (houses built around a light concrete frame rather than wood) activities, which, in accordance with IFRS 5, have in the Consolidated Interim Financial Statements been treated as discontinued operations. Accordingly, the net results of these activities are for the nine months ended 30 September 2020 and 2019, respectively, presented separately in one line in the income statement as a net amount. As these activities were not discontinued in the period from 2017 to 2019 they have in accordance with IFRS not been presented and reported as discontinued operations in the Consolidated Financial Statements covering the period from 2017 to 2019 which may affect comparability of results between reporting periods. As a result, the financial information for the nine months ended 30 September 2020 and 2019 presented below is not directly comparable to the financial information for the years ended 31 December 2019, 2018 and 2017.

Group Income Statement

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019[(1)]	2018[(2)]	2017[(2)]
	(DKK million)		(DKK million)		
Revenue	2,586.1	2,506.3	3,705.7	3,349.2	3,063.5
Cost of sales	(2,048.7)	(2,008.7)	(2,995.7)	(2,637.2)	(2,450.5)
Gross Profit	**537.4**	**497.6**	**710.0**	**712.0**	**613.0**
Staff costs	(228.2)	(212.2)	(316.1)	(316.5)	(257.4)
Other external expenses	(81.1)	(67.1)	(124.2)	(118.0)	(100.3)
Other operating income	0.2	0.1	0.7	—	0.1
Operating profit before depreciation and amortization (EBITDA) before special items	**228.3**	**218.4**	**270.4**	**277.4**	**255.3**
Special items[(3)]	(20.1)	(16.7)	(136.6)	(84.6)	(10.9)
Operating profit before depreciation and amortization (EBITDA) after special items	**208.2**	**201.7**	**133.8**	**192.8**	**244.4**
Depreciation and amortization	(38.8)	(25.3)	(47.0)	(19.6)	(28.9)
Operating profit (EBIT)	**169.4**	**176.4**	**86.8**	**173.2**	**215.5**
Financial income	26.0	9.5	14.1	20.7	6.3
Financial expenses	(54.4)	(41.7)	(73.1)	(67.6)	(62.3)
Profit before tax	**141.0**	**144.2**	**27.8**	**126.3**	**159.6**
Tax on profit	(45.7)	(33.7)	(27.6)	(36.2)	(48.2)
Profit for the period from continuing operations	**95.3**	**110.5**	**n.a**	**n.a.**	**n.a.**
Profit/(loss) after tax for the period from discontinued operations[(4)]	(28.1)	(50.7)	n.a	n.a.	n.a.
Profit for the year/period	**67.1**	**59.8**	**0.2**	**90.0**	**111.3**
Profits attributable to:					
Equity owners of the Company	67.1	59.8	0.2	90.0	111.3

(1) A reclassification has been made between revenue and cost of sales compared to the previously published consolidated financial statements for 2019 to align with other information presented.

(2) In accordance with IFRS, not restated for the impact of IFRS 16. For further details on the impact of IFRS 16, please refer to note 1.1 of the Consolidated Financial Statements.

(3) Special items comprise costs related to the restructuring of processes and fundamental structural adjustments, including impairment goodwill relating to the German and Swedish business, costs incurred in connection with closing down the brick house business in Sweden and Germany, strategic organizational changes, costs in connection with acquisition and vendor due diligence and other special items.

(4) Discontinued operations comprise the Group's German and Swedish brick house activities closed down in September 2020.

Group Balance Sheet Data

	As at 30 September	As at 31 December		
	2020	2019	2018[(1)]	2017[(1)]
Assets		(DKK million)		
Total non-current assets	2,231.8	2,264.2	2,239.1	2,219.2
Total current assets	2,384.4	2,263.7	1,885.2	1,680.0
Total assets	**4,616.2**	**4,528.0**	**4,124.3**	**3,899.2**
Equity and liabilities				
Total equity	**1,844.8**	**1,777.3**	**1,770.0**	**1,688.0**
Total non-current liabilities	774.7	817.2	836.3	934.8
Total current liabilities	1,996.6	1,933.4	1,510.9	1,276.3
Total liabilities	**2,771.3**	**2,750.6**	**2,347.3**	**2,211.2**
Total equity and liabilities	**4,616.2**	**4,528.0**	**4,124.3**	**3,899.2**

(1) In accordance with IFRS, not restated for the impact of IFRS 16. For further details on the impact of IFRS 16, please refer to note 1.1 of the Consolidated Financial Statements.

Group Statement of Cash Flows Data

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018[(1)]	2017[(1)]
			(DKK million)		
Net cash generated from operating activities	74.3	(123.4)	134.4	174.7	20.5
Net cash generated from investing activities	(13.3)	(32.3)	(43.5)	(37.9)	(253.2)
Net cash generated from financing activities	(74.8)	(59.2)	(115.3)	(93.2)	178.3
Total cash flows	**(13.8)**	**(214.9)**	**(24.4)**	**43.6**	**(54.4)**
Cash and cash equivalents	1,061.3	703.8	1,010.8	773.3	513.6
Bank overdrafts	(961.0)	(783.3)	(901.2)	(637.0)	(422.4)
Net cash and cash equivalents	**100.3**	**(79.6)**	**109.6**	**136.3**	**91.2**

(1) In accordance with IFRS, not restated for the impact of IFRS 16. For further details on the impact of IFRS 16, please refer to note 1.1 of the Consolidated Financial Statements.

What are the key risks that are specific to the issuer?

The risks and uncertainties discussed below are those that the Group's management currently views as material, but these risks and uncertainties are not the only ones that the Group faces. Additional risks and uncertainties, including risks that are not known to the Group at present or that its management currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Offer Shares and a loss of part or all of your investment.

- The Group's industry is dependent on general macroeconomic conditions, as well as the prevailing policy framework related thereto, and an economic slowdown could adversely affect the demand for the houses and land it sells.
- The Group depends on the demand for houses developed by the Group, particularly in Denmark.
- The impact of the COVID-19 pandemic and accompanying government policies on the Group is uncertain and the related social and economic effects may continue to impact the Group's business, financial condition, results of operations, cash flow and prospects.
- The Group is dependent on third-party suppliers, contractors, sub-contractors and other service providers to execute its projects.
- Competition in the markets in which the Group operates may adversely affect the Group.
- The Group depends upon its management team and on the expertise of its key personnel, and may be unable to attract and retain a highly skilled and experienced workforce.
- Negative publicity could adversely affect the Group's reputation as well as its business, financial results and stock price as the Group's success is dependent on enhancing and maintaining its brand.
- The Group's estimates as to costs in relation to the execution of the Group's projects may turn out to be wrong.
- The Group may not be able to successfully implement its strategies, in particular, the Group may fail to implement its semi-detached business or other strategies.
- The Group may suffer liquidity constraints as a result of its payment-at-delivery model and the timing and frequency at which houses are delivered as well as due to its inability to enforce bank guarantees.
- The building of new houses involves health, safety and environmental risks.
- Homebuilders are subject to complex and substantial regulations of which the application, interpretation or enforcement are subject to change.
- The Group's business may be adversely affected if the Group fails to obtain, or if there are any material delays in obtaining, the required permits and approvals for the Group's houses or if the approved planning regulations and/or permits are subsequently challenged.

Section C — Key information on the securities

What are the main features of the securities?	As of the date of this Offering Circular, the Company's registered share capital is nominally DKK 100,000,000 divided into 20,000,000 Shares of nominally DKK 5 each, which are all issued and fully paid up. In connection with the Offering, the Selling Shareholders are offering up to 9,600,000 Offer Shares. The Shares are not and will not be divided into share classes. The Shares are denominated in DKK. Permanent ISIN for the Shares: DK0061412855.
Rights attached to the Offer Shares	All Shares have the same rights and rank pari passu in respect of, *inter alia*, voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the articles of association of the Company (the "**Articles of Association**") or eligibility to receive dividends or proceeds in the event of dissolution and liquidation. No Shares carry special rights, restrictions or limitations pursuant to the Company's Articles of Association. Each Share with a nominal value of DKK 5 gives the holder the right to five votes at the Company's general meetings.
Restrictions	The Shares are negotiable instruments, and no restrictions under Danish law apply to the transferability of the Shares.
Dividend policy	The Board of Directors has, in preparation of the Offering, adopted a dividend policy with a target initial pay-out ratio of at least 50% of reported profit for the year. The first dividend payment is expected to be paid out in the second quarter of 2021 on the basis of the results of the financial year ended 31 December 2020. The dividend policy is subject to change at the discretion of the Board of Directors, and there can be no assurance that the Group's performance will facilitate adherence to the dividend policy and that in any given year a dividend will be proposed or declared.
Where will the securities be traded?	An application has been made for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol "HUSCO". The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering, and the Company making an announcement to that effect. Trading on Nasdaq Copenhagen of the Shares will commence before such conditions are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned.
What are the key risks that are specific to the securities?	The key risks that are specific to the Shares are: • The Offering may be withdrawn after Admission to trading and official listing of the Shares and until settlement of the Offering. • After the Offering, the Principal Shareholder will continue to be able to exercise significant influence over the Group, its management and its operations and its interests may differ from those of other shareholders.

Section D — Key information on the offering and the admission

Under which conditions and timetable can I invest in this security?	The Offer Period will commence on 6 November 2020 and will close no later than 19 November 2020 at 11:00 a.m. (CET). The Offer Period may be closed prior to 19 November 2020; however, the Offer Period will not be closed in whole or in part before 17 November 2020 at 00:01 a.m. (CET). If the Offering is closed before 19 November 2020, the announcement of the Offer Price, allocation and the Admission may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. The Offer Period in respect of applications for purchases for amounts up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen. Payment for and settlement of the Offer Shares are expected to take place on 24 November 2020 (the "**Settlement Date**").
Terms and conditions of the Offering	The Offering comprises an offering of up to 9,600,000 existing Offer Shares by the Selling Shareholders. In addition, the Principal Shareholder has agreed with the Joint Global Coordinators that the Principal Shareholder will make available up to 1,440,000 Shares for purposes of delivery of the Offer Shares to investors in connection with an Overallotment Option. In this connection the Principal Shareholder has granted the Joint Global Coordinators an Overallotment Option to purchase up to 1,440,000 Option Shares at the Offer Price, exercisable, in whole or in part, from the date of Admission until 30 calendar days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering.

<table>
<tr><td></td><td>The Offer Price Range is between DKK 112 and DKK 130 per Offer Share. The Offer Price will be determined through a book-building process. The minimum purchase amount is one Offer Share.

Applications by Danish investors to purchase amounts of up to and including DKK 3 million should be made to the investor's own account holding bank either electronically through online banking or by submitting the application form enclosed in the Prospectus during the Offer Period or such shorter period as may be announced through Nasdaq Copenhagen. Applications are binding and cannot be altered or cancelled. Investors who wish to apply to purchase amounts of more than DKK 3 million can indicate their interest to one or more of the Joint Global Coordinators during the Offer Period. These declarations of interest become binding applications at the end of the Offer Period. Immediately following the determination of the final Offer Price, investors will be allocated a number of Offer Shares at the Offer Price within the limits of the investor's most recently submitted or adjusted declaration of interest.</td></tr>
<tr><td>Admittance to trading</td><td>The first day of trading of the Company's Shares including the Offer Shares is expected to be 20 November 2020 under the permanent ISIN. If the Offering is closed before 19 November 2020, the Admission on Nasdaq Copenhagen and the Settlement Date may be moved forward accordingly subject to agreement with Nasdaq Copenhagen.</td></tr>
<tr><td>Plan of distribution</td><td>The Company, the Principal Shareholder and the Joint Global Coordinators named below have entered into an underwriting agreement. In addition, on 6 November 2020, the Other Selling Shareholders entered into a minority shareholder underwriting agreement with Danske Bank A/S, which includes similar terms and conditions as the underwriting agreement entered into by the Principal Shareholder (the two underwriting agreements together the "Underwriting Agreement"). Subject to certain conditions set forth in the Underwriting Agreement, the Company and the Selling Shareholders, severally but not jointly, will agree, respectively, to sell to the purchasers procured by the Managers or, failing which, to the Managers themselves; and each of the Managers, severally but not jointly, will agree to procure purchasers for, or failing such procurement, to purchase from the Selling Shareholders the percentage of total number of Offer Shares offered listed opposite such Manager's name below.

<table>
<tr><th>Joint Global Coordinators</th><th>Percentage of Offer Shares</th></tr>
<tr><td>Citigroup Global Markets Limited</td><td>37%</td></tr>
<tr><td>Danske Bank A/S</td><td>37%</td></tr>
<tr><td>Nordea Danmark, Filial af Nordea Bank Abp, Finland</td><td>26%</td></tr>
<tr><td>Total</td><td>100%</td></tr>
</table>

In the event that the total amount of Shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:

• With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically.
• With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Joint Global Coordinators will allocate the Offer Shares after agreement upon such allocations with the Principal Shareholder and the Board of Directors.</td></tr>
<tr><td>Dilution</td><td>As the Offering only includes existing Shares, the Shares outstanding prior to completion of the Offering will not be diluted in connection with the Offering.</td></tr>
<tr><td>Estimated expenses</td><td>The total expenses in relation to the Admission payable by the Company are estimated to be approximately DKK 45 million. In addition, certain expenses in relation to the Offering, including commission and fees to be paid to the Joint Global Coordinators, are payable by the Selling Shareholders. Neither the Company nor the Joint Global Coordinators will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account holding banks.</td></tr>
<tr><td>Why is this prospectus being produced?</td><td>The Offering Circular is published in connection with the Offering of existing Offer Shares by the Selling Shareholders and the Admission of the Company's shares to trading and official listing on Nasdaq Copenhagen. The Admission is expected to advance the Group's public and commercial profile, and provide the Group with improved access to public capital markets and a diversified base of new Danish and international shareholders. The Group believes that these factors will further enhance its competitive position and provide the appropriate platform for the Group's future development.</td></tr>
</table>

Net amounts and use of proceeds	The Group will not receive any part of the proceeds from the sale of Offer Shares sold by the Selling Shareholders in the Offering.
Underwriting agreement	See "—*Plan of Distribution*" above.
Material conflicts of interest	Certain members of the Board of Directors and the Executive Management as well as other former and current employees are shareholders, directly or indirectly, in the Company, or hold economic interests therein, and also participate as Selling Shareholders in the Offering and therefore have direct economic interests in the Offering. Two members of the Board of Directors also represent the Principal Shareholder. The Joint Global Coordinators, the Financial Advisor and/or their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities related to or issued by the Company, its affiliates or other parties involved in or related to the Offering. Certain of the Joint Global Coordinators, the Financial Advisor and/or their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or the Selling Shareholders or any of the Company's or their respective related parties. In particular, Nordea Danmark, Filial af Nordea Bank Abp, Finland is a lender under the Group's Existing Facilities Agreement. In addition, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland act as mandated lead arrangers and original lenders under the New Facilities Agreement entered into with the Company on 23 October 2020. The Joint Global Coordinators and the Financial Advisor have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with potential investors' and the Company's interests. In addition, Nordea Bank Abp and Danske Bank A/S each have an indirect ownership stake of less than 1% and 2.5%, respectively, in the Group as a result of their positions as limited partners in EQT VI.

RISK FACTORS

An investment in the Offer Shares involves a high degree of financial risk. You should carefully consider all information in this Offering Circular, including the risks described below, before you decide to buy the Offer Shares. This section addresses both general risks associated with the industry in which the Group operates and the specific risks associated with its business. If any such risks were to materialize, the Group's business, financial condition, results of operations, cash flow and prospects could be materially adversely affected, resulting in a decline in the value of the Offer Shares and a loss of part or all of your investment. Further, this section describes certain risks relating to the Offering and the Offer Shares which could also adversely impact the value of the Offer Shares.

The risks and uncertainties discussed below are those that the Group's management currently views as material, but these risks and uncertainties are not the only ones that the Group faces. Additional risks and uncertainties, including risks that are not known to the Group at present or that its management currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Offer Shares and a loss of part or all of your investment. The most material risks, as assessed by the Company, taking into account the negative impact on the Group and the probability of their occurrence are set out first in each category.

Risks Relating to General Economic, Political and Demographic Conditions

The Group's industry is dependent on general macroeconomic conditions, as well as the prevailing policy framework related thereto, and an economic slowdown could adversely affect the demand for the houses and land it sells.

The Group is a Danish builder of residential houses, whose assets and operations are located primarily in Denmark and, to a lesser extent, Sweden. Revenue from Denmark and Sweden accounted for 92% and 8%, respectively, of the Group's revenue from continuing operations for the nine months ended 30 September 2020 (94% and 6%, respectively, of the Group's revenue excluding discontinued operations in the year ended 31 December 2019). As a result, the Group is dependent on the overall condition of the Danish and, to a much lesser extent, Swedish housing markets. The housing markets and the housebuilding industry are affected by changes in general economic conditions in Denmark and Sweden (which are, in turn, influenced by conditions elsewhere in Europe and, in particular, the Eurozone) and globally. Economic conditions, that are particularly relevant to the Group's business include levels of interest rates, unemployment, asset values (including real estate and housing price levels), Gross Domestic Product growth, the availability and affordability of mortgages, inflation or deflation, household debt, real disposable income, taxation, currency exchange rates, customer confidence and related willingness for engagement in economic activity or political action. Adverse developments in one or more of these conditions could directly, or indirectly through resulting weakness or slowdown in the Danish or Swedish economies or the effect of such conditions on individual financial circumstances of potential customers, affect demand for the Group's houses, potentially resulting in lower than expected levels of revenue or profitability. See "*—The Group depends on the demand for houses delivered by the Group, particularly in Denmark*".

Real estate and housing prices in Denmark and Sweden, including the volatility of such prices, have a direct bearing on the affordability and attractiveness of such assets generally and therefore can impact demand for the Group's houses and land. To the extent that actual price levels or expectations regarding future price levels (including as a result of expectations of future economic conditions) reduce the attractiveness of near-term investment in housing and thus the demand for housing, demand for the Group's houses generally or the margins it is able to achieve on its houses could be adversely affected. A decline in land prices would also adversely affect the value of the Group's land bank and show house portfolio.

In addition, policy actions such as actions aimed at incentivizing (or de-incentivizing) public or private construction or austerity measures taken to address macroeconomic conditions can have significant adverse implications for the Group, including as a result of their impact on the Danish and Swedish housing markets or the economy generally. For instance, after a prolonged period of low interest rates, new regulations were put in place in Denmark in 2018 that limited borrowing to four times household income for homebuyers with a 5% down payment (and five times household income for homebuyers with a down payment of 10%), which had a negative short-term impact on Danish real estate prices. In addition, the Danish government announced in October 2020 a proposed change in the taxation of gains on real property owned by corporate entities. If implemented, this contemplated revision to the tax code could impact the Group's business-to-business strategy as the Group would no longer be able to transfer real property on a tax free basis by selling the shares of the corporate entity holding such real property. This change could also adversely impact the Group's liquidity situation due to the mark-to-market taxation principle proposed on any gain on real property, would take place on an accrual basis even if such real property has not been disposed of and no gains or losses have been realized. The Danish government has not yet announced any details of its legislative proposal or indicated when it expects the proposal to come into effect. See "*Business—Regulation and Internal Compliance Policies—Real Estate and Tax Regulations in Denmark*."

Furthermore, other geopolitical uncertainties (including actions by the United States or other nations or supranational bodies in matters of international trade or other areas and escalating tensions in certain regions of the world), the United Kingdom's exit from the European Union ("**EU**") (and the end of the agreed transition period, which is scheduled for 31 December 2020), other EU legislative changes, volatility in commodity prices or a negative market reaction to central bank policies may affect the growth of the Danish and Swedish economies and, in particular, disposable income or the cost and availability of credit and, consequently, may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. This may be further accentuated by the adverse economic conditions caused by the COVID-19 pandemic. See *"—The impact of the COVID-19 pandemic and accompanying government policies on the Group is uncertain and the related social and economic effects may continue to impact the Group's business, financial condition, results of operations, cash flow and prospects."*

The Group depends on the demand for houses developed by the Group, particularly in Denmark.

The Group depends on the demand for the houses developed by the Group, particularly in Denmark, which accounted for 92% of the Group's revenue from continuing operations for the nine months ended 30 September 2020 and 94% of the Group's revenue excluding discontinued operations for the year ended 31 December 2019. The Group is therefore dependent on the overall condition of the Danish housing market and wider economic conditions, and is exposed to significant industry and geographical risk relating to the Danish residential property market. Accordingly, the Group's performance may be significantly affected by events beyond the Group's control affecting Denmark, and the Danish property market in particular, such as a downturn in the Danish economy, changing demand for residential property in Denmark, availability of residential land in attractive places, changing supply within a particular geographic location, the attractiveness of property relative to other investment choices, changes in domestic or international regulatory requirements and applicable law and regulations (including in relation to taxation, use of land and labor law), political conditions, the condition of financial markets, the availability and affordability of credit, the financial condition of potential buyers, interest rate and inflation rate fluctuations and other developments.

Additionally, trends in customer preferences in Denmark and Sweden have an impact on demand for the Group's houses, and any unanticipated changes in such trends, the Group's competitors' relative success in capitalizing on such trends or otherwise the Group's misunderstanding of such trends, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. For example, changes to the general customer interest in purchasing a new house compared to choosing other housing alternatives, such as rental housing, or renovation of existing houses, could have a material adverse effect on demand for the Group's houses. In addition, events outside of the Group's control may occur that shift customers' perceptions of the attractiveness or quality of its products, including: (i) macroeconomic or employment dynamics that concentrate demand in a specific geographic area (such as the establishment of a large employer in the area), (ii) preference for a specific house design typology or the use of certain building materials (for example, in Sweden there is a tradition among contractors and an industry framework supporting the use of wood-framed houses rather than a concrete-framed (referred herein as "brick houses") in the construction of detached houses), (iii) changes in regulation that favor rental over house ownership, such as taxation levels and deductions, or that favor a specific house type over others, such as state aid for the renovation of existing houses, (iv) increased urbanization levels, (v) a general perception that the construction industry has an adverse impact on climate change or (vi) adverse demographic changes.

If demand for the Group's houses declines, as a result of a deterioration on the overall condition of the Danish housing market or otherwise, including as a result of the Group being unable to adequately anticipate changes in customer trends and preferences, particularly in Denmark, the Group's business, financial condition, results of operations, cash flow and prospects would be materially adversely affected.

The impact of the COVID-19 pandemic and accompanying government policies on the Group is uncertain and the related social and economic effects may continue to impact the Group's business, financial condition, results of operations, cash flow and prospects.

The COVID-19 pandemic started in late 2019 and continues to be a health and economic threat worldwide including a second "wave" that has spread across Denmark, Sweden and many other European countries with the number of infected persons significantly increasing in recent months. The uncertainty surrounding the COVID-19 pandemic and its effects on the global economy, as at the date of this Offering Circular, are expected to significantly impact global growth in 2020 and beyond due to the possibility of continued restriction or suspension of production and business activities, disruptions to travel and transportation, changes in customer behavior and adverse impacts on labor supply affecting both supply and demand chains.

The COVID-19 pandemic and related measures caused many businesses in Denmark to close down their operations and the population to stay at home. While the Group's project sites remained fully operational during the initial COVID-19 outbreak, there is no guarantee that the Group will not be required to close its project sites in the future, which may cause a delay on its project schedules. The Group experienced an increase in cancellations of its contracts in March compared to prior months. Additionally, while the Group primarily obtains local supplies, it also imports materials such as tiles and kitchens from countries outside of Denmark, such as Italy and France, which, as a result of supply chain disruptions have been difficult for the Group to obtain, resulting in some minor delays in house deliveries. Supply chain disruptions as a result of the COVID-19 pandemic or otherwise, as well as the possibility of construction delays due to the imposition of social distancing measures, may result in delays of the Group's deliveries, which could have an adverse effect on the Group's results of operations, particularly as it does not receive payment until houses are delivered. The Group may also be required to pay financial penalties under the terms of its contracts. While the Group has maintained sufficient inventory levels to complete the houses it has been required to deliver during the nine months ended 30 September 2020, there can be no assurance that future disruptions will not occur. The Group may also face liquidity constraints in the event that it is delayed in delivering houses as it is required to advance building costs during the building phase of each house and does not receive payments from the customer until the house is delivered. Similarly in Sweden, the Group's VGH factory could be adversely affected as a result of supply chain disruptions, imposed social distancing measures resulting in a lower number of the Group's employees being able to work in the factory at the same time or other factors.

The COVID-19 pandemic is also expected to negatively impact the economic situation of many households and their purchasing power and customer confidence, including as a result of increased unemployment or the fear thereof, which may result in lower demand for housing. Such lower demand could lead to lower demand for the Group's houses generally or the margins it is able to achieve on its houses. In addition, the COVID-19 pandemic could, among other effects, also depress the value of the Group's land bank and show house portfolio, limit the Group's ability to finance its future operations and capital needs, increase the likelihood and/or magnitude of other risks described in this Offering Circular and otherwise affect the market value and trading of the Shares. The extent to which the COVID-19 pandemic impacts the Group's business and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including future economic conditions, actions to contain the pandemic and address its impact, and the social and economic effects of additional outbreaks or the perceived risk of such outbreaks occurring, among other factors. The Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the COVID-19 pandemic. Moreover, the Group's inability to reduce the impact of the foregoing could have a material adverse effect on its business, financial condition, results of operations, cash flow and prospects.

In connection with the COVID-19 pandemic, the Group launched a "comfort package" program in Denmark to support customers purchasing a house from the Group who become unemployed before their house is delivered or are unable to sell their existing house before the time of delivery and so face the prospect of having to pay a double rent. There can be no assurance that the Group will be able to continue the "comfort package" program without achieving lower profitability or even incurring a loss on the sale of some houses, which could have an adverse effect on the Group's business, financial condition, results of operations, cash flow, and prospects.

Constraints on access to mortgage lending and/or interest rate increases may adversely affect the Group's sales.

The purchase of a house in Denmark and Sweden is usually facilitated through mortgage lending, and the Group's business therefore partly depends upon the ability of its customers to obtain such mortgage lending for the purchase of their houses. The Group believes that most purchasers of its houses will obtain mortgage loans to finance a substantial portion of the purchase price of the houses they purchase.

In the years since the onset of the global financial crisis in 2007, access to residential mortgage lending in Denmark and Sweden has been restricted due to a number of factors, including (i) the exit of a number of mortgage providers from the Danish and Swedish market; (ii) more stringent equity requirements for Danish and Swedish financial entities; (iii) a more cautious approach to valuations of properties by surveyors (which in turn reduces the value of the mortgage loan that can be obtained on a given property); (iv) stricter underwriting standards by lenders that have resulted in more stringent mortgage application requirements for borrowers, including increased down payments; and (v) a desire by certain lenders to limit their lending exposure in relation to specific types of housing. Tighter loan qualifications make it more difficult or more expensive for a borrower to finance the purchase of a new house.

In addition, household debt as a percentage of disposable income has historically been relatively high in Denmark and Sweden. High household debt levels coupled with the possibility of adverse economic conditions, such as high unemployment rates, that may arise in the event of an economic downturn in Denmark or Sweden, could lead to financing constraints negatively impacting potential customers' ability to finance house purchases. In addition, households in Denmark since 2018 have generally been restricted to borrowing up to four times the household's income before tax if the initial down payment on the house equals 5% of the purchase price and up to five times for an initial down payment of 10%. Moreover, in certain major cities in Denmark, a mortgage provider will consider all other outstanding debt of such household for the assessment of the total amount of debt such household can incur (in addition to the debt it already has). Additionally, certain favorable loan types (such as interest-only or variable interest rate loans) are also restricted in these areas. Outside these growth areas it is up to the mortgage provider to assess what debt level is acceptable for a specific household. This may vary depending on a number of factors, including education, type of employment, size of the family or living area, among others. Additionally, as a result of the COVID-19 pandemic, mortgage lenders have taken certain actions which have the effect of limiting access to mortgages. For example, Realkredit Danmark, one of Denmark's largest mortgage loan providers, requires a minimum 10% down payment and, while other mortgage lenders and banks officially still require an initial 5% down payment, the credit assessment in order to provide a mortgage has recently tended to be more thorough, thereby creating a more difficult environment for borrowers. Similarly, in Sweden, mandatory mortgage amortization rules were introduced in 2016, followed by further restrictions in early 2018, requiring households with a loan-to-income ratio of more than 4.5 to amortize at least 1% of their debt in addition to their current amortization requirements. These measures resulted in a tighter lending environment that negatively impacted the semi-detached and detached market segments in Sweden and caused it to grow at a slower pace. To the extent these measures continue or are tightened, including as a result of the post-COVID-19 economic environment or other macro-economic developments, it may become more difficult for Danish and Swedish families to gain access to credit, which may result in lower demand for housing, which could materially adversely affect the Group's business, financial condition, results of operations, cash flow and prospects.

Limited access to mortgage lending on acceptable terms or at all may constrain growth in sales volumes and prices in the Danish and Swedish housebuilding industries. Even if potential homebuyers do not need financing, adverse changes in interest rates and mortgage availability could make it more difficult for such potential homebuyers to sell their existing houses to other potential buyers who do need mortgage financing, thereby constraining the potential homebuyer's ability to purchase a new house. If the Group's potential homebuyers or the buyers of its potential homebuyers' existing houses cannot obtain suitable financing for any of the above reasons, it will be more difficult for the Group to sell its houses. Moreover, an increase in interest rates could affect the attractiveness of an investment in a house, which could also adversely affect the Group's ability to sell its houses, and result in both a decrease in the value of its real estate portfolio and an increase in its financing costs, all of which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. See "*—The Group depends on the demand for the houses developed by the Group, particularly in Denmark*".

Finally, in recent years, interest rates have decreased and remained historically low, increasing households' access to capital. This interest rate environment has allowed households to borrow more capital to invest in real estate assets and to obtain affordable mortgages, driving higher demand for housing. A rise in interest rates could affect house affordability by reducing the ability of potential buyers to obtain or service mortgage financing and, in the case of existing homeowners, by reducing their ability to fund the purchase of new houses through the sale of their existing houses to other potential buyers who need financing. An increase in interest rates resulting in decreased demand for housing could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Risks Relating to the Group's Business and Industry

The Group is dependent on third-party suppliers, contractors, sub-contractors and other service providers to execute its projects.

The Group depends on third-party suppliers, contractors, sub-contractors, and other service providers in Denmark and Sweden to execute its projects, including to provide building materials, and for building, as well as for warranty repairs. For the nine months ended 30 September 2020, the Group's top five suppliers and sub-contractors represented 23.0% and 14.9% of its total purchases from suppliers and services from sub-contractors in Denmark, respectively (21.5% and 16.0%, respectively, for the year ended 31 December 2019). Increasing production across the industry may lead to shortages of both materials and sub-contract labor. If the Group is unable to find or hire qualified and reliable third-party suppliers, contractors or sub-contractors for any of its projects, the Group's ability to complete projects on time or at all could be impaired. Additionally, there are a number of nationwide suppliers and sub-contractors for which finding a replacement (including as a result of insolvency of any such suppliers or sub-contractors) would take some time and would require the Group to split its supplier portfolio in regions in order to allow smaller suppliers to tender and it may be difficult for the Group to secure the same pricing levels that it currently receives from its existing suppliers and sub-contractors.

Furthermore, suppliers and sub-contractors may fail to provide timely or adequate services, labor, equipment or raw materials, due to financial difficulties, reduced availability as a result of increased market demand or being indisposed and/or unable to work as a result of any reason, including as a result of the COVID-19 pandemic, and the Group may be required to source these products and services at a higher price than anticipated and may face delays at project sites until the Group is able to identify an appropriate supplier, contractor or sub-contractor which, for certain significant suppliers and sub-contractors might be burdensome. As a result of the COVID-19 pandemic related supply chain disruptions, the Group has made some adjustments to its suppliers, sub-contractors and other service providers. For example, as a result of disruptions in the supply of certain appliances, the Group had to agree with some customers to install temporary alternative appliances in their houses, which the Group will need to replace once the originally ordered appliances can be delivered. While the Group managed to reach these agreements with customers and deliver the houses without delays, it may not be able to reach these kinds of agreements in the future, which may result in delays in the delivery of the Group's houses and related penalties. Additionally, Danish municipalities and regions have recently been encouraged to make investments in buildings, roads, and similar infrastructure, removing an existing cap on these investments for at least 2020. It may be more difficult for the Group to obtain supplies and sub-contractors for its projects if demand for these products and services increases as a result of such investments or it may be more difficult to obtain them at competitive prices as competition for these products and services increases. See "*—Risks Relating to General Economic, Political and Demographic Conditions—The impact of the COVID-19 pandemic and accompanying government policies to the Group is uncertain and its social and economic effects may continue to impact the Group's business, financial condition, results of operations, cash flow and prospects*".

The Group is also exposed to the risk of litigation or claims relating to breaches of contract by third-party suppliers, contractors, and sub-contractors. Furthermore, delivery by suppliers, contractors or sub-contractors of faulty equipment or raw materials or substandard work by contractors or sub-contractors could result in claims against the Group for failure to meet required project specifications. These risks may be compounded during times of economic downturn, as third-party suppliers, contractors and sub-contractors may experience financial difficulties or find it difficult to obtain sufficient financing to fund their deliveries or operations. While the Group seeks to protect itself from liability through its contracts with its third-party suppliers, contractors, and sub-contractors, in the event that suppliers, contractors, or sub-contractors are liable to the Group following a contractual breach, there can be no guarantee that they will have sufficient funds to pay these amounts. Additionally, it may be difficult for the Group to prove that certain raw materials were faulty or did not meet the Group's quality standards, in which case, the Group could be responsible for any claims related to such faulty materials. For example, the Group has recently experienced some incidents with crumbling mortar joints that are being investigated and for which the Group may need to bear the cost of replacement without being able to claim compensation from its supplier. If a contractor, sub-contractor or supplier were to file for insolvency, the Group would not only face delays and potential increased costs, but also may not have any means of recovery from the insolvent company. In addition, it can be a lengthy process to settle claims with customers for additional payments for contract variations and to settle claims with sub-contractors and suppliers. Any of these issues could cause financial and reputational harm to the Group, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Competition in the market segments in which the Group operates may adversely affect the Group.

The Group's core detached market segment in Denmark is competitive with the top five builders, including the Group, holding an aggregate market share in the market segment of approximately 50% in 2019 (as measured by the number of new builds delivered in 2019). The remaining 50% of the market is fragmented and comprises a large number of small builders. The Group launched its semi-detached business-to-business strategy in January 2020, which is currently primarily focused on the building and delivery of semi-detached houses to professional investors who then lease or sell the houses to end-users. Competition in this Danish market is highly fragmented with a large number of small multi-regional construction companies and local builders engaged. Similarly, the Swedish detached and semi-detached market segment is highly fragmented, with the top ten builders holding approximately 35% market share in the market segment (in terms of number of new build completions in 2019).

In recent years, some of the Group's competitors in its core detached market segment in Denmark have sought to compete aggressively on price in the Group's core detached market segment in Denmark and have otherwise sought to expand their geographical footprint in Denmark. As a result of such trends or otherwise, competition may force the Group to reduce the price of its houses which may result in decreased profit margins or even losses. Some of the Group's competitors have captured significant market share in the detached business segment in Denmark in recent years and may continue to do so going forward. Additionally, some of the Group's competitors may have business models that share significant similarities with that of the Group, have greater resources than the Group, may better withstand industry downturns, compete more effectively on the basis of product and service offering and geographic scope, retain skilled personnel to a larger degree than the Group or develop better digital tools. In particular, in the semi-detached business-to-business market segment, the Group's competitors may have more experience than the Group and thus be better positioned than the Group to successfully compete in this market segment. The Group may also experience competition from former employees or others formally associated with the Group who may try to implement the Group's business model at other companies they have joined or established or may misappropriate the Group's designs to their benefit. Furthermore, the Group's competitors also compete with the Group to hire and retain skilled personnel, including by seeking to hire personnel employed by the Group, and the Group may be forced to institute non-competes in its contracts with employees or to pay higher salaries than its competitors in order to be able to hire or retain employees. See *"—The Group depends upon its management team and on the expertise of its key personnel, and may be unable to attract and retain a highly skilled and experienced workforce"*. In addition, any mergers by the Group's competitors may enable them to offer houses at reduced prices, thereby putting downward pressure on the prices at which the Group is able to sell its houses which may result in decreased market share for the Group. The Group's operations may be materially adversely affected if its current competitors or new market builders offer houses with better features, more attractive prices or other characteristics than the houses offered by the Group. All of these factors could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group depends upon its management team and on the expertise of its key personnel, and may be unable to attract and retain a highly skilled and experienced workforce.

The success of the Group's business depends, among other factors, upon the recruitment, retention and development of highly skilled, competent people at all levels of the organization.

In particular, the Group has a management team with an extensive track record in the housing development industry in Denmark and Sweden. The Group's success depends, to a significant degree, upon the continued contribution of its management team, who are critical to the overall management of the Group as well as its culture, strategic direction and operating model. The Group's ability to retain its management team or to attract suitable replacements is dependent upon competition in the labor market. The unexpected loss of the services of any member of the Group's management team, a limitation in their availability or a failure by the Group to develop a succession plan for its management team could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. Furthermore, the loss of one of the Group's members of its management team to a competitor (whether existing or newly formed) could result in a deterioration of the Group's market share and competitiveness. See "*—Competition in the market segments in which the Group operates may adversely affect the Group".*

In addition, experienced employees in the housebuilding industry, in particular, the Group's department managers and construction managers are fundamental to the Group's ability to generate, obtain and manage business opportunities. The Group's success may make its employees attractive hiring targets for competitors, and in order to retain key personnel the Group may be required to keep pace with increases in remuneration in the market. For example, the Group has experienced the loss of certain experienced employees to a competitor in the area of Zealand (part of Denmark; in Danish "*Sjælland*"). It may also be difficult for the Group to find a replacement for experienced employees as they leave the Group, which may result in internal organizational problems or in other regional department managers having to cover for more than one department, which may result in difficulties meeting the Group's business needs. Failure to attract and retain such personnel or to ensure that Group employees' experience and knowledge is retained within the Group after employee departures, through retirement or otherwise, may materially adversely affect the Group's business, financial condition, results of operations, cash flow and/or prospects.

Negative publicity could adversely affect the Group's reputation as well as its business, financial results and stock price as the Group's success is dependent on enhancing and maintaining its brand.

The Group believes that it has a well-established, trusted and widely recognized brands and reputation in the market segments in which it operates. The Group considers favorable brand reputation to be essential to the Group, and the Group's business and strategy in Denmark and Sweden are dependent in part on the maintenance of the integrity of the "HusCompagniet" and "VårgårdaHus" brands, respectively, and their respective reputations for quality. Unfavorable media related to the Group's industry, company, brands, marketing, personnel, operations, business performance, or prospects may affect the performance of the Group's business, regardless of its accuracy or inaccuracy. The speed at which negative publicity can be disseminated has increased dramatically with the capabilities of electronic communication, including social media outlets, websites, blogs or newsletters. Customers may also decide to use social media to disseminate adverse publicity about the Group, notwithstanding its accuracy or veracity, to force it to provide discounts or fix features that the customer would not otherwise be entitled to obtain or have fixed. The Group's success in maintaining, extending and expanding its brand image depends on its ability to adapt to this rapidly changing media environment. Adverse publicity or negative commentary from any media outlets, such as Trustpilot, could damage the Group's reputation, have a negative effect in its relationship with sellers of land and contractors and reduce the demand for its houses, which could materially adversely affect the Group's business, financial condition, results of operations, cash flow and prospects.

The Group's estimates as to costs in relation to the execution of the Group's projects may turn out to be wrong.

During the building of houses, the Group may encounter unexpected operational issues or other difficulties, including those related to technical engineering issues, disputes with third-party contractors, sub-contractors and suppliers, supply chain availability, accidents, severe weather conditions, permitting issues, adverse circumstances as a result of the COVID-19 pandemic and changes in purchaser requirements that may require the Group to amend, delay or terminate the building of a house, and any of which may expose the Group to unexpected costs.

Unanticipated costs may also arise as a result of errors, omissions, and other human factors (including those of senior management and key personnel); increases in costs of building materials (such as lumber, framing, concrete, and steel); labor shortages or increases in costs of labor; increases in costs of sub-contractors and professional services; or unforeseen technical and ground conditions (in relation to the Group's own land, for example, the presence of archaeological artefacts or unforeseen geological characteristics).

Before commencing any building works, the Group estimates costs based on certain assumptions, estimates and judgments that may ultimately prove to be inaccurate. For example, increased costs or shortages of skilled labor and/or timber framing, concrete, steel and other building materials could cause increases in building costs and building delays, which, as a result of the Group's fixed-price agreements with its customers, the Group is required to absorb. However, legal precedents may impact such contractual structures regarding fixed price agreements. For example, in a recent Danish court case, not relating to the Group, a Danish district court called the recoverability of fixed priced contracts into question based on the specific factual merits of the case. The case was later appealed to the Danish Eastern High Court but was settled in accordance with the ruling of the district court prior to the ruling of the High Court.

The Group is also exposed to the risk that its sales team either sells houses that are not capable of being delivered on the agreed timeframe, for example, due to supply chain disruptions, or offers houses at a price that either is not competitive (and hence the Group loses sales to competitors) or at a price that makes it difficult for the Group to make a profit.

Any unanticipated costs arising during the building of the Group's houses, or a failure to effectively manage them, or incorrect estimations as to the number of houses the Group is able to deliver or their related price may result in losses or lower profits than anticipated or cause material building delays, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. In addition, sustained increases in building costs may, over time, erode the Group's margins, particularly if pricing competition or weak demand restricts its ability to pass additional costs of materials and labor on to homebuyers.

The Group may not be able to successfully implement its strategies, in particular, the Group may fail to implement its semi-detached business and other strategies.

The Group's strategy is, *inter alia*, to grow its position as one of the leading housing providers in Denmark, including through the implementation of its semi-detached business-to-business strategy. Over time, it may also consider opportunities to grow in new geographical markets. Maintaining and expanding the Group's operations and achieving its objectives involve investments, costs and inherent uncertainties and there is no assurance that the Group will achieve its objectives or other anticipated benefits. There is no assurance that the Group will be able to undertake its activities within their expected timeframe, that the necessary investments and costs of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. For instance, the Group is currently in dialogue on business-to-business transactions to deliver a number of houses in Denmark over the next few years. It is assumed by the Group for the purpose of its prospective financial information for the year ending 31 December 2021 that such transactions may be entered into in the short to near-term, and that the transactions will generate revenue in the level of a low single digit percentage of the Group's overall revenue for the year ending 31 December 2021. However, there can be no guarantee that these negotiations will be successful and that the any transaction will ultimately be entered into and/or generate revenue for the Group in line with such assumptions. See "*Consolidated Prospective Financial Information for the Financial Years Ending 31 December 2020 and 2021*". The Group's strategy may also be affected by factors beyond its control, such as delays and limited availability of acquisition opportunities. Any failures, delays or unexpected costs related to the implementation of the Group's strategy could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group expanded its offering of semi-detached houses in Denmark to professional investors as part of its business-to-business strategy, launched in January 2020. Such semi-detached houses are sold to professional investors on either the Group's own land or on third-party (customer-owned) land. While the construction processes for semi-detached houses are the same in the business-to-business market segment as they are in the business-to-consumer market segment, albeit on a larger scale, the Group's contractual arrangements with professional investors are more bespoke. While the Group has experience in constructing semi-detached houses as part of its business-to-consumer offering, the business-to-business market segment is new for the Group and the Group's team of employees dedicated to this market segment has limited experience dealing with these customers. In addition, given the Group's lack of experience in this market segment, other competitors may be better positioned than the Group to successfully operate and negotiate in this market segment. The Group is subject to numerous risks with respect to this business, including: the possibility of making inaccurate assumptions when pricing houses in this market segment and when assessing tax liabilities; failure to obtain sufficient security; failure to secure acceptable payment terms including sufficient upfront payments to offset construction costs over the life of the project; challenges in delivering its houses on time due to compliance with regulatory requirements (for example, in the context of houses that are built for immediate rental); the operational complexity of larger scale projects; not being able to cater for any health, safety and environment ("**HSE**") risks involved in the undertaking of larger-scale projects; failure to identify new and successful opportunities or the failure to achieve its expected margins (including as a result of the nature of the contractual arrangements with professional investors). For instance, the Danish government announced in October a proposed change in the taxation of gains on real property owned by corporate entities. If implemented, this contemplated revision to the tax code could impact the Group's business-to-business strategy as the Group would no longer be able to transfer real property on a tax free basis by selling the shares of the corporate entity holding such real property. This change could also adversely impact the Group's liquidity situation due to the mark-to-market taxation principle proposed on any gain on real property, where taxation would take place on an accrual basis even if such real property has not been disposed of and no gains or losses have been realized. The Danish government has not yet announced any details of its legislative proposal or indicated when it expects the proposal to come into effect. See "*Business—Regulation and Internal Compliance Policies—Real Estate and Tax Regulations in Denmark.*"

Furthermore, in the Group's business-to-business semi-detached business segment, some professional investors, such as pension funds, tend to require projects to have the German Sustainable Building Council ("**DGNB**") certification. The Company will, on a case-by-case basis, determine whether it is cost-efficient to obtain such certification. As a result, the Company's ability to build its business-to-business semi-detached business may be hampered to the extent to which it is unable to obtain the DGNB certification for its projects. Additionally, professionalizing this market segment will require management to devote a significant amount of time, resources and capital that could otherwise be devoted to the Group's business-to-consumer activities or other strategic initiatives. The Group's inability to obtain the expected results from its business-to-business strategy could have an adverse impact on the Group's business, financial condition, results of operations, cash flow and prospects. In addition, the business-to-business market segment is, by nature, more volatile than the business-to-consumer market segment as professional investors are more opportunistic and may look to invest at certain times more than others. Accordingly, the Group's revenues derived from its business-to-business offering in a particular period may not be representative of the Group's results in future periods.

Additionally, the Group is in the process of introducing a new offering of very standardized, low cost houses in order to better cater for the most price-sensitive customer segment within the detached market segment, which it plans to offer and sell through a new online platform with more limited customization options. The success of this new offering is subject to numerous risks including the Group's inability to adapt to customers' demands, to implement its customer-centric approach through an online channel and information technology ("**IT**") risks. If the Group is unable to successfully implement this strategy, the Group's business, financial condition, results of operations, cash flow and prospects may be adversely affected. In addition, a successful implementation of the strategy could adversely affect the Group's business, financial condition, results of operations, cash flow and prospects if, and to the extent to which, it shifted sales to this low cost option and away from the Group's established detached market offering.

In addition, from time to time, the Group may look into opportunities to expand into new geographical markets. However, it may be difficult to implement its business model or house concept outside of Denmark or to establish an adequate internal organization or network of suppliers, or differences in customer tastes could result in less appetite than expected for the Group's product offering in new markets. If the Group decides to expand into new geographical markets and fails to implement appropriate measures, or implements measures that do not have the desired effect, this could have an adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. For example, in recent years, the Group has decided to terminate its German activities due to the challenges it faced in establishing an adequate internal organization and a network of suppliers that could support its business, in achieving local brand recognition and in rolling out new offices in the South of Germany. Similarly, the Group has withdrawn its brick house offering in Sweden due to the substantial differences in the supply and sales process in Sweden compared to Denmark and the Swedish preference for wood rather than brick building materials. The Group recorded certain impairment losses in the year ended 31 December 2019 as a result of the closure of its German and Swedish brick house activities. There is no assurance that additional impairment losses will not need to be recorded in the future.

To implement its business-to-business or online strategies or to enter into new geographical markets, the Group may decide to acquire a target business or to enter into joint venture arrangements. Acquisitions are subject to significant risks that the Group may not be able to anticipate. See "*—The Group may incur a variety of costs to engage in future growth or expansion of its operations and the anticipated benefits may never be realized*". In addition, potential joint venture partners may have economic or business interests that are inconsistent with the Group's objectives, which may result in disputes between the Group and its joint venture partners that could potentially result in litigation or arbitration.

Any of the factors set forth above could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group may incur a variety of costs to engage in future growth or expansion of its operations and the anticipated benefits may never be realized.

The Group considers various organic and inorganic growth or expansion opportunities. The Group may fail to achieve the anticipated benefits of such opportunities if they are pursued. This may occur due to constraints on the Group's ability to pursue the opportunity and achieve the growth or expansion as a result. For example, in October 2019, the Group announced its intention to acquire eurodan-huse, a Danish family-owned construction company, and in June 2020 both companies decided to terminate the share purchase agreement and to not complete the acquisition due to the challenges that had arisen in connection with the approval of the Danish antitrust authority. In addition, the anticipated benefits of organic or inorganic growth or expansion may not outweigh the resulting detriments to the Group's business, financial condition, results of operations, cash flow and prospects (see "*—The Group may not be able to successfully implement its strategies, in particular, the Group may fail to implement its semi-detached business or other strategies*"). The Group may incur greater costs than expected in attempting to achieve the anticipated benefits of such growth or expansion and may incur in additional debt or use proceeds from equity offerings to finance such expansion. Growth or expansion could disrupt the Group's ongoing operations and divert management resources that would otherwise focus on developing the Group's existing business, in which case the Group may need to employ additional personnel or consultants that are knowledgeable of such markets. Accordingly, any such growth or expansion could expose the Group to significant risks, beyond those associated with operating its existing business, and may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Housebuilding is subject to the risk of design and building defects, which may give rise to contractual or other liabilities and reputational damage.

Structural errors in the design of the Group's houses on a large scale could impair the Group's ability to sell its houses or could result in litigation and other significant costs. While the Group outsources most of the building works, important decisions around the design of the Group's houses, such as how much steel is needed in the house or how much concrete to use in the foundation, are made internally, and the Group does not hold professional indemnity and liability insurance policies to protect the Group from errors or mistakes in these activities. Design errors may be the result of various factors, including human error or inaccurate calculations, and may result in, among other things, a reduction in sales of the Group's houses and harm to the Group's reputation. In addition, design errors with the Group's houses could result in financial or other damages to customers, which could result in litigation. Even if the Group prevails, such litigation would be time consuming and costly to defend and the design defects are not covered by the Group's liability insurance. These risks may be exacerbated if the Group adds new house types to its offering which may involve the use of new building materials, design and construction methods which differ from the tested a proven process for its existing house types.

Building defects (including as a consequence of contamination at a site or materials used in the housebuilding process) may occur on projects and may arise sometime after completion of that particular project. While the Group has, and many of its contractors have, general liability, property, workers compensation and other business insurance, such insurance policies are intended to protect the Group against only a portion of the risk of loss from claims arising from the Group's projects, subject to certain self-insured retentions, deductibles, and coverage limits. Accordingly, it is possible that this insurance will not be adequate to address all warranty, building defect and liability claims to which the Group is subject. Additionally, the coverage offered and the availability of general liability insurance for building defects are currently limited and policies that can be obtained are costly and often include exclusions based upon past losses those insurers suffered.

Any claims relating to defects arising on a project that are attributable to the Group may give rise to contractual or other liabilities. Unexpected levels of expenditure related to defects arising on a project may have a material adverse impact on the levels of return generated from a particular project. In addition, severe or widespread incidence of defects giving rise to unexpected levels of expenditure could, to the extent that insurance or legal redress against sub-contractors does not provide compensation, have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Furthermore, widespread defects, which are heightened by the Group's standardized product offering, could generate significant adverse publicity and have a negative impact on the Group's reputation and the Group's ability to sell houses, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Development land and houses can be illiquid assets and can therefore be difficult to sell.

The Group primarily builds on third-party (customer-owned) land but also engages in land investment opportunities from time to time, particularly (i) in the detached market segment in Denmark where the Group sells land to customers and, once title to the land is transferred, builds the house for the customer and (ii) in the semi-detached market segment in Denmark. For the nine months ended 30 September 2020 and 2019, the Group derived DKK 483.9 million and DKK 572.5 million of revenue, respectively, from own land sales in Denmark, which includes sales of houses on own land as well as sales of land plots. For the years ended 31 December 2019, 2018 and 2017, revenue from own land sales in Denmark was DKK 892.2 million, DKK 733.1 million and DKK 670.4 million, respectively, representing 27.1%, 25.5% and 25.3% of the Group's total revenue from Denmark, respectively.

In accordance with the foregoing, as at 30 September 2020, the Group's land bank was comprised of 479 individual plots (including show houses and project houses, which represented 18.8% of the Group's total individual plots in its land bank as at such date) valued at DKK 199.4 million. Development land and houses can be relatively illiquid assets, meaning that they may not be easily sold and converted into cash and that any sale may not be capable of being completed quickly without accepting a lower price than may be otherwise offered. This might be even more difficult in the semi-detached business-to-business market segment where the land plots involved are larger and/or located in less attractive locations and can thus only be attractive for purchase by a limited number of professional investors. Although the Group acquires sites for development purposes in connection with its housebuilding business and generally expects to sell the plot together with one of its detached or semi-detached houses, there can be no guarantee that the Group will not seek to, or be required to, sell entire land plots in certain circumstances, such as the Group's decision not to proceed with the building process, changes in economic, property market or other conditions or financial distress. Illiquidity may affect the Group's ability to value, dispose or liquidate some or all of, its show houses, project houses and semi-detached business-to-consumer houses or land bank in a timely fashion and at satisfactory prices, all of which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Investing in suitable land at the appropriate time is important to the Group's operations.

Purchasing land at the right time, when local land prices are stable or rising, and investing in the most appropriate geographical locations, are fundamental to the Group's own land projects success, which for the nine months ended 30 September 2020 and the year ended 31 December 2019 represented approximately 17% and 24% of the Group's revenue, respectively. If competition or demand for land increases, and/or land availability in attractive places decreases (for example, as a result of rising sea levels and heightened risk of flooding that adversely impacts the availability of land or political ambitions to allocate more landmass to nature, resulting in reduced availability of land plots for residential and commercial development), the cost of acquiring land could rise and the availability of suitable land at acceptable prices may decline. Failure to identify suitable land (including due to deficiencies in the Group's due diligence procedures), obstacles within the purchasing process, failure to manage land purchases to meet the demands of the business or increases in the costs of such purchases could mean that the Group may be unable to obtain an adequate supply of land or could result in margins being lower than those targeted by the Group. Any of the foregoing risks may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group's employees and sub-contractors may fail to operate in accordance with high ethical and safety standards and in accordance with laws and regulations (such as anti-bribery and corruption laws and regulations as well as HSE laws) designed to protect those standards.

The Group has adopted an internal Code of Conduct that seeks to ensure that its employees, suppliers, contractors and/or sub-contractors operate to high ethical standards and in accordance with all related applicable laws and regulations (including applicable anti-bribery and corruption laws and HSE laws), which its employees are required to sign. While the Group is in the process of implementing specific procedures under its Code of Conduct aimed at preventing breaches of the Code, there can be no assurance that the Group's policies and procedures (once implemented) will be effective in preventing such breaches or potential violations of laws and regulations by its employees, suppliers, contractors and/or sub-contractors.

In the event that any employees, suppliers, contractors and/or sub-contractors are in breach of any of these laws or regulations (whether past or present), the Group could be subject to investigation, adverse publicity, reputational damage, loss of relationships with public sector entities and ultimately to prosecution to an increasing degree and/or the imposition of fines. Additionally, monitoring and ensuring HSE best practices and compliance with ethical standards by employees and contractors may become increasingly expensive for the Group in the future. Any of these risks, were they to materialize, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

A failure in, or cyberattacks on, the Group's IT systems and infrastructure could disrupt the Group's business or result in the inappropriate disclosure of confidential information.

The Group is dependent on reliable and efficient IT systems. The Group also routinely transmits and receives personal, confidential and proprietary information by email and other electronic means and therefore relies on the secure processing, storage and transmission of such information. The Group's financial, accounting, data processing, IT, communications or other systems and facilities, and/or third-party infrastructure on which the Group relies, may (i) fail to operate properly or become disabled as a result of events that are wholly or partially beyond its control and (ii) be vulnerable to unauthorized access and data loss (from within the organization or by third parties), computer viruses, malicious code, cyber threats that have a security impact, and the interception or misuse of information transmitted or received by them. The Group has suffered limited data protection breaches in the past (for example, there have been a few instances where emails including personal data from certain customers were sent to the wrong addresses) and there can be no assurance that the Group will not suffer such events in the future. If one or more of such events occurs, it could result in the loss of the Group's or its customers' confidential and other information, cause interruptions or malfunctions in the Group's, its customers' or third parties' operations or result in funds being released to cyber criminals. The Group may be required to spend significant resources to modify its protective measures or to investigate and remedy vulnerabilities or other exposures, and it may be subject to litigation, reputational harm and financial losses that are either not insured against or not fully covered through any insurance maintained by the Group. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Additionally, from time to time the Group may implement new or upgraded IT systems. The implementation of new IT systems could distract management from other critical business operations. The Group may experience issues during the implementation of new IT systems or the upgrading of existing IT systems, either within a business or businesses or across the Group, which may potentially lead to increased costs resulting from errors in, for example, the planning of projects. In November 2019, the Group adopted a new enterprise resource planning ("**ERP**") system, the implementation of which (which is still ongoing) gave rise to certain delays in its reporting of results in the first quarter of 2020. There can be no assurance that the continued implementation of the ERP system (including with respect to any enhancements that be implemented) will not result in further issues. Additionally, the Group is in the process of introducing a new offering of very standardized, low cost houses in order to better cater for the most price-sensitive customer segment within the detached market segment, which it plans to offer and sell through a new online platform with more limited customization options, which may expose the Group to additional failures and vulnerabilities related to its IT systems. The failure to properly implement new IT systems or upgrade existing IT systems may impact the ability of the Group to accurately report on its financial performance in a timely manner or to comply with the Group's other regulatory requirements. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

If the Group fails to implement and maintain an effective system of internal controls, the Group may not be able to accurately determine the Group's financial results or prevent fraud. As a result, investors could lose confidence in its financial results, which could materially adversely affect the Group.

Effective internal controls are necessary for the Group to provide reliable financial reports and effectively prevent fraud. The Group has in connection with its preparations for becoming a publicly traded company focused on enhancing its internal control and financial reporting procedures aimed at enabling it to monitor its performance, operations, funding and risk and ensure adherence with applicable disclosure obligations in this regard and will continue to focus on optimizing and implementing such processes. In addition, the Group may in the future discover areas of its internal controls that need improvement and the Group cannot be certain that it will be successful in maintaining adequate internal controls. Furthermore, as the Group grows its business, its internal controls will become more complex, and the Group will require significantly more resources to ensure its internal controls remain effective. Additionally, any weakness or failures in these systems would require management to devote significant time and incur significant expense to remediate any such weaknesses or failures and management may not be able to remediate any such failures in a timely manner. For example, as a result of the implementation of the ERP system, the Group had to make a reclassification in the amount of DKK 53 million in revenue and cost of sales for the year ended 31 December 2019 in the Consolidated Financial Statements compared to the previously published consolidated financial statements for 2019 and also suffered certain delays in its reporting of results for the first quarter of 2020. The existence of any weakness or failure in the Group's internal control over financial reporting could also result in errors in its financial statements that could require the Group to restate its financial statements and cause the Group to fail to meet its reporting obligations, all of which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Severe weather conditions could delay deliveries and increase costs of new houses in affected areas, which could harm the Group's sales and results of operations.

Certain of the Group's housebuilding operations are conducted in areas that are subject to floods and severe weather. The occurrence of severe weather conditions can delay new house deliveries, increase costs by damaging inventories and lead to shortages of labor and materials in areas affected by the disasters, and can negatively impact the demand for new houses in affected areas. Furthermore, construction times may be prolonged as a result of sustained changes in weather patterns, such as heavier rainfall and increased humidity. Additionally, in case of the business-to-business contractual set-up, the Group may agree to undertake to bear the risk of the ground conditions. If the Group's insurance does not fully cover business interruptions or losses resulting from these events, the Group's business, financial condition, results of operations, cash flow and prospects could be adversely affected.

Risks Relating to the Group's Financial Profile

The Group may suffer liquidity constraints as a result of its payment-at-delivery model and the timing and frequency at which houses are delivered as well as due to its inability to enforce bank guarantees.

Shortly after its foundation, the Group introduced its payment-at-delivery model for its detached and semi-detached business-to-consumer market segments in Denmark, pursuant to which customers are not required to pay for their house until the Group delivers it to them at the end of the building process. However, the Group is required to continue to pay the building costs as they come due, including payments to its suppliers and sub-contractors, throughout the building phase of the process. As a result, the Group has a cash outflow on each project until the house is delivered. Any delays in the delivery of the Group's houses will result in a delay in the payment to the Group which could negatively impact the Group's liquidity position. Additionally, the Group's liquidity position tends to be more vulnerable during the third and fourth quarters. In Denmark, in the years ended 31 December 2018 and 2019, the Group delivered 22.3% and 22.9% of its houses in the third quarter of the year, respectively, and 31.5% and 36.2% in the fourth quarter of the year, respectively (in each case, on a continuing operations basis). During this period, the Group's financial needs increase as a result of higher building costs which are typically financed through the Group's existing revolving credit facilities. Any unexpected costs or the Group's inability to borrow additional funds under its revolving credit facilities could impede the Group's ability to meet its payment obligations as they become due which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

In Denmark, with regards to the Group's detached and semi-detached business-to-consumer market segments, the Group's policy, which applies with respect to all its customers in these market segments, is to obtain a bank guarantee (or, alternatively, have the customer deposit the full purchase price in a Group account) for the then-expected amount to be paid by the customer upon delivery of the house, before commencement of the building works to minimize counterparty risk. However, when there are changes in the scope of the house, the related bank guarantee is generally only updated when changes in the initially agreed price are considered to be significant and, therefore, there might be a portion of the final price of the house that is not covered by the bank guarantee. In addition, if the bank providing the guarantee goes into insolvency, the Group may not be able to enforce the bank guarantee. Failure of the Group's employees to comply with internal policy requirements to obtain a bank guarantee can also lead to losses. For example, in the year ended 31 December 2018, the Group had to make provision for certain losses related to such special situations in Germany where local management entered into certain contracts with customers without adequately securing receivables with bank guarantees in advance, in contravention of the Group's policies. The costs associated with the default by a customer and the Group's inability to enforce the related bank guarantee may be considerable and could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group's New Facilities Agreement contains, and its future debt arrangements could contain, covenants, which restrict its financial flexibility, and the Group's inability to obtain sufficient capital on acceptable terms may result in increased costs and delays in the completion of its projects.

The Group's New Facilities Agreement contains, and any future borrowing arrangements may contain, covenants and event of default clauses, including cross default provisions, restrictive covenants and performance requirements, including financial covenants that require the Group to maintain a certain leverage ratio, and change of control provisions, which could affect its operational and financial flexibility. The satisfaction of these restrictive covenants and performance requirements could be affected by factors outside of the Group's control, such as a slowdown in economic activity which could result in a reduction of its operating revenue or profitability. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group's ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could further limit the Group's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. For a description of the restrictions and principal covenants applicable to the Group's New Facilities, see "*Operating and Financial Review—Borrowings—Description of Debt Facilities—Description of New Facilities Agreement*".

While the Group has limited amounts of debt as of the date of this Offering Circular, the Group may, subject to the restrictive covenants contained in the New Facilities Agreement or any future debt arrangements, incur additional debt in the future. There can, however, be no assurance that the Group will be able to obtain the financing necessary to fund its operations and the implementation of its strategy in the future on favorable terms or at all.

The indebtedness that the Group has incurred, or that the Group may incur in the future, even within the limits set forth in its business strategy and subject to the restrictions contained in the New Facilities Agreement, could reduce its financial flexibility. If certain extraordinary or unforeseen events occur, including a breach of financial covenants, the Group's borrowings and any hedging arrangements that the Group may have entered into may be repayable prior to the date on which they are scheduled for repayment or could otherwise become subject to early termination. If the Group is required to repay borrowings early, the Group may be forced to sell assets when it would not otherwise choose to do so and below expected prices in order to make the required payments and the Group may be subject to prepayment penalties. The Group may also find it difficult or costly to refinance indebtedness as it matures, and if interest rates are higher when the indebtedness is refinanced, the Group's costs could increase.

Further, the availability of external financing might be limited and lenders may impose several requirements for any financing to be granted to the Group. Moreover, if the Group chooses to seek additional financing to fund its operations through the capital markets, continued volatility in these markets may restrict its access to such financing. Any difficulty in obtaining sufficient capital could also cause project delays and any such delay could result in cost increases.

In addition, the use of leverage may increase the Group's exposure to adverse economic factors such as rising interest rates (with a corresponding negative impact in the Group's margins). The Group's leverage may increase the impact on its results of operations of economic downturns, any deterioration in the condition of the Group's investments and/or adverse developments in the Danish and Swedish real estate markets or banking sectors.

All of these factors could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group's future results may differ materially from what is expressed or implied by the targets or forecast of consolidated financial information included in this Offering Circular, and investors should not place undue reliance on this information.

The medium-term targets set forth in this Offering Circular under "*Business—Medium-Term Targets"* are the Group's current expectations for the medium term. The actual results of the Group may differ materially from what is expressed or implied by these medium-term targets which may not be achievable in the short term or at any time. Similarly, the financial projections set forth in this Offering Circular, including under "*Operating and Financial Review*", "*Consolidated Prospective Financial Information for the Financial Years Ending 31 December 2020 and 2021*" and elsewhere, are the Group's forecast for the financial years ending 31 December 2020 and 2021. The "*Consolidated Prospective Financial Information for the Financial Years Ending 31 December 2020 and 2021*" includes financial forecasts and projections that qualify as profit forecasts. For profit forecasts, the Prospectus Regulation requires the Group, among other things, to disclose the principal assumptions on which the Group bases the forecast. The Group has prepared its medium-term targets, financial forecasts and projections in accordance with the Prospectus Regulation and not in accordance with any other rules or requirements in the United States or elsewhere. These medium-term targets, financial forecasts and projections are based upon a number of assumptions and estimates, which are subject to significant business, operational, economic and other risks, many of which are outside of the Group's control. Accordingly, such assumptions may prove to be incorrect. In addition, unanticipated events may materially adversely affect the actual results that the Group achieves in future periods whether or not the Group's assumptions relating to the financial years ending 31 December 2020 and 2021 were reasonable as of the date such assumptions were made. For example, the Group cannot assure that any estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the COVID-19 pandemic. The Group's actual results may vary materially from these projections and investors should not place undue reliance on them. See also "*Special Notice Regarding Forward-Looking Statements*".

There can be no assurance that the Company will not be a passive foreign investment company (a "PFIC"), for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in the Shares.

In general, a non-U.S. corporation is a PFIC for U.S. federal income tax purposes for any taxable year in which (i) 50% or more of the value of its assets (generally determined based on the average of the quarterly values of its gross assets) consists of assets that produce, or are held for the production of, passive income, or (ii) 75% or more of its gross income consists of passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and gains from financial investments. For these purposes, cash is a passive asset and goodwill is generally an active asset to the extent associated with business activities that produce active income.

Based on the current and expected composition of the Company's income and assets and the value of the Company's assets, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, the Company's PFIC status for any taxable year is an annual determination that can be made only after the end of that year, and will depend on the composition of the Company's income and assets and the value of its assets from time to time (including the value of its goodwill, which may be determined in part by reference to the market price of the Shares, which could be volatile). Because the value of the Company's goodwill may be determined by reference to its market capitalization, the Company could become a PFIC for any taxable year if the price of its Shares declines significantly while it holds a substantial amount of cash and financial investments. Accordingly, there can be no assurance that the Company will not be a PFIC for its current or any future taxable year. If the Company were a PFIC for any taxable year during which a U.S. taxpayer owned Shares, the U.S. taxpayer generally would be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and "excess distributions" and additional reporting requirements. See "*Taxation—Certain U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules.*"

Risks Relating to Regulatory and Legal Considerations

The building of new houses involves HSE risks.

Operating in the housebuilding industry poses certain HSE-related risks. A significant HSE incident at one of the Group's projects could put its employees, contractors, sub-contractors or the general public at risk of injury or death and could lead to litigation, significant penalties, delays in the building or damage to the Group's reputation (which could, in turn, have a negative impact on its ability to generate new business). Additionally, monitoring and ensuring HSE best practices by employees and contractors may become increasingly expensive for the Group in the future as it continues to grow.

In addition, regardless of the 'polluter pays' principle applicable under Danish law, if it is not possible to identify the polluter, the polluter no longer exists or the polluter is not able to pay for investigation, removal etc., the Group may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances located on, under or in a property currently or formerly owned by the Group, whether or not the Group caused or knew of the pollution. The costs of such removal, investigation or remediation or those incurred for the Group's defense against HSE claims may be substantial, and they may not be covered by warranties and indemnities from the seller of the affected land or by its insurance policies. They may also cause substantially increased costs or delays in housebuilding. In addition, customers who have acquired land from the Group that is found to have hazardous or toxic substances may refuse to take delivery of the house built on the land. Similarly, customers who have purchased houses that are found to have non-HSE-compliant substances in the houses may refuse to take delivery of the house or assert claims against the Group. The presence in the Group's houses of non-HSE-compliant substances, or the failure to remove such substances, may also adversely affect its ability to show houses when executing an own-land project. Furthermore, laws and regulations may impose liability for the release of certain materials into the air, water or earth, and such release may form the basis for liability to third persons for personal injury or other damages as well as potential criminal liability.

The Group has an increased focus on sustainability, particularly with respect to the use of more sustainable building materials and alternative energy sources. For example, approximately 48% of the houses sold by the Group in 2019 had one or more alternative energy sources, including installed air source heat pumps, solar panels and/or geo thermal heating pumps. As a result, particularly for own land projects, the Group's building costs may increase and force the Group to increase the price of its houses (which may result in lower demand for the Group's houses) or result in the Group realizing reduced margins if the Group is not able to pass on any such increased costs to its customers, which may negatively impact the Group's profitability.

Any breach of HSE compliance, including any delay in responding to changes in HSE regulations, particularly in light of evolving EU standards and potential new implementing legislation, may result in penalties for non-compliance with relevant regulatory requirements, the loss of business to the extent meeting any voluntary standards is a condition imposed by certain customers or investors, in particular in the context of business-to-business projects or reputational damage. Monitoring and ensuring HSE best practices may become increasingly expensive for the Group in the future, and HSE risks may become more acute as the Group undertakes larger-scale projects, or during periods of intense activity. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Homebuilders are subject to complex and substantial regulations of which the application, interpretation or enforcement are subject to change.

The houses that the Group builds are subject to a large variety of national, regional and local laws, regulations, and administrative requirements relating to, among other things, zoning, building permits or entitlements, building materials, density, building design and property elevation and building codes. These include laws requiring the use of building materials that reduce the need for energy-consuming heating and cooling systems. In some instances, the Group must also comply with laws, regulations or orders of the relevant authorities, that require commitments from the Group to provide roads and other offsite infrastructure (such as parks and other public improvements), and may require them to be in place at the time of the commencement of the building process.

Residential housebuilding is also subject to a variety of laws, regulations, and administrative requirements concerning the protection of health and the environment (including with respect to soil pollution). These environmental laws include such areas as waste handling, water management, groundwater, and wetlands protection, subsurface conditions, and air quality protection and enhancement. Environmental laws and existing conditions may result in delays and may cause the Group to incur substantial compliance and other costs. For instance, if the Group is aware of soil contamination, it has a duty to inform the customer hereof and, depending on the significance of such contamination, the customer could claim a price reduction.

The Group may be required to request the relevant municipality to prepare or revise the local plan for the area before the Group can develop or start construction in a new residential area. Even if the Group is able to obtain the local plan needed (or obtains the required revisions to such local plan) to start construction or development of the area, this local plan may be appealed by third parties to the Environment and Food Complaints Board (in Danish: "*Miljø- og Fødevareklagenævnet*") or brought before the courts within six months of the final local plan being in place. Therefore, if the Group starts development or construction prior to the appeal period having expired and, subsequently, an appeal is made or a case is brought before the courts, this could potentially have a material adverse effect on the Group's operations.

These laws, regulations and administrative requirements often provide broad discretion to the relevant authorities and may result in fees and assessments or building moratoriums. A material change in relevant laws, regulations or administrative requirements, or the interpretation thereof, or delays in such interpretation being delivered, may delay or increase the cost of the Group's building activity or prevent the Group from selling houses already developed. In particular, changes in (but not limited to) the following areas could have a significant adverse impact on the Group's business and operating results: requirements to provide subsidized housing; planning or urbanization requirements; increased prices on emissions; laws that incentivize renovations instead of new-builds; law regarding land classification; building regulations, including functionality, safety and habitability requirements applicable to new houses; insurance regulations; labor or social security laws; health and safety regulations; tax regulations; or environmental and sustainability requirements. For example, in March 2020, the Danish Council on Climate Change stated that Denmark should sharply increase its carbon tax to help meet the cost of reaching its 2030 target to cut greenhouse gas emissions by 70% from 1990 levels. Although the Group intends to focus its strategy on building environmentally-friendly houses, any such tax increase would result in lower margins. *See "—The Group's industry is dependent on general macroeconomic conditions, as well as the prevailing policy framework related thereto, and an economic slowdown could adversely affect the demand for the houses and land it sells"*. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group's business may be adversely affected if the Group fails to obtain, or if there are any material delays in obtaining, the required permits and approvals for the Group's houses or if the approved planning regulations and/or permits are subsequently challenged.

In order to begin the building of the Group's houses, the Group must obtain separate building, urbanization and environmental permits, licenses and other approvals, and in order to be able to deliver houses to clients the Group must obtain separate first occupancy, activity and other approvals and or permits (together, the "**Permits**") from relevant administrative authorities.

Irrespective of whether the Group's houses are built on third-party (customer-owned) land or land owned by the Group, the Group must obtain a building Permit before initiating any building works. Contracts for the acquisition of land plots are generally conditioned on the issuance of the related building Permit and building works are not started before a building Permit is issued. The Group's failure to obtain the relevant building Permits in a timely fashion or at all adversely affects the number of houses the Group can build. In addition, the Group may incur significant costs before applying for a building Permit, including design costs in the case of third-party (customer-owned) land plot houses or legal and advisor fees with respect to own land projects.

Contracts for the acquisition of land plots are also conditioned on the Group's ability to meet the relevant regulatory and planning requirements. However, planning regulations and Permits could be challenged within the relevant statutory period, which could eventually lead to delays in the delivery of the Group's houses or even incompletion of a particular house on the expected terms or at all, which could lead to delays in the receipt of payments due from customers, which could therefore have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. Similarly, for own-land projects, regulatory and planning requirements could result in delays in the planned sales process.

Additionally, an occupation Permit is required for the customer to actually move into and occupy the house. In the detached and semi-detached business-to-consumer market segments, the Group files the application for the Permit but is not typically responsible for obtaining the occupation Permit. When the customer requires the Group to obtain the relevant occupation Permit, the Group seeks to make delivery of the house dependent on the filing for the Permit rather than the receipt of the Permit so that delays in the issuance of the relevant Permit do not result in either delayed deliveries (which impact when the Group receives payment for the house under its payment-at-delivery model) or penalties. If there is increased pressure from the Group's customers requiring that the house may only be delivered after the Permit is issued, any delay in obtaining the Permit may result in a delay in delivery of the house and related financial penalties. In the semi-detached business-to-business market segment, delivery of the house is always contingent on receipt of an occupation Permit. Any delays in the Group's ability to obtain the relevant Permit may cause delays in the delivery of the houses for which the Group may be penalized and be required to pay a fee.

Granting of Permits is regulated at a regional and municipal level and may be subject to the relevant authorities' discretion. Given that the Group builds houses in different municipalities, the Group may need to meet different requirements for each municipality and be subject to various authorities' discretion in granting Permits.

In addition, the timing to obtain the Permits also varies depending on the region or municipality. Any failure to obtain required Permits on favorable terms or at all or any material delays in obtaining such Permits could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group's business is dependent on its trademarks and other intellectual property rights and the ability to utilize the intellectual property of third parties.

The Group believes that its HusCompagniet and VårgårdaHus trademarks (including their related websites www.huscompagniet.dk and www.vargardahus.se), customer data, copyrights, trade secrets, proprietary technology and similar intellectual property are important to the Group's success, and the Group relies on trademark, copyright and trade secret protection, agreements, confidentiality procedures and other methods to protect the Group's proprietary rights. If the Group fails to establish, manage and protect its intellectual property, and particularly, its trademarks, and if the Group becomes subject to claims or demands related to brand names, trademarks or other intellectual property that limit the use of such brand and/or intellectual property or entail significant costs, it could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's success is also dependent on its ability to utilize intellectual property of third parties, in particular as the Group continues to digitize its value chain in the context of which it licenses software from various third parties. The Group could face claims by such third parties asserting an infringement of such licenses by the Group or its customers, for example by not obtaining the correct number of licences or by exceeding the scope of such licenses, or could lose the right to utilize the software, each of which could result in the loss of competitive advantages or otherwise lead to substantial costs to the Group. Additionally, if these third parties were unable to continue to provide such intellectual property due to lack of resources or otherwise, the Group's operations would be materially adversely affected. Any of these events would have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be subject to litigation that could have an adverse effect on the Group.

The inherent risks in the Group's business expose the Group to litigation, including personal injury litigation, environmental litigation, contractual litigation with customers and suppliers, intellectual property litigation, tax or securities litigation, and lawsuits which could result in the interruption of Group construction projects, the imposition of liens on or the seizure of the Group's houses, properties and/or other assets. The Group's land and housebuilding activities could give rise to legal claims brought against the Group in respect of the materials used and any defects existing in the houses sold, including possible deficiencies attributable to third parties under agreements entered into with the Group. In particular, in Denmark, real estate developers are liable to customers for a ten-year period for any damages arising from building deterioration if such deterioration is caused by flaws or improper execution in the design or construction of the building, however the statutory liability between professionals is only enforceable for a five-year period, which could result in the Group being liable to a customer for a defect on a house that the Group is not able to pass on to the responsible supplier or sub-contractor if the defect arises after five years. Additionally, although the Group no longer operates in Germany, additional claims may be brought against the Group in Germany with regard to houses that were delivered in the past but that are still covered by their statutory warranty.

The Group may also face liability as a result of non-compliance with deadlines for a house's delivery, non-performance with obligations to sellers of land plots or third-party contractors and conveyance of defective property title or property misrepresentation. The Group is also subject to claims for injuries that occur in the course of building activities. The Group is currently involved in a number of proceedings against certain customers and suppliers, of which none is deemed by the Group to be material, and anticipates that the Group will in the future be involved in, litigation and other disputes from time to time. For example, the Group is involved in litigation with certain customers in Germany, from whom the Group has not received payment for houses it delivered several years ago.

The Group cannot predict with certainty the outcome or effect of any claim or other litigation or dispute. Any future litigation or dispute may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects, because of potential negative outcomes, the costs associated with prosecuting or defending such lawsuits or claims, and the diversion of management's attention to these matters. See "*Business—Legal Proceedings*" for a full description of the Group's litigation.

National, regional or local tax regulations may have a material impact on the Group's business.

Given the Group's business, the Group is regularly involved in the exploitation and disposal of real estate assets in Denmark and Sweden. As a result, the Group and its customers are subject to direct and indirect taxation (i.e. transfer taxes, stamp duties, real estate property taxes and Value Added Tax), which is subject to changes in the national, regional or local tax regulations and to the interpretation or scrutiny of the corresponding Danish and Swedish tax authorities. Although the Group believes that the Group is in material compliance with applicable tax laws (including in connection with its real estate and financing activities), the Group may be subject to a reassessment by the tax authorities and, in that event, it cannot be disregarded that the Danish, Swedish or German tax authorities' interpretation of such laws may differ from the Group's. Additionally, for the year ended 31 December 2019, the Group has implemented a change to its transfer pricing policy which may be subject to reassessment in light of the closure of the Group's German and Swedish brick house activities. Such reassessment may trigger transfer pricing audits for 2019 and previous years, and, while the Group believes it complies with all applicable transfer pricing practices in accordance with industry standards, the Group cannot guarantee that the tax authorities will not have different interpretations when looking at its operations as to how pricing remuneration should work within the Group. As such, the Group cannot discard the possibility that such reassessments could result in a higher overall effective tax rate which may materially affect the Group's business, financial condition, results of operations, cash flow and prospects.

In addition, in 2017, a new property valuation act was passed in Denmark. This act introduces a new real estate tax valuation system and changes the way real estate taxes are calculated to ensure that the underlying real estate valuation, on which the tax is based, is more true and fair. All homeowners are expected to receive valuations based on this new real estate tax valuation system from the second half of 2020 until the end of 2022, even though the new system will not fully enter into force until 1 January 2024. Although it is not possible to determine the precise impact of this new tax valuation system, it is expected that it will lead to an increase in real estate taxes for many new homeowners, which could deter the Group's customers from purchasing new houses from the Group. As a result, this new property valuation act could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. See "*—Risks Relating to General Economic, Political and Demographic Conditions—The Group's industry is dependent on general macroeconomic conditions, as well as the prevailing policy framework related thereto, and an economic slowdown could adversely affect the demand for the houses and land it sells*".

Changes in privacy laws could adversely affect the ability of the Group to interact effectively with third parties.

The Group processes various personal data on a range of people, including suppliers, employees, future employees, building users, sub-contractors and potential sub-contractors and customers who acquire houses from the Group or potential customers who order a catalogue from the Group's website. As a result, the Group is subject to Regulation of the European Parliament and of the Council (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**"), which sets out requirements on the Group's processing of such personal data.

Any expansion of existing or new laws and regulations regarding marketing, solicitation or data protection could mean that the Group has to divert its personnel resources to update its internal compliance procedure and further restrict the Group's ability to use such personal data.

In addition, any failure of the Group to comply with data protection laws, including the GDPR, could result in reputational damage to the Group and material fines being levied on the Group. The financial exposure from the items referenced above could either not be insured against or not fully covered through any insurance that the Group maintains and could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Risks Relating to the Offering and the Shares

Future sales of Shares, or the perception that such sales might occur, could depress the price of the Shares.

On completion of the Offering, the Principal Shareholder is expected to own approximately 45.4% of the Company's Shares (assuming that the Offer Price is the mid-point of the Offer Price Range, the IPO Bonus Shares are transferred by the Principal Shareholder, and the maximum number of Offer Shares are sold in the Offering and no exercise of the Overallotment Option) or approximately 38.2% of the Company's Shares (assuming that the Offer Price is the mid-point of the Offer Price Range, the IPO Bonus Shares are transferred by the Principal Shareholder, and the maximum number of Offer Shares is sold in the Offering and the Overallotment Option is fully exercised). These Shares will be subject to lock-up arrangements of 180 days, described in further detail in "*Plan of Distribution—Lock-up Arrangements*". However, such lock-up arrangements provide for certain exceptions and, in any case, these restrictions may be waived, allowing the Selling Shareholders to sell their Shares at any time after this Offering. Moreover, as these lock-up restrictions end, the market price of the Company's Shares could drop significantly if the Selling Shareholders sell Shares of the Company or are perceived by the market as intending to sell them.

Any future sale of a substantial amount of Shares by the Company or any of the shareholders, or the perception that such sales might occur, may adversely affect the prevailing trading price of the Company's Shares. This could make it more difficult for shareholders to sell their Shares at a time and price which they deem appropriate and for the Company to issue equity securities in the future at a time and a price that the Company deems appropriate.

Future issuances of Shares may dilute shareholders' shareholdings and future issuances, or the perception that such issuances might occur, may depress the price of the Shares.

The Group has no current plans for an offering of Shares. However, it is possible that the Group may decide to raise additional capital and offer additional Shares in the future to help fund the implementation of its strategic plans. See "*Business—The Group's Strategy*." Any future issue of Shares would dilute the Group's existing shareholders' shareholdings. Further, a future issue, or the perception that such issuance could occur, could adversely affect the market price of Shares and make it more difficult for shareholders to sell their Shares at a time and price which they deem appropriate.

The price of the Shares could fluctuate significantly and investors could lose all or part of their investment.

Admission should not be taken as implying that there will be a liquid market for the Shares. There is currently no public market for the Shares, and an active and liquid trading market may not develop or be sustained after the Offering and Admission. If an active and liquid trading market does not develop or is not sustained, the liquidity and trading price of the Shares could be materially adversely affected and investors may have difficulty selling their Shares. The market price of the Shares may subsequently vary from the Offer Price and may be lower than the price paid by investors.

Even if a trading market does develop, the share price of listed companies can be highly volatile and as a result the Offer Price may not be indicative of prices that will prevail in the trading market and investors may not be able to resell the Shares at or above the price they paid. The trading price of the Shares may fluctuate in response to many factors, including extraneous factors beyond the Company's control, which may include, but are not limited to the risk factors described in this "*Risk Factors*" section of this Offering Circular.

In addition, Nasdaq Copenhagen or the global securities markets may experience significant price and volume fluctuations, as they have done in recent years, which, in addition to general economic, political and regulatory conditions, may have a material adverse effect on the market price of the Shares and create a risk that investors may not be able to sell their Shares at the Offer Price or a higher price.

There is no guarantee to shareholders that the Company will pay dividends.

The Company's results of operations and financial condition are entirely dependent on the trading performance of the members of the Group. The Company's ability to pay dividends will depend, among other things, on its financial performance, any restrictions relating to minimum statutory capital in subsidiaries and the availability of distributable profits and reserves and cash available for this purpose, and such other factors as the Board of Directors may deem relevant as well as restrictions in the Company's debt financing arrangements, including under the New Facilities Agreement, the financial covenants requiring the Company's leverage not to exceed a pre-defined dividend amount. For a description of the financial covenants applicable to the Group's New Facilities Agreement, which will be made available on or about the Settlement Date in connection with the repayment of the Existing Facilities Agreement, see "*Operating and Financial Review—Borrowings—Description of Debt Facilities—Description of New Facilities Agreement*". As a holding company, the Company's ability to pay dividends in the future is affected by a number of factors, principally the Company's ability to receive sufficient dividends from its subsidiaries. The payment of dividends by subsidiaries is, in turn, subject to restrictions, including the existence of sufficient distributable reserves and cash in those subsidiaries. These restrictions could limit or prohibit the payment of dividends to the Company by its subsidiaries, which could restrict the Company's ability to pay dividends to shareholders.

The Board of Directors has, in preparation of the Offering, adopted a dividend policy based on an initial pay-out ratio of at least 50% of reported profit for the year with the first dividend payment expected to be paid out in the second quarter of 2021 on the basis of the results of the financial year ended 31 December 2020. See *"Dividends and Dividend Policy"*. However, there can be no guarantee that the Group's dividend policy or historic performance will be repeated in the future, and its revenue, profit and cash flow may not support the payment of dividends. The Company's dividend policy is subject to change as the Company's Board of Directors will revisit the dividend policy from time to time. The payment of dividends is at the discretion of the Board and will be subject to, among other things, applicable law, regulations, restrictions, the Company's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors that the Board of Directors deems significant from time to time.

Shareholders in the United States and other jurisdictions outside of Denmark may not be able to participate in future equity offerings.

Danish corporate law provides for pre-emption rights to be granted to shareholders in the event of a share capital increase in the Group under certain circumstances. However, securities laws of certain jurisdictions may restrict the Group's ability to allow participation by shareholders in future equity offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the Shares and any other securities that are offered and sold are registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Group cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable shareholders in the United States or other jurisdictions outside of Denmark to exercise their pre-emption rights or, if available, that the Group will utilize any such exemption.

The Offering may be withdrawn after Admission to trading and official listing of the Shares and until settlement of the Offering.

As described in "*The Offering—Withdrawal of the Offering*", the Underwriting Agreement (as defined herein) contains provisions entitling the Joint Global Coordinators to terminate the Offering (and the arrangements associated with it) after admission of the Shares to trading and official listing on Nasdaq Copenhagen (expected on or around 20 November 2020) and prior to settlement of the Offering by delivery and payment of the Offer Shares (expected on or around 24 November 2020). Such termination rights may only be exercised under certain circumstances, including force majeure and material changes in the financial condition of the Group's business. Such termination rights will lapse upon settlement of the Offering, currently expected to take place on 24 November 2020, except in respect of the Option Shares. The termination rights of the parties to the Underwriting Agreement will lapse, in respect of the Option Shares, upon settlement of the sale of the Option Shares, if the Overallotment Option is exercised.

Nasdaq Copenhagen's approval of the Admission is subject to the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, and the termination rights not having been exercised after pricing and prior to settlement of the Offering (excluding any termination rights in respect of the Overallotment Option).

The Underwriting Agreement contains closing conditions which the Company believes are customary for offerings such as the Offering. In addition, the Company and the Selling Shareholders have given customary representations and warranties to the Managers. The completion of the Offering is dependent on compliance with all of the closing conditions set forth in the Underwriting Agreement. If one or more closing conditions are not met, the Managers may, at their discretion, withdraw the Offering.

If the Offering is terminated or withdrawn prior to settlement, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Shares sold, and investors who have sold or acquired Shares on or off the market may incur a loss. All dealings in the Offer Shares prior to settlement of the Offering will be conditional and for the account of and at the sole risk of the parties involved.

After the Offering, the Principal Shareholder will continue to be able to exercise significant influence over the Group, its management and its operations and its interests may differ from those of other shareholders.

Immediately following the Offering, the Principal Shareholder will hold at least 38.2% of the Group's issued share capital (provided that the Overallotment Option is fully exercised and assuming that the Offer Price is the mid-point of the Offer Price Range, the IPO Bonus Shares are transferred by the Principal Shareholder, and the maximum number of the Offer Shares is sold in the Offering). As a result, the Principal Shareholder will be able to exercise significant influence over the Group's management and day-to-day operations and over its shareholders' meetings, such as in relation to the payment of dividends, mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to its board of directors. The Group cannot assure you that the interests of the Principal Shareholder will coincide with the interests of purchasers of the Shares.

Furthermore, the Principal Shareholder's significant ownership may:

- delay or deter a change of control of the Group (including deterring a third party from making a takeover offer for the Group);
- deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Group; and
- affect the liquidity of the Shares,

each of which could have a material adverse effect on the market price of the Shares.

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the Group's anticipated or planned financial and operational performance. The words "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "continues", "estimates" or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Offering Circular, including, without limitation, under the headings "*Summary*", "*Risk Factors*", "*Dividends and Dividend Policy*", "*Business*", "*Operating and Financial Review*" and "*Consolidated Prospective Financial Information for the Financial Years Ending 31 December 2020 and 2021*", and include, among other things, statements addressing matters such as:

- the Group's future results of operations, in particular, the statements relating to its expectations for the financial years ending 31 December 2020 and 2021;
- the Group's financial condition;
- the Group's working capital, cash flow and capital expenditures;
- the Group's future dividends;
- the Group's business strategy, plans and objectives for future operations and events;
- general economic trends and trends in the Group's industry; and
- the competitive environment in which the Group operates.

Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements are based on the Group's current expectations, estimates, forecasts, assumptions and projections about the Group's business and the industry in which the Group operates are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other important factors that could cause the Group's actual results, performance, achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- general economic conditions and related policy frameworks;
- the ongoing COVID-19 pandemic and accompanying government policies;
- restrictions in mortgage lending and/or interest rate increases, or any change in the mortgage lending or interest rate environment;
- the Group's dependence on third-party suppliers, contractors, sub-contractors and other service providers;
- competition in the market segments in which the Group operates, including with regards to the Group's ability to hire, attract and retain its management team and key personnel;
- negative publicity affecting the Group's brand, reputation, financial results and stock price;
- wrongly estimated costs in relation to the execution of the Group's projects based on inaccurate assumptions, estimates and judgements, unexpected operational issues or difficulties, or unanticipated costs;
- the Group's inability to successfully implement or the failure to implement its business-to-business or other strategies;
- structural errors in the design of the Group's house models or building defects on a large scale which may give rise to contractual or other liabilities;
- risks relating to the Group's investment in land, including the illiquid nature of development land and houses;
- the Group's inability to invest in suitable land at the appropriate time;
- breaches by the Group's employees, suppliers, contractors and/or sub-contractors of any high ethical and safety standards, laws or regulations such as anti-bribery, corruption, health, safety and environment laws and other laws and regulations designed to protect those standards;

- cyberattacks affecting the Group's information technology systems and infrastructure, or inappropriate disclosure of confidential information;
- the Group's failure to maintain an effective and adequate system of internal controls;
- severe weather conditions;
- liquidity constraints caused by the Group's payment-at-delivery model, the timing and frequency at which houses are delivered, and the Group's inability to enforce related bank guarantees;
- the terms and conditions of the Group's future indebtedness or the Group's inability to obtain sufficient capital on acceptable terms;
- material differences in the Group's future financial results and its forecasted financial information;
- health, safety and environmental risks;
- changes in national, regional and local laws, regulations, and administrative requirements relating to residential housebuilding;
- the Group's failure or delay in obtaining any required permits and approvals for the Group's houses, or subsequent challenges of approved planning regulations and/or permits;
- the Group's dependence on its trademarks and other intellectual property rights and the ability to utilize the intellectual property of third parties;
- risks relating to litigation;
- changes to national, regional or local tax regulations;
- changes to privacy laws affecting how the Group processes personal data; and
- other factors referenced in this Offering Circular.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Group's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. The Group urges investors to read the sections of this Offering Circular entitled "*Risk Factors*", "*Business*", "*Operating and Financial Review*" and "*Consolidated Prospective Financial Information for the Financial Years Ending 31 December 2020 and 2021*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates.

The Group does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of Nasdaq Copenhagen. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Group's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Circular.

ENFORCEMENT OF CIVIL LIABILITIES AND SERVICE OF PROCESS

The Company is organized under the laws of Denmark and the Principal Shareholder is organized under the laws of Guernsey. As a result, it may not be possible for investors to effect service of process upon the Company or any of its respective directors and officers or to enforce against any of the aforementioned parties a judgement obtained in a court outside Denmark or against the Principal Shareholder or any of its respective directors and officers.

The Company's directors and executive officers, and those of the Principal Shareholder, reside in countries other than the United States, and a majority of the Company's assets and all of the assets of the Selling Shareholders are located outside of the United States. As a result, it may not be possible for investors to effect service of process upon the Company, the Principal Shareholder or such directors and officers or to enforce against any of the aforementioned parties a judgement obtained in a United States court. Original actions, or actions for the enforcement of judgements of United States courts, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Denmark or Guernsey. The United States and Denmark do not have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgement for the payment of money rendered by a United States court based on civil liability will not be directly enforceable in Denmark. However, if the party in whose favor such final judgement is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgement that has been rendered in the United States. A judgement by a federal or state court in the United States against the Company, the Principal Shareholder or any of the Company's directors and officers will neither be recognized nor enforced by a Danish court, but such judgement may serve as evidence in a similar action in a Danish court.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The Group reports consolidated financial information in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**").

This Offering Circular includes the following financial statements of the Company:

- the audited consolidated financial statements of the Group as at and for the years ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 (the "**Consolidated Financial Statements**"), which have been prepared in accordance with IFRS and audited by the Group's independent auditors, EY, as stated in their report appearing therein; and
- the unaudited condensed consolidated interim financial statements of the Group as at and for the nine months ended 30 September 2020 with comparative figures as at and for the nine months ended 30 September 2019 (the "**Consolidated Interim Financial Statements**"), which have been prepared in accordance with the International Accounting Standard no. 34 on "Interim Financial Reporting" as adopted by the EU ("**IAS 34**") and reviewed by the Group's independent auditors, EY, as stated in their report appearing therein.

Apart from the Consolidated Financial Statements, the Offering Circular does not contain financial information which has been audited by the Company's auditor. The Consolidated Financial Statements have been prepared based on previously approved and published consolidated financial statements as reflected in the Company's annual reports for 2019 dated 3 June 2020, 2018 dated 14 May 2019 and 2017 dated 30 May 2018, respectively. In preparing and reporting the comparative figures for 2018 and 2017 in the Consolidated Financial Statements certain reclassifications have been made compared to the previously published financial statements for 2018 and 2017 in order to align them with the presentation and classification applied in the Consolidated Financial Statements for 2019. In addition, compared to the previously published consolidated financial statements for 2019, a reclassification has been made between revenue and cost of sales for the year ended 31 December 2019 in the Consolidated Financial Statements to align with other information presented. Unless otherwise stated, financial information included herein as at and for the year ended 31 December 2019, has been derived from the Consolidated Financial Statements. Further, compared to the previously published consolidated financial statements for 2019, 2018 and 2017, not previously required segment information and disclosures according to IFRS 8 "Operating Segments" have been included in the Consolidated Financial Statements.

The functional currency of each entity within the Group is translated into Danish kroner. Financial information that has previously been published for any financial year can differ from subsequently published financial information due to the retrospective implementation of changes in accounting policies and other retrospective adjustments made in accordance with IFRS.

The Group as of 1 January 2019 adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. Therefore, comparative figures as at and for the years ended 31 December 2018 and 2017 are not restated. In implementing IFRS 16, the Group has recognised lease assets of DKK 117.7 million and lease liabilities of DKK 117.7 million The equity effect of applying the standard was therefore nil at the date of initial application. For further details please refer to note 1.1 of the Consolidated Financial Statements as at and for the year ended 31 December 2019.

During 2020, the Group closed down its German and Swedish "brick" house (houses built around a light concrete frame rather than wood) activities. In accordance with IFRS 5, the activities have in the Consolidated Interim Financial Statements been treated as discontinued operations. Accordingly, the net results of these activities are for the nine-months ended 30 September 2020 and 2019, respectively, presented separately in one line in the income statement as a net amount. As these activities were not discontinued in the period from 2017 to 2019 they have in accordance with IFRS not been presented and reported as discontinued operations in the Consolidated Financial Statements covering the period from 2017 to 2019 which may affect comparability of results between reporting periods. When the Group prepares its consolidated financial statements for 2020 in 2021, the comparative income statement figures for the year ended 31 December 2019 will, as required by IFRS 5, also be represented compared to the income statement figures reported in the Consolidated Financial Statements, i.e. in order to present separately in one line in the income statement a net amount reflecting the results of these activities.

In addition to the adoption of IFRS 16 and the accounting treatment following the discontinued operations, the Company currently does not anticipate any retrospective implementation of changes in accounting policies or other retrospective adjustments. However, any such retrospective implementations of changes in accounting policies and other retrospective adjustments made in accordance with IFRS may affect subsequently published financial information.

Non-IFRS Measures / Alternative Performance Measures

This Offering Circular as well as the Consolidated Financial Statements and the Consolidated Interim Financial Statements include a presentation of certain financial measures that are not measures of performance specifically defined by IFRS and which constitute alternative performance measures ("**APMs**") including as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Such measures are used by management to monitor the underlying performance of the Group and the Company. These measures are unaudited and may not be indicative of historical operating results, nor are such measures meant to be predictive of future results.

The Company presents these APMs because it considers them important supplemental measures of its performance and believes that they are widely used by investors in comparing performance between companies. However, not all companies may calculate these APMs in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the APMs contained in this Offering Circular and they should not be considered as a substitute for revenue, profit for the period or other financial measures computed in accordance with IFRS.

The following financial measures included in this Offering Circular are not measures of financial performance or liquidity under IFRS (for a reconciliation of these APMs to an appropriate measure calculated in accordance with IFRS. See "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures*").

APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements

Special items are classified separately in the income statement in the Consolidated Financial Statements and Consolidated Interim Financial Statements in order to provide a more transparent view of the composition of the results of the Group's operating activities.

EBITDA before and after special items, respectively, as well as related margin measures are non-IFRS measures that management considers to be useful measures of monitoring the underlying performance and composition of the Group's operating activities considering the non-cash nature of depreciations and amortizations as well as the nature of special items described further below.

EBIT as well as related margin measures are non-IFRS measures that management considers to be useful measures of monitoring the underlying performance and composition of the Group's operating activities.

Special items

Special items include significant recurring and non-recurring income and costs which in management's assessment are of a special nature in terms of the Group's revenue-generating activities and cannot be attributed directly to the Group's ordinary operating activities. Such income and costs relate to significant restructuring of processes and fundamental structural adjustments, as well as gains or losses arising in connection therewith which are, or are expected to be, significant over time. Special items also include impairment of goodwill, gains and losses on the disposal of activities and transaction cost from business combinations.

EBITDA before special items

EBITDA before special items is defined as operating profit (EBIT) excluding amortization, depreciation and special items.

EBITDA before special items margin

EBITDA before special items margin is defined as EBITDA before special items divided by revenue, expressed as a percentage.

EBITDA after special items

EBITDA after special items is defined as operating profit (EBIT) excluding amortization, depreciation and impairment not recognized within special items.

EBITDA after special items margin

EBITDA after special items margin is defined as EBITDA after special items divided by revenue, expressed as a percentage.

EBIT

EBIT is defined as profit before financial income and expenses and tax.

EBIT margin

EBIT margin is defined as operating profit (EBIT) divided by revenue, expressed as a percentage.

Gross profit margin

Gross profit margin is defined as gross profit divided by revenue, expressed as a percentage.

Capital expenditures, net

Capital expenditures, net is defined as acquisition of assets recognized as intangible assets and property, plant and equipment less proceeds from any sale of such asset types.

Income statement APMs included in the Offering Circular

EBITA before and after special items, respectively, as well as related margin measures are non-IFRS measures that management considers to be useful measures of monitoring the underlying performance and composition of the Group's operating activities considering the non-cash nature of amortizations as well as the nature of special items described further below.

EBITA before special items

EBITA before special items is defined as operating profit (EBIT) excluding amortization and special items.

EBITA before special items margin

EBITA before special items margin is defined as EBITA before special items divided by revenue, expressed as a percentage.

EBITA after special items

EBITA after special items is defined as operating profit (EBIT) excluding amortization and impairment not recognized within special items.

EBITA after special items margin

EBITA after special items margin is defined as EBITA after special items divided by revenue, expressed as a percentage.

APMs related to net debt, invested capital and solvency as well as cash included in the Offering Circular

The APMs net debt and ratio of such to EBITDA before special items are used in order to provide a transparent measure for the Group's total net debt and the relative earnings before special items and depreciation and amortizations to serve such net debt. The APMs free cash flow, invested capital and return on invested capital (ROIC) before special items are used in order to provide a transparent measure for the equity and net interest bearing capital invested to finance the Group's activities excluding acquired goodwill related to the activities and the return on such based on earnings before special items, financial items and tax. Finally, cash conversion (before financing and tax) is used in order to provide a transparent measure for the Group's average conversion of earnings into cash flow.

Net debt

Net debt is defined as total borrowings and total lease liabilities less cash and cash equivalents.

Ratio of net debt to EBITDA before special items

Ratio of net debt to EBITDA is defined as the ratio between (i) net debt and (ii) EBITDA before special items.

Invested capital

Invested capital is defined as total equity adding net debt and subtracting goodwill and intangible assets.

Return on invested capital (ROIC) before special items

ROIC before special items is defined as EBIT before special items divided by invested capital.

Net working capital

Net working capital is defined as inventories added contract assets, trade receivables and other receivables less trade payables and other payables and other liabilities.

Free cash flow (before financing and tax)

Free cash flow (before financing and tax) is defined as EBITDA before special items less changes in net working capital and capital expenditures, net.

Cash conversion (before financing and tax)

Cash conversion (before financing and tax) is defined as free cash flow divided by EBITDA before special items.

APMs excluding discontinued operations included in the Offering Circular

The Group's German and Swedish brick house activities were discontinued in 2020 and, accordingly, these activities have in accordance with IFRS 5 been presented and reported as discontinued operations in the Consolidated Interim Financial Statements covering the nine months ended 30 September 2020 and 2019. As these activities were not discontinued in the period from 2017 to 2019 they have in accordance with IFRS not been presented and reported as discontinued operations in the Consolidated Financial Statements covering the period from 2017 to 2019.

The following APMs are used in order to provide a transparent measure for the Group's activities, revenues and earnings for the years 2017 to 2019 which are comparable to the current activities of the Group following the closure of the Group's German and Swedish brick house activities in September 2020.

In preparing the respective APM's for the period from 2017 to 2019, excluded revenues and costs are calculated following the principles in IFRS 5 as also applied in the Consolidated Interim Financial Statements. For reconciliations of these measures to the reported IFRS measures which show the impact of the discontinued German and Swedish brick house activities for 2017 to 2019, see "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures.*"

Revenue excluding discontinued operations

Revenue excluding discontinued operations is defined as the Group's revenue for the years prior to 2020 adjusted to exclude revenue derived from the Group's German and Swedish brick house activities.

Revenue growth excluding discontinued operations

Revenue growth adjusted for discontinued operations is defined as the increase, or decrease, in the Group's Revenue excluding discontinued operations between two periods, expressed as a percentage.

EBITDA excluding discontinued operations and before special items

EBITDA excluding discontinued operations and before special items is defined as EBITDA before special items adjusted to exclude EBITDA before special items derived from the Group's German and Swedish brick house activities.

EBITDA excluding discontinued operations and before special items margin

EBITDA excluding discontinued operations and before special items margin is defined as EBITDA excluding discontinued operations and before special items divided by revenue excluding discontinued operations, expressed as a percentage.

EBITA excluding discontinued operations and before special items

EBITA excluding discontinued operations and before special items is defined as EBITA before special items adjusted to exclude EBITA before special items derived from the Group's German and Swedish brick house activities.

EBITA excluding discontinued operations and before special items margin

EBITA excluding discontinued operations and before special items margin is defined as EBITA excluding discontinued operations and before special items divided by revenue excluding discontinued operations, expressed as a percentage.

EBIT excluding discontinued operations and before special items

EBIT excluding discontinued operations is defined as EBIT before special items and adjusted to exclude EBIT before special items derived from the Group's German and Swedish brick house activities.

EBIT excluding discontinued operations and before special items margin

EBIT excluding discontinued operations and before special items margin is defined as EBIT excluding discontinued operations and before special items divided by revenue excluding discontinued operations, expressed as a percentage.

Gross profit excluding discontinued operations

Gross profit excluding discontinued operations is defined as gross profit adjusted to exclude gross profit derived from the Group's German and Swedish brick house activities.

Gross profit excluding discontinued operations margin

Gross profit excluding discontinued operations margin is defined as gross profit excluding discontinued operations divided by revenue excluding discontinued operations, expressed as a percentage.

Capital expenditures excluding discontinued operations, net

Capital expenditures excluding discontinued operations, net is defined as capital expenditures, net, adjusted to exclude capital expenditures, net, related to the Group's German and Swedish brick house activities.

Net working capital excluding discontinued operations

Net working capital excluding discontinued operations is defined as net working capital adjusted to exclude net working capital from the Group's German and Swedish brick house activities.

Free cash flow (before financing and tax) excluding discontinued operations

Free cash flow (before financing and tax) excluding discontinued operations is defined as free cash flow (before financing and tax) adjusted to exclude free cash flow (before financing and tax) from the Group's German and Swedish brick house activities.

Cash conversion (before financing and tax) excluding discontinued operations

Cash conversion (before financing and tax) excluding discontinued operations is defined as cash conversion (before financing and tax) adjusted to exclude cash conversion (before financing and tax) from the Group's German and Swedish brick house activities.

ROIC excluding discontinued operations

ROIC excluding discontinued operations is defined as EBIT excluding discontinued operations and before special items (excluding the effects of IFRS 16) divided by invested capital (excluding the effects of IFRS 16).

Key Performance Indicators

Throughout this Offering Circular, the Group discusses certain key performance indicators that management uses to analyze the Group's business and financial performance and to help develop long-term strategic plans. The Group's key performance indicators are defined as follows:

Sales

Sales include the number of houses sold by the Group during a given period as part of its continuing operations (i.e. not including houses sold pursuant to the Group's German and Swedish brick house activities). A house is sold when the customer signs the house purchase contract and (i) in Denmark, the cancellation period has ended and (ii) in Sweden, the Group receives confirmation of the order from the customer.

Deliveries

Deliveries include the number of houses delivered by the Group during a given period. A house is accounted for as delivered (i) in Denmark, when the Group has received the full purchase price of the house and (ii) in Sweden, when the house has been delivered to the construction site. Unless otherwise specified, deliveries are shown for the Group's continuing operations only. Deliveries for the Group's German and Swedish brick house discontinued operations are accounted for when the Group has received the full purchase price of the house.

Order backlog

Order backlog includes the expected revenue to be derived from houses sold by the Group as part of its continuing operations but not yet delivered to the customer. Due to the Group's percentage of completion revenue recognition policy, some of the revenue included in the order backlog may already have been accounted for as revenue in the Group's historical periodic reporting.

Share of own land projects

Share of own land projects is defined as the number of houses delivered in Denmark related to own land projects divided by the total number of houses delivered in Denmark.

Share of own land projects (detached)

Share of own land projects is defined as the number of detached houses delivered in Denmark related to own land projects divided by the total number of detached houses delivered in Denmark.

Share of own land projects (semi-detached)

Share of own land projects is defined as the number of semi-detached houses delivered in Denmark related to own land projects divided by the total number of semi-detached houses delivered in Denmark.

Rounding Adjustments

Rounding adjustments have been made in calculating some of the financial information included in this Offering Circular. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Trademarks and Copyrights

The Group owns or has rights to certain trademarks, trade names or service marks that it uses in connection with the operation of its business. See also "*Business—Intellectual Property*" for a description of the Group's intellectual property strategy. The Group asserts, to the fullest extent under applicable law, its rights to its trademarks, trade names and service marks. Each trademark, trade name or service mark of any other company appearing in this Offering Circular belongs to its holder. Solely for convenience, the trademarks, trade names or service marks and copyrights referred to in this Offering Circular are listed without the ©, ® or ™ symbols.

Presentation of Compound Annual Growth Rate

The compound annual growth rates ("**CAGR**") presented in this Offering Circular represent the CAGR between stated dates or for a period.

Foreign Currency Presentation

The Company publishes its financial information in Danish kroner. Unless the Company notes otherwise, all amounts in this Offering Circular are expressed in Danish kroner.

As used herein, references to (i) "Danish kroner" or "DKK" are to the Danish kroner, the lawful currency of Denmark; (ii) "euro", "EUR" or "€" are to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community; (iii) "Swedish krona" or "SEK" are to the Swedish krona, the lawful currency of Sweden.

For historical information regarding rates of exchange between the Danish kroner and the euro, see "*Exchange Rates*".

EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, the average, high, low and period-end euro buying rates expressed in Danish kroner per one euro, such data having been provided by the Danmarks Nationalbank (the "**Danish Central Bank**"). The Danish Central Bank fixes exchange rates on the basis of information obtained from a number of central banks on a daily conference call hosted by the European Central Bank at 2:15 p.m. (CET). The average rates for each calendar year represent the average of the euro buying rates on the last business day of each month for such calendar year, and the average rates for each month represent the daily average of the euro buying rates for such month. The exchange rate of Danish kroner per euro is regulated by the exchange rate mechanism, a system originally established in 1979 for controlling exchange rates within the monetary system of the EU. Under this system, Denmark sets its central exchange rate to 7.46 Danish kroner per euro and allows fluctuations of the exchange rate within a 2.25% band. This means that the exchange rate can fluctuate from a high of DKK 7.63 per €1.00 to a low of DKK 7.29 per €1.00. If the market-determined floating exchange rate rises above or falls below the band, the Danish Central Bank must intervene.

	Reference Rates of Danish kroner per €1.00			
Calendar Year	**Average**	**High**	**Low**	**Period End**
2017	7.44	7.44	7.43	7.44
2018	7.46	7.47	7.44	7.46
2019	7.47	7.47	7.46	7.47
2020 (through 2 November 2020)	7.45	7.47	7.43	7.44
Month				
July 2020	7.44	7.45	7.44	7.44
August 2020	7.44	7.45	7.44	7.44
September 2020	7.44	7.44	7.43	7.44
October 2020	7.44	7.44	7.44	7.44
November 2020 (through 2 November 2020)	7.44	7.44	7.44	7.44

AVAILABLE INFORMATION

Copies of the following documents may be inspected and obtained during usual business hours on any day (excluding Saturdays, Sundays and Danish public holidays) at the Company's registered office at Plutovej 3, 8700 Horsens, Denmark, during the period in which this Offering Circular is in effect:

(i) the Company's memorandum of association and the Articles of Association (the "**Articles of Association**");

(ii) the Consolidated Financial Statements;

(iii) the Consolidated Interim Financial Statements; and

(iv) this Offering Circular.

The Offering Circular is, subject to certain restrictions, together with the Articles of Association, the Consolidated Financial Statements and the Consolidated Interim Financial Statements, available on the Group's website www.huscompagniet.dk. The information on the Group's website does not form part of the Offering Circular, is not incorporated by reference into this Offering Circular, and has not been scrutinized or approved by the Danish FSA, unless otherwise specifically stated herein.

The Company has agreed that, for so long as any Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

MARKET AND INDUSTRY INFORMATION

This Offering Circular contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including a market study commissioned by the Company from Bain & Company, Inc. and information otherwise obtained from Statistics Denmark, Euromonitor and other sources. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain, no facts have been omitted which would render the reproduced information provided inaccurate or misleading. However, the Group has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Offering Circular that was extracted or derived from these external sources.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Unless otherwise indicated in this Offering Circular, any references to, or statements regarding, the Company's competitive position have been based on the Company's own assessment and knowledge of the market, regions and countries in which it operates, as well as from the market study or information otherwise obtained from Statistics Denmark and Euromonitor and other sources. Additionally, unless otherwise indicated in this Offering Circular, any references to or statements regarding customer perception of the Company have been based on the Company's own assessment and knowledge, including customer surveys.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Offering Circular (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described under "*Risk Factors*" and elsewhere in this Offering Circular.

EXPECTED TIMETABLE OF OFFERING AND FINANCIAL CALENDAR

Expected Timetable of Principal Events

Offer Period starts	6 November 2020
Offer Period will not be closed in whole or in part before	17 November 2020 at 0:01 a.m. (CET)
Offer Period expires	19 November 2020 at 11:00 a.m. (CET)
Publication of the pricing statement containing the Offer Price and number of Offer Shares sold	20 November 2020 no later than 7:30 a.m. (CET)
First day of trading and official listing of the Shares on Nasdaq Copenhagen under the permanent ISIN (subject to the Offering not being terminated or withdrawn)	20 November 2020 at 9:00 a.m. (CET)
Completion of the Offering, including announcement of completion of the Offering and settlement of the Offer Shares (excluding the Overallotment Option, unless exercised by that date)	24 November 2020

The timetable above is subject to change. Any such changes will be announced as company announcements.

Trading on Nasdaq Copenhagen will commence before specific conditions to the Admission are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned. For a description of such conditions, see "*The Offering—Trading and Official Listing on Nasdaq Copenhagen*".

Financial Calendar

The Company's financial year runs from 1 January through 31 December. Financial reporting will be published on a semi-annual basis in combination with trading statements for the first and third quarters. The Company currently expects to publish financial reports according to the following schedule:

Annual report for the full year ending 31 December 2020	17 March 2021
Deadline for proposals to the agenda of the Annual General Meeting	26 February 2021
Annual General Meeting	12 April 2021
Trading statement for the period ending 31 March 2021	21 May 2021
Interim report for the period ending 30 June 2021	18 August 2021
Trading statement for the period ending 30 September 2021	16 November 2021

BACKGROUND TO THE OFFERING AND USE OF PROCEEDS

After many years under private ownership, during which time the Group's business model has been further developed, the Group's shareholders and Board of Directors believe that it is now an appropriate time to broaden the Group's shareholder base in connection with the Offering of existing Offer Shares by the Selling Shareholders and the Company's application for admission to trading and official listing of its Shares on Nasdaq Copenhagen.

The Offering is expected to advance the Group's public and commercial profile, and provide the Group with improved access to public capital markets and a diversified base of new Danish and international shareholders. The Group believes that these factors will further enhance its competitive position and provide the appropriate platform for the Group's future development.

The Group will not receive any part of the proceeds from the sale of Offer Shares sold by the Selling Shareholders. For more information about the ownership in the Selling Shareholders, see "*Ownership Structure and Shareholders*".

DIVIDENDS AND DIVIDEND POLICY

General

All Shares, including the Offer Shares, have the same rights and the Offer Shares will rank *pari passu* with all other Shares, including in respect of eligibility to receive dividends and participate in share buybacks.

Dividend Policy and Share Buybacks

The Board of Directors has, in preparation of the Offering, adopted a dividend policy with a target initial pay-out ratio of at least 50% of reported profit for the year. The first dividend payment is expected to be paid out in the second quarter of 2021 on the basis of the results of the financial year ended 31 December 2020.

The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Board of Directors may deem relevant as well as applicable restrictions under certain of the Company's existing indebtedness and other legal and regulatory requirements. There can be no assurance that the Company's performance will facilitate adherence to the dividend policy or any increase in the payout ratio and, in particular, the Company's ability to pay dividends may be impaired if any of the risks described in this Offering Circular were to occur. See "*Risk Factors*". Furthermore, the Company's dividend policy is subject to change as the Board of Directors will revisit the Company's dividend policy from time to time. There can be no assurance that in any given year a dividend will be proposed or declared.

As an alternative, or in addition to, making dividend payments, the Board of Directors may initiate share buybacks. The decision by the Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above. The information on the Company's policies relating to dividend and share buybacks constitutes forward-looking statements. Forward-looking statements are not guarantees of future financial performance, and the Company's actual dividends or share buybacks could differ materially from those expressed or implied by such forward-looking statements as a result of many factors, including those described under "*Special Notice Regarding Forward-Looking Statements*" and "*Risk Factors*".

Recent Dividends

In respect of the financial years ended 31 December 2019, 2018 and 2017, the Company did not declare and pay out any dividends to its shareholders.

Legal and Regulatory Requirements

Dividends

In accordance with the Danish Companies Act, dividends, if any, are declared with respect to a financial year at the annual general meeting of shareholders in the following year at the same time as the statutory annual report which includes that the audited financial statements for that financial year are approved.

Further, the Company's general meeting may resolve to distribute interim dividends or authorize the Board of Directors to decide on the distribution of interim dividends. A resolution to distribute interim dividends within six months after the date of the balance sheet as set out in the Company's latest adopted annual report shall be accompanied by a balance sheet from either the Company's latest annual report or an interim balance sheet which must be reviewed by the Company's auditors. If the decision to distribute an interim dividend is resolved more than six months after the date of the balance sheet as set out in the Company's latest adopted annual report, an interim balance sheet must be prepared and reviewed by the Company's auditors. The balance sheet or the interim balance sheet, as applicable, must in each case show that sufficient funds are available for distribution.

Dividends may not exceed the amount proposed or recommended by the Board of Directors. Moreover, dividends and interim dividends may only be made out of distributable reserves and may not exceed what is considered sound and adequate with regard to the Company's financial condition and such other factors as the Board of Directors may deem relevant.

As of the date of this Offering Circular, the Board of Directors has been authorized to distribute interim dividends but currently has no plan to do so.

Dividends paid to the Company's shareholders may be subject to withholding tax. See "*Taxation*" for a description of Danish withholding taxes in respect of dividends declared on the Shares and certain other Danish and U.S. federal income tax considerations relevant to the purchase or holding of Shares.

Share buybacks

In accordance with the Danish Companies Act, share buybacks, if any, may only be carried out by the Board of Directors using funds that could have been distributed as dividends at the latest annual general meeting. Any share buyback shall as a main rule be carried out in accordance with an authorization granted by the general meeting. The authorization shall be granted for a specific period of time which may not exceed five years. The authorization shall specify the maximum permitted value of treasury shares as well as the minimum and maximum amount that the Company may pay as consideration for such shares.

As of the date of this Offering Circular, the Board of Directors is authorized in the period until 1 November 2025 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company, for so long as the Company's holding of treasury shares after such acquisition does not exceed 10% of the Company's share capital. The consideration may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the date of the acquisition as determined by the Board of Directors.

Share buybacks will be deemed a sale of shares for Danish tax purposes and as a general rule are not subject to Danish withholding tax, provided that the Company is admitted to trading on a regulated market. See "*Taxation*" for a description of Danish withholding taxes and certain other Danish and U.S. federal income tax considerations relevant to the purchase or holding of Shares.

Other Requirements

Dividends, if any, will be paid in accordance with the rules of VP Securities, as in force from time to time, and will be paid to the shareholders' accounts with their account holding banks in Danish kroner to those recorded as beneficiaries.

Dividends not claimed by shareholders are forfeited in favor of the Company, normally after three years, under the general rules of Danish law or statute of limitations.

Under the Articles of Association and applicable Danish law, there are no dividend restrictions or special procedures for non-Danish resident holders of Shares.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the capitalization and indebtedness of the Group as at 30 September 2020:

- on an actual basis reflecting the carrying amounts on the consolidated balance sheet of the Group; and
- on an adjusted basis to reflect (a) the Group's refinancing, by means of which the obligations under the Existing Facilities Agreement are to be released, on or about the Settlement Date using the proceeds made available under the New Facilities Agreement as described in "*Operating and Financial Review—Borrowings—Description of Debt Facilities—Description of New Facilities Agreement*"; and (b) the Company's bonus share issuance or share transfers carried out in connection with the Pre-IPO Reorganization as described in "*Ownership Structure and Shareholders*".

See "*Description of the Shares and Share Capital*" for information relating to the Company's issued share capital and number of outstanding Shares. You should read this table in conjunction with the Consolidated Financial Statements, the Consolidated Interim Financial Statements and the notes thereto included elsewhere in this Offering Circular and "*Operating and Financial Review*".

Capitalization

	As at 30 September 2020		
	Actual	**Adjustments**	**As Adjusted**
		DKK million	
Total current borrowings	**1,075.7**	**(984.2)**	**91.5**
Guaranteed(1)	–	91.5	91.5
Secured(2)(3)(4)	1,075.7	(1,075.7)	–
Unguaranteed/Unsecured	–	–	–
Total non-current borrowings	**622.1**	**49.1**	**671.2**
Guaranteed(1)	–	671.2	671.2
Secured(2)(5)(6)	622.1	(622.1)	–
Unguaranteed/Unsecured	–	–	–
Total shareholders' equity	**1,844.8**	**(9.7)**	**1,835.1**
Share capital(7)	14.7	85.3	100.0
Retained earnings and other reserves(7)	1,830.1	(95.0)	1,735.1
Total capitalization	**3,542.6**	**(944.8)**	**2,597.8**

(1) Adjustments reflect DKK 762.7 million, comprising current borrowings of DKK 91.5 million and non-current borrowings of DKK 671.2 million (DKK 675.0 million less capitalized loan costs to be amortized of DKK 3.8 million) expected to be drawn under the New Facilities Agreement to repay DKK 762.7 million outstanding under the Group's Existing Facilities Agreement.

(2) Net amounts outstanding of DKK 762.7 million under the Group's Existing Facilities Agreement, comprising current borrowings of DKK 1,075.7 million and non-current borrowings of DKK 631.8 million (DKK 622.1 million net of unamortized loan costs of DKK 9.7 million being expensed and thus impacting retained earnings) less cash deposits of DKK 944.8 million, are intended to be repaid upon closing and settlement of the Offering with funds to be drawn from the New Facilities Agreement. See "*Operating and Financial Review—Borrowings—Description of Debt Facilities—Description of New Facilities Agreement*".

(3) Excludes DKK 20.8 million of current lease liabilities.

(4) Following the refinancing, the Group will not hold any secured current debt.

(5) Excludes DKK 83.3 million of non-current lease liabilities.

(6) Following the refinancing, the Group will not hold any secured non-current debt.

(7) Adjustments reflect the Company's bonus share issuance and/or share transfers carried out in connection with the Pre-IPO Reorganization increasing nominal share capital by DKK 85.3 million. *See "Ownership Structure and Shareholders"*. In addition, retained earnings have also been impacted by DKK 9.7 million of loan costs being expensed (see note (2) above) bringing total adjustments to retained earnings to DKK 95.0 million.

Indebtedness

	As at 30 September 2020		
	Actual	**Adjustments**	**As Adjusted**
		DKK million	
Cash and cash equivalents(1)	1,061.3	(944.8)	116.5
Restricted cash(2)	(116.5)	–	(116.5)
Liquidity	**944.8**	**(944.8)**	**–**
Current borrowings(3)	961.0	(869.5)	91.5
Current portion of non-current borrowings(3)	114.7	(114.7)	–
Current financial borrowings(3)	**1,075.7**	**(984.2)**	**91.5**
Net current financial indebtedness	**(130.9)**	**(39.4)**	**91.5**
Non-current borrowings(4)	622.1	49.1	671.2
Non-current financial borrowings	**622.1**	**49.1**	**671.2**
Net financial indebtedness	**753.0**	**9.7**	**762.7**

(1) Adjustments reflect DKK 944.8 million free cash and cash equivalents expected to be used to repay the Group's Existing Facilities Agreement and the receipt of the New Facilities Agreement.

(2) Restricted cash comprise cash and short-term deposits consisting of customer deposits that are placed in restricted accounts and released when the relevant house is delivered to the customer.

(3) Excludes DKK 20.8 million of current lease liabilities. Adjustments comprise the repayment of current borrowings under the Group's Existing Facilities Agreement comprised of the current portion of non-current borrowings in an amount of DKK 114.7 million and current borrowings in an amount of DKK 961.0 million (a total of DKK 1,075.7 million) partially set-off by DKK 91.5 million of current borrowings drawn under the New Facilities Agreement resulting in a net adjustment of DKK 984.2 million to be financed with DKK 944.8 million of free cash and cash equivalents (see note (1) above) and funds in an amount of DKK 39.4 million from non-current borrowings under the New Facilities Agreement (see note (4) below).

(4) Excludes DKK 83.3 million of non-current lease liabilities. Net adjustments of DKK 49.1 million reflect non-current borrowings of DKK 631.8 million (DKK 622.1 million net of unamortized loan costs of DKK 9.7 million being expensed and thus impacting net financial indebtedness) being repaid in connection with drawing DKK 671.2 million under the New Facilities Agreement.

The Company has no reason to believe that there has been any material change to its actual capitalization since 30 September 2020, other than changes resulting from the ordinary course of business, the bonus share issuance completed in connection with the Pre-IPO Reorganization and the Group's refinancing.

INDUSTRY

This Offering Circular contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of sources as listed in "Market and Industry Information". Such information has been accurately reproduced, and, as far as the Group is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

Introduction

The Group is a homebuilder with a core focus on the detached house new build market segment in Denmark, in which it is a leading builder with an approximate 24% market share (as measured by the number of new builds delivered in 2019 and compared to a market share of 9% and 7% for the Group's two closest competitors, respectively, in 2019). The Group is also active in the semi-detached house new build market segment in Denmark and the detached house new build market segment in Sweden. It has historically sold houses directly to consumers (referred to as business-to-consumer or "**B2C**" activities), and has recently expanded its activities to provide for the sale of semi-detached houses to professional investors in Denmark, such as developers, private equity funds, pension funds and private investors (referred to as business-to-business or "**B2B**" activities). The Group has a market share of approximately 1% in the Danish semi-detached house new build market segment (as measured by the number of new builds delivered in 2019). The Group's share in the overall market for the sale and building of existing and new houses and apartments in Denmark is approximately 2%.

The Group primarily builds houses on land owned by its customers (approximately 80% of total houses delivered in Denmark in 2019), but also sells houses on its own land in Denmark, in which case, subject to limited exceptions, the houses are built and the underlying land is sold as part of the same sale transaction.

The detached house new build market segment in Denmark consisted of approximately 5,500 new houses in 2019 and has grown at a CAGR of approximately 5% since 2014. The semi-detached house new build market segment is of a similar size with approximately 5,600 new houses in 2019 and has grown at a CAGR of approximately 15% since 2014. The Danish detached and semi-detached market segments had a total market value in 2019 of approximately DKK 16 billion to DKK 18 billion. Together, the combined market segments of detached and semi-detached houses and apartments have grown at a 12% CAGR from 2010 to 2019 and are expected to grow at a CAGR of approximately 6% until 2024.

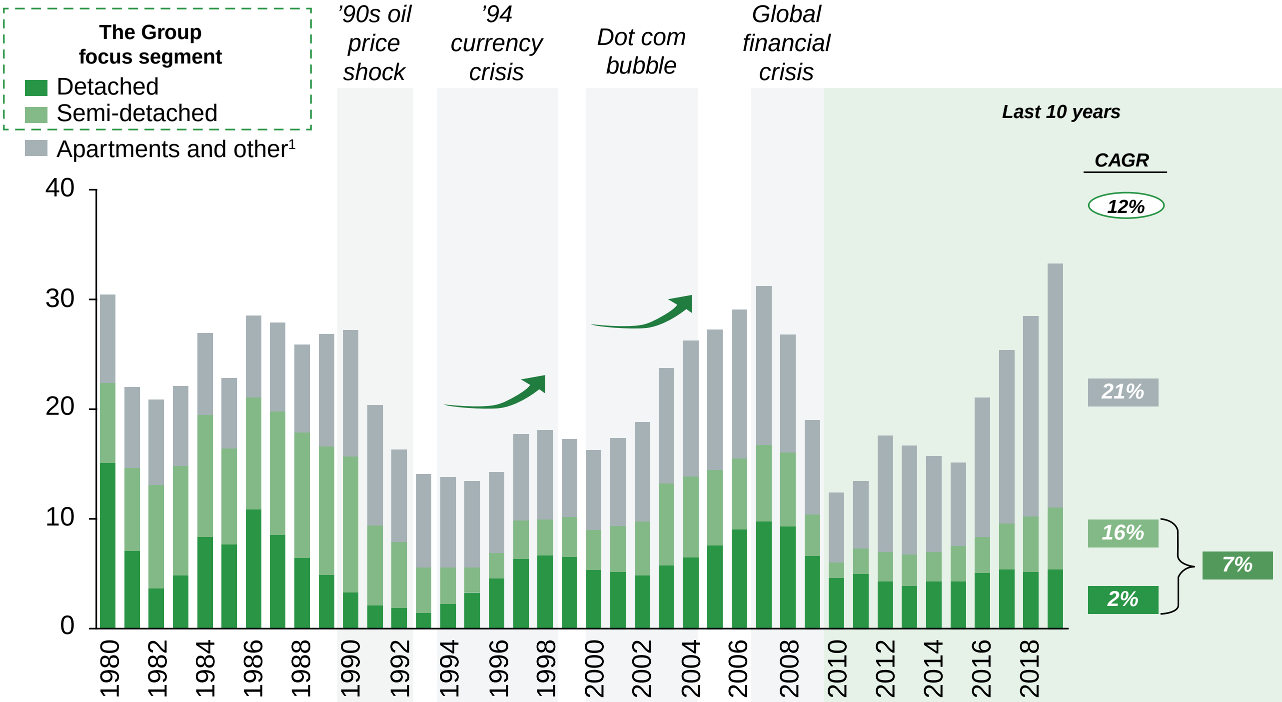
The homebuilding sector is driven by a range of interconnected macro-economic, demographic and broader real estate market factors. Over the last five years the Danish market has experienced favorable growth conditions as a result of positive macroeconomic factors, including lowered interest rates, and secular trends such as favorable in-country population flows whereby younger people (i.e., the 18-30 age cohort) are moving into cities without leaving vacant homes, the primary house buyer demographic cohort (i.e., the 31-55 age cohort) are moving out of cities and the supply of detached homes outside of cities is thus declining. While forecasts for certain drivers of the homebuilding sector, i.e. GDP / household income, real estate prices, and size of new detached houses suggest a softer outlook relative to the historical trajectory, overall sentiment remains positive and consistent with continued healthy growth. The impact of COVID-19 has resulted in a brief softening of growth in order intakes for new housing in 2020, which the Group expects to be temporary. Market fundamentals generally remain robust (in particular as compared to the 2008 financial crisis) and provide a foundation for positive growth in 2021 and beyond.

The detached and semi-detached house new build market segments in Sweden consisted of approximately 10,000 new houses in 2019. They have grown at a CAGR of approximately 4% since 2014. Driven by population growth, both as a result of increased immigration and in-country movements, as well as low interest rates, the Swedish market has grown rapidly in the past decade, peaking in 2017 at approximately 12,000 new houses, with growth rates since 2018 returning towards historical long term (10Y) rates of approximately 10,000 new houses. Growth levels are forecasted to continue to soften in the coming years with COVID-19 expected to provide minimal additional impact on an already softer market outlook. The Group currently has a limited market share in the market segment of approximately 2.6% (in number of new builds in 2019) in Sweden.

Danish Housing Supply

Over the last 10 years, the Danish housing new build market segment has experienced strong growth, reaching peak levels in 2019 comparable to growth rates achieved prior to the 2008 financial crisis. However, this overall market growth has largely been attributable to the apartments segment, which historically exhibits the highest degree of variance among housing segments. Between 2010 and 2019, the combined segments of detached and semi-detached house new build in Denmark grew at a CAGR of 7%, accelerating from a CAGR of 3% per year from 2010 to 2014 to 9% per year for the period from 2014 to 2019. The detached house new build segment output is well below historical levels after a period of modest growth since the 2008 financial crisis (experiencing a 2% CAGR between 2010 and 2019) while the semi-detached house new build segment has grown faster over this period (a 16% CAGR between 2010 and 2019 compared to a 9% CAGR between 1998 and 2007). The main limitation for growth in the detached house market segment is the limited supply of land plots in attractive locations. The limited availability of land supply makes tear down an area of growth for the Group.

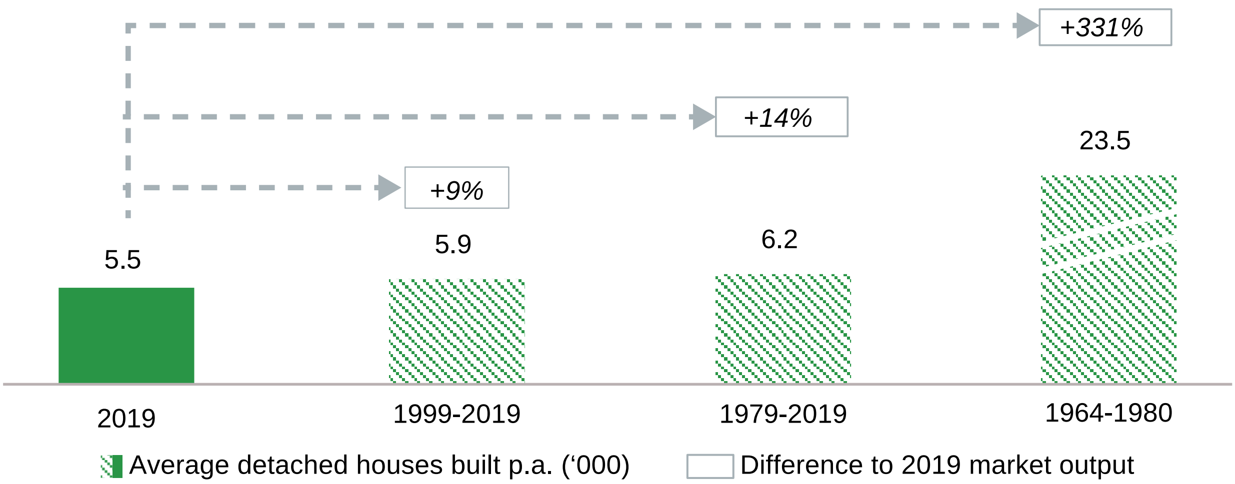
Denmark total new build volume, detached and semi-detached
(1980–2019, # dwellings)



Source: Statistics Denmark

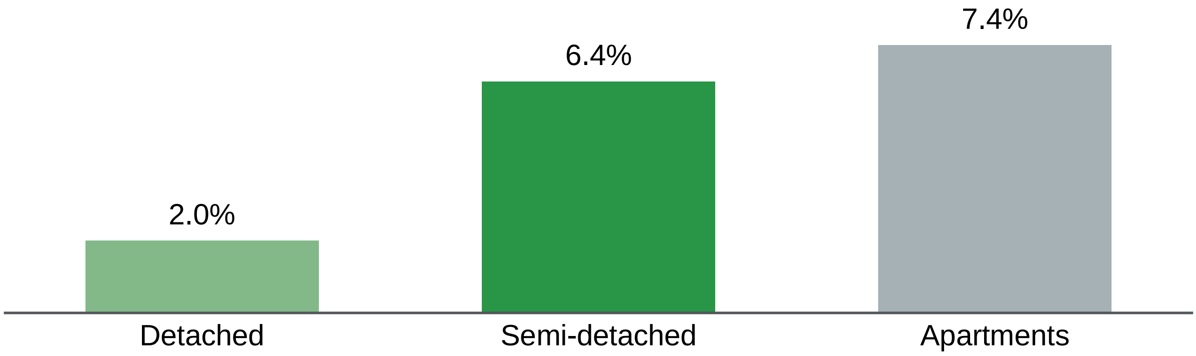
Notes: (1) Other contains housing such as dorm rooms for studying purposes, institutions for children, teenagers, etc. whom are permanently living in an institution, as well as other houses with either institution or corporate ties.

Denmark detached housing output
(# 000' dwellings)



Market volatility manifestly varies by dwelling type. The Group focuses on the detached and semi-detached house new build market segments, which are typically less volatile compared to the apartment market segment. In particular, its core segment, detached housing, has historically been the most stable market segment within the new build market segment. Compared with other segments, it benefits from low exposure to project sales and a focus on less dense and volatile geographical categories (i.e. suburban, large towns and rural areas).

Average volatility across new build segments
Average YoY growth variance (2000–2019)

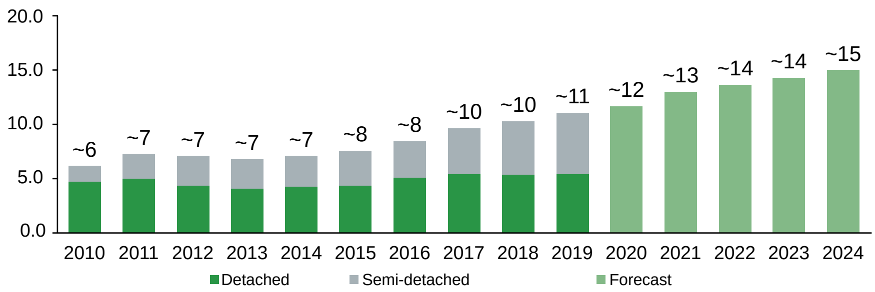


Source: Statistics Denmark.

Demand

The combined detached and semi-detached house new build segments are expected to grow at approximately 6% per year from 2020 until 2024. While these forecasts were based on pre-COVID-19 expectations, the Group believes that the consensus between market participants and observers is that COVID-19 will not materially impact 2020 new build completions.

Completed detached and semi-detached new build houses in Denmark
(2014–2024F, '000 houses)



CAGR '10-19	CAGR '14-19	CAGR '19-24E
7%	**9%**	**6%**
16%	15%	Semi-detached
2%	5%	Detached

Sources: Statistics Denmark, Euroconstruct

Note: 2023–2024 extrapolated by applying 2021–2022 Euroconstruct y-o-y growth forecast.

The semi-detached house new build segment has historically had higher variability relative to the detached house new build segment, however the 2020–2024 outlook is supported by positive demand. See "—*Impact of Demographic Factors on Semi-detached Segment*" for more information. The segment has grown at approximately 15% annually over the last five years, driven by continued positive fundamentals. Demand has in recent years remained persistently high, as semi-detached housing is attractive to customers such as young families and seniors, and has drawn interest from professional investors such as developers, private equity funds, pension funds and private investors. Supply has not outpaced demand, as semi-detached vacancy rates in areas experiencing significant population inflows are low and declining. The Group currently holds a limited market share in the semi-detached house new build market segment, as the Group has not systematically targeted this market segment historically.

Macroeconomic, demographic and structural factors drive demand for new build housing. The impact of these factors varies among the segments as observed in differences in historical volatility.

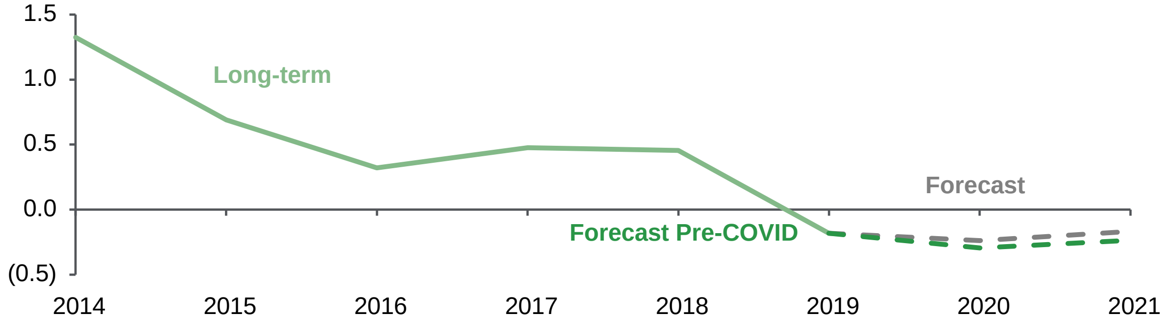
GDP and household income

GDP and household income impact the market segment for new houses as households are more likely to pursue large purchases during periods when their disposable income is high and growing. While GDP outlook for 2020 has been adversely impacted by the COVID-19 pandemic, it is expected to recover in 2021. Household incomes remain high with currently low levels of unemployment. See "—*Macroeconomic Factors*," below.

Interest Rates and the Regulatory Environment

The Danish mortgage market unlike many other jurisdictions is funded through the issuance of corresponding mortgage bonds to investors, which has resulted in Denmark having the world's largest covered bond market measured as a percentage of GDP, and the largest covered bond market in Europe in absolute terms. The Danish mortgage market has been traditionally characterized by transparent and low loan rates, long credit facilities of up to 30 years, with the option for fixed rates, as well as fair and transparent prepayment terms and has adapted favourably in response to macroeconomic factors. For instance, in 2003, a new type of lending was introduced which allowed the borrower to pay only interest and fees for the first ten years of the mortgage. However, after a prolonged period of low interest rates, new regulations were put in place in 2018 that restricted households to borrow up to four times their household income if a down payment of 5% is provided and five times their household income if a down payment of 10% is provided. This credit restriction impacted real estate prices negatively in the short-term, but no significant residual effect is expected going forward. Even with the imposed credit restriction the Danish mortgage model allows a high degree of leverage to home buyers. The typical home buyer financing structure consists of a mortgage of up to 80%, a 10–15% bank loan and a 5–10% minimum down payment. There is no major change currently publicly debated or proposed in Denmark to the regulations put in place in 2018, however the COVID-19 crisis has created a tougher lending environment in general as banks have adopted more conservative lending policies.

Long-term interest rate in Denmark (Last ten years)
(2014–2021F, %)



Source: Euromonitor.

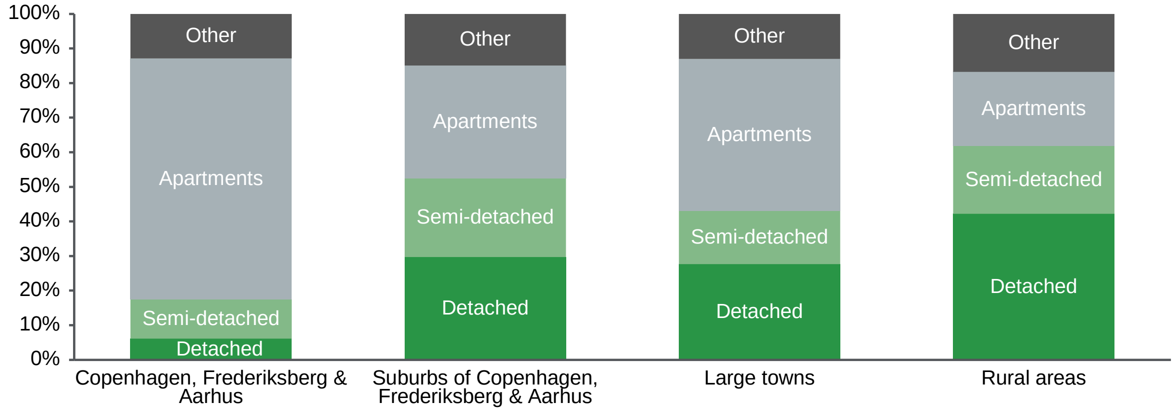
Demographic Factors

Demand within the new build segments in Denmark is largely determined by the dynamics of population flows inside the country. Population flows can be categorized into four geographical categories:

- Urban (Copenhagen, Frederiksberg and Aarhus)
- Suburban (suburbs of Copenhagen, Frederiksberg (approximately 30km radius) and Aarhus (approximately 20km radius))
- Large towns (municipalities with municipal office and with >20,000 population)
- Rural areas (other municipalities)

These four geographical categories have different housing demands linked to land availability and cost. Apartments represented the largest type of new builds between 2010-2019 in urban areas due to population density and low land availability. In the suburban and rural geographical area categories, detached and semi-detached houses were more prevalent (i.e., accounted for more than 50% of housing in these areas).

New build areas dynamics
Share of new builds by building type (2010–2019, %)

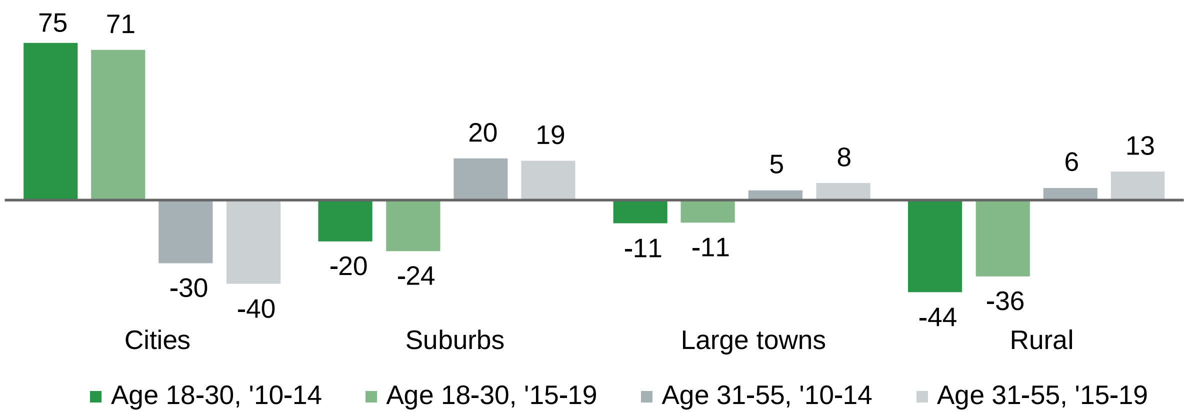


Source: Statistics Denmark.

Population flows are largely driven by age with changes in preferences typically corresponding to different life stages. The 18–30 age cohort drives urbanization, as it tends to move to cities for work, where apartments are the most prevalent building type. As this cohort moves out of parents' homes that are typically in rural areas, suburbs or large towns, the departure of this cohort does not create housing vacancies and supply remains static.

Conversely, the 31–55 age cohort, who is the key house buyer demographic cohort, move out of cities and into suburbs, large towns and rural areas, typically due to increased space needs as they form families. This cohort has been moving out of cities at a faster rate in the last five years, pointing towards an increasing trend in demand for detached and semi-detached new build houses. Data also suggests there is relatively limited movement among those above the age of 55.

Population flows age group 18–30 and 31–55
Net flow of residents (2010–2019, '000 people)

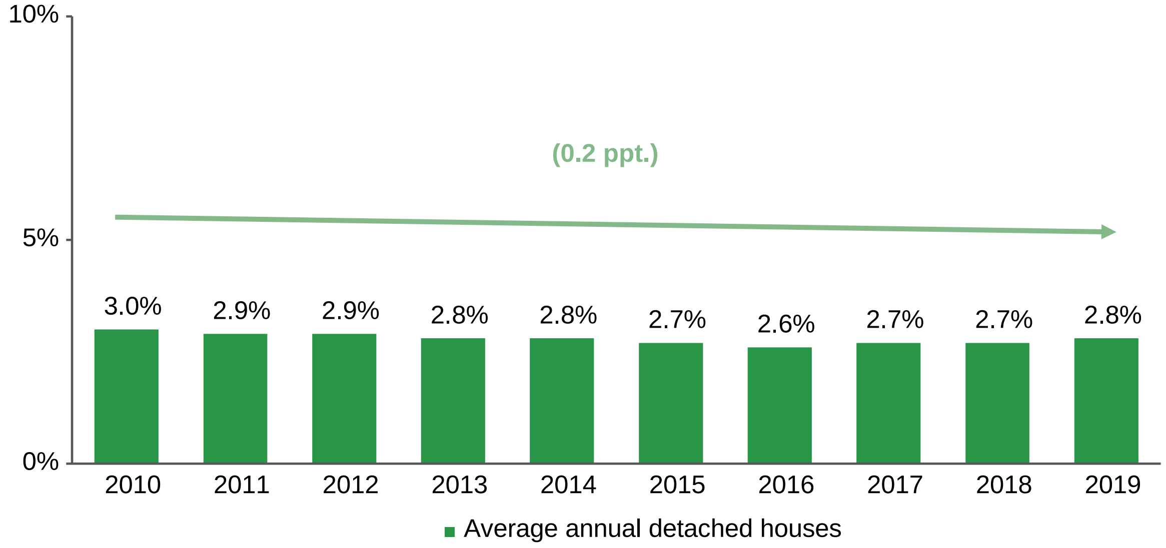


Source: Statistics Denmark.

Impact of Demographic Factors on Detached Segment

A net inflow of people in the 31–55 age cohort increases the demand for new residential housing, while supply in the area of existing housing remains largely static. This in turn drives the demand for new build properties. Relatively steady vacancy rates in the municipalities with the highest inflows of people within the 31–55 age cohort indicates that demand is being fulfilled with new builds.

Vacancies as a percentage of annual detached houses in the top 10 Danish municipalities with the highest inflow rate of 31–55 year olds
(2010–2019, %)



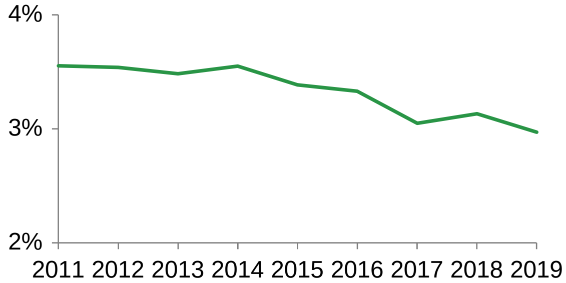
Source: Statistics Denmark.

As the key reason for moving for the 31–55 age cohort is often due to the demand for increased space, there is generally an increased preference for detached houses and, to a lesser extent, semi-detached houses.

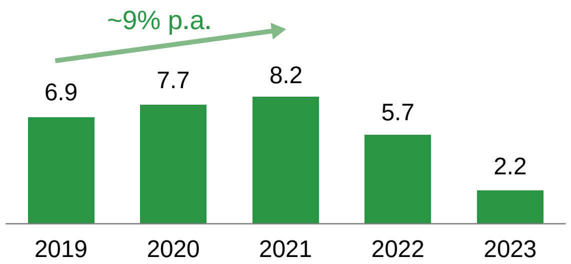
Impact of Demographic Factors on Semi-detached Segment

The demand for semi-detached housing is primarily driven by young families seeking housing close to urban areas as well as seniors who prefer a smaller and more manageable living space in a more social community. Semi-detached housing is therefore an attractive option for those who want to live outside of, but close to, a city, but cannot afford, or do not want the additional space of, a detached house. In areas with a high inflow of the primary house buyer demographic cohort (i.e., the 31-55 age cohort), the supply of semi-detached housing is limited, with vacancy rates being low and declining. In addition, investors have shown sustained interest in semi-detached housing, with professional investors (e.g., pension funds) investing in this segment and committing to larger future projects. In contrast to the detached segment, these types of dwellings are usually built as part of large projects and rented out to occupants.

Limited supply in high inflow areas
Semi-detached vacancy rate in areas with high inflow of the Group target age group(1)
(2011–2019)



Sustained investor interest
Committed new build semi-detached by completion date
(2019–2023F, contract value in DKK billions)(2)



Sources: Statistics Denmark, Byggefakta, Videnscenteret Bolius.

Notes:

(1) "High inflow areas" defined as the 10 municipalities with the highest net inflow of 31–55 year olds in the last 10 years.

(2) Excluding large projects, given some inclusion of detached and apartments in these.

Land Market Dynamics

The evolution of the Danish land market is primarily driven by two key themes: first, the increase in homebuyers' willingness to move further away from central urban areas, and second, the declining availability of attractive land plots.

To meet the demand resulting from urban spread, land in locations that are further away from central urban areas need to be converted by developers into land suitable for housing development. This process includes sourcing permits for residential housing construction and the subdivision of land as well as the installation of appropriate infrastructure, including internal roads, sewage connections and other infrastructure. The purchase is often conditional on the land being approved by the municipality in the city planning. The developers that prepare the land for construction usually vertically integrate to the construction process and ultimately sell houses. The process to convert land for housing construction may require a number of years to complete depending on the size and nature of the land. On average, this conversion process takes five years for undeveloped and undivided land and it could take a further two years for construction of detached or semi-detached houses on such land. Throughout the land development phase, the purchased land does not provide any cash flows and, hence, utilizes capital on the balance sheet unproductively until a house is completed. The value of the land appreciates as it is developed, including as a result of securing permits, as well as physical development of the property. The increased work required in development translates to greater margin on the final sale of a house constructed, which is designed to compensate for the incremental risk undertaken by the developer. This margin will be further impacted by the appeal of the location, which may change over time. Land developers that are able to identify and source the most appealing land plots will be able to successfully differentiate their offerings and yield higher margins.

The impact of limited land availability in established and attractive regions on homebuilders has partially been offset, specifically in the detached segment, by a growing number of tear down and rebuild projects. This is a relatively recent phenomenon that involves the extensive renovation and rebuilding of existing homes. In 2019, approximately 10% of all new build houses were rebuilds, increasing from approximately 5% in 2014. By comparison, approximately 20% of the Group's houses built in Denmark in 2019 were rebuilds.

The rebuilding trend has been driven by the aging of the housing stock built in the housing boom of the 1960s and 1970s. A surge in construction in that period resulted in poor quality housing in unattractive areas. As a result of growing urban sprawl, these once unattractive locations have since increased in appeal and value. The increase in the value of these locations has in turn enhanced the economic appeal of teardown and rebuild projects generally.

Teardown and Rebuilds

Existing detached houses in Denmark can be classified into six main structural archetypes, depending on the period they were built in.

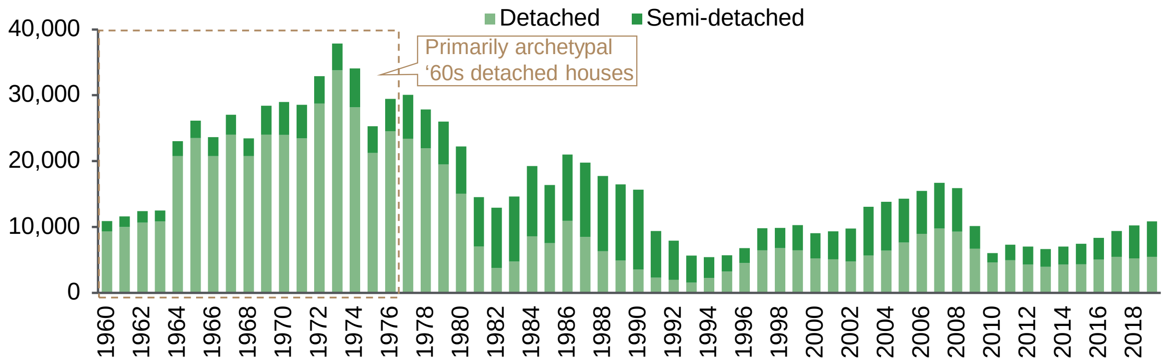
Key details of each of these archetypes are outlined below:

	1860-1930 "Patriciervilla"	1900-1940 "Murermestervilla"	1945-1955 "'50s villa"	1960-1976 "'60s detached"	1977-1984 "'70s typehouse"	2020 "HC classic detached"
# of houses	c.65,000	c.70,000	c.40,000	c.250,000	c.46,000	
Energy use and maintenance costs	××	×	××	×	×	✓
Typical energy Category	E F	E F	E F	D E	C D	A
Average annual energy cost at typical energy category (DKK/m^2)	c.170	c.135	c.180	c.140	c.110	c.20
Typical best possible energy category through renovation	C	C	C	C	C	A
Average annual energy cost[1] after renovation (DKK/m^2)	c.90	c.90	c.90	c.90	c.90	c.20
Annual routine maintenance costs (DKK/m^2)	c.110	c.105	c.105	c.80	c.60	0–2
Major one-offs: e.g. annual cost of roofing (DKK/m^2)	c.15	c.17	c.25	c.25	c.30	c.20
Alignment with consumer preferences	✓✓	✓	×	×	✓	✓✓
Consumer Preference drivers	Good aesthetics High quality Large size	Good aesthetics High quality Large size	Poor interior Poor floorplan Medium quality	Poor interior Poor floorplan Medium quality	Medium size Good floorplan Good quality	Customizable Large size Low maintenance
Overall attractiveness	Among **most attractive** houses despite high energy /maintenance costs	**Attractive** due to fairly strong alignment with preferences	Very high running costs and poor style make houses **unattractive to most buyers**	Clear misalignment with preferences & high costs make this **unattractive to most buyers**	**Fairly attractive** house with practical floor plan, quality materials and manageable costs	**Very attractive** due to modern style, quality materials and very low running costs
Suitability for Teardown (Low / High)	Would almost **never be torn down**	Would **rarely be torn down**	Is a **candidate for teardown,**	Is the **main type of house being torn down**	**Teardown is infeasible** due to typical high price	**A new house would not be torn down**
				Prime candidates for teardown		

Sources: Sparenergi.dk, Bolighed.dk, Finans.dk.

Denmark experienced a building boom in the 1960s and 1970s, with approximately 350,000 detached houses being built between 1960 and 1976 (which also shows that there is a significant upside to current market output). During this period, the majority of houses built were of the "60s detached" archetype, with approximately 250,000 still existing today.

Number of detached and semi-detached houses constructed in Denmark
(1960–2019, #)



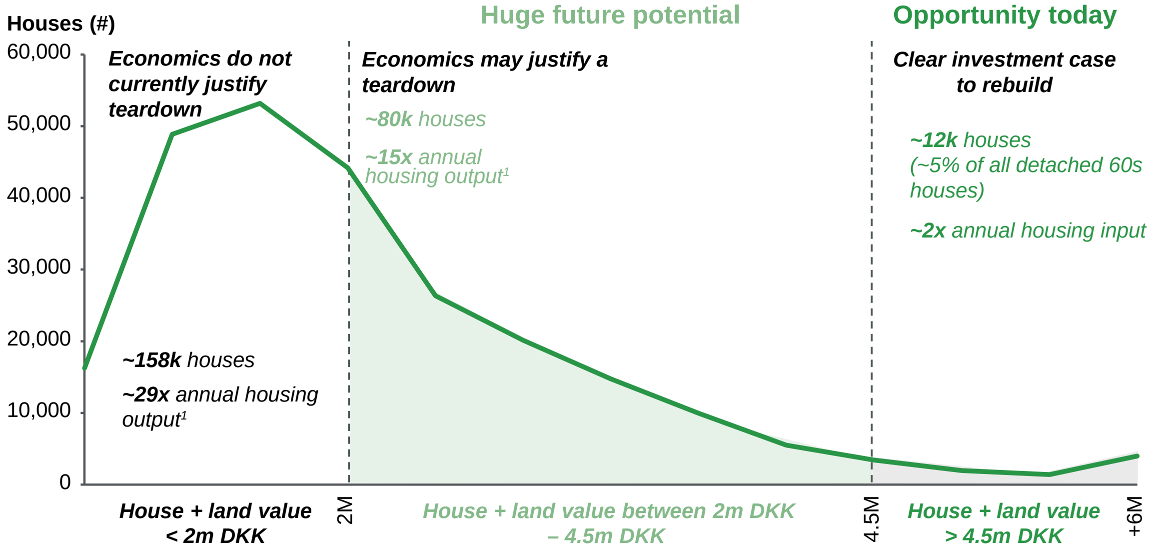
Sources: Statistics Denmark.

Population flows to areas with low vacancy rates drive the demand for new housing. Empty land plots in these areas are in increasingly short supply, with some house archetypes losing their value relative to the plots they are built on. The combination of these factors drives the teardown trend, i.e. the increasing tendency to tear down existing houses to rebuild new ones on the same land plot, instead of purchasing an empty land plot and building a new house. As the existing house supply ages further, this trend is expected to increase. This trend is further enhanced by the increasing consumer preference, and government support for, more energy efficient housing.

1960s detached houses are the main source of teardown projects due to their high volume in Denmark and their lower quality and customer appeal.

Of the existing approximately 250,000 1960s detached houses, management estimates that approximately 5% (12,000 houses) are located on individual plots that present a clear investment case for teardown projects due to the prospective increase in property value relative to the cost of construction, and approximately 30% (80,000 houses) are located on individual plots with a potentially viable case for teardown. Notwithstanding the construction and financing costs of rebuilding, the improved aesthetics and typically lower energy and maintenance costs of a new house (and the potentially higher resale price) may make rebuilding a more attractive option economically for those wishing to increase the value of an existing property of this kind. The Group also believes that, while many 1960s detached houses built during the boom were largely in undesirable locations at the time, with urban sprawl, many of these locations have grown in attractiveness, potentially increasing the prospective demand for the underlying plots.

Number of 1960's detached houses in Denmark grouped by current value
(2019, #)



Source: Boliga.dk.

Notes:

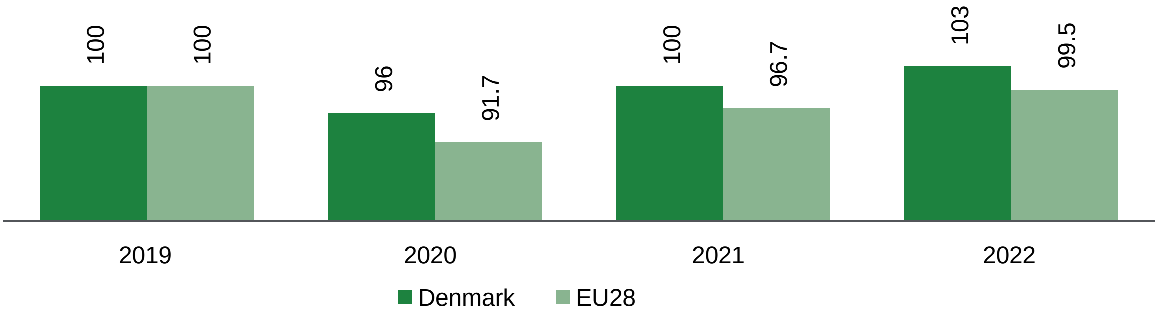
(1) Based on 2019 detached Danish output of approximately 5,500 houses.

Macroeconomic Factors

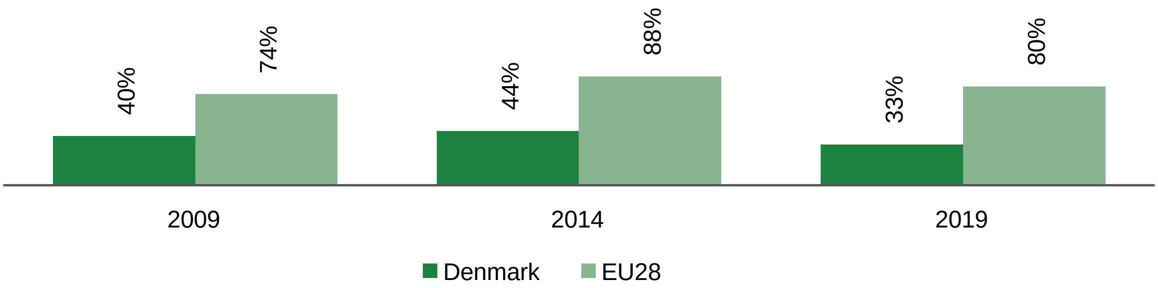
GDP

Denmark has a healthy macroeconomic environment and a long track record of stable growth and low levels of government debt, which are reflected in its AAA rating by S&P. While it is not immune to the COVID-19 induced global slowdown, the magnitude of the impact in Denmark has been lower than the EU average in 2020, and GDP is expected to bounce back in 2021 (source: EIU). Denmark's macroeconomic environment has also been relatively healthier in terms of overall employment and government debt, with an approximately 33% government debt to GDP ratio in 2019 (as compared to approximately 80% for the remainder of the EU) and a 3.7% unemployment rate (as compared to a 6.5% EU-wide average) (source: Eurostat, EIU, Statistics Denmark).

Expected faster GDP growth over time and quicker recovery post COVID-19
GDP (2019–2022E, indexed to 2019)



Low government debt
Debt to GDP in Denmark and EU (2009, 2014, 2019)

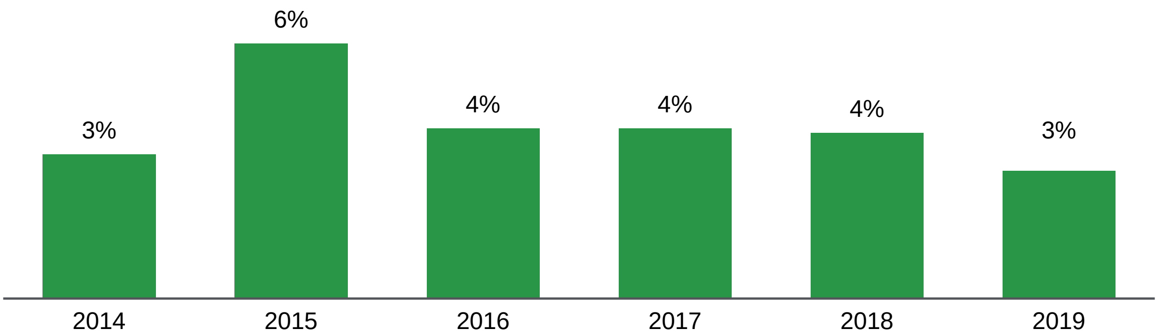


Sources: EIU, S&P

Real Estate Prices

Real estate prices in Denmark have seen steady growth in the last five years, driven by a favorable macroeconomic environment and increasing demand for real estate in and around larger urban areas.

Annual real estate price growth, single-family houses
(2014–2019, YoY growth %)



Source: Statistics Denmark.

Consumer Confidence

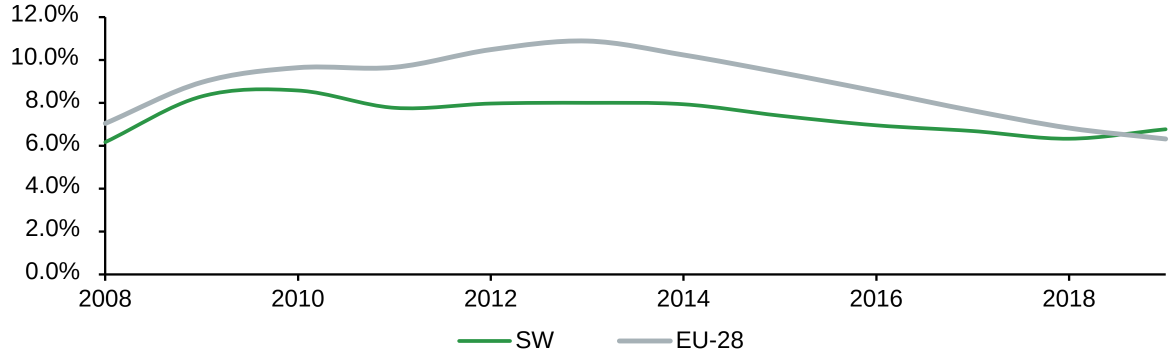
Consumer confidence levels have historically been high but have come down significantly during the first four months of 2020 due to the outbreak of COVID-19. Since then, consumer confidence has recovered strongly but is still low compared to historical levels.

Unemployment

Denmark benefits from structurally low unemployment rates supporting domestic demand and consumption. Average unemployment in Denmark between 2010 and 2019 was 6.6% compared to an EU-28 average of 9.0% for the same period. The unemployment rate in Denmark increased slightly between 2009 and

2013, in connection with the global financial crisis, but it has since experienced a steady recovery to previous low rates. COVID-19 is expected to have a moderate impact on unemployment.

Structurally low unemployment rate

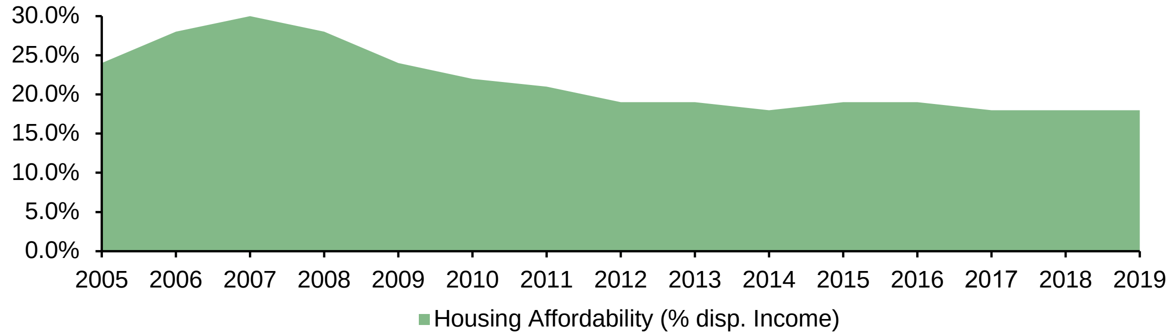


Source: EIU.

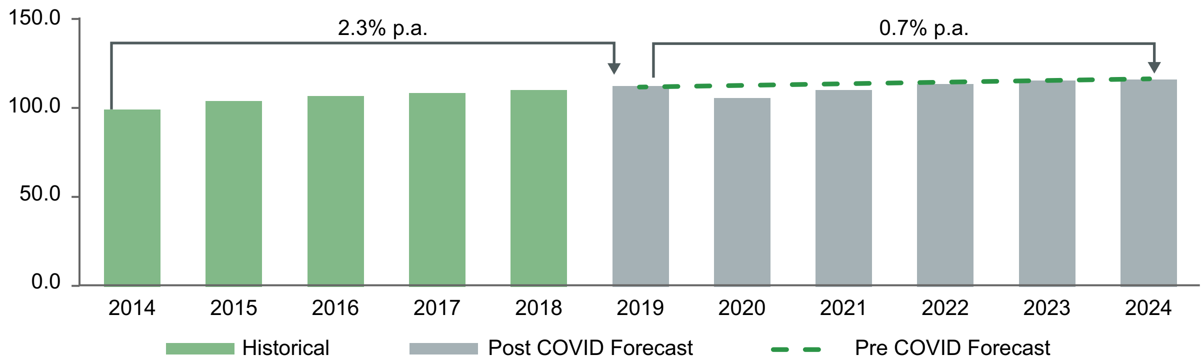
Household Affordability

Danish households have a strong financial position with levels of debt well below levels seen at the time of the 2008 financial crisis, as well as stable income growth. Although the latter is expected to be adversely impacted in 2020 due to COVID-19, with a forecasted decline of 6.3%, growth is expected to resume in 2021, growing at a CAGR of approximately 0.7% from 2019 to 2024.

High affordability increasing mortgage applicability
Housing Affordability in Denmark (2005–2019)



Household income expected to increase by approximately 0.7% per annum despite a dip in 2020
Household income in Denmark real prices indexed (2014–2024F, 2014 = Index 100)

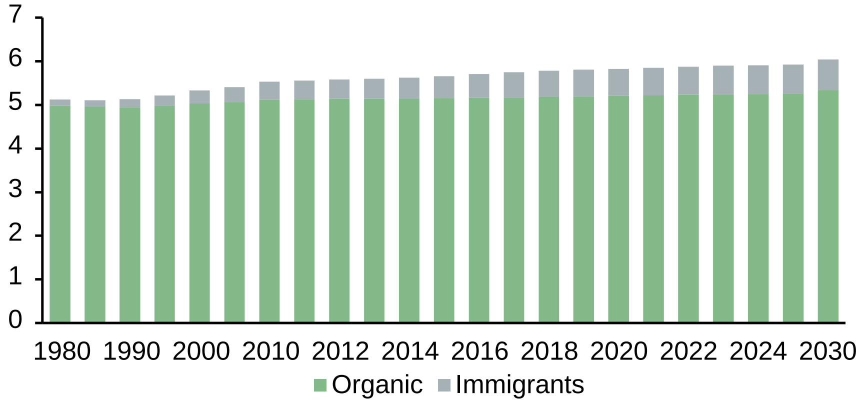


Source: Statistics Denmark, Euromonitor, OECD, IMF

Population Growth

Population growth is driven by a combination of birth rates and domestic growth as well as immigration factors, with the latter primarily having driven Danish population growth historically. The Danish population has grown by approximately 0.5% annually between 2010 and 2019, and the trajectory is projected to continue at a slightly lower rate of approximately 0.4% annually.

Population as of 1 January in Denmark
(1980–2030F, 2020F-2030F based on forecasts, millions)



CAGR '10-19	CAGR '14-19	CAGR '19-24F	
0.5%	**0.6%**	**0.4%**	**Total**
4.3%	5.0%	1.6%	Immigrants
0.2%	0.2%	0.2%	Organic

Source: Statistics Denmark.

Competition

Competitive Overview

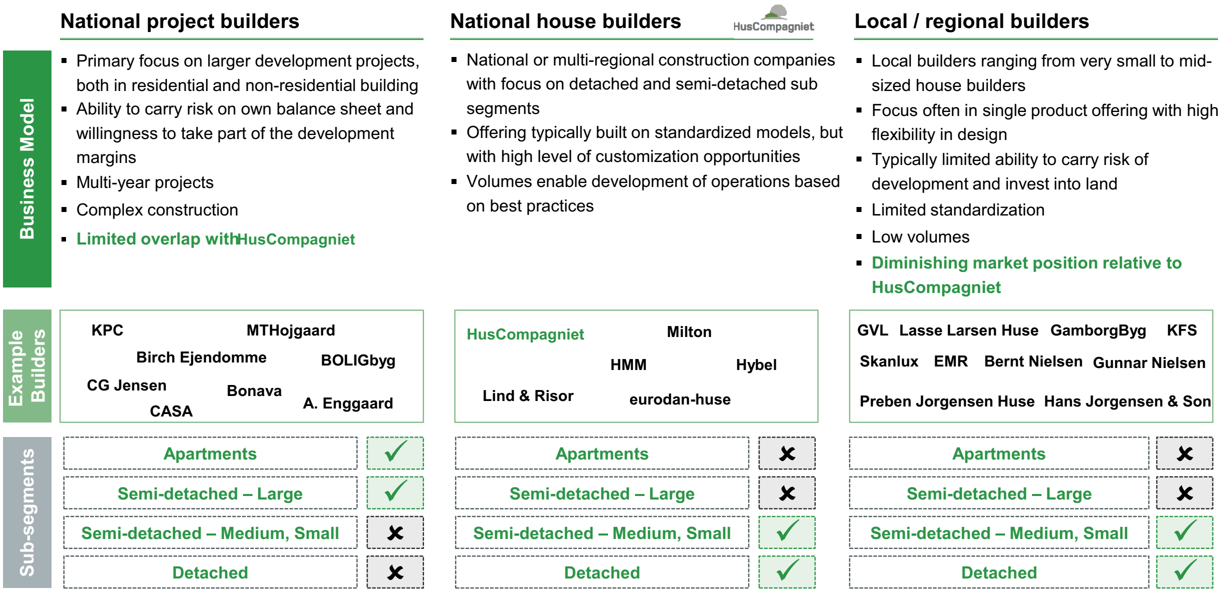
The new build market segment is served by three main types of builders: national project builders, national house builders and local/regional builders, all having some degree of overlap in terms of the segments that they serve.

- *National Project Builders.* National project builders include companies such as Bonava and Casa Group, whose primary focus is on large development projects, with their primary activities concentrated around the construction of apartments and semi-detached housing. They are vertically integrated across the value chain from land development through to the construction and sale of houses, and have the ability to carry risk on their own balance sheets. They have limited overlap with the Group.

- *National House Builders.* National house builders include national or multi-regional companies such as the Group, eurodan-huse and Hybel, whose primary focus is on the detached and semi-detached house new build segments. These companies typically offer standardized models but with a high level of customization options. Due to large volumes, they can develop operations based on best practices.

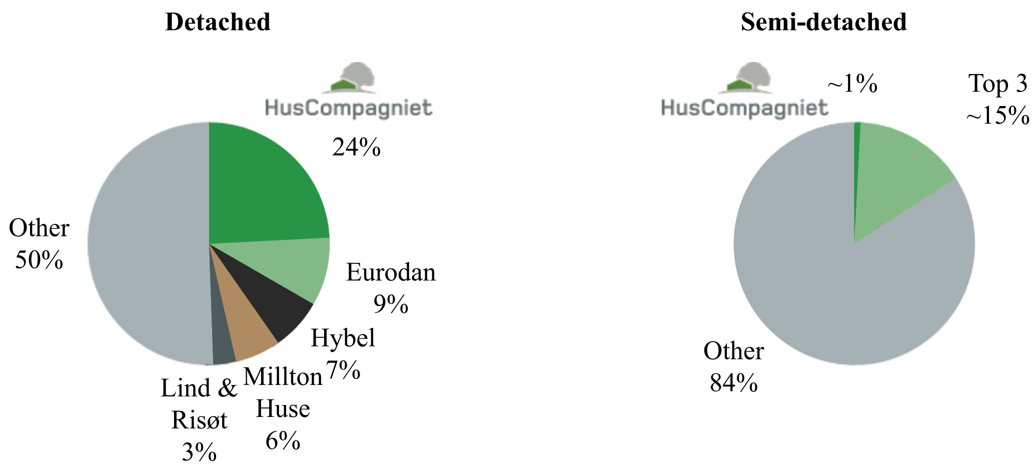
- *Local / Regional Builders.* Local and regional builders include small to mid-sized companies such as Skanlux and KFS, whose focus is often on a single product offering with high design flexibility. This sub-segment focus varies by company. These builders typically have limited ability to carry risk of development and invest in land, and they often rather operate together with a financially stronger developer in larger development projects.

While the competitive landscape varies between the detached and semi-detached house new build segments, both segments are fragmented with market dynamics increasingly favoring larger national companies. In 2019, the Group held an approximate 24% share in the detached house new-build market segment in Denmark and an emerging but limited market share (approximately 1%) in the semi-detached house new build market segment.



Source: HusCompagniet.

Number of delivered / completed dwellings and market share in respective market segments
(2019, market share in market segment, %)



Sources: Statistics Denmark, Licitationen.dk, Building-Supply.dk.

Detached Competitive Landscape

The Group is active in the new build housing market and focuses primarily on the detached house new build market segment in Denmark, where it has a leading position, holding approximately a 24% share of this segment. The detached house new build market segment is characterized by a handful of large builders which constitute approximately 50% of the market segment while the remaining half is comprised by a large number of smaller builders. The detached house new build segment has grown approximately 5% annually in volume terms between 2014 and 2019, and the Group has been able to outgrow the segment overall, delivering approximately 8% annual growth (organic growth in Denmark) over the same period. As a result of this growth, the Group has increased its share in the segment from approximately 21% in 2014 (with its two closest competitors holding a market share of 9% and 2%, respectively, as at such year) to approximately 24% in 2019 (with its two closest competitors holding a market share of 9% and 7%, respectively, as at such year).

The competitive landscape is expected to continue to evolve in favor of large homebuilders within the housing industry, who are able to benefit from certain advantages in the industry as outlined below:

- *Sales and marketing* outreach—builders who are able to maximize their physical and online presence thereby extending reach and strengthen the customer experience, e.g. through the use of visualization tools.

- *Product offering*—builders who are able to offer a greater variety of houses and products as well as attractive contract terms.
- *One-stop-shop*—builders who are able to support customers throughout the entire process of buying a house. For example, by providing support from the selection of land to design, construction and delivery.
- *Lower costs to deliver*—builders with the ability to optimize the procurement and sourcing process and invest in technology that optimizes the sales and/or building process.
- *Increasing share of land developments*—there is an increasing availability of land plots suitable to become new residential areas constituting a rising opportunity for companies to further reduce operating costs through cost-saving synergies.

National house builders generally have higher customer satisfaction than local competitors. "HusCompagniet", with a weighted average Trustpilot rating of 4.7 as of September 2020, has the highest customer review rating among national house builders.

A number of trends are expected to impact the detached house new build segment, providing positive tailwinds for national house builders who can leverage these trends in their business model:

- *Shift in building materials and methods*—in the Danish residential market, the split between building materials is stable overall. Brick veneer is the main material in modular housing and the Group expects it to retain market share due to lower cost and production time on-site as compared to full brick construction. There is also a discernible shift away from full brick and brick veneer towards partial prefabrication (e.g. prefabricated walls with wood skeleton, insulation and drywall). National companies with a standardized product offering have the potential to leverage this shift towards pre-fabrication.
- *Sustainability* has increased as a priority for customers, driven by increased awareness and regulation (such as due to the 2019 Climate Law passed in Denmark). The market requires house builders, including the Group, to focus its offering in the required sustainability capabilities.
- *Increased share of own land developments* driven by municipalities aiming to quickly develop new residential areas in a cost efficient manner. Only house builders with experience managing large housing projects and financial capacity are able to leverage this opportunity.
- *Digital innovations* have already started transforming the market, but there is further room to strengthen operational efficiency and improve customer engagement. House builders that can develop existing technologies that are available as well as lead further innovation will take advantage of this trend. Digital advancements can be aimed at enhancing the customer journey or improving processes to increase sales conversions or deliver houses. Examples of digitalization include digitally-led customer engagement and marketing, five-dimensional design process integrating time and cost dimensions (as distinguished from traditional two-dimensional led drawing process) and real-time status and scheduling across project management stakeholders (vs paper-based, sequentially shared information).

The business model of national house builders with standardized products, however, is suitable for digitalization, as the volume of standardized products justifies the initial investment cost.

Companies that operate at scale are generally better positioned to leverage digital transformation due to four factors:

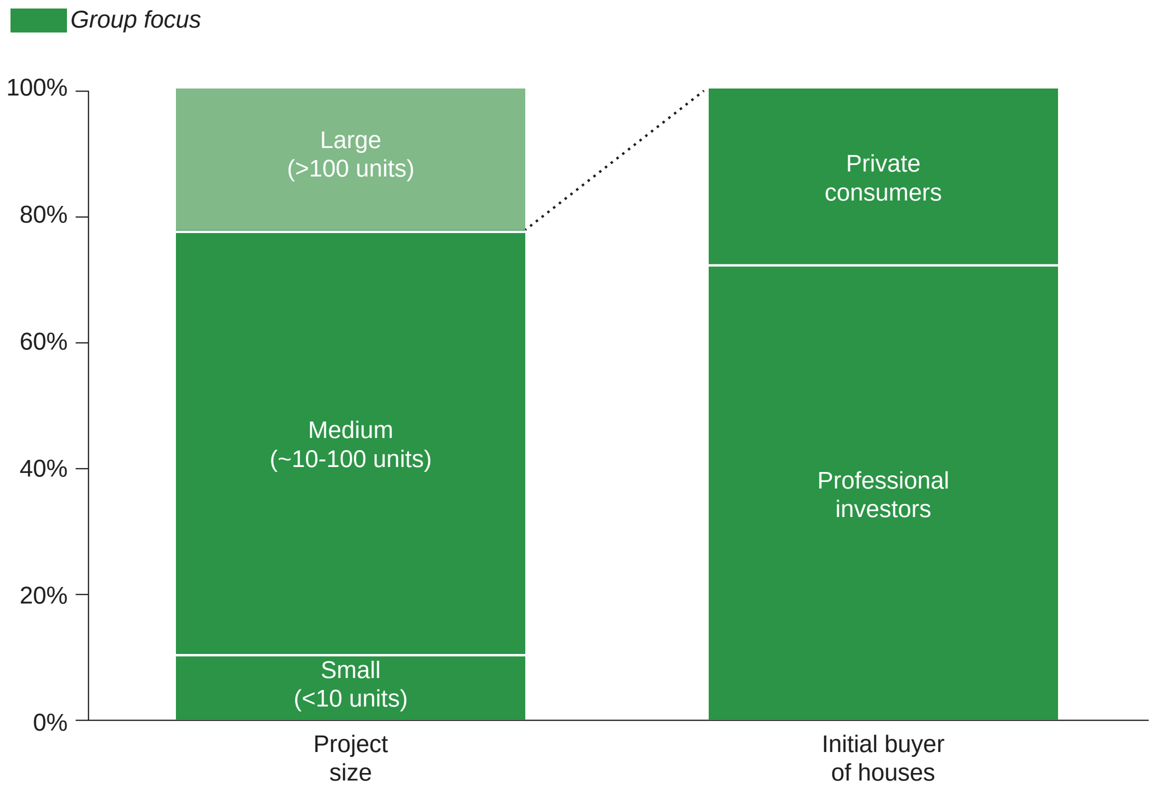
- *Volumes*—investing into digital solutions is more attractive for large builders with standardized product offerings, as the initial cost can be allocated to higher volumes. Upfront fixed costs associated with the implementation of digital tools are balanced by the reduction of variable costs (mainly labor) down the line. With high volumes, it is easier to break even and achieve benefits from digitalization.
- *Level of specialization*—national house builders show a higher degree of specialization with a large number of repeated processes. Large projects with a high degree of complexity (specialization through complexity) create a business case for digital tools that streamline design and coordination. A large number of repeated processes makes automation easier and more productive (specialization through standardization).

- *Adaptability*—larger builders have sufficient scale and development ambition to adopt digital tools. They can focus on streamlining, are open to change and can effectively change management. They are generally better positioned to take risks with innovation.
- *Talent*—national builders have the ability to attract the right people to develop and utilize new tools, due to their diverse value proposition.

Semi-detached Competitive Landscape

The semi-detached house new build market segment is served through a number of different contractor models. The Group's segments of focus (i.e. serving small/medium-sized projects as end-to-end developer or turnkey contractor) make up about half of the semi-detached house new build market segment.

Semi-detached house new build market in Denmark
(% of contract value, total 2015–2020)



Source: Byggefakta.

The Danish semi-detached competitive landscape is highly fragmented, with the top ten builders representing approximately 30% of the market segment. Few companies focus entirely on semi-detached and most, including the Group, have capabilities in other segments as well.

The key competitors of the Group in the sector are largely the same as in the detached segment. Most specialize in certain contractor roles and generate the majority of their revenues from medium-sized projects, reflecting the market mix. The Group is substantially differentiated from its competitors as a result of its scale, high profitability and low financial gearing, as well as a historical focus on end-to-end development (sources: Company websites, annual reports, Byggefakta).

Competitive Dynamics

The following factors drive the choice of housebuilder and such factors tend to favor builders such as the Group:

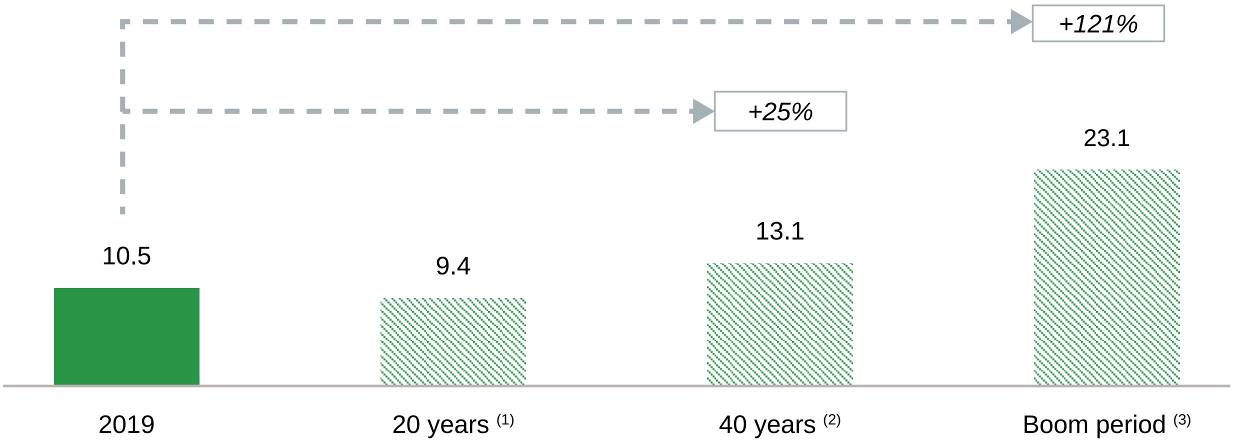
- *Pricing:* Pricing is driven by customer focus on financial returns. Housebuilders with greater scale tend to have a cost advantage.
- *Strong track record and reputation*: Investors primarily look for partners they can trust and have a proven track record.

- *Speed:* Speed of construction-of increased importance due to tight timelines and investor focus on payback periods and financial returns. A standardized and ready-to-deploy concept is attractive to professional developers as it provides a cost advantage and makes construction more streamlined.
- *Customer insight*: Insight into consumer preferences—developers value advice from contractors on consumer preferences.
- *Stability:* Strong balance sheet—developers are unwilling to take additional risk by partnering with contractors that have a risky balance sheet or slim organization.

Swedish Housing Supply

Over the last 10 years, the Swedish housing construction industry has experienced strong growth, achieving peak levels in 2018 similar to levels last witnessed in the early 1990s. However, this growth has largely been attributable to the apartments segment. Between 2010 and 2014, the combined detached and semi-detached house new build market segments in Sweden decreased by 1% per year, accelerating to 4% per year in the period from 2014 to 2019.

2019 housing output vs historical levels of detached and semi-detached
(Average detached and semi-detached houses built p.a. (000's), total 1980–2019)



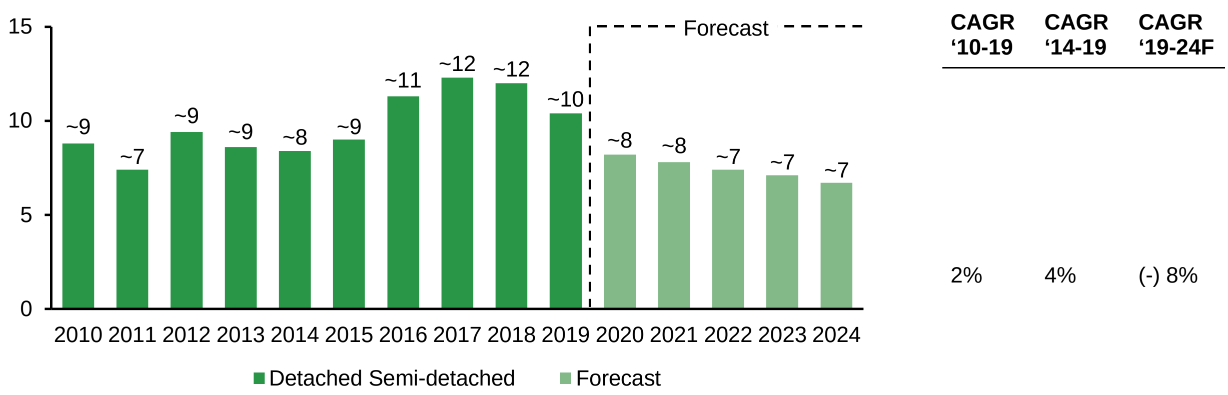
Source: Statistics Sweden.

Note: 1) 1999–2019. 2) 1979–2019. 3) 1988–1992.

Demand

Going forward, the Swedish new build market is expected to exhibit a negative growth outlook driven by a slowdown in economic growth, real estate price uncertainty and tighter credit restrictions. Sweden witnessed a correction of real estate prices in 2018, driven by the introduction of mandatory mortgage amortization rules in 2016, followed by further credit restrictions in early 2018 which were mainly targeted for the apartment market in larger cities where prices had increased significantly. However, the tightened credit restrictions that were enforced in 2017 and 2018 had a spillover effect on the detached and semi-detached house new build market segments which saw growth in completions soften to approximately 2% in 2019 as compared to an average CAGR of approximately 8.5% between 2014 and 2018. In line with the Danish new build market, the current consensus between market participants and observers is that COVID-19 will not impact 2020 new build completions.

Completed detached and semi-detached houses per year
(2010–2024F, # Houses '000)

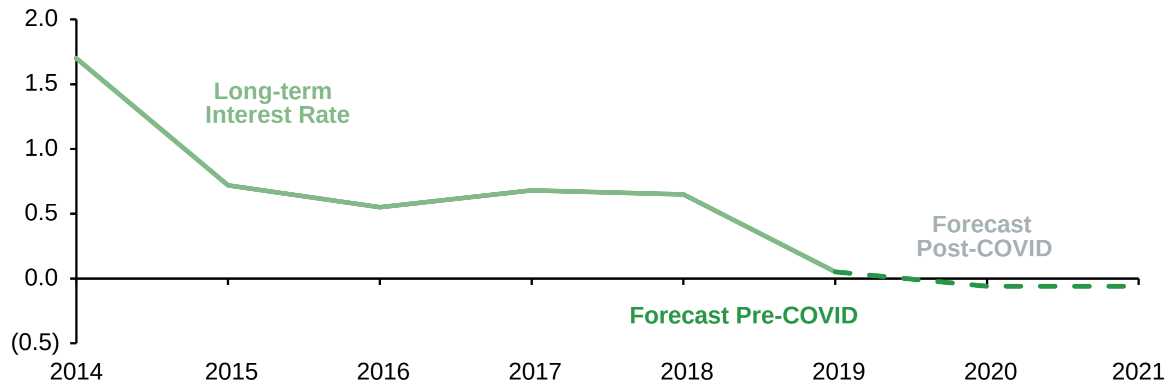


Sources: Euromonitor, Statistics Sweden, Euroconstruct, Finansinspektionen.

Interest Rates / Regulatory Environment

After a period of low interest rates, new regulations were put in place in 2016, followed by further restrictions in early 2018, requiring households with a loan-to-income ratio of more than 4.5 to amortize at least 1% of their debt in addition to their current amortization requirements. These measures resulted in a tighter lending environment that caused the semi-detached and detached house new build market segments to grow at a slower pace than in previous years. However, the overall lending environment is considered favorable and a high degree of leverage remains available to housebuyers, who can still mortgage up to 85% of the property value with no income multiple restrictions on outstanding debt. Tax deductions for interest payments and low property taxes contribute to lower housing costs for home-owners, while a poor rental market makes the purchase of a house a more attractive alternative.

Long-term interest rate in Sweden (L10Y)
(2014–2021, %)



Sources: Euromonitor, Riksbank, Nordea.

Demographic Factors

In Sweden, population is expected to grow slowly but steadily at approximately 0.6% per annum, driven primarily by immigration growth. Steady population growth will create a sustained demand for housing as existing houses will not be able to accommodate the growing population.

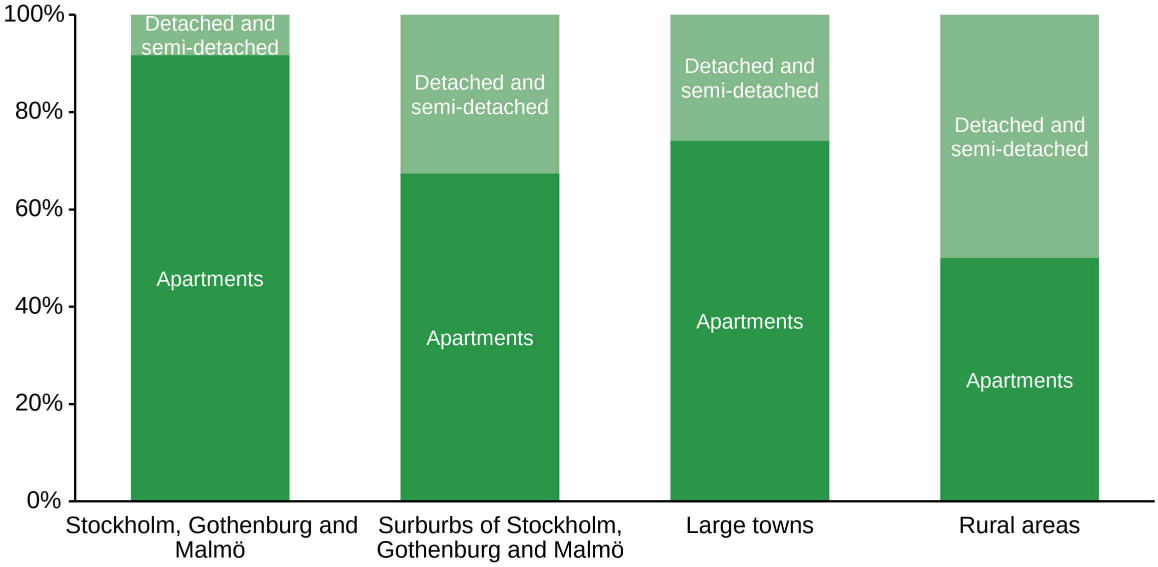
Demand within the segments for new builds in Sweden is largely determined by the dynamics of population flows inside the country. Population flows can be categorized into four geographical areas:

- Urban (Stockholm, Gothenburg, Malmo)
- Suburban (metropolitan areas of Stockholm, Gothenburg, Malmo)
- Large towns (municipalities with admin center with >40,000 population)

• Rural areas (other municipalities).

These four geographical categories have different housing demands linked to land availability and cost. Apartments represented the largest type of new builds between 2010 and 2018 in urban areas, while detached and semi-detached houses were more prevalent in rural areas.

Completion types by area
Share of new builds by building type (2010–2019, %)

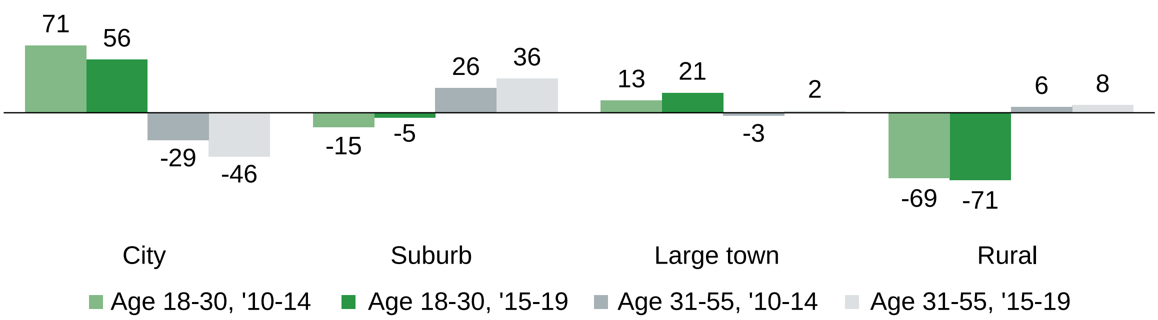


Sources: Euroconstruct, Statistics Sweden.

As is the case in Denmark, population flows are largely driven by age, with changes in preferences at different life stages. The 18-30 age cohort drives urbanization, as it tends to move to cities for work, where apartments are the most prevalent building type. As this cohort moves out of parents' homes that are typically in rural areas, suburbs or large towns, the departure of this cohort does not create housing vacancies and supply remains static.

Conversely, the 31-55 age cohort, who is the key house buyer demographic cohort, moves out of cities and into suburbs, large towns and rural areas, typically due to increased space needs as they form families. This cohort has been moving out of cities at a faster rate in the last five years, pointing towards an increasing trend in demand for detached and semi-detached new build houses. Data also suggests there is relatively limited movement among those above the age of 55.

New flow of residents aged 18–30
(2010–2019, '000 people)



Source: Statistics Sweden.

Land Market Dynamics

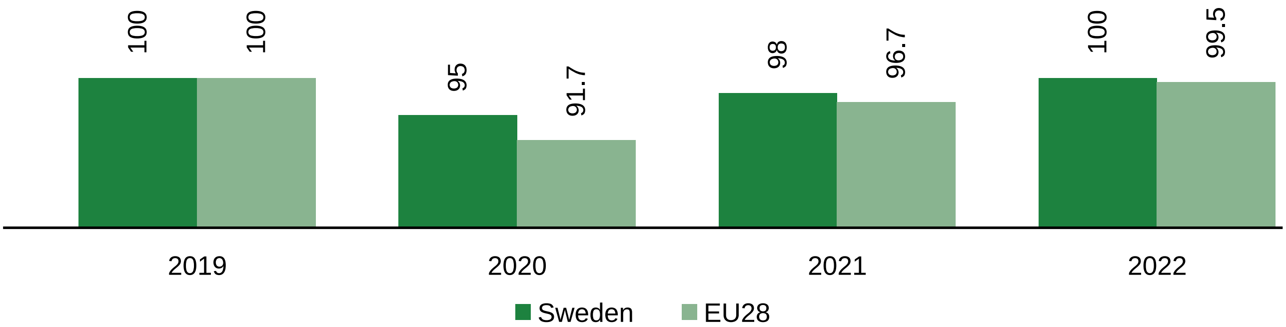
Across Sweden, approximately 60% of new build houses are built on existing separate land plots, while approximately 40% are built on professionally developed land plots. The Group is not involved in the development of land in this market, and houses are primarily built on customers' plots. Unlike Denmark, the market for teardown and rebuild in Sweden is marginal, due to a cumbersome permit process and a sufficient existing stock of empty land.

Macroeconomic Factors

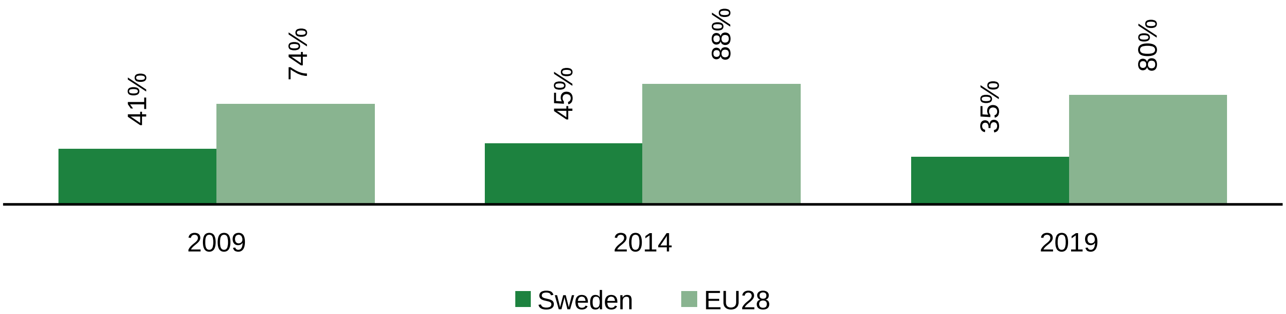
GDP

Sweden has had a healthy macroeconomic environment for the last several years. It has a long track record of stable growth and low levels of government debt, which is reflected in its AAA rating by S&P. While GDP is forecasted to dip in 2020 as a consequence of the COVID-19 induced global slowdown, the magnitude of the impact is expected to be lower than the EU average in 2020, and GDP is expected to bounce back in 2021.

Expected faster GDP growth over time and quicker recovery post COVID-19
GDP (2019–2022E, indexed to 2019)



Low government debt
Debt to GDP in Sweden (2009, 2014, 2019)

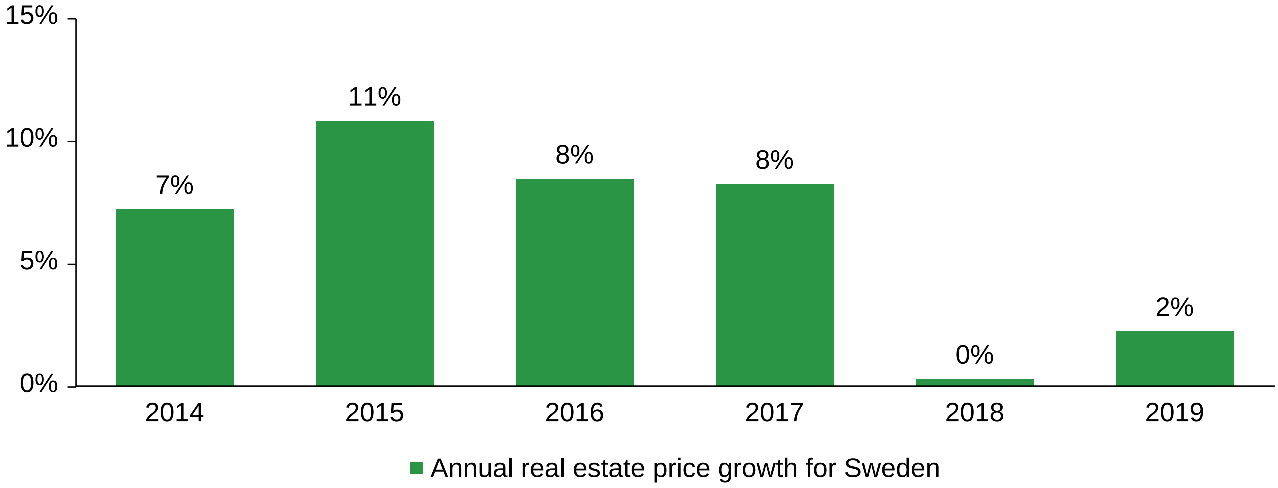


Source: EIU.

Real Estate Prices

Sweden experienced a correction of real estate prices in 2018 following the introduction of mandatory mortgage amortization rules in 2016 followed by further restrictions in early 2018. However, real estate prices recovered in 2019.

Annual real estate price growth
(2014–2019, YoY growth %)



Source: Statistics Sweden.

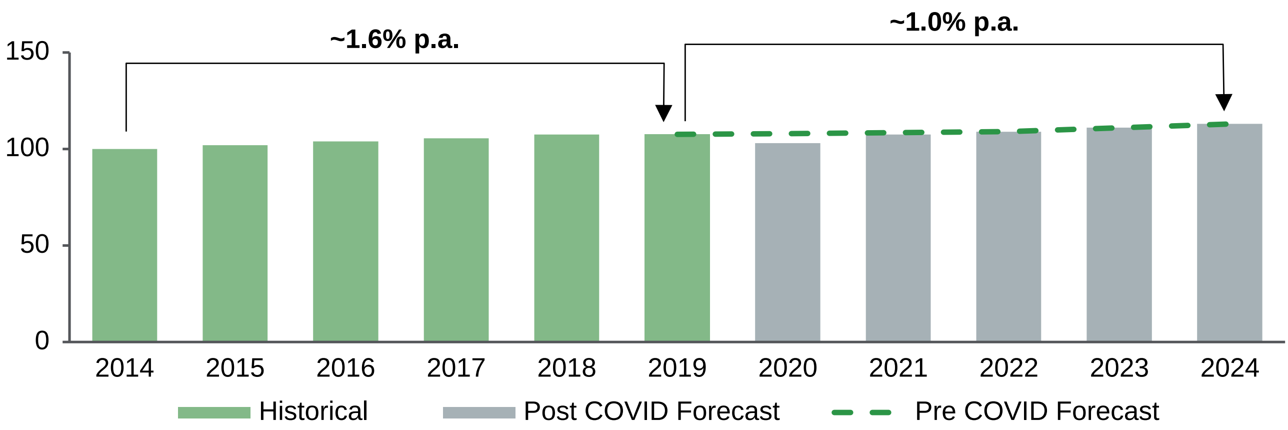
Consumer Confidence

Similar to Denmark, consumer confidence levels have diminished significantly during the first four months of 2020 due to the outbreak of COVID-19 but has since begun to recover.

Unemployment

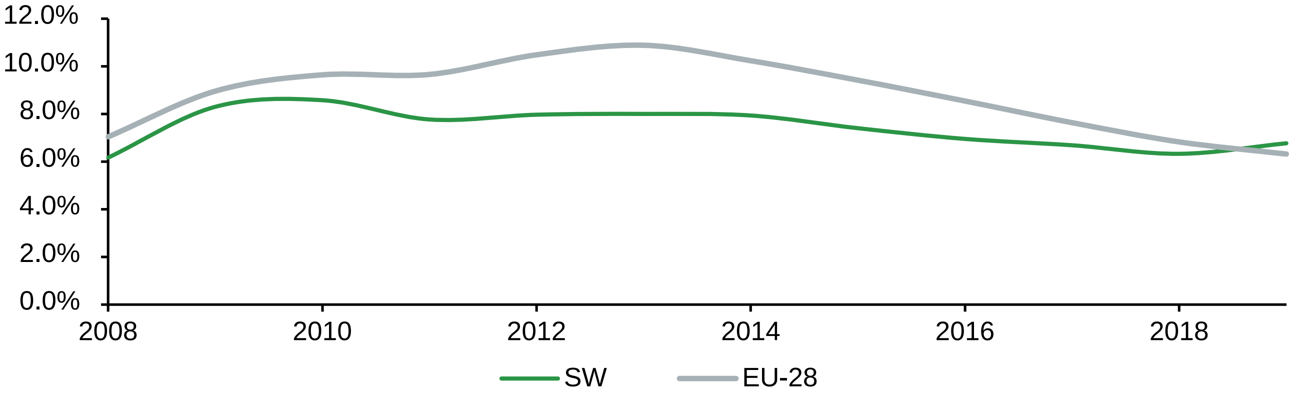
Sweden benefits from structurally low unemployment rates, which support domestic demand and consumption.

Household income in Sweden real prices indexes
(2014–2024, 2014 = Index 100)



Sources: Statistics Sweden, Euromonitor, Oxford Economics Research, OECD, IMF.

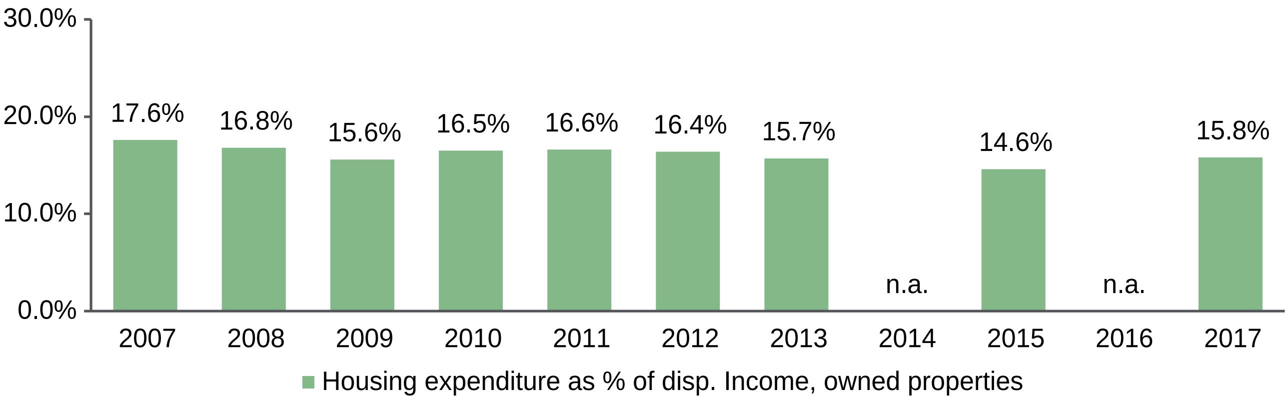
Structurally low unemployment rate
(2008–2019, %)



Household Affordability

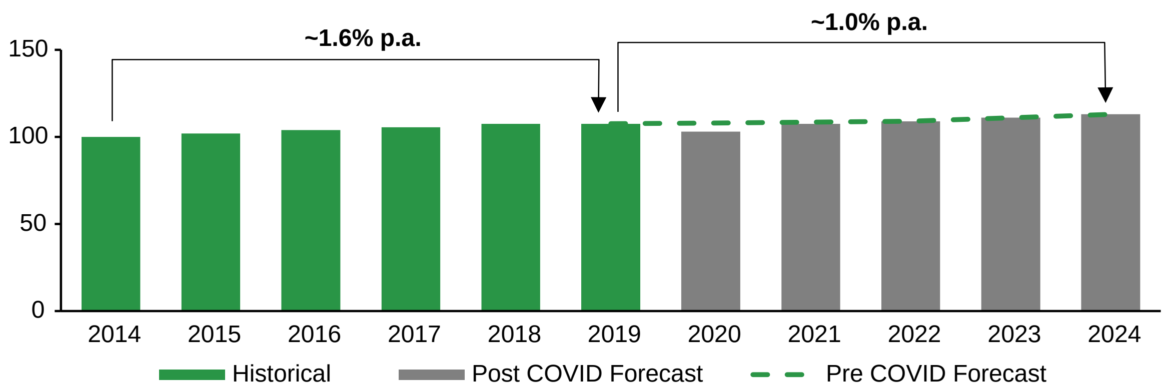
Swedish households have a strong financial position with owners of property spending a smaller share of their disposable income on housing than at the time of the 2008 financial crisis, and stable income growth. Although the latter is expected to be adversely impacted in 2020, with a forecasted decline of 4%, growth is expected to resume in 2021 at an expected CAGR of approximately 1.0% from 2019 to 2024.

Household expenditure on housing as % of disposable income, owned properties
(2007–2017)



Source: Statistics Sweden.

Household income in Sweden real prices indexes
(2014–2024, 2014 = Index 100)

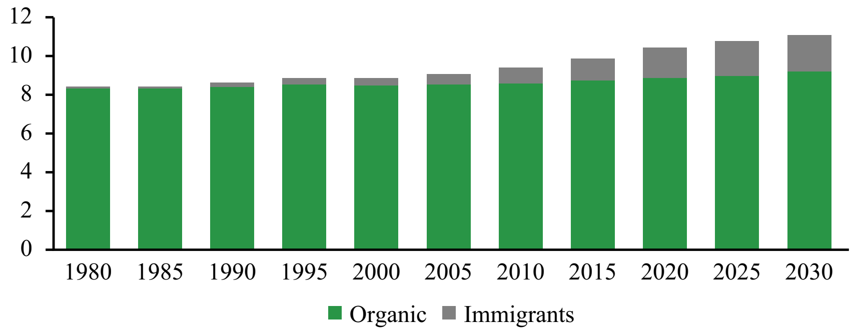


Sources: Statistics Sweden, Euromonitor, Oxford Economics Research, OECD, IMF.

Population Growth

Population growth is driven by a mixture of birth rates and domestic growth as well as immigration factors, with the latter primarily driving Swedish population growth historically. The Swedish population has grown by approximately 0.6% annually in the last 40 years, a trajectory that management expects to continue at the same rate.

Population in Sweden
(1980–2030F, millions)



CAGR '80-20	CAGR '20-30F
0.6%	**0.6% Total**
NA	2.4% Immigrants
0.2%	0.3% Organic

Source: Statistics Sweden.

Competition

Competitive Overview

Similar to Denmark, the Swedish new build market is served by three main types of companies: national project builders, national house builders and local/regional builders. These all have some degree of overlap in terms of segments served:

- *National Project Builders.* Companies such as Bonava, JM and Besqab, whose primary focus is on large development projects, with their main sub segments consisting of apartments and semi-detached. These builders are typically large and have the ability to carry risk on their own balance sheet and willingness to take part of the development margins. They mainly operate in urban and suburban areas.
- *National House Builders.* Companies such as Älvsbyhus and Myresjöhus, whose primary focus is on the detached and semi-detached sub segments. These builders typically offer show houses with a high degree of standardization and built with developed best practices. In Sweden their typical offering primarily consists of prefabricated wood structures. Their construction process is generally partially outsourced. VårgårdaHus (one of the Group's brands in Sweden) is part of this segment.
- *Local / Regional Builders.* Small-to-mid-sized companies such as Flodens and MT Syd, often focus on a single product offering with high design flexibility. The focus on housing type varies by company. They typically have limited ability to carry risk of development and invest in land.

The Swedish detached house new build market segment is highly fragmented, with the top ten builders holding approximately a 62% market share in terms of number of new build completions in 2019 (from approximately 57% in 2013) and the top five builders holding approximately a 40% market share in 2019. The Group currently has a limited market share in the market segment of approximately 2.6% (in number of new builds in 2019) in Sweden (sources: Euroconstruct, Byggfakta, JM CMD).

National companies have been able to win some market share from local and regional builders during housing booms, as they are better able to serve increased demand. There is limited consolidation in part driven by the regional nature of the Swedish market and the prevalent individual agent dependent sales model. This results in limited scale benefits. National companies benefit from:

- The ability to undertake large projects
    - *Land offering*—such companies have an increasing share of complex development projects (built on their own land) with a larger number of houses in one area, benefitting financially strong builders.

  - *Financing*—increasing proportion of finished and smaller house sales, providing a full fixed price to the end consumer who faces higher financial restrictions.
- Limited consolidation
  - *Local market setup*—the market is regional, with agents representing housebuilders. The advantages of a national brand name are therefore limited. It is instead important to build and maintain local references and reputation, and local relationships with contractors define building quality and pricing conditions. In addition, the agent incentive structure promotes competition between individual agents, meaning there is no advantage in growing local agent teams.
  - *Prevalence of prefabrication*—prefabricated houses are highly prevalent in the Swedish market, with limited changes to the product offering leaving limited room for differentiation and market development.

Competitive Dynamics

Overall, the competitive dynamics between Denmark and Sweden are similar. The main difference being that in Sweden there is a high degree of prefabricated houses in Sweden and sales are widely performed through agents.

BUSINESS

Investors should read this section in conjunction with the more detailed information contained in this document, including the financial and other information appearing in "Risk Factors" and "Operating and Financial Review".

The following commentary contains forward-looking statements. The Group's actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Offering Circular, particularly under "Special Notice Regarding Forward-Looking Statements" and "Risk Factors".

Overview

The Group is a leading provider of single-family detached houses in Denmark. The Group's core activity is the design, sale and delivery of customizable high-quality detached houses in Denmark to consumers predominantly built on-site on third-party (customer-owned) land. The Group also designs, sells and delivers semi-detached houses in Denmark to consumers, predominantly on land it owns, and since January 2020 to professional investors, both on land it owns and on land owned by such investors. Investors in the semi-detached business-to-business segment often lease or sell the houses to end-users. The Group is also present in Sweden, where it produces prefabricated wood-framed detached houses in its factory, which are finalized on-site and such sales are, in most cases, facilitated by third-party sales agents.

In its core market segment for detached houses in Denmark, which accounted for 82.6% and 83.9% of the Group's revenue for the nine months ended 30 September 2020 and year ended 31 December 2019, respectively (88.4% and 88.9% of the Group's revenue excluding discontinued operations for the nine months ended 30 September 2020 and year ended 31 December 2019, respectively), the Group has a customer-centric consumer concept which seeks to guide customers towards their dream house. The Group is committed to optimizing its customers' purchasing experience, such as through the provision of attractive customer terms, including the setting of a fixed price at the time of sale (subject to adjustment only upon modifications in the scope of the project) and payment-at-delivery (which is made feasible through mainly the use of bank guarantees or, alternatively, the deposit of the full purchase price in a Group account). The Group maintains an asset-light and flexible delivery model while managing all the stages of the sales and building process, for which it enters into agreements with suppliers and sub-contractors who conduct the building works on-site. The Group offers customers an end-to-end housing solution, from showcasing houses through sales offices with show rooms that provide a broad selection of "touch-and-feel" materials, show parks and digital tools, to guiding customers through house selection based on the Group's portfolio of standardized design types with significant customization options and providing financing guidance, through building and the provision of after-sale services (including inspections and add-on sales). In Denmark, the Group retains control over all critical decisions in the building process, while using sub-contractors for the completion of construction allowing it to maintain a highly scalable and asset light business model with a flexible cost base built on the standardization of its operations. In Sweden, the Group's involvement is limited to the production, sale and delivery of the prefabricated house to the customer. The Group delivered a total of 1,565 houses in 2019 (1,696 including deliveries from discontinued operations) and 1,101 houses in the first nine months of 2020.

The Group mainly operates through its HusCompagniet brand in Denmark and its VårgårdaHus brand in Sweden. The Group's current reporting segments as presented in the Consolidated Interim Financial Statements are classified as follows (i) Detached (Denmark), (ii) Semi-detached (Denmark) and (iii) Sweden.

The table below presents certain financial and operating information on both a Group and segment basis for the nine months ended 30 September 2020 and the year ended 31 December 2019.

	For the nine months ended 30 September 2020	Represented For the year ended 31 December 2019(1)
	(DKK million, except where otherwise noted below)	
Revenue	2,586.1	3,495.9
Detached (Denmark)	*2,287.2*	*3,108.1*
Semi-detached (Denmark)	*95.6*	*181.5*
Sweden	*203.3*	*206.4*
EBITA before special items(2)	205.8	296.7
Sales (# of houses)(3)	1,392	1,700
Detached (Denmark)	*1,039*	*1,425*
Semi-detached (Denmark)	*178*	*87*
Sweden(3)	*175*	*188*
Deliveries (# of houses)(3)	1,101	1,565
Detached (Denmark)	*882*	*1,325*
Semi-detached (Denmark)	*79*	75
Sweden(3)	*140*	*165*

(1) Represented compared to reported Consolidated Financial Statements as at and for the year ended 31 December 2019 to reflect the discontinuation of the German and Swedish brick house activities completed in September 2020, as reflected in the Consolidated Interim Financial Statements included in this Offering Circular, and to be included as represented comparative figures under IFRS 5 in the Company's consolidated financial statements for 2020 to be published in 2021.

(2) EBITA before special items is not a measure of financial performance or liquidity under IFRS. For its definition, see "*Presentation of Financial and Certain Other Information—Non-IFRS Measures/Alternative Performance Measures*." For a reconciliation of this APM to an appropriate measure calculated in accordance with IFRS, see "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures.*"

(3) For the definitions of sales and deliveries, which are key performance indicators of the Group and are calculated excluding discontinued operations, see "*Presentation of Financial and Certain Other Information—Key Performance Indicators.*"

Strengths

The Group believes that the following strengths underpin the Group's ability to: (1) further expand and leverage its leading position in the detached market segment in Denmark; (2) accelerate growth and establish a strong position in the semi-detached market segment in Denmark; and (3) drive continued growth of its pre-fabricated wood framed houses platform in Sweden.

Market-leading house provider benefitting from brand, innovation and scale

The Group has a leading position in the Danish detached-house new-build business segment in Denmark of approximately 24% (as measured by the number of new builds delivered in 2019). The Group considers innovation to be fundamental to its ability to raise industry standards through which it believes it has achieved its market share. Innovation has included its continuous introduction and implementation of a range of new concepts focused on delivering a customer-centric, professional end-to-end solution.

The Group initially focused on solving an array of industry issues, which typically gave rise to customer uncertainty in connection with the new build house purchasing experience. These issues related to, among other things, requirements for upfront payments and further installments during the building process, limited certainty around the final price to be paid for the house and uncertainty around the timing of final delivery. The Group effectively eliminated these uncertainties for their customers by, among other initiatives, introducing a "payment-at-delivery" concept allowing customers to pay for the house only upon final delivery or a "guarantee" to deliver the house at a fixed price on the agreed delivery date, which provided further assurance to customers that the house would be delivered on time. The Group believes these innovative delivery terms, coupled with nationwide and extensive branding campaigns to raise customer awareness of its differentiated customer proposition, enabled the Group to increase the attractiveness of new builds and thereby increase the size of the segment as well as win market share in the detached new build segment during its initial years of operation amid the 2008 financial crisis.

As a next step in its customer-focused journey, the Group introduced new and innovative ways of interacting with customers while positioning itself as a "one-stop-shop", including dedicated show parks where potential customers could experience first-hand the various house types offered by the Group and new sales offices equipped with show rooms around Denmark to establish a nationwide presence and inviting potential customers to get a “touch and feel” experience to aid them in deciding on the various house modifications and materials options.

Most recently, the Group has worked to digitize the customer experience by implementing a multitude of digital applications along the house purchasing journey. These include, for example, implementation of advanced 3D drawing tools giving customers a detailed impression of the designs for their house, launch of the HusCompagniet app where customers can seek inspiration to select house types and designs, as well as the introduction of virtual reality equipment in the show rooms, providing customers with the opportunity to virtually tour selected show houses.

The Group considers the introduction of its professional customer experience, and continuous innovation and improvement of this experience, to have been key in establishing its current track record of delivering detached and semi-detached houses, growing from 621 houses delivered in 2008 (despite a slight drop in sales in 2009) to 1,430, 1,541 and 1,565 houses delivered in 2017, 2018 and 2019, respectively (1,570, 1,681 and 1,696 including discontinued operations, respectively). Similarly, since 2007 to the end of 2019, including discontinued operations, revenue has grown at a CAGR of approximately 14%.

The combined effect of all initiatives and concepts introduced by the Group, together with its strong brand and market position, have enabled it to deliver approximately 2.5x more houses in terms of new builds in 2019 than the number two builder in the Danish detached houses market segment for new builds.

The Group further believes its scale and position in the Danish housing market is supported by the Group’s business model, which gives rise to a number of benefits: (1) the ability to purchase building materials at attractive terms, (2) offer favorable customer terms such as payment-at-delivery and the COVID-19 comfort package; (3) uniformity across construction materials and processes; (4) the ability to learn from best practices; (5) a position to lead the sustainability agenda in the industry by making sustainable choices throughout the value chain, for example through material selection and innovative building methods; (6) the strength to utilize and further build on its position as a trusted brand; (7) the ability to continuously develop the customer experience; (8) the ability to develop both the existing technology and a newer and better technology; and (9) the ability to attract highly skilled labor.

Differentiated business model designed to add value to all stakeholders

Through a differentiated business model built on a combination of customer focus and an asset-light and flexible delivery model, the Group believes it has created an ecosystem designed to generate value for the Group as well as its key stakeholders, including customers, suppliers and sub-contractors. the Group refers to this as its “win-win-win” proposition where all key parties are expected to gain from the relationship, which would not be possible to the same extent outside the Group’s ecosystem. The Group considers this proposition to be integral to its establishment of its market-leading position in the detached market segment in Denmark. In its core market segment, customers are offered a one-stop shop with high customer engagement and extensive interaction throughout the purchasing process while being able to select among five high-quality architectural styles with extensive customization options. In addition, they can purchase the house at a pre-agreed fixed price payable only at delivery and with a clear target delivery date.

Suppliers and sub-contractors benefit from the Group’s ecosystem by the volume of houses the Group delivers each year. Similarly, suppliers and sub-contractors with whom the Group maintains close relationship, have access to the Group’s significant order backlog visibility, meaning they are able to more efficiently utilize their workforce, including by minimizing idle time of their workers and time spent in transportation between various project engagements. This proposition is further supported by the Group’s ability to standardize the delivery process and the Group’s use of digital tools for efficient project management.

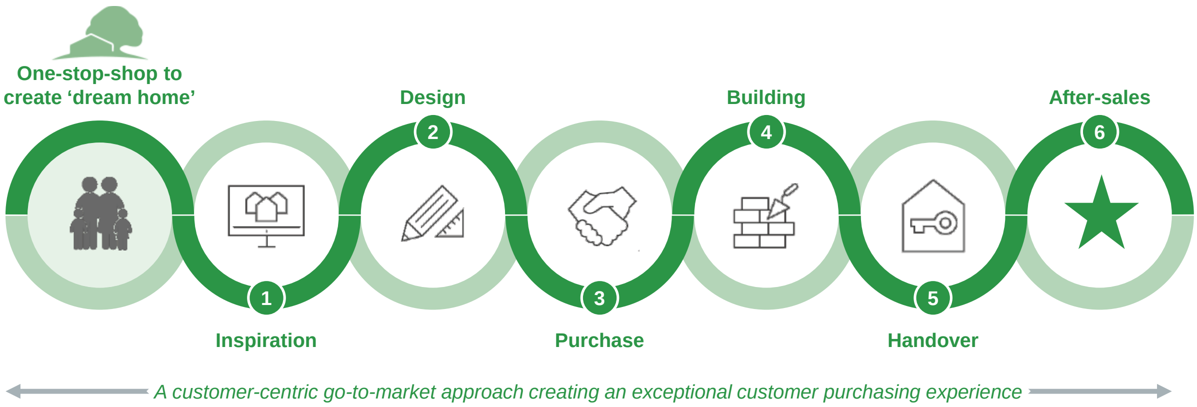
The Group benefits from its strong relationships with partners and customers as evident from ongoing referrals from customers and certain suppliers and sub-contractors with whom the Group maintains close relationships. This provides the Group with the ability to achieve attractive terms and maintain significant cost control.

The merits of this “win-win-win” proposition facilitated by the Group are evidenced by the high customer and partner advocacy expressed through online review portals and selected industry awards. “HusCompagniet” has a rating of 4.7 out 5.0 (“Excellent”) based on more than 2,600 reviews on the global customer review website Trustpilot.com as at September 2020—the highest rating and review count among its competitors in the Danish detached market segment. In addition, “HusCompagniet” has a rating of 4.8 out of 5.0 based on 1,326 reviews on the customer and partner review portal anmeld-haandvaerker.dk as at September 2020, giving it status as "Elite"—the highest recognition awarded by the site. The same site also awarded "HusCompagniet" with the "House Builder of the Year" award at its annual award show for five consecutive years (2013-2017) until this prize category in 2018 was discontinued.

Customer-centric go-to-market approach providing an exceptional customer journey

A pivotal part of the Group's success is its ability to provide a leading customer purchasing experience via its customer-centric go-to-market approach, particularly in its core detached house market segment. Home building is generally a complex and expensive proposition for customers that presents multiple challenges and pain points, including relating to the possibility of cost overruns, the absence of single source responsibility for construction activities and the requirement to manage multiple vendors, suppliers and contractors, as well as the lack of certainty regarding construction outcomes. The Group proactively addresses each of these issues as part of its customer journey.

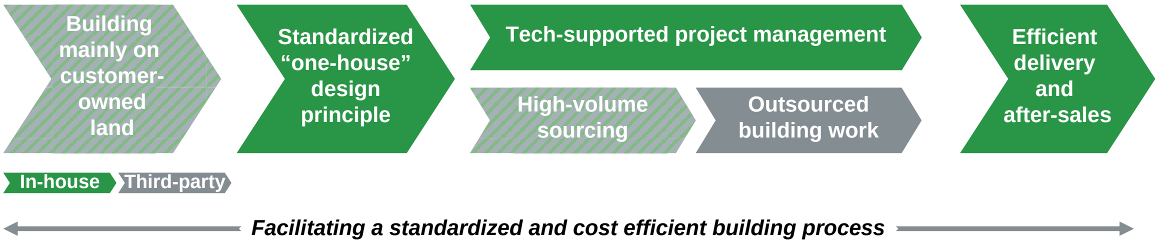
In its core detached market segment, the Group provides a customer journey where the customer enters a one-stop-shop to create its 'dream house' and is guided through every step from providing an attractive house concept through to delivery and after sales; and in which each step is aimed at giving the customer a best-in-class experience. See "*—Geographical Network and Business Model—Denmark—Detailed Value Chain*".



The leading customer purchasing experience facilitated by the Group is enabled to a large extent by its "full office" model, which is characterized by having all customer-facing functions active in the sales and building process employed in every local office to ensure that every customer gets the same seamless experience irrespective of their profile and geographical location. These customer-facing functions include: (1) sales representatives, who have overall responsibility for the customer through the purchasing phase (approximately 30% of typical office headcount); (2) designers, who design and configure the house together with the customer before the building permit application (approximately 25% of typical office headcount); and (3) construction managers who oversee the construction of the house and act as the customer touchpoint during the building phase (approximately 30% of typical office headcount). The full office setup also enables the Group to engage in personalized interaction with the customer, have lower turnaround time on queries and potential issues, minimize margin for error along the process, and have easy access to specialized knowledge with all areas of expertise assembled within each office. For example, the Group believes it has managed to attract, retain and develop top sales talent, developing a very successful sales culture that results in smooth and close interaction with its customers. As the Group has expanded its footprint through new sales office openings, the full office concept has been transferred to the newly opened sales offices by initially leveraging competences from adjacent offices until the new office achieves critical scale to operate on a standalone basis with all necessary skills in-house.

Asset-light and flexible delivery model

The Group is able to offer a standardized and cost-efficient building process as a result of its asset-light delivery model, which enables scalability and flexibility with lower exposure to cyclicality and house prices. This model is a key contributor to the Group yielding a ROIC excluding discontinued operations of 61% on average in 2017 to 2019 and low capital expenditure requirements, contributing to a cash conversion (before financing and tax) excluding discontinued operations of 80% on average in 2017 to 2019. See "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures—APMs related to net debt, invested capital and solvency as well as cash included in the Offering Circular*". The Group also benefits from a flexible cost structure, with the vast majority of the Group's cost of sales being flexible costs (i.e., external variable costs that are only incurred when under contract to build houses). This profile is driven by a range of differentiating factors inherent in the Group's delivery model:



- *Building mainly on third-party (customer-owned) land:* Approximately 80% of the houses delivered in Denmark in 2019 were built on third-party (customer-owned) land. For these houses, the Group commits no investments in land, and only limited direct costs (related to sale and design) are incurred by the Group before receiving a bank guarantee from customers and obtaining the required building permits. As such, the majority of houses sold involve limited counterparty risk and, coupled with the Group's payment terms for suppliers and sub-contractors, building on third-party (customer-owned) land thus also facilitates a net working capital profile where most cash inflows and outflows are back-end loaded and centered around the delivery of the house. As a result, the Group benefits from limited tie-up of capital as well as limited direct costs before house permits and bank guarantees are in place.

- *Standardized "one-house" design principles:* The Group focuses on having standardized and simple building solutions designed to ensure all house types can be built repeatedly, with a clear target delivery date and with a low margin of error, using the same set of pre-defined basic materials for all architectural styles offered by the Group. The Group's processes are designed to ensure a streamlined, lean building method, scaling and low process complexity across the portfolio, regardless of choice of architecture and layout. Supporting the effort to maintain a standardized setup, the Group typically does not accommodate customer requests for special design elements that go beyond the standardized principles, such as basements, complex rooftop terraces and garden landscaping.

- *High-volume sourcing*: The Group benefits from economies of scale enabling the negotiation of attractive prices and terms directly with manufacturers, distributors and sub-contractors. These terms include, for example, volume discounts, fixed price agreements and cash bonuses. While the Group does not enter into contracts obligating it to meet any volume commitments, the suppliers and sub-contractors conversely benefit from the perceived opportunity of having a strong and financial stable counterparty in the Group and a consistent supply of work. In addition, because suppliers and sub-contractors do not have direct relationships with consumers, their relationship with the Group enables them to mitigate the need to understand or predict changing consumer preferences. The Group also works with its suppliers to develop new products and building solutions. The Group operates with a centralized procurement unit, which is focused on ensuring that purchases can be strategically bundled to obtain attractive volume discounts and ensure a streamlined use of materials across the Group's building sites. More than 80% of direct materials (which includes all building materials except concrete and electricity materials) were sourced from the centralized unit (in terms of costs) in 2019.

- *Blue-collar building work outsourced:* The Group outsources almost all blue-collar work through partnerships with more than 400 sub-contractors. This allows the Group to maintain a flexible and scalable model for construction. Further, outsourced construction allows the Company to swiftly adapt its costs to changes in the order backlog, as opposed to having blue-collar workers contracted or employed in-house which would conversely render the Company's cost base more rigid. Contractors also supply all necessary building site machinery, for which reason the Group does not need to invest in this. The Group aspires to build long-lasting and loyal partnerships with vetted sub-contractors, as this enhances the efficiency of the building process and limits the need for control inspections and follow-up actions as such vetted contractors become intimately familiar with the Group's processes.

- *Efficient delivery and tech-supported project management:* The Group seeks to ensure an efficient building process through a streamlined and carefully coordinated process supported by fully in-sourced construction management, standardization of the delivery phase and a stage gate model governing the sequence of materials supplies and contractor work being carried out at the building site. The streamlining of the construction process includes, *inter alia*, timing of sub-contractor work and planning of material deliveries. This is supported by digital project management tools employed by the Group, which allow sub-contractors to report work directly from the building site in real time while also being able to track progress on individual projects and thus plan the next phase of work. This way of structuring and managing the building process has enabled the Group to build its detached houses in Denmark in approximately 20 weeks on average for deliveries from 2017-2019, and consistently meet delivery deadlines (less than 2% of the deliveries in 2019 resulted in late delivery penalties, according to management estimates).

In addition to primarily building on third-party (customer-owned) land, the Group has developed a land development model designed to be a selective and low-risk approach based on careful evaluation of all own land purchase opportunities. To the extent possible, exclusive call options are negotiated to give the Group rights to purchase the land without obligation, and subject to land being developed with the relevant approvals in place for building. Through this approach, the Group seeks to accept limited development risks while aiming to have land plots on the balance sheet for the shortest time practically possible. This approach supports the Group's ambition of balancing the risk level with the benefits of buying attractive land plots on the Group's own account, customers with exclusive building rights which provide attractive opportunities for building rights for the land plots, enabling tactical moves versus competitors in selected geographical areas and strengthening the customer experience by developing show houses and show parks on own land plots. See "*Business—Own Land Projects*".

The delivery model has its rooting in the Group's detached (Denmark) segment for which it has been developed, and each of the Group's other segments, semi-detached (Denmark) and Sweden, leverages from the approach while adapting elements to cater for the specific segments. See "*Business—Geographical Network and Business Model*".

Customer-centric, committed organization led by experienced management team

The Group believes it has a core strength in its effective guidance of its customers who are facing the largest investment decision in their lives. This in turns enables the Group to be a highly professional, trustworthy, attentive and solution-oriented partner throughout the customer's journey from initial engagement through delivery of the house. Since its formation, building a culture around these principles and instilling a customer-centric mindset throughout the organization has been an important and differentiating factor behind the Group's success. Key practices underpinning this culture include focusing on providing an excellent customer service with the Group's employees following up on customer queries and feedback daily. In addition, the Group is structured as a flat organization with highly cross-functional teams, and its culture encourages a high degree of employee commitment through wide delegation of responsibilities, aligned incentives across all main functions and high investment in employees and internal talent development.

The customer centric culture is anchored with the Company's Executive Management and operational management team, which has strong experience from various roles held in the Danish house building industry. The CEO has had various roles within the industry, with both the Group and other industry participants, for more than 25 years and manages a next level of operational management with more than 10 years of experience with the Group on average, further drawing on experience from several adjacent industries such as real estate development, building materials, distribution and construction. Testifying to the Company's managerial quality, the Company was in May 2020 voted among the "Best Managed Companies" in Denmark by a jury of independent industry professionals in collaboration with Deloitte.

The Group's Strategy

As part of the Group's strategy, the Group intends to focus on balancing revenue growth with improvement of margins. Underpinning this focus, the Group will develop its sustainability proposition. The Group's strategy is focused on the following key objectives: (i) continue value creation trajectory in single-family detached segment in Denmark, (ii) accelerate growth in semi-detached segment in Denmark, in particular focused on the business-to-business opportunity, (iii) drive growth in Sweden through augmented product offering and optimization of agent network and (iv) further embedding a sustainability proposition. In addition, from time to time, the Group may consider potential acquisition opportunities in current or new markets to further strengthen its proposition.

Continue value creation trajectory in single-family detached segment in Denmark

A central pillar of the Group's strategy is to maintain its leadership position and drive profitable growth in the detached segment in Denmark with an additional focus on margin improvement through a strengthened internal framework for project selection and scaling of recently opened offices. Growth will largely be driven by continuing to capture the robust market outlook for the segment. The Group has a number of initiatives within this segment to further enhance value creation, which can be divided into four main categories:

- *Improve sales force effectiveness through improved lead generation and conversion:* The Group aims to increase sales force effectiveness by better understanding customer attrition throughout the sales process and drive actions for improvement through enhanced transparency of seller performance. This includes having more frequent performance meetings between executive management and sales managers, improving the internal sales academy, e.g. around prioritization of margin retention, and developing a more efficient lead segmentation. The Group recently implemented a "Lead Scoring System" providing an attractiveness score and demographic insights about its leads base. This complements the launch of a new ERP system in November 2019, which integrated customer relationship management ("**CRM**") and business intelligence ("**BI**") functionalities.
- *Accelerate product differentiation:* Another priority is to increase differentiation of the Group's interior design and decoration offering by introducing themed design packages on an ongoing basis, addressing latest design trends on an ongoing basis. This also includes collaborations with architects and designers to promote the Group's themed packages and ensure adherence to latest trends in the market. Most recently, the Group introduced for example heritage and New York walls, acoustic ceilings and alcoves to its catalogue of interior options offered to customers. The aim with this initiative is to increase number of—and conversion of—leads by staying atop design trends.
- *Launch of HusOnline—standardized online offering:* The Group is in the process of introducing a new offering of very standardized, low cost houses in order to better cater for the most price-sensitive customer segment within the detached market segment, which it plans to offer and sell through a new online platform with more limited customization options from the last quarter of 2020. The offering will consist of four standard houses with limited customization options. These houses will be sold via a new online platform through which customers can access a configurator tool while being guided by the Group through chat functionalities, information boxes, info videos and podcasts. The online configurator will be combined with four show houses built centrally in Denmark displaying the four standard houses and select variations of the customization options.
- *Focus on margin improvement via project selection and scaling offices*: The Group expects to have an increased focus on margins of houses sold in the detached segment through implementation of an internal framework for project selection. This includes, *inter alia*, sales force margin focused incentives. In 2018 and 2019 the Group opened five new offices, and focus will be to continue to ramp these up to realize scale advantages.
- *Enhance efficiency in internal processes:* The Group intends to continue to use technology to improve and standardize key internal processes, enhancing process efficiencies and reducing margin of error. The launch of an upgraded ERP system in 2019 targeted, among other things, to integrate core ERP and finance functions with BI and CRM functionalities as well as to automate approval for supplier invoices and deployment of the "HusCompagniet" app for on-site use. As a next step, the Group targets to implement internal IT-supported quality assurance processes designed to centralize quality assurance tasks by outsourcing execution to on-site workers while retaining overall responsibility of project oversight with construction managers. The goal with this initiative is to reduce errors and improve the efficiency of construction managers. Finally, in the medium-to-long term, the Group aims to implement and integrate with its ERP system an automated materials specification and drawing measurement system to simplify the drawing process, minimize mistakes within drawing and measurement functions as well as reduce materials waste and time spent by designers on each project.

Accelerate growth in semi-detached segment in Denmark, in particular by focusing on the business-to-business opportunity

Building on its strong position in the detached houses market segment in Denmark and track record of building semi-detached houses through the business-to-consumer channel for more than ten years (more than 230 semi-detached houses delivered since 2016), the Group has launched its strategy to target the business-to-business segment and accelerate growth in the semi-detached market segment through a tailored concept targeting professional investors.

The adopted go-to-market concept includes a concentrated portfolio of standardized designs across 1, 1½ and 2-story semi-detached houses varying in unit sizes from 70-130 m^2 and based upon the existing house configurations, modifications and technical platform, a one-stop-shop offering and a lower price per square meter. While the Group intends to use its existing sales network to handle sales of smaller projects to private investors, a central projects team dedicated to managing larger projects with professional investors has been set up, with seven FTEs, and is being further built out, adding resources to handle the higher delivery volumes and engaging more closely with professional investors. Resources are partly added via internal rotations to ensure company DNA and organization is leveraged. The sales approach is based largely on the "one-stop-shop" turnkey concept successfully developed to serve the detached market segment.

From a delivery perspective, the Group aims to replicate the model employed for detached houses, including utilizing its existing network of suppliers, and adding additional sub-contractors for the higher volumes. From a delivery perspective semi-detached houses can be even more standardized than detached houses, and in combination with being built in blocks of multiple units this provides for a very efficient building processes. The Group also targets to deliver houses primarily on third-party (customer-owned) land, however coupled with a strategic use of own land plots. For projects above a certain size threshold, the Group aspires to have one construction manager fully dedicated; thus spending all time overseeing the building process for one project with no other engagements. See "*—Geographical Network and Business Model—Denmark—Semi-detached—Semi-detached business-to-business*".

As at 30 September 2020 the Group had year-to-date signed contracts in respect of 161 semi-detached houses as part of its business-to-business strategy, which represents an increase of 632% compared to 22 signed for the full year 2019.

Drive growth in Sweden through augmented product offering and optimization of agent network

The Group intends to drive growth and regional market share gain in Sweden through a number of key supporting initiatives which relate broadly to two overall categories: (1) expansion and development of its current offering of house models and options for interior design and (2) enhancing sales by optimizing sales agent network and leveraging the CRM functionality implemented with the Group's ERP upgrade in November 2019 to improve conversion of existing leads.

The Group complemented its traditional portfolio of 43 detached house models offered through its VårgårdaHus brand with a new product line of 31 house models introduced in 2020, which are all based on a platform of ten base house models customizable into the 31 different house models. The new line of products is inspired by HusCompagniet designs used in Denmark and is focused on Scandinavian design themes. Further, the Group introduced a line of eight summer house models (in Swedish "*fritidshus*") in 2019 which are offered through its new Vårgårda Fritidshus brand. The Group aims to sell these summer houses both through its existing agent network and through new agents dedicated to selling summer houses only, leveraging its market position in Swedish regions with attractive coastlines.

The Group is continuously working to drive growth in Sweden through innovation of its product offering and optimization of its agent network. As part of this initiative, the Group utilizes its assets in order for the Swedish business to further benefit from the Group's resources in Denmark, including the use of existing IT tools, processes and methods. Accordingly, the Group's CRM system has been implemented, including the ERP upgrade in 2019, in order to optimize the supervision of construction processes and to improve tracking of agent performance as well as the conversion of existing leads. Further, the Group continuously works towards optimizing the use of media channels, modernizing the customer journey and in general innovating the customer experience and communication tools. The Group also expects to explore opportunities to expand its agent representation in attractive regions in Sweden and to review and rewrite selected agent agreements on an ongoing basis to streamline the sales effort and to further develop a strong position by expanding and developing the Group's current brand recognition.

Further embedding a sustainability proposition

In 2019, the Group started embedding sustainability within its operating framework as part of its strategic agenda, making it a systematic focus throughout its business. The Group's vision is to lead the market evolution and set the standard for sustainable construction practices, changing the way people think about construction. To this end, the Group intensified its efforts to integrate sustainability throughout the value chain, from selection of building materials and making sustainable options available to customers, to dedicated sustainable house product offerings, and through the use phase of the houses after handover to the customers. The strategic work with sustainability is anchored with Business Development, the Executive Management team and ultimately the Company's Board of Directors. To track progress over time, the Group scaled up reporting on sustainability ambitions and performance during 2019. HusCompagniet expects to become a signatory to the UN Global Compact by year end, which will serve as the reporting framework through which the Group will communicate its work with sustainability and will reinforce its commitment to the ten principles of human rights, labor rights, anti-corruption and environment. In 2021, the Group plans to introduce a CO2 reduced house offering which involves the building of houses that utilize materials that result in approximately 25% less carbon emissions. Going forward, the Group aims to systematically integrate sustainability in the strategic priorities and the way these are governed. In 2025, the Group targets a reduction of 35% in CO_2 emissions from building materials, a full electrification of its vehicle fleet and selling 60% its houses with alternative energy sources (up from current share of 48% in 2019). By 2030, the Group aims to have reduced its CO_2 emissions from building materials with 70% in accordance with the commitment made by Denmark in the Paris Agreement and subsequent climate law adopted by the Danish Parliament in June 2019.

Medium-Term Targets

Certain statements in this section, including in particular the financial targets described immediately below, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Group's actual and future results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "*Special Notice Regarding Forward-Looking Statements*" and "*Risk Factors*".

Investors are strongly urged not to place undue reliance on any of the statements set forth below. We can give no assurance that the targets described below will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those described below.

The Board of Directors has adopted the following medium-term targets:

- *Detached (Denmark) segment*. Continued growth of its business in line with the detached market segment whilst maintaining strong margins.
- *Semi-detached (Denmark) segment.* Seize the attractive business-to-business opportunity in the semi-detached market segment, targeting a run-rate of 500 houses sold per year within three to five years.
- *Swedish segment.* Drive profitable growth in the business.
- *Capital structure.* Target leverage of <2.0x net debt to last twelve months EBITDA considering the Group's cash flow profile. Target capital structure to accommodate intra-year variations driven by business expansion and dividend pay-outs.

In the determination of these targets, the Group has generally assumed that there will be no changes in existing political, legal, fiscal, market or economic conditions or in applicable legislation, regulations or rules (including, but not limited to, accounting policies and accounting treatments), which, individually or in the aggregate, would be material to the Group's results of operations. The assumptions on which the Group has based its medium-term targets include the following:

- The implementation of certain margin focused initiatives within its detached segment, including the implementation of an internal framework for a margin-focused, selective approach towards profitable projects, increased sales performance and better lead selection.
- The ability to leverage expertise from building semi-detached houses in the business-to-consumer market segment to the semi-detached business-to-business market segment as well as strong demand in this segment since its launch in January 2020.
- The Group's ability to scale its operations up and down according to existing order backlog.
- Improvement in the Group's competitive position and market share in the Swedish market.

The assumptions that may also be affected by external factors beyond the Group's control including the following:

- The Group's results will not be adversely affected by abnormal disruptions preventing it from delivering houses (including as a result of the COVID-19 pandemic).
- The markets the Group serves will continue to develop as described in "*Industry*".

History and Development

The HusCompagniet brand was established in Denmark in 2010 when the two Danish medium-sized brick house construction companies, FM-Søkjær and Interbyg both started operating under the HusCompagniet brand. Since 2006 these two companies had both been under common control of Axcel, a Nordic private equity fund. They each had a local presence in different Danish regions and operated under separate brands and have since grown to establish a nationwide presence under the HusCompagniet brand. Around the time the brand was established, the Group started to significantly expand its operations in Denmark with the opening of new offices in Hillerød, Virum, Aalborg and Herning. Since the establishment of its brand, the Group has sought to raise industry standards through continuous innovation of the customer journey. The Group pioneered the payment-at-delivery concept in the Danish house building market, fixed price and terms and the use of scaled marketing and consumer review portals to promote their brand nationwide.

In 2010, the Group entered the Swedish and the semi-detached business-to-consumers markets. In 2011, the Nordic private equity fund FSN Capital acquired HusCompagniet and adopted a go-to-market approach for the Group focused on the customer journey, including the introduction of the show park concept. During the same period, the Group expanded its product offering to also include a high-end product offering. In 2012, the Group expanded its operations into Germany. In 2013, Kirkbi acquired 50.1% of the shares in HusCompagniet, while FSN Capital maintained control of the Group.

In 2015, EQT VI acquired HusCompagniet from FSN Capital and Kirkbi and the Company was incorporated. Since this acquisition, the Group's strategy in Denmark has continued to revolve around the optimization of its customers' purchasing experience, including through the provision of attractive customer terms and the introduction of disruptive digital initiatives, including 3D drawings, full virtual reality tours around show houses and the launch of its HusCompagniet app. In 2017, the Group strengthened its position in Sweden through the acquisition of VGH, complementing the traditional HusCompagniet brick-house portfolio with the high-quality prefabricated wood-framed houses built on VGH's premises and sold through its extensive network of independent sales agents.

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

In January 2020, the Group launched its semi-detached business-to-business strategy. This segment is currently primarily focused on the building and delivery of semi-detached houses to professional investors in Denmark who then in turn lease or sell the houses to end users. The Group has more than ten years of experience in the construction of semi-detached houses in the business-to-consumer market segment. The expansion into the semi-detached business-to-business market segment was driven by demand as a number of professional investors approached the Group for development opportunities. A business development team was established to address this market segment and actively pursue opportunities.

Geographical Network and Business Model

Overview

The Group's operations are focused on developing sustainable and affordable single-family housing in Denmark and Sweden, primarily in cities and regions with favorable demographic and macroeconomic factors. The Group's operating (and reporting) segments are classified as follows: (i) Detached houses, (ii) Semi-detached houses and (iii) Sweden.

- **Detached:** The detached market segment in Denmark represents the Group's core market segment and it is primarily focused on the design, building and delivery directly to house buyers of single-family detached houses built on third-party (customer-owned) land (and, to a lesser extent, land owned by the Group). The Group enters into a single contract directly with the customer for the on-site building and delivery of its desired house through the provision of a broad range of customization options for both the exterior and the interior of the house. The Group seeks to provide a seamless customer journey by managing all the stages of the sales and building process, for which it enters into agreements with suppliers and sub-contractors who conduct the building works on site. Customers benefit from an end-to-end solution which also offers attractive customer terms, including a pre-agreed fixed price (subject to adjustment upon modifications in the scope of the project) and a payment-at-delivery policy (which is made feasible through the use of bank guarantees or the deposit of the full purchase price in a Group account). The detached segment accounted for 88.4% and 88.9% of the Group's total revenue for the nine months ended 30 September 2020 and the year ended 31 December 2019 excluding discontinued operations, respectively.

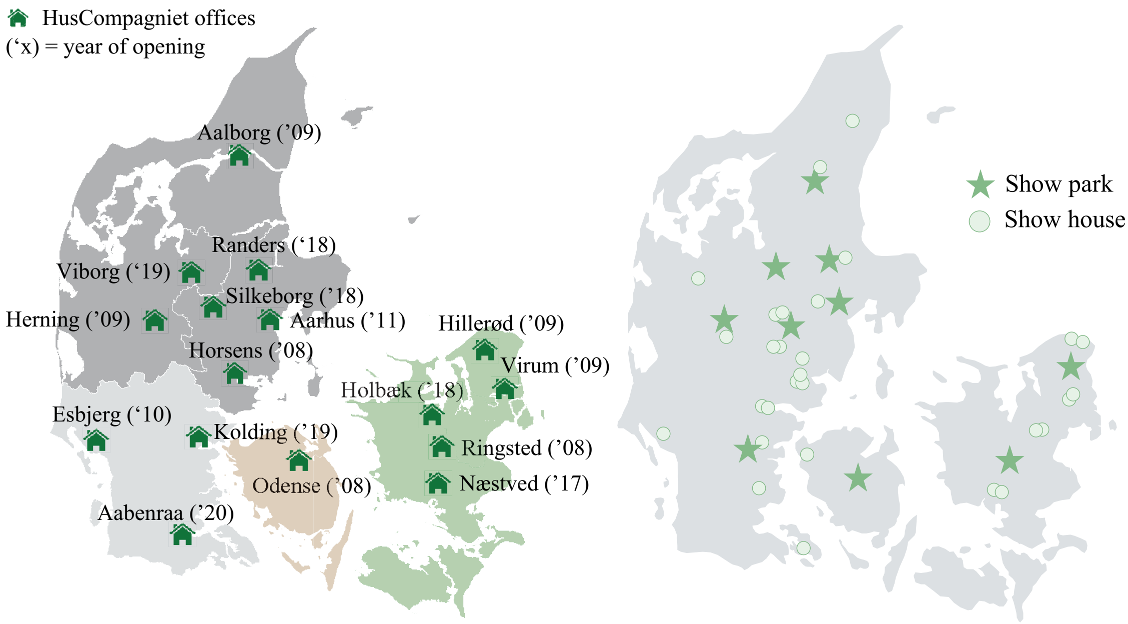
- **Semi-detached:** The Group also designs, sells and delivers semi-detached houses to consumers, historically on land the Group owns, and to professional investors, both on land owned by the Group and on land owned by such investors. The semi-detached segment accounted for 3.5% and 4.9% of the Group's total revenue for the nine months ended 30 September 2020 and year ended 31 December 2019 excluding discontinued operations, respectively.
  - *Semi-detached business-to-consumer:* The Group entered this market segment in 2010 and, accordingly, has a long track record of building semi-detached houses. The building process and related value chain is very similar to the detached market segment except for certain particularities as further explained in "*—Denmark—Semi-detached—Semi-detached business-to-consumer*".
  - *Semi-detached business-to-business:* The Group launched its semi-detached business-to-business strategy in January 2020. It is primarily focused on the building and delivery of semi-detached houses to professional investors who then lease or sell the houses to end users. While the building process and related value chain shares many similarities with the semi-detached business-to-consumer market segment, the business-to-business market segment presents certain material differences with the Group's semi-detached business-to-consumer market segment, including: (i) that the customers are professional investors (rather than individual customers), who tend to undertake extensive due diligence ahead of entering into any contracts, which requires the Group to have a dedicated team to negotiate contracts, (ii) that the building time tends to be longer on average than business-to-consumer projects given their larger scale, (iii) the applicable payment-related terms, with business-to-business customers generally required to make milestone payments (in line with the Group's general conditions, ABT 18 for design and building contracts), rather than at delivery which is the standard for the Group's semi-detached business-to-consumer market segment and (iv) the high degree of standardization of the building concept and materials. See "*—Denmark—Semi-detached—Semi-detached business-to-business*".
- **Sweden:** The Group operates in Sweden through (i) the VårgårdaHus brand, specialized in the production of prefabricated single-family wood-framed houses, (ii) its new Vårgårda Fritidshus brand through which it sells wood-framed summer houses, and (iii) to a limited extent, the HusCompagniet brand, through which it sells its wood-framed houses for house models of a similar type as those offered in Denmark. The Group's Swedish business is primarily focused on producing prefabricated single-family wood-framed houses (and to some extent wooden-framed vacation houses) designed, developed and produced at VGH's factory in Vårgårda, Sweden. Typically, the houses are sold by an independent agent representing either the VårgårdaHus brand, the Vårgårda Fritidshus brand or the HusCompagniet brand. The agent acts as the main point of contact for the customer during the entire process from the moment of purchase until the delivery of the house. Customers can freely choose with whom they sign a construction contract and therefore have no obligation to enter into a construction contract with one of the contractors within the sales agent's network. As a result, when a customer buys a house through a VGH sales agent, it enters into two different contracts, one with VGH for the prefabricated wood-framed house and one with a contractor for the necessary building works to complete the prefabricated wood-framed house on site. To a limited extent, the Group also offers a full turnkey solution. In such cases, the customer enters into a turnkey contract with VGH, who undertakes the full responsibility for delivery of the house and the construction works for completion on-site. A substantial part of the payment is made by the customer at the time the house is first delivered to the customer's individual plot with additional invoices being paid as the building process develops. The Sweden segment accounted for 9.5% and 8.5% of the Group's total revenue and 7.9% and 5.9% of the Group's total revenue for the nine months ended 30 September 2020 and year ended 31 December 2019 excluding discontinued operations, respectively.

For further information as to how the Group acquires land and its strategy with respect thereto, see "*—Own Land Projects*.

Denmark

The Group derives a substantial majority of its revenue from its operations in Denmark. For the nine months ended 30 September 2020, the Group delivered 961 houses (of which 882 were detached houses and 79 were semi-detached houses) in Denmark. For such period, revenue in Denmark amounted to DKK 2,382.8 million, representing 86.1% of the Group's total revenue, of which DKK 2,287.2 million and DKK 95.6 million were derived from its detached and semi-detached segments, respectively. In the year ended 31 December 2019, the Group delivered 1,400 houses in Denmark (of which 1,325 were detached houses and 75 were semi-detached houses). For such year, revenue in Denmark amounted to DKK 3,289.6 million, representing 94% of the Group's revenue excluding discontinued operations, of which DKK 3,108.1 million and DKK 181.5 million were derived from its detached and its semi-detached segments, respectively.

The graphics below show the Group's offices in Denmark (as well as the year of establishment) and the Group's show parks (each marked with a star) and show houses (each marked with a circle):



Detached

The Group has a market leading position in the Danish detached market segment with a share in the detached-house new-build market segment in Denmark of approximately 24% (as measured by the number of new builds delivered in 2019) and maintains a significant presence across the country through offices, show parks, standalone show houses and project houses.

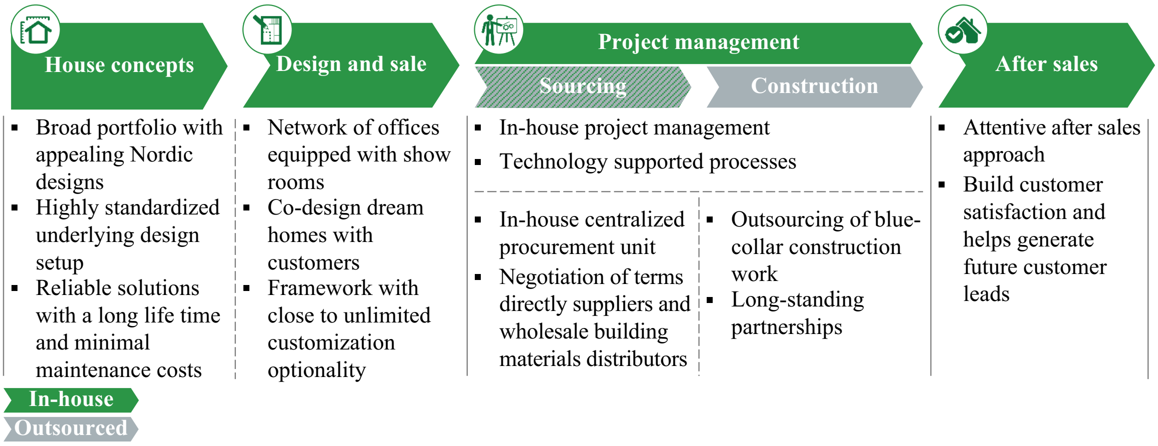
The detached housing market segment in Denmark represents the Group's core activity and it is primarily focused on the building and delivery directly to house buyers of single-family detached houses on third-party (customer-owned) land (and, to a lesser extent, land owned by the Group). In 2019, the Group delivered 1,325 detached houses in Denmark. Revenue from detached houses in Denmark in 2019 amounted to DKK 3,108.1 million, of which around a third was derived from deliveries in Mid-North Jutland, around a third from deliveries in Zealand and the remaining third from deliveries in South Jutland and Funen.

The Group's customers in the detached segment are typically aged between 30 to 55 years of age, from middle-to-upper middle income families who are looking to buy a family house.

Detailed Value Chain

The Group has implemented a disciplined and well-defined value chain providing customers an end-to-end solution through the sales and building process that is comprised of four main phases: (i) house concept; (ii) design and sale; (iii) project management; and (iv) delivery and after sales.

The graphic below provides a general overview of the Group's value chain.



House Concept

The Group offers a comprehensive portfolio of architectural styles across 1, 1½ and 2-story layouts and seeks to maintain a broad and attractive portfolio of standardized house design types with significant customization options. The Group's standardized concept is designed to facilitate efficiency in the house building process while providing a number of options to the customer. Across all house models, customers are offered comprehensive yet standardized optionality in terms of design configuration, e.g. for choosing color and quality of bricks and tiles, exterior detailing (e.g. roofs and windows); and interior detailing (e.g. floors, tiles, and kitchens via partners) resulting in a bespoke feel for each customers' final design.

In the Group's 16 sales offices in Denmark, which are all equipped with show rooms, customers can get a "touch and feel" experience to aid them in deciding on the various house modifications and materials options. The Group's salesforce, comprised of 59 employees (excluding sales managers) as at 30 September 2020, showcases the Group's design types through offices and show rooms, show parks and digital tools (including the Group's recently launched new website and the HusCompagniet app).

The Group offers the following five architectural styles (ordered by increasing levels of typical pricing, from value to premium), which are sold with more than 80 standardized designs:

	**Classic Contemporary** houses are characterized by having a large tiled roof with a significant overhang that protects the brick walls, doors and windows. Typically, the roof tiles are either black or red, whilst the façade bricks vary in color, including white, grey, golden, yellow, red or shades of brown. The Classic Contemporary style includes a large terrace, as well as either a carport or a garage for the family car. Classic Contemporary houses typically measure between 100 and 200 square meters on one floor.
	**Modern Contemporary** houses are designed to combine a modern style with contemporary materials. The interior design is primarily white while the exterior focuses on large surfaces with striking windows and architectural effects alongside materials such as zinc and wood. Modern Contemporary houses typically measure between 100 and 250 square meters on one floor.
	**Functionalism** is characterized by clean lines and a sharp profile both indoors and outdoors. The style is cubic with a flat roof. Its cubic sections allow for dramatic shifts in the architecture and numerous options to individualize the size and shape of each house. Functionalism houses typically measure between 150 and 250 square meters on one floor.

	The **Villa** style is characterized by its architectural references to the early 20th century in both its exterior and interior design. The idea behind the Villa style is to promote the appreciation of high quality craftsmanship in masonry and carpentry. Villa houses typically measure between 150 and 250 square meters on 1.5 floors.
	The **Patrician** style is designed to highlight distinguished detailing and exclusive materials: a spacious, exclusive villa with high ceilings and detailing in a classic architecture inspired by the patrician villas of the late 1800s. The exterior of the style is characterized by its larger size. The façades are typically white whilst the roof is black and the villa has a relatively large number of windows and doors. Indoor features are characterized by white walls, wooden floors, paneled doors and, sometimes, high wooden panels in either the dining room or the hall. Patrician style houses typically measure between 150 and 300 square meters on two floors.

In the year ended 31 December 2019, 80% (2018: 83%) of the detached houses delivered by the Group in Denmark were either Classic or Modern Contemporary architectural styles. The Group regularly updates its designs to accommodate shifts in customer demands or changes in regulation.

In line with the Group's business model, the Group focuses on standardized, modular and simple building solutions to ensure houses can be built quickly and easily with a low margin of error, as demonstrated by the recurrent low deviation between the anticipated and the effectively realized margin per house, which has tended to be lower than one percentage point.

Design and Sale

In line with the Group's focus on customer satisfaction, the Group seeks to offer a simple, reliable and differentiated process towards contract signing.

The Group utilizes its nationwide sales office footprint and a multi-channel marketing approach to secure customer proximity via both digital marketing channels such as online / social media and traditional marketing channels such as house catalogues, TV commercials, sales offices, show rooms, show houses and show parks (with three to six show houses each). For example, the Group had more than 29,000 "likes" on Facebook and more than 15,000 followers on Instagram as at October 2020. These "entry points" invite customers to engage with the Group and are designed to create top-of-mind awareness. The first point of contact between the Group's potential customers and the Group is usually through the Group's local sales force. A significant number of the Group's customers make the first contact with the Group in one of its show houses, by submitting an online form on the Group's website (which had more than 1.7 million visitors in 2019) or by requesting the Group's catalogue (corresponding to more than 29,000 leads generated through catalogue downloads in 2019), and are subsequently contacted by one of the Group's sales representatives, initiating a close flow of communication between the Group's sales agent and the potential customer. In the years under review, the Group has increased its lead conversion rate (defined as number of sales as a percentage of number of leads) from 4.4% in 2017 to 5.8% in 2019. In the nine months ended 30 September 2020 the Group had 27,859 leads (compared to 19,582 leads in the nine months ended 30 September 2019). The Group believes that some of the leads in 2020 were of slightly lower quality compared with the prior year (i.e. from customers that do not yet own an individual plot), and consequently expects its lead conversion rate to decrease in 2020 compared with 2019.

The objective of the sales force is to make each customer's dream house a reality by matching the customer's needs and preferences with a design type from the Group's portfolio and guiding the customer through the customization options that are within the customer's budget. Major customizable elements include house layout, exterior color and materials, size of the house and number of rooms, and interior design and materials. For each customizable element, there is a fixed number of options to provide for standardization for efficient construction, but with the multitude of elements that can be customized, there is a vast array of permutations from the customers' perspective from which to choose.

As at 30 September 2020, the Group maintained an experienced team of 59 sales representatives who are specialized in providing detailed guidance through the sale and design phase to provide customer support throughout the purchasing process. The Group's sales force principally includes individuals with extensive experience in the building sector and in providing easy and trustworthy guidance to potential customers. This expertise is strengthened by the Group's network of show parks (ten as at 30 September 2020), each with three to six houses, which, in aggregate, received more than 25,000 visits in 2019, and show houses (63 as at 30 September 2020, the largest selection in Denmark as of such date), and the use of digital tools, such as advanced 3D drawings through Autodesk Revit and full virtual reality tours around show houses that allow customers to visualize certain design selections prior to signing, or the HusCompagniet app, which had been downloaded more than 55,000 times as at 30 September 2020. The Group also focuses on continuously elevating the customer experience via digital tools, for example HusOnline and by integrating the HusCompagniet app with project management tools applied by the Group for delivery. Sales representatives are compensated through a mix of fixed and variable compensation based on the number of sales and calculated on the basis of the unit price of each house sold or the related gross profit margin. Sales representatives are also entitled to receive bonus compensation if they reach certain predetermined sales targets. Sales representatives also participate in the Group's Training Academy for training sessions with both internal and external instructors. Up until the COVID-19 outbreak, the Group also held quarterly sales meetings in which the quarterly performance is evaluated and targets for the next quarter were set.

The Group is committed to optimize its customers' purchasing experience, including through the provision of attractive customer terms, such as:

- *Fixed price:* House prices are fixed at the time of sale, eliminating the risk for the customer of any additional costs and fees associated with building errors or delays. Cost overruns due to building errors attributable to the Group or delays are borne by the Group. Any changes in the final price due to add-ons required by the customer during the building process need to be agreed with the customer to ensure transparency. The Group's sales representatives calculate house prices based on the expected price of the house materials and associated labor costs. Material input prices are harmonized across all ten production units in Denmark whereas sub-contractor prices differ across the offices due to geographical differences and locally/regionally negotiated sub-contractor agreements. Sales prices for any add-on materials are also to a larger extent harmonized among production units. In practical terms, the Group's sales representatives enjoy a high degree of flexibility in price negotiations with the Group's customers. However, all sale prices have to be accepted and confirmed by a sales manager and, in certain instances where the gross profit goes below certain thresholds, the department manager.

- *On-time handover:* The Group seeks to ensure that houses are ready for move-in on the agreed date. Except in certain circumstances, most delays typically carry a penalty that the Group is required to pay to the customer, calculated on a daily basis. The Group believes that fewer than 2% of the deliveries in 2019 resulted in late delivery penalties, according to management estimates.

- *Payment-at-delivery:* The Group pioneered this concept in 2007 by which customers only pay upon delivery of a ready-for-move-in house while providing a bank guarantee (or depositing the full purchase price in a Group account) at the outset of the process to ensure that counterparty's risk is minimized.

- *Full turnkey solution:* The Group provides an end-to-end solution to the building process.

- *Total transparency:* There is a continuous dialogue among all the parties involved in the building process, including the customer, the Group's construction manager and the Group's sub-contractors.

- *No unnecessary paperwork:* The Group handles all necessary permits and municipal approvals to provide a hassle-free process for customers. Handling of tear-down permits is an add-on service.

- *Construction warranty:* The Group provides statutory construction warranties in concert with requirements for building work, assuming responsibility for any construction defects for a period of ten years.

- *COVID-19 "comfort package"*: In connection with the COVID-19 pandemic, the Group launched a "comfort package" program in Denmark, which applies to houses sold from 24 April 2020 to 31 December 2020, to support customers purchasing a house from the Group who become unemployed before their house is delivered or are unable to sell their existing house before the time of delivery and so face the prospect of having to pay a double rent. The "comfort package" allows customers who become unemployed to choose to: (i) cancel their house purchase (with a cancellation fee), (ii) postpone their building works for up to six months upon notice to the Group at any time up to the issuance of the building permit, or (iii) elect to receive DKK 10,000 in monthly cash payments from the Group (which amounts are recorded as a reduction in the overall house price) for a period of six months following the completion of their house. This third option is also available to customers who have not become unemployed but who are unable to sell their existing house. This option remains available to the customer up to the time of delivery of their house. Accordingly, the Group will not know the total costs associated with the "comfort package" program until all the houses sold under the program have been delivered. The Group expects these measures to provide customers with additional security to buy a new house and to maintain the Group's sales levels.

The Group has established and maintains close relationships with a range of national and local financing providers, such as Nordea, Danske Bank and Sparekassen Sjælland-Fyn. The Group refers its customers to these financing providers to discuss financing options and these financing providers can also be identified through the HusCompagniet app. The Group believes that it, in turn, benefits from endorsements given by these financing providers who refer their customers to the Group. The Group's customers are required to provide a bank guarantee covering the final price of the house before the building works are initiated (or, alternatively, deposit the full purchase price in a Group account) that seeks to minimize the Group's counterparty risk. In circumstances where the scope and price is changed from the original contract, the bank guarantee is generally updated whenever the change in scope and price is considered significant but there might be a portion of the final price of the house that is not covered by the bank guarantee.

Once a customer has selected its ideal house and secured the optimal financing package, the final price is negotiated with the Group's sales representative and the contract mandating the building process to commence (if applicable) is signed. The contractual framework varies depending on whether the house (i) is a detached house built on land owned by the customer; (ii) is a detached house built on land owned by the Group; or (iii) is an existing show house or project house built on land owned by the Group.

- *Detached houses built on land owned by customers:* For the nine months ended 30 September 2020 and the year ended 31 December 2019, 82.0% and 75.9%, respectively, of the Group's revenues in Denmark were derived from sales of detached houses built on third-party (customer-owned) land. In relation to these sales, the Group enters into a turnkey construction contract that is based on, among others, the Group's own standard terms and conditions and to some extent the industry standard ABT 18 as described under "*—Regulation and Internal Compliance Policies—Building Regulations and Industry Standards in Denmark*". Pursuant to the construction contract for these sales, the customer is required to provide an individual plot ready for construction. The purchase price is fixed meaning that it will not be adjusted to the cost-of-living index during the construction period, unless otherwise agreed. Under the terms of the contract, the customer pays a small amount of the purchase price at the time of the sale (DKK 75,000), which will be followed by a bank guarantee securing payment for the remaining part of the purchase price, which is payable no later than the delivery date and before the actual delivery. This limited upfront payment intends to cover advisory services provided at the beginning of the sales process without impacting the Group's payment-at-delivery policy. Approximately one to two weeks prior to the agreed delivery date, a pre-handover review is carried out in order to identify any outstanding issues to be fixed prior to the actual handover. When the house is subsequently completed, a handover meeting is scheduled during which the Group prepares an inspection protocol to be signed by the customer stating any defects, which the Group must rectify within eight weeks from the time of the inspection. The Group will typically request the sub-contractors to rectify any defects that relate to the sub-contractors' works. In addition, the customer can request a one-year inspection of the construction works, provided the inspection date is no later than one year from the delivery of the house. Following the one-year inspection, the customer cannot present any claims concerning defects that were or should have been discovered during the one-year inspection and stated in the protocol prepared during the one-year inspection. However, under statutory law, the Group will still be liable for latent defects for ten years after the delivery of the house when the customer is a consumer.
- *Detached houses built on land owned by the Group:* For the nine months ended 30 September 2020 and the year ended 31 December 2019, 14.3% and 16.1%, respectively, of the Group's revenues in Denmark were derived from sales of detached houses built on land owned by the Group (excluding sales of land plots). In relation to these sales, the Group enters into the same standard turnkey construction contract as referred to above. As a result, the same liabilities and obligations for the customer and the Group apply, including but not limited to, the requirement to pre-pay a smaller amount and provide a bank guarantee, the requirement to conduct a pre-handover review, a handover meeting and in most cases a one-year inspection. The Group initially enters into a standard sales contract with the customer using one of its standard individual plot sales contracts for either

conditional sales or non-conditional sales. In each of these individual plot sales contracts, the customer agrees to enter into a construction contract with the Group within three months of signing the individual plot sales contract. If the Group enters into a conditional individual plot sales contract, the turnkey construction contract will also be made conditional upon the final acquisition of the land and the Group will not commence construction before the sale of the individual plot is completed and the title of the land is transferred from the Group to the customer. If a land area at the time of sale has not yet been divided into individual plots that are each registered separately with the land registrar, the Group will use its conditional land plot contract making the sale conditional upon (i) obtaining title to the land area (if not already obtained); (ii) registration of the land plot under a separate title number; and (iii) finalization of the proposed local development plan in a way acceptable to the Group. The conditional land plot sales contract allows for the purchase price to be adjusted based on the final size of the land etc. Such price adjustment is not part of the contractual framework for the sale of detached houses on land plots, which are already divided into individual plots and registered. In addition, the conditional sales contract includes a right for the Group to, under certain conditions, postpone the delivery date, for example, if the Group is not able to meet the above mentioned conditions on a certain date, or push forward the delivery date by written notice to the customer without being liable for any penalties, loss or disturbance suffered by the customer. Occasionally, the Group also chooses to sell land plots it has acquired without a contract to build a house, primarily to make them more attractive for sale, in line with the Company's aim to have land plots on the balance sheet for the shortest time practically possible.

- *Existing show houses and project houses built on land owned by the Group:* The Group also sells show houses and project houses that are already built on land owned by the Group. Standalone show houses are show houses built on an individual basis for the purpose of showcasing the Group's houses to its customers. These types of house are typically used by the Group for some time before being sold, and, when they are sold, they often have a longer handover period, so the Group can continue to use the house as a show house prior to transferring title. In relation to these sales, the Group enters into one standard purchase contract with the adjustments necessary to fit the particular show house. The Group's show houses are sold "as is". As a result, the customer must accept signs of ordinary wear and tear. The customer is required to deposit an agreed cash amount in an account held by the Group and provide a bank guarantee securing payment for the remaining part of the purchase price. The guarantee must be in force until the full cash payment has been deposited or paid. The customer can request a one-year inspection of the house during which the Group will prepare an inspection protocol stating the defects agreed by the parties (excluding cosmetic defects). The defects identified at the inspection must be rectified by the Group within eight weeks from the time of the inspection. However, under statutory law, the Group will still be liable for latent defects for ten years. Further, the customer will succeed to the Group's rights towards the suppliers of movable property such as domestic appliances, furniture and equipment etc. Project houses are houses built to be quickly sold and are mostly built in periods where the Group has additional building capacity. Project houses are usually built to kick-start sales and are sold off as quickly as possible, often during construction.

For further information as to how the Group acquires land and its strategy with respect thereto, see "*—Own Land Projects*."

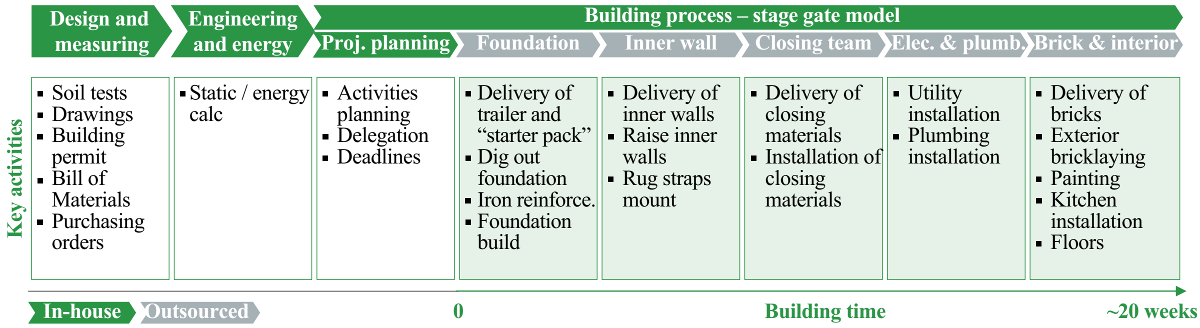
Project Management

A key feature of the Group's asset-light business model is the outsourcing of house building works. In this regard, the Group enters into (i) supply agreements with suppliers of building materials and (ii) supply agreements with sub-contractors regarding building works. For further information regarding the key terms of the Group's supply contracts and the Group's relationship with its suppliers and sub-contractors, see "*—Suppliers and Sub-contractors*" below.

Even though building work itself is outsourced to different sub-contractors with whom the Group has longstanding relationships, the Group controls all stages of the building process through its experienced in-house construction managers who supervise the building sites and ensure each supplier and sub-contractor adheres to the Group's strict quality standards and respects the deadline agreed with the customer. The Group has implemented LetsBuild, a digitalized project management platform to ensure a standardized way of interacting with its sub-contractors and certain suppliers across all of its offices providing for a single source of real time information via app or desktop that allows the Group to track progress of the different houses without being on-site and improved communication across the organization. LetsBuild is also used, to some extent, to document work that has been done by sub-contractors or suppliers uploading pictures. The degree to which this happens varies between offices and actors (i.e. construction managers, suppliers, and sub-contractors).

During 2017, 2018 and 2019, the average building time for detached houses with Classic or Modern Contemporary architectural styles has not changed significantly, taking an average of 19.4, 19.9 and 20.5 weeks, respectively. Additional time may be required depending on the degree of sophistication of the customization options chosen by the customer, the amount of add-on sale items and/or the size of the house.

The graphic below shows the stages of a typical building process:



In order to avoid deviations from the agreed construction and delivery timetable and other customizations, each sale is followed by in-person meetings among the customer and the Group's representatives (a sales representative, a designer/architect and the designated construction manager) where every participant is informed of the customer's expectations for the end-product. To further ensure these deadlines are being met, the Group enters into turnkey contracts with its sub-contractors that include customary guarantees and penalties to ensure the agreed upon milestones are achieved by the final completion date. In certain cases the Group is contractually permitted to extend the delivery date, including if customers request additional customizations to the house or in the event of sustained bad weather conditions. From start of construction to final delivery of the house, the Group ensures that the customer only has one point of contact—the construction manager in charge of the specific project. The Group provides a one-stop-shop solution, ensuring that the customer does not need to engage separately with contractors—neither during the Group's building phase nor after delivery, although the customer can engage directly with the kitchen supplier for the selection of kitchen and the plumber for the purpose of material selection.

Following these in-person meetings, the designated construction manager regularly meets with the Group's sub-contractors to closely monitor the building of the house and the quality of the craftsmanship and maintain regular contact with the Group's customers to provide transparency and confidence that the house building is proceeding according to plan. Customers are regularly updated by the designated Group's construction manager and they also receive a key to visit the house at their discretion once it is safe to access the building site. The standardized design used in the Group's houses allows the Group's sub-contractors to perform their work efficiently at a high quality level. The Group's construction managers only formally accept the finished product after a detailed review to verify that all works have been properly carried out according to the Group's standards and requirements.

Delivery and After Sales

Once the building process is completed, the customer and the Group's designated construction manager inspect the house together, allowing the customer to audit the building works and identify potential flaws or oversights. As a matter of internal policy, any and all potential need for service or remedy of flaws is addressed as quickly as possible and the Group does not typically pay any compensation or discounts to remedy any oversight. The Group provisions approximately DKK 25,000 per house for after sales services.

The Group is committed to providing an excellent after sales service that goes beyond the delivery of the house to the relevant customer, as demonstrated by the high scores achieved by the Group on customer satisfaction surveys and webpages such as Trustpilot. The Group also works actively to gather customer insights on the project, in order to ensure that the Group will be able to tailor future projects to meet customers' expectations and to streamline internal processes.

The graphic below shows the stages of the Group's after sales services.

	Delivery	After-sales service	Questionnaire	One-year inspection
Customer need	■ Clean, well-functioning home	■ Quick remediation of any building oversights	■ Opportunity to deliver feedback and express need for follow-up service	■ Seamless inspection process (and remediation if needed)
After sales service	■ Inspection of home together with personal construction manager	■ Quick remediation of flaws and oversights ■ No cash compensation	■ Questionnaire sent after handover ■ All needs/requests are addressed	■ Repair and replacement of any issues occurred during first year of ownership

Digital Initiatives

Through various digital initiatives, the Group continues its efforts to optimize the entire building process, from the early dialogue with the customer, through the construction phase, to the final handing over of the key to the customer. These digital initiatives include implementation of advanced 3D drawing tools giving customers a detailed impression of the designs for their house, launch of the HusCompagniet app where customers can seek inspiration to select house types and designs, as well as the introduction of virtual reality equipment in the show rooms, providing customers with the opportunity to virtually tour of selected show houses.

In November 2019, the Group adopted a new ERP system, the implementation of which is still ongoing. The new ERP system integrates CRM and BI functionalities and is designed to automate approval for supplier invoices and deployment of the HusCompagniet app for on-site use. For a description of the Group's strategy in relation to these digital initiatives, see "*—The Group's Strategy—Continue value creation trajectory in single-family detached segment in Denmark.*"

The Group has strengthened its internal IT-infrastructure by implementing a new ERP system, and further rolled-out the use of online solutions to optimize communication and coordination between all professionals during the construction phase, and to improve project and budget management on all individual building sites.

In addition, the Group also expects to continue to expand its customer-facing digital tools through an exhaustive multi-channel network. The Group's website and Instagram and Facebook pages (with more than 29,000 "likes" on Facebook and more than 15,000 followers on Instagram as at October 2020) have recorded an increasing number of visits and followers in each successive year and the HusCompagniet app since its launch in May 2017 has been downloaded more than 55,000 times. Customers can start to design their dream house using the HusCompagniet app and other digital tools such as 3D drawings through Autodesk Revit and browse through the more than 80 unique design customization options, including type and size of house, exterior color and materials, interior design and materials. Recently, the Group also launched a virtual reality application enabling customers to take a virtual tour around existing show houses and visualize certain design selections prior to signing.

Semi-detached

The Group also designs, sells and delivers semi-detached houses to customers, predominantly on land it owns and to professional investors, both on land owned by the Group and on land owned by such investors.

Semi-detached Business-to-consumer

The Group entered the semi-detached business-to-consumer market segment in 2010. The value chain for building and selling semi-detached houses is essentially the same as the detached value chain except for a few key differences:

- *House concept:* The customers are generally not engaged in the house concept stage. The Group undertakes an assessment of the house type that it considers commercially best suited for the area where the semi-detached houses are to be built. While the Group has one-story, one-and-a-half-story and two-story house styles that it chooses from, customers are not engaged to decide the exterior layout.

- *Design and sale:* The Group offers a more limited range of customization options, which are limited to the interior layout of the house, as compared to the detached market segment.

  Semi-detached business-to-consumer houses are built on the Group's own land. Individual plots are sold together with unbuilt semi-detached houses or semi-detached houses already under construction. The sale of both individual plots and semi-detached houses is covered under one single sales agreement. The Group enters into a standard sales agreement with the consumer using its standard sales agreements for either conditional sales or for non-conditional sales depending on the stage of the construction process. Under the conditional sales agreement, the sale is conditional upon (i) the Group obtaining title to the land area (if not already obtained), (ii) registration of the individual plot under a separate title number, (iii) finalization of the proposed local development plan in a way acceptable to the Group, (iv) the Group's conclusion of a certain number of sales agreements relating to semi-detached houses no later than six months from the adoption of the local development plan, and (v) the Group obtaining the relevant site development and construction permits. Pursuant to both sales contracts, the customer will provide a bank guarantee securing payment for the purchase price, which is payable no later than the delivery date. If the land area at the time of the sale has not yet been divided into individual plots that are each registered separately with the land registrar, the Group uses its conditional sales contract, which allows for the purchase price to be adjusted based on the final size of the land etc. Such price adjustment is not part of the contractual framework for the sale of semi-detached houses on land plots, which are already divided into individual plots and registered. Approximately one to two weeks prior to the agreed delivery date, a pre-handover review is carried out in order to identify any outstanding issues, which the Group must attempt to rectify prior to the delivery. Subsequently, a handover meeting is scheduled. Further, the customer can request a one-year inspection of the house during which the Group prepares an inspection protocol stating the defects agreed by the parties (excluding cosmetic defects). Any agreed defects identified at the one-year inspection must be rectified by the Group within eight weeks from the time of the inspection. Under statutory law, the Group will still be liable for latent defects for ten years after the delivery of the house. Pursuant to any of these sales agreements, the Group may be liable for any delays in the form of liquidated damages, however, the Group is entitled to postpone the takeover by written notice to the consumer without being liable for any penalties, loss or disturbance suffered by such consumer.

- *Project management:* The project management phase of the building process is substantially the same as in the detached market segment except for the scale of individual projects, which are larger in the semi-detached business-to-consumer market segment (multiple semi-detached houses being built together) than in the detached market segment. Larger size projects allow the Group to obtain significant scale advantages resulting from the identical nature and the close location of the houses built on each project, which simplifies the design of the houses and assists in the supervision of the building works.

- *After sales:* After sales services are very similar to those offered in the detached market segment, including the Group's visits to the house after one and five years to fix any errors.

Semi-detached Business-to-business

The Group launched its semi-detached business-to-business strategy in January 2020.

To date, smaller projects have tended to be built on land owned by the Group, while larger projects have typically been built on land owned by professional investors. The semi-detached houses are sold to professional investors who then lease or sell the houses to end users.

The Group decided to enter the business-to-business market segment to leverage its expertise from building semi-detached house projects in the business-to-consumer market segment. The Group believes that its existing supply chain can be leveraged to deliver to the business-to-business market segment, including both in-house architects, building management and its network of suppliers and sub-contractors across Denmark.

While the value chain shares many similarities with the value chain in the semi-detached business-to-consumer market segment, the business-to-business market segment is more bespoke due to the professionalized nature of the end-customer, which requires the Group to have a dedicated team to negotiate the relevant contracts. The main differences between the semi-detached business-to-consumer market segment and the semi-detached business-to-business market segment in terms of value chain are the following:

- *House concept:* The Group offers the same house types that are offered in the semi-detached business-to-consumer market segment. As long as the Group is able to build the house within its construction technical platform, professional investors may request a specific house type or house size.

- *Development:* In a business-to-business context, the parties can also agree to have the Group negotiate local plans and development plans with the relevant municipality. In such case, the Group can for example initiate soil surveys and participate in meetings at the expense of the investor/landowner. The Group typically offers these services for a fixed price subject to certain conditions, such as the maximum period for obtaining the final local plans and development plans, the minimum size of the projects and an agreement on construction of the houses. Additionally the Group offers investors/landowners to initiate and supervise the land development according to local plans and development plans at a fixed price and at the expense of the investor/landowner.
- *Design and sale:* Contractual arrangements in the semi-detached business-to-business market segment are more bespoke and tend to vary significantly from one to another. Certain professional investors tend to undertake extensive due diligence ahead of entering into any contracts, which requires the Group to have a dedicated team to negotiate contracts. This dedicated team is supported by the Group's central functions (primarily finance and legal) throughout the whole process having final responsibility for the contractual review and negotiations. In terms of sales, professional investors do not tend to request add-on sales which makes the sales process simpler than in the semi-detached business-to-consumer market segment. In accordance with ABT18 standards, both the Group and the investor provide certain guarantees to each other.
- *Project management:* The project management is substantially the same as in the semi-detached business-to-consumer market segment although the building time tends to be longer due to the larger size of the projects.
- *After sales:* Business-to-business customers are generally required to make milestone payments (in line with the Group's general conditions, ABT18 for design and building contracts), rather than at delivery which is the standard for the Group's semi-detached business-to-consumer market segment. This positively impacts working capital thanks to the earlier receipt of cash deposits. The Group typically provides a guarantee of one year towards business-to-business customers and agrees to a guarantee of five years in favor of the end-customer, who will purchase the property from the professional or private investor. In addition, such end-customer, when taking possession of the property, will succeed in the rights of the Group against any supplier of goods incorporated in such property (for instance with respect to kitchen appliances) for a period of two years. Once the building process is completed, the investor and the designated Group's construction manager inspect the house together, allowing the investor to audit the building works and identify potential flaws or oversights. As a matter of internal policy, any and all potential need for service or remedy of flaws is addressed as quickly as possible.

Several large professional investors (e.g. asset managers, such as Stensdal Group) have invested capital into the semi-detached market segment in Denmark and, since engaging in the market segment in January 2020, the Group has already achieved a significant order backlog for the years ended 31 December 2020 and 2021. As at the date of this Offering Circular, the Group has signed ten contracts for the delivery of 161 houses in 2021 and 2022, with the average project size being 16.1 semi-detached houses. For the nine months ended 30 September 2020, the Group sold 161 and 17 semi-detached houses in its business-to-business and business-to-consumer market segments, respectively (22 and 65 in the year ended 31 December 2019, respectively). For the nine months ended September 2020, the Group delivered 19 semi-detached houses as part of its business-to-business market segment. Moreover, the Group is currently in dialogue on transactions to deliver a number of houses in Denmark over the next few years. For the purpose of the Group's consolidated prospective financial information for the year ending 31 December 2021, it is assumed by the Group that such transactions may be entered into in the short to near-term and accordingly forms part of the assumptions for the Group's overall revenue for the year ending 31 December 2021. See "*Consolidated Prospective Financial Information for the Financial Years Ending 31 December 2020 and 2021*".

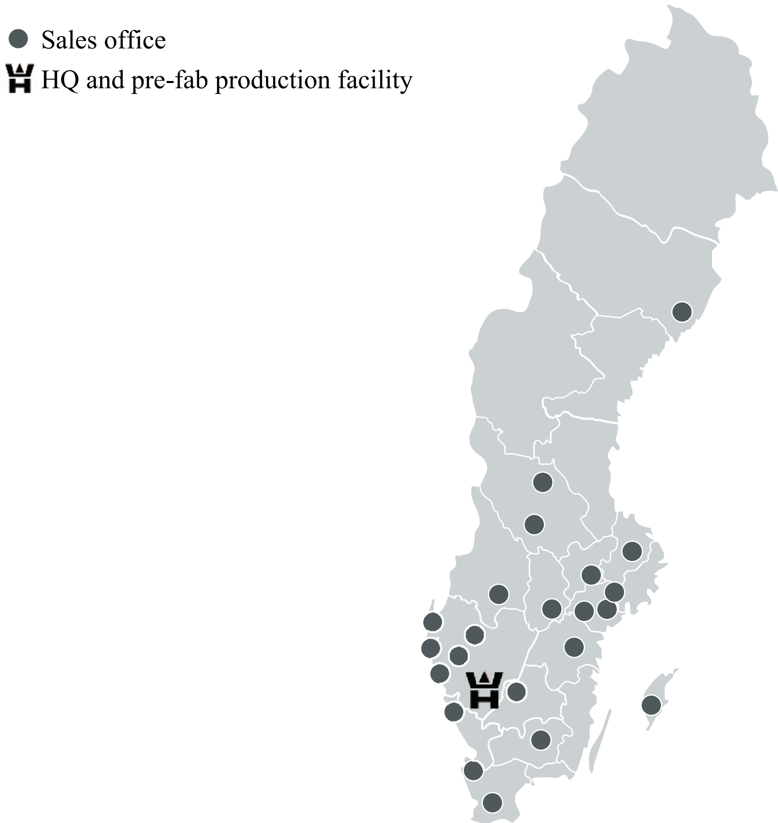
Sweden

In Sweden, the Group offers prefabricated wood-framed single-family houses and summer houses designed, developed and produced at VGH's factory in Vårgårda, Sweden. The Group markets its wood-framed houses under the VårgårdaHus brand, the Vårgårda Fritidshus brand and, to a limited extent, under the HusCompagniet brand.

Before 2020, the Group's operations in Sweden also included concrete-framed houses (referred herein as "brick houses") business activities, which the Group has discontinued (see "*—History and Development*"). The Group's focus on wood-framed houses today reflects what it sees as substantial differences in the supply and sales process in Sweden compared to Denmark and the Swedish preference for wood-framed houses rather than brick houses. Wood-framed houses are the preferred house type of Swedish consumers, accounting for 71% (165 houses) of the 233 detached houses delivered by the Group in Sweden in 2019.

In the year ended 31 December 2019, the Group delivered 165 VGH houses in Sweden. Total revenue in Sweden from continuing operations in 2019 amounted to DKK 206.4 million, representing 5.9% of the Group's revenue excluding discontinued operations. For the nine months ended 30 September 2020, the Group delivered 140 houses in Sweden. Total revenue for VGH houses for the nine months ended 30 September 2020 amounted to DKK 203.3 million, representing 7.9% of the Group's revenue from continuing operations.

The graphic below shows the Group's geographical footprint in Sweden:



Product Offering

VGH markets a portfolio of 82 different house models, including its traditional portfolio of 43 different wood-framed house concepts, a new product line of 31 additional house models (customizable from ten base house models) that was introduced in 2020 through its VårgårdaHus brand as well as eight summer house models that were introduced in 2019 through its Vårgårda Fritidshus brand. VGH also markets its wood-framed houses through the HusCompagniet brand. The portfolio varies in floor and design, coupled with substantial interior and exterior customizability. The new product line launched in 2020 also consisted of an upgraded interior design package with inspiration from the HusCompagniet Danish design expressions that are profiled as Scandinavian design themes and architecture. For example, the Group offers wood-framed houses with brick façades.

The house designs are based on a standardized modular framework, enabling a scalable and lean production that can easily scaled upwards and downwards based on demand. The graphic below provides an overview of the Group's (i) customization options and (ii) offered housing types in Sweden.

Business Model

VGH applies a multi-level marketing strategy encompassing show houses and conferences, online and printed advertising and direct marketing. VGH transformed its marketing strategy in Sweden during 2019, shifting from high dependency on outbound marketing such as traditional and printed media via external consultants and agencies to inbound marketing with focus on strong content production and dynamic use of social and digital media.

All sales are outsourced to independent agents that cover specific areas, which is the market standard in Sweden. VGH operates through an independent network of 27 agents and two sub-agents across Sweden with focus on three densely populated regions around Gothenbourg, Malmo and outer Stockholm. These agents and sub-agents sell VGH's wood-framed houses to consumers. One agent in Stockholm occasionally also sells VGH's wood-framed houses to professional investors. The agent is the customers' first point of contact—typically through local referral or a customer ordering a catalogue online—and handles ongoing dialogues with the customer before requesting initial drawings and price quotes from VGH headquarters. Once those have been requested and received, the drawings and price are negotiated with the customer and discussed for final customization options before a final offer is delivered to the customer for signing. VGH aims to sell the summer house line introduced in 2019 through new agents dedicated to selling second homes only, leveraging its market position in Swedish regions with attractive coastal lines.

VGH maintains a commissioned-based partnership with its agents under agency standard terms and conditions such as non-compete and non-exclusivity clauses (to ensure that VGH can hire several agents in a specific area and that no agents are selling at their maximum capacity). Agents' individual results are monitored on a weekly basis and their compensation is entirely based on commissions from sales (with 0% fixed income).

VGH's houses are all built in the Group's 12,500 m2 factory in Vårgårda, Sweden (rather than on-site). VGH runs seven production lines with a capacity of approximately 330 units per year (at current capacity). VGH holds a 15-year lease (expiry in 2031).

The pre-fabricated house framework is delivered to the customer at an average of 15 weeks (measured from time of commencement of production, in 2019). Each house is then finished in an additional time of between 20 to 22 weeks on the customer's individual plot by the third-party contractor selected by the customer. The Group is not involved in the selection or the engagement of these contractors.

The table below summarizes VGH's logistics and distribution process:

Logistics and distribution	Delivery of house body	House building process	Quality check of contractors
	■ House body from VGH assembly line is transported to customers' plot by third-party suppliers	■ Contractors for building the house are selected by the customer (VGH agents recommend selection of contractors)	■ VGH agent conducts QA check of contractors and building site – customer's control manager and insurance inspector provide final check

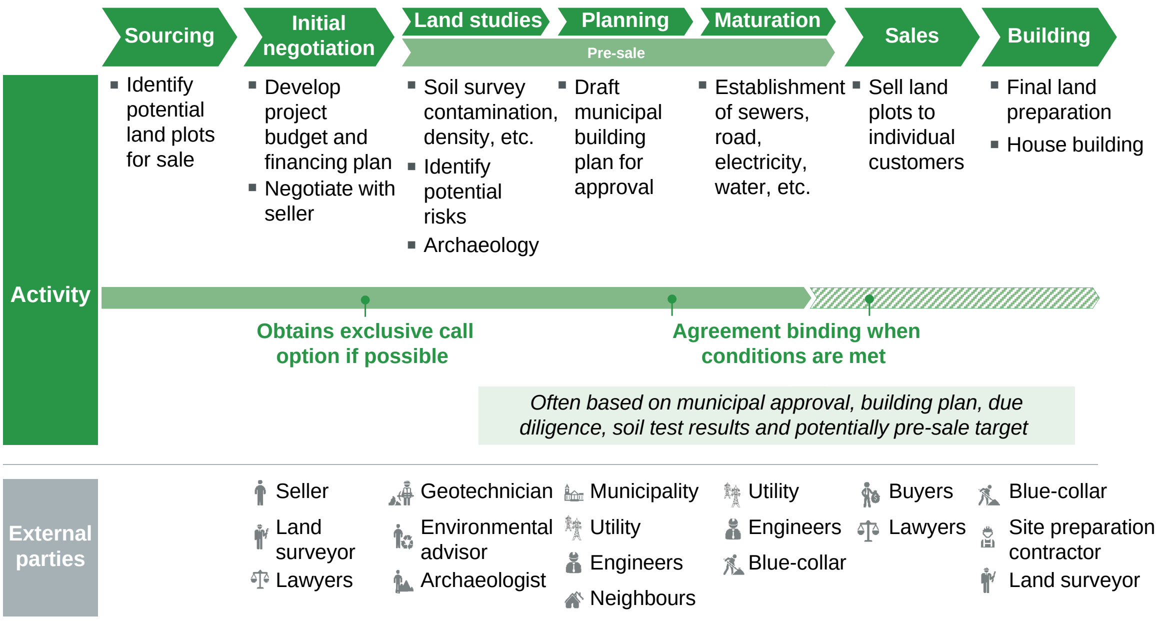
Own Land Projects

The Group primarily builds on third-party (customer-owned) land but also engages in land investment opportunities from time to time, particularly (i) in the detached market segment in Denmark, primarily with regards to the construction of its project houses and show houses and (ii) in the semi-detached market segment in Denmark with regards to both business-to-consumer projects and business-to-business projects. For the nine months ended 30 September 2020 and 2019, the Group derived DKK 483.9 million and DKK 572.5 million of revenue, respectively, from own land sales in Denmark, which includes sales of houses on own land as well as sales of land plots. Land plots are typically sold together with a house to be built by the Group but in two different transactions: one for the customer's acquisition of land (which is paid upon signing of the contract) and one for the acquisition of the house (which is paid at delivery in line with the Group's payment terms). For the years ended 31 December 2019, 2018 and 2017, revenue from own land sales in Denmark was DKK 892.2 million, DKK 733.1 million and DKK 670.4 million, respectively, representing 27.1%, 25.5% and 25.3% of the Group's total revenue from Denmark, respectively. The higher proportion of revenue from own land sales in 2019 compared to 2018 reflect an effort to divest land in 2019 (including several individual plots in Zealand) which resulted in a decrease of the carrying value of land plots in the Group's balance sheet in 2019. Of the Group's total revenue from own land sales in Denmark in 2019, 2018 and 2017, 75.3%, 81.4% and 74.1%, respectively, related to sales of houses on own land (with the remainder relating to sales from land plots, primarily sold together with a house to be built by the Group).

The Group invests in own land for a variety of reasons, including (i) to diversify its portfolio (in particular to allow for the construction of semi-detached houses in the business-to-consumer market segment) and (ii) to increase its margins compared to houses and projects built on third-party (customer-owned) land, and (iii) to allow for further growth. See "*Risk Factors—Risks Relating to the Group's Business and Industry—Investing in suitable land at the appropriate time is important to the Group's operations*".

For the nine months ended 30 September 2020, the Group acquired three "land plots" (defined as land plots with five or more individual plots), with an average size of 54 individual plots and for the year ended 31 December 2019, the Group acquired six land plots, with an average size of 40 individual land plots. As at 30 September 2020 and 31 December 2019, the book value of the Group's land bank was DKK 194 million and DKK 167 million, respectively, in each case comprised of a total of 479 and 562 individual plots (including individual plots sold but not yet delivered), respectively (average book value per individual plot of DKK 0.4 million and DKK 0.3 million, respectively).

The graphic below shows the phases of a typical own land project:



Land Purchase Opportunity

Most of the Group's investment opportunities are generated as a result of its proactive strategy to identify potential land plots that may become available for sale.

Following the Group's sourcing of land investment opportunities, the Group carries out an initial due diligence and analysis and filters these opportunities based on various considerations, including their commercial, technical and legal attributes, their urban planning status and any factor which the Group believes could affect its return on the investment. The sale analysis includes volume studies, analysis on demography and early planning issues to be expected during the process. For example, the Group focuses on areas where the main demand indicators are clear and well known, avoiding acquiring land where there is insufficient demand for housing. Specifically, the Group aims for areas with attractive demographic trends (including regions with population and house formation growth or which have an attractive volume of potential "move-up" buyers), adequate infrastructure (including proximity to hospitals, schools, sport centers, shopping centers and other facilities), and strong economic fundamentals. In addition, the Group focuses on primary-house or long-term house locations (where customers are expected to live for at least five months each year).

The economic analysis includes calculation of the expected sale value and total costs for the project, including purchase of land, development costs, total building costs and costs for the sale process, including for the advisors or land surveyors involved in the process.

During this phase, the Group enters into a conditional land purchase agreement with the land plot seller. The agreement is conditional upon the Group's satisfactory investigations of the land plot as a result of its due diligence analysis prior to the completion date. Further, the purchase price for the land plot is contingent on the number of land plots that can be obtained through the subdivision of the land plot. To the extent possible, the Group uses its standard template for conditional land purchase agreements in order to ensure consistency in the content of each of the individual land purchase agreements. Occasionally the Group also includes pre-sales conditions in agreements.

Due Diligence

Once the Group has determined that a land plot meets its investment criteria, the Group's representatives carry out detailed due diligence analysis to make a final decision on the purchase and the expected costs for preparation of the land and building costs.

This due diligence analysis comprises architectural, geotechnical (including hot spots, pilings, etc.), environmental and archeological (including preliminary examination on-site in cooperation with the local museum) aspects as well as an investigation on the expected infrastructure process necessary for the development of the relevant land plot.

In this phase, the Group also enters into agreements with local utility companies that supply heating, water and electricity, and with suppliers on the infrastructure needed, including access road connections.

Planning

The Group's representatives work closely with the relevant authorities and municipalities for the development of a detailed plan, which makes it possible to implement the project. The plan includes requirements for the buildings to be built on the land plot, including plot ratio and demands for common areas, including green areas, trees and roads. A standard planning process for providing a local plan for an undeveloped area takes approximately 13 months depending on the local municipality. In addition to the local plan, the Group will often also have to enter into an agreement with the local municipality regarding the need for certain infrastructure works. Upon receipt of the necessary local plan, the Group files for a building permit on the preparation of the land site, including infrastructure works necessary for connection roads and paths.

Land Purchase

Following acceptance by the seller of the Group's binding offer, closing of an acquisition involves the engagement of external legal advisers who provide advice on the purchase agreement, as well as corporate and tax matters.

The final purchase price is dependent on the number of individual plots subdivided from the purchased land plot. Payment is placed in escrow until the deed of conveyance has been registered without any endorsement barring registration. Further, requirements as to the payment of the purchase price including sureties and guarantees may be agreed upon with the individual sellers.

Construction

The individual plots are delineated by a land surveyor through registration of the plan for the parceling out of the land plots with the Danish Geodata Agency and at the Danish Land Registry. The expected timing for the parceling out process is of approximately four to six months depending on the complexity of the process.

Delivery of Houses and Land

Upon completion of the necessary works, the Group notifies the local municipality of the completion of the land preparation and delivers the individual plots to their respective buyers, who will then have their house built by the Group on the relevant plot.

As part of this delivery, the Group transfers relevant parts of the land to the established land owner's association for the area, such as common areas, roads or paths, who will procure maintenance and renewal of the transferred areas going forward.

As at 30 September 2020, the Group had a portfolio of 479 individual plots pending to be sold.

Suppliers and Sub-contractors

Suppliers

The Group maintains strong and long-standing relationships with its material suppliers. The Group's Strategic Procurement department is responsible for the negotiation and conclusion of contracts with the Group's suppliers. These contracts cover all materials used in the building of houses as well as all inventory, materials and office supplies for the Group's offices. In addition, Strategic Procurement is also responsible for the negotiation of contracts with some of the Group's more significant sub-contractors.

The Group's Technical Officers are responsible for the contracts with sub-contractors that are not negotiated by the Strategic Procurement department. Day-to-day purchases are made by other employees of the Group, based on the framework agreements concluded by Strategic Procurement.

In Denmark, the Group's five main suppliers together represented 23.0% and 21.5% of the Group's purchases in Denmark for the nine months ended 30 September 2020 and the year ended 31 December 2019, respectively.

The Group primarily enters into long-term contracts, for a period of between 12 and 24 months, with fixed pricing and no volume commitments. The Group believes that it benefits from its scale to negotiate its purchasing terms directly with manufacturers and distributors and is able to negotiate for non-standard, better services, such as having materials delivered inside houses.

In Sweden, the Group's five main suppliers together represented 18.8% and 21.0% of the Group's purchases in Sweden for the nine months ended 30 September 2020 and the year ended 31 December 2019, respectively. The majority of VGH's supply agreements include discounts and bonus conditions. In general, VGH is granted annual bonuses related to the total annual volumes purchased from each supplier. VGH is not dependent on any single supplier and does not use any suppliers which may be difficult to replace on short notice without substantial costs.

As a result of the COVID-19 pandemic, the Group renegotiated certain supplier agreements to provide discounts with immediate effect (including with regards to the Group's order backlog) and entered into new agreements with some of its key suppliers providing for medium-term savings. The Group expects these conditions to be in effect for any sub-contractor work performed until the end of 2020.

Supply Agreements

The Group enters into its own standard supply agreement with the vast majority of its suppliers. The Group generally seeks to apply its standard form of agreement (and terms and conditions) that refers to the Group's specific terms (in some contracts AB18 with certain deviations).

The standard supply agreement sets out terms regarding, for example, the products and services, the order procedure, delivery, payment terms, prices, bonus and rebates, confidentiality, product liability, handling of defective products, delay, termination, governing law and venue.

Under the Group's supply agreements the parties will typically not agree on a daily penalty in case of delay, but instead a party can raise a claim of proportionate reduction or damages when liability is proven. Liability for damages caused by delays may be capped. The parties are usually exempt from liability in case of force majeure events provided that such event is duly notified to the other party. Suppliers are typically responsible for any flaws and deficiencies for a maximum period of ten years after delivery, provided that, in case of delivery of materials for stock or resale purposes, the supplier is liable for six years. In the event the Group detects any such flaws or defects during such liability period, the term for liability recommences.

Moreover, under the Group's supply agreements, the supplier will typically not be entitled to terminate the agreement for a given period of time whereas the Group is typically entitled to terminate for convenience from the outset of the agreement by giving the supplier a relatively short notice. However, the length of the notice period varies depending on the relationship with the supplier and the additional contractual obligations included in the supply agreement. Notwithstanding any non-termination period, the supplier will generally be entitled to terminate the agreement if the Group defaults to fulfil its payment obligations under the agreement in a material manner.

Sub-contractors

The Group aims to form long-lasting and loyal partnerships with sub-contractors and to be the partner of choice of high quality sub-contractors. This enhances flexibility for growth and is a meaningful way to enhance efficiency during the building process as contractors are familiar with the Group's standards and products. Such familiarity also minimizes the number and magnitude of errors during the construction process. The Group only hires sub-contractors in connection with its Danish operations. VGH delivers pre-fabricated houses, which are then placed, erected and finished on-site by contractors engaged directly by the customer through a VGH agent. VGH does not maintain relationships with any sub-contractors.

In the year ended 31 December 2019, the Group sourced labor from more than 400 sub-contractors, including carpenters, concrete sub-contractors, bricklayers, painters, aircrete and tile sub-contractors, plumbers and electricians, etc., resulting in around 1,500 people working at the Group's sites on an average day. This wide sub-contractor base ensures that the Group maintains low sub-contractor concentration. However, there are a number of sub-contractors for whom it would be difficult to find a replacement at the same pricing level. This is typically the case for certain building works for which the number of qualified and reliable sub-contractors is limited (such as carpentry) in densely populated areas (such as part of Zealand). The Group's five main sub-contractors together represented 14.9% and 16.0% of the Group's costs in Denmark for the nine months ended 30 September 2020 and the year ended 31 December 2019, respectively.

The Group's scale, workflow predictability and work force utilization allow it to maintain a strong bargaining position. The Group seeks to enter into long-term contracts, typically between 12 and 24 months, with fixed prices (either per house or per square meter; with sub-contractors being liable for any extra costs associated with building errors) and a pre-agreed building capacity (e.g., number of houses over a certain period time) with no commitment by the Group to use all the pre-agreed capacity.

In line with the Group's asset-light business model, the Group does not invest in machinery. This is instead supplied directly by its sub-contractors as may be required in connection with construction activities.

Sub-contractor Agreements

The Group enters into agreements with sub-contractors relating to the Group's building works. The Group generally seeks to apply its standard form of agreement, which is to some extent individually negotiated to fit the particularities of each sub-contractor.

The Group's standard form of agreement sets out terms regarding, e.g. products and services, prices, payment, duration, delay, handling of defective products, termination, governing law and venue.

The agreements are generally based on either AB18 or AB92 (the prior version of AB18) standards. Breaches or lack of performance by the sub-contractor are considered a defect or deficiency that the relevant sub-contractor is obliged and entitled to remedy during a specific period of time. The Group may also be entitled to let a third party remedy any such flaws or defects at the sub-contractor expense, if defects have not been remedied after such period of time.

Under the standard terms of AB18 or AB92, sub-contractors have a right to extend the deadline for the provision of their services in case of, for example, public or statutory orders or bans, war, acts of God, fire, strike, lockout, picketing, vandalism or similar events that are beyond the sub-contractor's control provided that such event is duly notified to the other party. If the sub-contractor chooses to voluntarily cease to provide its services (either permanently or temporarily—due to, for example, the COVID-19 pandemic—it will then not be entitled to such an extension and may be liable for penalties as a result of any delays. The Group has negotiated and applies a set of special terms in relation to both AB18 or AB92 under which the sub-contractor's right to be entitled to such an extension is conditioned to such works being considered "critical" for the delivery of the house. See *"—Regulation and Internal Compliance Policies—Building Regulations and Industry Standards in Denmark"* below.

If a sub-contractor cannot deliver on the agreed date, the Group is typically entitled to receive payment of a daily penalty. Under some of its supply agreements, the Group is entitled to receive full compensation from the sub-contractor as a result of any damages suffered by the Group (provided that the Group can prove that those damages were effectively caused by the sub-contractor). The liability period between the Group and its sub-contractors is five or ten years.

Material Contracts Entered into Outside the Ordinary Course of Business

Save as disclosed below, there are no contracts (other than those entered into in the ordinary course of business) to which the Group is a party which (i) are, or may be, material to the Group and which have been entered into in the two years immediately preceding the date of this Offering Circular; or (ii) contain any obligations or entitlements which are, or may be, material to the Group as of the date of this Offering Circular.

Abandoned acquisition of eurodan-huse

In October 2019, the Group entered into a share purchase agreement with Dahl Holding af 2010 ApS, pursuant to which the Group would acquire 100% of the outstanding shares of eurodan-huse A/S. The completion of the transaction was conditional on receiving approval from the Danish competition authorities. Following communications with the Danish Competition and Consumer Authority in this respect, the parties decided to terminate this transaction. In connection with such termination, the parties agreed to release one another from the obligations under the share purchase agreement and on the allocation of costs related to the transaction.

Financing arrangements

For a description of the Group's financing arrangements, see "*Operational and Financial Review—Borrowings*".

Underwriting Agreement

For a description of the Underwriting Agreement relating to this Offering, see "*Plan of Distribution*".

Intellectual Property

The Group believes that its intellectual property relies on a combination of trademarks, copyrights, design rights, unfair competition and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect its intellectual property rights. The Group's intellectual property strategy aims to safeguard its intellectual property by seeking to secure key trademarks and defending trademarks and its designs as deemed relevant from time to time.

The Group owns 10 trademarks including, *inter alia*, the trademarks related to the Group's two key brands "HusCompagniet" and "VårgårdaHus" as well as their related websites www.huscompagniet.dk and www.vargardahus.se. The Group's trademarks are generally registered in the jurisdictions where the Group has or have recently had operations i.e. Denmark, Sweden and Germany and in some cases more broadly as a European trademark. All trademarks are registered for a time period of ten years and are eligible for renewal upon expiration.

Employees

The Group's employees are an essential part of the Group's business. Each department is equally important and consists of people who are experts within their fields. The departments depend on each other and the employees in each department rely on each other to provide the Group's customers with the best possible experience. The Group's focus is to create a healthy workplace where its employees thrive and have the physical and mental energy for their tasks, every day. This also means reducing the risk of work-related accidents. One way to achieve this goal is through the APV (*Workplace Assessment)* process, through which the Group explores potential action plans and training programs, and regularly follows up on individual and collective needs.

The Group has good relationships with its suppliers, relevant trade unions and professional organizations. Certain of the Group's employees are members of collective agreements, for example, project supervisors and building architects in the Group's drawing and design office in Denmark are part of the collective technicians agreement between the Danish Association of Professional Technicians and The Danish Construction Association and the Group's approximately 12 carpenters based in the Horsens department are part of the collective agreement with the Danish trade union 3F, which organizes all building professionals.

As a result of the closure of the Group's German and Swedish brick-house activities, as well as other cost-cutting initiatives implemented in connection with the outbreak of the COVID-19 pandemic, the Group has reduced its average number of full-time employees from 464 in 2019 to 440 for the nine months ended 30 September 2020.

The table below presents the Group's average number of employees, divided by region, for the periods presented:

	For the nine months ended 30 September	For the year ended 31 December		
Region	**2020**	**2019**	**2018**	**2017**
Denmark	368	351	322	297
Sweden(1)	72	84	93	86
Germany(1)	—	29	62	48
Total	**440**	**464**	**477**	**431**

(1) The Group finally closed down its German and Swedish brick house activities in September 2020.

Health and Safety

In the construction industry, where physical risks are present, it is important to the Group that its employees and sub-contractors are safe at work. The Group observes all requirements of national laws and regulations related to health and safety and maintains a Code of Conduct that describes its current standards for safety on-site, which all sub-contractors are required to sign.

In 2019, the Group established a safety performance baseline for both its own employees and its sub-contractors with lost time injury frequency ("**LTIf**"), lost time injuries ("**LTIs**"), and fatalities. The LTIs incurred by the Group's own employees and the sub-contractors in 2019 were dominated by injuries caused by fall incidents and postural injuries. The table below presents the number of LTIfs, LTIs and fatalities in the year ended 31 December 2019, for both the Group's own employees and estimated for its sub-contractors:

Safety Overview	LTIf(1)	LTIs	Fatalities	Total lost days
Own employees(2)	15.2	11	0	65
Sub-contractors(3)	11.3	21	0	368

(1) LTIf is defined as the number of lost time injuries occurring in a workplace per 1 million hours worked and is calculated using the following formula: (Number of lost time injuries in the reporting period x 1,000,000) / (Total hours worked in the reporting period)).

(2) "Own employees" includes 350.9 white collar workers, 17 blue-collar workers and 36.9 VGH's blue-collar workers. Approximately 12.3% of the Groups FTEs in 2019 were blue-collar workers performing construction work.

(3) For purposes of collecting sub-contractor data, the Group contacted all sub-contractors with a creditor amount equal to or above DKK 2.0 million in order to gather their safety data on the Group's building sites during 2019. The Group received responses from 102 out of 147 sub-contractors corresponding to 84.1% of the Group's total creditor amount, resulting in 18 reported incidents. The data in the table has been extrapolated to cover 100% of the Group's creditor amount.

The Group takes these incidents very seriously and believes that the safest approach is one that focuses on minimizing risks and incidents, learning and improving from incidents that occur. The Group aims to implement measures to minimize the number and severity of labor accidents in the future.

Environmental, Social and Governance ("ESG")

As an industry leader, the Group believes that it has a key role in setting ESG standards and leading the evolution and transition to a sustainable homebuilding industry, without compromising quality and costs.

In 2019, the Group embarked on a journey to prioritize sustainability and make it a systematic focus of its strategy by intensifying its efforts to integrate sustainability throughout the planning, construction and value chain. From sourcing building materials, to building, and the Group's customers' use of energy in their house, and even at the end of a house's lifecycle, there are a number of ways the Group can impact sustainability throughout the house lifecycle and the Group is committed to work with its suppliers and contractors to build more energy-efficient houses with a much lower CO_2 footprint, including through the production and election of eco-friendly building materials where the Group believes it can exercise a strong influence. For example, in 2019, 48% of houses sold by the Group had one or more alternative energy sources, including installed air source heat pumps, solar panels and/or geothermal heat pumps, resulting in an A EPC rating (with 70% of Danish houses in 2019 having assigned a D to F EPC rating). By 2025, the Group targets a reduction of 35% in CO_2 emissions from building materials, a full electrification of its vehicle fleet and selling 60% of its houses with alternative energy sources (up from current share of 48% in 2019). Additionally, the Group is focused on reducing CO_2 emissions from the production of building materials by working together with its suppliers to offer houses built with less carbon-intensive materials (some of which are certified) to its customers. The Group intends to launch a CO_2-reduced house offering in 2021 with the aim to reduce CO_2 emissions by 20% to 30% by introducing key changes to the house design, such as using slate instead of bricks, inner and outer walls of wood, paper wool insulation, "F-sokkel" foundation design and the use of wood flooring. See "*—The Group's Strategy—Further embedding a sustainability proposition*".

From time to time, the Group will, based on investor feedback, consider whether it is cost efficient to apply for a DGNB certification for some of its semi-detached projects and expects to be able to market projects in 2021 that will be or become DGNB certified. See "*Regulation and Internal Compliance Policies—Building Regulations and Industry Standards in Denmark—DGNB certification*".

The construction sector has often been scrutinized for challenges related to working conditions and anti-corruption throughout the value chain. The Group's Standards of Business Conduct and internal Guidelines on Value and Ethics lay out the Group's internal requirements of compliance with applicable laws and regulations, business ethics, working environment, equal opportunity and labor rights. By the end of 2020, the Group intends to heighten its standards revisiting its Codes of conduct and Policies and to increase awareness among employees, suppliers and sub-contractors.

The Group also strives towards a diverse and inclusive work environment that can bring increased creativity and innovation, stronger governance and ultimately stronger financial performance, by providing an equal opportunity culture. In 2019, women represented 19% of the Group's employees and 20% of its management team. The Group's target is to increase this participation across all levels of the Group's organization and in particular, to increase the participation of women in the Group's management team to 25% by 2025.

Regulation and Internal Compliance Policies

Below is a summary of certain material building laws, rules and regulations applicable to the Group and its business in Denmark and a high-level overview of material regulation applicable to the Group's business in Sweden. The summary below has been included for illustrative purposes only and is not intended to be an exhaustive description of all laws, rules and regulations applicable to the Group and its business. In addition to the rules described below, the Group's business and the demand for its house and land is indirectly impacted by laws, rules and regulations related to, among others, taxation and availability of mortgage and financing of real property for its customers, which are only to a limited extent addressed in this section of the Offering Circular.

Building Regulations and Industry Standards in Denmark

In Denmark, the Group is generally required to comply with, among other legislation, (i) the Planning Act, including any plans adopted under the Planning Act at the national, regional and municipality level, including municipal plans and local plans, (ii) the Heat Supply Act, (iii) the Building Act and (iv) the Building Regulation (BR18). These laws and other legislation regulate how land may be developed, land use, the size and location of buildings that can be constructed on that land as well as any roads and paths on the land.

A set of agreed documents—in particular AB18 and ABT18—drafted by a number of independent organizations within the construction industry are widely acknowledged and applied as industry standards for design, building and construction contracts where the counterparty is not a consumer. The general conditions of AB18 are intended for use in relation to contracts on building and construction works and supplies. The general conditions of ABT18 are intended for use in relation to design and build contracts on the provision of design and build services. The conditions of the standards only apply if the parties have decided to incorporate them in their agreement. However, whenever a counterparty is a consumer, certain provisions set out in these standards are further limited by consumer protection laws, such as the Danish Act on Consumer Protection in Acquisition of Real Property. In most cases, the contracting parties will agree to apply these standards. The parties involved and the agreed upon construction work define which of these standards are relevant. In certain instances (specifically in the semi-detached business-to-business market segment), these standards will be further negotiated between the parties.

AB18 and ABT18 are applicable to business-to-business construction contracts. AB18 regulates contracts on work and supplies in the building and construction industry. ABT18 regulates turnkey contracts. These rules set out the applicable standards, including (i) the transfer of risk to the customer after the delivery of a building; (ii) the contractor's right to extension of time in case of delay not caused by the contractor; (iii) the contractor's obligation to indemnify the customer (e.g. daily penalty) in case of delay without a right to extension of time; (iv) the contractor's right and obligation to cure flaws and defects within five years after the delivery provided that the owner has informed the contractor in writing within a reasonable time of such flaws and defects; and (v) the owner's right to request a one year and five year inspection of the building; etc. AB Consumer is applicable to business-to-consumer construction contracts. This standard is to a large extent similar to the above mentioned standards, but one of the things that sets this standard apart from the others is that the contractor is obliged to guide the customer during the entire contract period, both before and after the construction. Furthermore, a customer has an extended period to make claims, as the ultimate statute of limitation is ten years for customers, while the statute of limitation in the business-to-business market segment is five years.

Prior to construction

Before any construction work can be commenced, the Group will have to assess what restrictions apply to the land that is being developed to ensure any construction plans comply with the Danish Planning Act. Such restrictions can potentially apply to both developed land (private and brownfield land, where the existing building has been demolished) as well as undeveloped land (greenfield land). In certain cases, especially with respect to larger real estate development projects requiring further subdivision of the land, the Group and/or the customer may be required to request the relevant municipality to prepare or revise the applicable local plan (and potentially the applicable municipal plan) before the Group can start construction or develop new residential areas. When the preparation or revision, if required, of such plan(s) has been finalized, a public hearing will be held. Depending on the comments received during this public hearing, the plan(s) will possibly need to be further updated and subsequently adopted by the municipal council. Finally, it is possible for the municipal council to grant (an) exemption(s) from a local plan, provided that a public hearing has taken place and such exemption(s) does/do not contradict the principles of such plan. Denmark uses a variety of ways to provide buildings with heating and hot water. In general, there is a distinction between individual heat supply, which is used in approximately 20% of the Danish homes, and collective heat supply, which is used in approximately 80% of the Danish homes. Houses in Denmark are, in principle, required to connect to the local district network and the available collective heat system, which is supplied by one or more suppliers. However, if a building is qualified as a low-energy consumption house, as described below under *"—Construction"*, the relevant municipality is obliged to award an exemption under the Heat Supply Act and the Planning Act from the obligation to connect (and remain connected) to such collective heating system. This means that the heating can instead be individual and based on e.g. heat pumps, solar panel or geothermal heating. Prior to commencing construction or demolition of an existing building, the Group or customer will have to obtain a building permit, in accordance with the Danish Building Act. A permit can be applied for and obtained from the municipal council. The applicant must submit any relevant and required documentation. During the review process, the municipal council examines the accuracy of the submitted information/documentation and will closely review the application, including the compliance with technical standards and regulations. The municipal council evaluates whether an involvement of any other government entity or a hearing is necessary and whether the application complies with the Danish Building Act, Danish Planning Act, local plans etc. The processing time for receiving a building permit varies depending on the municipality, the amount of received applications and the type of case. For instance, in Copenhagen, the average processing time for a building permit for a single family house was approximately four months as at October 2020.

Construction

The Danish Building Act and the Building Regulation (BR18) set out the requirements related to the construction of buildings. The Building Act contains the overall framework for the construction of buildings and BR18 provides further detailed requirements within certain areas, including with respect to energy consumption. insulation, use of buildings, and safety, health and fire considerations. In order to be classified as a low-energy consumption house, the stricter requirements for energy consumption set forth in the voluntary scheme included in chapter 25 of the BR18 must be fulfilled.

When conducting its activities, the Group is also obligated to comply with the Danish Soil Contamination Act in relation to the removal and use of soil. Depending on the level of contamination in the soil, the Danish Soil Contamination Act imposes specific rules on how to process the soil and may, in certain instances, require the removal of soil from the property. In case of identification of soil contamination, the Group is obliged to inform the municipality.

The Danish Museum Act requires builders who come across archeological objects to immediately stop their construction work and inform the Danish Agency for Culture and Palaces (in Danish: "*Slots- og Kulturstyrelsen*"), which may decide if the construction work can continue. To inform themselves of any known archeological finds in the area, builders can contact the nearest museum prior to the commencing construction. The Group usually carries out a preliminary survey (by the local museum) in order to identify the areas where potential discoveries may be located.

Post-construction

Prior to the customer taking possession of a house, the Group will need to apply for an occupancy permit pursuant to the Building Act, which informs the municipality that the construction is finalized. When filing the completion report, documentation of compliance with all the necessary technical requirements must be submitted. If the documentation is correct and adequate, the permit will be given and the customer can move into the building. It is possible to receive a temporary permit from the municipality to use the building completely or partially, despite the construction not being completely finalized. In such case, the construction must be finalized within a given timeframe. The municipality performs random checks of the submitted documentation in 10% of the cases to ensure compliance. In such case they will notify the owner within a month from receiving the permit. According to a statistic published on the Danish Transport, Construction and Housing Authority's webpage for the year 2019, the processing time for an occupancy permits averaged 43 days.

The Group is, furthermore, required to comply with the Danish Building and Housing Register Act (in Danish: "*BBR-loven*") and the Danish Executive Order on the Updating of the Building and Housing Register. This legislation requires registration in the Danish Building and Housing Register (in Danish "*Bygnings- og Boligregisteret (BBR)*") of certain information, including identification of the building, year of construction, location, size, technical conditions, energy supply, use, setup and registered construction projects. The owner of the property is responsible for ensuring timely registration. When the Group sells a property, the responsibility for the accuracy of the information in the register is transferred to the new owner of the said property.

The Group seeks to comply with the above laws, rules and regulations and guides its customers through this process. Generally, when choosing strategic partners and suppliers, these strategic partners and suppliers are required by the Group to comply with applicable laws, rules and regulation. For example, the Group is focused on being proactive and ahead of new requirements, as shown by the construction of its RockZero house, designed in cooperation with Rockwool in 2016, which was built with the view to be classified as a low-energy consumption house and comply with the stricter requirements for energy consumption, which are now covered by the voluntary scheme included in chapter 25 of the BR18.

DGNB certification

In the Group's business-to-business semi-detached segment, some professional investors, such as pension funds, may require projects to be DGNB certified. The criteria on which this certification is based originates from Germany and has been adapted to Danish standards and legislation. This certification can be obtained from the Green Building Council Denmark (the "**DK-GBC**"). In order to obtain a DGNB certification for a particular project, a building or urban area must be evaluated based on certain criteria, including, but not limited to, environmental quality, economic quality, sociocultural and functional quality, technical quality and process quality. Based on this evaluation, the project is awarded a silver, gold or platinum certification. A house builder can also work with the DGNB criteria, using it as a planning tool, without obtaining a certification. As at the date of this Offering Circular, DK-GBC has prepared manuals for urban areas and private building types such as semi-detached houses and tower blocks, and consequently these can be DGNB certified. From time to time, the Group will, based on investor feedback, consider whether it is cost efficient to apply for a DGNB certification for some of its semi-detached projects and expects to be able to market projects in 2021 that will be or become DGNB certified. At this stage, no manual has been prepared for detached houses, however, DK-GBC is working on adapting the criteria to establish a DGNB certification for this specific building type.

Real Estate and Tax Regulations in Denmark

In Denmark, individual customers are not subject to any Danish taxation on capital gains a result of the sale of a house located in Denmark, *provided that* (a) the individual selling a house has in fact used this house as his/her permanent private residence or as a summer house; (b) at the time of sale, the house is still used as a permanent residence or as a summer house; and (c) the plot of land on which the house is built is less than 1,400 square meters. On the other hand, in the event the sale of a house results in a capital loss, the seller will not be able to receive a tax deduction for the amount of such loss.

All house owners, irrespective of whether they are individuals or corporate entities, shall continue to pay land tax (in Danish: "*grundskyldsafgift*") on the value of the plot of land (excluding the house value) to the relevant Danish municipality. In addition, individuals using their house as their primary residence shall also pay property value tax (in Danish: "*ejendomsværdiskat*") to the Danish state. The property value is the value of the house together with the value of the plot of land.

In 2017, a new property valuation act was passed in Denmark which will impact both the level of land tax and property value tax. This act introduces a new real estate tax valuation system and changes the way real estate taxes are calculated to ensure that the underlying real estate valuation, on which the tax is based, is more true and fair. All house owners are expected to receive valuations based on this new real estate tax valuation system from the second half of 2020 until the end of 2022, even though the new system will not fully enter into force until 1 January 2024. For house owners this means that (a) although the municipality where the property is located still has some autonomy in deciding the applicable land tax level, the land tax cannot exceed 0.3 percent of the value of the plot of land; and (b) the yearly property value tax is expected to be 0.55 percent of the property value up to DKK 8.3 million, and 1.4 percent of any property value exceeding DKK 8.3 million.

In October 2020 the Danish government announced a change in the taxation of gains on real property owned by corporate entities. Currently, a gain on real property is taxed when such real property is sold. If real property is owned by a corporate entity the real property can indirectly be sold on a tax free basis by selling the shares of such corporate entity. The announced change in the taxation of real property would result in a mark-to-market taxation of any gain on real property. According to the mark-to-market principle, each year's taxable gain or loss on real property is calculated as the difference between the market value of the real property at the beginning and at the end of the tax year. Thus, taxation will take place on an accrual basis even if such real property has not been disposed of and no gains or losses have been realized. The Danish government has not yet announced any details of its legislative proposal or indicated when it expects this proposal to come into effect.

Internal Compliance Policies

The Group's policies and procedures comply with the current acts and guidelines for best practice, including such areas as business conduct, equal opportunities and anti-corruption; and the Group expects this to be the case also for all its partners and suppliers.

The Group processes personal and sometimes sensitive data regarding suppliers, employees, future employees, building users, sub-contractors and potential sub-contractors and customers who acquire houses from the Group or potential customers who order a product catalogue from the Group's website and, as a result, the Group is subject to the risk of breaching data protection regulations, including the GDPR. The Group has had and continues to have a focus on handling personal data properly and securely training its employees on how to handle personal data in line with the Group's policies and the GDPR.

At the Group, the primary risks of corruption and unethical business conduct are considered to be within the procurement, sales and logistics functions. This is mainly due to the ongoing business activities of these functions, which require close contact with suppliers, customers and other stakeholders. The Group maintains a Code of Conduct and a whistleblower system that provides the Group's employees and business partners with an anonymous channel to report incidents. No breaches to the Group's anti-corruption policies were identified in the year ended 31 December 2019.

Regulation in Sweden

In Sweden, the Group solely produces prefabricated wood-framed houses at VGH's headquarter in Vårgårda, which are primarily sold through an independent network of agents across Sweden and in most instances are finalized on-site by third-party contractors engaged directly by the consumer. In operating its business in Sweden, the Group is generally required to comply with laws related to the sale of products and laws related to agency agreements, including, the Swedish Consumer Contracts Act (in Swedish: "*Konsumentköplagen*"), the Swedish Sale of Goods Act (in Swedish: "*Köplagen*"), the Swedish Product Liability Act (in Swedish: "*Produktansvarslagen*") and the Swedish Commercial Agency Act (in Swedish: "*Lag om handelsagentur*").

Further, the Group generally applies certain Swedish industry standard agreements which include standard conditions that have been negotiated by industry participants and are intended for use within the Swedish building and construction sector. The standard conditions applied by the Group include the AA 12 standard conditions (in Swedish "*Allmänna avtalsvillkor vid köp av monteringsfärdigt husmaterial"*) which are used when the Group enters into a contract with a customer who only purchases the prefabricated wood-framed house and where the subsequent construction works will be carried out by a third-party contractor engaged directly by the customer.

The Group applies the ABS 09 standard conditions (in Swedish "*Allmänna Bestämmelser för småhusentreprenader*") (being replaced by ABS 18) when the Group enters into a full turnkey contract, comprising both the sale of a wood-framed house and related construction works carried out by a sub-contractor engaged by VGH. However, the full turnkey solution is only offered to a limited number of customers in Sweden. When the customer is a consumer the standard conditions are applied together with the Swedish statutory consumer protection rules. When the customer is not a consumer (which represents only a small part of the Group's business in Sweden), the Group applies the ABT 06 standard conditions (in Swedish: "*Allmänna bestämmelser för totalentreprenad*"), which are used for design and construction contracts.

Property, Plant and Equipment

The Company's headquarters are located in Plutovej 3, 8700 Horsens (Denmark). As at 30 September 2020, the Group had 16 offices (all of which include a showroom), ten show parks (which include a total of 39 show houses), 24 standalone show houses and 12 project houses in Denmark. All the Group's show parks include three or more show houses to allow customers to walk from one show house to another; standalone show houses are show houses built on an individual basis on a certain individual plot and project houses are houses built to be quickly sold (which are built mostly in periods where the Group has excess building capacity). The Group also has 126 leased cars for its employees, primarily construction managers.

In Sweden, as at 30 September 2020, the Group operated one factory in Vårgårda (which is leased), 24 sales offices and 2 show houses.

Insurance

The Group maintains insurance of the type and in amounts that it believes are commercially reasonable in line with business practice in the Group's industry. In particular, the Group has insurance policies in place covering risks related to property damage, general and decennial liability, directors and officers (D&O) liability and life.

Legal Proceedings

As of the date of this Offering Circular, the Group is not, and during the previous 12 months has not been, involved in any material governmental, legal or arbitration proceeding which may have or have had in the recent past significant effects on the Group's financial position, other than tax audits undergone in the ordinary course of business.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The selected consolidated financial information set forth below has been derived from the Consolidated Financial Statements and the Consolidated Interim Financial Statements included in this Offering Circular, which have been prepared in accordance with IFRS and IAS 34, respectively.

The Consolidated Financial Statements and the Consolidated Interim Financial Statements included in this Offering Circular have been audited or reviewed, as applicable, by the Group's independent auditors, EY, as stated in their reports appearing therein.

The selected Other Data and Financial Measures as well as the segmental and operating information below has been derived from the Group's regularly maintained records and operating systems. Additionally, certain measures presented herein are not measures of financial performance under IFRS and investors are cautioned not to place undue reliance on these measures. Investors should read the following data together with the Consolidated Financial Statements and the Consolidated Interim Financial Statements, including the notes to those financial statements and the sections in this Offering Circular entitled "Presentation of Financial and Certain Other Information" and "Operating and Financial Review".

Group Income Statement

	For the nine months ended 30 September		For the year ended 31 December
	2020	**2019**	**Represented 2019[(1)]**
		(DKK million)	
Revenue	2,586.1	2,506.3	3,495.9
Cost of sales	(2,048.7)	(2,008.7)	(2,780.4)
Gross Profit	**537.4**	**497.6**	**715.5**
Staff costs	(228.2)	(212.2)	(290.4)
Other external expenses	(81.1)	(67.1)	(99.7)
Other operating income	0.2	0.1	0.9
Operating profit before depreciation and amortization (EBITDA) before special items	**228.3**	**218.4**	**326.2**
Special items[(2)]	(20.1)	(16.7)	(17.5)
Operating profit before depreciation and amortization (EBITDA) after special items	**208.2**	**201.7**	**308.8**
Depreciation and amortization	(38.8)	(25.3)	(37.8)
Operating profit (EBIT)	**169.4**	**176.4**	**270.9**
Financial income	26.0	9.5	14.1
Financial expenses	(54.4)	(41.7)	(64.9)
Profit before tax	**141.0**	**144.2**	**220.1**
Tax on profit	(45.7)	(33.7)	(51.7)
Profit for the period from continuing operations	**95.3**	**110.5**	**168.4**
Profit/(loss) after tax for the period from discontinued operations[(3)]	(28.1)	(50.7)	(168.2)
Profit for the year/period	**67.1**	**59.8**	**0.2**
Profits attributable to:			
Equity owners of the Company	67.1	59.8	0.2

(1) Represented compared to reported Consolidated Financial Statements as at and for the year ended 31 December 2019 to reflect the discontinuation of the German and Swedish brick house activities completed in September 2020, as reflected in the Consolidated Interim Financial Statements included in this Offering Circular, and to be included as represented comparative figures under IFRS 5 in the Company's consolidated financial statements for 2020 to be published in 2021.

(2) Special items comprise costs related to strategical organizational changes, costs in connection with acquisition and vendor due diligence, costs related to the Offering and Admission, insurance compensation, impairment goodwill relating to the German and Swedish business, costs incurred in connection with closing down the brick house business in Sweden and Germany and other special items. See "*—Non-IFRS Financial Measures—APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements—EBITDA before special items and EBITDA after special items*".

(3) Discontinued operations comprise the Group's German and Swedish brick house activities closed down in September 2020.

	For the year ended 31 December		
	2019(1)	**2018(2)**	**2017(2)**
		(DKK million)	
Revenue	3,705.7	3,349.2	3,063.5
Cost of sales	(2,995.7)	(2,637.2)	(2,450.5)
Gross Profit	**710.0**	**712.0**	**613.0**
Staff costs	(316.1)	(316.5)	(257.4)
Other external expenses	(124.2)	(118.0)	(100.3)
Other operating income	0.7	—	0.1
Operating profit before depreciation and amortization (EBITDA) before special items	**270.4**	**277.4**	**255.3**
Special items(3)	(136.6)	(84.6)	(10.9)
Operating profit before depreciation and amortization (EBITDA) after special items	**133.8**	**192.8**	**244.4**
Depreciation and amortization	(47.0)	(19.6)	(28.9)
Operating profit (EBIT)	**86.8**	**173.2**	**215.5**
Financial income	14.1	20.7	6.3
Financial expenses	(73.1)	(67.6)	(62.3)
Profit before tax	**27.8**	**126.3**	**159.6**
Tax on profit	(27.6)	(36.2)	(48.2)
Profit for the year/period	**0.2**	**90.0**	**111.3**
Profits attributable to:			
Equity owners of the Company	0.2	90.0	111.3

(1) A reclassification has been made between revenue and cost of sales compared to the previously published consolidated financial statements for 2019 to align with other information presented.

(2) In accordance with IFRS, not restated for the impact of IFRS 16. For further details on the impact of IFRS 16, please refer to note 1.1 of the Consolidated Financial Statements.

(3) Special items comprise costs related to the restructuring of processes and fundamental structural adjustments, including impairment goodwill relating to the German and Swedish business, costs incurred in connection with closing down the brick house business in Sweden and Germany, strategic organizational changes, costs in connection with acquisition and vendor due diligence and other special items.

Group Balance Sheet

	As at 30 September	As at 31 December		
	2020	2019	2018(1)	2017(1)
		(DKK million)		
Assets				
Non-current assets				
Goodwill	2,027.6	2,027.6	2,112.4	2,123.5
Intangible assets	38.2	53.3	33.3	18.3
Right-of-use assets	97.3	114.5	—	—
Property, plant and equipment	20.7	25.6	56.3	53.6
Deferred tax asset	48.0	43.4	32.3	20.0
Other receivables	—	—	4.8	3.8
Total non-current assets	**2,231.8**	**2,264.2**	**2,239.1**	**2,219.2**
Current assets				
Inventories	424.5	402.9	434.0	450.4
Contracts assets	726.9	687.7	593.9	578.8
Trade and other receivables	166.2	153.1	78.4	131.8
Prepayments	5.5	9.2	5.6	3.5
Receivables from affiliated companies	—	—	—	1.9
Cash and cash equivalents	1,061.3	1,010.8	773.3	513.6
Total current assets	**2,384.4**	**2,263.7**	**1,885.2**	**1,680.0**
Total assets	**4,616.2**	**4,528.0**	**4,124.3**	**3,899.2**
Equity and liabilities				
Equity				
Share capital	14.7	14.7	14.7	14.7
Retained earnings and other reserves	1,830.2	1,762.7	1,762.3	1,673.3
Total equity	**1,844.8**	**1,777.3**	**1,777.0**	**1,688.0**
Liabilities				
Non-current liabilities				
Borrowings	622.1	683.5	790.2	888.8
Lease liabilities	83.3	99.9	21.9	16.8
Provisions	8.0	8.0	5.5	5.1
Deferred tax liability	35.3	19.7	18.7	24.2
Other liabilities	26.0	6.1	—	—
Total non-current liabilities	**774.7**	**817.2**	**836.3**	**934.8**
Current liabilities				
Borrowings	1,075.7	1,010.1	740.5	526.9
Lease liabilities	20.8	21.0	5.6	3.4
Trade and other payables	625.2	674.7	486.2	537.4
Contracts liabilities	86.1	11.5	2.7	11.2
Prepayments from customers	1.4	2.4	0.4	3.5
Provisions	30.8	32.1	21.9	20.3
Income tax payable	69.3	36.2	46.1	47.2
Other liabilities	87.3	145.4	207.5	126.5
Total current liabilities	**1,996.6**	**1,933.4**	**1,510.9**	**1,276.4**
Total liabilities	**2,771.3**	**2,750.6**	**2,347.3**	**2,211.2**
Total equity and liabilities	**4,616.2**	**4,528.0**	**4,124.3**	**3,899.2**

(1) In accordance with IFRS, not restated for the impact of IFRS 16. For further details on the impact of IFRS 16, please refer to note 1.1 of the Consolidated Financial Statements.

Group Statement of Cash Flows

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018[(1)]	2017[(1)]
	(DKK million)				
Cash flow from operating activities					
Profit before tax	112.8	77.4	27.8	126.3	159.6
Changes in working capital	(84.3)	(273.0)	7.1	73.8	(117.4)
Adjustments for non-cash items	85.3	114.9	199.4	68.5	84.2
Interest received	20.5	9.5	14.1	20.7	6.3
Interest paid including interest on lease payments	(58.3)	(54.3)	(67.1)	(62.4)	(57.0)
Borrowing cost paid	—	—	—	—	(4.5)
Corporation tax paid	(1.7)	2.0	(47.0)	(52.1)	(50.7)
Net cash generated from operating activities	**74.3**	**(123.4)**	**134.4**	**174.7**	**20.5**
Cash flow from investing activities					
Acquisition of subsidiaries, net cash acquired	—	—	—	—	(214.6)
Acquisition of assets recognized as intangible assets and property, plant and equipment	(13.3)	(32.3)	(43.5)	(43.6)	(38.7)
Disposal of assets recognized as property, plant and equipment	—	—	—	5.7	—
Net cash generated from investing activities	**(13.3)**	**(32.3)**	**(43.5)**	**(37.9)**	**(253.2)**
Cash flow from financing activities					
Repayment of long-term debt	(57.7)	(51.2)	(102.3)	(103.4)	(107.9)
Proceeds from loans	—	—	7.6	10.2	244.2
Repayment of lease liabilities	(17.1)	(8.0)	(20.6)	—	—
Capital increase	—	—	—	—	41.9
Net cash generated from financing activities	**(74.8)**	**(59.2)**	**(115.3)**	**(93.2)**	**178.3**
Total cash flows	**(13.8)**	**(214.9)**	**(24.4)**	**43.6**	**(54.4)**
Cash and cash equivalents at 1 January	119.6	136.3	136.3	91.2	142.7
Net foreign currency gains or losses	4.5	(0.9)	(2.3)	1.4	2.9
Cash and cash equivalents	**100.3**	**(79.6)**	**109.6**	**136.3**	**91.2**
Cash at bank and on hand	1,061.3	703.8	1,010.8	773.3	513.6
Cash and cash equivalents	**1,061.3**	**703.8**	**1,010.8**	**773.3**	**513.6**
Bank overdrafts	(961.0)	(783.4)	(901.2)	(637.0)	(422.4)
Net cash and cash equivalents	**100.3**	**(79.6)**	**109.6**	**136.3**	**91.2**

(1) In accordance with IFRS, not restated for the impact of IFRS 16. For further details on the impact of IFRS 16, please refer to note 1.1 of the Consolidated Financial Statements.

Non-IFRS Financial Measures

This Offering Circular as well as the Consolidated Financial Statements and the Consolidated Interim Financial Statements include a presentation of certain financial measures that are not measures of performance specifically defined by IFRS and which constitute APMs including as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Such measures are used by management to monitor the underlying performance of the Group and the Company. These measures are unaudited and may not be indicative of historical operating results, nor are such measures meant to be predictive of future results.

For a description and definition of the APMs included in this Offering Circular see "*Presentation of Financial and Certain Other Information—Non-IFRS Measures/Alternative Performance Measures.*"

A reconciliation of the APMs used in this Offering Circular to an appropriate measure calculated in accordance with IFRS is included below as well as certain calculations of margin percentages.

APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements

EBITDA before special items and EBITDA after special items

The following table provides a reconciliation of the Group's EBITDA before special items and EBITDA after special items to profit for the year/period:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(DKK million)				
Operating profit before depreciation and amortization (EBITDA) before special items	**228.3**	**218.4**	**270.4**	**277.4**	**255.3**
Impairment goodwill Germany and Sweden	—	—	80.7	—	—
Cost incurred in connection with closing down of brick houses business in Sweden and Germany[1]	—	—	38.1	43.9	—
Strategic organizational changes[2]	11.2	6.9	6.9	4.4	5.3
Costs in connection with potential acquisitions and vendor due diligence	5.4	9.7	10.6	33.1	4.2
Costs related to the Offering and Admission	33.8	—	—	—	—
Insurance compensation[3]	(33.7)	—	—	—	—
Other special items[4]	3.3	0.1	0.3	3.2	1.4
Total special items	**20.1**	**16.7**	**136.6**	**84.6**	**10.9**
Operating profit before depreciation and amortization (EBITDA) after special items	**208.2**	**201.7**	**133.8**	**192.8**	**244.4**
Depreciation and amortization	(38.8)	(25.3)	(47.0)	(19.6)	(28.9)
Operating profit (EBIT)	**169.4**	**176.4**	**86.8**	**173.2**	**215.5**
Financial income	26.0	9.5	14.1	20.7	6.3
Financial expenses	(54.4)	(41.7)	(73.1)	(67.6)	(62.3)
Profit before tax	**141.0**	**144.2**	**27.8**	**126.3**	**159.6**
Tax on profit	(45.7)	(33.7)	(27.6)	(36.2)	(48.2)
Profit for the period from continuing operations	**95.3**	**110.5**	**n.a**	**n.a**	**n.a**
Profit/(loss) after tax for the period from discontinued operations	(28.1)	(50.7)	n.a	n.a	n.a
Profit for the year/period	**67.1**	**59.8**	**0.2**	**90.0**	**111.3**

(1) In 2019, such costs include (i) operational losses related to the delivery of previously contracted houses, (ii) costs related to the termination of lease agreements for existing offices, (iii) salary costs for staff made redundant and (iv) a write down on loss of trade receivables. In 2018, such costs include (i) one-off costs due to commitments entered into by German management beyond delegated authority, (ii) legal fees, (iii) restructuring, settlement and headhunting costs, (iv) administrative expenses and (v) over-capacity employees.

(2) In 2019, strategic organizational changes include costs incurred in connection with the preparation of a strategic business plan for the Group's German business. In 2018, strategic organizational changes include costs incurred in connection with the termination of managerial contracts in connection with the closure of the Group's German and Swedish brick house activities.

(3) In the nine months ended 30 September 2020, insurance compensation includes outstanding insurance premia reimbursed to the Group as a result of the bankruptcy of the insurance company Qudos, which was providing insurance to the Group in connection with 5,536 houses delivered by the Group between 2013 and 2018.

(4) Other special items include bonus payments made to former executives of the Group.

Gross profit margin

The following table presents the calculation of this measure:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
	(DKK million, except %)				
Gross profit	537.4	497.6	**710.0**	**712.0**	**613.0**
Divided by: Revenue	2,586.1	2,506.3	3,705.7	3,349.2	3,063.5
Gross profit margin	**20.8%**	**19.9%**	**19.2%**	**21.3%**	**20.0%**

EBITDA before special items margin and EBITDA after special items margin

The following tables present the calculation of these measures:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
	(DKK million, except %)				
Operating profit before depreciation and amortization (EBITDA) before special items(1)	**228.3**	**218.4**	**270.4**	**277.4**	**255.3**
Divided by: Revenue	2,586.1	2,506.3	3,705.7	3,349.2	3,063.5
EBITDA before special items margin	**8.8%**	**8.7%**	**7.3%**	**8.3%**	**8.3%**

(1) For a reconciliation of EBITDA before special items to profit for the year/period, see "*—EBITDA before special items and EBITDA after special items*" above.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
	(DKK million, except %)				
Operating profit before depreciation and amortization (EBITDA) after special items(1)	**208.2**	**201.7**	**133.8**	**192.8**	**244.4**
Divided by: Revenue	2,586.1	2,506.3	3,705.7	3,349.2	3,063.5
EBITDA after special items margin	**8.1%**	**8.0%**	**3.6%**	**5.8%**	**8.0%**

(1) For a reconciliation of EBITDA after special items to profit for the year/period, see "*—EBITDA before special items and EBITDA after special items*" above.

Income statement APMs included in the Offering Circular

EBITA before special items and EBITA after special items

The following tables provides a reconciliation of the Group's EBITA before special items and EBITA after special items to EBITDA before special items and EBITDA after special items, respectively:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
	(DKK million)				
Operating profit before depreciation and amortization (EBITDA) before special items(1)	**228.3**	**218.4**	**270.4**	**277.4**	**255.3**
Less: Depreciation	22.5	22.5	38.7	15.3	11.4
Operating profit before amortization (EBITA) before special items	**205.8**	**195.9**	**231.7**	**262.1**	**243.9**

(1) For a reconciliation of EBITDA before special items to profit for the year/period, see "*—EBITDA before special items and EBITDA after special items*" above.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(DKK million)				
Operating profit before depreciation and amortization (EBITDA) after special items(1)	**208.2**	**201.7**	**133.8**	**192.8**	**244.4**
Less: Depreciation	22.5	22.5	38.7	15.3	11.4
Operating profit before amortization (EBITA) after special items	**185.7**	**179.2**	**95.1**	**177.5**	**233.0**

(1) For a reconciliation of EBITDA after special items to profit for the year/period, see "*—EBITDA before special items and EBITDA after special items*" above.

EBITA before special items margin and EBITA after special items margin

The following tables present the calculation of these measures:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(DKK million, except %)				
Operating profit before amortization (EBITA) before special items(1)	**205.8**	**195.9**	**231.7**	**262.1**	**243.9**
Divided by: Revenue	2,586.1	2,506.3	3,705.7	3,349.2	3,063.5
EBITA before special items margin	**8.0%**	**7.8%**	**6.3%**	**7.8%**	**8.0%**

(1) For a reconciliation of EBITA before special items to EBITDA before special items, see "*—EBITA before special items and EBITA after special items*" above.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(DKK million, except %)				
Operating profit before amortization (EBITA) after special items(1)	**185.7**	**179.2**	**95.1**	**177.5**	**233.0**
Divided by: Revenue	2,586.1	2,506.3	3,705.7	3,349.2	3,063.5
EBITA after special items margin	**7.1%**	**7.1%**	**2.6%**	**5.3%**	**7.6%**

(1) For a reconciliation of EBITA after special items to EBITDA after special items, see "*—EBITA before special items and EBITA after special items*" above.

APMs related to net debt, invested capital and solvency as well as cash included in the Offering Circular

Net debt

The following table presents the calculation of this measure:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(DKK million)				
Non-current borrowings	622.1	—	683.5	790.2	888.8
Non-current lease liabilities	83.3	105.2	99.9	21.9	16.8
Short-term borrowings	1,075.7	1,621.5	1,010.1	740.5	527.0
Short-term lease liabilities	20.8	22.1	21.0	5.6	3.4
Cash and cash equivalents	(1,061.3)	(703.8)	(1,010.8)	(773.3)	(513.6)
Cash and short-term deposits in restricted accounts	116.5	45.8	27.7	21.6	13.2
Net debt(1)	**857.1**	**1,090.8**	**831.4**	**806.5**	**935.6**

(1) Net debt in the year ended 31 December 2019 includes lease liabilities of DKK 99.4 million recognized as a result of the implementation of IFRS 16.

Invested capital

The following table presents the calculation of this measure:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
			(DKK million)		
Total equity	1,844.8	1,835.9	1,777.3	1,777.0	1,688.0
Net debt[(1)]	857.1	1,090.8	831.4	806.5	935.6
Less: Goodwill and other intangible assets	2,065.8	2,126.1	2,080.9	2,145.7	2,141.8
Invested capital	**636.6**	**800.6**	**527.9**	**437.8**	**481.8**

(1) For the calculation of net debt, see "—*Net debt*" above.

ROIC

The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	2018	2017
	(DKK million, except %)		
Operating profit (EBIT) before special items[(1)]	223.4	257.8	226.5
Divided by: Invested capital[(2)]	527.9	437.8	481.8
ROIC (average)	**42.3%**	**58.9%**	**47.0%**

(1) For a reconciliation of operating profit (EBIT) before special items to operating profit (EBIT), see "—*ROIC excluding discontinued operations*" below.

(2) For the calculation of invested capital, see "—*Invested capital*" above.

Free cash flow (before financing and tax)

The following table presents the calculation of this measure:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
			(DKK million)		
Operating profit (EBITDA) before special items[(1)]	228.3	218.4	270.4	277.4	255.3
Less: Change in net working capital	84.3	273.0	7.1	73.8	117.4
Less: Capital expenditures, net	13.3	32.3	43.5	37.9	38.7
Free cash flow (before financing and tax)	**130.7**	**(86.9)**	**219.8**	**165.7**	**99.2**

(1) For a reconciliation of EBITDA before special items to profit for the year/period, see "—*EBITDA before special items and EBITDA after special items*" above.

Cash conversion (before financing and tax)

The following table presents the calculation of this measure:

	As at 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
			(DKK million, except %)		
Free cash flow (before financing and tax)[(1)]	130.7	(86.9)	219.8	165.7	99.2
Divided by: Operating profit (EBITDA) before special items[(2)]	228.3	218.4	270.4	277.4	255.3
Cash conversion (average)	**57.2%**	**(39.8)%**	**81.3%**	**59.7%**	**38.9%**

(1) For the calculation of free cash flow, see "—*Free cash flow (before financing and tax)*" above.

(2) For a reconciliation of EBITDA before special items to profit for the year/period, see "—*EBITDA before special items and EBITDA after special items*" above.

APMs excluding discontinued operations included in the Offering Circular

Revenue excluding discontinued operations

The following table provides a reconciliation of the Group's Revenue excluding discontinued operations in respect of the closure of the German and Swedish brick house activities in 2020 to total revenue:

	For the year ended 31 December		
	2019	**2018**	**2017**
		(DKK million)	
Revenue	**3,705.7**	**3,349.2**	**3,063.5**
Less: Revenue from the Group's discontinued operations	209.8	254.3	247.9
Swedish brick house activities	*109.6*	*119.3*	*98.5*
German business	*100.2*	*135.0*	*149.4*
Revenue excluding discontinued operations	**3,495.9**	**3,094.9**	**2,815.6**

EBITDA excluding discontinued operations and before special items and EBITDA excluding discontinued operations and before special items margin

The following table provides a reconciliation of the Group's EBITDA excluding discontinued operations in respect of the closure of the German and Swedish brick house activities in 2020 and before special items to EBITDA before special items as well as the calculation of EBITDA excluding discontinued operations and before special items margin:

	For the year ended 31 December		
	2019	**2018**	**2017**
		(DKK million, except %)	
Operating profit before depreciation and amortization (EBITDA) before special items(1)	**270.4**	**277.4**	**255.3**
Less: EBITDA before special items from the Group's discontinued operations	(55.8)	(29.5)	(21.0)
EBITDA excluding discontinued operations and before special items	**326.2**	**306.9**	**276.3**
Divided by: Revenue excluding discontinued operations(2)	3,495.9	3,094.9	2,815.6
EBITDA excluding discontinued operations and before special items margin	**9.3%**	**9.9%**	**9.8%**

(1) For a reconciliation of EBITDA before special items to profit for the year/period, see "*—EBITDA before special items and EBITDA after special items*" above.

(2) For a reconciliation of revenue excluding discontinued operations to revenue, see "*—Revenue excluding discontinued operations*" above.

EBITA excluding discontinued operations and before special items and EBITA excluding discontinued operations and before special items margin

The following table provides a reconciliation of the Group's EBITA excluding discontinued operations in respect of the closure of the German and Swedish brick house activities in 2020 and before special items to EBITA before special items as well as the calculation of EBITA excluding discontinued operations and before special items margin:

	For the year ended 31 December		
	2019	**2018**	**2017**
	(DKK million, except %)		
Operating profit before amortization (EBITA) before special items[(1)]	**231.7**	**262.1**	**243.9**
Less: EBITA before special items from the Group's discontinued operations	(65.0)	(32.6)	(23.2)
EBITA excluding discontinued operations and before special items	**296.7**	**294.7**	**267.1**
Divided by: Revenue excluding discontinued operations[(2)]	3,495.9	3,094.9	2,815.6
EBITA excluding discontinued operations and before special items margin	**8.5%**	**9.5%**	**9.5%**

(1) For a reconciliation of EBITA before special items to EBITDA before special items, see "*—EBITA before special items and EBITA after special items*" above.

(2) For a reconciliation of revenue excluding discontinued operations to revenue, see "*—Revenue excluding discontinued operations*" above.

EBIT excluding discontinued operations and before special items and EBIT excluding discontinued operations and before special items margin

The following table provides a reconciliation of the Group's EBIT before special items and excluding discontinued operations in respect of the closure of the German and Swedish brick house activities in 2020 to EBIT before special items as well as the calculation of EBIT excluding discontinued operations and before special items margin:

	For the year ended 31 December		
	2019	**2018**	**2017**
	(DKK million, except %)		
Operating profit (EBIT) before special items[(1)]	**223.4**	**257.8**	**226.5**
Less: EBIT before special items from the Group's discontinued operations	65.0	32.6	23.2
EBIT excluding discontinued operations and before special items	**288.4**	**290.4**	**249.8**
Divided by: Revenue excluding discontinued operations[(2)]	3,495.9	3,094.9	2,815.6
EBIT excluding discontinued operations and before special items margin	**8.2%**	**9.4%**	**8.9%**

(1) For a reconciliation of operating profit (EBIT) before special items to operating profit (EBIT), see "*—ROIC excluding discontinued operations*" below.

(2) For a reconciliation of revenue excluding discontinued operations to revenue, see "*—Revenue excluding discontinued operations*" above.

Gross profit excluding discontinued operations and gross profit excluding discontinued operations margin

The following table provides a reconciliation of the Group's gross profit excluding discontinued operations in respect of the closure of the German and Swedish brick house activities in 2020 to gross profit as well as the calculation of gross profit excluding discontinued operations margin:

	For the year ended 31 December		
	2019	**2018**	**2017**
		(DKK million, except %)	
Gross profit	**710.0**	**712.0**	**613.0**
Less: Gross profit from the Group's discontinued operations	5.5	41.0	37.4
Gross profit excluding discontinued operations	**715.5**	**670.9**	**575.6**
Divided by: Revenue excluding discontinued operations[1]	3,495.9	3,094.9	2,815.6
Gross profit excluding discontinued operations margin	**20.5%**	**21.7%**	**20.4%**

(1) For a reconciliation of revenue excluding discontinued operations to revenue, see "*—Revenue excluding discontinued operations*" above.

Capital expenditures excluding discontinued operations, net

The following table provides a reconciliation of the Group's capital expenditures excluding discontinued operations, net in respect of the closure of the German and Swedish brick house activities in 2020 to capital expenditures, net:

	For the year ended 31 December		
	2019	**2018**	**2017**
		(DKK million)	
Capital expenditures, net	**43.5**	**37.9**	**38.7**
Less: capital expenditures from the Group's discontinued operations	(2.1)	(4.0)	(4.7)
Capital expenditures excluding discontinued operations, net	**41.4**	**33.9**	**34.0**

Free cash flow excluding discontinued operations

The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	**2018**	**2017**
		(DKK million)	
EBITDA excluding discontinued operations and before special items[1]	326.2	306.9	276.3
Change in Net Working Capital excluding discontinued operations[2]	(47.8)	101.8	(116.6)
Capital expenditures excluding discontinued operations, net[3]	(41.4)	(33.9)	(34.0)
Free cash flow excluding discontinued operations	**237.0**	**374.8**	**126.3**

(1) For a reconciliation of EBITDA excluding discontinued operations and before special items to EBITDA before special items, see "*—EBITDA excluding discontinued operations and before special items and EBITDA excluding discontinued operations and before special items margin*" above.

(2) The following table presents the reconciliation of the Group's net working capital excluding discontinued operations in respect of the closure of the German and Swedish brick house activities in 2020 to net working capital:

	As at and for the year ended 31 December		
	2019	2018	2017
	(DKK million)		
Inventories	402.9	434.0	450.3
Contract assets	676.2	591.1	567.7
Trade receivables and other receivables	162.3	88.8	141.0
Trade payables and other payables	(674.7)	(486.2)	(537.4)
Other liabilities	(153.9)	(207.8)	(127.9)
Reported Net Working Capital	**412.8**	**419.9**	**493.7**
Of which related to the Group´s German business and Swedish brick house activities that were discontinued in the nine months ended 30 September 2020			
Inventories	(45.5)	(43.9)	(31.4)
Contract assets	(41.8)	(66.7)	(68.0)
Trade receivables and other receivables	(24.7)	(22.3)	(46.7)
Trade payables and other payables	56.3	22.5	37.9
Other liabilities	33.2	33.0	58.9
Net Working Capital excluding discontinued operations	**390.3**	**342.5**	**444.3**
Change in Net Working Capital excluding discontinued operations	**(47.8)**	**101.8**	**(116.6)**

(3) For the calculation of capital expenditures excluding discontinued operations, net, see "*—Capital expenditures excluding discontinued operations, net*" above.

Cash conversion (before financing and tax) excluding discontinued operations

The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	2018	2017
	(DKK million, except %)		
Free cash flow excluding discontinued operations(1)	237.0	374.8	126.3
Divided by: EBITDA excluding discontinued operations and before special items(2)	326.2	306.9	276.3
Cash conversion excluding discontinued operations (average)	**73%**	**122%**	**46%**

(1) For the calculation of free cash flow excluding discontinued operations, see "*—Free cash flow excluding discontinued operations*" above.

(2) For a reconciliation of EBITDA excluding discontinued operations and before special items to EBITDA before special items, see "*—EBITDA excluding discontinued operations and before special items and EBITDA excluding discontinued operations and before special items margin*" above.

ROIC excluding discontinued operations

The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	2018	2017
	(DKK million, except %)		
EBIT excluding discontinued operations and before special items (excluding effects of IFRS 16)(1)	286.5	290.4	249.8
Divided by: Invested capital (excluding the effects of IFRS 16)(2)	434.1	437.8	481.8
ROIC excluding discontinued operations (average)	**66.0%**	**66.3%**	**51.8%**

(1) The following table presents the reconciliation of the Group's EBIT excluding discontinued operations and before special items (excluding effects of IFRS 16) to operating profit (EBIT):

	For the year ended 31 December		
	2019	2018	2017
		(DKK millions)	
Operating profit (EBIT)	86.8	173.2	215.5
Reversal of special items	136.6	84.6	10.9
EBIT before special items	**223.4**	**257.8**	**226.5**
Of which related to the Group's German business and Swedish brick house activities that were discontinued in the nine months ended 30 September 2020:			
Operating profit (EBIT)	184.2	77.2	23.8
Reversal of special items	(119.1)	(44.6)	(0.5)
EBIT before special items excluding discontinued operations	**288.4**	**290.4**	**249.8**
Reversal of depreciation and impairment loss on right-of-use assets recognized under IFRS 16 but not under IAS 17 for continued business	16.1	—	—
Lease expenses on operating leases under IAS 16 for continued operations	(18.0)	—	—
EBIT excluding discontinued operations and before special items (excluding effects of IFRS 16)	**286.5**	**290.4**	**249.8**

(2) The following table presents the calculation of invested capital (excluding effects of IFRS 16):

	For the year ended 31 December		
	2019	2018	2017
		(DKK million)	
Total equity less difference between right-of-use assets and related lease liabilities recognized at year end due to IFRS 16 implementation[(a)]	1,783.0	1,777.0	1,688.0
Net debt excluding lease liabilities recognized following IFRS 16 implementation[(b)]	732.0	806.5	935.6
Goodwill (excluding effects of IFRS 16)[(c)]	2,080.9	2,145.7	2,141.8
Invested capital (excluding effects of IFRS 16)	**434.1**	**437.8**	**481.8**

(a) The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	2018	2017
		(DKK millions)	
Total reported equity	1,777.3	1,777.0	1,688.0
Difference between right-of-use assets and related lease liabilities recognized at year end due to IFRS 16 implementation	(5.6)	—	—
Total equity less difference between right-of-use assets and related lease liabilities recognized at year end due to IFRS 16 implementation	**1,783.0**	**1,777.0**	**1,688.0**

(b) The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	2018	2017
		(DKK millions)	
Non-current borrowings	683.5	790.2	888.8
Non-current lease liabilities	99.9	21.9	16.8
Short-term borrowings	1,010.1	740.5	527.0
Short-term lease liabilities	21.0	5.6	3.4
Cash and cash equivalents	(1,010.8)	(773.3)	(513.6)
Cash and short-term deposits in restricted accounts	27.7	21.6	13.2
Reported net debt	**831.4**	**806.5**	**935.6**
Of which relates to lease liabilities recognized following the implementation of IFRS 16 as of 1 January 2019:			
Lease liabilities	(99.4)	—	—
Net debt excluding lease liabilities recognized following IFRS 16 implementation	**732.0**	**806.5**	**935.6**

(c) The following table presents the calculation of this measure:

	For the year ended 31 December		
	2019	2018	2017
		(DKK millions)	
Goodwill	2,027.6	2,112.4	2,123.5
Other intangible assets	53.3	33.3	18.3
Total goodwill and other intangible assets	**2,080.9**	**2,145.7**	**2,141.8**

Key Performance Indicators

The table below shows the Group's key performance indicators as at and for the nine months ended 30 September 2020 and 2019 and as at and for the years ended 31 December 2019, 2018 and 2017.

	As at and for the nine months ended 30 September		As at and for the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
Sales (# of houses)(1)(2)	1,392	1,275	1,700	1,580	1,522
Detached (Denmark)	*1,039*	*1,071*	*1,425*	*1,286*	*1,256*
Semi-detached (Denmark)	*178*	*78*	*87*	*117*	*106*
Sweden(2)	*175*	*126*	*188*	*177*	*160*
Deliveries (# of houses)(1)(2)	1,101	999	1,565	1,541	1,430
Detached (Denmark)	*882*	*845*	*1,325*	*1,218*	*1,228*
Semi-detached (Denmark)	*79*	*36*	*75*	*122*	*42*
Sweden(2)	*140*	*118*	*165*	*201*	*160*
Order backlog (DKK million)(1)	2,684	2,540	2,312	2,011	1,913
Share of own land projects (%)(1)(3)	22.0%	14.3%	17.0%	25.1%	16.9%
Share of own land projects (detached) (%)(1)(4)	*17.5%*	*11.7%*	*14.4%*	*18.9%*	*14.5%*
Share of own land projects (semi-detached) (%)(1)(5)	*72.2%*	*75.0%*	*62.7%*	*87.7%*	*85.7%*

(1) For the definitions of sales, deliveries, order backlog, share of own land projects, share of own land projects (detached) and share of own land projects (semi-detached), which are key performance indicators of the Group, see "*Presentation of Financial and Certain Other Information—Key Performance Indicators.*"

(2) Excludes German and Swedish brick house activities which are treated as discontinued operations for the nine months ended 30 September 2020 and 2019. Deliveries related to the Group's German discontinued operations totaled 61 and 43 for the nine months ended 30 September 2020 and 2019, respectively, and 63, 86 and 101 for the years ended 31 December 2019, 2018 and 2017, respectively. Deliveries related to the Group's Swedish brick house discontinued operations totaled 23 and 42 for the nine months ended 30 September 2020 and 2019, respectively, and 68, 54 and 39 for the years ended 31 December 2019, 2018 and 2017, respectively.

(3) Only includes houses delivered in Denmark.

(4) Only includes detached houses delivered in Denmark.

(5) Only includes semi-detached houses delivered in Denmark.

OPERATING AND FINANCIAL REVIEW

The following is a discussion of the Group's financial condition and results of operations as at and for the nine months ended 30 September 2020 and 2019 and as at and for the years ended 31 December 2019, 2018 and 2017.

The Consolidated Financial Statements and the Consolidated Interim Financial Statements included in this Offering Circular have been prepared in accordance with IFRS and IAS 34, respectively, and have been audited or reviewed, as applicable, by the Group's independent auditors, EY, as stated in their reports appearing therein. The Consolidated Financial Statements have been prepared based on previously approved and published consolidated financial statements as reflected in the Company's annual reports for 2019 dated 3 June 2020, 2018 dated 14 May 2019 and 2017 dated 30 May 2018, respectively. In preparing and reporting the comparative figures for 2018 and 2017 in the Consolidated Financial Statements certain reclassifications have been made compared to the previously published financial statements for 2018 and 2017 in order to align them with the presentation and classification applied in the Consolidated Financial Statements for 2019. In addition, compared to the previously published consolidated financial statements for 2019, a reclassification has been made between revenue and cost of sales for the year ended 31 December 2019 in the Consolidated Financial Statements to align with other information presented. Further, compared to the previously published consolidated financial statements for 2019, 2018 and 2017, not previously required segment information and disclosures according to IFRS 8 "Operating Segments" have been included in the Consolidated Financial Statements.

You should read the following operating and financial review of the Group on a combined basis in conjunction with the sections entitled "Selected Historical Consolidated Financial and Operating Information", "Presentation of Financial and Certain Other Information" as well as the Consolidated Financial Statements and the Consolidated Interim Financial Statements and the related notes included elsewhere in this Offering Circular. This discussion may contain forward-looking statements, which are subject to risks and uncertainties, including, but not limited to, certain risks described in the "Risk Factors" section of this Offering Circular. Actual results could differ materially from those expressed or implied in any forward-looking statements. See the section entitled "Special Notice Regarding Forward-Looking Statements" in this Offering Circular.

Overview

The Group is a leading provider of single-family detached houses in Denmark. The Group's core activity is the design, sale and delivery of customizable high-quality detached houses in Denmark to consumers predominantly built on-site on third-party (customer-owned) land. The Group also designs, sells and delivers semi-detached houses in Denmark to consumers, predominantly on land it owns, and since January 2020 to professional investors, both on land it owns and on land owned by such investors. Investors in the semi-detached business-to-business segment often lease or sell the houses to end-users. The Group is also present in Sweden, where it produces prefabricated wood-framed detached houses in its factory, which are finalized on-site and such sales are, in most cases, facilitated by third-party sales agents.

In its core market segment for detached houses in Denmark, which accounted for 82.6% and 83.9% of the Group's revenue for the nine months ended 30 September 2020 and year ended 31 December 2019, respectively (88.4% and 88.9% of the Group's revenue excluding discontinued operations for the nine months ended 30 September 2020 and year ended 31 December 2019, respectively), the Group has a customer-centric consumer concept which seeks to guide customers towards their dream house. The Group is committed to optimizing its customers' purchasing experience, such as through the provision of attractive customer terms, including the setting of a fixed price at the time of sale (subject to adjustment only upon modifications in the scope of the project) and payment-at-delivery (which is made feasible through mainly the use of bank guarantees or, alternatively, the deposit of the full purchase price in a Group account). The Group maintains an asset-light and flexible delivery model while managing all the stages of the sales and building process, for which it enters into agreements with suppliers and sub-contractors who conduct the building works on-site. The Group offers customers an end-to-end housing solution, from showcasing houses through sales offices with show rooms that provide a broad selection of "touch-and-feel" materials, show parks and digital tools, to guiding customers through house selection based on the Group's portfolio of standardized design types with significant customization options and providing financing guidance, through building and the provision of after-sale services (including inspections and add-on sales). In Denmark, the Group retains control over all critical decisions in the building process, while using sub-contractors for the completion of construction allowing it to maintain a highly scalable and asset light business model with a flexible cost base built on the standardization of its operations. In Sweden, the Group's involvement is limited to the production, sale and delivery of the prefabricated house to the customer. The Group delivered a total of 1,565 houses in 2019 (1,696 including deliveries from discontinued operations) and 1,101 houses in the first nine months of 2020.

The Group operates through its HusCompagniet brand in Denmark and its VårgårdaHus brand in Sweden. The Group's current reporting segments as presented in the Consolidated Interim Financial Statements are classified as follows (i) Detached (Denmark), (ii) Semi-detached (Denmark) and (iii) Sweden. During 2020, the Group closed down its German and Swedish brick house activities. In accordance with IFRS 5, the activities have in the Consolidated Interim Financial Statements been treated as discontinued operations. Accordingly, the net results of these activities are for the nine-months ended 30 September 2020 and 2019, respectively, presented separately in one line in the income statement as a net amount. As these activities were not discontinued in the period from 2017 to 2019, they have, in accordance with IFRS, not been presented and reported as discontinued operations in the Consolidated Financial Statements covering the period from 2017 to 2019. In the Consolidated Financial Statements, the Group's reporting segments were as follows: Denmark (Detached houses), Denmark (Semi-detached houses), Sweden (Wooden houses), Sweden (Brick houses) (treated as discontinued operations from 2020) and Germany (treated as discontinued operations from 2020). See "*—Principal Factors Affecting Comparability of the Group's Business and Results of Operations—Discontinued Operations*."

Principal Factors Affecting the Group's Business and Results of Operations

The following factors have affected, and will continue to affect, the Group's business and results of operations.

Macroeconomic and Market Conditions

The Group's operating results are influenced by macroeconomic factors and conditions affecting the residential real estate sector in Denmark, as well as in Sweden; such as the COVID-19 pandemic, see "*—Effects of the COVID-19 Pandemic*" below. The housing markets and the housebuilding industry are affected by changes in general economic conditions in Denmark and Sweden (which are, in turn, influenced by conditions elsewhere in Europe (in particular, the Eurozone) and more globally). Economic conditions that are particularly relevant to the Group's business include levels of interest rates, unemployment, wage growth, asset values (including real estate and housing price levels), Gross Domestic Product growth, inflation or deflation, household debt, real disposable income, taxation, currency exchange rates, customer confidence and related willingness for engagement in economic activity or political action. For example, higher wages resulting in higher available income per household may result in increased investment levels, including for investment in real estate assets. The Group believes that, in recent years, it has benefited from a resilient macroeconomic backdrop in Denmark and Sweden, characterized in particular by stable GDP growth and low levels of government debt and unemployment.

Additionally, real estate and housing prices in Denmark and Sweden specifically, including the volatility of such prices, as well as the availability of suitable land for building, have a direct bearing on the affordability and attractiveness of such assets and therefore on demand for the Group's houses.

The success of the Group's business is closely linked to levels of customer confidence and employment. Increases or decreases in customer confidence or employment levels, whether caused by political or economic conditions could increase or decrease, respectively, demand for new houses, lower sales prices and rent prices in the Danish and Swedish residential property markets.

Availability and Affordability of Mortgages

The availability and affordability of mortgage credit are key drivers of demand for new houses. The Group is dependent on appropriate availability and affordability of mortgages due to the impact it has on the ability of many customers to buy a new house, including those offered by the Group.

Unlike mortgage lending in many other jurisdictions, in Denmark, individual mortgages are funded through the issuance of corresponding mortgage bonds to investors. Specifically, this means that mortgage banks fund mortgage loans for customers by selling mortgage bonds with matching characteristics to mortgage bond investors and the mortgage loan type, repayment profile, term and currency determine which mortgage bonds the mortgage bank sells. The vast majority of mortgage lending in Denmark applies this approach even though Danish mortgage banks are not currently legally obliged to do so. The Danish mortgage model has historically operated in a way so as to ensure that borrowers have low and transparent loan rates as well as fair and transparent prepayment terms, while mitigating default risk for investors who buy these underlying bonds.

While access to residential mortgage lending in Denmark and Sweden has in general been negatively impacted since the global financial crisis in 2007 due to a number of factors, including the exit of a number of providers from the Danish and Swedish market, and stricter underwriting standards, interest rates have remained low in recent years and, in general, when mortgages are more affordable as a result of low interest rates, customers tend to be encouraged to obtain financing and purchase houses. The prevalence of low interest rates has therefore buttressed demand, although any future increases in interest rates could negatively affect the affordability and demand for mortgages and, consequently, the Danish or Swedish property markets and demand for houses, including those offered by the Group. New regulations were put in place in 2018 that restricted households to borrow up to four times their household income if a down payment of 5% is provided and 5 times their household income if a down payment of 10% is provided. Even with the imposed credit restriction the Danish mortgage model allows a high degree of leverage to home buyers. The typical home buyer financing structure consists of a mortgage of up to 80%, a 10–15% bank loan and a 5–10% minimum down payment.

The Group is also impacted by the availability of products and providers of mortgage financing. Interest rates are expected to continue to remain low as a result of monetary policies adopted in response to the COVID-19 pandemic, but potential inflationary pressure could lead to general unpredictability with respect to the policy framework. Additionally, as a result of the COVID-19 pandemic, mortgage lenders have taken certain actions which have the effect of limiting access to mortgages; see "—*Effects of the COVID-19 Pandemic*" below.

Political actions impacting the Danish and Swedish real estate and housing markets may have a significant effect on the Group's operations. Certain Danish legislation has historically stimulated the residential housing market and continued to make mortgage lending more accessible. For instance, in 2003, a new type of lending was introduced which allowed the borrower to pay only interest and fees for the first ten years of the mortgage. Generally, costs related to amortizing such mortgages with an interest-only period are higher than mortgages where principal is paid for the full term. In addition, fiscal action in particular may play an important part in the Danish mortgage markets with various other policy reforms having impacted the Group's results during the periods under review.

However, since 2018, households in Denmark have been restricted to borrowing up to four times the household's income before tax if the initial down payment on the house equals 5% of the purchase price and up to five times for an initial down payment of 10%. Moreover, in certain major cities in Denmark, a mortgage provider evaluates all other outstanding debt of such household in making an assessment of the total amount of debt such household can incur (in addition to the debt it already has). Additionally, certain favorable loan types (such as interest-only or variable interest rate loans) are also restricted in these areas. Outside these growth areas the mortgage provider is free to assess what debt level is acceptable for a specific household. This may vary depending on a number of factors, including education, type of employment, size of the family or living area, among others. Additionally, as a result of the COVID-19 pandemic, certain financial institutions are requiring increased initial down payments thereby creating a more difficult environment for borrowers. See "—*Effects of the COVID-19 Pandemic*" below.

In Sweden, mandatory mortgage amortization rules were introduced in 2016, followed by further restrictions in early 2018, requiring households with a loan-to-income ratio of more than 4.5 to amortize at least 1% of their debt in addition to their current amortization requirements. These measures resulted in a tighter lending environment that caused the semi-detached and detached market segments to grow at a slower pace than in previous years. However, the overall lending environment is considered favorable.

Demographic Trends

The number of newly built houses is positively correlated with overall population growth, creating a constant need for new housing.

According to management estimates, the population in Denmark is expected to grow at a CAGR of 4% from 2019 to 2024, driven by a mixture of both domestic population growth and immigration. Additionally, population flows between urban and rural areas impact the residential construction market as the distribution of new build types varies significantly by area. For example, while in densely populated urban areas apartments are the most popular building type, in suburbs, large towns and rural areas, customers' preference shifts towards the detached and semi-detached building types. A higher concentration of 31 to 55 year olds (the typical age group of owners of newly built semi-detached and detached houses) in large towns, suburbs, and rural areas as they move out from Copenhagen and Aarhus, benefits the Group as it increases the demand for new residential housing, primarily detached and semi-detached, in those areas. According to management analysis, urbanization in Denmark has slowed in the last five years, with fewer people aged between 18 and 30 moving to major cities and more people aged between 31 and 55, increasingly leaving for suburbs and rural areas, increasing the demand for new residential housing in those areas. Furthermore, according to management analysis, many of these areas have low vacancy rates, indicating a sustained demand for detached housing exceeding supply, driving the detached and semi-detached new build market segments. Detached house vacancy rates in the ten Danish municipalities with the highest inflow rate of people aged between 31 and 55 declined by 0.2 ppt from 3.0% in 2010 to 2.8% in 2019. The declined is more pronounced when looking at the semi-detached market segment where vacancy rates in these municipalities declined by 0.9 ppt from 3.9% in 2010 to 3.0% in 2019.

In Sweden, the population is expected to grow slowly but steadily at approximately 0.6% per annum, driven primarily by immigration growth. Steady population growth will create a sustained demand for housing as existing houses will not be able to accommodate the growing population. Similarly, suburbs and rural areas are experiencing increased demand for housing, primarily from people aged between 31 and 55, that move out of Stockholm, Gothenburg and Malmo, benefitting the Group's detached and semi-detached focus markets.

Age and Quality of Existing Housing

In Denmark, houses built in the 60s and early 70s are among the least attractive to live in from the perspective of energy costs, maintenance costs and customer preferences according to management analysis. For example, according to management analysis, an average size house built between 1960 and 1976 would consume seven times more energy and incur 80 times higher annual routine maintenance costs than an average size house built by the Group in 2020. Due to the construction boom that took place in those decades, these houses constitute a housing stock of approximately 250,000 detached houses that, subject to a viability analysis, could be suitable for teardown rather than renovation. Teardown makes economic sense in cases where the resale value exceeds the total costs, which is primarily driven by the value of the plot: the higher the plot value, the more likely it is that tearing down the house is a safe investment.

According to management estimates, of the 250,000 detached houses built in the 60s and 70s, approximately 12,000 present a clear teardown and rebuild case with another 80,000 potentially being viable opportunities. In Denmark, teardowns are becoming more common primarily driven by high prices for existing real estate and lack of attractive empty plots. This phenomenon poses an opportunity for the Group as customers show a preference for newly built houses that can be offered by the Group. The Group believes that these characteristics of the Danish housing stock further support demand for the Group's houses, which the Group in turn believes contributes to the lower demand volatility that it has historically experienced in its core detached housing segment.

Effects of the COVID-19 Pandemic

The COVID-19 pandemic has adversely impacted the economic situation of many households and their purchasing power and customer confidence, including as a result of increased unemployment or the fear thereof, which may result in lower demand for housing. Additionally, as a result of the COVID-19 pandemic, mortgage lenders have taken certain actions which have the effect of limiting access to mortgages. For example, Realkredit Danmark, one of Denmark's largest mortgage loan providers, requires a minimum 10% down payment and, while other mortgage lenders and banks officially still require an initial 5% down payment, the credit assessment in order to provide a mortgage has recently tended to be more thorough, thereby creating a more difficult environment for borrowers.

The COVID-19 pandemic and related measures caused many businesses in Denmark to close down their operations and the population to stay at home. The Group experienced an increase in cancellations of its contracts in March compared to prior months. Additionally, in the nine months ended 30 September 2020, the Group experienced some supply chain disruptions, resulting in some minor delays in house deliveries. In response to the COVID-19 pandemic, in March 2020, the Group made some organizational adjustments that resulted in the reduction of 26 FTEs. The Group also renegotiated certain supply agreements to provide discounts with immediate effect (including with regards to the Group's order backlog) and entered into new agreements with some of its key suppliers providing for savings of approximately 4%. The Group expects these conditions to be in effect for sub-contractor works performed until the end of 2020.

As a result of the COVID-19 pandemic, the Group's sales were challenged during the first quarter of 2020, with sales decreasing by 20.9% to 387 houses in the first quarter compared to 489 houses in the first quarter of 2019. This trend was however reversed in the second and third quarters of the year, with sales increasing by 9.7% and 49.2%, respectively, compared to the second and third quarter of 2019, from 424 houses and 362 houses sold in the second and third quarters of 2019, respectively, to 465 houses and 540 houses sold in the second and third quarters of 2020, respectively. This increase in sales was primarily driven by increased sales in Sweden and semi-detached houses in the semi-detached business-to-business market segment. The extent to which the COVID-19 pandemic continues to impact the Group's business and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including future economic conditions, actions to contain the pandemic and address its impact, and the social and economic effects of additional outbreaks or the perceived risk of such outbreaks occurring, among other factors.

In connection with the COVID-19 pandemic, the Group launched a "comfort package" program in Denmark, which applies to houses sold from 24 April 2020 to 31 December 2020, to support customers purchasing a house from the Group who become unemployed before their house is delivered or are unable to sell their existing house before the time of delivery and so face the prospect of having to pay a double rent. The "comfort package" allows customers who become unemployed to choose to: (i) cancel their house purchase (with a cancellation fee), (ii) postpone their building works for up to six months upon notice to the Group at any time up to the issuance of the building permit, or (iii) elect to receive DKK 10,000 in monthly cash payments from the Group (which amounts are recorded as a reduction in the overall house price) for a period of six months following the completion of their house. This third option is also available to customers who have not become unemployed but who are unable to sell their existing house. This option remains available to the customer up to the time of delivery of their house. Accordingly, the Group will not know the total costs associated with the comfort package program until all the houses sold under the program have been delivered. As at 30 September 2020, only one customer had made use of the "comfort package".

Strategic Initiatives

Focus on Margin Improvements in Core Business

One of the Group's key strategic priorities is to focus on margin improvement in its detached segment in Denmark through a strengthened internal framework for project selection. This is a shift from the Group's focus in recent years more on revenue growth, which had a negative impact on gross profit margins excluding discontinued operations (resulting in a slight decline in 2019, from 21.7% in 2018 to 20.2% in 2019) due to the opening of five new offices in 2018 and 2019 and incremental operating expense intensity associated with rapid growth as new customer-facing staff were needed to be hired and trained in advance to support deliveries. For example, the Group expects to increase its focus on margin expansion on houses sold in the detached segment through the implementation of an internal framework for project selection, including, *inter alia*, sales force margin focused incentives. The Group aims to increase sales force effectiveness by better understanding customer attrition throughout the sales process and drive actions for improvement through enhanced transparency of seller performance. In addition, in order to drive improvements in its margins, the Group intends to enhance efficiency in its internal processes by using technology to improve and standardize key internal processes, enhance process efficiencies and reducing margin of error. The launch of an upgraded ERP system in 2019 targeted, among other things, to integrate core ERP and finance functions with BI and CRM functionalities as well as to automate approval for supplier invoices and deployment of the HusCompagniet app for on-site use. As a next step, the Group targets to implement internal IT-supported quality assurance processes designed to centralize quality assurance tasks by outsourcing execution to on-site workers while retaining overall responsibility of project oversight with construction managers. The goal with this initiative is to reduce errors and improve the efficiency of construction managers with a view to margin improvement. Finally, in the medium-to-long term, the Group aims to implement and integrate with its ERP system an automated materials specification and drawing measurement system to simplify the drawing process, minimize mistakes within drawing and measurement functions as well as reduce materials waste and time spent by designers on each project.

Business-to-Business Strategy

The Group expanded its offering of semi-detached houses to professional investors as part of its business-to-business strategy, launched in January 2020. This part of the Group's strategy is primarily focused on the building and delivery of semi-detached houses to professional investors who then lease or sell the houses to end users. While the building process and related value chain shares many similarities with the semi-detached business-to-consumer market segment, the business-to-business market segment presents certain material differences with the Group's semi-detached business-to-consumer market segment, including: (i) that the customers are professional investors (rather than individual customers), who tend to undertake extensive due diligence ahead of entering into any contracts, which requires the Group to have a dedicated team to negotiate contracts, (ii) that the building time tends to be longer on average than business-to-consumer projects given their larger scale, (iii) the applicable payment-related terms, with business-to-business customers generally required to make milestone payments (in line with ABT18 general conditions for building and construction works and supplies standards), rather than at delivery which is the standard for the Group's semi-detached business-to-consumer market segment, (iv) application of the relevant of the tax liabilities (including VAT) and indemnities specific to the transaction structure and (v) the high degree of standardization of the building concept and materials. See *"Business—Geographical Network and Business Model—Denmark—Semi-detached—Semi-detached business-to-business*".

For the nine months ended September 2020, the Group sold 161 houses for the business-to-business market segment. The extent to which the Group is successful executing this strategy going forward will impact its results of operations going forward.

Overall, the Group anticipates its semi-detached business-to-business segment to have lower gross profit margins compared with its core detached business-to-consumer segment. Compared with the core detached business, sales are driven by offering competitive prices enabled by high volume, and customers' focus on construction time and standardized concepts generally reduces the opportunities for value adding services (e.g. add-on sales of high-margin products). Similarly, the Group expects a larger mix of its business-to-business projects to be built on third-party (customer owned) land, as opposed to semi-detached business-to-consumer projects that are primarily built on own land, which will increase pressure on prices. However, the Group sees selling, general and administrative (SG&A) costs (included in the "cost of sales" and "staff costs" line items in the Group's income statement) as generally lower for the semi-detached business-to-business segment due to the larger scale of projects. The construction of multiple houses is less resource intensive on an average per house basis for the construction company (avoiding multiple design planning and architectural processes). In addition, reduced development and sales efforts are required per house as larger projects involve homes with high degree of similarity. As a result, the Group anticipates EBITA margins for its semi-detached business-to-business business should reach similar levels as its core detached business in Denmark as lower gross profit margins are offset by relatively lower SG&A costs.

Online Strategy

The Group is in the process of introducing a new offering of very standardized, low cost houses in order to better cater for the most price-sensitive customer segment within the detached market segment, which it plans to offer and sell through a new online platform with more limited customization options from the last quarter of 2020. The offering will consist of four standard houses with limited customization options at a price around DKK 100,000 and DKK 150,000 lower than a comparable house within the Group's traditional offering. These houses will be sold via a new online platform through which customers can access a configurator tool while being guided by the Group through chat functionalities, information boxes, info videos and podcasts. The online configurator will be combined with four show houses built centrally in Denmark displaying the four standard houses and select variations of the customization options. The Group expects to leverage from its detached and semi-detached business-to-consumer capabilities to create synergies for this online offering, including through material selection and the use of existing sub-contractors and suppliers.

The Group anticipates this online offering to have lower gross profit margins compared with its traditional detached house offering. However, the Group sees SG&A costs as generally lower for this portfolio due to the standardization of the online product offering and reduced staff costs related thereto. As a result, the Group anticipates EBITA margins for its online offering should reach similar levels as its traditional detached house offering in Denmark as lower gross profit margins are offset by relatively lower SG&A costs.

Own Land Projects

The Group invests in own land for a variety of reasons, including (i) to diversify its portfolio (in particular to allow for the construction of semi-detached houses in the business-to-consumer market segment), (ii) to increase its margins compared to houses and projects built on third-party (customer-owned) land, and (iii) to allow for further growth. Margins on houses sold on own land tend to be slightly higher compared to houses and projects built on third-party (customer-owned) land as a result of higher prices often achievable when offering customers a combination of house and land which would otherwise be unobtainable. The Group mitigates the risks associated with the acquisition of land through a selective land development model focused on favorable deal terms, including call options with contingencies, occasional pre-sale requirements and commissioned land. Additionally, the Group aims to maintain land plots on its balance sheet for the shortest time possible. See "*Business—Own Land Projects"*. The Group's success in its market segment is affected by its ability to acquire land suitable for building on appropriate commercial terms, which in turn affects the availability of land meeting the Group's acquisition criteria and the level of competition for such sites. For the nine months ended 30 September 2020 and 2019, the Group derived DKK 483.9 million and DKK 572.5 million of revenue, respectively, from own land sales in Denmark, which includes sales of houses on own land as well as sales of land plots. For the years ended 31 December 2019, 2018 and 2017, revenue from own land sales in Denmark was DKK 892.2 million, DKK 733.1 million and DKK 670.4 million, respectively, representing 27.1%, 25.5% and 25.3% of the Group's total revenue from Denmark, respectively. The higher proportion of revenue from own land sales in 2019 compared to 2018 reflected an effort to divest land in 2019 (including several individual plots in Zealand) which resulted in a decrease of the carrying value of land plots in the Group's balance sheet in 2019.

Land plots are typically sold together with a house to be built by the Group but in two different transactions: one for the customer's acquisition of land (which is paid upon signing of the contract) and one for the acquisition of the house (which is paid at delivery in line with the Group's payment terms). Of the Group's total revenue from own land sales in Denmark in 2019, 2018 and 2017, 75.3%, 81.4% and 74.1%, respectively, related to the customer's acquisition of the house on own land (with the remainder relating to the transaction in which the customer acquired the land from the Group). Revenue from sales of own land primarily depends on the area where the relevant land plots are located (for example, land plots in Zealand are sold at higher prices than in other areas).

Share of own land projects is driven by how much land the Group has on its balance sheet as well as other variables that are outside the Group's control, such as availability of approvals or demand for the purchase of land. Revenue from own land projects tends to be generated at higher margins due to a lack of competition for the houses sold on own land and thus, decreased pressure on pricing. In the nine months ended 30 September 2020, share of own land projects (detached) was 17.5% (14.4%, 18.9% and 14.5% in 2019, 2018 and 2017, respectively). In the nine months ended 30 September 2020, share of own land projects (semi-detached) was 72.2% (62.7%, 87.7% and 85.7% in 2019, 2018 and 2017, respectively). In the nine months ended 30 September 2020, share of own land projects was 22.0% (17.0%, 25.1% and 16.9% in 2019, 2018 and 2017, respectively). The Group endeavors to maintain its share of own land projects at around 20% of total house deliveries in Denmark and does not intend to increase its share of own land projects beyond this range in the near term in the business-to-consumer market. The slight increase in share of own land projects in 2018 was due to a larger proportion of semi-detached own land projects within that year.

As at 30 September 2020, the Group's land bank was comprised of 479 individual plots (including show houses and project houses, which represented 18.8% of the Group's total individual plots in its land bank as at such date) valued at DKK 199.4 million. The Group's ability to continue to source land, in locations and on terms that are consistent with the Group's strategy, is critical to the future performance of the Group.

The carrying value of land plots as at 31 December 2019, 2018 and 2017 was DKK 162 million, DKK 167 million and DKK 204 million, respectively (DKK 199 million as at 30 September 2020). The carrying value of the Group's inventory (including its land bank) will have an effect on the Group's financial performance. The carrying value of the Group's inventory is equal to the lower of cost and net realizable value. Increases and decreases in the net realizable value above and below the initial cost of the land, completed units or work in progress results in an increase or in a write down in the carrying value of the inventory, respectively. The Group intends to review the carrying value of its inventory on a quarterly basis going forward.

Seasonality

The Group expects that its revenue and levels of working capital will vary during the year as a result of variations in building activity. Particularly, the Group's liquidity position tends to be more vulnerable during the third and fourth quarters of the year. While the Group generally sees no clearly discernible seasonality pattern in terms of the timing of house sales, the Group has historically delivered a higher number of houses in the fourth quarter, largely reflecting customer preference for handover before Christmas (36%, 32% and 32% of total houses delivered, excluding discontinued operations, in 2019, 2018, and 2017, respectively, occurred in the fourth quarter). As a result, during the third and fourth quarters, the Group's working capital requirements tend to increase as a result of higher building costs which are typically financed through the Group's existing revolving credit facilities. See "*—Borrowings*." Similarly, as a result of this seasonality pattern, revenue tends to be higher during the third and fourth quarters of the year, partially offset by the Group's percentage of completion revenue recognition policy. In addition, deliveries tend to be higher in the second quarter due to a customer preference also for handovers before the summer vacation.

As a result of the COVID-19 pandemic, the Group expects revenue and level of working capital to be more flattened during the different quarters of 2020.

The table below sets forth the Group's quarterly sales and deliveries, for the periods indicated.

	For the quarter ended						
	30 September 2020	30 June 2020	31 March 2020	31 December 2019	30 September 2019	30 June 2019	31 March 2019
	(# of houses)						
Sales(1)	540	465	387	425	362	424	489
Deliveries(1)	365	384	352	566	359	356	284

	For the quarter ended							
	31 December 2018	30 September 2018	30 June 2018	31 March 2018	31 December 2017	30 September 2017	30 June 2017	31 March 2017
	(# of houses)							
Sales(1)	420	344	432	384	384	371	446	321
Deliveries(1)	486	343	359	353	477	343	354	334

(1) For the definition of sales and deliveries, which are key performance indicators of the Group and are calculated excluding discontinued operations, see "*Presentation of Financial and Certain Other Information—Key Performance Indicators.*"

Principal Factors Affecting Comparability of the Group's Business and Results of Operations

Implementation of New or Amended Accounting Standards

The Group as of 1 January 2019 adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. Therefore, comparative figures as at and for the years ended 31 December 2018 and 2017 are not restated. In implementing IFRS 16, the Group has recognized lease assets of DKK 117.7 million and lease liabilities of DKK 117.7 million. The equity effect of applying the standard was therefore nil at the date of initial application. For further details please refer to note 1.1 of the Consolidated Financial Statements.

As a result of the implementation of IFRS 16, year-on-year financial results may not be fully comparable. Financial figures for the years ended December 31 2018 and 2017 have as allowed by IFRS 16 not been restated.

Discontinued Operations

During 2020, the Group closed down its German and Swedish brick house activities. In accordance with IFRS 5, the activities have in the Consolidated Interim Financial Statements been treated as discontinued operations. Accordingly, the net results of these activities are for the nine-months ended 30 September 2020 and 2019, respectively, presented separately in one line in the income statement as a net amount. These activities are not treated as discontinued operations for 2017 to 2019 in the Consolidated Financial Statements which may affect comparability of results between reporting periods. When the Group prepares its consolidated financial statements for 2020 in 2021, the comparative income statement figures for the year ended 31 December 2019 will, as required by IFRS 5, also be represented compared to the income statement figures reported in the Consolidated Financial Statements, i.e. in order to present separately in one line in the income statement a net amount reflecting the results of these activities.

Accordingly, the Group's results are not presented on a comparable basis across all historical financial periods, i.e. the presentation in the Consolidated Interim Financial Statements deviates from the presentation in the Consolidated Financial Statements. As a result, in addition to reported revenue and EBITDA before special items, we present revenue excluding discontinued operations, EBITDA excluding discontinued operations and before special items, EBITDA excluding discontinued operations and before special items margin, EBITA excluding discontinued operations and before special items, EBITA excluding discontinued operations and before special items margin, EBIT excluding discontinued operations and before special items, EBIT excluding discontinued operations and before special items margin, gross profit excluding discontinued operations, gross profit excluding discontinued operations margin, capital expenditures excluding discontinued operations, net, free cash flow (before financing and tax) excluding discontinued operations, cash conversion (before financing and tax) excluding discontinued operations and ROIC excluding discontinued operations for the years ended 31 December 2019, 2018 and 2017 to reflect the Group's revenue, EBITDA before special items, EBITDA margin, EBITA, EBITA margin, EBIT before special items, EBIT before special items margin, gross profit, gross profit margin, capital expenditures, net, free cash flow (before financing and tax), cash conversion (before financing and tax) and ROIC excluding the effect of the discontinuation of the Group's German and Swedish brick house activities that were discontinued in the nine months ended 30 September 2020, in order to present the Group's business performance on a comparable basis and the continued activities past contribution.

For the years ended 31 December 2019, 2018 and 2017, the Group's reporting segments were as follows: Denmark (Detached houses), Denmark (Semi-detached houses), Sweden (Wooden houses), Sweden (Brick houses) (treated as discontinued operations from 2020) and Germany (treated as discontinued operations from 2020). As these activities were not discontinued in the period from 2017 to 2019 they have in accordance with IFRS not been presented and reported as discontinued operations in the Consolidated Financial Statements covering the period from 2017 to 2019.

Drivers of Revenue and Profitability

The table below shows the Group's key performance indicators as at and for the nine months ended 30 September 2020 and 2019 and as at and for the years ended 31 December 2019, 2018 and 2017.

	As at and for the nine months ended 30 September		As at and for the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
Sales (# of houses)(1)(2)	1,392	1,275	1,700	1,580	1,522
Detached (Denmark)	*1,039*	*1,071*	*1,425*	*1,286*	*1,256*
Semi-detached (Denmark)	*178*	*78*	*87*	*117*	*106*
Sweden(2)	*175*	*126*	*188*	*177*	*160*
Deliveries (# of houses)(1)(2)	1,101	999	1,565	1,541	1,430
Detached (Denmark)	*882*	*845*	*1,325*	*1,218*	*1,228*
Semi-detached (Denmark)	*79*	*36*	*75*	*122*	*42*
Sweden(2)	*140*	*118*	*165*	*201*	*160*
Order backlog (DKK million)(1)	2,684	2,540	2,312	2,011	1,913
Share of own land projects (%)(1)(3)	22.0%	14.3%	17.0%	25.1%	16.9%
Share of own land projects (detached) (%)(1)(4)	*17.5%*	*11.7%*	*14.4%*	*18.9%*	*14.5%*
Share of own land projects (semi-detached) (%)(1)(5)	*72.2%*	*75.0%*	*62.7%*	*87.7%*	*85.7%*

(1) For the definitions of sales, deliveries, order backlog, share of own land projects, share of own land projects (detached) and share of own land projects (semi-detached), which are key performance indicators of the Group, see "*Presentation of Financial and Certain Other Information—Key Performance Indicators.*"

(2) Excludes German and Swedish brick house activities which are treated as discontinued operations for the nine months ended 30 September 2020 and 2019. Deliveries related to the Group's German discontinued operations totaled 61 and 43 for the nine months ended 30 September 2020 and 2019, respectively, and 63, 86 and 101 for the years ended 31 December 2019, 2018 and 2017, respectively. Deliveries related to the Group's Swedish brick house discontinued operations totaled 23 and 42 for the nine months ended 30 September 2020 and 2019, respectively, and 68, 54 and 39 for the years ended 31 December 2019, 2018 and 2017, respectively.

(3) Only includes houses delivered in Denmark.

(4) Only includes detached houses delivered in Denmark.

(5) Only includes semi-detached houses delivered in Denmark.

Sales

Sales for the nine months ended 30 September 2020 amounted to 1,392 houses, compared to 1,275 houses for the nine months ended 30 September 2019. This 9.2% increase in sales was mainly driven by an increase in sales of semi-detached houses as a result of the Group's launch of its semi-detached business-to-business strategy as well as increased sales in Sweden, which more than offset a a small decline in sales of detached houses in Denmark largely as a result of of the COVID-19 pandemic, which challenged the Group's sales particularly in the first quarter of 2020.

Sales amounted to 1,700 houses for 2019 compared to 1,580 houses for 2018 and 1,522 houses for 2017. The 7.6% increase in sales between 2019 and 2018 was mainly driven by an increase in sales of detached houses in Denmark primarily attributable to an enhanced focus from management on sales resulting in the improvement of the Group's sales processes both vis-à-vis its customers and internally, in line with the Group's strategy to focus on growth and which resulted, among others, in the opening of five new offices in 2018 and 2019. The 3.8% increase in sales between 2018 and 2017 was mainly driven by organic growth in the Denmark detached segment, the opening of three new offices and increased sales in the Denmark semi-detached segment, including several key large projects which were partially offset by a slight decline in like-for-like sales in Sweden as the market was impacted by the Swedish amortization legislation implemented in 2018.

Deliveries

Deliveries for the nine months ended 30 September 2020 amounted to 1,101 houses, compared to 999 houses for the nine months ended 30 September 2019. This 10.2% increase in deliveries was mainly driven by an increase in deliveries in all three business segments primarily attributable to a large business-to-consumer semi-detached project north of Copenhagen and increased deliveries in Sweden as a result of an enlarged product offering and the offering of a turnkey solution.

Deliveries amounted to 1,565 houses for 2019, compared to 1,541 houses for 2018 and 1,430 houses for 2017. The 1.6% increase in deliveries between 2019 and 2018 was mainly driven by an increased number of detached deliveries attributable to an enhanced focus from management on sales resulting in the improvement of the Group's sales processes both vis-à-vis its customers and internally, in line with the Group's strategy to focus on growth and which resulted, among others, in the opening of five new offices in 2018 and 2019. The 7.8% increase in deliveries between 2018 and 2017 was mainly driven by the delivery of several key projects in the Denmark semi-detached segment, including certain projects which were sold in 2017.

Order backlog

The Group benefits from relatively high visibility of its future revenue as a result of the receipt of bank guarantees (or the deposit of the full purchase price in a Group account) for each contracted sale, which guarantees payment of the house by the customer (or the relevant financial institution if the guarantee needs to be enforced) at the time of delivery. As such, a significant order backlog should provide for resilience as a large part of revenue is effectively secured in advance. The Group had strong revenue visibility, with an order backlog of approximately eight months of revenue for the period from 2017 to 2019. As semi-detached business-to-business projects normally have an eight to 24 month project cycle, any increase in the proportion of business-to-business projects to the Group's overall business will increase the Group's revenue visibility associated with its order backlog.

Order backlog as at 30 September 2020 amounted to DKK 2,684 million, compared to DKK 2,540 million as at 30 September 2019. Order backlog amounted to DKK 2,312 million as at 31 December 2019, compared to DKK 2,011 million as at 31 December 2018 and DKK 1,913 million as at 31 December 2017.

Order backlog as at 31 December 2019, 2018 and 2017 as a percentage of revenue excluding discontinued operations for the years ended 31 December 2020 (based on midpoint of revenue guidance for the year ending 31 December 2020 (DKK 3,575 million)), 2019 and 2018, respectively, amounted to 65%, 58% and 62% respectively.

For a definition of order backlog, which includes certain revenue already accounted for as revenue in the Group's historical reporting period as a result of the Group's percentage of completion revenue recognition policy, see "*Presentation of Financial and Certain Other Information—Key Performance Indicators—Order backlog*".

Share of own land projects

Share of own land projects for the nine months ended 30 September 2020 amounted to 22.0%, compared to 14.3% for the nine months ended 30 September 2019. This increase in share of own land projects was mainly driven by increased deliveries of semi-detached projects in own land in 2020 compared to 2019.

Share of own land projects amounted to 17.0% for 2019, compared to 25.1% for 2018 and 16.9% for 2017. The Group endeavors to maintain its share of own land projects at around 20% of total house deliveries in Denmark and does not intend to increase its share of own land projects beyond this range in the near term in the business-to-consumer market. The slight increase in share of own land projects in 2018 was due to a very large number of semi-detached own land projects within that year.

Description of Key Income Statement Line Items

Revenue

Revenue comprises completed building contracts and building contracts in progress (contracted sales, which are recognized over time according to percentage-of-completion) and sale of show houses and purchases from employees (non-contracted sales). See notes 2.1 and 2.7 to the Group's Consolidated Financial Statements for a more detailed description of the Group's revenue and revenue recognition policy.

Cost of sales

Cost of sales include costs of raw materials and consumables incurred in generating the revenue for the year. Primary components of cost of sales for the Group include the labor (primarily outsourced blue-collar work) and raw materials associated with house building. A vast majority of the Group's costs of sales are of a flexible nature (i.e. are external variable costs that are only incurred when under contract to build houses).

Gross profit

Gross profit represents total revenue less cost of sales.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, made to the Group's employees, net of refunds made by public authorities.

Other operating income

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

Other operating expenses

Other operating expenses include expenses relating to the Group's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases.

Operating profit before depreciation and amortization (EBITDA) before special items

Operating profit depreciation and amortization (EBITDA) before special items represents gross profit plus other operating income less staff costs and other operating expenses.

Special items

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

Operating profit before depreciation and amortization (EBITDA) after special items

Operating profit depreciation and amortization (EBITDA) after special items represents operating profit before depreciation and amortization (EBITDA) minus special items.

Depreciation and amortization

Depreciation and amortization comprises depreciation charges recorded in relation to the routine use of property, plant and equipment and amortization charges recorded in relation to the routine use of intangible assets.

Operating profit (EBIT)

Operating profit (EBIT) represents operating profit depreciation and amortization (EBITDA) after special items less depreciation and amortization.

Financial income

Financial income comprises interest income and other finance income.

Financial expenses

Financial expenses comprise interest expenses, early repayment fees and other finance costs.

Profit before tax

Profit before tax represents operating profit (EBIT) plus financial income less financial expenses.

Tax on profit

Tax for the year comprises current tax and changes in deferred tax for the year.

Profit for the year/period

Profit for the year/period represents profit before tax net of tax on profit.

Comparison of Results for the Nine Months Ended 30 September 2020 and 30 September 2019

The following table presents the Group's consolidated results for the nine months ended 30 September 2020 and 30 September 2019.

	For the nine months ended 30 September		Percent change
	2020	**2019**	**2020 vs. 2019**
	(DKK million)		**%**
Revenue	2,586.1	2,506.3	3.2
Cost of sales	(2,048.7)	(2,008.7)	2.0
Gross Profit	**537.4**	**497.6**	8.0
Staff costs	(228.2)	(212.2)	7.5
Other external expenses	(81.1)	(67.1)	21.0
Other operating income	0.2	0.1	100.0
Operating profit before depreciation and amortization (EBITDA) before special items	**228.3**	**218.4**	4.6
Special items	(20.1)	(16.7)	20.4
Operating profit before depreciation and amortization (EBITDA) after special items	**208.2**	**201.7**	**3.2**
Depreciation and amortization	(38.8)	(25.3)	53.4
Operating profit (EBIT)	**169.4**	**176.4**	**(4.0)**
Financial income	26.0	9.5	173.7
Financial expenses	(54.4)	(41.7)	30.5
Profit before tax	**141.0**	**144.2**	**(2.3)**
Tax on profit	(45.7)	(33.7)	35.6
Profit for the period from continuing operations	**95.3**	**110.5**	**(13.8)**
Profit/(loss) after tax for the period from discontinued operations	(28.1)	(50.8)	(44.5)
Profit for the period	**67.1**	**59.8**	**12.3**

Revenue

Revenue totaled DKK 2,586.1 million for the nine months ended 30 September 2020, compared to DKK 2,506.3 million for the nine months ended 30 September 2019, corresponding to an increase of 3.2%. This increase in revenue was mainly driven by increased revenue from the semi-detached and Sweden segments, which more than offset slightly lower revenue from the detached segment.

Revenue by operating segment

The following table sets forth, by operating segment, the Group's revenue for the nine months ended 30 September 2020 and 30 September 2019:

	For the nine months ended 30 September		Percent change
	2020	2019	2020 vs. 2019
	(DKK million)		%
Revenue:			
Detached (Denmark)	2,287.2	2,298.4	(0.5)
Semi-detached (Denmark)	95.6	66.1	44.5
Sweden[(1)]	203.3	141.7	43.5
Total[(1)]	**2,586.1**	**2,506.2**	**3.2**

(1) Excludes Swedish brick house activities which were treated as discontinued operations for the nine months ended 30 September 2020 and 2019.

Detached (Denmark): Revenue totaled DKK 2,287.2 million for the nine months ended 30 September 2020, compared to DKK 2,298.4 million for the nine months ended 30 September 2019, corresponding to a decrease of 0.5%. This decrease in revenue was mainly driven by a reduction in revenue from land plots (DKK 55 million) and lower levels of work in progress due to deliveries forecasted for October and November 2020 being slightly lower than the same months of 2019, substantially offset by increased deliveries, from 845 houses in the nine months ended 30 September 2019 to 882 houses in the nine months ended 30 September 2020.

Semi-detached (Denmark): Revenue totaled DKK 95.6 million for the nine months ended 30 September 2020, compared to DKK 66.1 million for the nine months ended 30 September 2019, corresponding to an increase of 44.6%. This increase in revenue was mainly driven by increased deliveries of semi-detached houses, from 36 in the nine months ended 30 September 2019 to 79 in the nine months ended 30 September 2020, particularly as a result of a large business-to-consumer project north of Copenhagen.

Sweden: Revenue totaled DKK 203.3 million for the nine months ended 30 September 2020, compared to DKK 141.7 million for the nine months ended 30 September 2019, corresponding to an increase of 43.5%. This increase in revenue was mainly driven by increased deliveries in Sweden, from 118 houses delivered in the nine months ended 30 September 2019 to 140 houses delivered in the nine months ended 30 September 2020, principally driven by an enlarged product offering, including a product line of 31 additional house models (customizable from ten base house models) that was introduced in 2020 through the VårgårdaHus brand as well as eight summer house models that were introduced in 2019 through the Vårgårda Fritidshus brand, and the offering of a turnkey solution.

Cost of sales

Cost of sales totaled DKK 2,048.7 million for the nine months ended 30 September 2020, compared to DKK 2,008.7 million for the nine months ended 30 September 2019, corresponding to an increase of 2.0%. This increase in cost of sales was mainly driven by increased house deliveries compared to the nine months ended 30 September 2019.

Gross profit

Gross profit totaled DKK 537.4 million for the nine months ended 30 September 2020, compared to DKK 497.6 million for the nine months ended 30 September 2019, corresponding to an increase of 8.0%. This increase in gross profit was mainly driven by increased house deliveries in all three segments partially offset by less work in progress and land deliveries compared to the nine months ended 30 September 2019.

Gross profit margin amounted to 20.8% for the nine months ended 30 September 2020, compared to 19.9% for the nine months ended 30 September 2019. This 1 percentage point increase was primarily due to an enhanced focus from management on increasing margins, increased deliveries in Sweden, sub-contractor discounts agreed as a result of the COVID-19 pandemic and an increased share of own land projects (22% for the nine months ended 30 September 2020 compared to 14.3% for the nine months ended 30 September 2019).

Staff costs

Staff costs totaled DKK 228.2 million for the nine months ended 30 September 2020, compared to DKK 212.2 million for the nine months ended 30 September 2019, corresponding to an increase of 7.5%. This increase in staff costs was mainly driven by an increase in the average number of employees during the nine months ended 30 September 2020 compared to the nine months ended 30 September 2019, including as a result of the hiring of staff in the semi-detached business-to-business department, and salary increases.

Other external expenses

Other external expenses totaled DKK 81.1 million for the nine months ended 30 September 2020, compared to DKK 67.1 million for the nine months ended 30 September 2019, corresponding to an increase of 21.0%. This increase in other external expenses was mainly driven by IT, marketing and other administrative expenses.

Other operating expenses

Other operating expenses totaled DKK 0.2 million for the nine months ended 30 September 2020, compared to DKK 0.1 million for the nine months ended 30 September 2019. This increase in other operating expenses was mainly driven by sale and lease back of cars.

Operating profit before depreciation and amortization (EBITDA) before special items

For the reasons described above, operating profit before depreciation and amortization (EBITDA) before special items totaled DKK 228.3 million for the nine months ended 30 September 2020, compared to DKK 218.4 million for the nine months ended 30 September 2019, corresponding to an increase of 4.6%.

Special items

Special items totaled DKK 20.1 million for the nine months ended 30 September 2020, compared to DKK 16.7 million for the nine months ended 30 September 2019, corresponding to an increase of 20.4%. This increase in special items was mainly driven by costs associated with the Offering and Admission. See "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures—APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements—EBITDA before special items and EBITDA after special items*".

Operating profit before depreciation and amortization (EBITDA) after special items

For the reasons described above, operating profit before depreciation and amortization (EBITDA) after special items totaled DKK 208.2 million for the nine months ended 30 September 2020, compared to DKK 201.7 million for the nine months ended 30 September 2019, corresponding to an increase of 3.2%.

Depreciation and amortization

Depreciation and amortization totaled DKK 38.8 million for the nine months ended 30 September 2020, compared to DKK 25.3 million for the nine months ended 30 September 2019, corresponding to an increase of 53.4%. This increase in depreciation and amortization was mainly driven by the depreciation of the Group's ERP system implemented in late autumn 2019.

Operating profit (EBIT)

For the reasons described above, operating profit (EBIT) totaled DKK 169.4 million for the nine months ended 30 September 2020, compared to DKK 176.4 million for the nine months ended 30 September 2019, corresponding to a decrease of 4.0%.

Financial income and expenses

Financial income totaled DKK 26.0 million for the nine months ended 30 September 2020 compared to DKK 9.5 million for the nine months ended 30 September 2019, corresponding to an increase of 173.7%.

Financial expenses totaled DKK 54.4 million for the nine months ended 30 September 2020, compared to DKK 41.7 million for the nine months ended 30 September 2019, corresponding to an increase of 30.5%.

Net financial expenses decreased by 11.2%, from DKK 32.1 million for the nine months ended 30 September 2019 to DKK 28.5 million for the nine months ended 30 September 2020, mainly driven by a partial repayment of the Group's debt under the Existing Facilities Agreement in an amount of DKK 102 million.

Profit before tax from continuing operations

Profit before tax from continuing operations totaled DKK 141.0 million for the nine months ended 30 September 2020, compared to DKK 144.2 million for the nine months ended 30 September 2019, corresponding to a decrease of 2.3%.

Tax on profit

Tax on profit totaled DKK 45.7 million for the nine months ended 30 September 2020, compared to DKK 33.7 million for the nine months ended 30 September 2019, corresponding to an increase of 35.6%.

Profit for the period from continuing operations

For the reasons described above, profit for the period from continuing operations totaled DKK 95.3 million for the nine months ended 30 September 2020, compared to DKK 110.5 million for the nine months ended 30 September 2019, corresponding to a decrease of 13.8%.

Profit/(loss) after tax from discontinued operations

Profit/(loss) after tax from discontinued operations totaled a loss of DKK 28.1 million for the nine months ended 30 September 2020, compared to a loss of DKK 50.8 million for the nine months ended 30 September 2019, corresponding to a loss decrease of 44.5%.

Profit for the period

For the reasons described above, profit for the period totaled DKK 67.1 million for the nine months ended 30 September 2020, compared to DKK 59.8 million for the nine months ended 30 September 2019, corresponding to an increase of 12.3%.

Comparison of Results for the Years Ended 31 December 2019 and 31 December 2018

The following table presents the Group's consolidated results for the years ended 31 December 2019 and 31 December 2018.

	For the year ended 31 December		Percent change
	2019	2018	2019 vs. 2018
	(DKK million)		%
Revenue	3,705.7	3,349.2	10.6
Cost of sales	(2,995.7)	(2,637.2)	13.6
Gross Profit	**710.0**	**712.0**	**(0.3)**
Staff costs	(316.1)	(316.5)	(0.1)
Other external expenses	(124.2)	(118.0)	5.3
Other operating income	0.7	—	—
Operating profit before depreciation and amortization (EBITDA) before special items	**270.4**	**277.4**	**(2.5)**
Special items	(136.6)	(84.6)	61.5
Operating profit before depreciation and amortization (EBITDA) after special items	**133.8**	**192.8**	**(30.6)**
Depreciation and amortization	(47.0)	(19.6)	139.8
Operating profit (EBIT)	**86.8**	**173.2**	**(49.9)**
Financial income	14.1	20.7	(31.9)
Financial expenses	(73.1)	(67.6)	8.1
Profit before tax	**27.8**	**126.3**	**(78.0)**
Tax on profit	(27.6)	(36.2)	(23.8)
Profit for the year	**0.2**	**90.0**	**(99.8)**

Revenue

Revenue totaled DKK 3,705.7 million for 2019, compared to DKK 3,349.2 million for 2018, corresponding to an increase of 10.6%. This increase in revenue was mainly driven by increased deliveries in the Group's Detached (Denmark) segment, from 1,218 in 2018 to 1,325 in 2019, as a result of an enhanced focus from management on sales resulting in the improvement of the Group's sales processes both vis-à-vis its customers and internally, in line with the Group's strategy to focus on growth and which resulted, among others, in the opening of five new offices in 2018 and 2019 as well as higher prices in Denmark and an increase in revenue from land in 2019 which more than offset reduced deliveries in Germany (from 86 in 2018 to 63 in 2019) and Sweden (from 255 in 2018 to 233 in 2019) as a result of the Group's decision to close down its German and Swedish brick house activities in 2019.

Revenue excluding discontinued operations totaled DKK 3,495.9 million for 2019, compared to DKK 3,094.9 million for 2018, corresponding to an increase of 13.0%. This increase reflected the higher revenue from the Group's detached (Denmark) segment which more than offset lower revenue from semi-detached (Denmark) and Sweden (wooden houses) as discussed below.

Revenue by operating segment

The following table sets forth, by operating segment, the Group's revenue for the years ended 31 December 2019 and 31 December 2018:

	For the year ended 31 December		Percent change
	2019	**2018**	**2019 vs. 2018**
	(DKK million)		**%**
Revenue:			
Detached (Denmark)	3,108.1	2,591.2	19.9
Semi-detached (Denmark)	181.5	284.2	(36.1)
Sweden			
Of which wooden houses	206.4	219.6	(6.0)
Of which brick houses(1)	109.6	119.3	(8.1)
Germany(2)	100.2	135.0	(25.8)
Total(1)(2)	**3,705.7**	**3,349.2**	**12.2**

(1) Swedish brick house activities are treated as discontinued operations for the nine months ended 30 September 2020 and 2019.

(2) German activities are treated as discontinued operations for the nine months ended 30 September 2020 and 2019.

Detached: Revenue totaled DKK 3,108.1 million for 2019, compared to DKK 2,591.2 million for 2018, corresponding to an increase of 19.9%. This increase in revenue was mainly driven by an increased number of detached deliveries, from 1,218 in 2018 to 1,325 in 2019, as a result of an enhanced focus from management on sales (including through the opening of two new offices in 2019) resulting in the improvement of the Group's sales processes both vis-à-vis its customers and internally, in line with the Group's strategy to focus on growth and which resulted, among others, in the opening of two new offices in 2019.

Semi-detached: Revenue totaled DKK 181.5 million for 2019, compared to DKK 284.2 million for 2018, corresponding to a decrease of 36.1%. This decrease in revenue was mainly driven by a decrease in semi-detached business-to-consumer projects on own land in 2019 compared with 2018 when delivery levels were relatively high mainly due to the delivery of several key projects in the Denmark in that year.

Sweden: Revenue totaled DKK 316.0 million for 2019, compared to DKK 338.9 million for 2018, corresponding to a decrease of 6.8%. This decrease in revenue was driven by a decrease in deliveries from 255 in 2018 to 233 in 2019. Revenue excluding revenue from the Swedish brick house business was DKK 206.4 million for 2019, compared to DKK 219.6 million for 2018, corresponding to a decrease of 6.0%. This decrease in revenue excluding revenue from the Swedish brick house business was mainly driven by a decrease in deliveries of wood-framed houses, from 201 in 2018 to 165 in 2019, driven by changes in Swedish amortization legislation that were implemented in 2018.

Germany: Revenue totaled DKK 100.2 million for 2019, compared to DKK 135.0 million for 2018, corresponding to a decrease of 25.8% due to a decrease in the number of deliveries, from 86 in 2018 to 63 in 2019, as a result of the Group's decision to close down its German activities.

Cost of sales

Cost of sales totaled DKK 2,995.7 million for 2019, compared to DKK 2,637.2 million for 2018, corresponding to an increase of 13.6%. This increase in cost of sales was due to increased deliveries in houses and land in 2019 compared to 2018

Cost of sales relating to discontinued operations totaled DKK 215 million for 2019, compared to DKK 213 million for 2018, corresponding to an increase of 1.0%.

Gross profit

Gross profit totaled DKK 710.0 million for 2019, compared to DKK 712.0 million for 2018, corresponding to a decrease of 0.3%. This decrease in gross profit was mainly due to decreased gross profit from the Group's German and Swedish brick house activities, partially offset by increased gross profit from the Group's Danish and Swedish wooden house activities.

Gross profit margin amounted to 19.2% for 2019, compared to 21.3% for 2018. This decrease was mainly due to a higher volume of detached houses built on third-party (customer-owned) land in Denmark which have associated lower gross profit margin, including as a result of higher production costs, than houses built on own land, in 2019 compared to 2018 and lower gross profit margin associated with the Group's German and Swedish brick house activities.

Gross profit excluding discontinued operations totaled DKK 715.5 million for 2019, compared to DKK 670.9 million for 2018, corresponding to an increase of 6.7%.

Staff costs

Staff costs totaled DKK 316.1 million for 2019, compared to DKK 316.5 million for 2018, corresponding to a decrease of 0.1%. This decrease in staff costs was mainly due to a decrease in the number of employees in Germany as a result of the Group's decision to close down its German activities which was partially offset by an increase in the number of employees (primarily sales force) in Denmark in line with the Group's focus on growth that required newly customer-facing staff to be hired and trained.

Staff costs relating to discontinued operations totaled DKK 26 million for 2019, compared to DKK 45 million for 2018, corresponding to a decrease of 42%.

Other external expenses

Other external expenses totaled DKK 124.2 million for 2019, compared to DKK 118.0 million for 2018, corresponding to an increase of 5.3%. This increase in other operating expenses was mainly due to investments made by the Group as a result of its increased focus on digitalization, including IT expenses.

Other external expenses relating to discontinued operations totaled DKK 24 million for 2019, compared to DKK 25 million for 2018, corresponding to a decrease of 4%.

Other operating income

Other operating income totaled DKK 0.7 million for 2019, compared to nil for 2018. Other operating income in 2019 related to the sale and lease back of cars.

Operating profit before depreciation and amortization (EBITDA) before special items

For the reasons described above, operating profit before depreciation and amortization (EBITDA) before special items totaled DKK 270.4 million for 2019, compared to DKK 277.4 million for 2018, corresponding to a decrease of 2.5%.

EBITDA excluding discontinued operations and before special items totaled DKK 326.2 million for 2019, compared to DKK 306.9 million for 2018, corresponding to an increase of 6.3%.

Special items

Special items totaled DKK 136.6 million for 2019, compared to DKK 84.6 million for 2018. This increase in special items was mainly due to impairment of goodwill relating to the German and Swedish businesses in connection with the decision to discontinue the Group's German and brick-house Swedish activities. See "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial*

Measures—APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements—EBITDA before special items and EBITDA after special items".

Operating profit before depreciation and amortization (EBITDA) after special items

For the reasons described above, operating profit before depreciation and amortization (EBITDA) after special items totaled DKK 133.8 million for 2019, compared to DKK 192.8 million for 2018, corresponding to a decrease of 30.6%.

Depreciation and amortization

Depreciation and amortization totaled DKK 47.0 million for 2019, compared to DKK 19.6 million for 2018, corresponding to an increase of 139.8%. This increase in depreciation and amortization was mainly due to the accounting effects of the implementation of IFRS 16 in 2019 as well as costs associated with software development.

Operating profit (EBIT)

For the reasons described above, operating profit (EBIT) totaled DKK 86.8 million for 2019, compared to DKK 173.2 million for 2018, corresponding to a decrease of 49.9%.

Financial income

Financial income totaled DKK 14.1 million for 2019, compared to DKK 20.7 million for 2018, corresponding to a decrease of 31.9%. This decrease in financial income was mainly due to a positive impact from a reversal of an earn-out in 2018 in relation to the acquisition of VGH as a result of VGH not reaching its EBITDA target for the year.

Financial expenses

Financial expenses totaled DKK 73.1 million for 2019, compared to DKK 67.6 million for 2018, corresponding to an increase of 8.1%. This increase in financial expenses was mainly due to the accounting effects of the implementation of IFRS 16 in 2019 resulting in higher interest lease liabilities, which more than offset lower interest paid to banks as a result of the repayment of loans received for the acquisition of VGH.

Profit before tax

Profit before tax totaled DKK 27.8 million for 2019, compared to DKK 126.3 million for 2018, corresponding to a decrease of 78.0%.

Tax on profit

Tax on profit totaled DKK 27.6 million for 2019, compared to DKK 36.2 million for 2018, corresponding to a decrease of 23.8%.

Profit for the year

For the reasons described above, profit for the year totaled DKK 0.2 million for 2019, compared to DKK 90.0 million for 2018, corresponding to a decrease of 99.8%.

Comparison of Results for the Years Ended 31 December 2018 and 31 December 2017

The following table presents the Group's consolidated results for the years ended 31 December 2018 and 31 December 2017.

	For the year ended 31 December		Percent change
	2018	2017	2018 vs. 2017
	(DKK million)		%
Revenue	3,349.2	3,063.5	9.3
Cost of sales	(2,637.2)	(2,450.5)	7.6
Gross Profit	**712.0**	**613.0**	**16.2**
Staff costs	(316.5)	(257.4)	23.0
Other external expenses	(118.0)	(100.3)	17.6
Other operating income	—	0.1	n.a.
Operating profit before depreciation and amortization (EBITDA) before special items	**277.4**	**255.3**	**8.7**
Special items	(84.6)	(10.9)	676.1
Operating profit before depreciation and amortization (EBITDA) after special items	**192.8**	**244.4**	**(21.1)**
Depreciation and amortization	(19.6)	(28.9)	(32.2)
Operating profit (EBIT)	**173.2**	**215.5**	**(19.6)**
Financial income	20.7	6.3	228.6
Financial expenses	(67.6)	(62.3)	8.5
Profit before tax	**126.3**	**159.6**	**(20.9)**
Tax on profit	(36.2)	(48.2)	(24.9)
Profit for the year	**90.0**	**111.3**	(19.1)

Revenue

Revenue totaled DKK 3,349.2 million for 2018, compared to DKK 3,063.5 million for 2017, corresponding to an increase of 9.3%. This increase in revenue was mainly driven by higher deliveries in Denmark, from 1,270 in 2017 to 1,340 in 2018, both in respect of third-party (customer-owned) land and own land projects impacted by the opening of three new offices and increased semi-detached deliveries in Denmark, from 42 in 2017 to 122 in 2018, due to the delivery of several key projects.

Revenue excluding discontinued operations totaled DKK 3,094.9 million for 2018, compared to DKK 2,815.6 million for 2017, corresponding to an increase of 9.9%. This increase was mainly driven by higher revenue in the detached (Denmark) and semi-detached (Denmark) segments.

Revenue by operating segment

The following table sets forth, by operating segment, the Group's revenue for the years ended 31 December 2018 and 31 December 2017:

	For the year ended 31 December		Percent change
	2018	2017	2018 vs. 2017
	(DKK million)		%
Revenue:			
Detached (Denmark)	2,591.2	2,516.5	3.0
Semi-detached (Denmark)	284.2	129.8	119.0
Sweden			
Of which wooden houses	219.6	169.3	29.7
Of which brick houses(1)	119.3	98.5	21.1
Germany(2)	135.0	149.4	(9.6)
Total(1)(2)	**3,349.2**	**3,063.5**	**9.3**

(1) Swedish brick house activities are treated as discontinued operations for the nine months ended 30 September 2020 and 2019.

(2) Includes German activities that are treated as discontinued operations for the nine months ended 30 September 2020 and 2019.

Detached (Denmark): Revenue totaled DKK 2,591.2 million for 2018, compared to DKK 2,516.5 million for 2017, corresponding to an increase of 3.0%. This increase in revenue was mainly driven by an increased number deliveries of detached projects in own land resulting in higher prices per house.

Semi-detached (Denmark): Revenue totaled DKK 284.2 million for 2018, compared to DKK 129.8 million for 2017, corresponding to an increase of 119.0%. This increase in revenue was mainly driven by the delivery of several key semi-detached projects in 2018 compared to 2017.

Sweden: Revenue totaled DKK 338.9 million for 2018, compared to DKK 267.8 million for 2017, corresponding to an increase of 26.5%. This increase in revenue was mainly driven by the full-year impact of the acquisition of VGH, resulting in an increase in the number of deliveries of wood-framed houses, from 160 in 2017 to 201 in 2018 and an increase in deliveries for the discontinuing brick house business, from 39 in 2017 to 54 in 2018. Revenue excluding revenue from the Swedish brick house business was DKK 219.6 million for 2018, compared to DKK 169.3 million for 2017, corresponding to an increase of 29.7%.

Germany: Revenue totaled DKK 135.0 million for 2018, compared to DKK 149.4 million for 2017, corresponding to a decrease of 9.6%.

Cost of sales

Cost of sales totaled DKK 2,637.2 million for 2018, compared to DKK 2,450.5 million for 2017, corresponding to an increase of 7.6%. This increase in cost of sales was mainly due to a higher volume of deliveries in Denmark, from 1,270 in 2017 to 1,340 in 2018, both in respect of third-party (customer-owned) land and own land projects.

Cost of sales relating to discontinued operations totaled DKK 213 million for 2018, compared to DKK 210 million for 2017, corresponding to an increase of 1.4%.

Gross profit

Gross profit totaled DKK 712.0 million for 2018, compared to DKK 613.0 million for 2017, corresponding to an increase of 16.2%. This increase in gross profit was mainly due to a higher volume of deliveries in Denmark, from 1,270 in 2017 to 1,340 in 2018, both in respect of third-party (customer-owned) land and own land projects.

Gross profit margin totaled 21.3% for 2018, compared to 20.0% for 2017. This increase was mainly due to an increased number of deliveries of semi-detached projects on own land resulting in higher prices per house.

Gross profit excluding discontinued operations totaled DKK 670.9 million for 2018, compared to DKK 575.6 million for 2017, corresponding to an increase of 16.5%.

Staff costs

Staff costs totaled DKK 316.5 million for 2018, compared to DKK 257.4 million for 2017, corresponding to an increase of 23.0%. This increase in staff costs was mainly due to an increase in the number of employees in Denmark and Germany in 2018 compared to 2017.

Staff costs relating to discontinued operations totaled DKK 45 million for 2018, compared to DKK 34 million for 2017, corresponding to an increase of 31.1%.

Other external expenses

Other external expenses totaled DKK 118.0 million for 2018, compared to DKK 100.3 million for 2017, corresponding to an increase of 17.6%.

Other external expenses relating to discontinued operations totaled DKK 25 million for 2018, compared to DKK 23 million for 2017, corresponding to an increase of 6.7%.

Other operating income

Other operating income totaled nil for 2018, compared to DKK 0.1 million for 2017.

Operating profit before depreciation and amortization (EBITDA) before special items

For the reasons described above, operating profit before depreciation and amortization (EBITDA) before special items totaled DKK 277.4 million for 2018, compared to DKK 255.3 million for 2017, corresponding to an increase of 8.7%.

EBITDA excluding discontinued operations and before special items totaled DKK 306.9 million for 2018, compared to DKK 276.3 million for 2017, corresponding to an increase of 11.1%.

Special items

Special items totaled DKK 84.6 million in 2018, compared to DKK 10.9 million for 2017. This increase was mainly due to (i) costs incurred due to commitments entered into by German management beyond delegated authority and (ii) costs associated with acquisitions and related due diligence. See "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures—APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements—EBITDA before special items and EBITDA after special items*".

Operating profit before depreciation and amortization (EBITDA) after special items

For the reasons described above, operating profit before depreciation and amortization (EBITDA) after special items totaled DKK 192.8 million for 2018, compared to DKK 244.4 million for 2017, corresponding to a decrease of 21.1%. This decrease was mainly attributable to higher special items.

Depreciation and amortization

Depreciation and amortization totaled DKK 19.6 million for 2018, compared to DKK 28.9 million for 2017, corresponding to a decrease of 32.2%. This decrease in depreciation and amortization was mainly due to a decrease in depreciation of other intangible assets.

Operating profit (EBIT)

For the reasons described above, operating profit (EBIT) totaled DKK 173.4 million for 2018, compared to DKK 215.5 million for 2017, corresponding to a decrease of 19.6%.

Financial income

Financial income totaled DKK 20.7 million for 2018, compared to DKK 6.3 million for 2017, corresponding to an increase of 228.6%. This increase in financial income was mainly due to a positive impact from a reversal of an earn-out in 2018 in relation to the acquisition of VGH.

Financial expenses

Financial expenses totaled DKK 67.6 million for 2018, compared to DKK 62.3 million for 2017, corresponding to an increase of 8.5%. This increase in financial expenses was mainly due to (i) financial expenses associated with the loans obtained for the acquisition of VGH and (ii) financial expenses associated with the increase of the Group's Existing Facilities Agreement (as defined herein).

Profit before tax

Profit before tax totaled DKK 126.3 million for 2018, compared to DKK 159.6 million for 2017, corresponding to a decrease of 20.9%.

Tax on profit

Tax on profit totaled DKK 36.2 million for 2018, compared to DKK 48.2 million for 2017, corresponding to a decrease of 24.9%.

Profit for the year

For the reasons described above, profit for the year totaled DKK 90.0 million for 2018, compared to DKK 111.3 million for 2017, corresponding to a decrease of 19.1%.

Liquidity and Capital Resources

General

The Group relies primarily on cash flow from operating activities, liquid funds and liquidity under its unused credit facilities, as described in "*—Borrowings—Description of Debt Facilities*" below, to finance its operations.

Cash flow analysis

The following table presents the primary components of the Group's cash flow for the nine months ended 30 September 2020 and 2019 and for the years ended 31 December 2019, 2018 and 2017:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
	(DKK million)		(DKK million)		
Net cash generated from operating activities	74.3	(123.4)	134.4	174.7	20.5
Net cash generated from investing activities	(13.3)	(32.3)	(43.5)	(37.9)	(253.2)
Net cash generated from financing activities	(74.8)	(59.2)	(115.3)	(93.2)	178.3
Net cash flow for the period	**(13.8)**	**(214.9)**	**(24.4)**	**43.6**	**(54.4)**

Net cash flow for the nine months ended 30 September 2020 amounted to DKK (13.8) million compared to DKK (214.9) million for the nine months ended 30 September 2019. The negative cash flow for the nine months ended 30 September 2020 was mainly driven by the partial repayment of the facilities under the Existing Facilities Agreement in 2020 compared to the nine months ended 30 September 2019 that was impacted by a large build up in work in progress and the partial repayment of the facilities under the Existing Facilities Agreement in the second half of the year. Net cash flow for the year ended 31 December 2019 amounted to DKK (24.4) million compared to DKK 43.6 million for the year ended 31 December 2018. The negative cash flow in 2019 was mainly driven by the Group's investment in ERP together with a partial repayment of the Group's debt under the Existing Facilities Agreement in an amount of DKK 102 million.

Net cash generated from operating activities

For an explanation of the Group's net cash flow from operating activities, see "—*Working Capital*" below.

For the year ended 31 December 2017, net cash generated from operating activities was DKK 20.5 million primarily due to increased inventories at year-end.

Net cash generated from investing activities

For an explanation of the Group's net cash flow from investing activities relating to capital expenditures, net, see "—*Capital Expenditures*" below. In the year ended 31 December 2017, the Group had a net cash flow of DKK 226.3 million in relation to the acquisition of subsidiaries, which related to the acquisition of VGH in that year.

Net cash generated from financing activities

For the nine months ended 30 September 2020, net cash generated from financing activities was DKK (74.8) million primarily due to the partial repayment of the facilities under the Existing Facilities Agreement partially offset by the use of the revolving facility under the Existing Facilities Agreement.

For the nine months ended 30 September 2019, net cash generated from financing activities was DKK (59.2) million primarily due to the partial repayment of the facilities under the Existing Facilities Agreement partially offset by the use of the revolving facility under the Existing Facilities Agreement.

For the year ended 31 December 2019, net cash generated from financing activities was DKK (115.3) million primarily due to the partial repayment of the facilities under the Existing Facilities Agreement and the repayment of certain lease liabilities.

For the year ended 31 December 2018, net cash generated from financing activities was DKK (93.2) million primarily due to the repayment of several interest-bearing loans.

For the year ended 31 December 2017, net cash generated from financing activities was DKK 178.3 million primarily due to loans obtained under the Existing Facilities Agreement for the acquisition of VGH and a capital increase in the amount of DKK 41.9 million.

Free cash flow

The following table presents the primary components of the Group's free cash flow for the nine months ended 30 September 2020 and 2019 and for the years ended 31 December 2019, 2018 and 2017:

	For the nine months ended 30 September		For the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
			(DKK million)		
Operating profit (EBITDA) before special items[(1)]	228.3	218.4	270.4	277.4	255.3
Less: Change in net working capital	84.3	273.0	7.1	73.8	117.4
Less: Capital expenditures, net[(2)]	13.3	32.3	43.5	37.9	38.7
Free cash flow (before financing and tax)	**130.7**	**(86.9)**	**219.8**	**165.7**	**99.2**

(1) For a reconciliation of EBITDA before special items to profit for the year/period, see "*Selected Historical Consolidated Financial and Operating Information—APMs reflected in the Consolidated Financial Statements and Consolidated Interim Financial Statements—EBITDA before special items and EBITDA after special items*".

(2) For the calculation of capital expenditures, net, see "*—Capital Expenditures*" below.

Free cash flow for the nine months ended 30 September 2020 amounted to DKK 130.7 million compared to DKK (86.9) million for the nine months ended 30 September 2019, resulting in a cash conversion (before financing and tax) of 57.2% and (39.8)%, respectively. This increase was primarily due to less working capital as the Group delivered more houses in October and November 2019 compared to the 2020 forecast.

Free cash flow for the year ended 31 December 2019 amounted to DKK 219.8 million compared to DKK 165.7 million for the year ended 31 December 2017. Free cash flow excluding discontinued operations for the year ended 31 December 2019 amounted to DKK 237.0 million compared to DKK 374.8 million for the year ended 31 December 2018, resulting in a cash conversion (before financing and tax) of 73% and 122%, respectively. This decrease was primarily due to limited capital expenditures primarily related to investments in a new ERP system and limited net working capital requirements primarily driven by increased contract assets due to build-up of work in progress related to detached houses sold on own land.

Free cash flow for the year ended 31 December 2018 amounted to DKK 165.7 million compared to DKK 99.2 million for the year ended 31 December 2017. Free cash flow excluding discontinued operations for the year ended 31 December 2018 amounted to DKK 374.8 million compared to DKK 126.3 million in the year ended 31 December 2017, resulting in a cash conversion (before financing and tax) of 122% and 46%, respectively. This increase was primarily driven by an increase in other working capital liabilities in 2018.

Borrowings

The Group's operations are partially financed by the Group's borrowings. As at 30 September 2020, the Group had a senior facilities agreement comprised of (i) a DKK 736.8 million term loan and (ii) a DKK 450 million revolving credit facility (of which DKK 424.0 million were undrawn as at such date) which the Group intends to repay upon closing and settlement of the Offering with funds to be drawn from the New Facilities Agreement (as defined below). As at such date, the Group had no other additional indebtedness. On 23 October 2020, the Group entered into the New Facilities Agreement. See "*—Description of Debt Facilities*" below and *"Capitalization and Indebtedness"* for further information about the Group's indebtedness and any adjustments thereto as a result of the refinancing of the Existing Facilities Agreement.

As at 30 September 2020, the Group had net debt of DKK 857.1 million.

Net debt

The following table sets forth the Group's net debt for the periods indicated.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
			(DKK million)		
Non-current borrowings	622.1	—	683.5	790.2	888.8
Non-current lease liabilities	83.3	105.2	99.9	21.9	16.8
Short-term borrowings	1,075.7	1,621.5	1,010.1	740.5	527.0
Short-term lease liabilities	20.8	22.1	21.0	5.6	3.4
Cash and cash equivalents	(1,061.3)	703.8	(1,010.8)	(773.3)	(513.6)
Cash and short-term deposits in restricted accounts	116.5	45.8	27.7	21.6	13.2
Net debt(1)	**857.1**	**1,090.8**	**831.4**	**806.5**	**935.6**

(1) Net debt in the year ended 31 December 2019 includes lease liabilities of DKK 99.4 million recognized as a result of the implementation of IFRS 16.

The Group primarily maintains borrowings at floating interest rates. The tables below set forth the average interest rate and the carrying amount for the nine months ended 30 September 2020 and the year ended 31 December 2019.

	For the nine months ended 30 September 2020			
	Currency	Interest Rate	Average Interest Rate	Carrying Amount
				(DKK billion)
Bank borrowings	DKK	Floating	3.39%	**1.7**
Commitments on financial lease agreements	DKK	Fixed-rate	5.42%	**0.1**
Total				**1.8**

	For the year ended 31 December 2019			
	Currency	Interest Rate	Average Interest Rate	Carrying Amount
				(DKK billion)
Bank borrowings	DKK	Floating	3.70%	**1.7**
Commitments on financial lease agreements	DKK	Fixed-rate	5.88%	**0.1**
Total				**1.8**

Invested capital

The following table presents the Group's invested capital for the periods indicated.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
			(DKK million)		
Total equity	1,844.8	1,835.9	1,777.3	1,777.0	1,688.0
Net debt(1)	857.1	1,090.8	831.4	806.5	935.6
Goodwill and other intangible assets	2,065.8	2,080.8	2,080.9	2,145.7	2,141.8
Invested capital	**636.3**	**800.6**	**527.9**	**437.8**	**481.8**

(1) For the calculation of net debt, see "—*Net debt*" above.

The development of the Group's invested capital during the periods under review has primarily been driven by movements in net debt, with net additions of short term debt that have more than offset the combined impact of repayments of long term debt and the increase in cash and cash equivalents. Equity's book value has been impacted by minor movements due to foreign currency translations differences, value adjustments of hedging of future cash flows and tax relating to other comprehensive income while goodwill primarily relates to EQT's acquisition of the Company in 2015 and the acquisition of VGH in 2017, partially offset by a decrease in 2019 due to impairment of goodwill related to the Group's decision to close down its German and Swedish brick house activities.

Description of Debt Facilities

Description of Existing Senior Facilities Agreement

On 12 August 2015 (as amended and restated from time to time) the Company (formerly Diego HC Top-co A/S) entered into a senior facilities agreement (the "**Existing Facilities Agreement**") between, among others, the Company, as parent, HusCompagniet Holding A/S (formerly Diego HC A/S) as the company, Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nykredit Bank A/S and Skandinaviska Enskilda Banken AB (publ.) as mandated lead arrangers and Nordea Danmark, Filial af Nordea Bank Abp, Finland as agent and security agent. The Existing Facilities Agreement, made available to certain members of the Group certain senior secured bank facilities the outstanding amount of which are to be repaid in full, and the security and guarantees granted thereunder, are to be released, on or about the Settlement Date using the proceeds made available under the New Facilities Agreement (as described below).

Description of New Facilities Agreement

On 23 October 2020, the Company, HusCompagniet Operations A/S (formerly HusCompagniet A/S), HusCompagniet Danmark A/S, RækkehusCompagniet A/S and VårgårdaHus AB as original borrowers, the Company as original guarantor, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland as mandated lead arrangers and original lenders, and Danske Bank A/S as agent entered into a facilities agreement (the "**New Facilities Agreement**"). Other Group entities may accede to the New Facilities Agreement from time to time.

Under the New Facilities Agreement the following facilities are made available to the Group (i) a DKK 675 million term loan facility (the "**Term Loan Facility**") with a final maturity date of three years after the date of first utilisation of the Term Loan Facility; and (ii) a DKK 400 million multicurrency revolving credit facility with a final maturity date of three years after the date of first utilisation of the Term Loan Facility, which may be utilised in DKK and any other currency readily available and freely convertible into DKK and approved by the relevant lenders (the "**Revolving Facility**" and together with the Term Loan Facility, the "**New Facilities**"). The Company may request (on two occasions) that each of the Term Loan Facility and the Revolving Facility is extended for one year at a time. Extension of each of the New Facilities is subject to the discretion of each of the lenders under the New Facilities Agreement.

The Term Loan Facility may be used to repay the outstanding amounts under the Existing Facilities Agreement and to fund payment of transaction costs and expenses associated with the Offering, and the Revolving Facility may be used to repay the outstanding amounts under the Existing Facilities Agreement and for general corporate purposes of the Group. The interest rate payable on a loan under each New Facility for each interest period is the applicable floating rate (by reference to the currency of that loan) plus a margin. Hence, the applicable rate for each currency denomination will be the corresponding IBOR rate, subject, however, to a floor of zero. Each of the New Facilities is priced with an initial margin of 155 basis points per annum, and includes a margin ratchet dependent on the ratio of the Group's total debt (calculated on a net basis and excluding any cash or cash equivalents held by the Group) to its consolidated adjusted EBITDA.

The New Facilities are unsecured but are guaranteed by the Company.

The New Facilities Agreement contains customary warranties, representations, covenants (including limited restrictions on disposals, mergers, acquisitions, change of business, a negative pledge and a restriction on the incurrence of indebtedness by other members of the Group than the Company) and customary events of default and mandatory prepayment events in each case, subject to customary agreed exceptions, materiality tests, carve-outs and grace periods, suitable for an investment-grade listed borrower.

In addition, the New Facilities Agreement contains a restriction on the aggregate amount of land and building sites (including show houses) owned by a member of the Group (measured net of any land and building sites in respect of which a binding sales agreement has been entered into with counterparties that are creditworthy).

The New Facilities may only be drawn if the agent under the New Facilities Agreement has received customary conditions precedent documentation from certain members of the Group, including evidence that the Group's existing indebtedness will be repaid from the proceeds from the New Facilities.

In addition, the New Facilities Agreement also contains a leverage financial covenant, which will be tested on a quarterly basis, the first time for the last day of the first financial quarter after the first utilization under the New Facilities Agreement. The leverage covenant relates to the net debt to consolidated EBITDA (adjusted pro forma for any acquisition, disposals and other group initiatives in the relevant test period) ratio, which shall not exceed 3.50.

The New Facilities Agreement is governed by Danish law.

Working Capital

The following table sets forth changes to the Group's working capital for the periods indicated.

	For the nine months ended 30 September		As at and for the year ended 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
			(DKK million)		
Inventories	424.5	468.4	402.9	434.0	450.3
Contract assets	726.9	931.3	676.2	591.1	567.7
Trade receivables and other receivables	166.2	147.2	162.3	88.8	141.0
Trade payables and other payables	(625.2)	(761.3)	(674.7)	(486.2)	(537.4)
Other liabilities	(113.3)	(100.8)	(153.9)	(207.8)	(127.9)
Reported Net Working Capital	**579.1**	**684.7**	**412.8**	**419.9**	**493.7**
Of which related to the Group's German business and Swedish brick house activities that were discontinued in the nine months ended 30 September 2020					
Inventories	(6.6)	(111.2)	(45.5)	(43.9)	(31.4)
Contract assets	—	—	(41.8)	(66.7)	(68.0)
Trade receivables and other receivables	(13.5)	(43.1)	(24.7)	(22.3)	(46.7)
Trade payables and other payables	29.5	40.2	56.3	22.5	37.9
Other liabilities	6.4	18.2	33.2	33.0	58.9
Net Working Capital excluding discontinued operations	**594.9**	**588.8**	**390.3**	**342.5**	**444.3**
Change in Net Working Capital excluding discontinued operations	**(6.1)**	**n.a.**	**(47.8)**	**101.8**	**(116.6)**

The Group's working capital requirements largely arise from trade and other payables and inventory. The Group has historically funded its working capital requirements through funds generated from its operations, from borrowings under bank facilities and other sources of funding. See note 3.5 to the 2019 Consolidated Financial Statements. The Group has had a balanced net working capital positions during the periods under review whilst experiencing rapid growth, due to the high degree of working capital funding by trade receivables. Additionally, a high degree of net working capital requirements are funded by trade payables, enabled by attractive payment terms and timing of materials purchasing during the building process. The Group tends to experience a relatively flat number of deliveries during the first six months of the year that continuously builds up until reaching its peak in November and December which results in a large reduction of net working capital during the last quarter of the year. See *"—Principal Factors Affecting the Group's Business and Results of Operations—Seasonality"*.

Net working capital amounted to DKK 579.1 million in the nine months ended 30 September 2020 compared to DKK 684.7 million in the nine months ended 30 September 2019. Net working capital excluding discontinued operations amounted to DKK 594.9 million in the nine months ended 30 September 2020 compared to DKK 588.8 million in the nine months ended 30 September 2019, corresponding to an increase in net working capital requirements excluding discontinued operations in the nine months ended 30 September 2020 of DKK 6.1 million primarily due to lower trade payables and other payables.

Net working capital amounted to DKK 412.8 million in the year ended 31 December 2019 compared to DKK 419.9 million in the year ended 31 December 2018. Net working capital excluding discontinued operations amounted to DKK 390.3 million in the year ended 31 December 2019 compared to DKK 342.5 million in the year ended 31 December 2018, corresponding to an increase in net working capital requirements excluding discontinued operations in 2019 of DKK 47.8 million primarily due to decreased inventories as a result of net disposals of land during both 2018 and 2019.

Net working capital amounted to DKK 419.9 million in the year ended 31 December 2019 compared to DKK 493.7 million in the year ended 31 December 2018. Net working capital excluding discontinued operations amounted to DKK 342.5 million in the year ended 31 December 2018 compared to DKK 444.3 million in the year ended 31 December 2017, corresponding to a decrease in net working capital requirements excluding discontinued operations in 2018 of DKK 101.8 million primarily due to higher other working capital liabilities due to increase in holidays and other provisions as well as an increase in VAT payables.

Working Capital Statement

In the opinion of the Group, the working capital available to the Group is at the time of completion of the Offering sufficient for its present requirements for the next 12 months following the date of this Offering Circular.

Contractual Obligations

The Group has contractual commitments providing for payments primarily pursuant to the Group's financial debt. The Group's consolidated contractual obligations as at 30 September 2020 were as follows:

	0–1 year	1–3 years	3–5 years	> 5 years	Total
			(DKK million)		
Trade and other payables	625.1	0	0	0	625.1
Bank borrowings	1,075.6	719.2	0	0	1,794.8
Lease liabilities	29.4	43.7	24.0	29.2	126.2
Other liabilities	87.3	0	0	26.0	113.3
Total Contractual Obligations	**1,817.5**	**762.9**	**24.0**	**55.2**	**2,659.5**

Capital Expenditures

The following table sets forth the Group's capital expenditures, net (defined as acquisition of assets recognized as intangible assets and property, plant and equipment less proceeds from any sale of such asset types) for the nine months ended 30 September 2020 and 2019 and the years ended 31 December 2019, 2018 and 2017.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
			(DKK million)		
Capital expenditures, net	**13.3**	**32.3**	**43.5**	**37.9**	**38.7**

Capital expenditures, net for the nine months ended 30 September 2020 primarily included investments in IT, including for the development of the Group's website, app and the implementation of the Group's ERP system, furniture for new show houses and IT equipment.

Capital expenditures, net for the nine months ended 30 September 2019 primarily included investments in IT, including for the development of the Group's website, app and the implementation of the Group's ERP system in an amount of DKK 26.5 million, and furniture for new show houses.

Capital expenditures, net for the year ended 31 December 2019 primarily included investments related to the implementation of the Group's ERP system and leasehold improvements of new offices.

Capital expenditures, net for the year ended 31 December 2018 primarily included the acquisition of certain vehicles as a result of a change in the Group's leasing provider, investments in IT related to the upgrade of the Group's website and app and the implementation of the Group's ERP system and the integration of VGH.

Capital expenditures, net for the year ended 31 December 2017 primarily included the acquisition of certain vehicles as a result of a change in the Group's leasing provider and investments in IT related to the upgrade of the Group's website and app.

Significant current and future capital expenditures

For a description of the Group's significant current capital expenditures, net, see "*—Capital Expenditures*" above.

As of the date of this Offering Circular, the Group has no specific plans concerning significant future capital expenditures.

Off-Balance Sheet Arrangements

In Note 3.4. to the Consolidated Financial Statements contingent liabilities are disclosed. The Group does not otherwise utilize off-balance sheet arrangements.

Critical Accounting Estimates and Judgments

The Consolidated Financial Statements and the Consolidated Interim Financial Statements contain information that is pertinent to this discussion and analysis of the Group's financial position and results of operations. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions concerning future events that affected the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

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

For a detailed description of the Group's critical accounting policies, see note 1.2, and the further notes referenced therein, to the 2019 Consolidated Financial Statements.

Quantitative and Qualitative Disclosure about Market Risk

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

Liquidity Risk

The Group does not receive payment until the project is finished and the house is delivered to the customer. Accordingly, the Group needs sufficient liquidity to fund current ongoing buildings.

As at 30 September 2020, the Group had an undrawn credit facility of DKK 424.0 million under its Existing Facilities Agreement. For a description of the Group's New Facilities Agreement see "*—Borrowings—Description of Debt Facilities—Description of New Facilities Agreement*". As at the date of this Offering Circular, management considers the Group's credit availability to be sufficient for the next 12 months.

Credit Risk

The Group is exposed towards customers' inability to meet their financial obligations. To address this risk, the Group obtains a bank guarantee on agreed sales price (or, alternatively, demands the agreed sales prices to be deposited in a Group account) from all customers before building starts and customers pay at delivery of the house. In circumstances where the scope and price is changed from the original contract, the bank guarantee is generally updated whenever the change in scope and price is considered significant but there might be a portion of the final price of the house that is not covered by the bank guarantee. As a result, the Group's assessment towards its exposure to credit risk is not significant as all payments rights are secured before delivery of the houses.

In the year ended 31 December 2018, the Group had to make provision for certain losses related to certain special situations in Germany where local management entered into certain contracts with customers without adequately securing receivables (i.e. bank guarantees) in advance, in contravention of the Group's policies. The loss on debtors in 2018 is therefore caused by deviation from the Group's policy in Germany. In 2019, certain provisions were made regarding the closure of the brick-house business in Sweden. Both are included in special items.

There were no impairments of other receivables in the years ended 31 December 2019, 2018 and 2017.

Interest Rate Risk

The Group is exposed to fluctuations in market interest rates primarily related to the Group's New Facilities. The Group aims to keep a reasonable part of its borrowings at fixed interest rates.

At 31 December 2019 the Group's long-term debt was kept at floating rates. As at 31 December 2019, the Group had no hedging contracts to address the exposure to interest rate fluctuations.

Assuming a 100 basis points variation in the average interest rate on the Group's floating interest rate financial borrowing and assuming all other variables remained constant, the finance cost in the year would have been DKK 16.9 million higher or lower in the year ended 31 December 2019 (2018: DKK 15.8 million).

Currency Risk

The Group is exposed to currency fluctuations from its activities in Sweden. The Group's Swedish operations are not themselves affected by this risk, as income and costs are denominated in the local functional currency. The Group has also been historically exposed to currency fluctuations from its activities in Germany which have been closed down as of the date of this Offering Circular.

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

Total revenue generated in SEK and EUR in the year ended 31 December 2019 amounted to DKK 430 million (2018: DKK 474 million). Management considers the Group's exposure to fluctuations in SEK compared with DKK and EUR as low.

No Significant Change

As at the date of this Offering Circular, other than the bonus share issuance completed in connection with the Pre-IPO Reorganization and the Group's refinancing, there have been no significant changes to the Group's financial condition and operating result since 30 September 2020.

CONSOLIDATED PROSPECTIVE FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2020 AND 2021

Statement by the Board of Directors and Executive Management

We have prepared and presented the consolidated prospective financial information for the financial years ending 31 December 2020 and 2021, including the principal assumptions stated under "*—Prospective Financial Information—Methodology and Assumptions*". The accounting policies applied are in accordance with the accounting policies set out in the Notes to the Consolidated Financial Statements included in this Offering Circular, except to the extent new accounting policies are required to be adopted in 2020 and 2021 as disclosed in Note 1.1 to the Consolidated Financial Statements included in this Offering Circular. The consolidated prospective financial information for the financial years ending 31 December 2020 and 2021 is prepared for the purpose of this Offering Circular.

The consolidated prospective financial information for each of the financial years ending 31 December 2020 and 2021 is based on a number of factors, including certain estimates and assumptions. The principal assumptions upon which we have based the consolidated prospective financial information for the financial years ending 31 December 2020 and 2021 are described under "*—Prospective Financial Information—Methodology and Assumptions*". The consolidated prospective financial information for the financial years ending 2020 and 2021 is based on a number of assumptions, and many of the significant assumptions we have used in preparing this information are outside of the Group's control or influence.

The consolidated prospective financial information for the financial years ending 2020 and 2021 represents the best estimates of the Board of Directors and the Executive Management at the date of publication of this Offering Circular. Actual results are likely to be different from the consolidated prospective financial information for the financial years ending 31 December 2020 and 2021 since anticipated events may not occur as expected and the variation may be material. You should read the consolidated prospective financial information for the financial years ending 31 December 2020 and 2021 in this section in conjunction with "*Risk Factors*" included elsewhere in this Offering Circular. See also "*Special Notice Regarding Forward-Looking Statements*".

6 November 2020

HusCompagniet A/S

Board of Directors

Claus V. Hemmingsen
Chairperson

Anja Bach Eriksson
Vice Chairperson

Steffen Martin Baungaard
Board member

Mads Munkholt Ditlevsen
Board member

Ylva Ekborn
Board member

Magnus Tornling
Board member

Executive Management

Martin Ravn-Nielsen
Group CEO

Mads Dehlsen Winther
Group CFO

Prospective Financial Information

Introduction

The Company's Board of Directors and Executive Management have prepared the consolidated prospective financial information for the financial years ending 31 December 2020 and 2021, respectively, which is included in this Offering Circular, in accordance with applicable laws, rules and regulations.

While this consolidated prospective financial information is presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, this consolidated prospective financial information is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions that are subject to change.

The Company's expectations presented in the consolidated prospective financial information as to future developments may deviate substantially from actual developments, and the Group's actual results of operations are likely to be different from the prospective financial information because anticipated events may not occur as expected, or may materially differ from the forecast provided. Accordingly, shareholders and potential investors should treat this information with caution and not place undue reliance on the expectations set forth below.

Methodology and Assumptions

The consolidated prospective financial information reflects the actual performance of the Group's business for the nine months ended 30 September 2020 and the Company's estimates and assumptions concerning its performance for the periods thereafter. The consolidated prospective financial information has been prepared on the basis of the Company's accounting policies, which are in accordance with IFRS as adopted by the EU, and which are set out in the Notes to the Consolidated Financial Statements included in this Offering Circular, except to the extent new accounting policies are required to be adopted in 2020 and 2021 as disclosed in Note 1.1.

The Group's expectations for the financial year ending 31 December 2020 are given on a continuing operations basis and therefore exclude the Group's German and Swedish brick house activities (which after close down are treated as discontinued operations starting in the consolidated interim financial statements for the nine months ended 30 September 2020).

The consolidated prospective financial information is prepared in accordance with the Company's normal forecasting and budgeting procedures and on a basis comparable to the historical financial information included elsewhere in this Offering Circular. However, the consolidated prospective financial information is based on a large number of estimates made by the Company based on assumptions on future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Group's actual results to differ materially from the prospective financial information presented herein.

Certain of the assumptions, uncertainties and contingencies relating to the consolidated prospective financial information are outside of the Company's control, including those relating to changes in political, legal, fiscal, market or economic conditions, improvement in macroeconomic conditions, currency fluctuations and actions by customers or competitors.

While the Company has presented below the principal assumptions on which the prospective financial information is based, it is likely that one or more of the assumptions the Company has relied upon will not prove to be accurate in whole or in part.

The Group's actual results of operations could deviate materially from its forecasts as a result of other factors, including, but not limited to, those described under "*Special Notice Regarding Forward-Looking* Statements" and "*Risk Factors*". For more information regarding principal factors that the Company expects could have a substantial effect on its results of operations, see "*Operating and Financial Review—Principal Factors Affecting the Group's Business and Results of Operations*".

For the purpose of preparing the consolidated prospective financial information for the financial years ending 31 December 2020 and 2021, respectively, the Company has applied the principal assumptions set forth below. Most of these assumptions are partially within the Group's control in the sense that the Group has the ability to partially control the number of houses it sells and delivers by engaging with an adequate number of suppliers and sub-contractors, acquiring the necessary building materials, adjusting house prices and generally continuing to perform its business model in accordance with past practice. However, the number of houses the

Group is able to sell and deliver is also affected by factors that are outside of the Group's control, such as general economic conditions, adverse market developments (in particular as a result of the COVID-19 pandemic), increased competition, or changes in interest rates and mortgage market conditions that adversely impact demand for houses, among others. See "*Risk Factors*" and "*Operating and Financial Review—Principal Factors Affecting the Group's Business and Results of Operations*".

Revenue

- The Group's estimate of revenue for the financial years ending 31 December 2020 and 2021 is, to a significant extent, based on the volume of houses sold and delivered for the nine months ended 30 September 2020 (1,392 and 1,101, respectively) adjusted for any known material items expected between the date of this Offering Circular and 31 December 2020 and 2021, respectively. This assumption is partially within the Group's control. The Group's estimate assumes:
    - sales of between 1,750 and 1,900 houses in the financial year ending 31 December 2020 (representing an increase in sales from 1,392 and 1,700 houses in the nine months ended 30 September 2020 and the year ended 31 December 2019, respectively). Similarly, the Group's estimate assumes deliveries of between 1,550 and 1,600 houses in the financial year ending 31 December 2020 (representing a a slight increase in the number of deliveries from 2019) driven by order backlog as at 30 September 2020.
    - sales of between 1,850 and 2,000 houses in the financial year ending 31 December 2021. Similarly, the Group's estimate assumes deliveries of between 1,650 and 1,800 houses in the financial year ending 31 December 2021.
- The Group assumes revenue from its semi-detached (Denmark) segment will be between DKK 500 million and 550 million in the financial year ending 31 December 2021, in line with its target to seize the attractive business-to-business opportunity in this market, based on existing order backlog and the acquisition of several land plots for the construction of semi-detached business-to-consumer houses and anticipated timing of sales with respect thereto. This assumption is partially within the Group's control.
- The Group assumes the average sale price per house in 2020 will be in line with 2019 as the Group does not expect a significant shift in its sales mix. This assumption is partially within the Group's control.
- The Group assumes the average sale price per house in 2021 will be slightly lower than in 2020 as a result of increased deliveries of semi-detached houses (which are sold at a lower price, on average, than detached houses as a result of their smaller size and lower add-ons) as a proportion of overall deliveries. This assumption is partially within the Group's control.
- The Group assumes work in progress (i.e., contract assets as set forth on the Group's consolidated balance sheet) will slightly increase in 2020 from 2019 levels (DKK 687.7 million) considering order backlog as at 30 September 2020. This assumption is partially within the Group's control.
- The Group assumes work in progress to increase significantly in 2021 by around DKK 150 million due to increased activity in the semi-detached business-to-business segment. This assumption is partially within the Group's control.
- The Group assumes order backlog by the end of 2020 to be around 65% given existing backlog year to date. This assumption is partially within the Group's control.

The Group's estimates for the financial years ending 31 December 2020 and 2021 are primarily based on historic experience, existing order backlog and current market expectations. Such estimates are dependent on a wide range of factors some of which are partially within the Group's control and some of which are out of its control. In part, the Group's revenue trajectory is influenced by its ability to continue to deliver houses without interruption or disruption which is partially within the Group's control. It is also based on assumptions that are outside or substantially outside of the Group's control, including assumptions relating to macro-economic conditions, industry considerations, regulatory changes and customer behavior (particularly, in light of the COVID-19 pandemic). The Group's estimates assume that there will not be any material change in the competitive or regulatory landscape, and/or other external actions which are significantly outside the Group's control by the Group's customers that could have an adverse effect on the Group's ability to continue its volume trajectory of sales and deliveries.

EBITA before special items (non-IFRS) and operating profit (EBIT)

In addition to the Group's assumptions as to revenue in the financial years ending 31 December 2020 and 2021, the Group's expectations regarding EBITA before special items (non-IFRS) and operating profit (EBIT) are based on the following assumptions:

- The Group expects gross profit on own land to decrease in 2020 to around DKK 25 million compared to DKK 41 million in 2019, as the detached land bank in the Group's balance sheet as at 1 January 2020 was slightly lower than the land bank as at 1 January 2019. This assumption is partially within the Group's control.
- The Group expects gross profit on own land to further decrease in 2021 to between DKK 15 million and DKK 20 million. The Group anticipates that the detached land bank in the Group's balance sheet as at 31 December 2020 will be slightly lower than the land bank as at 1 January 2020. This assumption is partially within the Group's control.
- The Group assumes special items as a cost of around DKK 75-80 million for the financial year ending 31 December 2020, including costs incurred in connection with the Offering and Admission. This assumption is partially within the Group's control. See "*Presentation of Financial and Certain Other Information*" for a definition of Special Items.
- The Group assumes no significant special items for the financial year ending 31 December 2021. This assumption is partially within the Group's control. See "*Presentation of Financial and Certain Other Information*" for a definition of Special Items.

Non-IFRS Financial Measures

EBITA before special items is not a measure of financial performance under IFRS. This measure is defined in the section "*Presentation of Financial and Certain Other Information*" to which the Group refers. This measure is used by management to monitor the underlying performance of the Group's business and operations. Not all companies may calculate this measure in the same manner or on a consistent basis, and as a result, the Group's presentation of such measure may not be comparable to measures used by other companies under the same or similar names. Accordingly, this non-IFRS measure should not be used alone or as a substitute of an IFRS financial measure as operating profit, net profit or other financial measure computed in accordance with IFRS. See "*Presentation of Financial and Certain Other Information*" and "*Selected Historical Consolidated Financial and Operating Information—Non-IFRS Financial Measures*"

Expectations for the Financial Year Ending 31 December 2020

- The Group expects revenue to be between DKK 3,550 million and DKK 3,600 million.
- The Group expects EBITA before special item to be approximately DKK 315 million.
- The Group expects operating profit (EBIT) to be approximately DKK 215–220 million.
- The Group expects a leverage ratio of around 2.5x net debt to last twelve months EBITDA excluding discontinued operations at the end of 2020.

Expectations for the Financial Year Ending 31 December 2021

- The Group expects revenue to be between DKK 3,800 million and DKK 4,150 million.
- The Group expects EBITA before special item to be between DKK 350 million and DKK 360 million.
- The Group expects operating profit (EBIT) to be between DKK 325 million and DKK 335 million.
- The Group expects a leverage ratio of <2.0x net debt to last twelve months EBITDA at the end of 2021.

See "*Special Notice Regarding Forward-Looking Statements*".

The Group's financial and operational performance is affected by various factors. See "*Operating and Financial Review—Principal Factors Affecting the Group's Business and Results of Operations".* For a discussion of certain factors that may have an adverse effect on the Group's operational and financial performance, see "*Risk Factors*".

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Overview

The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The two bodies are separate and have no overlapping members. The Executive Management, consisting of Martin Ravn-Nielsen and Mads Dehlsen Winther comprises the Group's management team.

Board of Directors

The Board of Directors is responsible for the overall and strategic management and proper organization of the Company's business and operations and it supervises the Company's activities, management and organization. The Board of Directors appoints and dismisses the members of the Executive Management, who are responsible for the day-to-day management of the Company.

In accordance with article 8.1 of the Articles of Association, the general meeting of the Company shall elect not less than four and not more than eight members to the Board of Directors. The Board of Directors elects a chairperson (the "**Chairperson**") and a vice chairperson (the "**Vice Chairperson**") of the Board of Directors among its members. If the Chairperson resigns during a term of election, the Vice Chairperson shall take up the position as Chairperson until a new Chairperson is elected among the members of the Board of Directors. See article 8.2 of the Articles of Association.

The members of the Board of Directors elected by the general meeting are elected for a term of one year until the next annual general meeting. Members of the Board of Directors may be re-elected.

The following table presents an overview of the members of the Board of Directors:

Name	Position	Independent	Year of first appointment	Expiration of term
Claus V. Hemmingsen	Chairperson	Independent	2020	2021
Anja Bach Eriksson	Vice Chairperson	Independent	2020	2021
Steffen Martin Baungaard . .	Board member	Not independent	2019(1)	2021
Mads Munkholt Ditlevsen .	Board member	Not independent	2015(2)	2021
Ylva Ekborn	Board member	Independent	2019	2021
Magnus Tornling	Board member	Not independent	2020	2021

(1) Steffen Martin Baungaard previously acted as Vice Chairperson from April 2019 until May 2020 and was CEO of the Group from 2008 until 2019 including CEO of the Company from its incorporation in November 2015 until April 2019.

(2) Mads Munkholt Ditlevsen previously acted as Vice Chairperson from November 2015 until March 2019 and was temporarily registered as CEO from July 2015 until November 2015.

The Company has based its assessment of independence on the basis of the criteria set out in the Corporate Governance Recommendations (as defined below) and three members have been assessed by the Company to be independent whereas the Company has three board members who are not considered independent. Mads Munkholt Ditlevsen is partner and head of EQT Partners Denmark and Magnus Tornling is a partner and head of EQT Partners Norway and therefore each of them represents the interest of the Principal Shareholder who is affiliated with the EQT VI. Steffen Martin Baungaard was the CEO of the Group including the Company until April 2019.

The Company believes that the present members of the Board of Directors possess the professional skills and experience required to serve as board members of the Company and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

Biographies

Other than as presented below, none of the members of the Board of Directors have been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside the Group within the past five years.

Claus V. Hemmingsen (full name: Claus Michael Valentin Hemmingsen, born 1962, Danish nationality) has been the Chairperson since August 2020 and a member of the Board of Directors since May 2020. Claus V. Hemmingsen is currently the chairman of the board of directors of The Drilling Company of 1972 A/S (Maersk Drilling), chairman of the board of directors of DFDS A/S, a member of the board of directors of A.P. Møller Holding A/S, a member of the board of directors of A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Den A.P. Møllerske Støttefond, Global Maritime Forum Fonden and Bacher Workwear A/S, as well as a member of the executive management of CVH Consulting ApS.

In the past five years, Claus V. Hemmingsen previously held various positions within the A.P. Møller-Mærsk group, including being a member of the executive management of A.P. Møller-Mærsk A/S, latest as a CEO of Maersk Energy Division and Vice CEO of A. P. Moller-Maersk Group, a member of the board of directors and chairman of the board of directors of Maersk Oil and Gas A/S (now Total E&P Danmark A/S), chairman of the board of directors of Maersk Supply Service A/S, member of the board of directors of Maersk Tankers A/S, chairman of Danish Shipping, member of the board of directors, chairman and the CEO of Maersk Drilling A/S, chairman of the Danish-Chinese Business Forum and a member of the board of directors of Egyptian Drilling Company SAE. Claus V. Hemmingsen has supplemented his education with management courses at London Business School, International Directors Program at INSEAD and holds an Executive MBA from IMD Business School.

Anja Bach Eriksson (full name: Anja Bach Eriksson Kofoed, born 1974, Danish nationality) has been the Vice Chairperson of the Board of Directors since August 2020 and a member of the Board of Directors since July 2020. Anja Bach Eriksson is currently a member of the executive management of F5 Invest ApS and M.J. Eriksson A/S and the chairman of the board of directors of Scandinavian Corporate Finance Advisers A/S, M.J. Eriksson Holding A/S and Anders Nielsen & Co. A/S as well as a member of the board of directors of Pihl & Søn A/S, M.J. Eriksson A/S, Trackunit ApS, M-Tec Danmark ApS and M-Tec Holding Danmark ApS. In the past five years, Anja Bach Eriksson has previously been a member of the executive management of Anja Eriksson Holding 1 ApS. Anja Bach Eriksson holds a Master of Science in Applied Economics and Finance and a Bachelor of Science in International Business from Copenhagen Business School and has a degree from the Young Managers Programme and in Negotiation Dynamics from INSEAD Business School.

Steffen Martin Baungaard (full name: Steffen Martin Baungaard, born 1967, Danish nationality) has been a member of the Board of Directors since April 2019. Steffen Martin Baungaard previously acted as Vice Chairperson from April 2019 until May 2020 and was CEO of the Group from 2008 until 2019, including CEO of the Company from November 2015 until April 2019. Steffen Martin Baungaard is currently vice chairman of Arkil Holding A/S, and a member of the real estate advisory board of Realkredit Danmark A/S, the chairman of the board of directors of Brøndum Holding A/S and Brøndum A/S, and a member of the board of directors of Deko P/S, Nordic Waterproofing Holding A/S, Nordic Waterproofing AB, Carl Ras A/S, Frederikshøj Ejendomme A/S and M. B. Packaging A/S. In the past five years, Steffen Martin Baungaard has previously been the member of the board of directors of Arkil A/S, OMØ A/S and RJ2FC Holding A/S. Steffen Martin Baungaard holds a Bachelor of Engineering from the Engineering College of Copenhagen and a Bachelor of Commerce from Copenhagen Business School.

Mads Munkholt Ditlevsen (full name: Mads Munkholt Ditlevsen, born 1976, Danish nationality) has been a member of the Board of Directors since July 2015. During his time on the Board of Directors, Mads Munkholt Ditlevsen acted as Vice Chairperson from November 2015 until March 2019 and was CEO from July 2015 until November 2015. Mads Munkholt Ditlevsen has been with EQT since 2004 and is currently a partner at EQT Partners, a member of the executive management and head of EQT Partners Denmark ApS. Mads Munkholt Ditlevsen is also currently a Class A Director of Banking Circle S.A. and of B. Circle Holdings S.A., a member of the executive management of Hefeax ApS, a Class A Manager of Moneyball Bidco S.a.r.l., a member of the board of directors of Zebra A/S as well as a member of the board of directors of DVCA Danish Venture Capital and Private Equity Association. In the past five years, Mads Munkholt Ditlevsen has previously been a branch manager of EQT Partners Denmark, filial af EQT Partners AB (branch has since been closed down), Sverige, the vice chairman of the board of directors of Saxo Payments A/S (dissolved due to cross-border merger), and a member of the board of directors of Faerch A/S, Færch Plast Group A/S, Zebra A/S, Atos Medical AB and Htl-Strefa SA. Mads Munkholt Ditlevsen holds a Master of Science in Finance and Accounting and a Bachelor of Science in Business Administration from Copenhagen Business School and has attended Case Western Reserve University, Ohio for a semester on MBA education.

Ylva Ekborn (full name: Ylva Anna Viktoria Ekborn, born 1975, Swedish nationality) has been a member of the Board of Directors since June 2019. Ylva Ekborn is currently the chairman of the board of directors of PostNord Strålfors Oy, chairman of PostNord Strålfors AS, and CEO and a managing director of PostNord Strålfors AB. In the past five years, Ylva Ekborn has previously been the managing director and chairman of the board of directors of PostNord Strålfors A/S, Head of Voice Nordics and managing director of Eniro AB and 118118 AB, chairman of the board of directors and member of the board of directors of Tand 2:103 Fastighets AB and PostNord Strålfors A/S, member of the board of directors of Easypark Group and Eniro 118118 AB, Eniro Sentraali OY as well as suppleant to the board of directors of 118118 Pensionstiftelse and the chairman of the board of directors and member of the board of directors of Nummeropplysningen 1880 AS. Ylva Ekborn holds a Master of Science in Economics and Business Administration from Stockholm School of Economics.

Magnus Tornling (full name: Nils Magnus Tornling, born 1979, Swedish nationality) has been a member of the Board of Directors since May 2020. Magnus Tornling is currently a partner and head of EQT Partners AS (Norway), chairperson of the board of directors of EQT Partners AS and of NMT Invest AS and a member of the board of directors of Swib Holding AB, Remedy Bidco AS, Tosiva AS, AutoStore AS, Recover Nordic AS and Terminator Holding S.a r.l. In the past five years, Magnus Tornling has previously been Co-Head of Investment Banking and Head of Equity Capital Markets of ABG Sundal Collier in Oslo and a member of the board of directors of Terminator Bidco AS. Magnus Tornling holds a Master of Science in Business and Economics from BI Norwegian School of Management.

Executive Management

According to article 9.1 of the Company's Articles of Association, the Board of Directors appoints the Executive Management, consisting of one to three members. The primary task of the Executive Management is to carry out the day-to-day management of the Group.

The following table presents an overview of the current members of the Executive Management:

Name	Position	Year of first employment with the Group	Year of appointment to current position
Martin Ravn-Nielsen	Group CEO	2009	2020
Mads Dehlsen Winther	Group CFO	2019	2019

The Company believes that both members of the Executive Management possess the professional skills and international experience required for their positions in the Group and to manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

Biographies

Other than as presented below, none of the members of the Executive Management have been members of the administrative, management or supervisory bodies of a company or a partnership or a partner in a partnership outside the Group within the past five years.

Martin Ravn-Nielsen (full name: Martin Ravn-Nielsen, born 1971, Danish nationality) joined the Group in January 2009 and has been Group CEO since May 2020 after having held the position of Head of Denmark. Prior to joining the Group in 2009 Martin Ravn-Nielsen was previously employed with NCC and eurodan-huse, Martin Ravn-Nielsen is currently CEO of Udviklingsselskabet MRN ApS and Ravn-Nielsen Invest ApS. Martin Ravn-Nielsen holds a diploma in Economics and Law from Finansforbundet (Copenhagen).

Mads Dehlsen Winther (full name: Mads Dehlsen Winther, born 1977, Danish nationality) joined the Group in September 2019 as the Group CFO. Mads Dehlsen Winther is currently a member of the executive management of Winther Invest ApS and a member of the board of directors of Maersk Supply Service A/S. In the past five years, Mads Dehlsen Winther was previously Head of Strategy and M&A, energy division (senior vice president) and Head of Group M&A and Investments (vice president) of the A.P. Møller-Mærsk group. Further, Mads Dehlsen Winther was previously CFO of Maersk Supply Service A/S, CEO of Maersk Supply Service International A/S, Maersk Supply Service Brazil Holdings A/S and Maersk Supply Service Philippines A/S. Mads Dehlsen Winther was also previously chairman of the board of directors of Maersk Supply Service West Africa A/S, and a member of the board of directors of Maersk Drilling A/S, Maersk Drilling Holding A/S, Maersk Amerika Plads Kommanditist A/S, Maersk Supply Service Brazil Holdings A/S, Maersk Supply Service Integrated Solutions A/S, Maersk Supply Service International A/S, Maersk Supply Service Nigeria A/S, and Maersk Supply Service Philippines A/S. Mads Dehlsen Winther has previously been a member of the board of directors of Höegh Autoliners AS, Sunrise 16 A/S (dissolved by declaration) and Maersk Amerika Plads P/S (dissolved October 2016). Mads Dehlsen Winther holds a Master of Science in Auditing and Accounting as well as a Master of Science in Economics and Business Administration from Copenhagen Business School and supplemented his education with additional courses from Harvard Law School and IMD.

Business Address

The business address of the members of the Board of Directors and the Executive Management is: c/o HusCompagniet A/S, Plutovej 3, 8700 Horsens, Denmark.

Statement on Past Records

During the past five years, none of the members of the Board of Directors or the Executive Management have been (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership or liquidation except as set out immediately below; or (iii) subject to any public incrimination and/or sanctions by statutory regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive board or supervisory body or being in charge of an issuer's management or other affairs.

Anja Bach Eriksson was a member of the executive management of Anja Eriksson Holding 1 ApS, which dissolved due to merger in 2020.

Steffen Martin Baungaard was the CEO of HC Topco A/S, which dissolved due to merger in 2017, and the CEO and a member of the board of directors of HC Newco I A/S, which dissolved due to merger in 2017. Further, Steffen Martin Baungaard was the chairperson of the board of directors of HusCompagniet Fyn A/S, HusCompagniet Sjælland A/S, HusCompagniet Sønderjylland A/S and FM-Søkjær Entreprise A/S, which dissolved due to merger in 2019.

Mads Munkholt Ditlevsen was the chairperson and a member of the board of directors of HC Topco A/S, which dissolved due to merger in 2017, and the chairperson of HC Newco I A/S, which dissolved due to merger in 2017. Further, Mads Munkholt Ditlevsen was the deputy chairman of the board of directors of Saxo Payments A/S, which dissolved due to cross-border merger in 2020, and the deputy chairperson of the board of directors of HusCompagniet Fyn A/S, HusCompagniet Sjælland A/S, HusCompagniet Sønderjylland A/S and FM-Søkjær Entreprise A/S, which dissolved due to merger in 2019.

Ylva Ekborn was the chairman and a member of the board of directors of Tand 2:103 Fastighets AB, which dissolved due to merger in 2019. Further, Ylva Ekborn was a member of the executive management of PostNord Strålfors Group AB, which dissolved due to merger in 2019.

Martin Ravn-Nielsen was a member of the board of directors of HC Newco I A/S, which dissolved due to merger in 2017. Further, Martin Ravn-Nielsen was a member of the executive management of HusCompagniet Fyn A/S, HusCompagniet Sjælland A/S, and FM-Søkjær Entreprise A/S, which dissolved due to merger in 2019, and CEO of HusCompagniet Sønderjylland A/S, which dissolved due to merger in 2019.

Mads Dehlsen Winther was the deputy chairperson of the board of directors of HusCompagniet Fyn A/S, HusCompagniet Sjælland A/S, HusCompagniet Sønderjylland A/S and FM-Søkjær Entreprise A/S, which dissolved due to merger in 2019. Further, Mads Dehlsen Winther was a member of the board of directors of Sunrise 16 A/S, which dissolved by declaration in 2019, and a member of the board of directors of Maersk Amerika Plads P/S, which dissolved after voluntary liquidation in 2016.

Statement on Conflicts of Interest

There are no family ties among the members of the Board of Directors or the Executive Management.

With the exception of the board members, Mads Munkholt Ditlevsen and Magnus Tornling, the Company is not aware of any member of the Board of Directors or the Executive Management having been appointed to their current position pursuant to an agreement or understanding with the major shareholders, customers, suppliers or other parties. Mads Munkholt Ditlevsen is partner and head of EQT Partners Denmark and Magnus Tornling is a partner and head of EQT Partners Norway and thus each of them represent the interests of the Principal Shareholder due to their affiliation with the EQT VI.

None of the members of the Board of Directors or the Executive Management have conflicts of interest with respect to their duties as members of the Board of Directors, or the Executive Management except for the members of the Board of Directors, Mads Munkholt Ditlevsen and Magnus Tornling, for the reasons set out in the paragraph above. See also "*Ownership Structure and Shareholders*" for a description of the current ownership interest in the Company held by members of the Board of Directors or the Executive Management.

None of the members of the Board of Directors or the Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because the Group has an equity interest in such company or because the Group and the company concerned have an ongoing business relationship, except as disclosed under "*Related Party Transactions*". However, the Group may do business in the ordinary course with companies in which members of the Board of Directors or the Executive Management may hold positions as directors or officers.

It follows from the Rules of Procedure of the Board of Directors and the Danish Companies Act that a member of the Board of Directors or the Executive Management shall not participate in the preparation, discussions or the decision-making process concerning (a) an agreement between the Company (or another company within the Group) and the member in question, (b) legal proceedings between the member in question and the Company (or another company within the Group) or, (c) an agreement between the Company (or another company within the Group) and any third-party or legal proceedings brought against any third party if the member in question has a significant interest therein that may conflict with the Group's interests.

BOARD PRACTICES

Board Practices and Committees

The Board of Directors has resolved that the following board practices and committees shall take effect from the day of Admission.

The Board of Directors plans to convene at least five regular meetings annually, including a strategy review, as well as *ad hoc* meetings as required. Extraordinary board meetings are convened by the Chairperson when necessary or when requested by a member of the Board of Directors, a member of the Executive Management or by the Company's auditors.

The Board of Directors forms a quorum when more than half of its members are represented, including the Chairperson or the Vice Chairperson. Resolutions of the Board of Directors are passed by a simple majority of the votes present at the meeting. In the event of equal votes, the Chairman, or in his/her absence the Vice Chairperson, shall have the casting vote.

The Board of Directors shall annually perform an evaluation of the effectiveness, performance, achievements and competencies of the Board of Directors and of the individual members as well as the collaboration with the Executive Management.

The following board committees have been established by the Board of Directors, each of which has a charter setting forth its purpose and responsibilities. All the committees report and make recommendations to the Board of Directors.

Audit Committee

The Company's audit committee (the "**Audit Committee**") shall review accounting and audit matters that by decision of the Board of Directors or the Audit Committee require a more thorough evaluation, and assess the internal controls and risk management systems of the Company. Its duties also include supervision of the Company's auditors and review of the audit process.

In accordance with the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued in November 2017, as amended, (the "**Corporate Governance Recommendations**"), the Company has decided that the Chairperson of the Board of Directors may not also be the chairperson of the Audit Committee and that a majority of the members of the Audit Committee are required to meet the independence requirements set out in the Corporate Governance Recommendations. In addition, at least one member shall have accounting or audit qualifications and between them, the members shall possess such expertise and experience as to provide an updated insight into, and experience in, the financial, accounting and audit aspects of companies with shares admitted to trading and official listing on a regulated market. The Audit Committee shall consist of no less than two members appointed by and among the Board of Directors, including the chairperson of the Audit Committee, and is expected to consist of Anja Bach Eriksson as chairperson and Ylva Ekborn and Magnus Tornling as members. The majority of the members of the Audit Committee meets the independence requirement set out in the Corporate Governance Recommendations.

The Audit Committee shall convene when it is deemed necessary or appropriate, however it is expected to be convened at least three times a year. The Group CFO shall participate in the meetings of the Audit Committee, unless otherwise requested by the Audit Committee, and the Company's external auditor shall participate in meetings of the Audit Committee if so requested by the Audit Committee. The external auditor shall attend at least one meeting per year or the relevant part hereof where the Executive Management is not present.

Remuneration and Nomination Committee

The Company's remuneration and nomination committee (the "**Remuneration and Nomination Committee**") shall assist the Board of Directors with matters related to the remuneration of the Board of Directors and Executive Management, including reviewing and updating the Company's remuneration policy in accordance with Sections 139 and 139a of the Danish Companies Act, evaluating and making recommendations for the remuneration of the members of the Board of Directors and the Executive Management as well as the preparation of the remuneration report in accordance with Section 139b of the Danish Companies Act. Further, the Remuneration and Nomination Committee shall assist the Board of Directors with ensuring that appropriate plans and processes are in place for nomination of candidates to the Board of Directors, the Executive Management and the board committees. The Remuneration and Nomination Committee shall evaluate the composition of the Board of Directors and the Executive Management, which includes making recommendations for nomination or appointment of members of (a) the Board of Directors, (b) the Executive Management and (c) the board committees established by the Board of Directors.

The Remuneration and Nomination Committee shall consist of no less than two members appointed by and among the Board of Directors, including the chairperson of the Remuneration and Nomination Committee, and is expected to consist of Claus V. Hemmingsen as chairperson and Mads Munkholt Ditlevsen and Ylva Ekborn as members. The majority of the members of the Remuneration and Nomination Committee meet the independence requirements set out in the Corporate Governance Recommendations.

The Remuneration and Nomination Committee shall convene when it is deemed necessary or appropriate, however expected to be convened at least once a year. Members of the Board of Directors and the Executive Management, relevant employees and external parties (e.g. advisers) may participate in the meetings of the Remuneration Committee upon invitation. The Executive Management shall attend the meetings of the Remuneration Committee if requested.

Corporate Governance

The Company is committed to exercising good corporate governance at all times and the Board of Directors will regularly assess rules, policies and practices according to the Corporate Governance Recommendations. Nasdaq Copenhagen has incorporated the Corporate Governance Recommendations in Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 May 2020 (the "**Issuer Rules of Nasdaq Copenhagen**"). Accordingly, as a company with shares admitted to trading and official listing on Nasdaq Copenhagen, the Company will be required to comply with or explain deviations from the Corporate Governance Recommendations as also required pursuant to Section 107b of the Danish Consolidated Financial Statements Act no. 838 of 8 August 2019.

In connection with the Offering and with effect from the Admission, the Board of Directors has prepared a statutory statement on corporate governance that reflects the compliance of the Company with each of the Corporate Governance Recommendations.

The Group intends to comply in all material respects with 46 out of the 47 Recommendations on Corporate Governance.

With respect to recommendation 1.1.3 which the Company is expected to deviate from, the Company will not publish quarterly reports, but will instead publish trading statements for Q1 and Q3. The Company believes that trading statements will provide investors and other stakeholders with sufficient information on the financials of the Company.

The Company's corporate governance practices are also accounted for in the statutory statement on corporate governance, which is available on the Company's website.

Description of Internal Control and Financial Reporting Procedures

The Board of Directors, the Audit Committee and the Executive Management are ultimately responsible for the Group's risk management and internal controls in relation to its financial reporting, and approve the Group's general policies in that regard.

The Audit Committee assists the Board of Directors in overseeing the reporting process and the most important risks involved in this respect. The Executive Management is responsible for the effectiveness of the internal controls and risk management and for the implementation of such controls aimed at mitigating the risk associated with the financial reporting.

The Group has internal control and financial reporting procedures aimed at enabling it to monitor its performance, operations, funding and risk. Currently, the Group does not have any internal audit function. The Board of Directors will continuously review the need for such function.

While the Group continues to improve its procedures and internal control, including documentation of the internal control systems, the Group believes that its reporting and internal control systems are sufficient to comply with the rules and to be compliant with disclosure obligations applying to issuers of shares admitted to trading and official listing on Nasdaq Copenhagen. The Group's internal control and financial reporting procedures include, among other things

- Consolidated monthly financial information packages reported to the Executive Management and Board of Directors, which includes:
    - Monthly and year-to-date financial information per country for the following metrics:
        - revenue and growth;
        - gross profit and margin;
        - EBITDA and margin; and
        - and key performance indicators such as sales and deliveries.
    - Full P&L statements, balance sheet, cash flow, financing requirements
    - All actual figures are compared to budget, latest forecast and prior year
    - Explanations for material deviations.
- Monthly highlight reports from business and operating segments including key performance indicators on actual performance compared with budgeted performance, latest forecast and previous year's performance and explanations of any deviations. The monthly financial highlights are reported to the Executive Management and discussed at monthly review sessions with management of the operating segments;
- Liquidity and working capital is continuously monitored by the finance function to ensure adequate controls are in place; and
- Centralized planning processes including a centrally driven budget process with bottom-up input from all operating segments, quarterly updated "full year estimates".

The Group has adopted a whistle-blower policy.

External audit

The Group's independent auditors are appointed for a term of one year by the shareholders at the Company's annual general meeting upon recommendation from the Board of Directors. The Board of Directors assesses the independence and competencies and other matters pertaining to the auditors. The framework for the auditors' compensation and duties, including audit and non-audit tasks, is agreed annually between the Board of Directors and the Group's auditors and will going forward be based on recommendation from the Audit Committee. The Group has regular dialogue and exchange of information with its auditors.

REMUNERATION AND BENEFITS

Compensation of the Board of Directors and Executive Management

The remuneration policy prepared in accordance with Section 139 of the Danish Companies Act and applicable to the Board of Directors and the Executive Management of the Group has been approved at a general meeting (the "**Remuneration Policy**"). The compensation of the Board of Directors and the Executive Management of the Company described herein for 2020 has been determined in accordance with the principles set out in the Remuneration Policy.

The Remuneration Policy is available on the Company's website. Information included on the Company's website does not form part of and is not incorporated by reference into this Offering Circular, unless otherwise specifically stated herein.

Compensation of the Board of Directors

Members of the Board of Directors receive fixed annual fees which will be presented for approval by the Company's shareholders at the annual general meeting. Remuneration of the Board of Directors shall not include share-based incentive programs.

In respect of the financial year 2019, the board members received DKK 1,142,000 in total annual fees, which does not include remuneration to the representatives of the Principal Shareholder represented on the Board of Directors in this period who waived their board fees for this period.

The Company's extraordinary general meeting has approved a resolution that, subject to completion of the Offering, the members of the Board of Directors for the financial year 2020 will receive a fixed annual base fee of DKK 300,000 while the Chairperson receives three times the fixed annual base fee and the Vice Chairperson receives two times the fixed annual base fee for their extended duties, with each fee being calculated on a pro rate basis for the remainder of 2020 with effect from the date of Admission. Members of the Audit Committee and the Remuneration and Nomination Committee will receive a supplementary annual fee of DKK 100,000 and DKK 75,000, respectively, and the chairperson of the Audit Committee and the Remuneration and Nomination Committee will receive a supplementary annual fee of DKK 200,000 and DKK 100,000, respectively. Supplementary annual fees for committee work shall be calculated on a pro rate basis for the remainder of 2020 with effect from the date of Admission.

In the event a member of the Board of Directors in agreement with the Board of Directors takes on ad hoc tasks, such member may be offered an ad hoc fee for the work carried out. The value of an ad hoc fee may not exceed 50% of the total remuneration paid to a member of the Board of Directors, including any additional fees to the Chairperson, Vice Chairperson and board committee members. Any ad hoc fees paid to members of the Board of Directors will be disclosed in the remuneration report.

Reasonable expenses such as travel and accommodation relating to board and committee meetings and relevant training may be reimbursed by the Company if approved by the Board of Directors or the Chairperson. Further, the Company may offer to cover social security contributions within the EU to the extent imposed by foreign national authorities in relation to board fees and reimbursable expenses.

Neither the Company nor any Group company have granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of the Board of Directors or any of its members.

No member of the Board of Directors is entitled to any kind of compensation upon resignation as a member of the Board of Directors.

Neither the Company nor any Group company have allocated funds or made provisions for any pension benefits, severance scheme or the like for the Board of Directors and have no obligation to do so. No member of the Board of Directors will receive compensation from any Group subsidiary for any services performed to such subsidiary.

Compensation of Executive Management Times the Fixed Annual Base Fee

In respect of the financial year 2019, the Executive Management received compensation from other Group entities for services performed for such Group entities in their current positions which consisted of a fixed salary, cash bonus as well as customary benefits in accordance with market standards.

The following table presents an overview of the compensation booked by the Group to the Executive Management in respect of the financial year 2019 including cash bonus for the financial year 2019 paid in 2020:

DKK million	Martin Ravn-Nielsen[(1)]	Mads Dehlsen Winther[(2)]
Fixed salary	2.8	1.0
Cash bonus	2.0	0.5
Share based payments	N/A	N/A

(1) The salary levels of the Group CEO is the total salary actually received in 2019 by him and therefore also reflects the salary levels for the time he held the position as Head of Denmark before becoming Group CEO in May 2020.

(2) The Group CFO joined the Group in September 2019 and therefore only received compensation for 2019 from 1 September 2019 to 31 December 2019. The Group CFO also received a one-month sign-on bonus from an entity above the Company level.

For the financial year 2020, the compensation of Executive Management may consist of a combination of fixed salary, cash bonus under the STIP (as referred to below) as well as customary benefits in accordance with market standards. The compensation of the members of the Executive Management for the financial year ending 31 December 2020 is in respect of all of their services provided to the Group.

Under the STIP (Short-term Incentive Plan) for the financial year 2020, the Group CEO and Group CFO may receive a performance-based cash bonus of up to 80% of their annual fixed base salary. See *"—Incentive Programs—Short-term Incentive Program (the "STIP")*" for further details.

Under the LTIP (Long-term Incentive Programme) expected to be implemented after the Company's annual general meeting in 2021, the Group CEO and Group CFO will be granted restricted share units, the value of which, at the time of grant, corresponds to 30% of their annual fixed salary. The first RSU grant is expected to be made after the Company's annual general meeting in 2021. See "*—Incentive Programs—Long-term Share Based Incentive Program (the "LTIP")*" for further details.

The Company has not allocated funds or made provisions for any pension benefits, severance scheme or the like for the Executive Management and has no obligation to do so. The Group has not granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of the Executive Management.

The Group CEO and the Group CFO are, under their respective service contracts, entitled to a notice period of 12 months if the employment is terminated by the Company. Subject to certain conditions, the Company may terminate the employment of the Group CEO and Group CFO with two months' notice in case of long-term illness. The Group CEO and the Group CFO may terminate the employment with six months' notice. The Group CEO and the Group CFO are not entitled to severance pay.

Under their respective service contracts, the Group CEO and Group CFO are subject to non-competition clauses and non-solicitation clauses for a period of 12 months after expiry of the notice period in case the employment is terminated by the Company, and the Group CEO and Group CFO have given reasonable cause for the dismissal, whereas the non-competition clauses apply for a period of 18 months' after expiry of the notice period in case the employment is terminated by the Group CEO and Group CFO, respectively. During the restricted period, the Group CEO and Group CFO are entitled to compensation corresponding to 60% of their respective fixed salary and annual cash bonus for the preceding year (on a pro-rated basis) in case the employment is terminated by the Company, and 50% of their respective fixed salary in case the employment is terminated by the Group CEO or the Group CFO, respectively. The compensation will be reduced if the Group CEO or the Group CFO commences an independent business or obtains a new employment during the restricted period.

Incentive Programs

A number of incentive programs have been established for the Executive Management and certain other employees of the Group. Each of these programs are described in further detail below and which can be divided into three categories; (i) the Group's short-term incentive plans (ii) the Group's long-term incentive plans and (iii) offering related bonuses.

Offering Related Bonuses

Current and former members of Executive Management and the Board of Directors may be eligible to receive a cash-based extraordinary bonus in connection with and subject to successful completion of the Offering.

Subject to successful completion of the Offering and certain conditions, the Group CEO is eligible to receive a fixed cash-based extraordinary bonus of approximately DKK 14.9 million, the Group CFO is eligible to receive a fixed cash-based extraordinary bonus of DKK 3 million and a variable cash-based extraordinary bonus of up to DKK 9 million, and the member of the Board of Directors, Steffen Martin Baungaard, is eligible to receive a fixed cash-based extraordinary bonus of DKK 1 million.

The aggregate maximum cash-based extraordinary bonuses will be paid subject to successful completion of the Offering and will amount to an aggregate maximum amount of DKK 38.9 million based on the top of the Offer Price Range of which the Principal Shareholder will pay a maximum amount of DKK 7.5 million and the remaining part will be paid by the Company.

In addition, subject to completion of the Offering, the Principal Shareholder intends to transfer up to 400,000 Shares at no cost to certain members of the Board of Directors (excluding Mads Munkholt Ditlevsen and Magnus Tornling, who represent the Principal Shareholder), the Executive Management and certain employees (the "**IPO Bonus Shares**") of which up to 80,000 Shares are allocated to the Board of Directors and up to 260,000 Shares are allocated to Executive Management.

Short-term Incentive Program (the "STIP")

The Group has a short-term cash based bonus scheme, with participation from the Executive Management and certain other employees.

The participants under the STIP will be eligible to receive an annual performance cash bonus, which in respect of the Executive Management and certain other employees will be subject to certain predefined financial targets as well as individual targets being met as determined by the Board of Directors from year to year.

Long-term Share Based Incentive Program (the "LTIP")

Subject to completion of the Offering, it is contemplated to introduce the LTIP consisting of restricted share units ("**RSU**s") to be granted to the Executive Management and other eligible employees at the latest after the annual general meeting in 2021, on terms and conditions as determined by the Board of Directors.

The RSUs will vest during a three year vesting period. Vesting is not conditional upon achieving any financial or non-financial targets.

The LTIP is expected to be treated as an equity-settled share-based incentive program and expensed over the three-year vesting period, based on a number of conditions, e.g. market price at grant, peer group volatility and estimated retention effects. The Group expects to purchase treasury shares to cover restricted share units granted under the LTIP.

OWNERSHIP STRUCTURE AND SHAREHOLDERS

Ownership Structure

The Company's share capital consists of one share class and has a nominal value of DKK 100,000,000 divided into 20,000,000 Shares of DKK 5 nominal value each, which will all be issued and fully paid up.

The Selling Shareholders currently hold 19,364,364 Shares corresponding to 96.8% of the Company's share capital and voting rights and will in connection with the Offering offer up to 9,600,000 existing Shares.

Pre-IPO Reorganization

Prior to the date of this Offering Circular, the Company's share capital consisted of three share classes: Class A preference shares, Class B common shares and Class C common shares. These three share classes were consolidated into one single share class on 5 November 2020. To ensure this initial allocation of shares to the holders of Class A preference shares, Class B common shares and Class C common shares represented the same economic value held by each such existing shareholder prior to the share consolidation in connection with Pre-IPO Reorganization, the Company, contemporaneously with such share class consolidation, issued bonus Shares to the holders of Class A preference shares, Class B common shares and Class C common shares. Following pricing of the Offering, these existing shareholders will make further adjustments to such allocation by way of transferring shares between them to ensure that, following pricing of the Offering, the share allocation of Shares among the existing shareholders continues to represent the same economic value held by each existing shareholder prior to the initial allocation (the share class consolidation, initial allocation and further adjustment of the initial allocation, collectively, the "**Pre-IPO Reorganization**"). The effective exchange ratio for the Class A preference shares and Class C common shares as well as the Class B common shares into new Shares in the Company in connection with the initial share allocation and the reallocation through share transfers among such existing shareholders following pricing in accordance with the IPO Exit Agreements is determined on the basis of a combination of factors, that take into account, among other things, the Offer Price and the implied value of the previous Class A preference shares, Class B common shares and Class C common shares in the Company. See also "*—MPP", "—Agreements Related to the Ownership of the Group—IPO Exit Agreements" and "Description of the Shares and Share Capital—Registered Share Capital."* All current board members, other than Mads Munkholt Ditlevsen and Magnus Tornling (both of whom represent the Principal Shareholder), hold shares in the Company as a result of their participation in the MPP.

MPP

Following the Principal Shareholder's acquisition of the Group in 2015, a co-investment program (the "**MPP**") was established. The current participants comprise approximately 70 current and former employees of the Group, members of the boards of directors of Group companies as well as the members of the Board of Directors (other than Mads Munkholt Ditlevsen and Magnus Tornling) and the members of the Executive Management.

Under the MPP, the MPP participants have invested in Class A preference shares and Class C common shares, all of which will be consolidated under the terms of the MPP into new Shares in the Company prior to Admission in connection with the Pre-IPO Reorganization. See "*—Pre-IPO Reorganization*".

Upon Admission, the MPP will terminate. The MPP Participants may, but are not obliged, to participate as Selling Shareholders in connection with the Offering on a pro rata basis with the Principal Shareholder based on the Principal Shareholder's sale of shares excluding any shares subject to the Overallotment Option. See "*—Table of shareholders*" for an overview and illustrative calculation of ownership percentages in the Company following completion of the Offering.

The Shares that the MPP participants will receive, either individually or through their respective holding companies, as a result of the Pre-IPO Reorganization and which will not be sold in the Offering, are subject to lock-up arrangements for a period of 180 days from the date of the Underwriting Agreement. See "*Plan of Distribution—Lock-up Arrangements*".

Table of Shareholders

The following table sets forth the information regarding the Company's ownership structure on the date of this Offering Circular and at the completion date and after completion of the transfer of the IPO Bonus Shares by the Principal Shareholder assuming a) full exercise of the Overallotment Option and b) the maximum number of Offer Shares being sold in the Offering. In case the percentages do not sum to 100% in the following tables, this is due to rounding.

	Offering Circular Date		Completion Date (assuming full exercise of the Overallotment Option) Mid-point Offer Price Range		Top end Offer Price Range		Bottom end Offer Price Range	
	No. Shares	%	No. Shares	%	No. Shares	%	No. Shares	%
Principal Shareholder[(1)]	**18,733,618**	**93.7%**	**7,633,274**	**38.2%**	**7,618,924**	**38.1%**	**7,647,035**	**38.2%**
Board of Directors	**213,408**	**1.1%**	**301,815**	**1.5%**	**317,877**	**1.6%**	**283,175**	**1.4%**
Claus V. Hemmingsen[(2)]	12,981	0.1%	42,639	0.2%	34,915	0.2%	51,604	0.3%
Anja Bach Eriksson[(3)]	6,921	0.0%	22,735	0.1%	18,617	0.1%	27,516	0.1%
Steffen Martin Baungaard	189,961	0.9%	224,796	1.1%	254,809	1.3%	189,961	0.9%
Mads Munkholt Ditlevsen[(4)]	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Ylva Ekborn[(5)]	3,545	0.0%	11,645	0.1%	9,536	0.0%	14,094	0.1%
Magnus Tornling[(4)]	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Executive Management	**105,349**	**0.5%**	**295,453**	**1.5%**	**244,154**	**1.2%**	**354,996**	**1.8%**
Martin Ravn-Nielsen[(6)]	76,978	0.4%	202,260	1.0%	167,843	0.8%	242,208	1.2%
Mads Dehlsen Winther[(7)]	28,371	0.1%	93,193	0.5%	76,311	0.4%	112,788	0.6%
Total Board of Directors and Executive Management	**318,757**	**1.6%**	**597,268**	**3.0%**	**562,031**	**2.8%**	**638,171**	**3.2%**
Other existing shareholders[(8)]	**947,625**	**4.7%**	**729,458**	**3.6%**	**779,045**	**3.9%**	**674,794**	**3.4%**
Other new Investors	**—**	**0.0%**	**11,040,000**	**55.2%**	**11,040,000**	**55.2%**	**11,040,000**	**55.2%**
Total	**20,000,000**	**100.0%**	**20,000,000**	**100.0%**	**20,000,000**	**100.0%**	**20,000,000**	**100.0%**

(1) Assuming no exercise of the Overallotment Option and an Offer Price at the mid-point of the Offer Price Range and assuming a maximum number of Offer Shares are sold in the Offering, the Principal Shareholder will own 9,073,274 Shares after completion of the Offering, equivalent to 45.4% of the total share capital.

(2) Held through Claus V. Hemmingsen's controlled company CVH Consulting.

(3) Held through Anja Bach Eriksson's controlled company F5 Invest ApS.

(4) Mads Munkholt Ditlevsen and Magnus Tornling are members of the Board of Directors and each hold indirect minority economic interests in EQT VI, which in turn, holds an indirect ownership stake in the Company through the Principal Shareholder.

(5) Held through Ylva Ekborn's controlled company Ekborn Management AB.

(6) Partially held through Martin Ravn-Nielsen's controlled company Udviklingsselskabet MRN ApS.

(7) Held through Mads Dehlsen Winther's controlled company Winther Invest ApS.

(8) Assuming no exercise of the Overallotment Option and assuming an Offer Price at the mid-point of the Offer Price Range and assuming a maximum number of Offer Shares are sold in the Offering, the other existing shareholders, not including the Principal Shareholder, any members of the Board of Directors and the Executive Management, will own 729,458 Shares after completion of the Offering, equivalent to 3.6% of the total share capital. Other existing shareholders include (a) MPP participants other than members of the Board of Directors and Executive Management as well as (b) TB Gruppen AB, who subscribed for shares in the Company in connection with its divestment of VGH to the Group.

The Principal Shareholder

EQT

The Principal Shareholder, Diego Holding Guernsey Limited, with its registered office on Arnold House, PO Box 273, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 3RD, is ultimately controlled by EQT VI, the fund managed and/or operated by EQT VI (General Partner) LP (acting by its general partner, EQT VI Limited), comprising EQT VI (No.1) Limited Partnership, EQT VI (No.2) Limited Partnership, EQT VI Executive Co-Investment Limited Partnership, certain assets of Investor Netherlands B.V. and the EQT VI Co-Investment Scheme. The Principal Shareholder currently holds 18,733,618 Shares corresponding to 93.7% of the Company's share capital and voting rights. Following the completion of the Offering, the Principal Shareholder will hold 7,633,274 Shares corresponding to 38.2% of the Company's share capital and voting rights assuming full exercise of the Overallotment Option, the maximum number of Offer Shares being sold in the Offering, pricing at the mid-point of the Offer Price Range and the IPO Bonus Shares are transferred by the Principal Shareholder.

EQT is a global investment organization with a 25-year history of investing in, developing and owning companies and has demonstrated a track-record of attractive, consistent investment performance across multiple geographies, sectors and strategies. EQT has three business segments: Private Capital, Real Assets and Credit. All business segments are guided by a responsible approach, a digital transformation agenda as well as a thematic investment strategy. As one of the first private equity firms in Northern Europe, EQT has grown its geographical presence, scaled strategies and established new investment strategies.

The shares of EQT are admitted for trading and official listing on Nasdaq Stockholm and EQT has raised approximately EUR 62 billion of commitments across multiple investment strategies since its inception in 1994. Today, EQT conducts its businesses through offices in 17 countries across Europe, APAC and North America with over 700 FTEs. EQT manages and advises a range of specialized investment funds and other investment vehicles that invest across the world with the mission to generate returns and future-proof companies.

Board member Mads Munkholt Ditlevsen is partner and head of EQT Partners Denmark. Board member Magnus Tornling is partner and head of EQT Partners Norway.

Agreements Related to the Ownership of the Group

Pre-IPO Shareholders' Agreement

The Company has been informed that a shareholders' agreement has been entered into among the existing shareholders comprising the Principal Shareholder and the MPP participants (other than TB Gruppen AB that has instead entered into the pre-IPO co-investor agreement described below). This agreement governs their shareholdings in the Company, exit provisions and certain governance matters relating to the Company. The shareholders' agreement as amended by the applicable IPO Exit Agreement will, in accordance with its terms, automatically expire at the time of completion of the Offering except for certain customary terms with respect to, *inter alia*, settlement in the Offering, confidentiality, governing law and dispute resolution.

Pre-IPO Co-Investment Agreement

The Company has been informed that a co-investment agreement has been entered into among the Principal Shareholder and TB Gruppen AB regarding their shareholdings in the Company, exit provisions and certain governance matters relating to the Company. The pre-IPO co-investment agreement was entered into in connection with TB Gruppen AB's subscription for shares in the Company in connection with its divestment of VGH to the Group. The pre-IPO co-investment agreement as amended by the applicable IPO Exit Agreement will, in accordance with its terms, automatically expire at the time of completion of the Offering except for certain customary terms with respect to, *inter alia*, settlement in the Offering, confidentiality, governing law and dispute resolution.

IPO Exit Agreements

In connection with preparation of the Offering, the existing shareholders have amended the pre-IPO shareholders' agreement and the Principal Shareholder and TB Gruppen AB have amended the pre-IPO co-investor agreement, in each case, regarding their respective shareholdings in the Company pursuant to two IPO exit agreements (the "**IPO Exit Agreements**"). The IPO Exit Agreements outline the agreed structure for the consolidation of the Company's three share classes into one share class and reallocation of the shares between the existing shareholders in connection with the Pre-IPO Reorganization. Under the IPO Exit Agreements and the Pre-IPO Shareholders' Agreement and the Pre-IPO Co-Investment Agreement, the existing shareholders have agreed to allocate Shares between them to ensure that, following pricing of the Offering, the share allocation of Shares among the existing shareholders continues to represent the same economic value held by each such shareholder prior to the Pre-IPO Reorganization. None of the IPO Exit Agreements includes any provisions relating to any collaboration among the existing shareholders after completion of the Offering and will, in accordance with their terms, automatically expire at the time of completion of the Offering except for certain customary terms with respect to, *inter alia*, settlement in the Offering, confidentiality, governing law and dispute resolution.

RELATED PARTY TRANSACTIONS

The members of the Board of Directors and the Executive Management as well as EQT VI, which controls the Principal Shareholder, are considered to be related parties as they exercise significant influence over the Company's and the Group's operations. Related parties also include such persons' relatives as well as undertakings in which such persons have significant interests.

As of the date hereof, the Principal Shareholder owns 93.7% of the Company's Shares and has representatives on the Board of Directors.

There were no transactions between the Group and EQT VI in the nine months ended 30 September 2019 and 2020 nor in the years ended 31 December 2019, 2018 and 2017 constituting related party transactions under IFRS.

The Company has not had significant transactions with the members of its Board of Directors and the Executive Management apart from remuneration and staff costs. For information on remuneration paid to the members of the Board of Directors and the Executive Management, see "*Remuneration and Benefits—Compensation of the Board of Directors and Executive Management—Compensation of the Board of Directors*" and "*Remuneration and Benefits—Compensation of the Board of Directors and Executive Management—Compensation of Executive Management times the fixed annual fee*".

DESCRIPTION OF THE SHARES AND SHARE CAPITAL

The following is a summary of material information relating to the Company's share capital, including a summary of certain provisions of the Articles of Association in effect as of the date hereof. This summary does not purport to be exhaustive and should be read in conjunction with the full text of the Articles of Association, as well as in the context of applicable Danish law. See "*Annex A—Articles of Association of the Company*".

The Company is a public limited liability company incorporated on 23 July 2015 and is organized under the laws of Denmark under the name HusCompagniet A/S with its registered office at c/o HusCompagniet A/S, Plutovej 3, 8700 Horsens, Denmark.

The Company is registered with the Danish Business Authority under company registration (CVR) no. 36972963.

Registered Share Capital

As of the date of this Offering Circular, the Company's share capital has a nominal value of DKK 100,000,000 divided into 20,000,000 Shares of DKK 5 nominal value each. All Shares are issued and fully paid up.

The Shares are as of the date of this Offering Circular not divided into share classes, and all Shares have the same rights and rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Associations or eligibility to receive dividends or proceeds in the event of dissolution and liquidation. No Shares carry special rights, restrictions or limitations pursuant to the Articles of Association.

Each Share of the nominal value DKK 5 gives the holder the right to five votes at the Company's general meetings.

The Company has not issued any securities that are convertible, exchangeable nor any securities that have warrants attached to them.

Prior to the date of this Offering Circular and the Pre-IPO Reorganization, the Company's share capital initially consisted of three share classes: Class A preference shares, Class B common shares and Class C common shares, which were consolidated into one single class of shares, with each share having equal voting rights. To ensure the initial allocation of shares to the holders of Class A preference shares, Class B common shares and Class C common shares represents the same economic value held by each such shareholder prior to the share consolidation in connection with Pre-IPO Reorganization, the Company, contemporaneously with such share class consolidation, issued bonus Shares to holders of Class A preference shares, Class B common shares and Class C common shares. Following pricing of the Offering, these existing shareholders will make further adjustments to such allocation by way of transferring Shares between them to ensure that, following pricing of the Offering, the share allocation of Shares among the existing shareholders continues to represent the same economic value held by each existing shareholder prior to the Pre-IPO Reorganization.

Movement in the Share Capital

The table set forth below presents the development of the Company's share capital from 1 January 2017 to the date of this Offering Circular.

Date of approval	Transaction type	Share capital before change (DKK)	Share capital change (DKK)	Share capital after change (DKK)	Price(1) (DKK)	Share class (DKK)
28 April 2017(2)	Capital increase	14,365,922	Class A shares: 266,274	14,688,999	Class A shares: 11,252.62	A shares
			Class C shares: 56,803		Class C shares: 21,063.77	C shares
5 November 2020(3)	Share class consolidation and bonus share issuance	14,688,999	85,311,001	100,000,000	100	N/A

(1) Calculated in accordance with the practice of the Danish Business Authority whereby payment of an amount equivalent to the nominal value of a Share is set at index price 100.

(2) Capital increase carried out in connection with the issuance of shares to certain employees of the Group.

(3) Consolidation of Class A preference shares, Class B common shares and Class C common shares into one single class of Shares with each Share having equal voting rights. Capital increase carried out in connection with the issuance of bonus shares to existing shareholders to ensure that the initial allocation of shares represents the same economic value held by each such shareholder prior to the share consolidation based on an Offer Price at the bottom point of the Offer Price Range.

Authorizations to Increase the Share Capital

The Board of Directors has pursuant to the Articles of Association been granted the following authorizations to increase the Company's share capital:

(i) In accordance with article 3.1 of the Articles of Association, the Board of Directors is, until 30 June 2021, authorized to increase the share capital of the Company in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 5,000,000. The capital increase shall take place by issuance of bonus Shares to one or more existing shareholders of the Company as adjustment following a completed consolidation of share classes.

(ii) In accordance with article 3.2 of the Articles of Association, the Board of Directors is, until 1 November 2025, authorized to increase the share capital for the Company in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 10,000,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

(iii) In accordance with article 3.3 of the Articles of Association, the Board of Directors is, until 1 November 2025, authorized to increase the share capital of the Company in one or more issues without pre-emption rights for the Shareholders of the Company by up to a nominal amount of DKK 2,000,000 in connection with the issue of new shares to members of the Board of Directors, Executive Management and/or employees of the Company and/or of the Company's subsidiaries. The capital increase may be effected by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

Shares issued pursuant to the Board of Directors' authorizations shall be fully paid up, shall be issued in the name of the holder, shall be recorded in the holder's name in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing Shares. The Board of Directors is authorized to lay down the terms and conditions for capital increases pursuant to the above authorizations. The Board of Directors is also authorized to amend the Articles of Association as required in connection with the utilization of the above authorizations.

Authorization to Acquire Treasury Shares

As of the date of this Offering Circular, the Board of Directors is authorized in the period until 1 November 2025 to approve the acquisition of Shares (treasury shares), on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company from time to time, provided that the Company's holding of treasury shares after such acquisition does not exceed 10% of the share capital. The consideration paid for such Shares may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the date of the acquisition as determined by the Board of Directors. The Company does not hold any treasury shares as of the date of this Offering Circular.

Authorization to Distribute Interim Dividend

As of the date of this Offering Circular, the Board of Directors has been authorized by the Company's general meeting to distribute interim dividends. See article 8.5 of the Articles of Association.

For further details on dividends and the Company's dividend policy, see "*Dividends and Dividend Policy*".

Articles of Association

Objective

Pursuant to article 1.2 of the Articles of Association, the Company's objective is to directly or indirectly, carry on business and trading within the building and real estate construction industry, including purchase and sale of real estate and land, as well as any other activities related thereto, including holding equity investments in other companies.

Provisions concerning members of the Board of Directors and the Executive Management

Reference is made to "*Board of Directors and Executive Management*".

General Meetings and Voting Rights

The Company's general meetings shall be held in the region of the Company's registered office, in the Greater Copenhagen Area or in the Capital Region of Denmark.

The Board of Directors may decide to hold general meetings electronically without physical attendance. A decision to conduct a general meeting electronically requires that the general meeting can be conducted in a proper manner ensuring that shareholders will be able to exercise their shareholder rights by electronic means. If the Board of Directors decides to conduct an electronic general meeting, further details on the procedures for electronic attendance and participation will be provided on the Company's website and in the notice to convene the general meeting.

The Company's annual general meeting shall be held each year early enough for the audited and adopted annual report to be submitted to and received by the Danish Business Authority and no later than four months after the closing of the financial year. No later than eight weeks before the contemplated date of the annual general meeting, the Company shall publish the date on which it intends to hold the general meeting as well as the date by which requests filed by Shareholders wishing to have specific items included on the agenda must be submitted.

Extraordinary general meetings shall be held at the request of the Board of Directors when deemed appropriate or upon request of the Company's external auditor or Shareholders holding a minimum of 5% of the share capital of the Company. The request shall be made in writing to the Board of Directors and contain a list of the issues to be dealt with at the general meeting.

General meetings shall be convened by the Board of Directors with a maximum notice of five weeks and a minimum notice of three weeks. An extraordinary general meeting shall be convened within 14 days after a proper request has been received by the Board of Directors. The notice shall be published on the Company's website.

Furthermore, a notice of the general meeting shall be sent all Shareholders recorded in the Company's register of shareholders who have requested such notice. If the information contained in the register of shareholders is insufficient or incorrect, the Board of Directors shall not be obliged to rectify the information or to give notice in any other way.

In accordance with Danish law, the notice shall specify the time and place of the general meeting and the agenda containing the business to be transacted at the general meeting. If a proposal to amend the Articles of Association is to be considered at the general meeting, the main contents of the proposal shall be specified in the notice.

The Company's general meetings shall be held in Danish or English as decided by the Board of Directors unless otherwise decided by the general meeting. Documents prepared in connection with or following a general meeting shall be in Danish or in English as decided by the Board of Directors or required by applicable law.

The right of a Shareholder to attend a general meeting and to vote is determined by the Shares held by the Shareholder on the record date. The record date is one week before the general meeting. The Shares held by each Shareholder are determined on the record date based on the number of Shares held by that Shareholder as registered in the Company's register of shareholders and any notification of ownership received by the Company for the purpose of registration in its register of shareholders, but which have not yet been registered.

At the general meeting, each Share of the nominal value of DKK 5 shall carry five votes. No Shareholders has any special or different voting rights pursuant to the Articles of Association.

Any shareholder who is entitled to attend the general meeting pursuant to the Articles of Association and who wishes to attend the general meeting shall notify the Company no later than three calendar days before the date of the general meeting. A shareholder may, subject to having registered in accordance with the Articles of Association, attend in person or by proxy, and the shareholder or the proxy may attend together with an advisor.

The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law. A shareholder who is entitled to participate in the general meeting pursuant to the Articles of Association may vote by correspondence in accordance with the provisions of the Danish Companies Act. Such votes by correspondence must be received by the Company no later than the business day before the general meeting. Votes by correspondence cannot be withdrawn.

Resolutions by the General Meetings and Amendments to the Articles of Association

Resolutions at general meetings shall be passed by a simple majority of votes cast, unless otherwise prescribed under the Danish Companies Act or by the Articles of Association.

Adoption of changes to the Articles of Association, dissolution of the Company, merger or demerger requires that the resolution is adopted by at least 2/3 of the votes cast as well as of the share capital represented at the general meeting unless applicable laws prescribe stricter or less strict adoption requirements or applicable laws confer independent competence to the Board of Directors or other bodies.

The provisions in the Articles of Association relating to a change of the rights of shareholders or a change to the capital are not more stringent than required by the Danish Companies Act.

Takeover Bids

No public takeover offers have been made by any third party in respect of the Company's Shares during the past or current financial year.

The proposed Articles of Association do not contain provisions that are likely to have the effect of delaying, deferring or preventing a change in control of the Company. Consistent with the Corporate Governance Recommendations, the Board of Directors has adopted a set of guidelines for the handling of takeover bids.

The Shares

Type and Class of the Shares

The Company has one class of shares. Application has been made for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code DK0061412855. The first day of official listing of and trading in the Shares on Nasdaq Copenhagen is expected to be 20 November 2020.

Governing Law and Jurisdiction

The Shares will be issued in accordance with Danish law. The Offering Circular has been prepared in compliance with the standards and requirements of Danish law. Any dispute that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

Currency

The Shares are denominated in DKK.

Registration of Shares

The Shares will be registered and delivered in book-entry form through allocation to accounts with VP Securities through a Danish bank or other institution authorized as custodian. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The Shares are issued in dematerialized form through VP Securities. The name and address of VP Securities is VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark.

The Shares shall be fully paid up, issued in the name of the holder and recorded in the holder's name, in the Company's register of shareholders through the holder's custodian bank. The Company's register of shareholders is kept by Computershare A/S.

Share Issuing Agent

The Company's share issuing agent will be Danske Bank A/S.

Rights Attached to the Shares

Dividend Rights

Each Share of DKK 5 nominal value entitles its holder to receive distributed dividends. See "*Dividends and Dividend Policy*" for further information on dividends.

Voting Rights

See "—*General Meetings and Voting Rights*".

Pre-emption Rights

Under Danish law, the Shareholders generally have pre-emption rights if the general meeting of the Company resolves to increase the share capital by way of cash payment. However, the pre-emption rights of the Shareholders may be derogated by a majority comprising at least 2/3 of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price or at least 90% of the votes cast as well as at least 90% of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase below market price is directed at certain but not all Shareholders (in which case all Shareholders must consent); or (ii) such capital increase below market price is directed at the Group's employees (in which case a majority comprising at least two thirds of the votes cast as well as at least two thirds of the share capital represented at the general meeting is required). The Board of Directors is authorized to increase the Company's share capital in one or more issues with or without pre-emption rights to the Shareholders. See "*Description of the Shares and Share Capital—Authorizations to Increase the Share Capital*".

The exercise of pre-emption rights may be restricted for Shareholders resident in certain jurisdictions, including but not limited to the United States, Canada, Japan and Australia, unless the Company decides to comply with applicable local requirements. Consequently, U.S. holders and certain other holders of Shares may not be able to exercise their pre-emption rights or participate in a rights offer, as the case may be, unless a registration statement under the U.S. Securities Act is effective with respect to such rights or an exemption from the registration requirements is available.

The Company intends to evaluate at the time of any issuance of Shares subject to pre-emption rights or in a rights offering, as the case may be, the cost and potential liabilities associated with complying with any local requirements, including filing a registration statement with the SEC for such Shares or rights, as well as the indirect benefits to the Company of enabling the exercise of non-Danish Shareholders of their pre-emption rights to Shares or participation in any rights offer, as the case may be, and any other factors considered appropriate at the time, and then to make a decision as to whether to comply with any local requirements, including filing a registration statement with the SEC. No assurances are given by the Company that local requirements will be complied with or that any registration statement will be filed in the United States so as to enable the exercise of such Shareholders' pre-emption rights or participation in any rights offer.

Redemption and Conversion Provisions

Except as provided for in the Danish Companies Act, see "*The Danish Securities Market—Mandatory Redemption of Shares*", no Shareholder is under an obligation to have his/her/its Shares redeemed in whole or in part by the Company or by any third party, and none of the Shares carry any redemption or conversion rights or any other special rights.

Dissolution and Liquidation

In the event of dissolution and liquidation, the Shareholders are entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

Negotiability and transferability of the Shares

The Shares are negotiable instruments, and no restrictions under the Articles of Association or Danish law apply to the transferability of the Shares. However, see "*Selling Restrictions*" and "*Transfer Restrictions*" for certain restrictions applicable to the Offer Shares.

Disclosure of Information

The Board of Directors has adopted a set of internal rules aiming, *inter alia*, at ensuring that the disclosure of information complies with the applicable stock exchange regulations and rules applicable to the Company's securities listed on Nasdaq Copenhagen. All company announcements are published via the Group's news provider, Ritzau, and can subsequently be accessed from the Group's and Nasdaq Copenhagen's websites as well as the Danish FSA.

All company announcements will be published in English and, if decided by the Board of Directors, in Danish. The annual report and any interim reports will be prepared in English and, if decided by the Board of Directors, in Danish.

Investor presentations and telephone conferences are expected to be held following the publication of each interim and annual report to give participants the opportunity to ask questions to the Executive Management. Audio casts of such presentations will subsequently be available on the Company's website. Investors may also contact the Company's investor relations department to obtain additional information subject to any restrictions under applicable law.

Certain Information Concerning the Danish Securities Market

For certain information concerning the Danish securities market including information on certain provisions of Danish law and Danish securities market regulations regarding disclosure of major shareholdings, short-selling, mandatory takeover offers and mandatory redemption of shares in effect on the date of this Offering Circular see "*The Danish Securities Market*".

TAXATION

Danish Tax Considerations

The following is a summary of certain Danish income tax considerations relating to an investment in the Shares. The Danish tax legislation as well as the tax legislation of investors' member states may have an impact on the income received from the Shares.

The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Offering Circular. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply and, therefore, may not be relevant, for example, to investors subject to the Danish Pension Yield Tax Act (i.e. pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. Further, the summary only sets out the tax position of the direct owners of the Shares and assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon. Sales are assumed to be sales to a third party.

Potential investors in the Shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of the Shares based on their particular circumstances. Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances, as such consequences may differ significantly from those described herein.

Taxation of Danish Tax Resident Shareholders

Sale of shares—individuals

For the calendar year 2020, gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 55,300 (for cohabiting spouses, a total of DKK 110,600) and at a rate of 42% on share income exceeding DKK 55,300 (for cohabiting spouses over DKK 110,600). Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sale price. The purchase price is generally determined using the average method, which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses occurred in relation to the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market (i.e. received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Excess losses will be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market. Any remaining losses after the above deduction can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market can only be set off against other share income derived from other shares admitted to trading on a regulated market as outlined above if the Danish Tax Authority has received certain information concerning the ownership of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish Tax Authority by the securities dealer or custodian, if the securities dealer or custodian is resident in Denmark.

Individuals investing through an investment savings account (in Danish "Aktiesparekonto")

Gains and losses on shares owned through an investment savings account (in Danish "Aktiesparekonto") are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the assets in the account at the beginning and end of the tax year adjusted for further deposits on the account and adjusted for withdrawals from the account. Taxation will take place on an mark-to-market principle. Thus taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Any annual gain will be subject to 17 percent taxation, and any loss may be carried forward. In 2020, the account is limited to a deposit of DKK 100,000. Tax is settled by the account institution.

Sale of shares—companies

Tax on the sale of shares by companies is subject to different regimes depending on whether the shares are considered as Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares or Taxable Portfolio Shares defined as follows:

"**Subsidiary Shares**" are generally defined as shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company.

"**Group Shares**" are generally defined as shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

"**Tax-Exempt Portfolio Shares**" are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company. Tax-Exempt Portfolio Shares are not relevant in respect of this Offering and will not be described in further detail.

"**Taxable Portfolio Shares**" are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares.

Gains or losses on disposals of Subsidiary Shares and Group Shares are not included in the taxable income of the company shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent circumvention of the 10% ownership requirement through pooling of shareholdings in a holding company, just as other anti-avoidance rules may apply under Danish law. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares are currently taxable at the corporate income tax rate of 22%. Losses on such shares are generally deductible. Gains and losses on Taxable Portfolio Shares are, as a general rule, calculated in accordance with the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares have been acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the Shares at the end of the income year.

A change of status from Subsidiary Shares or Group Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends—individuals

For the calendar year 2020, dividends received by individuals who are tax residents of Denmark are taxed as share income. Share income is taxed at a rate of 27% on the first DKK 55,300 (for cohabiting spouses, a total of DKK 110,600) and at a rate of 42% on share income exceeding DKK 55,300 (for cohabiting spouses over DKK 110,600). Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Dividends paid to individuals are generally subject to currently 27% withholding tax.

Dividends for individuals investing through an investment savings account (in Danish "Aktiesparekonto")

Dividends from Shares invested through an investment savings account will be part of the return received and subject to the general tax principles for the account as described above.

Dividends—companies

Dividends received on Taxable Portfolio Shares are subject to the standard corporate tax rate of currently 22% irrespective of ownership period.

The withholding tax rate is 22%. If the distributing company withholds a higher amount, the shareholder can claim a refund of the excess tax. A claim for repayment must be filed within two months; otherwise the excess tax will instead be credited in the corporate income tax for the year.

Dividends received on Subsidiary Shares and Group Shares will not be subject to taxation irrespective of ownership period, subject, however, to certain anti-avoidance rules that will not be described in further detail.

Taxation of Shareholders Tax Resident Outside Denmark

Sale of shares—individuals and companies

Non-resident shareholders will normally not be subject to Danish taxation on any gains realized on the sale of shares, irrespective of the ownership period. Where a non-resident of Denmark holds Taxable Portfolio Shares which can be attributed to a permanent establishment in Denmark, such gains are taxable pursuant to the rules applicable to Danish tax residents as described above.

Dividends—individuals

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. A request for a refund of Danish withholding tax may, however, be made by the shareholder in the following situations:

1) Double Taxation Treaty

In the event that the dividend receiving individual is a tax resident of a state having a double taxation treaty with Denmark, the shareholder may claim a refund from Skattestyrelsen (the "**Danish Tax Authority**") of the tax amount exceeding the treaty rate through certain application procedures. Denmark has executed double taxation treaties with approximately 85 countries, including the United States and almost all members of the EU. The double taxation treaties generally provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Authority. The form can be completed and filed from the Danish Tax Authority's website.

When claiming such refund the shareholder must be able to document, *inter alia,* (i) that Danish dividend has been received by the shareholder and the amount of this dividend, (ii) that Danish dividend tax has been withheld and the actual amount withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved, (iv) that the shareholder is liable to pay tax in a country that is not Denmark and (v) that the withheld dividend tax exceeds that of the final tax payable according to the double taxation treaty or that the withheld dividend tax exceeds the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Authority. According to these requirements it will be necessary to provide a certification by the applicable local tax authority.

2) Relief under Danish tax law

In addition, if the individual shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are generally subject to tax at a reduced rate of 15%. If the shareholder is an individual tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above. See "—*Taxation of Danish tax resident shareholders*".

Dividends for individuals investing through an investment savings account (in Danish "Aktiesparekonto")

Individuals with tax residency outside Denmark will be subject to 15 percent taxation on any dividend on shares owned through an investment savings account. In 2020, the account is limited to a deposit of DKK 51,100.

For shareholders residing outside Denmark, only dividends paid in respect of shares in Danish companies are included in the 15 percent taxation.

Dividends—companies

Dividends received on Subsidiary Shares are exempt from Danish withholding tax provided the taxation of the dividends is to be waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident.

Dividends received on Group Shares are exempt from Danish withholding tax provided the company investor is a resident of the EU or the EEA and the taxation of dividends should have been waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been Subsidiary Shares.

Dividend payments on Taxable Portfolio Shares are subject to Danish withholding tax at a rate of 27% irrespective of ownership period. Further, the aforesaid tax exemption for dividends received on Subsidiary Shares and Group Shares is subject to Danish anti-avoidance rules, in which case such dividend payments may also be subject to Danish withholding taxation.

A request for a refund of Danish withholding tax can be made by the shareholder in the following situations:

1) All foreign corporate shareholders

All foreign corporate shareholders can claim a refund from the Danish tax authorities of the tax amount exceeding 22%, subject to applicable anti-avoidance rules.

2) Double Taxation Treaty

In the event that the dividend receiving company is a resident of a state with which Denmark has entered into a double taxation treaty, the shareholder may claim a refund from the Danish Tax Authority of the tax amount exceeding the treaty rate, through certain certification procedures. Denmark has executed double taxation treaties with approximately 85 countries, including the United States and almost all members of the EU. The double taxation treaties generally provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Authority. The form can be completed and filed from the Danish Tax Authority's website.

When claiming such refund the shareholder must be able to document, *inter alia*, (i) that Danish dividend has been received by the shareholder and the amount of this dividend, (ii) that Danish dividend tax has been withheld and the actual amount withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved, (iv) that the shareholder is liable to pay tax in a country that is not Denmark and (v) that the withheld dividend tax exceeds that of the final tax payable according to the double taxation treaty or that the withheld dividend tax exceeds the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Authority. According to these requirements, it will also be necessary to provide a certification by the applicable local tax authority.

3) Relief under Danish tax law

In addition, if the shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are generally subject to tax at a reduced rate of 15%. If the shareholder is a tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above, see "—*Taxation of Danish tax resident shareholders*".

Proposal for a Net-withholding Mechanism

The Danish minister of taxation has published a proposal for a so-called 'net-withholding mechanism' for the handling of dividend withholding taxation of 1) non-resident individuals having shares in Danish listed companies; and 2) corporate entities having portfolio shares in Danish listed companies. It is expected that the proposal shall have legal effect from 1 July 2021.

The key point in the proposed mechanism is the elimination of the dividend tax reclaims, as dividend payments from Danish listed companies to non-resident shareholders will be distributed on a net basis and no longer on a gross basis.

From a technical perspective, this requires that non-resident shareholders must disclose certain key information to their respective custodian bank(s), including, *inter alia*, the characteristics of the entity, domicile state for tax purposes, a statement of beneficial ownership of the shares for Danish tax purposes and a power of attorney granted to the custodian.

Based on this information, the Danish Tax Authority then issues a unique taxpayer identification number, which grants a right to receive dividends net of the rate of withholding tax applicable in the relevant tax treaty, e.g. most often 15% (if applicable).

Non-resident shareholders eligible for a special tax treatment different from the general tax rate according to the relevant tax treaty, e.g. pension funds with a right to receive Danish dividends with no withholding tax, must obtain an advance approval from the Danish Tax Authority to qualify for such special treatment.

Once the non-resident shareholders have submitted information and received a unique taxpayer identification number, they will receive dividends net of the applicable rate.

Non-resident shareholders encompassed by the new *net-withholding mechanism* will no longer be able to request a reclaim under the current procedure. Instead, there is a 45 days *rectification period* subsequent to a dividend decision. Furthermore, a relief mechanism in a tax treaty is still available for a non-resident shareholder.

Share Transfer Tax and Stamp Duties

No Danish share transfer tax or stamp duties are payable on transfer of the shares.

Withholding Tax Obligations

An issuer of shares is subject to Danish withholding tax obligations in accordance with applicable Danish laws.

Certain U.S. Federal Income Tax Considerations

The following are certain U.S. federal income tax consequences to the "U.S. Holders" described below of owning and disposing of the Shares, but this discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire Shares.

This discussion applies only to a U.S. Holder that acquires Shares in this offering and holds the Shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any alternative minimum tax or Medicare contribution tax considerations, or consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities that use a mark-to-market method of tax accounting;

- persons holding Shares as part of a straddle, integrated or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes and their partners;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own 10% or more of the Company's stock by voting power or value; or
- persons holding Shares in connection with a trade or business conducted outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships that intend to own Shares and their partners should consult their tax advisers as to their particular U.S. federal income tax consequences of owning and disposing of Shares.

This discussion is based on the Internal Revenue Code of 1986, as amended, (the "**Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and, to the extent specifically referenced below, the income tax treaty between Denmark and the United States (the "**Treaty**"), all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

As used herein, a "U.S. Holder" is a person that for U.S. federal income tax purposes is a beneficial owner of Shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

This discussion does not address the effects of any state, local or non-U.S. tax laws, or any U.S. federal tax laws other than income tax laws (such as U.S. federal estate or gift tax laws). U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of Shares in their particular circumstances.

Except as described below under "—*Passive Foreign Investment Company Rules*", this discussion assumes that the Company is not, and will not be, a passive foreign investment company (a "**PFIC**") for any taxable year.

Taxation of Distributions

Distributions paid on the Shares (including the amount of any Danish taxes withheld), other than certain *pro rata* distributions of Shares, will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, U.S. Holders generally should expect that distributions generally will be treated as dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations, dividends paid to certain non-corporate U.S. investors may be taxable at a preferential rate applicable to long-term capital gains. Non-corporate U.S. Holders should consult their tax advisers regarding the availability of the preferential rate and any limitations that may apply in their particular circumstances.

Dividends will be included in a U.S. Holder's income on the date of receipt. The amount of income from dividends paid in Danish kroner will be the U.S. dollar value thereof calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on that date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the amount received. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt. Foreign currency gain or loss generally will be treated as U.S.-source income or loss for foreign tax credit purposes.

Dividends will be treated as foreign-source dividend income for foreign tax credit purposes. Subject to applicable limitations, some of which vary depending upon the U.S. Holder's circumstances, Danish income taxes withheld from dividend payments at a rate not exceeding any applicable rate under the Treaty or domestic

Danish tax law will be creditable against the U.S. Holder's U.S. federal income tax liability. Danish withholding taxes will not be eligible for credit against the U.S. Holder's U.S. federal income tax liability to the extent they are refundable under the Treaty or domestic Danish tax law. See sections "*Taxation—Danish Tax Considerations—Taxation of shareholders tax resident outside Denmark—Dividends—individuals*" and "*Taxation—Danish Tax Considerations—Taxation of shareholders tax resident outside Denmark—Dividends—companies*" for a discussion on how to obtain reduced Danish tax rates. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, a U.S. Holder may elect to deduct foreign taxes, including Danish taxes, in computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

Sale or Other Taxable Disposition of Shares

A U.S. Holder will generally recognize capital gain or loss on a sale or other taxable disposition of Shares, which will be long-term capital gain or loss if, at the time of the sale or disposition, the U.S. Holder has owned the Shares for more than one year. The amount of gain or loss will equal the difference between the amount realized on the sale or disposition and the U.S. Holder's tax basis in the Shares disposed of, in each case as determined in U.S. dollars. A U.S. Holder that exchange U.S. dollars to acquire the Shares, or sells Shares for an amount denominated in DKK, should consult its tax adviser regarding (i) the exchange rate at which the tax basis in the Shares, and the amount realized on their disposition, should be translated to U.S. dollars, (ii) whether any foreign currency gain or loss (taxable as U.S.-source ordinary income) could be required to be recognized on the acquisition or disposition of the Shares (taking into account, among other things, whether the Shares are treated as traded on an "established securities market") or the disposition of any DKK received in exchange for the Shares, and (iii) whether any special reporting rules applicable to "reportable transactions" could apply if foreign currency gain or loss is recognized in excess of certain prescribed amounts. A U.S. Holder's gain or loss will generally be treated as U.S.-source income or loss for foreign tax credit purposes. Long-term capital gains recognized by non-corporate U.S. Holders are taxed at a rate that is lower than the rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation is a PFIC for U.S. federal income tax purposes for any taxable year in which (i) 50% or more of the value of its assets (generally determined based on the average of the quarterly values of its gross assets) consists of assets that produce, or are held for the production of, passive income, or (ii) 75% or more of its gross income consists of passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and gains from financial investments. For these purposes, cash is a passive asset, and goodwill (the value of which may be determined by reference to the excess of the sum of the corporation's market capitalization and liabilities over the value of its assets) is generally an active asset to the extent associated with business activities that produce active income.

Based on the current and expected composition of the Company's income and assets and the value of its assets, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, the Company's PFIC status for any taxable year is an annual determination that can be made only after the end of that year, and will depend on the composition of the Company's income and assets and the value of its assets from time to time (including the value of its goodwill, which may be determined in part by reference to the market price of the Shares from time to time, which could be volatile). Because the value of the Company's goodwill may be determined by reference to its market capitalization, the Company could become a PFIC for any taxable year if the price of its Shares declines significantly while it holds a substantial amount of cash and financial investments. Accordingly, there can be no assurance that the Company will not be a PFIC for its current or any future taxable year.

If the Company were a PFIC for any taxable year and any entity in which it owned equity interests were also a PFIC (a "**Lower-tier PFIC**"), U.S. Holders would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the next paragraph on (i) certain distributions by the Lower-tier PFIC and (ii) dispositions of shares of the Lower-tier PFIC, in each case as if the U.S. Holders held such shares directly, even though the U.S. Holder would not receive any proceeds of those distributions or dispositions.

In general, if the Company were a PFIC for any taxable year during which a U.S. Holder held Shares, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of its Shares would be allocated ratably over the U.S. Holder's holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before the Company became a PFIC with respect to such U.S. Holder would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by a U.S. Holder in any year on its Shares exceeded 125% of the average of the annual distributions on the Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, such excess distributions would be allocated ratably over the U.S. Holder's holding period and subject to taxation in the same manner. If the Company were a PFIC for any taxable year during which a U.S. Holder owned Shares, the Company would generally continue to be treated as a PFIC with respect to the U.S. Holder for all succeeding years during which the U.S. Holder owned the Shares, even if the Company ceased to meet the threshold requirements for PFIC status, unless the U.S. Holder makes a timely "deemed sale" election, in which case any gain on the deemed sale would be taxed under the PFIC rules described above. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Shares. . The Company does not intend to provide information necessary for U.S. Holders to make "qualified electing fund" elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available, and, if so, what the consequences of the alternative treatments would be in their particular circumstances. If the Company were a PFIC (or with respect to a particular U.S. Holder were treated as a PFIC) for a taxable year in which the Company paid a dividend or the prior taxable year, the preferential tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If the Company were a PFIC for any taxable year during which a U.S. Holders owned any Shares, the U.S. Holder would generally be required to file annual reports on an Internal Revenue Service Form 8621. Substantial penalties and other adverse tax consequences may apply for failure to timely file such reports. U.S. Holders should consult their tax advisers regarding the determination of whether the Company is a PFIC for any taxable year and the potential application of the PFIC rules to their ownership of Shares.

Information Reporting and Backup Withholding

Payments of distributions and sales proceeds that are made within the United States or through certain U.S. related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other "exempt recipient" and (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals (and certain specified entities) may be required to report information relating to their ownership of Shares or non-U.S. accounts through which Shares are held on Internal Revenue Service Form 8938. Substantial penalties and other tax consequences may apply for failure to timely file such reports. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the Company's Shares.

THE OFFERING

Joint Global Coordinators

The Offering is being arranged by Citigroup Global Markets Limited, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland in their capacity as Joint Global Coordinators and Joint Bookrunners and also referred to herein as the "**Managers**".

The Offering

The Offering consists of (i) the Danish Offering comprising an initial public offering to retail and institutional investors in Denmark (the "**Danish Offering**") and (ii) the International Offering comprising (a) a private placement in the United States to persons who are "**QIBs**" (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A or pursuant to another available exemption from the registration requirements under the U.S. Securities Act and (b) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act.

The Selling Shareholders are offering up to 9,600,000 Offer Shares, excluding any shares subject to the Overallotment Option.

The Principal Shareholder has granted the Joint Global Coordinators an Overallotment Option to purchase up to 1,440,000 Option Shares at the Offer Price, exercisable, in whole or in part, from the date of Admission until 30 calendar days thereafter, solely to cover overallotments or short positions, if any, incurred in connection with the Offering, see "*Plan of Distribution*". The number of Option Shares will be adjusted if less than the maximum number of Offer Shares are purchased in the Offering, such that the number of Option Shares will not exceed 15% of the number of Offer Shares purchased, see "*Plan of Distribution*".

Offer Price

The Offer Price and the exact number of Offer Shares will be determined through a book-building process. Book-building is a process in which the Managers, prior to the final pricing of the Offering, suggest an Offer Price by collecting expressions of interest in the Offer Shares from potential institutional investors. Following the book-building process, the Offer Price and the exact number of Offer Shares will be determined by the Principal Shareholder after consultation with the Managers. The Offer Price is expected to be announced through Nasdaq Copenhagen no later than 7:30 a.m. (CET) on 20 November 2020.

The Offer Price is free of brokerage charges and is expected to be between DKK 112 and DKK 130 per Offer Share. This indicative Offer Price Range has been set by the Board of Directors and the Principal Shareholder after consultation with the Managers, taking into account, among other things, the Company's historic and projected revenue and earnings, the Company's objective to establish an orderly after-market in the Offer Shares and prevailing market conditions.

It is currently expected that the Offer Price will be set within the Offer Price Range. If the Offer Price Range is adjusted, the Company will make an announcement through Nasdaq Copenhagen and publish a supplement to this Offering Circular. Following publication of such supplement, investors who have submitted orders to purchase Offer Shares in the Offering will have two trading days to withdraw their purchase offer in accordance with the Prospectus Regulation. In such an event, the announcement of the Offer Price will not be published until the period for exercising such withdrawal rights has ended, see also "*—Investors' Withdrawal Rights*".

Offer Period

The Offer Period will commence on 6 November 2020 and will close no later than 19 November 2020 at 11:00 a.m. (CET). The Offer Period may be closed prior to 19 November; 2020 however, the Offer Period will not be closed in whole or in part before 17 November 2020 at 00:01 a.m. (CET). If the Offering is closed before 19 November 2020, the announcement of the Offer Price, allocation and the Admission may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. The Offer Period in respect of applications for purchases of amounts up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen.

Submission of Bids

Applications to Purchase Amounts of up to and Including DKK 3 Million

Applications by Danish investors to purchase amounts of up to and including DKK 3 million should be made to the investor's own account holding bank either electronically through online banking or by submitting the application form enclosed in the Prospectus during the Offer Period or such shorter period as may be announced through Nasdaq Copenhagen. Applications are binding and cannot be altered or cancelled. Bids may be made at a maximum price per Offer Share in DKK. If the Offer Price exceeds the maximum price per Offer Share stated in the application form, then no Offer Shares will be allocated to the investor. Where no maximum price per Offer Share has been indicated, applications will be deemed to be made at the Offer Price. All applications made at a price equivalent to the Offer Price, or a higher price, will be settled at the Offer Price following allotment, if any. Applications should be made for a number of Offer Shares or for an aggregate amount rounded to the nearest DKK amount. Only one application will be accepted from each account in VP Securities. For binding orders, the application form must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Danske Bank no later than 11:00 a.m. (CET) on 19 November 2020, or such earlier time at which the Offer Period is closed.

Applications to Purchase Amounts of more than DKK 3 Million

Investors who wish to apply to purchase amounts of more than DKK 3 million can indicate their interest to one or more of the Managers during the Offer Period. During the Offer Period, such investors can continuously change or withdraw their declarations of interest, but these declarations of interest become binding applications at the end of the Offer Period. Immediately following the determination of the Offer Price, investors will be allocated a number of Offer Shares at the Offer Price within the limits of the investor's most recently submitted or adjusted declaration of interest. All applications made at a price equivalent to the Offer Price, or a higher price, will be settled at the Offer Price following allotment, if any.

Minimum and Maximum Purchase Amounts

The minimum purchase amount is one Offer Share. No maximum purchase amount applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering.

Allocation and Reduction

In the event that the total amount of shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:

- With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically.
- With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Managers will allocate the Offer Shares after agreement upon such allocations with the Board of Directors and the Principal Shareholder.

It is expected that the result of the Offering, the Offer Price and the basis of the allocation will be announced through Nasdaq Copenhagen no later than 7:30 a.m. (CET) on 20 November 2020. If the Offer Period is closed before 19 November 2020, announcement of the Offer Price and allocation will be brought forward accordingly.

Following the expiration of the Offer Period, investors will receive a statement indicating the number of Shares allocated, if any, and the equivalent value at the Offer Price unless otherwise agreed between the investor and the relevant account holding bank.

Orders as well as indications of interest may not result in an allocation of Offer Shares.

If the total applications in the Offering exceed the number of Offer Shares, a reduction will be made. In such event, the Managers reserve the right to require documentation to verify that each application relates to a single account in VP Securities. Further, the Managers reserve the right to require documentation to verify the authenticity of all orders, to demand the name of each purchaser, to pass on such information to the Company and the Selling Shareholders, and to make individual allocations if there are several orders that are determined to have originated from the same investor. To the extent several orders are determined to have originated from the same investor, only the largest order in DKK will be taken into consideration and all other orders will be rejected.

Dilution

As the Offering only includes existing Shares, the Shares outstanding prior to completion of the Offering will not be diluted in connection with the Offering.

Trading and Official Listing on Nasdaq Copenhagen

Application has been made for the Shares to be admitted to trading and official listing under the symbol "HUSCO" on Nasdaq Copenhagen. The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, the Offering not being withdrawn prior to the settlement of the Offering, and the Company making an announcement to that effect. Trading on Nasdaq Copenhagen will commence before all such conditions are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned.

The first day of admission to trading and official listing on Nasdaq Copenhagen of the Shares is expected to be 20 November 2020 under the permanent ISIN DK0061412855. If the Offering is closed before 19 November 2020, the Admission, the Settlement Date, the delivery of Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen.

If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Shares sold, and investors who have sold or acquired Shares on or off the market may incur a loss. All dealings in the Offer Shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned.

Identification

Permanent ISIN for the Shares: DK0061412855

Nasdaq Copenhagen Symbol for the Shares: "HUSCO"

Share Lending Agreement

The Principal Shareholder has agreed with the Managers that the Principal Shareholder will make available up to 1,440,000 Shares to Danske Bank A/S, being both the share issuing agent as well as the Stabilization Manager, under a Share Lending Agreement for purposes of delivery of the Offer Shares to investors in connection with the overallotment and to facilitate any stabilization measures which may be taken in connection with the Offering. See "*Plan of Distribution—Stabilization*". The Shares made available by the Principal Shareholder shall be redelivered, no later than following the expiry of the Overallotment Option period 30 calendar days after Admission, unless the share lending arrangement is settled in cash in connection with the exercise of the Overallotment Option. No costs, interest or other payments shall be made by the Group as a result of the share lending agreement or the Overallotment Option, if exercised.

Registration and Settlement

The Offer Shares will be registered in book-entry form electronically with VP Securities, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark. All Shares are registered on accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own bank's Danish correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Payment for and settlement of the Offer Shares are expected to take place on 24 November 2020 two business days after the announcement of the Offer Price and allocation (i.e., the "**Settlement Date**") under the permanent ISIN DK0061412855 against payment in immediately available funds in DKK in book-entry form to investors' accounts with VP Securities and through the facilities of Euroclear and Clearstream. Registration through the holder's account holding bank will take place as soon as practically possible thereafter.

If the Offer Period is closed before 19 November 2020, the Settlement Date, the delivery of Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen.

The account holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Offer Shares purchased by the investor unless otherwise agreed between the investor and the relevant account holding bank. This statement also constitutes evidence of the investor's holding.

All dealings in the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

Withdrawal of the Offering

Completion of the Offering is conditional upon Nasdaq Copenhagen's approval of the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, the Offering not being withdrawn prior to settlement of the Offering and the Company making an announcement to that effect. The Offering may be withdrawn by the Company at any time before pricing and allocation of the Offering and first day of trading of the Shares on Nasdaq Copenhagen take place. The Offering may also be withdrawn if Nasdaq Copenhagen is not satisfied that there will be a sufficiently broad distribution of the Shares to investors or if, for other reasons, the Shares cannot be admitted for trading and official listing on Nasdaq Copenhagen.

In addition, the Underwriting Agreement contains a provision entitling the Managers (acting jointly, in good faith and reasonably and after having consulted with the Company and the Principal Shareholder) to terminate the Offering (and the arrangements associated with it) at any time prior to settlement of the Offering by delivery and payment for the Offer Shares expected to take place on or around 24 November 2020 (including after Admission) in certain circumstances, including force majeure and material changes in the financial condition of the Group's business.

The termination rights of the parties to the Underwriting Agreement will lapse upon settlement of the Offering, currently expected to take place on 24 November 2020, except in respect of the Option Shares. The termination rights of the parties to the Underwriting Agreement shall lapse, in respect of the Option Shares, upon settlement of the sale of the Option Shares, if the Overallotment Option is exercised.

Nasdaq Copenhagen's approval of the Admission on Nasdaq Copenhagen is subject to such termination rights not being exercised after pricing and prior to settlement of the Offering (other than any termination rights in respect of the Overallotment Option). Until publication by the Company of the announcement that the Offering has completed, expected on 24 November 2020, the admission of the Shares to trading and official listing on Nasdaq Copenhagen will remain conditional.

The Underwriting Agreement contains closing conditions which the Company believes are customary for offerings such as the Offering. In addition, the Company has given usual representations and warranties to the Managers. The completion of the Offering is dependent on compliance with all of the closing conditions set forth in the Underwriting Agreement. If one or more closing conditions are not met, the Managers may withdraw the Offering. If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Shares on Nasdaq Copenhagen will be cancelled. All dealings in the Offer Shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties involved.

Any withdrawal of the Offering will be announced immediately through Nasdaq Copenhagen.

Investors' Withdrawal Rights

In the event that the Company is required to publish a supplement to this Offering Circular, between the date of publication of this Offering Circular and Admission, investors who have submitted orders to purchase Offer Shares in the Offering shall have two trading days following the publication of the relevant supplement within which the investors can withdraw their offer to purchase Offer Shares in the Offering in its entirety. The right to withdraw an application to purchase Offer Shares in the Offering in these circumstances will be available to all investors in the Offering, provided the obligation to publish a supplement to this Offering

Circular was triggered before the closing of the Offer Period and provided no Offer Shares have been delivered. If the order is not withdrawn within the stipulated period any order to purchase Offer Shares in the Offering will remain valid and binding.

Costs of the Admission and the Offering

The total expenses in relation to the Admission payable by the Company are estimated to be approximately DKK 45 million. In addition, certain expenses in relation to the Offering, including commission and fees (fixed and discretionary) to be paid to the Joint Global Coordinators, are payable by the Selling Shareholders based proportionally on the number of Offer Shares that are sold in the Offering.

Further, the Selling Shareholders have agreed to pay a selling commission to account holding banks (unless such account holding bank is a Joint Global Coordinator) equivalent to 0.25% of the Offer Price of the Offer Shares that are allocated in respect of orders of up to and including DKK 3 million submitted through the account holding banks (except for the Joint Global Coordinator) to be paid by the Selling Shareholders based on the number of Offer Shares that are sold.

Neither the Company nor the Joint Global Coordinator will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account holding banks.

Selling Agents for the Danish Offering

Danske Bank A/S
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark

and

Nordea Danmark, Filial af Nordea Bank Abp, Finland
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

A request for copies of the Offering Circular in the form of either the Prospectus and/or the U.S. Offering Circular may be submitted by persons who satisfy the requirements of the applicable selling restrictions from the Managers.

Danske Bank A/S by e-mail: prospekter@danskebank.dk.

Nordea Danmark by e-mail: corpact.dk@nordea.com.

In addition, the Offering Circular is available, subject to certain restrictions, on the Company's website (www.huscompagniet.dk). Information included on the Company's website does not form part of and is not incorporated into this Offering Circular.

The distribution of this Offering Circular and the offer or sale of the Offer Shares in certain jurisdictions is restricted by law. Persons possessing this Offering Circular are required by the Company and the Managers to inform themselves about and to observe any restrictions. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such jurisdiction.

Interests of Natural and Legal Persons Involved in the Offering

As described in "*Board of Directors and Executive Management—Statement on Conflicts of Interest*" and in "*Ownership Structure and Shareholders*", certain members of the Board of Directors and the Executive Management as well as other former and current employees are shareholders, directly or indirectly, in the Company, or hold economic interests therein, and also participate as Selling Shareholders in the Offering and therefore have direct economic interests in the Offering. In addition, a small number of former board members and employees of the Group, that participated in the MPP during their appointment and employment with the Group will, in connection with the completion of the Offering, receive an early payment from the Principal Shareholder of outstanding loan notes issued by the Principal Shareholder in connection with Shares previously repurchased from these persons. Certain members of the Board of Directors also represent the Principal Shareholder.

Current and former members of the Executive Management as well as a member of the Board of Directors may be eligible to receive a cash-based extraordinary bonus in connection with and subject to successful completion of the Offering. The aggregate maximum cash-based extraordinary bonuses to be paid in connection with and subject to successful completion of the Offering will not exceed DKK 38.9 million based on the top of the Offer Price Range of which the Principal Shareholder will pay a maximum amount of DKK 7.5 million and the remaining part will be paid by the Company. In addition, subject to completion of the Offering, the Principal Shareholder intends to transfer up to 400,000 IPO Bonus Shares at no cost to certain members of the Board of Directors, Executive Management and certain other employees. See also "*Remuneration and Benefits—Incentive Programs*". No member of the Board of Directors or Executive Management, directly or indirectly, holds more than 5% of the Company's share capital.

See also "*Plan of Distribution*" for a description of certain interests of the Managers in the Offering.

The Company is not aware of any other potential interest of natural or legal persons involved in the Offering who may have a material interest in the Offering.

Governing Law

The Shares are issued in accordance with Danish law.

THE DANISH SECURITIES MARKET

Set forth below is a summary of certain information concerning the Danish securities market including information on certain provisions of Danish law and Danish securities market regulations in effect on the date of this Offering Circular. Such summary is qualified in its entirety by reference to the applicable Danish law and securities market regulations.

Nasdaq Copenhagen

Nasdaq Copenhagen is a company incorporated and organized under the laws of Denmark. Trading on Nasdaq Copenhagen is conducted by authorized firms, which include major Danish banks and other securities brokers, as well as certain mortgage credit institutions and the Danish Central Bank.

The trading system for equities trading in Denmark on Nasdaq Copenhagen operates between 9:00 a.m. and 4:55 p.m. (CET) on weekdays. After the end of the continuous trading there is a pre-closing call between 4:55 p.m. to 5:00 p.m. (CET). An after trade "post trade" session exists from 5:00 p.m. to 5:20 p.m. (CET). Before the continuous trading begins, there is a second after trade "pre-open" session from 8:00 a.m. to 9:00 a.m. (CET) and a morning call session from 8:45 a.m. to 9:00 a.m. (CET) for the purpose of establishing fair opening prices. After the opening prices have been presented, the continuous trading begins.

Registration Process

In connection with an initial public offering, a company's shares are registered in book-entry form on accounts maintained in the computer system of VP Securities, which acts as an electronic central record of ownership and as the clearing center for all transactions in Denmark. The address of VP Securities is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

Danish financial institutions, such as banks, are authorized to keep accounts for each specific investor with VP Securities, including for Euroclear and Clearstream. All Danish shares listed on Nasdaq Copenhagen are dematerialized, "non-certificated" and registered in VP Securities. The account is maintained through an account holding bank.

The account holding bank has the exclusive right to make transactions and registrations on these accounts on behalf of its customers.

Shares shall be registered in the name of the holder through the account holding bank.

Nominees

An account may be kept on behalf of one or more owners, meaning that a shareholder may appoint a nominee.

A nominee shareholder is entitled to receive dividends and to exercise all subscription and other financial and administrative rights attached to the shares held in its name with VP Securities. The relationship between the nominee shareholder and the beneficial owner is regulated solely by an agreement between the parties, and the beneficial owner must disclose its identity, if any, if the aforementioned rights are to be exercised directly by the beneficial owner.

The right to appoint a nominee does not eliminate a shareholder's obligation to notify the Company and the Danish FSA of a major shareholding. See "*The Danish Securities Market—Disclosure of Major Shareholdings*" below.

Settlement Process

Settlement in connection with trading on Nasdaq Copenhagen normally takes place on the second business day after effecting a sale or purchase transaction. The account holding bank sends a statement to the name and address recorded in VP Securities, showing the amount of shares held in that name, which provides the holder with evidence of its rights. Settlement can also take place through the clearing facilities of Euroclear and Clearstream.

Disclosure of Major Shareholdings

Shareholders in Danish companies with shares admitted to trading and official listing on Nasdaq Copenhagen are, pursuant to Section 38 of the Danish Capital Markets Act, required to give simultaneous notice to the company and the Danish FSA of the shareholding in the company, when the shareholding reaches, exceeds or falls below thresholds of 5%, 10%, 15%, 20%, 25%, 50% or 90% and limits of one-third or two-thirds of the voting rights or nominal value of the total share capital.

A shareholder in a company means a natural or legal person who, directly or indirectly, holds: (i) shares in the company on behalf of himself/herself/itself and for his/her/its own account; (ii) shares in the company on behalf of himself/herself/itself, but for the account of another natural or legal person; or (iii) depository receipts, where such holder is considered a shareholder in relation to the underlying shares represented by the depository receipts.

The duty to notify set forth above further applies to natural and legal persons who are entitled to acquire, sell or exercise voting rights which are:

(i) held by a third party with whom that natural or legal person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer in question (common duty to inform for all parties to the agreement);

(ii) held by a third party under an agreement concluded with that natural or legal person providing for the temporary transfer of the voting rights in question in return for consideration;

(iii) attached to shares which are lodged as collateral for that natural or legal person, provided the person controls the voting rights and declares an intention of exercising them;

(iv) attached to shares in which that natural or legal person has a lifelong right of disposal;

(v) held, or may be exercised within the meaning of (i) to (iv), by an undertaking controlled by that person or entity;

(vi) attached to shares deposited with that natural or legal person and which the person can exercise at his/her/its own discretion in the absence of specific instructions from the shareholders;

(vii) held by a third party in its own name on behalf of that person; or

(viii) exercisable by that person through a proxy where that person may exercise the voting rights at his/her/its discretion in the absence of specific instructions of the shareholder.

The duty to notify set forth above also applies to anyone, who directly or indirectly holds: (i) financial instruments that afford the holder either an unconditional right to acquire or the discretion as to his/her/its right to acquire existing shares (e.g., share options); and/or (ii) financial instruments based on existing shares and with an economic effect equal to that of the financial instruments mentioned in (i), regardless of them not affording the right to purchase existing shares (e.g., cash-settled derivatives linked to the value of the shares in question). Holding these kinds of financial instruments counts towards the thresholds mentioned above and may thus trigger a duty to notify by itself or when accumulated with a shareholding.

The notification shall be made promptly but no later than four weekdays after the shareholder was aware or should have become aware of the completion of the transaction, and in accordance with the provisions of Danish Executive Order no. 1172 of 31 October 2017 on Major Shareholders. The shareholder is deemed to have become aware of the completion of the transaction two weekdays after the completion of the transaction. The shareholder shall disclose the change in voting rights and shares, including the number of voting rights (and the distribution of voting rights among share classes, if applicable) and shares held directly or indirectly by the shareholder following the transaction. The notification shall further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any natural or legal person with the right to vote on behalf of the shareholder and in the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held. The information shall be notified to the company and simultaneously submitted electronically to the Danish FSA. Failure to comply with the notification requirements is punishable by fine or suspension of voting rights in instances of gross or repeated non-compliance.

When an obligation to notify rests on more than one natural or legal person the notification may be made through a joint notification. However, use of a joint notification does not exempt the individual shareholders or natural or legal persons from their responsibilities in connection with the obligation to notify or the contents of the notification.

After receipt of the notification, the company shall promptly, but not later than three weekdays thereafter, publish the contents of the notification.

A similar duty, as set forth above, also applies to a company's holding of treasury shares. A Danish company with shares admitted to trading and official listing on Nasdaq Copenhagen is required to promptly, but not later than four weekdays thereafter, publish an announcement specifying the company's, direct or indirect, holding of treasury shares, when the holding reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights or the nominal value of the share capital. This duty applies regardless of whether the company holds the treasury shares itself or through a person acting in his/her/its own name but on the company's behalf.

Furthermore, the general duty of notification under Section 55 of the Danish Companies Act in respect of notification of significant holdings (similar to the thresholds set out in Section 38 of the Danish Capital Markets Act) applies, including when the limit of 100% of the share capital's voting rights or nominal value of the company is reached or are no longer reached. Section 58 of the Danish Companies Act provides that a company shall publish information related to major shareholdings received pursuant to Section 55 of the Danish Companies Act in an electronic public register of shareholders which is kept by the Danish Business Authority.

Short Selling

The Short Selling Regulation (236/2012/EU) includes certain notification requirements in connection with short selling and imposes restrictions on uncovered short selling of shares admitted to trading on a trading venue (including Nasdaq Copenhagen).

When a natural or legal person reaches, exceeds or falls below a net, short position of 0.2% of the issued share capital of a company that has shares admitted to trading on a trading venue, such person shall make a notification to the relevant competent authority, which in Denmark is the FSA. The obligation to notify the FSA, moreover, applies in each case where the short position reaches, exceeds or falls below 0.1% above the 0.2% threshold. In addition, when a natural or legal person reaches or falls below a net short position of 0.5% of the issued share capital of a company that has shares admitted to trading on a trading venue in the European Union and each 0.1% above that, such person shall make a public notification of its net short position via the FSA. The notification requirements apply to both physical and synthetic short positions. In addition uncovered short selling (naked short selling) of shares admitted to trading on a trading venue is prohibited. Furthermore, on 16 March 2020, the European Securities and Markets Authority ("**ESMA**"), issued a decision which temporarily lowered the reporting threshold from 0.2% to 0.1% for net short position holders in shares traded on a trading venue in the European Union for three months due to the impact of COVID-19 on financial markets. On 16 September 2020, ESMA issued a decision to extend the decision to temporarily lower the reporting threshold from 0.2% to 0.1% for net short position holders for an additional three months, and as a result the lowered threshold will apply until 18 December 2020 to any natural or legal person, irrespective of their country of residence.

A natural or legal person is prohibited from entering into a short sale of shares admitted to trading on a trading venue unless one of the following conditions is satisfied: (i) the natural or legal person has borrowed the share or has made alternative provisions resulting in a similar legal effect; (ii) the natural or legal person has entered into an agreement to borrow the share or has another absolutely enforceable claim under contract or property law to be transferred ownership of a corresponding number of securities of the same class so that settlement can be effected when it is due; or (iii) the natural or legal person has an arrangement with a third party under which that third party has confirmed that the share has been located and has taken measures vis-à-vis third parties necessary for the natural or legal person to have a reasonable expectation that settlement can be effected when it is due. Certain exemptions apply to the prohibition, such as in the case of market-makers or in connection with stabilization in accordance with the Commission Delegated Regulation (EU) 2016/1052.

Mandatory Takeover Offers

The Danish Capital Markets Act and the Danish Executive Order no. 636 of 15 May 2020 on Takeover Bids includes rules concerning public offers for the acquisition of shares admitted to trading on a regulated market (including Nasdaq Copenhagen).

If a shareholding is transferred, directly or indirectly, in a company with one or more share classes admitted to trading on a regulated market, to an acquirer or to persons acting in concert with such acquirer, the acquirer and the persons acting in concert with such acquirer, if applicable, shall give all shareholders of the company the option to dispose of their shares on identical terms, if the acquirer, or the persons acting in concert with such acquirer, as a result of the transfer, gains control over the company as a result of the transfer.

Control exists if the acquirer, or persons acting in concert with such acquirer, directly or indirectly, holds at least one third of the voting rights in the company, unless it can be clearly proven in special cases that such ownership does not constitute control. An acquirer, or persons acting in concert with such acquirer, who does not hold at least one third of the voting rights in a company, nevertheless has control when the acquirer has or persons acting in concert with such acquirer have:

(i) the right to control at least one third of the voting rights in the company according to an agreement with other investors; or

(ii) the right to appoint or dismiss a majority of the members of the central governing body of the company.

Voting rights attached to treasury shares shall be included in the calculation of voting rights.

The Danish Capital Markets Act contains specific exemptions from the obligation to submit a mandatory takeover offer, including transfers of shares by inheritance or transfer within the same group and as a result of a creditor's debt enforcement proceedings. Exemptions from the mandatory takeover offer rules may be granted under special circumstances by the Danish FSA.

Mandatory Redemption of Shares

Where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to Section 70 of the Danish Companies Act, decide that the other shareholders have their shares redeemed by that shareholder. In this case, the other shareholders must be asked, by notice given in accordance with the rules governing notices for general meeting, to transfer their shares to the shareholder within four weeks after the request to transfer their shares. In addition, the other shareholders shall by notice published through the Danish Business Authority's IT system be requested to transfer their shares within the same four week period. Specific requirements apply to the contents of the notices to the other shareholders regarding the redemption. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. However, the redemption price will be deemed fair under any circumstances, provided that (i) the redemption takes place in continuation of a voluntary takeover offer by which the bidder obtained at least 90% of the share capital carrying voting rights, or (ii) the redemption takes place after a mandatory takeover offer. To the extent any minority shareholders have not transferred their shares to the acquiring shareholder before the expiry of the four week period, the redeeming shareholder shall, as soon as possible thereafter, via VP Securities, as the issuing central securities depository, pay the amount required for redemption to the remaining minority shareholders. Upon payment through VP Securities, the shares of such minority shareholders will have been redeemed and the minority shareholders shall in such case through the Danish Business Authority's IT system be notified that the right to require determination of the redemption price by the independent expert expires at the end of a period, which cannot be less than three months pursuant to Section 72 of the Danish Companies Act. Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the valuation is higher than that offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

Furthermore, where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to Section 73 of the Danish Companies Act. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the valuation is higher than that offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

Disclosure Requirements for Companies Admitted to Trading and Official Listing on Nasdaq Copenhagen

As a company with its securities admitted to trading on a regulated market, the Company will under Regulation (EU) no. 596/2014 on Market Abuse (the "**Market Abuse Regulation**") and the Issuer Rules of Nasdaq Copenhagen be obliged to inform the public and the Danish FSA of inside information, as defined in Article 7 of the Market Abuse Regulation, as soon as possible if such information directly concerns the Company. Inside information must be disclosed as soon as possible unless the Company is in a position to delay such disclosure to the public with reference to Article 17(4) of the Market Abuse Regulation.

In addition, the Company will be obliged to disclose certain other information to the public pursuant to the Danish Capital Markets Act, the Danish Executive Order no. 1173 of 31 October 2017 on Issuers' Duty to Provide Information and the Issuer Rules of Nasdaq Copenhagen, regardless of whether this information amounts to inside information.

PLAN OF DISTRIBUTION

The Offering

The Company, the Principal Shareholder and the Managers have entered into an underwriting agreement on 6 November 2020. In addition, on 6 November 2020, the Other Selling Shareholders entered into a minority shareholder underwriting agreement with Danske Bank A/S which includes similar terms and conditions as the underwriting agreement entered into by the Principal Shareholder (the two underwriting agreements together, the "**Underwriting Agreement**"). Subject to certain conditions set forth in the Underwriting Agreement, including the execution and delivery by the Company, the Selling Shareholders and the Managers of an agreement relating to the price and number of Offer Shares and the Option Shares (the "**Pricing Agreement**"), the Selling Shareholders, severally but not jointly, have agreed, respectively, to sell to the purchasers procured by the Managers or, failing which, to the Managers themselves; and each of the Managers, severally but not jointly, will agree to procure purchasers for, or failing such procurement, to purchase from the Selling Shareholders the percentage of total number of Offer Shares offered listed opposite such Manager's name below.

Managers	**Percentage of Offer Shares**
Citigroup Global Markets Limited	37%
Danske Bank A/S	37%
Nordea Danmark, Filial af Nordea Bank Abp, Finland	26%
Total	**100%**

The Underwriting Agreement provides that the obligations of the Managers are subject to: (i) entry into the Pricing Agreement between the Company, the Selling Shareholders and the Managers, which will contain the Offer Price and the exact number of Offer Shares; (ii) receipt of opinions on certain legal matters from counsel; and (iii) certain other conditions, including receipt of auditor letters and reports and officer certificates. Both the Company and the Selling Shareholders have agreed to indemnify the Managers against certain losses and liabilities arising out of or in connection with the Offering, including liabilities under the U.S. Securities Act. The Managers are not required to take or pay for the Option Shares covered by the Managers' Overallotment Option described below.

The Underwriting Agreement provides that, upon the occurrence of certain events, such as the general suspension of all trading on Nasdaq Copenhagen, a material adverse change in the Group's business, results of operations or financial condition or in the financial markets and under certain other conditions, the Managers may elect to terminate their several commitments and have the right to withdraw from the Offering before settlement of the Offering (i.e. payment for and settlement of the Offer Shares under the permanent ISIN DK0061412855). If the Managers elect to terminate their several commitments, the Offering may be cancelled, and if it is cancelled, no Offer Shares will be delivered. All dealings in the Offer Shares prior to settlement of the Offering will be conditional and for the account of and at the sole risk of the parties involved.

Pursuant to the Underwriting Agreement, the Joint Global Coordinators have been granted an option to purchase an aggregate of up to an additional 1,440,000 Option Shares from the Principal Shareholder, solely to cover overallotments or short positions, if any, exercisable for a period of 30 calendar days after Admission. If any Option Shares are agreed to be purchased under this option, each Manager will be obligated, subject to certain conditions contained in the Underwriting Agreement, to purchase a number of additional Option Shares proportionate to that Manager's initial percentage of Offer Shares reflected in the table above, and the Principal Shareholder will be obligated to sell a number of Shares proportionate to the additional Option Shares over which they have granted this option.

Purchasers of the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

Payment for and settlement of the Offer Shares are expected to take place on the Settlement Date under the permanent ISIN DK0061412855 against payment in immediately available funds in Danish kroner in book-entry form to investors' accounts with VP Securities and through the facilities of Euroclear and Clearstream. If the Offer Period closes before 19 November 2020, the Settlement Date, the delivery of the Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. The Offering may be withdrawn after Admission and until settlement of the Offering. All dealings in the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

Prior to the Offering, there has been no public market for the Shares. Application has been made for the Shares for Admission under the symbol "HUSCO". The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect. The first day of trading of the Shares on Nasdaq Copenhagen under the permanent ISIN is expected to be 20 November 2020.

As of the date of this Offering Circular, the Company does not hold any treasury shares, but for the purpose of meeting further obligations to deliver Shares under the Company's incentives programs, the Company may buy Shares in the market at prevailing market price from time to time. See "*Remuneration and Benefits—Incentive Programs*".

In connection with the Offering, the Managers and any affiliates acting as investors for their own account may take up the Shares and in that capacity may retain, purchase or sell the Shares, for their own account and may offer or sell such securities otherwise than in connection with the Offering, in each case, in accordance with applicable law. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

No action has been or will be taken in any jurisdiction other than Denmark that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

Prior to the Offering, the Shares have never been listed, and there is currently no public market for the Shares. The Offer Price will be determined by the Principal Shareholder and the Board of Directors in consultation with the Joint Global Coordinators, on the basis of a number of factors, including the following:

- the orders, in terms of price and quantity, received from potential institutional and retail investors;
- prevailing market conditions;
- the Group's historical, operational and financial performance;
- estimates of the Group's business potential and earning prospects; and
- the market valuation of publicly traded common stock of comparable companies.

The Offer Price is expected to be announced no later than at 7:30 a.m. (CET) on 20 November 2020. The indicative Offer Price Range set forth on the cover page of this Offering Circular is subject to change as a result of market conditions and other factors. See also "*The Offering—Offer Price*". There can be no assurance that an active trading market will develop for the Shares or that the Shares will trade in the public market after the Offering at, or above, the Offer Price. See also "*Risk Factors—Risks Relating to the Offering and the Shares*".

Lock-up Arrangements

The Company has agreed with the Joint Global Coordinators that it will not, except as set forth below, for a period of 180 days from the date of this Offering Circular without the prior written consent of the Joint Global Coordinators: (i) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such specific action), directly or indirectly, any Shares, options or any securities convertible into or exercisable or exchangeable for the Shares; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) submit to its shareholders a proposal to effect any of the foregoing. The foregoing shall not apply to the Offer Shares or the grant of share based instruments or bonus Shares in accordance with the terms of the Company's LTIP.

Each Selling Shareholder has agreed with the Joint Global Coordinators that it will not, except as set forth below, for a period of 180 days from the date of the Underwriting Agreement, without the prior written consent of the Joint Global Coordinators: (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any of the Lock-up Shares, or any securities convertible into or exercisable or exchangeable for the Shares; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Shares, whether any such transactions described in clause (i) or (ii) above are to be settled by delivery of the Lock-up Shares or such other securities, in cash or otherwise; or (iii) submit to the shareholders a proposal to effect any of the foregoing. The foregoing will not apply, among other exceptions, to (i) the sale of the Offer Shares in the Offering; (ii) the lending of Shares under the share lending agreement; (iii) the transfer of any or all of the Lock-up Shares to immediate family, if applicable, or to any company, directly or indirectly, wholly owned by the Selling Shareholders; (iv) transfer of any Lock-up Shares related to (a) any capital reorganization, legal merger, split-up or similar transaction, (b) an acceptance of a takeover offer for Shares in the Company; or (c) the provision of an irrevocable undertaking to accept such an offer; (d) an offeror or potential offeror during an offer period, or otherwise in response to or pursuant to a takeover offer; (e) an offer by or on behalf of the Company to repurchase Shares in connection with a general buy-back program; (v) transfer of any and all Lock-up Shares whose proceeds will be used in their entirety to pay taxes (if any) payable by the Selling Shareholder as a result of the Pre-IPO Reorganization; and (vi) the pledge of any Shares to or in favour of a financial institution for such amount as was borrowed from such financial institution to finance the purchase of the Lock-up Shares, subject to certain restrictions provided, however, with respect to (iii), that the transferring party procures the transferee to execute an undertaking of adherence with respect to the Lock-up Shares containing the same lock up terms.

In addition, the members of the Board of Directors and the Executive Management who hold Shares in the Company have agreed with the Company that, for a period of 360 days from the date of the Underwriting Agreement, they will be subject to materially the same lock up restrictions as the Principal Shareholder set forth above in respect of any Shares held in the Company as of the date of completion of the Offering. In addition to the exceptions set out above, the lock up obligations agreed by the members of the Board of Directors and the Executive Management who hold Shares in the Company, will not apply, among other exceptions, to (i) exercise of any rights to purchase, exchange or convert any options granted pursuant to the Company's equity incentive plans, (ii) the transfer of any or all of the Lock-up Shares as a result of death or permanent disability or an interruption in employment for a continuous period of not less than 120 days due to disability or illness or termination of employment by the Company and (iii) a transfer of Lock-up Shares as a bona fide gift or gifts, or for bona fide estate planning purposes.

Price Stabilization and Short Positions

In connection with the Offering, Danske Bank A/S, as the Stabilization Manager, or its agents, on behalf of the Managers, may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 days from the Admission.

Specifically, the Managers, the Principal Shareholder and the Company have agreed that the Stabilization Manager on behalf of the Managers may over allot Offer Shares by accepting offers to purchase a greater number of Offer Shares than for which they are obligated to procure purchasers under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of Offer Shares available for purchase by the Stabilization Manager on behalf of the Managers under the Overallotment Option.

The Managers can close out a covered short sale by exercising the Overallotment Option or purchasing Shares in the open market. In determining the source of Shares to close out a covered short sale, the Managers will consider, among other things, the open market price of Shares compared to the price available under the Overallotment Option.

As an additional means of facilitating the Offering, the Stabilization Manager or its agents may effect transactions to stabilize the price of the Shares. These activities may support the market price of the Offer Shares at a level higher than that which might otherwise prevail. Such transactions may be effected on Nasdaq Copenhagen, in the over-the-counter markets or otherwise. Any stabilization profits as a result of the exercise of the Overallotment Option will be remitted to the Principal Selling Shareholder.

The Stabilization Manager and its agents are not required to engage in any of these activities, and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time, and they must be brought to an end at the end of the 30-day period mentioned above. Save as required by law or regulation, the Stabilization Manager does not intend to disclose the extent of any stabilization transactions under the Offering.

Other Relationships

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities related to or issued by the Company, its affiliates or other parties involved in or related to the Offering. Certain of the Managers the Financial Advisor and/or their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or the Selling Shareholders or any of the Company's or their respective related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Managers have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with potential investors' and the Company's interests. In particular, Nordea Danmark, Filial af Nordea Bank Abp, Finland is a lender under the Group's Existing Facilities Agreement. In addition, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland act as mandated lead arrangers and original lenders under the New Facilities Agreement.

In addition, in the ordinary course of business, the Managers and their respective affiliates may make or hold a broad array of investments including serving as counterparties to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Company. Some of the Managers and/or their respective affiliates may from time to time hold certain direct or indirect minority interests in the Principal Shareholder. At the date of this Offering Circular, Nordea Bank Abp and Danske Bank A/S each have an indirect ownership stake of less than 1% and 2.5%, respectively, in the Group as a result of their positions as limited partners in EQT VI. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SELLING RESTRICTIONS

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

The Offer Shares may only be resold (i) in the United States only to persons reasonably believed to be QIBs; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. Any offer or sale of Offer Shares in the United States will be made by broker-dealers who are registered as such under the U.S. Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act.

European Economic Area

In relation to each Relevant State, no shares have been offered or will be offered pursuant to the International Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Offer Shares at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

This Offering Circular is for distribution only to, and is directed only at, qualified investors who: (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA Order; (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FSMA Order; or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons, including qualified investors, together being referred to as “**relevant persons**”).

In the United Kingdom, this Offering Circular is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person. In the United Kingdom, any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Canada

The Offer Shares are not being offered and may not be sold to any purchaser in a province or territory of Canada other than the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec.

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

General

No action has been or will be taken in any country or jurisdiction other than Denmark that would, or is intended to, permit a public offering of the Offer Shares, or the possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Offering Circular comes are required by the Company, the Selling Shareholders and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Company, the Financial Advisor, the Selling Shareholders nor the Managers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of any of the Offer Shares, of any such restrictions.

TRANSFER RESTRICTIONS

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Circular and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(5) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(6) the purchaser is aware of the restrictions on the offer, sale and transfer of the Offer Shares pursuant to Regulation S and acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions;

(7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(8) the purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Offering Circular and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser: (i) is a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act); (ii) is aware that the sale to it is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act; and (iii) is acquiring such Offer Shares for its own account or for the account of a qualified institutional buyer;

(4) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

(5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act; (ii) in compliance with Regulation S under the U.S. Securities Act; or (iii) in accordance with Rule 144 under the

U.S. Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(6) the purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resale of any Offer Shares;

(7) the purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions;

(9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

(10) the purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

In relation to each Relevant State, no shares have been offered or will be offered pursuant to the International Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Offer Shares at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

For the purposes of this provision, the expression an "offer" in relation to any of the Offer Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase the Offer Shares.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for the Company by Gorrissen Federspiel Advokatpartnerselskab, Danish legal counsel to the Company and by Davis Polk & Wardwell London LLP, United States legal counsel to the Company. Certain legal matters in connection with the Offering will be passed upon for the Managers by Bech-Bruun Law Firm P/S, Danish legal counsel to the Managers and by Fried, Frank, Harris, Shriver & Jacobson (London) LLP, United States legal counsel to the Managers.

STATE AUTHORIZED PUBLIC ACCOUNTANTS

The Company's Independent Auditors

The name and address of HusCompagniet A/S's independent auditors are as follows:

EY Godkendt Revisionspartnerselskab (formerly named Ernst & Young Godkendt Revisionspartnerselskab)
Dirch Passers Allé 36
DK-2000 Frederiksberg
Denmark

EY Godkendt Revisionspartnerselskab ("**EY**") is represented by Torben Bender, State Authorized Public Accountant, and Thomas Bruun Kofoed, State Authorized Public Accountant, both members of FSR—Danish Auditors (*FSR—danske revisorer*).

The audited Consolidated Financial Statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 2018 and 2017, which have been audited by the Group's independent auditors, EY, as stated in their report appearing therein, have been included in this Offering Circular. Further, the unaudited condensed Consolidated Interim Financial Statements as at and for the nine months ended 30 September 2020 with comparative figures as at and for the nine months ended 30 September 2019, which have been reviewed by the Group's independent auditors, EY, as stated in their report appearing therein, are included in this Offering Circular.

ADDITIONAL INFORMATION

Name, Registered Office and Date of Incorporation

HusCompagniet A/S
Plutovej 3
8700 Horsens
Denmark
Telephone: +4576645799
Website: www.huscompagniet.dk

The secondary name of the Company is Diego HC TopCo A/S.

The Company was incorporated in Denmark as a public limited liability company under the laws of Denmark on 23 July 2015.

The registered office is located in the municipality of Horsens at Plutovej 3, 8700 Horsens, Denmark.

Information on the Group's website does not form part of and is not incorporated by reference into this Offering Circular.

Registration

The Company is registered with the Danish Business Authority under registration (CVR) no. 36972963 and its LEI code is 894500SWECYCFZ58R246.

Objective of the Company

According to article 1.2 of the Articles of Association, the Company's objective is to directly or indirectly, carry on business and trading within the building and real estate construction industry, including purchase and sale of real estate and land, as well as any other activities related thereto, including holding equity investments in other companies.

Material Subsidiaries

The following table sets forth the Group's material subsidiaries which are indirectly held by HusCompagniet A/S, as at the date of this Offering Circular:

Entity Name	Country of Incorporation	Currency	Nominal Share Capital	Percentage of (Direct or Indirect) Ownership Interest and Voting Rights
HusCompagniet Danmark A/S	Denmark	DKK	2,001,000	100%
RækkehusCompagniet A/S	Denmark	DKK	500,000	100%
VårgårdaHus AB	Sweden	SEK	1,000,000	100%

The Group has selected the material subsidiaries on the basis of a commercial materiality assessment, primarily focusing on (i) where revenue is generated; (ii) where a substantial part of the Group's assets are held and (iii) strategic importance. The material subsidiaries contributed with 100% and 108% to the Group's total revenue from continuing operations and EBITDA before special items from continuing operations, respectively, for the nine months ended 30 September 2020. Total assets of the material subsidiaries (excluding any goodwill arising from the Group's acquisition of such) as at 30 September 2020 corresponded to 54% of total consolidated assets of the Group. The carrying amount of originally acquired goodwill related to these material subsidiaries is held by their respective owner companies within the Group and as at 30 September 2020 and corresponded to 44% of total consolidated assets of the Group. As such total assets related to the material subsidiaries including the carrying amount of goodwill corresponded to 98% of the total assets of the Group as at 30 September 2020.

In addition to these material subsidiaries, the Group has additional subsidiaries in Denmark, Sweden and Germany, see also Note 6.7 "List of Group companies" in the F-pages for a list thereof. The Group continuously seeks to optimize its corporate structure and, depending on the specific circumstances, may deem a corporate reorganization of the Group to be worthwhile. Such a corporate reorganization may entail a merger between some the Group's subsidiaries, which could potentially occur during the financial year ending 31 December 2020 or 2021. However, no decision on any potential merger or other corporate reorganization has been made as of the date of this Offering Circular and no plans of a specific nature are currently contemplated.

General Meetings

The general meeting is the ultimate authority in all matters relating to the Company, subject to the limitations in Danish law and the Articles of Association. See "*Description of the Shares and Share Capital—General Meetings and Voting Rights*".

Principal Bankers

After completion of the Offering the Group's principal bankers will be Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland as mandated lead arrangers and original lenders, and Danske Bank A/S as agent under the New Facilities Agreement.

Share Issuing Agent

The Company's share issuing agent is:

Danske Bank A/S
Holmens Kanal 2-12
1092 Copenhagen K
Denmark

GLOSSARY

The following explanations are not intended as technical definitions and are provided purely for assistance in understanding certain terms as used in this Offering Circular.

"Admission"	admission of the Shares to trading and official listing on Nasdaq Copenhagen
"**APMs**"	alternative performance measures
"**Articles of Association**"	the articles of association of the Company, dated 5 November 2020
"**Audit Committee**"	the audit committee of the Board of Directors, described in "*Board Practices—Board practices and committees*"
"BI"	business intelligence
"**B2B"**	business-to-business
"**B2C"**	business-to-consumer
"**Board of Directors**"	the Board of Directors of the Company at the date of this Offering Circular
"**CAGR**"	compound annual growth rate
"**CET**"	Central European Time
"**Chairperson**"	the Chairperson of the Board of Directors of the Company, Claus V. Hemmingsen
"**Clearstream**"	Clearstream Banking, S.A.
"**Code**"	Internal Revenue Code of 1986, as amended
"**Company**"	HusCompagniet A/S, CVR no. 36972963
"**Consolidated Financial Statements**"	the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 included in the F-pages of this Offering Circular
"Consolidated Interim Financial Statements"	unaudited condensed consolidated interim financial statements of the Group as at and for the nine months ended 30 September 2020 with comparative figures as at and for the nine months ended 30 September 2019 included in the F-pages of this Offering Circular
"**Corporate Governance Recommendations**"	the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued on 23 November 2017, as amended
"CRM"	Customer relationship management
"**Danish Capital Markets Act**"	Consolidated Act no. 377 of 2 April 2020 on capital markets, as amended
"**Danish Central Bank**"	Danmarks Nationalbank
"**Danish Companies Act**	Consolidated Act no. 763 of 23 July 2019 on limited liability companies, as amended
"**Danish Executive Order no. 1173 of 31 October 2017 on Issuers' Duty to Provide Information**"	Executive Order no. 1173 of 31 October 2017 on issuers' duty to provide information

“**Danish Executive Order no. 1172 of 31 October 2017 on Major Shareholders**”	Executive Order no. 1172 of 31 October 2017 on major shareholders
“**Danish Executive Order no. 636 of 15 May 2020 on Takeover Bids**”	Executive Order no. 636 of 15 May 2020 on takeover bids
“**Danish FSA**”	Danish Financial Supervisory Authority
“**Danish Offering**”	an initial public offering to retail and institutional investors in Denmark
“**Danish Tax Authority**”	Skattestyrelsen
“**DGNB**”	German Sustainable Building Council
“**DK-GBC**”	Green Building Council Denmark
“**DKK**” or “**Danish kroner**”	Danish kroner, the lawful currency of Denmark
“**EEA**”	European Economic Area
“**EQT VI**”	the fund managed and/or operated by EQT VI (General Partner) LP (acting by its general partner, EQT VI Limited), comprising EQT VI (No.1) Limited Partnership, EQT VI (No.2) Limited Partnership, EQT VI Executive Co-Investment Limited Partnership, certain assets of Investor Netherlands B.V. and the EQT VI Co-Investment Scheme.
“**ERP**”	enterprise resource planning
“**ESG**”	environmental, social and governance
“**ESMA**”	European Securities and Markets Authority
“**EU**”	European Union
“**euro**”, “**EUR**” or “**€**”	euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community
“**Euroclear**”	Euroclear Bank S.A./N.A., as operator of the Euroclear System
“**Executive Management**”	the executive management of the Company as registered with the Danish Business Authority at the date of this Offering Circular
“**Existing Facilities Agreement**”	the senior facilities agreement entered into between, among others, the Company, as parent, HusCompagniet Holding A/S as the company, Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nykredit Bank A/S and Skandinaviska Enskilda Banken AB (publ.) as mandated lead arrangers and Nordea Danmark, Filial af Nordea Bank Abp, Finland as agent and security agent on 12 August 2015
“**EY**”	EY Godkendt Revisionspartnerselskab
“**Financial Advisor**”	N.M. Rothschild & Sons Limited
“**FSMA Order**”	The Financial Services and Markets Act of 2000 (Financial Promotion) Order 2005, as amended
“**GDPR**”	the EU General Data Protection Regulation (Regulation (EU) 2016/679)

“Group”	HusCompagniet A/S together with its consolidated subsidiaries
“Group Shares”	shares in a company in which the shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law
“HSE”	health, safety and environment
“HusCompagniet”	HusCompagniet A/S
“IAS 34”	International Accounting Standard no. 34 on “Interim Financial Reporting” as adopted by the EU
“IFRS”	International Financial Reporting Standards as adopted by the EU
“International Offering”	the private placement in the United States only to persons who are “qualified institutional buyers” or “QIBs” (as defined in Rule 144A under the U.S. Securities Act) and the private placements to institutional investors in the rest of the world
“IT”	information technology
“IPO”	initial public offering
“IPO Exit Agreements”	the IPO exit agreements which have been entered into by the Principal Shareholder with the MPP participants and TB Gruppen AB, respectively, amending a shareholders’ agreement and a co-investment agreement entered into relating to the Company
“Issuer Rules of Nasdaq Copenhagen”	Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 May 2020
“Joint Bookrunners”	the Joint Global Coordinators
“Joint Global Coordinators”	Citigroup Global Markets Limited, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland
“Lock-up Shares”	any Shares subject to lock-up arrangement
“Lower-tier PFIC”	a PFIC entity whose equity interests are owned by another PFIC entity
“LTIf”	lost time injury frequency
“LTIP”	Long-term share based incentive program
“LTIs”	lost time injuries
“Managers”	the Joint Global Coordinators and the Joint Bookrunners
“Market Abuse Regulation”	Regulation (EU) no. 596/2014 on Market Abuse
“MiFID II”	EU Directive 2014/65/EU on markets in financial instruments, as amended
“MiFID II Product Governance Requirements	collectively, (a) MiFID II, (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and (c) local implementing measures
“MPP”	the co-investment program as described in “*Ownership Structure—MPP*

"**Nasdaq Copenhagen**"	Nasdaq Copenhagen A/S, CVR no. 19042677
"**New Facilities**"	the Term Loan Facility and the Revolving Facility
"**New Facilities Agreement**"	the facilities agreement entered into on 23 October 2020, by the Company, HusCompagniet Operations A/S, HusCompagniet Danmark A/S, RækkehusCompagniet A/S and VårgårdaHus AB as original borrowers and Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland as mandated lead arrangers and original lenders, and Danske Bank A/S as agent
"**NI 33-105**"	National Instrument 33-105 Underwriting Conflicts
"**Offer Period**"	6 November 2020 to 19 November 2020 at 11:00 a.m. (CET) unless the Offer Period is closed earlier
"**Offer Price**"	the price per Offer Share at which the Offer Shares will be sold
"**Offer Price Range**"	the Offer Price is expected to be between DKK 112 and DKK 130 per Offer Share
"**Offer Shares**"	up to 11,040,000 Shares offered by the Selling Shareholders, including any Option Shares (unless the context indicates otherwise)
"**Offering**"	the initial public offering of up to 9,600,000 shares of DKK 5 nominal value each of HusCompagniet A/S
"**Offering Circular**"	the Prospectus and the U.S. Offering Circular
"**Option Shares**"	option granted by the Principal Shareholder to the Joint Global Coordinators to purchase up to 1,440,000 additional Shares at the Offer Price
"**Order 2005**"	the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
"**Other Selling Shareholders**"	certain existing shareholders in the Company, other than the Principal Shareholder, selling Shares in connection with the Offering
"**Overallotment Option**"	option granted the Joint Global Coordinators, by the Principal Shareholder to purchase additional Shares at the Offer Price
"**Permits**"	building, urbanization and environmental permits, licenses and other approvals from relevant Danish administrative authorities
"PFIC"	passive foreign investment company
"**Pre-IPO Reorganization**"	collectively, the share class consolidation, initial allocation and further adjustment of the initial allocation as described in "*Ownership Structure—Pre-IPO Reorganization*"
"**Pricing Agreement**"	agreement between the Company, Selling Shareholders and Managers relating to price and the number of Offer Shares and Option Shares

“**Principal Shareholder**”	Diego Holding Guernsey Limited, a non-cellular company limited by shares incorporated in the Island of Guernsey with registration number 60568 and registered office at Arnold House, PO Box 273, St. Julian’s Avenue, St. Peter Port, Guernsey, GY1 3RD
“**Prospectus**”	a prospectus in English prepared for the purpose of the Danish Offering and the international private placements outside the United States
“**Prospectus Regulation**”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017
“**QIBs**”	qualified institutional buyers as defined in Rule 144A of the U.S. Securities Act
“**Regulation S**”	Regulation S under the U.S. Securities Act
“**relevant persons**”	persons who: (i) are investment professionals falling within Article 19(5); or (ii) falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available
“**Relevant State**”	any Member State of the European Economic Area (other than Denmark) and the United Kingdom
“**Remuneration and Nomination Committee**” . . .	the remuneration and nomination committee of the Board of Directors, described in “*Board Practices—Board practices and committees*”
“**Remuneration Policy**	the remuneration policy applicable to the Board of Directors and the Executive Management of the Group approved in accordance with Section 139 of the Danish Companies Act
“**Revolving Facility**”	the DKK 400 million multicurrency revolving credit facility issued under the New Facilities Agreement
“**Rothschild & Co**”	N.M. Rothschild & Sons Limited
“**RSU**”	restricted share units
“**Rule 144A**”	Rule 144A under the U.S. Securities Act
“**Securities Act**”	the U.S. Securities Act of 1933, as amended
“**Selling Shareholders**”	the Principal Shareholder and the Other Selling Shareholders
“**Settlement Date**”	the date of payment and settlement of the Offer Shares expected to take place on 24 November 2020
“**Shares**”	the outstanding shares of the Company
“**Short Selling Regulation**”	Regulation (EU) 236/2012 of 14 March 2012 on short selling
“**STIP**”	short-term incentive program
“**Subsidiary Shares**”	shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company
“**Stabilization Manager**”	Danske Bank A/S

“**Tax-Exempt Portfolio Shares**”	shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company
“**Taxable Portfolio Shares**”	shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares
“**Term Loan Facility**”	the DKK 675 million term loan facility issued under the New Facilities Agreement
“**Treaty**”	the income tax treaty between Denmark and the United States
“**U.S.**” or “**United States**”	United States of America
“**U.S. Exchange Act**”	U.S. Securities Exchange Act of 1934, as amended
“**U.S. Offering Circular**”	an Offering Circular in English for use of the private placement to QIBs in the United States
“**U.S. Securities Act**”	U.S. Securities Act of 1933, as amended
“**Underwriting Agreement**”	the underwriting agreement between the Company, the Principal Shareholder and the Managers and the minority shareholder underwriting agreement among the Other Selling Shareholders and Danske Bank A/S, each entered into on 6 November 2020
“**VGH**”	VårgårdaHus AB
“**Vice Chairperson**”	The Vice Chairperson of the Board of Directors
“**VP Securities**”	VP Securities A/S, CVR no. 21599336

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Statement of the Board of Directors and Executive Management on the Consolidated Interim Financial Statements of HusCompagniet A/S as at and for the nine-month period ended 30 September 2020 with comparative figures as at and for the nine-month period ended 30 September 2019

The Board of Directors and the Executive Management have today discussed and approved the condensed consolidated interim financial statements of HusCompagniet A/S as at and for the nine-month period ended 30 September 2020 with comparative figures as at and for the nine-month period ended 30 September 2019, which comprise income statement, statement of other comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and notes.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the accounting policies set out in the notes to the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 of HusCompagniet A/S as amended in note 1 to the consolidated interim financial statements as at and for the nine-month period ended 30 September 2020 with comparative figures as at and for the nine-month period ended 30 September 2019.

In our opinion, the accounting policies applied are appropriate and the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 September 2020 with comparative figures as at 30 September 2019 and of the results of the Group's operations and the consolidated cash flows for the nine-month period ended 30 September 2020 with comparative figures for the nine-month period ended 30 September 2019.

6 November 2020

HusCompagniet A/S

Board of Directors

Claus V. Hemmingsen
Chairperson

Anja Bach Eriksson
Vice Chairperson

Steffen Martin Baungaard
Board member

Mads Munkholt Ditlevsen
Board member

Ylva Ekborn
Board member

Magnus Tornling
Board member

Executive Management

Martin Ravn-Nielsen
Group CEO

Mads Dehlsen Winther
Group CFO

Independent auditor's report on the Consolidated Interim Financial Statements of HusCompagniet A/S as at and for the nine-month period ended 30 September 2020 with comparative figures as at and for the nine-month period ended 30 September 2019

To the shareholders of HusCompagniet A/S

We have reviewed the condensed consolidated interim financial statements of HusCompagniet A/S as at and for the nine-month period ended 30 September 2020 with comparative figures as at and for the nine-month period ended 30 September 2019, which comprise consolidated income statement, consolidated statement of other comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and notes. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Management's responsibilities for the condensed consolidated interim financial statements

Management is responsible for the preparation of condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and for such internal control as Management determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements applicable in Denmark.

This requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. This standard also requires us to comply with ethical requirements.

A review of the condensed consolidated interim financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making enquiries of Management and others within the company, as appropriate, applying analytical procedures and evaluate the evidence obtained.

The procedures performed in a review are substantially less that those performed in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Copenhagen, 6 November 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorized
Public Accountant
mne21332

Thomas Bruun Kofoed
State Authorized
Public Accountant
mne28677

Consolidated Interim Income Statement

	Notes	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	Represented FY 2019*
		DKK'000		
Revenue	4, 5	2,586,097	2,506,283	3,495,923
Cost of Sales		(2,048,706)	(2,008,662)	(2,780,423)
Gross profit		**537,391**	**497,621**	**715,500**
Staff cost		(228,164)	(212,240)	(290,446)
Other external expenses		(81,115)	(67,055)	(99,718)
Other operating income		225	60	905
Operating profit before depreciation and amortization (EBITDA) before special items		**228,337**	**218,386**	**326,242**
Special items	6	(20,131)	(16,697)	(17,476)
Operating profit before depreciation and amortization (EBITDA) after special items		**208,206**	**201,689**	**308,766**
Depreciation and amortization	7, 8	(38,792)	(25,291)	(37,836)
Operating profit (EBIT)		**169,414**	**176,398**	**270,930**
Financial income		25,975	9,545	14,094
Financial expenses		(54,428)	(41,733)	(64,889)
Profit before tax from continuing operations		**140,961**	**144,211**	**220,135**
Tax on profit		(45,683)	(33,686)	(51,691)
Profit for the period from continuing operations		**95,278**	**110,525**	**168,444**
Profit/(loss) after tax for the period from discontinued operations	9	(28,152)	(50,752)	(168,211)
Profit for the period		**67,127**	**59,773**	**233**
Profits attributable to:				
Equity owners of the Company		67,127	59,773	233
Earnings per share:				
Earnings per share (EPS Basic)		4,570	4,069	16
Diluted earnings per share (EPS-D)		4,570	4,069	16
Earnings per share from continuing operations:				
Earnings from continuing operations per share (EPS Basic)		6,486	7,524	11,467
Diluted earnings from continuing operations per share (EPS-D)		6,486	7,524	11,467

* Represented compared to the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 and previously published consolidated financial statements included in the Annual Report for 2019 to reflect discontinued operations, cf. note 1 and 9.

Consolidated Interim Statement of Other Comprehensive Income

	Nine months period ended September 30 2020	Nine months period ended September 30 2019	FY 2019
		DKK'000	
Profit for the year	**67,127**	**59,773**	**233**
Other comprehensive income			
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation differences, subsidiary	373	(900)	78
Other comprehensive income, net of tax	**373**	**(900)**	**78**
Total comprehensive income for the year	**67,500**	**58,873**	**311**
Total comprehensive income attributable to:			
Equity owners of the Company	**67,500**	**58,873**	**311**

Consolidated Interim Balance Sheet

	Note	30 September 2020	31 December 2019	30 September 2019
		DKK'000		
Assets				
Non-current assets				
Goodwill	10	2,027,554	2,027,554	2,087,894
Intangible assets	10	38,206	53,303	38,246
Right-of-use assets		97,287	114,449	125,595
Property, plant and equipment	7	20,693	25,563	24,917
Deferred tax asset		48,054	43,374	53,478
Total non-current assets		**2,231,794**	**2,264,243**	**2,330,130**
Current assets				
Inventories		424,472	402,927	468,380
Contract assets	11	726,931	687,676	931,262
Trade and other receivables		166,190	153,076	147,170
Prepayments		5,499	9,242	10,371
Income tax receivables		0	0	1,669
Cash and cash equivalents	14	1,061,298	1,010,822	703,795
Total current assets		2,384,391	2,263,743	2,262,648
Total assets		**4,616,185**	**4,527,986**	**4,592,779**
Equity and liabilities				
Equity				
Share capital	12	14,689	14,689	14,689
Retained earnings and other reserves		1,830,158	1,762,658	1,821,220
Total Equity		**1,844,847**	**1,777,347**	**1,835,909**
Liabilities				
Non-current liabilities				
Borrowings	13, 14	622,077	683,465	0
Lease liabilities	13, 14	83,300	99,877	105,253
Provisions	15	8,024	8,020	8,746
Deferred tax liability		35,335	19,745	30,435
Other liabilities	13	25,986	6,098	844
Total non-current liabilities		**774,722**	**817,205**	**145,278**
Current liabilities				
Borrowings	13, 14	1,075,728	1,010,142	1,621,529
Lease liabilities	13, 14	20,827	21,020	22,131
Trade and other payables	13	625,164	674,669	761,267
Contract liabilities	11	86,058	11,505	1,777
Prepayments from customers		1,418	2,399	450
Provisions	15	30,793	32,078	27,553
Income tax payable		69,292	36,180	76,919
Other liabilities	13	87,336	145,441	99,967
Total current liabilities		**1,996,616**	**1,933,434**	**2,611,592**
Total liabilities		**2,771,338**	**2,750,639**	**2,756,870**
Total equity and liabilities		**4,616,185**	**4,527,986**	**4,592,779**

Consolidated Interim Statement of Cash Flows

	Note	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	FY 2019*
		DKK'000		
Cash flow from operating activities				
Profit before tax from continuing operations	4, 5	140,961	144,211	220,135
Profit before tax from discontinued operations	9	(28,152)	(66,765)	(192,349)
Changes in working capital		(84,322)	(272,950)	7,121
Adjustments for non-cash items		85,324	114,885	199,442
Interest received		20,519	9,545	14,152
Interest paid incl. interest on lease payments		(58,348)	(54,315)	(67,075)
Corporation tax paid		(1,661)	1,993	(46,993)
Net cash generated from operating activities		**74,322**	**(123,396)**	**134,433**
Cash flow from investing activities				
Acquisition of assets recognised as intangible assets and property, plant and equipment	7, 10	(13,328)	(32,338)	(43,463)
Net cash generated from investing activities		**(13,328)**	**(32,338)**	**(43,463)**
Cash flow from financing activities				
Repayment of long-term debt	13	(57,682)	(51,156)	(102,312)
Proceeds from loans	13	0	0	7,612
Repayment of lease liabilities	13	(17,100)	(8,036)	(20,647)
Net cash generated from financing activities		**(74,782)**	**(59,192)**	**(115,347)**
Total cash flows		**(13,788)**	**(214,926)**	**(24,377)**
Cash and cash equivalents at the beginning of period		109,610	136,262	136,262
Net foreign currency gains or losses		4,512	(901)	(2,275)
Cash and cash equivalents at the end of period		**100,334**	**(79,565)**	**109,610**
Cash and cash equivalents				
Cash at bank and on hand	14	1,061,298	703,795	1,010,822
Cash and cash equivalents at the beginning of period		**1,061,298**	**703,795**	**1,010,822**
Bank overdrafts	14	(960,964)	(783,361)	(901,212)
Net cash and cash equivalents at the end of period		**100,334**	**(79,565)**	**109,610**

* restated compared to published consolidated financial statements as at end for the year ended 31 December 2019 to reflect discontinued operations, cf. note 1 and 9.

Consolidated Interim Statement of Changes in Equity

	2020			
	Share capital	**Share premium**	**Retained earnings**	**Total**
		DKK'000		
Equity at 1 January	**14,689**	**1,463,830**	**298,828**	**1,777,347**
Profit for the period	**0**	**0**	**67,127**	**67,127**
Other comprehensive income:				
Foreign currency translation differences	0	0	373	373
Total other comprehensive income	0	0	373	373
Total transactions with owners of the Company and other equity transactions	0	0	0	0
Equity on 30 September	**14,689**	**1,463,830**	**366,328**	**1,844,847**

	2019			
	Share capital	**Share premium**	**Retained earnings**	**Total**
		DKK'000		
Equity at 1 January	**14,689**	**1,463,830**	**298,517**	**1,777,036**
Profit for the period	**0**	**0**	**59,773**	**59,773**
Other comprehensive income:				
Foreign currency translation differences	0	0	(900)	(900)
Total other comprehensive income	0	0	(900)	(900)
Total transactions with owners of the Company and other equity transactions	0	0	0	0
Equity on 30 September	**14,689**	**1,463,830**	**357,390**	**1,835,909**

Disclosures to the condensed consolidated interim financial statements

Introduction

HusCompagniet A/S ("HusCompagniet", previously named "Diego HC Topco A/S") is a company incorporated and domiciled in Denmark. The Group is a leading provider of single-family detached houses in Denmark. The Group's core activity is the design, sale and delivery of customizable high-quality detached houses in Denmark to consumers predominantly built on-site on third-party (customer-owned) land. The Group also designs, sells and delivers semi-detached houses in Denmark to consumers, predominantly on land it owns, and since January 2020 to professional investors, both on land it owns and on land owned by such investors. Investors in the semi-detached business-to-business segment often lease or sell the houses to end-users. The Group is also present in Sweden, where it produces prefabricated wood-framed detached houses in its factory, which are finalized on-site and in most cases facilitated by third-party sales agents.

During 2020, the Group closed down its German and Swedish brick house activities. In accordance with IFRS 5, the activities have in the Consolidated Interim Financial Statements of the Group been treated as discontinued operations. Accordingly, the net results of these activities are for the nine-months ended 30 September 2020 and 2019 as well for the year ended 31 December 2019, respectively, presented separately in one line in the income statement as a net amount. In respect of the year ended 31 December 2019 this constitutes a representation of comparatives compared to previously published consolidated financial statements as required by IFRS 5 in connection with issuing the consolidated financial statements for 2020.

HusCompagniet and its subsidiaries are collectively referred to in the condensed consolidated interim financial statement as the "Group".

The accounting policies are, except for the amendment listed in Note 1 General accounting policies, unchanged compared to the consolidated financial statements as reflected in the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 dated 6 November 2020, to which we refer.

Disclosure overview:

Note 1 General accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the nine months ended 30 September 2020 are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU ("IFRS").

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 dated 6 November 2020.

These condensed consolidated interim financial statements are expressed in DKK, as this is HusCompagniet A/S' functional and presentation currency. All values are rounded to the nearest thousand DKK '000 where indicated.

Implementation of new or amended standards and interpretations

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations apply for the first time in 2020, but do not have an impact on the condensed consolidated interim financial statements of the Group.

a. Amendments to IAS 1 and IAS 8: Definition of Material

b. Amendments to IFRS 3 Business Combinations

c. Amendments to IFRS 9, IAS 39 and IFRS 7 regarding the IBOR-reform.

Description of accounting policies not described in the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017

The following accounting policies are applied for the first time as a consequence of new events and conditions that did not occur previously in the Group. The application of the accounting policy is therefore not a change in accounting policy.

Disposal groups and discontinued operations

Disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

a. Represents a separate major line of business or geographical area of operations

b. Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations,

or

c. Is a subsidiary acquired exclusively with a view to resale

Furthermore, a disposal group that is to be abandoned are not classified as held for sale but presented as discontinued operation if the disposal group to be abandoned meets the above criteria.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 9. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise

Note 2 Introduction to significant estimates and judgements

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

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

For further description refer to note 1.2 in the Group's consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017.

New significant estimates and judgements

Following the outbreak of the COVID-19 in spring 2020, the Group has introduced a new product, "Comfort packages". This product contains different opportunities for customers to obtain financial compensation or flexibility, should they be terminated from their job position, no matter the cause.

The Group continuously estimates the risk that the customers with "Comfort packages" choose to exercise the option that gives them the right to a price reduction and limit the recognition of the consideration that is no longer expected to be received. This may result in recognition of part of the revenue is deferred until the time where the option is no longer available to the customer.

Note 3 Application of materiality

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

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

Note 4 Segment information

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

a. The detached houses in Denmark segment, which comprise brick houses built on site and plots

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

c. The wooden houses in Sweden, which comprise detached prefab houses

The Group has discontinued two reportable segments, Brick Houses in Sweden and the operation in Germany. Please refer to Note 9 for further disclosure.

No operating segments have been aggregated to form the above reportable operating segments.

The neccessary information for the financial years before 2020 is not available and the cost to develop it would be too excessive.

Executive Management is the Chief Operating and Decision Maker and monitors the operating results of its business units seperately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Nine months period ended 30 September 2020						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (Discontinued)	Germany (Discontinued)	Total segments
				DKK'000			
Revenue							
External customers	2,287,194	95,590	203,313	2,586,097	60,174	122,337	2,768,608
Inter-segment	0	0	0	0	0	0	0
Total revenue	**2,287,194**	**95,590**	**203,313**	**2,586,097**	**60,174**	**122,337**	**2,768,608**
Income/(expenses)							
Cost of goods	(1,841,991)	(76,371)	(130,344)	(2,048,706)	(63,683)	(114,834)	(2,227,223)
Segment gross profit	**445,203**	**19,219**	**72,969**	**537,391**	**(3,509)**	**7,503**	**541,385**
Gross margin	**19.5%**	**20.1%**	**35.9%**	**20.8%**	**(5.8%)**	**6.1%**	**19.6%**
Other operating income	225		0	225	0	0	225
Staff costs	(194,330)	(10,386)	(23,448)	(228,164)	(3,991)	(7,615)	(239,770)
Other operating expenses	(56,851)	(2,019)	(22,245)	(81,115)	(1,774)	(14,514)	(97,404)
Segment EBITDA before special items	**194,247**	**6,814**	**27,276**	**228,337**	**(9,274)**	**(14,626)**	**204,437**
EBITDA margin	**8.5%**	**7.1%**	**13.4%**	**8.8%**	**(15.4%)**	**(12.0%)**	**7.4%**
Depreciation	(16,279)	(870)	(5,348)	(22,497)	(982)	0	(23,479)
Segment EBITDA before special items	**177,968**	**5,944**	**21,928**	**205,840**	**(10,256)**	**(14,626)**	**180,958**
EBITDA margin	**7.8%**	**6.2%**	**10.8%**	**8.0%**	**(17.0%)**	**(12.0%)**	**6.5%**

	Nine months period ended 30 September 2019						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (Discontinued)	Germany (Discontinued)	Total segments
				DKK'000			
Revenue							
External customers	2,298,446	66,130	141,707	2,506,283	88,522	94,047	2,688,852
Inter-segment	0	0	0	0	0	0	0
Total revenue	**2,298,446**	**66,130**	**141,707**	**2,506,283**	**88,522**	**94,047**	**2,688,852**

	Represented FY 2019*						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (Discontinued)	Germany (Discontinued)	Total segments
				DKK'000			
Revenue							
External customers	3,108,072	181,481	206,370	3,495,923	109,551	100,223	3,705,697
Inter-segment	0	0	0	0	0	0	0
Total revenue	**3,108,072**	**181,481**	**206,370**	**3,495,923**	**109,551**	**100,223**	**3,705,697**

* compared to the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 and previously published consolidated financial statements included in the Annual Report for 2019 to reflect discontinued operations, cf. note 1 and 9.

Reconciliation of profit

	Nine months period ended 30 September 2020
	DKK'000
Segment EBITA from continuing operations	205,840
Segment EBITA from discontinued operations	(24,882)
Special items	(9,241)
Amortizations	(16,294)
Financial income	25,974
Financial expenses	(68,589)
Inter-segment adjustments and eliminations	0
Profit before tax from discontinued operations	28,152
Profit before tax from continuing operations	**140,960**

	Nine months period ended 30 September 2019	Represented FY 2019*
	DKK'000	
Segment revenue from continuing operations	2,506,283	3,495,923
Segment revenue from discontinued operations	182,569	209,774
Cost of sales	(2,179,912)	(2,995,696)
Staff costs	(222,709)	(316,135)
Other external expenses	(87,802)	(124,225)
Other operating income	262	739
Special items	(42,531)	(136,591)
Depreciation and amortization	(29,402)	(47,011)
Financial income	9,545	14,152
Financial expenses	(58,857)	(73,144)
Inter-segment adjustments and eliminations	0	0
Profit before tax from discontinued operations	66,765	192,349
Profit before tax from continuing operations	**144,211**	**220,135**

* compared to the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 and previously published consolidated financial statements included in the Annual Report for 2019 to reflect discontinued operations, cf. note 1 and 9.

Revenue from external customers

	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	Represented FY 2019*
		DKK'000	
Denmark	2,382,784	2,364,576	3,289,553
Sweden (only wooden houses)	203,313	141,707	206,370
Discontinued operations	182,511	182,569	209,774
Total revenue	**2,768,608**	**2,688,852**	**3,705,697**

* compared to the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 and previously published consolidated financial statements included in the Annual Report for 2019 to reflect discontinued operations, cf. note 1 and 9.

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

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

Non-current operating assets

	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	FY 2019
		DKK'000	
Denmark	1,869,528	1,943,330	1,890,752
Sweden	314,212	318,793	325,881
Germany	0	14,529	4,236
Total non-current operating assets	**2,183,740**	**2,276,652**	**2,220,869**

The non-current operating assets information above is based on the locations of the assets physical location.

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

Note 5 Revenue

Revenue per segment and category—Contracted sales

	Nine months period ended 30 September 2020						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (discontinued)	Germany (discontinued)	Total revenue
				DKK'000			
Sales value houses sold on customers building sites	1,876,440	22,486	203,313	2,102,239	60,174	122,337	2,284,750
Sales value houses sold on own building sites	326,516	73,104	0	399,620	0	0	399,620
Sales of land plots	84,238	0	0	84,238	0	0	84,238
Other revenue	0	0	0	0	0	0	0
Total Contracted sales	**2,287,194**	**95,590**	**203,313**	**2,586,097**	**60,174**	**122,337**	**2,768,608**

Revenue per segment and category—Non-contracted sales

	Nine months period ended 30 September 2020						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (discontinued)	Germany (discontinued)	Total revenue
				DKK'000			
Sales value houses sold on own building sites	0	0	0	0	0	0	0
Other revenue	0	0	0	0	0	0	0
Total Non-contracted sales	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Revenue	**2,287,194**	**95,590**	**203,313**	**2,586,097**	**60,174**	**122,337**	**2,768,608**

Revenue per segment and category—Contracted sales

	Nine months period ended 30 September 2019						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (discontinued)	Germany (discontinued)	Total revenue
				DKK'000			
Sales value houses sold on customers building sites	1,783,846	8,240	141,707	1,933,793	88,522	94,047	2,116,362
Sales value houses sold on own building sites	375,473	57,890	0	433,363	0	0	433,363
Sales of land plots	139,127	0	0	139,127	0	0	139,127
Other revenue	0	0	0	0	0	0	0
Total Contracted sales	**2,298,446**	**66,130**	**141,707**	**2,506,283**	**88,522**	**94,047**	**2,688,852**

Revenue per segment and category—Non-contracted sales

	Nine months period ended 30 September 2019						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (discontinued)	Germany (discontinued)	Total revenue
				DKK'000			
Sales value houses sold on own building sites	0	0	0	0	0	0	0
Other revenue	0	0	0	0	0	0	0
Total Non-contracted sales	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Revenue	**2,298,446**	**66,130**	**141,707**	**2,506,283**	**88,522**	**94,047**	**2,688,852**

Revenue per segment and category—Contracted sales

	Represented FY 2019*						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (discontinued)	Germany (discontinued)	Total revenue
				DKK'000			
Sales value houses sold on customers building sites	2,353,914	38,744	206,370	2,599,028	109,551	90,638	2,799,217
Sales value houses sold on own building sites	528,710	142,737	0	671,447	0	9,585	681,032
Sales of land plots	220,705	0	0	220,705	0	0	220,705
Other revenue	0	0	0	0	0	0	0
Total Contracted sales	**3,103,329**	**181,481**	**206,370**	**3,491,180**	**109,551**	**100,223**	**3,700,954**

* compared to the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 and previously published consolidated financial statements included in the Annual Report for 2019 to reflect discontinued operations, cf. note 1 and 9.

Revenue per segment and category—Non-contracted sales

	FY 2019*						
	Denmark						
	Detached houses	Semi-detached houses	Wooden houses Sweden	Total continuing operations	Brick houses Sweden (discontinued)	Germany (discontinued)	Total revenue
				DKK'000			
Sales value houses sold on own building sites	4,743	0	0	4,743	0	0	4,743
Other revenue	0	0	0	0	0	0	0
Total Non-contracted sales	**4,743**	**0**	**0**	**4,743**	**0**	**0**	**4,743**
Total Revenue	**3,108,072**	**181,481**	**206,370**	**3,495,923**	**109,551**	**100,223**	**3,705,697**

	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	FY 2019*
		DKK'000	
Total revenue from continuing operations	2,586,097	2,506,283	3,495,923
Total revenue from discontinued operations	182,511	182,569	209,774
Total revenue	**2,768,608**	**2,688,852**	**3,705,697**

* represented compared to published consolidated financial statements as at end for the year ended 31 December 2019 to reflect discontinued operations, cf. note 1 and 9.

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

The Group's brick house activity in Sweden and the Group's activities in Germany have been discontinued in September 2020. Please refer to note 9 for further disclosure hereof.

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

Note 6 Special items

Special items

	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	FY 2019*
		DKK'000	
Cost related to restructuring of process and fundamental structural adjustment:			
Strategic organisational changes	11,215	6,919	6,919
Costs in connection with Acquisition and Vendor Due Diligence	5,449	9,727	10,557
Cost related to IPO	33,833	0	0
Insurance compensation	(33,678)	0	0
Other special items	3,312	51	0
Total special items	**20,131**	**16,697**	**17,476**

* represented compared to published consolidated financial statements as at end for the year ended 31 December 2019 to reflect discontinued operations, cf. note 1 and 9.

Special items is effected by cost related to the IPO (primarily external advisors and bonuses), strategic organizational changes related to change in management and other redundancies, and income related to insurance compensation related to the bankruptcy of the insurance company KODUS.

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

Since such financial measures are not calculated by all companies in the same way, they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS.

Note 7 Property, plant and equipment

Acquisitions and disposals

During the nine months ended 30 September 2020, the Group acquired assets with a cost of DKK 7.1 million (30 September 2019: DKK 14.3 million). The assets primarily consists of IT equipment and furnitures.

No material disposals have been made.

Note 8 Impairment

Goodwill and intangible assets with indefinite lives

At 30 September 2020, Goodwill is allocated to Denmark with DKK 1,761 million and Sweden with DKK 267 million. The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017.

Following the outbreak of the COVID-19 pandemic new impairment tests for each geographic segment of Goodwill have been performed at 30 September 2020. The projected cash flows were updated to reflect management's current assessment of the demand for detached and semi-detached houses and services and a pre-tax discount rate of 10.7% (31 December 2019: 10.7%) was applied.

Cash flows beyond the five-year period have been extrapolated using a 2% growth rate (31 December 2019: 2%). The budgeted revenue and profitabilities estimated based on updated forecast per segment geographic for 2020-2024. As a result of the updated analysis, Management did not identify an impairment of Goodwill to which DKK 2,028 million is allocated.

With regard to the assessment of value-in-use of Goodwill, there are no significant changes to the sensitivity information disclosed in the consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017.

Note 9 Discontinued operations

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

As part of the discontinuation of the operations net assets were impaired by DKK 7.5 million at 30 September 2020. The impairment has been recognised in the Group's result under discontinued operations.

	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	FY 2019
		DKK'000	
Revenue	182,511	182,569	209,774
Expenses	196,503	232,210	393,924
Operating income	**(13,992)**	**(49,641)**	**(184,151)**
Finance Costs	14,160	17,124	8,199
Profit/(loss) before tax from discontinued operations	**(28,152)**	**(66,765)**	**(192,349)**
Tax on profit/(loss)	0	16,013	24,139
Profit/(loss) after tax for the period from discontinued operations	**(28,152)**	**(50,752)**	**(168,211)**

The net cash flows generated/(incurred) by the business segments brick houses in Sweden and the operations in Germany are, as follows:

	Nine months period ended 30 September 2020	Nine months period ended 30 September 2019	FY 2019
		DKK'000	
Operating	17,001	(66,823)	(1,104)
Investing	0	(1,394)	119
Financing	54,805	(33,800)	(124,340)
Net cash inflow/(outflow)	**71,806**	**(102,017)**	**(125,325)**

Note 10 Goodwill and Intangible assets

Acquisitions and disposals

During the nine months ended 30 September 2020, the Group acquired intangible assets with a cost of DKK 6.2 million (30 September 2019: DKK 18.0 million). The intangible assets primarily consists of investments in software.

No material disposals have been made.

Note 11 Contract assets

	30 September 2020	31 December 2019	30 September 2019
		DKK'000	
Selling price of contract assets	694,249	778,934	1,026,308
Invoicing on account	(53,376)	(102,763)	(96,823)
	640,873	676,171	929,485
Calculated as follows:			
Contract assets	726,931	687,676	931,262
Contract liabilities	(86,058)	(11,505)	(1,777)
	640,873	**676,171**	**929,485**
Prepayments from customers regarding construction contracts not yet started	**1,418**	**2,399**	**450**

Construction contracts (assets/liabilities)

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

Contract liabilities comprise agreed, unconditional payments received on account for work yet to be performed. During 2020, the entire contract liability recognized at the beginning of the period has been recognized as revenue.

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

The increase in contract assets in 2020 reflects the fact that the Group's order book is increasing. Contract liabilities showed an increase due to another mix of progress versus payments received.

Prepayments from customers are reduced compared to last year due to another mix of progress versus payments received.

Note 12 Equity

Share capital

	30 September 2020		31 December 2019		30 September 2019	
	Nominal value (DKK'000)	Number of shares	Nominal value (DKK'000)	Number of shares	Nominal value (DKK'000)	Number of shares
Share capital at 1 January (issued and fully paid)	14,689	14,688,999	14,689	14,688,999	14,689	14,688,999
Additions						
Share capital at end	**14,689**	**14,688,999**	**14,689**	**14,688,999**	**14,689**	**14,688,999**

The company's share capital is nominally DKK 14,688,999 divided into 14,688,999 shares of DKK 1 each or multiples hereof. The company's share capital consists of nominally DKK 12,333,648 class A shares, nominally DKK 1,500,000 class B shares, and nominally DKK 855,351 class C shares.

A shares have preferential rights of distribution, corresponding to a maximum of 9% p.a. (incl. compound interest). B shares and C shares receive the amount remaining after the A shares' preferential right.

Note 13 Borrowings and non-current liabilities

Borrowings

	30 September 2020	31 December 2019	30 September 2019
		DKK'000	
Non-current liabilities	705,377	783,342	105,253
Current liabilities	1,096,555	1,031,162	1,643,660
Total carrying amount	**1,801,932**	**1,814,504**	**1,748,913**
Nominal value	1,833,723	1,855,290	1,795,162

Interest-bearing borrowings

	30 September 2020	31 December 2019	30 September 2019
		DKK'000	
Interest-bearing borrowings, 1 January	1,814,504	1,558,267	1,558,267
Additions	59,780	271,812	146,346
Implementing IFRS 16	0	117,666	117,666
Repayments	(74,782)	(122,959)	(59,192)
Other (amortised cost, reassessment leasing liabilities IFRS 16 etc.)	4,883	(7,274)	(3,088)
Exchange rate adjustments	(2,453)	(3,008)	(11,086)
Interest-bearing borrowings, balance sheet date	**1,801,932**	**1,814,504**	**1,748,913**

	30 September 2020			
	Currency	Interest rate	Average interest rate	Carrying amount
		DKK'000		
Bank borrowings	DKK	Floating	3.39%	1,697,804
Commitments on leasing agreements	DKK	Fixed-rate	5.42%	104,128
				1,801,932

	31 December 2019			
	Currency	Interest rate	Average interest rate	Carrying amount
		DKK'000		
Bank borrowings	DKK	Floating	3.70%	1,693,607
Commitments on leasing agreements	DKK	Fixed-rate	5.88%	120,897
				1,814,504

	30 September 2019			
	Currency	Interest rate	Average interest rate	Carrying amount
		DKK'000		
Bank borrowings	DKK	Floating	3.66%	1,621,529
Commitments on leasing agreements	DKK	Fixed-rate	5.88%	127,384
				1,748,913

Investments in subsidiaries have been provided as security for balances with Nordea, covering all bank borrowings.

Note 14 Financial risk management

The Group's activities and capital structure is exposes to a variety of financial risks: Market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Group management oversees the management of these risks in accordance with the Group's risk management policies. A description of these risks can be seen in the Group's consolidated financial statements as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017. In the period starting at 1 January 2020 ending at 30 September 2020, circumstances and other developments have impacted the following risks:

Currency risk

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

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

Credit risk

HusCompagniet is exposed towards customers' inability to meet their financial obligations. To address this risk, the Group obtains a bank guarantee on agreed sales price from all customers before construction starts and the customers pay by deliverable. Construction contracts with professional investors may also include payments on account. In contracts where the scope and price is subsequently changed, the bank guarantee is updated, if the change is considered significant by Management. This means that there are no debtor loss, as all payments rights are secured before delivery of the houses.

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

Liquidity risk

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

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

The Group continues monitoring the need of liquidity. At 30 September 2020, the Group has an undrawn credit facility of DKK 424.0 million to ensure that the Group is able to meet its obligations (31 December 2019: DKK 449 million, 30 September 2019: DKK 4 million). Management considers the credit availability to be sufficient for the next 12 months.

Interest rate risk

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

The Group aims to keep a reasonable part of its borrowings at fixed interest rates.

At 30 September 2020 the Group's long-term debt is kept at floating rates.

If the interest rate increased (decreased) by 1% the effect on interest during the first nine months of 2020 would have been DKK 13.6 million (FY 2019: DKK 16.9 million, Q1-Q3 2019: DKK 12.4 million).

Contractual maturity analysis of financial liabilities

	30 September 2020					
	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	DKK'000					
Non-derivative financial liabilities						
Trade and other payables	625,164	0	0	0	625,164	625,164
Bank Borrowings	1,075,554	719,211	0	0	1,794,765	1,697,805
Lease liabilities	29,402	43,711	23,936	29,183	126,232	104,127
Other Liabilities	87,335	0	0	25,986	113,321	113,322
Total non-derivative financial liabilities	**1,817,455**	**762,922**	**23,936**	**55,169**	**2,659,482**	**2,540,418**
Total financial liabilities	**1,817,455**	**762,922**	**23,936**	**55,169**	**2,659,482**	**2,540,418**

Contractual maturity analysis of financial liabilities

	31 December 2019					
	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	DKK'000					
Non-derivative financial liabilities						
Trade and other payables	674,669	0	0	0	674,669	674,669
Bank Borrowings	1,071,290	732,177	0	0	1,803,467	1,693,607
Lease liabilities	27,794	51,377	17,110	47,987	144,268	120,897
Other Liabilities	145,441	0	0	0	145,441	145,441
Total non-derivative financial liabilities	**1,919,194**	**783,554**	**17,110**	**47,987**	**2,767,845**	**2,634,614**
Total financial liabilities	**1,919,194**	**783,554**	**17,110**	**47,987**	**2,767,845**	**2,634,614**

Contractual maturity analysis of financial liabilities

	30 September 2019					
	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	DKK'000					
Non-derivative financial liabilities						
Trade and other payables	761,267	0	0	0	761,267	761,267
Bank Borrowings	1,681,577	0	0	0	1,681,577	1,621,529
Lease liabilities	26,040	53,535	34,134	40,725	154,434	127,384
Other Liabilities	99,967	0	0	844	100,811	100,811
Total non-derivative financial liabilities	**2,568,850**	**53,535**	**34,134**	**41,569**	**2,698,089**	**2,610,990**
Total financial liabilities	**2,568,850**	**53,535**	**34,134**	**41,569**	**2,698,089**	**2,610,990**

The Group was at 30 September 2019 in technical breach with its covenants in the senior facility agreement. Consequently, borrowings was presented as current in the balance sheet. The Group received a waiver in the fourth quarter 2019.

Cash and cash equivalents of DKK 1,061 million at 30 September 2020 (31 December 2019: DKK 1,011 million, 30 September 2019: DKK 703 million) should under the financing agreement of the Group in terms of availability be netted with short term bank overdrafts of DKK 961 million (31 December 2019: DKK 901 million, 30 September 2019: DKK 783 million), i.e. the net available cash and cash equivalent amount to a net amount of DKK 100 million (31 December 2019: DKK 110 million, 30 September 2019: DKK -80 million). Of this net amount of DKK 100 million at 30 September 2020 (31 December 2019: DKK 110 million, 30 September 2019: DKK -80 million), DKK 117 million of cash and short term deposits is placed in restricted accounts, and is released when the completed houses are delivered to the customers (31 December 2019: DKK 28 million, 30 September 2019: DKK 46 million).

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

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

Note 15 Guarantee commitments and contingent liabilities

	30 September 2020	31 December 2019	30 September 2019
		DKK'000	
Guarantee provision at 1 January	**40,098**	**27,360**	**27,360**
Exchange rate adjustment	(38)	(23)	(88)
Arising during the year	22,815	34,649	25,442
Utilised	(24,059)	(21,888)	(16,416)
Guarantee provision at end of period	**38,816**	**40,098**	**36,299**
Distributed in the balance as follows:			
Non-current liabilities	8,024	8,020	8,746
Current liabilities	30,793	32,078	27,553

At 30 September 2020, the guarantee provision amounted to DKK 38.8 million. Provisions for future costs regarding 1 and 5 years review of the delivered houses due to guarantee commitments are recognized at the amount expected to be required to settle the commitment on the balance-sheet date.

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

Contingent liabilities

The Company is continuously involved in minor disputes, but nothing significant as per 30 September 2020.

The Company is jointly taxed with its Danish group entities and acts as Management Company. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2016 and forward and withholding taxes failing due for payment on or after 1 January 2016 in the group of jointly taxed entities.

Collateral

DKK 117 million of cash and short term deposits is placed in restricted accounts, and is released when the completed houses are delivered to the customers.

The Company has issued guarantees to trade creditors of DKK 34.1 million as at 30 September 2020.

Investment in subsidiaries have been provided as security for balances with Nordea, covering all bank borrowings.

Contractual obligations

In 2019, the Group announced its intention to acquire eurodan-huse, a Danish family-owned construction company. In June 2020, both companies decided to terminate the share purchase agreement and not to complete the acquisition due to the challenges that had arisen in connection with the approval of the Danish antitrust authority.

Note 16 Related parties

Transactions with Executive Management & Board of Directors

Transactions with Executive Management & Board of Directors include transactions with companies controlled by the Executive Management & Board of Directors. Apart from remuneration, there have been no transactions in the nine months period ended 30 September 2020.

The ultimate Parent

The ultimate Parent of the Group is EQT's fund VI.

The fund is located on Level 4 North, St. Julian's Court, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 1WA, Great Britain.

Significant transactions between the Group and the ultimate parent company

There were no transactions between the Group and the ultimative parent company in the first nine months of 2020 (2019: no transactions).

Note 17 Events after the balance sheet date

As announced on 22 October 2020, the Company intends to have its shares listed on Nasdaq Copenhagen.

On 23 October 2020, the Group entered into a facility agreement to replace the existing senior facility agreement. The current borrowings under the existing senior facility agreement will be refinanced in connection with the listing. On 5 November 2020, the Company issued bonus shares to its existing shareholders increasing the nominal share capital by DKK 85,311 thousand to DKK 100,000 thousand.

No events other than the bonus share issuance completed in connection with the Pre-IPO Reorganization and the entering into the New Facilities Agreement materially affecting the Group's financial position have occurred subsequent to 30 September 2020, except what is already disclosed in the condensed consolidated interim financial statements of the Group as at and for the nine months ended 30 September 2020.

Statement of the Board of Directors and Executive Management on the consolidated financial statements of HusCompagniet A/S as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017

The Board of Directors and the Executive Management have today discussed and approved the consolidated financial statements of HusCompagniet A/S as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017 (the "Consolidated Financial Statements"), which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The Consolidated Financial Statements have been prepared based on previously approved and published audited consolidated financial statements as reflected in the Company's annual reports for 2019 dated 3 June 2020, 2018 dated 14 May 2019 and 2017 dated 30 May 2018, respectively.

In preparing and reporting the comparative figures for 2018 and 2017 in the Consolidated Financial Statements certain reclassifications have been made compared to the previously published financial statements for 2018 and 2017 in order to align such with the presentation and classification applied in the consolidated financial statements for 2019. In addition, compared to the previously published consolidated financial statements for 2019, a reclassification has been made between revenue and cost of sales to align with other information presented.

Further, compared to the previously published consolidated financial statements for 2019, 2018 and 2017, not previously required segment information and disclosures according to IFRS 8 "Operating Segments" have been included in the Consolidated Financial Statements given such being included in an Offering Circular prepared in connection with an initial public offering in Denmark and a contemplated admission for trading and official listing of shares in the Company on Nasdaq Copenhagen A/S.

In our opinion, the accounting policies applied are appropriate, and the Consolidated Financial Statements give a true and fair view of the financial position of the Group at 31 December 2019 with comparative figures at 31 December 2018 and 2017 and of the results of the Group's operations and cash flows for the year ended 31 December 2019 with comparative figures for the years ended 31 December 2018 and 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

6 November 2020

HusCompagniet A/S

Board of Directors

Claus V. Hemmingsen
Chairperson

Anja Bach Eriksson
Vice Chairperson

Steffen Martin Baungaard
Board member

Mads Munkholt Ditlevsen
Board member

Ylva Ekborn
Board member

Magnus Tornling
Board member

Executive Management

Martin Ravn-Nielsen
Group CEO

Mads Dehlsen Winther
Group CFO

Independent auditor's report on the Consolidated Financial Statements of HusCompagniet A/S as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017

To the shareholders of HusCompagniet A/S (formerly Diego HC TopCo A/S)

Opinion

We have audited the consolidated financial statements of HusCompagniet A/S (formerly Diego HC TopCo A/S) as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2019 with comparative figures at 31 December 2018 and 2017 and of the results of the Group's operations and cash flows for the financial year 1 January–31 December 2019 with comparative figures for the financial years 1 January–31 December 2018 and 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated 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.

Management's responsibilities for the consolidated financial statements

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

In preparing the consolidated financial statements, Management is responsible for assessing the Group'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 consolidated financial statements unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated 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 consolidated 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 consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and, 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including the note disclosures, and whether the consolidated 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.

Copenhagen, 6 November 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorised Public Accountant
mne21332

Thomas Bruun Kofoed
State Authorised Public Accountant
mne28677

Consolidated Income Statement

	Note	2019	2018	2017
		DKK '000		
Revenue	2.2	3,705,696	3,349,194	3,063,515
Cost of Sales		(2,995,696)	(2,637,222)	(2,450,541)
Gross profit		**710,000**	**711,972**	**612,974**
Staff cost	2.3	(316,135)	(316,533)	(257,447)
Other external expenses		(124,225)	(118,033)	(100,307)
Other operating income		740	0	121
Operating profit before depreciation and amortisation (EBITDA) before special items	2.4	**270,380**	**277,406**	**255,341**
Special items	2.5	(136,591)	(84,606)	(10,925)
Operating profit before depreciation and amortisation (EBITDA) after special items		**133,789**	**192,800**	**244,416**
Depreciation and amortization	4.2, 4.3	(47,011)	(19,646)	(28,882)
Operating profit (EBIT)		**86,778**	**173,154**	**215,534**
Financial income	5.4	14,152	20,698	6,326
Financial expenses	5.4	(73,144)	(67,570)	(62,285)
Profit before tax		**27,786**	**126,282**	**159,575**
Tax on profit	6.1	(27,553)	(36,237)	(48,245)
Profit for the year		**233**	**90,045**	**111,330**
Profits attributable to:				
Equity owners of the Company		233	90,045	111,330
Earnings per share:				
Earnings per share (EPS Basic)		16	6,130	7,579
Diluted earnings per share (EPS-D)		16	6,130	7,579

Consolidated Statement of Other Comprehensive Income

	Note	2019	2018	2017
		DKK '000		
Profit for the year		233	90,045	111,330
Other comprehensive income				
Items that may be reclassified to the income statement in subsequent periods				
Foreign currency translation differences, subsidiary		78	(2,625)	3,344
Value adjustment, hedging of future cash flows		0	2,024	(1,782)
Tax relating to other comprehensive income		0	(445)	392
Other comprehensive income, net of tax		**78**	**(1,046)**	**1,954**
Total comprehensive income for the year		**311**	**88,999**	**113,284**
Total comprehensive income attributable to:				
Equity owners of the Company		311	88,999	113,284

Consolidated Balance Sheet

	Note	2019	2018	2017
		DKK '000		
Assets				
Non-current assets				
Goodwill	4.2	2,027,554	2,112,394	2,123,470
Intangible assets	4.2	53,303	33,290	18,336
Right-of-use assets	4.3	114,449	0	0
Property, plant and equipment	4.3	25,563	56,319	53,582
Deferred tax asset	6.1	43,374	32,308	20,017
Other receivables		0	4,797	3,815
Total non-current assets		**2,264,243**	**2,239,108**	**2,219,220**
Current assets				
Inventories	3.1	402,927	434,047	450,367
Contract assets	3.2	687,676	593,895	578,849
Trade and other receivables	3.3	153,076	78,422	131,847
Prepayments		9,242	5,582	3,473
Receivable from affiliated companies		0	0	1,886
Cash and cash equivalents	3.4	1,010,822	773,272	513,572
Total current assets		2,263,743	1,885,217	1,679,994
Total assets		**4,527,986**	**4,124,325**	**3,899,214**
Equity and liabilities				
Equity				
Share capital	5.1	14,689	14,689	14,689
Retained earnings and other reserves		1,762,658	1,762,347	1,673,349
Total equity		**1,777,347**	**1,777,036**	**1,688,038**
Liabilities				
Non-current liabilities				
Borrowings	5.2	683,465	790,226	888,784
Lease liabilities	5.3	99,877	21,904	16,768
Provisions	3.4	8,020	5,472	5,082
Deferred tax liability	6.1	19,745	18,744	24,180
Other liabilities		6,098	0	0
Total non-current liabilities		**817,205**	**836,346**	**934,814**
Current liabilities				
Borrowings	5.2, 3.4	1,010,142	740,508	526,923
Lease liabilities	5.3	21,020	5,629	3,353
Trade and other payables	5.5	674,669	486,245	537,414
Contract liabilities	3.2	11,505	2,704	11,159
Prepayments from customers	3.2	2,399	406	3,523
Provisions	3.4	32,078	21,888	20,327
Income tax payable	6.1	36,180	46,105	47,186
Other liabilities		145,441	207,458	126,477
Total current liabilities		**1,933,434**	**1,510,943**	**1,276,362**
Total liabilities		**2,750,639**	**2,347,289**	**2,211,176**
Total equity and liabilities		**4,527,986**	**4,124,325**	**3,899,214**

Reference to off-balance sheet notes: Operating leases 6.2, Related parties 6.4, and Contingent liabilities 3.4

Consolidated Statement of Cash Flows

	Note	2019	2018	2017
		DKK '000		
Cash flow from operating activities				
Profit before tax		27,786	126,282	159,575
Changes in working capital	3.5	7,121	73,758	(117,370)
Adjustments for non-cash items	6.3	199,442	68,468	84,214
Interest received		14,152	20,698	6,326
Interest paid incl. interest on lease payments		(67,075)	(62,359)	(56,992)
Borrowing Cost Paid		0	0	(4,538)
Corporation tax paid		(46,993)	(52,105)	(50,684)
Net cash generated from operating activities		**134,433**	**174,742**	**20,531**
Cash flow from investing activities				
Acquisition of subsidiaries, net cash acquired	4.1	0	0	(214,574)
Acquisition of assets recognised as intangible assets and property, plant and equipment		(43,463)	(43,577)	(38,674)
Disposal of assets recognised as property, plant and equipment		0	5,704	0
Net cash generated from investing activities		**(43,463)**	**(37,873)**	**(253,248)**
Cash flow from financing activities				
Repayment of long-term debt	5.2	(102,312)	(103,394)	(107,856)
Proceeds from loans	5.2	7,612	10,173	244,248
Repayment of lease liabilities	5.2	(20,647)	0	0
Capital increase		0	0	41,927
Net cash generated from financing activities		**(115,347)**	**(93,221)**	**178,319**
Total cash flows		**(24,377)**	**43,648**	**(54,398)**
Cash and cash equivalents at 1 January		136,260	91,220	142,713
Net foreign currency gains or losses		(2,273)	1,392	2,905
Cash and cash equivalents at 31 December		**109,610**	**136,260**	**91,220**
Cash and cash equivalents				
Cash at bank and on hand	3.4	1,010,822	773,272	513,572
Cash and cash equivalents as at 31 December		**1,010,822**	**773,272**	**513,572**
Bank overdrafts	3.4	(901,212)	(637,012)	(422,352)
Net cash and cash equivalents as at 31 December		**109,610**	**136,260**	**91,220**

Consolidated Statement of Changes in Equity

	2019				
	Share capital	Share premium	Hedging reserve	Retained earnings	Total
			DKK '000		
Equity at 1 January	**14,689**	**1,463,830**	**0**	**298,517**	**1,777,036**
Profit for the period	**0**	**0**	**0**	**233**	**233**
Other comprehensive income:					
Foreign currency translation differences	0	0	0	78	78
Value adjustment, hedging of future cash flows	0	0	0	0	0
Tax relating to other comprehensive income	0	0	0	0	0
Total other comprehensive income	**0**	**0**	**0**	**78**	**78**
Transactions with owners of the Company and other equity transactions:					
Increase in capital	0	0	0	0	0
Dividends paid	0	0	0	0	0
Total transactions with owners of the Company and other equity transactions	**0**	**0**	**0**	**0**	**0**
Equity on 31 December	**14,689**	**1,463,830**	**0**	**298,828**	**1,777,347**

	2018				
	Share capital	Share premium	Hedging reserve	Retained earnings	Total
			DKK '000		
Equity at 1 January	**14,689**	**1,463,830**	**(1,617)**	**211,136**	**1,688,038**
Profit for the period	**0**	**0**	**0**	**90,044**	**90,044**
Other comprehensive income:					
Foreign currency translation differences	0	0	38	(2,663)	(2,625)
Value adjustment, hedging of future cash flows	0	0	2,024	0	2,024
Tax relating to other comprehensive income	0	0	(445)	0	(445)
Total other comprehensive income	**0**	**0**	**1,617**	**(2,663)**	**(1,046)**
Transactions with owners of the Company and other equity transactions:					
Increase in capital	0	0	0	0	0
Dividends paid	0	0	0	0	0
Total transactions with owners of the Company and other equity transactions	**0**	**0**	**0**	**0**	**0**
Equity on 31 December	**14,689**	**1,463,830**	**0**	**298,517**	**1,777,036**

	2017				
	Share capital	Share premium	Hedging reserve	Retained earnings	Total
			DKK '000		
Equity at 1 January	**14,366**	**1,422,226**	**(227)**	**96,462**	**1,532,827**
Profit for the period	**0**	**0**	**0**	**111,330**	**111,330**
Other comprehensive income:					
Foreign currency translation differences	0	0	0	3,344	3,344
Value adjustment, hedging of future cash flows	0	0	(1,782)	0	(1,782)
Tax relating to other comprehensive income	0	0	392	0	392
Total other comprehensive income	**0**	**0**	**(1,390)**	**3,344**	**1,954**
Transactions with owners of the Company and other equity transactions:					
Increase in capital	323	41,604	0	0	41,927
Dividends paid	0	0	0	0	0
Total transactions with owners of the Company and other equity transactions	**323**	**41,604**	**0**	**0**	**41,927**
Equity on 31 December	**14,689**	**1,463,830**	**(1,617)**	**211,136**	**1,688,038**

Capital management

The primary objective of HusCompagniet's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. HusCompagniet manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, HusCompagniet may adjust the dividend payments to shareholders, acquire its own shares or issue new shares.

SECTION 1: BASIS OF PREPARATION

Introduction

Huscompagniet A/S (formerly Diego HC TopCo A/S) is a company incorporated and domiciled in Denmark. The Group is principally engaged in construction and sale of single-family-houses in Denmark, Sweden and Germany.

The following is a summary of the significant accounting policies adopted by HusCompagniet A/S and its subsidiaries, collectively referred to in these consolidated financial statements as the "Group".

General accounting policies applied to the consolidated financial statements as a whole are described below. Significant accounting policies covering specific accounts are placed in each section to which they relate.

These consolidated financial statements for the Group are as at and for the year ended 31 December 2019 with comparative figures as at and for the year ended 31 December 2018 and 2017.

The accounting policies described below have been applied consistently to the financial year and the comparative figures. For standards implemented prospectively, comparative figures are not restated.

The following notes are presented in Section 1:

- 1.1 General accounting policies
- 1.2 Introduction to significant estimates and judgements
- 1.3 Application of materiality

Note 1.1 General accounting policies

Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as endorsed by the EU ("IFRS") and additional requirements of the Danish Financial Statements Act, applying to large reporting class C entities.

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

These consolidated financial statements are expressed in DKK, as this is HusCompagniet A/S's functional and presentation currency. All values are rounded to the nearest thousand DKK '000 where indicated.

A few reclassifications have been made in the profit and loss account and comparative figures have been corrected.

Basis of consolidation

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

The financial statements for the subsidiaries are prepared for the same accounting period as HusCompagniet A/S using consistent accounting policies. On consolidation, intragroup balances and intragroup transactions are eliminated in full.

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

Foreign currency translation

Transactions and balances

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

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

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

Group companies

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

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

Implementation of new or amended standards and interpretations

The Group has implemented all new IFRS standards, amendments and IFRIC interpretations as adopted by EU and effective as of 1 January 2019.

The standards relevant for the Group are:

- IFRS 16 Leases
- IFRIC 23 Uncertain tax positions

Of the above, only IFRS 16 has implications on the recognition, measurement, and presentation in the annual report.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

IFRS 16 Leases

HusCompagniet A/S applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

HusCompagniet A/S adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. Therefore, comparative figures are not restated and the cumulative effect of initially applying the standard is recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

HusCompagniet A/S elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets, i.e. printing and photocopying machines).

In assessing future leasing payments, the Group has reviewed its operational leases and identified the leasing payments related to a leasing component; which are fixed or variable, but which change with fluctuations in an index or interest rate.

When assessing the expected rental period, the Group has identified the non-revocable rental periods granted to the agreement, subject to an extension option, which management with reasonable visibility expects to take advantage of, and attributed periods subject to a termination option, which management reasonably likely do not expect to exploit.

For operating equipment leases, the Group has assessed that the expected rental period is the period of lease in the agreements, as the Group does not have a history of utilising the extension options in similar agreements.

In assessing the expected rental period for leases of properties the Group assesses for strategic reasons, the expected rental period is between 1–11 years of age.

By discounting the lease payments to present value, the Group has used its alternative loan interest rate which represents the cost of taking out external financing for an equivalent loan with a financing period corresponding to the duration of the lease in the currency. The Group has documented the alternative loan interest rate for each portfolio of leases with similar characteristics. In assessing the Group's alternative loan interest rate, the Group has, for its leases of property calculated its alternative loan interest rate on the basis of an interest rate from a mortgage with a maturity corresponding to the duration of the lease agreement and in the same currency as the lease. The interest on the financing of the part that a mortgage cannot be used for is estimated on the basis of a reference interest rate plus a credit margin, derived from the Group's existing credit facilities. The Group has corrected the credit margin for the right of the provider to take back the asset in the event of default on lease payments (secured debt).

Impact implementation of IFRS 16

In implementing IFRS 16, the Group has recognised a leasing asset of 117.666 T.DKK. and a lease liability of 117.666 T.DKK. The equity effect is thus DKK 0.

Leasing assets consist primarily of properties and operating equipment, and on the date of transfer total leasing assets amount to 117.666 T.DKK. (previous operational leases) and the leases transferred from tangible assets amount to 27.331 T.DKK, representing a total of 144.997 T.DKK.

The leasing assets are depreciated linearly over the expected rental period, which is 1–11 years for property and 3–6 years for cars.

In measuring the lease obligation, the Group has used an average alternative loan rate to discount future lease payments of 5.33% for operating equipment and 6% for properties.

Standards issued but not yet effective

The IASB has issued a number of new or amended and revised accounting standards and interpretations that have not yet come into effect.

The following new or amended IFRS standards and Interpretations of relevance to the Company have been issued but not yet adopted by the EU:

- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 3 "Business Combinations"
- Amendments to "References to the Conceptual Framework"

The Group expects to implement the new standards when they become effective. It has been assessed that the implementation of the new standards will not have any significant effect on the recognition and measurement of the balance sheet at 1 January 2020.

Lease liabilities recognized 1 January 2019

	DKK '000
Operational lease obligations as at 31 December 2018 (IAS 17)	116,694
Discounted with incremental borrowing rate 1 January 2019	84,412
Financial lease obligations as at 31 December 2018	27,533
Lease payments for periods with extension options which are expected to be exercised, and lease payments for periods with termination options which are not expected to be exercised	21,319
Effect of contracts not previously included as operational lease commitments	2,637
Effect of indexation	9,298
Lease liability at 1 January 2019 (IFRS 16)	**145,199**

Note 1.2 Introduction to significant estimates and judgements

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

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

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

Significant estimates and judgements	Note
Percentage-of-completion profit recognition	2.7
Leases—Estimating the incremental borrowing rate and lease period	4.5
Guarantee commitments	3.8
Impairment of non-financial assets	4.5
Assessment deferred tax assets	6.10

Note 1.3 Application of materiality

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

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

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

SECTION 2

Introduction

This section provides information regarding the Group's performance in 2019, including the effects of non-recurring items on EBITDA.

The development of primary costs, staff costs and remuneration, and information about the Group's low exposure towards currency risk on transaction level is also contained in this section.

The following notes are presented in Section 2:

- 2.1 Segment information
- 2.2 Revenue
- 2.3 Costs including staff costs and remuneration
- 2.4 Reconciliation of EBITDA to normalised EBITDA (analysis of special items)
- 2.5 Special items
- 2.6 Financial risk management
- 2.7 Accounting policy
- 2.8 Significant estimates and judgements

Note 2.1 Segment information

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

- The detached houses in Denmark segment, which comprise brick houses built on site and plots
- The semi-detached houses in Denmark segment, which comprise brick houses built on site and plots
- The wooden houses in Sweden segment, which comprise detached prefab houses
- The brick houses in Sweden segment, which comprise detached brick houses built on site
- Germany, which comprise detached brick houses built on site

No operating segments have been aggregated to form the above reportable operating segments.

Executive Management is the Chief Operating and Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on revenue and is measured consistently with the profit or loss in the consolidated financial statements. The Group's operating expenses (including cost of sales, staff costs, other operating expenses and depreciation and amortization), financing (including financial income and financial expenses) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities are not allocated to segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	2019							
	Denmark		Sweden					
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total segments	Adjustments and eliminations	Consolidated
					DKK '000			
Revenue								
External customers	3,108,072	181,481	206,370	109,551	100,223	3,705,696	0	3,705,697
Inter-segment	0	0	0	0	0	0	0	0
Total revenue	**3,108,072**	**181,481**	**206,370**	**109,551**	**100,223**	**3,705,696**	**0**	**3,705,697**

	2018							
	Denmark		Sweden					
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total segments	Adjustments and eliminations	Consolidated
					DKK '000			
Revenue								
External customers	2,591,174	284,212	219,550	119,283	134,975	3,349,194	0	3,349,194
Inter-segment	0	0	0	0	0	0	0	0
Total revenue	**2,591,174**	**284,212**	**219,550**	**119,283**	**134,975**	**3,349,194**	**0**	**3,349,194**

	2017							
	Denmark		Sweden					
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total segments	Adjustments and eliminations	Consolidated
					DKK '000			
Revenue								
External customers	2,516,481	129,813	169,320	98,469	149,432	3,063,515	0	3,063,515
Inter-segment	0	0	0	0	0	0	0	0
Total revenue	**2,516,481**	**129,813**	**169,320**	**98,469**	**149,432**	**3,063,515**	**0**	**3,063,515**

Inter-segment revenues are eliminated upon consolidation and reflected in the "adjustments and eliminations" column.

Revenue from external customers

	2019	2018	2017
		DKK '000	
Denmark	3,289,553	2,875,386	2,646,294
Sweden	315,921	338,833	267,789
Germany	100,223	134,975	149,432
Total revenue	**3,705,697**	**3,349,194**	**3,063,515**

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

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

Non-current operating assets

	2019	2018	2017
		DKK '000	
Denmark	1,890,595	1,839,015	1,818,481
Sweden	326,039	306,317	319,136
Germany	4,235	61,468	61,586
Total non-current operating assets	**2,220,869**	**2,206,800**	**2,199,203**

The non-current operating assets information above is based on the locations of the assets' physical location.

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

Note 2.2 Revenue

Revenue per segment and category—Contracted sales

	2019					
	Denmark		Sweden			
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total revenue
	DKK '000					
Sales value houses sold on customers building sites	2,353,914	38,744	206,371	109,549	90,639	2,799,217
Sales value houses sold on own building sites	528,710	142,737	0	0	9,585	681,032
Sales of land plots	220,705	0	0	0	0	220,705
Other revenue	0	0	0	0	0	0
Total Contracted sales	**3,103,329**	**181,481**	**206,371**	**109,549**	**100,224**	**3,700,954**

Revenue per segment and category—Non-contracted sales

	2019					
	Denmark		Sweden			
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total revenue
	DKK '000					
Other revenue	4,743	0	0	0	0	4,743
Total Non-contracted sales	**4,743**	**0**	**0**	**0**	**0**	**4,743**
Total Revenue	**3,108,072**	**181,481**	**206,371**	**109,549**	**100,224**	**3,705,697**

Revenue per segment and category—Contracted sales

	2018					
	Denmark		Sweden			
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total revenue
	DKK '000					
Sales value houses sold on customers building sites	2,109,984	22,754	219,550	82,806	133,683	2,568,777
Sales value houses sold on own building sites	335,162	261,458	0	34,599	(520)	630,699
Sales of land plots	136,474	0	0	1,490	1,422	139,386
Other revenue	0	0	0	0	0	0
Total Contracted sales	**2,581,620**	**284,212**	**219,550**	**118,895**	**134,585**	**3,338,862**

Revenue per segment and category—Non-contracted sales

	2018					
	Denmark		Sweden			
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total revenue
	DKK '000					
Sales value houses sold on own building sites	2,357	0	0	0	0	2,357
Other revenue	7,197	0	0	390	388	7,975
Total Non-contracted sales	**9,554**	**0**	**0**	**390**	**388**	**10,332**
Total Revenue	**2,591,174**	**284,212**	**219,550**	**119,285**	**134,973**	**3,349,194**

Revenue per segment and category—Contracted sales

	2017					
	Denmark		Sweden			
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total revenue
	DKK '000					
Sales value houses sold on customers building sites	1,951,653	13,786	169,320	99,404	144,706	2,378,869
Sales value houses sold on own building sites	380,458	116,027	0	(70)	4,695	501,110
Sales of land plots	173,903	0	0	0	0	173,903
Other revenue	0	0	0	0	0	0
Total Contracted sales	**2,506,014**	**129,813**	**169,320**	**99,334**	**149,401**	**3,053,882**

Revenue per segment and category—Non-contracted sales

	2017					
	Denmark		Sweden			
	Detached houses	Semi-detached houses	Wooden houses	Brick houses	Germany	Total revenue
	DKK '000					
Sales value houses sold on own building sites	6,163	0	0	0	0	6,163
Other revenue	4,304	0	0	31	(865)	3,470
Total Non-contracted sales	**10,467**	**0**	**0**	**31**	**(865)**	**9,633**
Total Revenue	**2,516,481**	**129,813**	**169,320**	**99,365**	**148,536**	**3,063,515**

The Group is engaged in construction and civil works activities in Denmark, Sweden and Germany.

Non-contracted sales is recognised on delivery (point-in-time). Contracted sales is recognised over time. Payment is typically due at the time of final delivery of the construction, however a small deposit is paid upon contract negotiation. The Group receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit during the project. Reference is made to the accounting policies for further details on revenue recognition.

Contracted sales comprises sale of houses constructed on the customers land, or houses sold on own land that are covered by a customer contract before construction is started. Conversely, non-contracted sales comprise sale of houses constructed on own land to which no customer contract has been entered before construction starts.

Note 2.3 Costs including staff costs and remuneration

Staff costs

	2019	2018	2017
	DKK '000		
Wages and salaries	278,187	276,087	232,766
Defined contribution plans	18,212	18,497	13,977
Other social security costs	13,897	15,916	5,607
Other staff costs	5,839	6,033	5,097
Total	**316,135**	**316,533**	**257,447**
Average number of full-time employees	482	504	468

Remuneration of Board of Directors

	2019	2018	2017
	Board of directors	Board of directors	Board of directors
		DKK '000	
Base salary and non-monetary benefits	1,142	800	0
Defined contribution plans	0	0	0
Total remuneration	**1,142**	**800**	**0**

Remuneration of Executive Management

	Executive management	Executive management	Executive management
		DKK '000	
Base salary and non-monetary benefits	13,172	15,739	9,538
Defined contribution plans	0	0	0
Total remuneration	**13,172**	**15,739**	**9,538**

HusCompagniet A/S (formerly Diego HC TopCo A/S) and HusCompagniet Operations A/S (formerly HusCompagniet A/S) have issued a Management Participation programme (MPP) through which Management and selected key employees have received an opportunity to purchase shares in HusCompagniet A/S (formerly Diego HC TopCo A/S) subject to certain market conditions.

Note 2.4 Reconciliation of EBITDA to normalised EBITDA (analysis of special items)

	Reconciliation of EBITDA		
	2019	2018	2017
		DKK '000	
Operating profit before depreciation and amortization	**133,789**	**192,800**	**244,416**
Special items:			
Impairment goodwill Germany and Sweden	80,700	0	0
Cost incurred in connection with close down of brick house business in Sweden and Germany	38,119	43,941	0
Strategic organisational changes	6,919	4,354	5,319
Costs in connection with Acquisition and Vendor Due Diligence	10,557	33,110	4,178
Other special items	296	3,201	1,428
Total special items	**136,591**	**84,606**	**10,925**
Operating profit before depreciation and amortisation (EBITDA) before special items	**270,380**	**277,406**	**255,341**

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

Since such financial measures are not calculated by all companies in the same way, they are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. The definition section 6.8 provides information in greater detail regarding definitions of financial performance measures. Information regarding special items is included in note 2.5.

Note 2.5 Special items

Preliminary comments

Special items in 2019 is effected by the decision of discontinue the activities in Germany and part Swedish business. Significant items relates to impairment of goodwill and cost relating to the close down.

	2019	2018	2017
		DKK '000	
Cost related to restructuring of process and fundamental structural adjustment:			
Impairment goodwill Germany and Sweden	80,700	0	0
Cost incurred in connection with close down of brick house business in Sweden and Germany	38,119	43,941	0
Strategic organisational changes	6,919	4,354	5,319
Costs in connection with Acquisition and Vendor Due Diligence	10,557	33,110	4,178
Other special items	296	3,201	1,428
Total special items	**136,591**	**84,606**	**10,925**

Note 2.6 Financial risk management

Currency Risk

The Group is exposed to currency fluctuations from its activities in Germany and Sweden. The subsidiaries in the two counties are not affected, as income and costs are denominated in the local functional currency.

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

Total revenue generated in SEK and EUR for 2019 amounted to 430 million DKK (2018: 474 million DKK, 2017: 418 million DKK). Management considers the Group's exposure to SEK and EUR as low.

Note 2.7 Accounting policy

Revenue

Revenue comprises completed construction contracts and construction contracts in progress (contracted sales) and sale of showhouses (non-contracted sales).

Contracted sales

Contracted sales are recognized over time according to percentage-of-completion in relation to costs recognized, as all performance obligations are fulfilled on an ongoing basis through-out the construction. The contracted sales contracts are considered to comprise of only one performance obligation, as all components are considered interrelated, and any changes to a contract will therefore be recognized as changes to the original contract and not as a separate performance obligation. The Group acts as primarily responsible for the delivery of the performance obligation and carries the risks related to the construction and is therefore considered as the principal.

The contracts are not assessed to have a significant financing component. The time value of the transaction price for contracts with a duration that exceeds 12 months is assessed insignificant, as the Group does not consume the main part of the costs before the end of the contract phase. Therefore, an adjustment of the transaction price with regards to a financing component in the contracts with customers is not required. Payment is typically due at the time of final delivery of the construction, however a small deposit is paid upon contract negotiation. The Group receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit during the project.

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 with the other performance obligations under the sales contract.

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

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

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

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

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

Non-contracted sales

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

Cost of sales

Cost of sales include costs of raw materials and consumables incurred in generating the revenue for the year.

Other external expenses

Other external expenses include the period's expenses relating to the Group's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases (up to 2018), etc.

Other operating income

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

Staff costs

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

The item is net of refunds made by public authorities.

Special items

Special items include significant recurring and non-recurring income and costs which in management's assessment are of a special nature in terms of the Group's revenue-generating activities and cannot be attributed directly to the Group's ordinary operating activities. Such income and costs relate to significant restructuring of processes and fundamental structural adjustments, as well as gains or losses arising in connection therewith which are, or are expected to be, significant over time. Special items also include impairment of goodwill, gains and losses on the disposal of activities and transaction cost from business combinations.

Note 2.8 Significant estimates and judgements

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

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

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

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.

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

Percentage-of-completion profit recognition

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

The assessment of project revenues and project costs is based on a number of estimates and assessments that depend on the experience and knowledge of project management in respect of project control, training and the prior management of project. There is a risk that the final result will differ from the profit accrued based on percentage-of-completion. At year-end, recognized revenues amounted to DKK 779 million (2018: DKK 631 million, 2017: DKK 615 million); refer to note 3.2 Contract assets.

SECTION 3

Introduction

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

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

The following notes are presented in Section 3:

- 3.1 Inventories
- 3.2 Contract assets
- 3.3 Trade receivables
- 3.4 Guarantee commitments and contingent liabilities
- 3.5 Changes in working capital
- 3.6 Financial risk management
- 3.7 Accounting policy
- 3.8 Significant estimates and judgements

Note 3.1 Inventories

	2019	2018	2017
		DKK '000	
Raw materials	7,517	8,702	5,849
Show-houses and semi-detached houses (non-contracted)	228,719	235,265	224,715
Land	171,691	190,080	219,803
Write-down inventories	(5,000)	0	0
Total inventories	**402,927**	**434,047**	**450,367**

Note 3.2 Contract assets

	2019	2018	2017
		DKK '000	
Selling price of contract assets	778,934	630,928	615,121
Invoicing on Accounts	(102,763)	(39,738)	(47,431)
	676,171	591,190	567,690
Calculated as follows:			
Contract assets	687,676	593,895	578,849
Contract liabilities	(11,505)	(2,704)	(11,159)
	676,171	591,190	567,690
Prepayments from customers regarding construction contracts not yet started	2,399	406	3,523

Construction contracts (assets/liabilities)

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

Contract liabilities comprise agreed, unconditional payments received on account for work yet to be performed. During 2019, the entire contract liability recognized at the beginning of the period has been recognized as revenue.

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

The increase in contract assets in 2019 reflects the fact that the Group's order book is increasing. Contract liabilities showed an increase due to another mix of progress versus payments received.

Prepayments from customers are reduced compared to last year due to another mix of progress versus payments received.

Note 3.3 Trade receivables

	2019	2018	2017
		DKK '000	
Trade receivables	127,676	54,484	106,599
Provision for expected credit losses	(28,369)	(21,163)	(5,700)
Other receivables	53,769	45,101	30,948
As at 31 December	**153,076**	**78,422**	**131,847**

	2019	2018	2017
		DKK '000	
Provision for expected credit losses at 1 January	(21,163)	(5,700)	(4,081)
Exchange rate adjustment	63	0	0
Arising during the year	(9,747)	(15,754)	(2,019)
Reversed	0	291	400
Utilised	2,478	0	0
Provision for expected credit losses at 31 December	**(28,369)**	**(21,163)**	**(5,700)**

The Group receives security in the form of a bank guarantee or deposit in connection with the start-up of construction contracts and there is therefore limited risk of loss on trade receivables in connection with the Group's receivable from sales activities. The Group's trade receivables consist of invoices issued shortly before delivering the house, and no key is delivered until payment is received. The increase in trade receivables is due to an increase in houses delivered January 2020.

Provision for losses in 2018 relates to special situation in Germany, where local management had entered into trades without adequate securing receivables according to the group's policies. Amounts are included in special items.

Provision for losses trade receivables in 2019 is recognised following the decision to close-down of brick houses in Sweden and Germany as well as re-assessment of provision made at year-end 2018. Amounts are included in special items.

Note 3.4 Guarantee commitments and contingent liabilities

	2019	2018	2017
		DKK '000	
Guarantee provision at 1 January	27,360	25,409	26,037
Exchange rate adjustment	(23)	(58)	0
Arising during the year	34,649	22,336	25,409
Utilised	(21,888)	(20,327)	(26,037)
Guarantee provision at 31 December	**40,098**	**27,360**	**25,409**
Distributed in the balance as follows:			
Non-current liabilities	8,020	5,472	5,082
Current liabilities	32,078	21,888	20,327

At year-end, the guarantee provision amounted to DKK 40 million (2018: DKK 27 million, 2017: DKK 25 million). Provisions for future costs regarding 1 and 5 years review of the delivered houses due to guarantee commitments are recognized at the amount expected to be required to settle the commitment on the balance-sheet date.

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

Contingent liabilities

The company is continuously involved in minor disputes, but nothing significant per 31st December 2019.

The Company is jointly taxed with its Danish group entities and acts as Management Company. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2016 and forward and withholding taxes falling due for payment on or after 1 January 2016 in the group of jointly taxed entities.

Cash and cash equivalents and Collateral

Cash and cash equivalents of DKK 1,011 million at 31 December 2019 (2018: DKK 773 million, 2017: DKK 514 million) should under the financing agreement of the Group in terms of availability be netted with short term bank overdrafts of DKK 901 million (2018: DKK 637 million, 2017: DKK 422 million), i.e. the net available cash and cash equivalent amount to a net amount of DKK 110 million (2018: DKK 136 million, 2017: DKK 92 million). Of this net amount of DKK 110 million at 31 December 2019 (2018: DKK 136 million, 2017: DKK 92 million), DKK 28 million of cash and short term deposits is placed in restricted accounts, and is released when the completed houses are delivered to the customers (2018: DKK 22 million, 2017: DKK 13 million).

The Company has issued guarantees to trade creditors of DKK 46 million as at 31 December 2019 (2018: DKK 36 million, 2017: DKK 14 million).

Note 3.5 Changes in working capital

	2019	2018	2017
		DKK '000	
Increase in construction contracts & Inventory	(53,860)	(7,181)	(253,571)
Increase/decrease in trade and other receivables	(73,517)	52,220	20,861
Increase in trade and other payables	134,498	28,719	115,340
Total	**7,121**	**73,758**	**(117,370)**

Note 3.6 Financial risk management

Credit risk

The Group is exposed towards customers' inability to meet their financial obligations. To address this risk, the Group obtains a bank guarantee on agreed sales price from all customers before construction starts and the customers pay by deliverable. In contracts where the scope and price is subsequently changed, the bank guarantee is updated, if the change by Management is considered significant. This means that there are no debtor loss, as all payments rights are secured before delivery of the houses.

It is the Group's assessment that the exposure towards credit risk is not significant. The current loss on debtors in 2018 and 2019 is caused by deviation from group policy in Germany and is related to special circumstances regarding the close-down of brick houses in Sweden and Germany, and is included in special items.

Impairment of other receivables amounted to nil in 2019, 2018 and 2017.

Note 3.7 Accounting policy

Inventories

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

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

Work in progress and finished houses (non-contracted construction)

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

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

Provisions

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

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

Trade and other receivables

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

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

Other receivables are deposits on leaseholds. On initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. The EIR amortisation is included in financial income in the income statement. The losses arising from impairment are recognised in the income statement in financial expenses.

Other liabilities

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

Cash and cash equivalents

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

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

Note 3.8 Significant estimates and judgements

Guarantee commitments

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

At year-end, the guarantee provision amounted to DKK 40 million (2018: DKK 27 million, 2017: DKK 25 million), refer to note 3.3 Provisions and contingent liabilities.

SECTION 4: INVESTMENTS

Introduction

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

The following notes are presented in Section 4:

- 4.1 Acquisition of subsidiaries and activities
- 4.2 Goodwill and Intangible assets
- 4.3 Property, plant and equipment and right of use assets
- 4.4 Impairment
- 4.5 Accounting policy
- 4.6 Significant estimates and judgements

Note 4.1 Acquisition of subsidiaries and activities

On 28 April 2017, the Group acquired 100% of the voting shares of VårgårdaHus AB, an unlisted company based in Sweden and specializing in production of prefabricated single-family wood houses. The Company is headquartered close to Gothenburg and has approximately 25 sales offices across Sweden.

From the date of acquisition, VårgårdaHus contributed DKK 169 million of revenue and DKK 15 million to profit from continuing operations of the Group. If the combination had taken place at 1 January 2017, the Group's revenue from continuing operations would have been DKK 3,145 million and the profit from continuing operations would have been DKK 121 million.

Fair value recognised on acquisition

	DKK '000
Assets	
Order portfolio	4,824
Brand "VårgårdaHus"	3,061
Property, plant and equipment	6,992
Inventories	7,300
Construction contracts	244
Trade and other receivables	20,738
Prepayments	2,557
	45,716
Liabilities	
Deferred tax	1,735
Trade and other payables	28,583
Income tax payables	10,135
	40,453
Total identifiable net assets at fair value	**5,263**
Goodwill arising from acquisition	287,578
Purchase consideration transferred	**292,841**
Net cash acquired with the subsidiary included in cash flows from investing activities	11,702
Debt securities issued	(39,712)
Earn-out agreement	(38,555)
Net cash outflow	**226,276**

The purchase price for VårgårdaHus AB was DKK 292 million, of which DKK 226 million is paid in cash.

The Group has incurred transaction costs associated with the acquisition of approx. DKK 4.2 million relating to legal advisers. The amount is included in special items in the profit and loss account.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value goodwill in connection with the acquisition valued at DKK 287 million. Goodwill represents the value of existing staff and know-how. Recognised goodwill is not tax deductible.

Fair value measurement

In connection with the acquisition, the Company has prepared a fair value of assets and liabilities, including values for the brand "VårgårdaHus" and the order portfolio.

The brand "VårgårdaHus" is valued at DKK 3 million based on the cost of building up the brand over a period of four years. The valuation is supported by a royalty-based calculation. Order portfolio is valued at DKK 4.8 million, corresponding to the expected sales price minus the direct costs as well as capacity costs.

Note 4.2 Goodwill and Intangible assets

Goodwill

	2019	
	Goodwill	Total
	DKK '000	
Cost at 1 January	2,112,394	2,112,394
Exchange rate adjustments	(4,140)	(4,140)
Cost at 31 December	**2,108,254**	**2,108,254**
Impairment losses	80,700	80,700
Amortisation and impairment losses at 31 December	**80,700**	**80,700**
Carrying amount at 31 December	**2,027,554**	**2,027,554**

	2018	
	Goodwill	Total
	DKK '000	
Cost at 1 January	2,123,470	2,123,470
Exchange rate adjustments	(11,076)	(11,076)
Cost at 31 December	**2,112,394**	**2,112,394**
Amortisation and impairment losses at 31 December	**0**	**0**
Carrying amount at 31 December	**2,112,394**	**2,112,394**

	2017	
	Goodwill	Total
	DKK '000	
Cost at 1 January	1,841,412	1,841,412
Additions through acquisition of subsidiary	287,578	287,578
Additions	0	0
Disposals	0	0
Exchange rate adjustments	(5,520)	(5,520)
Cost at 31 December	**2,123,470**	**2,123,470**
Amortisation and impairment losses at 1 January	0	0
Amortisation	0	0
Impairment losses	0	0
Exchange rate adjustments	0	0
Amortisation and impairment losses at 31 December	**0**	**0**
Carrying amount at 31 December	**2,123,470**	**2,123,470**

Intangible assets

	2019		
	Trademarks	Software development	Total
		DKK '000	
Cost at 1 January	29,166	43,495	72,661
Additions	0	28,300	28,300
Disposals	0	0	0
Exchange rate adjustments	0	(119)	(119)
Cost at 31 December	**29,166**	**71,676**	**100,842**
Amortisation and impairment losses at 1 January	29,166	10,205	39,371
Amortisation	0	8,269	8,269
Impairment losses	0	0	0
Exchange rate adjustments	0	(101)	(101)
Amortisation and impairment losses at 31 December	29,166	18,373	47,539
Carrying amount at 31 December	**0**	**53,303**	**53,303**

	2018		
	Trademarks	Software development	Total
		DKK '000	
Cost at 1 January	29,166	24,372	53,538
Additions through acquisition of subsidiary	0	0	0
Additions	0	19,442	19,442
Disposals	0	0	0
Exchange rate adjustments	0	(319)	(319)
Cost at 31 December	**29,166**	**43,495**	**72,661**
Amortisation and impairment losses at 1 January	29,166	6,036	35,202
Amortisation	0	4,382	4,382
Impairment losses	0	0	0
Exchange rate adjustments	0	(213)	(213)
Amortisation and impairment losses at 31 December	**29,166**	**10,205**	**39,371**
Carrying amount at 31 December	**0**	**33,290**	**33,290**

	2017		
	Order portfolio	Other intangible assets	Total
		DKK '000	
Cost at 1 January	**44,392**	**39,469**	**83,861**
Additions through acquisition of subsidiary	4,824	3,061	7,885
Additions	0	11,551	11,551
Disposals	0	(484)	(484)
Exchange rate adjustments	(92)	(59)	(151)
Cost at 31 December	**49,124**	**53,538**	**102,662**
Amortisation and impairment losses at 1 January	44,392	22,600	66,992
Amortisation	4,732	12,723	17,455
Impairment losses	0	0	0
Exchange rate adjustments	0	(121)	(121)
Amortisation and impairment losses at 31 December	**49,124**	**35,202**	**84,326**
Carrying amount at 31 December	**0**	**18,336**	**18,336**

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

	2019				
	Right of use assets, motor vehicles	Right of use assets, property	Other Fixtures and fittings, tools and equipment	Leasehold improvements	Total
			DKK '000		
Cost at 1 January	0	0	74,822	16,566	91,388
Exchange rate adjustments	0	(915)	(173)	(21)	(1,109)
Transfer to rights of use assets	31,294	0	(31,294)	0	0
Effect of implementation IFRS 16, 1 January	0	117,666	0	0	117,666
Additions	5,074	3,133	4,414	3,931	16,552
Remeasurement of lease liabilities	(6,116)	(3,180)	0	0	(9,296)
Disposals	(595)	0	(2,623)	0	(3,218)
Cost at 31 December	**29,657**	**116,704**	**45,146**	**20,476**	**211,983**
Depreciation and impairment 1 January	0	0	25,326	9,743	35,069
Exchange rate adjustments	0	0	(25)	14	(11)
Transfer to rights of use assets	3,963	0	(3,963)	0	0
Depreciation	5,020	19,157	7,753	3,041	34,971
Impairment losses	0	3,772	0	0	3,772
Depreciation of disposals	0	0	(1,830)	0	(1,830)
Depreciation and impairment 31 December	**8,983**	**22,929**	**27,261**	**12,798**	**71,971**
Carrying amount at 31 December	**20,674**	**93,775**	**17,885**	**7,678**	**140,012**

	2018		
	Other Fixtures and fittings, tools and equipment	Leasehold improvements	Total
		DKK '000	
Cost at 1 January	64,936	16,499	81,435
Exchange rate adjustments	(454)	(109)	(563)
Additions	24,057	176	24,233
Disposals	(13,717)	0	(13,717)
Cost at 31 December	**74,822**	**16,566**	**91,388**
Depreciation and impairment 1 January	21,287	6,567	27,854
Exchange rate adjustments	(108)	(26)	(134)
Depreciation	12,061	3,202	15,263
Depreciation of disposals	(7,914)	0	(7,914)
Depreciation and impairment 31 December	**25,326**	**9,743**	**35,069**
Carrying amount at 31 December	**49,496**	**6,823**	**56,319**

	2017		
	Other Fixtures and fittings, tools and equipment	Leasehold improvements	Total
		DKK '000	
Cost at 1 January	43,389	11,106	54,495
Exchange rate adjustments	(213)	(24)	(237)
Additions through acquisition of subsidiary	9,976	0	9,976
Additions	25,834	5,418	31,252
Disposals	(14,049)	0	(14,049)
Cost at 31 December	**64,938**	**16,500**	**81,438**
Depreciation and impairment 1 January	19,983	3,859	23,842
Exchange rate adjustments	(95)	(20)	(115)
Additions from business combinations	2,984	0	2,984
Depreciation	8,699	2,729	11,428
Depreciation of disposals	(10,283)	0	(10,283)
Depreciation and impairment 31 December	**21,288**	**6,568**	**27,855**
Carrying amount at 31 December	**43,650**	**9,932**	**53,582**

Reference is made to note 5.3 for statement of lease liabilities in connection with right of use assets.

Note 4.4 Impairment

Goodwill and intangible assets with indefinite lives

At 31 December 2019, Management tested the carrying amount of goodwill for impairment based on the allocation of the cost of goodwill on the geographic segments.

	2019	2018	2017
		DKK 'million	
Cost at 1 January			
Denmark	1,761	1,761	1,761
Germany	0	56	56
Sweden	267	295	306
Carrying amount 31 December	**2,028**	**2,112**	**2,123**

In each individual case, the recoverable amount is calculated as the highest of the value in use and fair value less selling costs. The below descriptions state the value on which the recoverable amount is based.

The recoverable amount is based on the value in use determined using expected net cash flows based on budgets for the years 2020–2022 approved by Management and with a pre-tax discount factor of 10.7% (2018: 10.8%, 2017: 10.8%).

The contribution margin for the budget period is estimated based on the average historical contribution margin.

The budgeted revenue is expected to increase by an average of 10-11% in the budget period (2018: 12–13%, 2017: 8–9%).

The budgeted revenue is driven from expectations for the future based on historical and future order-log. The Group has had success with a historical very strong design combined with competitive prices and a large volume of showparks. The Group's market initiatives with many show houses, first in the market with continuous innovative new solution for the benefit of the house buyer and a business model where the buyer first pays house upon delivery is a significant factor in driving the future revenue.

The weighted average growth rate used in connection with extrapolation of future net cash flows for the years after 2022 is estimated to 2% (2018: 2%, 2017: 2%). The growth rate is not assessed to exceed the long-term average growth rate within the Company's markets.

In order to focus on the most relevant market for brick houses, the Group has decided to close down investment in brick houses Germany and Sweden. This close-down has resulted in 100% impairment of goodwill related to the German segment of 56 DKK million and 100% impairment of goodwill related to the Swedish brick house segment of 25 DKK million.

Sensitivity analysis

Management assesses that a probable changes in the basic assumptions would not cause the carrying amount of goodwill would exceed recoverable value.

Note 4.5 Accounting policy

Goodwill

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

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

Intangible assets

Trademarks

Trademarks are initially recognised at cost. Subsequently, trademarks are measured at cost less accumulated amortisations and impairments. Trademarks are amortised on a straight-line basis over its estimated useful life, which are no longer than 10 years.

Trademarks are impairment tested on an annual basis using the relief from royalty method and is based on expected future free cash flows generated by the individual trademark for the next 5 years and projections for subsequent years.

Software development projects

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

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

Other development costs are recognized in the income statement under research and development costs, as costs like to be held.

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

Upon completion of the development work, development projects are amortized on a straight-line basis over the assessment period economic life from the time the asset is ready for use. The amortization period usually constitutes 3–5 years. The amortization basis is reduced by any write-downs.

Property, plant and equipment

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

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

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it will measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Lease agreements

Leases before 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Lease agreements from 1 January 2019

The Company has lease contracts for leaseholds, vehicles and other equipment used in its operations. Lease of leaseholds generally has lease terms between 3 and 5 years, while vehicles generally have lease terms between 5 and 6 years.

Generally, the Company is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

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

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

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

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

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

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

Note 4.6 Significant estimates and judgements

Impairment of non-financial assets

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

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

The value in use calculation is based on a Discounted Cash Flow model.

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

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

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

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). In determining its incremental borrowing rate, the Company groups its lease assets in two categories in which the Company assesses that the lease agreements and the underlying assets in each category have the same characteristics and risk profile. The categories are as follows:

- Leaseholds
- Cars

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

In the determination of the incremental borrowing rate for leaseholds the Company has performed its determination based on an interest rate from a mortgage loan with a loan maturity that resembles the maturity of the lease agreements. The rate on the financing of the part where a mortgage loan cannot be accomplished, has been estimated based on a reference rate with a supplement of a credit margin from the Company's existing credit facilities. The Company has adjusted the credit margin for lessor's right to take back the asset in case of violation of the lease payments (secured debt).

The Company has determined its incremental borrowing rate on lease agreements regarding cars with basis on a reference rate with a credit margin from the Company's existing credit facilities. The applied incremental borrowing rates are 5-6%.

SECTION 5: FUNDING AND CAPITAL STRUCTURE

Introduction

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

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

The following notes are presented in Section 5:

- 5.1 Equity
- 5.2 Borrowings and non-current liabilities
- 5.3 Lease liabilities
- 5.4 Financial income and expenses
- 5.5 Financial risk management
- 5.6 Accounting policy

Note 5.1 Equity

Share capital

	2019		2018		2017	
	Number of shares		Number of shares		Number of shares	
			DKK '000			
Share capital at 1 January (issued and fully paid)	14,689	14,689	14,689	14,689	14,366	14,366
Additions	0	0	0	0	323	323
Share capital at 31 December	**14,689**	**14,689**	**14,689**	**14,689**	**14,689**	**14,689**

The company's share capital is nominally DKK 14,688,999 divided into 14,688,999 shares of DKK 1 each or multiples hereof. The company's share capital consists of nominally DKK 12,333,648 class A shares, nominally DKK 1,500,000 class B shares, and nominally DKK 855,351 class C shares.

A shares have preferential rights of distribution, corresponding to a maximum of 9% p.a. (incl. compound interest). B shares and C shares receive the amount remaining after the A shares' preferential right.

Note 5.2 Borrowings and non-current liabilities

Borrowings

	2019	2018	2017
		DKK '000	
Non-current liabilities	783,342	812,130	905,552
Current liabilities	1,031,162	746,137	530,276
Total carrying amount	**1,814,504**	**1,558,267**	**1,435,828**
Nominal value	**1,855,290**	**1,580,949**	**1,462,695**

Interest-bearing borrowings

	2019	2018	2017
		DKK '000	
Interest-bearing borrowings, 1 January	1,558,267	1,435,828	1,005,668
Additions	271,812	224,833	537,270
Implementing IFRS 16	117,666	0	0
Repayments	(122,959)	(103,200)	(107,856)
Other (amortised cost, reassessment leasing liabilities IFRS 16 etc.)	(7,274)	5,210	0
Exchange rate adjustments	(3,008)	(4,404)	746
Interest-bearing borrowings, 31 December	**1,814,504**	**1,558,267**	**1,435,828**

2019

	Currency	Interest rate	Average interest rate	Carrying amount
		DKK '000		
Bank borrowings	DKK	Floating	3.70%	1,693,607
Commitments on leasing agreements	DKK	Fixed-rate	5.88%	120,897
				1,814,504

2018

	Currency	Interest rate	Average interest rate	Carrying amount
		DKK '000		
Bank borrowings	DKK	Floating	3.70%	1,530,734
Commitments on leasing agreements	DKK	Fixed-rate	4.38%	27,533
				1,558,267

2017

	Currency	Interest rate	Average interest rate	Carrying amount
		DKK '000		
Bank borrowings	DKK	Floating	3.70%	1,415,707
Commitments on leasing agreements	DKK	Fixed-rate	4.38%	20,121
				1,435,828

Investments in subsidiaries have been provided as security for balances with Nordea, covering all bank borrowings.

In terms of inter-relationship between borrowings and cash and cash equivalents in the Group please refer to note 3.4.

Note 5.3 Lease liabilities

Lease liabilities

	2019	2018	2017
		DKK '000	
Maturity of lease liabilities			
Due within 1 year	21,020	5,629	3,353
Due between 1 and 5 years	58,919	21,026	13,415
Due after 5 years	40,958	878	3,353
Total lease liabilities 31 December 2019	**120,897**	**27,533**	**20,121**
– Hereof short-term lease liabilities	21,020	5,629	3,353
– Hereof long-term lease liabilities	99,877	21,904	16,768
Amounts recognized in income statement			
Interest expenses related to lease liabilities	7,715	953	0
Costs related to short-term leases (included in cost of sales)	17	0	0
Costs related to leasing contracts of low value (included in operating expenses)	59	17,366	20,556
Total amount recognized in income statement	**7,791**	**18,319**	**20,556**

Reference is made to note 4.2 for statement of right of use assets in connection with lease liabilities. 2018 relates exclusively to financial leasing (IAS 17), while 2019 relates to leasing liabilities (IFRS 16).

Note 5.4 Financial income and expenses

Financial income and financial expenses

	2019	2018	2017
		DKK '000	
Financial income			
Interests received from banks(1)	14,062	9,627	6,276
Adjustment earn out prior years acquisition	0	10,839	0
Exchange rate gains	60	223	1
Other financial income	30	9	49
Total financial income	**14,152**	**20,698**	**6,326**
Financial expenses			
Interest paid to banks(1)	60,942	63,021	54,641
Interest lease liabilities	6,504	952	0
Exchange rate losses	2,165	1,971	5,360
Other financial cost	3,533	1,626	2,284
Total financial expenses	**73,144**	**67,570**	**62,285**
Net financials	**(58,992)**	**(46,872)**	**(55,959)**

(1) Interest income and expenses from financial assets and financial liabilities measured at amortised cost.

Note 5.5 Financial risk management

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

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

Liquidity risk

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

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

The Group continues monitoring the need of liquidity. At 31 December 2019, the Group has an undrawn credit facility of DKK 449.0 million to ensure that the Group is able to meet its obligations (2018: DKK 351 million, 2017: DKK 252 million). Management considers the credit availability to be sufficient for the next 12 months.

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

Contractual maturity analysis of financial liabilities

2019

	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
			DKK '000		
Non-derivative financial liabilities					
Trade and other payables	674,669	0	0	674,669	674,669
Bank Borrowings	1,071,290	732,177	0	1,803,467	1,693,607
Lease liabilities	27,794	68,487	47,987	144,268	120,897
Other Liabilities	145,441	0	0	145,441	145,441
Total non-derivative financial liabilities	**1,919,194**	**800,664**	**47,987**	**2,767,845**	**2,634,614**
Total financial liabilities	**1,919,194**	**800,664**	**47,987**	**2,767,845**	**2,634,614**

2018

	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
			DKK '000		
Non-derivative financial liabilities					
Trade and other payables	486,245	0	0	486,245	486,245
Bank Borrowings	795,976	869,682	0	1,665,658	1,530,734
Lease liabilities	6,012	24,048	2,658	32,718	27,533
Other Liabilities	207,458	0	0	207,458	207,458
Total non-derivative financial liabilities	**1,495,691**	**893,730**	**2,658**	**2,392,079**	**2,251,970**
Total financial liabilities	**1,495,691**	**893,730**	**2,658**	**2,392,079**	**2,251,970**

2017

	Hedging instrument	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
				DKK '000		
Non-derivative financial liabilities						
Trade and other payables		537,414	0	0	537,414	537,414
Bank Borrowings		579,258	1,015,741	0	1,594,999	1,415,707
Lease liabilities		3,353	13,415	3,353	20,121	20,121
Other Liabilities		126,477	0	0	126,477	126,477
Total non-derivative financial liabilities		**1,246,502**	**1,029,156**	**3,353**	**2,279,011**	**2,099,719**
Derivative financial liabilities						
Bank borrowings	IRS	2,024	0	0	2,024	2,024
Bank borrowings	CAP	0	0	0	0	0
Total derivative financial liabilities		**2,024**	**0**	**0**	**2,024**	**2,024**
Total financial liabilities		**1,248,526**	**1,029,156**	**3,353**	**2,281,035**	**2,101,743**

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

Interest rate risk

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

The Group aims to keep a reasonable part of its borrowings at fixed interest rates.

At 31 December 2019 the Group's long-term debt is kept at floating rates.

If the interest rate increased (decreased) by 1% the effect on interest during 2019 would have been DKK 16.9 million (2018: DKK 15.8 million, 2017: DKK 8.5 million).

Categories of financial assets and financial liabilities

	2019	2018	2017
		DKK '000	
Cash	1,010,822	773,272	513,572
Receivables	153,076	78,422	131,847
Bank Borrowings	1,693,607	1,530,734	1,415,707
Lease liabilities	120,897	27,533	20,121
Trade and other payables	674,669	486,245	537,414
Other liabilities	145,441	207,458	126,477

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

Note 5.6 Accounting policy

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item in equity. Proposed dividends are recognized as a liability at the date they are adopted by the annual general meeting (declaration date).

Share premium reserve

The share premium reserve represents positive differences between the nominal share capital and the amount paid by shareholders for newly issued shares. The reserve is a distributable reserve.

Foreign currency translation reserve

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

Financial income and expenses

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

Financial assets

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

Financial liabilities

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

The Group's financial liabilities comprise trade payables, borrowings and other payables (primarily staff-related costs not due for payment).

Derivative financial instruments

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risk. Such derivatives are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value are taken directly to the Income Statement, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income and later reclassified to profit or loss when the hedged item affects the Income Statement.

Fair value measurement

The Group measured financial instruments such as derivatives at fair value at each balance sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of interest rate swaps are determined using quoted forward interest rates at the balance sheet date and can be categorized as level 2 (observable inputs) in the fair value hierarchy.

SECTION 6: OTHER DISCLOSURES

Introduction

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

The following notes are presented in Section 6:

a. 6.1 Tax

b. 6.2 Operating leases

c. 6.3 Other non-cash items

d. 6.4 Related parties

e. 6.5 Auditor's fee

f. 6.6 Events after the balance sheet date

g. 6.7 List of Group companies

h. 6.8 Definitions

i. 6.9 Accounting policy

Note 6.1 Tax

Current tax

	2019	2018	2017
		DKK '000	
Income tax	36,938	52,952	49,170
Movement in deferred tax	(9,365)	(18,873)	(11,225)
Adjustment relating to previous years	(20)	2,158	10,300
Income taxes in the income statement	**27,553**	**36,237**	**48,245**
Profit before tax	**27,786**	**126,282**	**159,575**
Tax rate, Denmark	22.00%	22.00%	22.00%
Tax at the applicable rate	6,113	22,326	33,199
Expenses not deductible for tax purposes	19,978	9,375	4,101
Adjustments relating to prior years	(20)	2,158	10,300
Other	1,482	2,378	644
Tax expense for the year	**27,553**	**36,237**	**48,244**
Effective tax rate, %	**99.16%**	**28.70%**	**30.23%**

Expenses not deductible for tax purpose primarily relates to impairment goodwill and costs related to transactions.

Deferred tax

	2019	2018	2017
		DKK '000	
Deferred tax at 1 January	**(13,564)**	**4,163**	**14,218**
Recognised in profit or loss	(9,365)	(18,873)	(11,225)
Adjustments relating to prior years	0	154	955
Exchange differences	(700)	992	215
Deferred tax at 31 December	**(23,629)**	**(13,564)**	**4,163**

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

	Deferred tax asset			Deferred tax liability		
	2019	2018	2017	2019	2018	2017
			DKK '000			
Intangible assets	0	0	0	481	3,367	3,063
Right-of-use assets and Property, plant and equipment	0	0	(440)	(642)	(377)	476
Construction contracts	0	0	2,985	20,103	19,121	22,424
Other payables	0	0	0	(11)	(11)	(11)
Tax loss carried forward	43,374	32,308	17,472	(186)	(3,356)	(1,772)
Deferred tax	**43,374**	**32,308**	**20,017**	**19,745**	**18,744**	**24,180**

Corporation tax payable

	2019	2018	2017
		DKK '000	
Corporation tax payable at 1 January	**46,105**	**47,186**	**38,044**
Addition of corporation tax acquisitions	0	0	10,135
Foreign exchange adjustments	150	(61)	(379)
Adjustment of corporation tax related to prior year	(20)	(2,312)	9,345
Current tax including jointly taxed subsidiaries	36,938	52,952	49,170
Corporation tax regarding previous years transferred from other receivables	0	0	(8,053)
Corporation tax paid during the year	(46,993)	(52,105)	(50,684)
Tax related to Financial instruments	0	445	(392)
Corporation tax payable at 31 December	**36,180**	**46,105**	**47,186**

Note 6.2 Operating leases

The Company leases properties and equipment under operational leasing contracts. The term of the leases are usually between 1–13 years with possible extension. None of the leasing contracts include conditional lease payments. Beginning 1 January 2019 the Company has implemented IFRS16 and therefore leasing contracts is included in right of use assets.

Leasing contracts not effective before after year-end is not included in rights of use assets and is included in below statement of total contractual obligations.

	0–1 year	1–5 years	> 5 years	Total
		DKK '000		
2019				
Operating leases	913	7,643	11,558	20,114
Total contractual obligations	913	7,643	11,558	20,114
2018				
Operating leases	20,556	50,926	45,212	116,694
Total contractual obligations	20,556	50,926	45,212	116,694
2017				
Operating leases	17,366	47,506	52,280	117,152
Total contractual obligations	17,366	47,506	52,280	117,152

Note 6.3 Other non-cash items

	2019	2018	2017
		DKK '000	
Amortisation and impairment losses of intangible assets	88,969	4,382	17,455
Depreciation of property, plant and equipment	38,743	15,263	11,428
Movements in provisions recognised in the income statement	12,738	1,951	(628)
Non-cash financial items	58,992	46,872	55,959
Other non-cash items	**199,442**	**68,468**	**84,214**

Note 6.4 Related parties

Transactions with Executive Management & Board of Directors

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

The ultimate Parent

The ultimate Parent of the Group is EQT's fund VI.

Significant transactions between the Group and the ultimate parent company

There were no transactions between the Group and the ultimate parent company in 2019 (2018: no transactions, 2017: no transactions).

Note 6.5 Auditor's fee

Fees to auditors

	2019	2018	2017
	(DKK '000)		
Audit Service	1,059	675	868
Tax advice services	247	0	0
Other non-audit services	787	302	1,032
Total	**2,093**	**977**	**1,900**

Note 6.6 Events after the balance sheet date

The Executive Management believes in the short term that COVID-19 will not have a material adverse effect on HusCompagniet. Constructions sites are proceeding according to plan at the time of the financial reporting and delay deliveries are considered unlikely but cannot be excluded.

At present, it is not possible to assess whether COVID-19 will have a negative effect in the medium term. It is considered likely that sales growth will slow down for a period of time but HusCompagniet has invested in offering additional security to customers building with HusCompagniet to mitigate this. At the time of reporting the 2019 financial statements, there is uncertainty about the impact of COVID-19.

Note 6.7 List of Group companies

Investment in group companies comprise the following at 31 December 2019.

Name	Country of incorporation	% equity interest
HusCompagniet Holding A/S (formerly Diego HC A/S)	Denmark	100%
HusCompagniet Operations A/S (formerly HusCompagniet A/S)	Denmark	100%
HusCompagniet Danmark A/S*	Denmark	100%
RækkehusCompagniet A/S	Denmark	100%
Svenska Huscompagniet AB	Sweden	100%
VårgårdaHus AB	Sweden	100%
Svenska HusCompagniet Fastighetsutveckling AB	Sweden	100%
Svenska HusCompagniet Fastighetsutveckling Allerum 1 AB	Sweden	100%
Svenska HusCompagniet Fastighetsutveckling Allerum 2 AB	Sweden	100%
Die Haus-Compagnie GmbH**	Germany	100%

* Huscompagniet Danmark A/S is a merger of HusCompagniet Sjælland A/S, HusCompagniet Fyn A/S, HusCompagniet Sønderjylland A/S, FM-Søkjær Enterprise A/S and HusCompagniet Midt- og Nordjylland A/S, with HusCompagniet Midt-Nordjylland A/S as the continuing company (name changes to HusCompagniet Danmark A/S).

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

Note 6.8 Definitions

EBITDA before special items (EBITDA)

Operating profit excluding amortisation and depreciation and special items.

Operating profit (EBITDA) before special items

Operating profit before special items.

Note 6.9 Accounting policy

Current income tax

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

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

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

Deferred tax

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

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

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

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

Operating leases before 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Note 6.10 Significant estimates and judgements

Recovery of deferred tax assets

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

As of December 31, 2019, the Group estimated that tax losses with a tax value of 43.4 million DKK will be realised in the context of reopening transfer-pricing adjustments for the years 2015–2018.

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ANNEX A—ARTICLES OF ASSOCIATION OF THE COMPANY

Articles of Association

HusCompagniet A/S
Registration (CVR) no. 36972963

1. Name and objects

1.1. The Company's name is HusCompagniet A/S.

The secondary name of the Company is Diego HC TopCo A/S.

1.2. The object of the Company is, directly or indirectly, to carry on business and trading within the building and real estate construction industry, including purchase and sale of real estate and land, as well as any other activities related thereto, including holding equity investments in other companies.

2. Share capital and shares

2.1. The Company's nominal share capital is DKK 100,000,000 divided into shares of DKK 1 each or multiples thereof.

2.2. The share capital has been fully paid up.

2.3. The shares shall be issued in the name of the holder and shall be recorded in the name of the holder in the Company's register of shareholders.

2.4. The register of shareholders is kept by Computershare A/S, CVR no. 27 08 88 99.

2.5. The shares are negotiable instruments. No restrictions shall apply to the transferability of the shares.

2.6. No shares shall carry special rights.

2.7. No shareholder shall be under an obligation to have his/her shares redeemed in full or in part by the Company or by any third party.

2.8. The shares are registered with and issued in dematerialised form through VP SECURITIES A/S, CVR no. 21 59 93 36. Dividend is paid out through VP SECURITIES A/S. Rights concerning the shares shall be notified to VP SECURITIES A/S in accordance with applicable rules.

3. Increase of share capital

3.1. In the period until 30 June 2021, the Board of Directors is authorised to increase the Company's share capital in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 5,000,000 by issuance of bonus shares to one of more existing shareholders of the Company as adjustment following a completed consolidation of share classes.

3.2. In the period until 1 November 2025, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 10,000,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

3.3. In the period until 1 November 2025, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 2,000,000 in connection with the issue of new shares to members of the Board of Directors, Executive Management and/or employees of the Company and/or of the Company's subsidiaries. The capital increase shall take place by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

3.4. New shares issued pursuant to Articles 3.1, 3.2 and 3.3 shall be paid in full, shall be issued in the name of the holder, shall be recorded in the name of the holder in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing shares. The Board of Directors is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Company's Articles of Association as may be required as a result of the Board of Directors' exercise of said authorisations.

4. General meeting, venue and notice

4.1. The general meetings of the Company shall be held in the region of the Company's registered office, in the Greater Copenhagen Area or in the Capital Region of Denmark.

4.2. The Board of Directors may decide to hold general meetings electronically without physical attendance. A decision to conduct a general meeting electronically requires that the general meeting can be conducted in a proper manner ensuring that shareholders will be able to exercise their shareholder rights by electronic means. If the Board of Directors decides to conduct an electronic general meeting, further details on the procedures for electronic attendance and participation will be provided on the Company's website and in the notice to convene the general meeting.

4.3. The annual general meeting of the Company shall be held before the end of April. The Company shall no later than eight weeks before the contemplated date of the annual general meeting publish the date of the general meeting and the deadline for submitting requests for specific proposals to be included on the agenda.

4.4. Extraordinary general meetings shall be held when determined by the Board of Directors or requested by the Company's auditor. Furthermore, an extraordinary general meeting shall be held when requested by shareholders possessing no less than five per cent of the share capital. Such request shall be submitted in writing to the Board of Directors and be accompanied by a specific proposal for the business to be transacted. The Board of Directors convenes an extraordinary general meeting no later than two weeks after such request has been made.

4.5. General meetings shall be convened by the Board of Directors with at least three weeks' and not more than five weeks' notice. The notice shall be published on the Company's website. Furthermore, a notice of the general meeting shall be sent to all shareholders recorded in the Company's register of shareholders who have so requested.

4.6. For a period of at least three weeks prior to the general meeting, including the date of the general meeting, the following information shall be available on the Company's website:

a. The notice convening the general meeting

b. The aggregate number of shares and voting rights as at the date of the notice

c. The documents to be presented at the general meeting

d. The agenda and the complete proposals as well as, for annual general meetings, the audited annual report

e. The forms to be used for voting by proxy or by postal vote

4.7. General meetings shall be held in Danish or English as decided by the Board of Directors, unless otherwise decided by the general meeting. Documents prepared in connection with or following a general meeting shall be in Danish or English as decided by the Board of Directors or required by applicable law.

4.8. The general meeting shall be presided over by a chairperson appointed by the Board of Directors.

5. Agenda for the annual general meeting

5.1. The agenda for the annual general meeting shall include the following:

a. The Board of Directors' report on the Company's activities in the past financial year

b. Presentation and adoption of the annual report

c. Distribution of profit or covering of loss according to the adopted annual report

d. Resolution to grant discharge of liability to the Board of Directors and the Executive Management

e. Presentation of the remuneration report for the past financial year for an advisory vote

f. Approval of remuneration of the Board of Directors for the current financial year

g. Election of members to the Board of Directors

h. Election of auditor

i. Authorisation to acquire treasury shares, if relevant

j. Any proposals from the Board of Directors or shareholders

k. Any other business

5.2. Any shareholder shall be entitled to have a specific matter considered at the annual general meeting. Any request must be submitted in writing to the Board of Directors not later than six weeks prior to the annual general meeting.

6. Shareholders' attendance and voting rights at the general meeting

6.1. The right of a shareholder to attend and vote at a general meeting is determined by the shares held by the shareholder at the record date. The record date is one week prior to the general meeting. The shares held by each shareholder are determined at the record date based on the registration of the number of shares held by that shareholder as registered in the Company's register of shareholders as well as on any notification of ownership received by the Company at the record date for the purpose of registration in the Company's register of shareholders, which have not yet been registered.

6.2. A shareholder who is entitled to attend the general meeting pursuant to Article 6.1 and who wants to attend the general meeting shall notify the Company of its attendance not later than three days prior to the date of the general meeting.

6.3. A shareholder may attend in person or by proxy, and the shareholder or the proxy may attend together with an adviser.

6.4. The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law.

6.5. A shareholder who is entitled to participate in the general meeting pursuant to Article 6.1 may vote by postal vote in accordance with the provisions of the Danish Companies Act. Such postal votes shall be received by the Company not later than the business day before the general meeting. Postal votes cannot be withdrawn.

6.6. Each share capital amount of nominally DKK 1 shall carry one vote.

7. Resolutions at general meetings

7.1. Resolutions by the general meeting shall be passed by a simple majority of votes cast unless otherwise prescribed by law or by these Articles of Association.

7.2. Adoption of changes to these Articles of Association, dissolution of the Company, merger or demerger requires that the decision is adopted with at least 2/3 of the votes cast as well as the share capital represented at the general meeting, unless applicable laws prescribe stricter or less strict adoption requirements or applicable laws confer independent competence to the Board of Directors or other bodies.

8. Board of Directors

8.1. The Board of Directors consists of not less than four and not more than eight members elected by the general meeting for a term of one year. Re-election of board members may take place.

8.2. The Board of Directors elects a Chairperson and a Vice Chairperson among its members. If the Chairperson of the Board of Directors resigns during a term of election, the Vice Chairperson shall take up the position as Chairperson and a new Vice Chairperson shall be elected among the Board of Directors until the Board of Directors elects a new Chairperson among the members of the Board of Directors.

8.3. Resolutions of the Board of Directors are passed by simple majority. In the event of an equality of votes, the Chairperson shall have a casting vote, or—in the Chairperson's absence—the Vice Chairperson shall have the casting vote.

8.4. The Board of Directors forms a quorum when more than half of its members are represented, including the Chairperson or the Vice Chairperson.

8.5. The Board of Directors is authorised to pass one or more resolutions to distribute interim dividends.

9. Executive Management

9.1. The Board of Directors appoints an Executive Management consisting of one to three members to be in charge of the day-to-day management of the Company.

10. Rules of signature

10.1. The Company shall be bound (i) by the joint signatures of the Chairperson and a member of the Executive Management, (ii) by the joint signatures of the Vice Chairperson and a member of the Executive Management, (iii) by the joint signatures of two members of the Board of Directors, (iv) by the joint signature of two members of the Executive Management, or (v) by the signatures of the entire Board of Directors.

11. Communication and corporate language

11.1. All communication from the Company to the individual shareholders, including notices convening general meetings, may take place electronically by posting on the Company's website or by email. General notices shall be published on the Company's website and in such other manner as may be prescribed by applicable law. The Company may as an alternative choose to send notices, etc. by ordinary post.

11.2. Communication from a shareholder to the Company may take place by email or by ordinary post.

11.3. Each shareholder is responsible for ensuring that the Company has the correct email address at all times. The Company is not obliged to verify such contact information or to send notices in any other way.

11.4. The Company's website contains information about system requirements and electronic communication procedures.

11.5. Company announcements shall be prepared in English and, if decided by the Board of Directors, in Danish.

11.6. The Company's corporate language is English.

12. Annual report

12.1. The Company's annual accounts shall be audited by a state-authorised public accountant elected by the general meeting for a one-year term. Re-election may take place to the extent permitted under applicable law.

12.2. Annual reports shall be prepared in English and, if decided by the Board of Directors, in Danish.

13. Financial year

13.1. The Company's financial year is the calendar year.

As adopted at the Company's extraordinary general meeting on 5 November 2020.

ANNEX B—APPLICATION FORM

Application form (only one form per custody account)	**Offering of up to 9,600,000 Offer Shares of DKK 5 nominal value each**

Application for purchase of Offer Shares in HusCompagniet A/S, registration (CVR) no. 36972963

Selling agents:	Danske Bank A/S Company reg. no. 61 12 62 28 Holmens Kanal 2-12 DK-1092 Copenhagen K Denmark	Nordea Danmark, Filial af Nordea Bank Abp, Finland Company reg. no. 25 99 21 80 Grønjordsvej 10 DK-2300 Copenhagen S Denmark
Joint Global Coordinators and Joint Bookrunners:	Citigroup Global Markets Limited, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland	
Offer Period:	6 November to 19 November 2020 at 11:00 a.m. (CET) unless the Offering is closed earlier in whole or in part. The Offer Period for order applications up to and including DKK 3 million may be closed before the remainder of the Offering. The Offering will not be closed before 17 November 2020 at 00:01 a.m. (CET).	
Offer Price Range:	DKK 112 to DKK 130 per Offer Share	
ISIN:	Permanent ISIN for the Shares: DK0061412855	

The Prospectus dated 6 November 2020 includes, *inter alia*, the Articles of Association of HusCompagniet A/S, the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 with comparative figures as at and for the years ended 31 December 2018 and 2017, the unaudited condensed consolidated interim financial statements of the Group as at and for nine months ended 30 September 2020 with comparative figures as at and for nine months ended 30 September 2019, as well as the terms and conditions for the purchase of Offer Shares.

Both binding order applications and expressions of interest can be submitted with specification of a maximum price. If the Offer Price is determined at a higher level than the stated maximum price, no Offer Shares will be allocated to the purchaser.

For binding orders up to and including DKK 3 million, the application form is submitted to the purchaser's own account holding bank duly filled in and signed.

The application form shall be submitted to the investor's own account holding bank within an appropriate amount of time for the account holding bank to process and forward the application so that the application reaches Danske Bank A/S no later than 19 November 2020 at 11:00 a.m. (CET) or such earlier time as the Offering may be closed in whole or in part.

Expressions of interest to purchase Offer Shares for more than DKK 3 million can be submitted to one of the Managers, e.g., by using this application form.

On the terms and conditions stated in the Prospectus dated 6 November 2020, including in "*Risk Factors*" and "*Selling Restrictions*", I/we hereby submit an order application for the purchase of Offer Shares in HusCompagniet A/S and simultaneously declare to have received a copy of the Prospectus; and that I/we have solely based my/our investment decision on the contents of the Prospectus. The Offer Price will be fixed upon closing of the Offer Period through a book-building process. See "*The Offering—Offer Price*". Only one application form per custody account with VP Securities A/S (VP) will be accepted.

[Please complete order form on the back]

Application submitted as a binding application (for orders up to and including DKK 3 million)

I/we accept that the Managers may demand information about my/our name(s), address(es) and application and are entitled to pass on such information to the Selling Shareholders, HusCompagniet A/S and the Managers. I/we undertake to pay the equivalent of the Offer Shares allocated at the Offer Price fixed.

Field (1) or (2) should be completed

(1) For Danish kroner (DKK)	(2) Number of Offer Shares	(3) Maximum price per Offer Share, if any

Expression of interest submitted pursuant to the book-building process (for orders above DKK 3 million)

I/we accept that the application form and information about my/our name(s) and address(es) are entitled to be passed on to the Selling Shareholders, HusCompagniet A/S and the Managers. I/we accept that I/we during the Offer Period can amend or revoke this expression of interest but that this expression of interest will automatically be converted into a binding purchase order upon expiry of the Offer Period.

Field (1) or (2) should be completed

(1) For Danish kroner (DKK)	(2) Number of Offer Shares	(3) Maximum price per Offer Share if any

If the aggregate applications to purchase and expressions of interest exceeds the total number of Offer Shares, a reduction will be completed as further described in the Prospectus. See "*Plan of Distribution*". Neither submission of application orders nor submission of expressions of interest entitles one to any Offer Shares. Settlement of the Offering will be effected by way of registration of the allocated number of Offer Shares on your custody account with VP Securities A/S (VP) against payment in DKK, which is expected to take place on or before 24 November 2020.

Information and signature

Name:

Address:

Postal code and city:	VP custody account no.:
Telephone:	Settlement account no.:
Date:	Custodian bank:

This application form was submitted to (to be completed by account holding institution):

Reg. no.:	*Participant ID no. (CD-ident.):*
Date:	*Tel.:*

Signature *Company stamp and signature*

ANNEX B—ORDREBLANKET

Ordreblanket (kun én blanket pr. depot)	**Udbud af op til 9.600.000 Aktier à nom. DKK 5**

Ordre om køb af Udbudte Aktier i HusCompagniet A/S, CVR-nr. 36972963

Salgssteder:	Danske Bank A/S (CVR nr. 61 12 62 28) Holmens Kanal 2-12 DK-1092 Copenhagen K Denmark	Nordea Danmark, Filial af Nordea Bank Abp, Finland (CVR nr. 25 99 21 80) Grønjordsvej 10 DK-2300 Copenhagen S Denmark
Joint Global Coordinators og Joint Bookrunners:	Citigroup Global Markets Limited, Danske Bank A/S og Nordea Danmark, Filial af Nordea Bank Abp, Finland	
Udbudsperiode:	6. november til 19. november 2020, kl. 11:00 dansk tid, medmindre Udbuddet helt eller delvist lukkes tidligere. Udbudsperioden for ordrer op til og med DKK 3 mio. kan lukkes før resten af Udbuddet. Udbuddet vil tidligst blive lukket 17. november 2020, kl. 00:01 dansk tid.	
Udbudskursinterval:	DKK 112 til DKK 130 pr. Udbudt Aktie	
ISIN kode:	Permanent ISIN for Aktierne: DK0061412855	

Prospektet dateret 6. november 2020 indeholder blandt andet vedtægter for HusCompagniet A/S, det reviderede konsoliderede årsregnskab for 31. december 2019 med sammenligningstal for 2018 og 2017 for Koncernen, det ureviderede konsoliderede delårsregnskab for 9-månedersperioden indtil 30. september 2020 med sammenligningstal for 2019 for Koncernen, samt vilkårene for køb af Udbudte Aktier.

Både bindende ordrer og interessetilkendegivelser kan afgives med angivelse af en eventuel maksimumkurs. Fastsættes Udbudskursen højere end den anførte maksimumkurs, vil ordregiver ikke blive tildelt nogen Udbudte Aktier.

For bindende ordrer til og med DKK 3 mio. indleveres ordreblanketten til ordregivers eget kontoførende institut i udfyldt og underskrevet stand.

Ordreblanketten skal indleveres til investorens kontoførende institut i så god tid, at det kontoførende institut har mulighed for at behandle og videresende ordren, således at den er Danske Bank A/S i hænde senest den 19. november 2020, kl. 11:00 dansk tid eller et sådant tidligere tidspunkt, hvor Udbuddet måtte blive lukket helt eller delvist.

Interessetilkendegivelser på mere end DKK 3 mio. skal afgives til en af Joint Global Coordinators og Joint Global Bookrunners evt. ved brug af denne ordreblanket.

På vilkår som anført i Prospektet dateret den 6. november 2020, herunder afsnittene "*Risk Factors*" og "*Selling Restrictions*", afgiver jeg/vi hermed tilbud om køb af Udbudte Aktier i HusCompagniet A/S og bekræfter samtidig at have fået udleveret et eksemplar af Prospektet, og at jeg/vi alene har baseret min/vores investeringsbeslutning på indholdet af Prospektet. Udbudskursen fastsættes efter lukning af Udbudsperioden via bookbuilding-metoden, jf. afsnittet "*The Offering—Offer Price*". Der kan kun afgives én ordreblanket pr. depot hos VP Securities A/S (VP).

[Venligst udfyld ordreblanketten på bagsiden]

Ordre afgivet som bindende ordre (for ordrebeløb til og med DKK 3 mio.)

Jeg/vi accepterer, at Emissionsbankerne kan kræve oplysninger om mit/vort navn, adresse og ordre, og er berettiget til at videregive denne information til de Sælgende Aktionærer, Selskabet og Emissionsbankerne. Jeg/vi forpligter mig/os hermed til at betale modværdien af tildelte Udbudte Aktier til den fastsatte udbudskurs.

Felt 1) eller 2) skal udfyldes

(1) For kroner (DKK):	(2) Antal Udbudte Aktier (stk.)	(3) Evt. maksimumkurs pr. Udbudt Aktie:

Interessetilkendegivelse afgivet efter bookbuilding-metoden (for ordrebeløb større end DKK 3 mio.)

Jeg/vi accepterer, at ordreblanketten samt navn og adresse videregives til de Sælgende Aktionærer, HusCompagniet A/S og Emissionsbankerne. Jeg/vi accepterer, at jeg/vi i Udbudsperioden løbende kan ændre eller tilbagekalde interessetilkendegivelsen, men at denne bliver til en bindende ordre ved lukning af Udbuddet.

Felt 1) eller 2) skal udfyldes

(1) For kroner (DKK):	(2) Antal Udbudte Aktier (stk.)	(3) Evt. maksimumkurs pr. Udbudt Aktie:

Overstiger de samlede ordrer og interessetilkendegivelser det samlede antal Udbudte Aktier, vil der ske reduktion som anført i Prospektet, jf. afsnittet "*Plan of Distribution*". Afgivelse af ordrer eller interessetilkendegivelser medfører ingen sikkerhed for hel eller delvis tildeling af Udbudte Aktier. Afvikling af Udbuddet sker ved registrering af antal tildelte Udbudte Aktier på Deres depot i VP Securities A/S (VP) mod kontant betaling i DKK, hvilket forventes at finde sted senest 24. november 2020.

Oplysninger og underskrift

Navn:

Adresse:

Postnr. og by:	VP-depotnr.:
Telefon:	Kontonr. til afregning.:
Dato:	Kontoførende institut:

Ordren er indleveret hos (udfyldes af kontoførende institut):

Reg.nr.:	*CD-ident:*
Date:	*Telefon:*

Underskrift	*Firmastempel og underskrift*

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THE COMPANY

HusCompagniet A/S
Plutovej 3
8700 Horsens
Denmark

MANAGERS

Joint Global Coordinators and Joint Bookrunners

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United Kingdom

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DK-1092 Copenhagen K
Denmark

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