

18 August 2022

Company Announcement 32/2022

## Interim financial report for the period 1 January – 30 June 2022 and adjusted financial outlook for 2022

First half of 2022 was characterised by historically challenging markets with distressed supply chains and high-cost inflation. Q2 2022 margins were pressured by immediate surcharges from suppliers, while adjustments to sales prices are expected to positively impact margins in H2 2022. Demand for newbuilds have decreased and the lower sales levels are expected to continue. A reorganisation is initiated on 18 August. Outlook for 2022 is adjusted due to lower expected sales for 2022, delayed effect of sales price adjustments and special items in relation to reorganisation.

Despite severe market challenges, revenue increased by 11% year-over-year to DKK 2,266 million whilst EBITDA was DKK 175 million on par with first half of 2021. Despite challenges an efficient completion rate of deliveries was kept.

*“First half of 2022 presented new market challenges in an already stressed market environment. In April 2022, immediate surcharges were imposed by our suppliers due to accelerated energy prices, in addition to a period of high-cost inflation. While Q2 2022 earning levels were pressured by these challenges, our strong margin focus and continued price adjustments are expected to positively impact margin levels in the second half of 2022.”* says CEO Martin Ravn-Nielsen and continues.

*“The sales for newbuilds decreased significantly in 2022 and the demand is currently below pre-covid levels. We have adjusted the organisation accordingly, and today we regretfully initiate a collective redundancy process. HusCompagniet remains financially strong, these are historically challenging times and calls for extraordinary measures to continue being a healthy and robust business.”*

### Selected key highlights H1 2022

DKKm	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
Houses sold (units)	358	721	-50.3%	732	1,347	-45.7%
Houses delivered (units)	526	424	24.1%	1,006	818	23.0%
Order backlog, gross	3,497	3,775	-7.4%	3,497	3,775	-7.4%
Order backlog, net	2,547	2,912	-12.5%	2,547	2,912	-12.5%
Revenue	1,094	1,084	0.9%	2,266	2,041	11.0%
Gross profit	207	229	-9.6%	425	419	1.4%
EBITDA (bsi)*	76	101	-24.8%	175	175	0.0%
Special items	-1	0	-	-1	0	-
EBIT	64	90	-29%	151	152	-0.7%
Gross margin (bsi)*	18.9%	21.2%	-2.3 ppt.	18.8%	20.6%	-1.8 ppt.
EBITDA margin (bsi)*	6.9%	9.3%	-2.4 ppt.	7.7%	8.6%	-0.9 ppt.
EBIT margin	5.8%	8.3%	-2.5 ppt.	6.7%	7.4%	-0.7 ppt.
Contract assets, gross	800	807	-0.9%	800	807	-0.9%
Available cash**	262	475	-44.8%	262	475	-44.8%
Net interest-bearing debt	-897	-702	27.7%	-897	-702	27.7%
NIBD/LTM EBITDA (bsi)*	2.2x	1.8x	0.4x	2.2x	1.8x	0.4x
FTEs end of period	463	453	2.2%	463	453	2.2%

\*Before special items \*\*With a RCF facility agreement of DKK 400 million

## Highlights

- H1 2022 revenue increased by 11% year-over-year to DKK 2,266 million, supported by an increase in deliveries totalling 1,006 houses, up by 188 from 818 houses in H1 2021. Q2 2022 revenue totalled DKK 1,094 million against DKK 1,084 million from Q2 2021, up 0.9% in the period.
- Sales totalled 732 houses compared to 1,347 in H1 2021, a decrease of 45.7% against an extraordinary high market activity in H1 2021. The current sales levels reflect a hesitant market, and we are seeing lower levels than pre-covid.
- EBITDA before special items (bsi) totalled DKK 175 million, on par with H1 2021, and corresponding to an EBITDA margin of 7.7% against 8.6% in H1 2021. Q2 2022 EBITDA margin came out at 6.9% against 9.3% in Q2 2021. Immediate surcharges from suppliers pressured the margins in the second quarter. Continuous price adjustments on sales prices are expected to positively impact margins in H2 2022.
- Due to lower sales in H1 2022 and the expected continued lower demand, HusCompagniet has reduced number of employees in H1 2022 by a total of 41 employees. On 18 August HusCompagniet will initiate a collective redundancy process primarily in the Detached segment. Ramp-up in Sweden and the Semi-detached segment are postponed for the time being while focusing on acquiring the right competencies.
- The reorganisations in 2022 are expected to generate an annual SG&A saving of approximately DKK 55-65 million. Also, a one-off expense of around DKK 20-25 million will impact special items for 2022, due to the redundancies made in June and on 18 August including closing of offices (production and sales).
- On 30 June 2022 net debt was DKK 897 million while the leverage ratio (NIBD/LTM EBITDA) was 2.2x compared to 1.8x at year-end 2021. The development was primarily due to the acquisition of the Factory in Esbjerg, Denmark. Liquidity remains solid, and due to postponements and cancellations of land bank acquisitions, financial gearing is expected to be around 2.0x by end of 2022.

## Outlook for 2022 adjusted

We adjust the full-year 2022 guidance issued on 28 April 2022 due to lower expected sales for 2022, delayed effect of sales price adjustments and special items in relation to reorganisation.

- Revenue is expected to be DKK 4,100 – 4,400 million (previously DKK 4,250 – 4,550 million)
- EBITDA before special items is expected to be DKK 340 – 360 million (previously DKK 370-410 million)
- Operating profit (EBIT) is expected to be DKK 265 – 290 million (previously DKK 320-360 million). EBIT guidance adjustment includes special items effect of DKK 20-25 million from reorganisation

HusCompagniet expects net debt to EBITDA before special items around 2.0x at the end of 2022 (previously below 2.25x). Several planned acquisitions of new land plots are cancelled or postponed due to the current market situation.

DKKm	Updated 18 August 2022	Updated 28 April 2022	Initial Outlook 6 November 2020
Revenue	4,100-4,400	4,250-4,550	4,350-4,650
EBITDA before special items	340-360	370-410	420-450
EBIT	265-290	320-360	370-400
Leverage ratio (NIBD/LTM EBITDA bsi)	around 2.0x	below 2.25x	below 2.0x

The visibility has been reduced substantially due to the war in Ukraine and an uncertain geopolitical situation not seen in recent times. High-cost inflation, distressed supply chains, and rising interest rates are affecting the market situation. HusCompagniet are continuously adjusting sales prices to follow the market development.

Immediate surcharges were in April imposed from suppliers as high as up to 30%, due to accelerated energy prices. Continuous adjustments to sales prices are expected to positively impact margins in H2 2022.

Due to market slowdown in all segments, we adjust our assumptions for sales in 2022, and consequently deliveries are also adjusted.

### **Assumptions for the outlook**

The 2022 guidance is based on no severe disruption of supply chains including gas supply emerging and on raw material prices not significantly exceeding current levels.

- Current expectations for 2022 sales are between 1,100 – 1,400 (previously 1,700 and 2,100 houses).
- Current expectations for 2022 deliveries are between 1,925 and 2,050 houses (previously 1,950- 2,100)
- Revenue from the semi-detached segment is assumed to be around DKK 450-500 million (previously DKK around 500 million)
- Share of deliveries on own land is expected to be around 10% due to the current size of the land bank. Long-term target remains at around 20%
- Current expectations for capital expenditures are DKK 40–60 million and comprise investments in digitalisation, automation, B2B and sustainability
- Full year cash conversion (free cash flow to EBITDA) is expected to be at least 50% despite the increased capex level
- Special items of DKK 25 -30 million is expected, including expenses for redundancies (Previously DKK 2-5 million)
- As announced on 1 July 2021, due to the delayed closing of the acquisition of Danhaus Production A/S, 2022 expected revenue from the factory is expected to be around DKK 50-80 million (previously around DKK 100 million) with an expected break-even EBITDA result (unchanged).

### **Webcast and conference call**

HusCompagniet will host a conference call (in English) for investors and analysts at 10:00 (CEST) today, Wednesday 18 August 2022. The conference call and presentation will be available from HusCompagniet's investor website.

Conference call dial-in numbers for investors and analysts:

DK: +45 32 74 07 10

UK: +44 20 3481 4247

US: +1 646 307 1963

<https://streams.eventcdn.net/huscompagniet/h1-2022/>

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DKK'm	H1 2022	H1 2021	Q2 2022	Q2 2021	2021
<b>Income statement</b>					
Revenue	2,266	2,041	1,094	1,084	4,315
Gross profit	425	419	207	229	875
EBITDA before special items	175	175	76	101	401
EBITDA after special items	174	175	75	101	401
Operating profit (EBIT) before special items	152	152	64	90	355
Operating profit (EBIT)	151	152	64	90	355
Financial income /expenses, net	-10	-10	-5	-5	-20
Profit for the year (continued operations)	109	109	45	68	265
Profit for the year (discontinued operations)	-10	0	-9	0	0
Profit for the year	99	109	36	68	265
<b>Balance sheet</b>					
Total assets	3,639	3,652	3,639	3,652	3,578
Contract assets, net	737	678	737	678	725
Net working capital	657	528	657	528	517
Net interest-bearing debt (NIBD)	897	702	897	702	713
Equity	1,814	1,909	1,814	1,909	1,885
<b>Cash flow</b>					
Cash flow from operating activities	7	72	13	62	258
Cash flow from investing activities	-17	-7	-10	-3	-22
- Hereof from investment in property, plant and equipment	-9	-4	-4	-2	-11
Cash flow from financing activities	-29	-71	12	-69	-261
Free cash flow	-10	66	3	59	237
<b>Key figures</b>					
Revenue growth	11.0%	20.6%	0.9%	28.7%	19.9%
Gross margin	18.8%	20.6%	18.9%	21.2%	20.3%
EBITDA before special items	7.7%	8.6%	6.9%	9.3%	9.3%
EBITDA margin after special items	7.7%	8.6%	6.9%	9.3%	9.3%
Earnings Per Share (EPS Basic), DKK	6.0	5.5	2.2	3.4	13.7
Diluted earnings per share (EPS-D) (DKK)	5.9	5.5	2.2	3.4	13.7
Dividend per share, DKK	-	-	-	-	7.35
Share price end of period, DKK	63	119	63	119	118
Market value, DKK billion	1.1	2.4	1.1	2.4	2.4
ROIC	5.4%	5.6%	2.3%	3.3%	13.2%
ROIC (adjusted for goodwill)	18.9%	22.9%	7.9%	13.5%	53.4%
NIBD/LTM EBITDA before special items	2.2	1.8	2.2	1.8	1.8

Refer to the consolidated financial statements 2021 for definition of key figures

## Business Update

First half of 2022 was severely affected by distressed supply chains and high-cost inflation fuelled by the war in Ukraine. Interest rates rose and consumer confidence decreased to historically low levels. Customers in all segments have been hesitant and the demand has decreased.

HusCompagniet sales amounted to 732 houses in H1 2022 down 45.7% compared to 1,347 houses in H1 2021 which was an extraordinarily high-demanded market. The sales level in H1 2022 was 14% lower than in H1 2020, which reflected a more normalised level, totalling 852 houses.

The decreased demand in May and June continued in July and overall sales in the first half of 2022 were below normalised level.

Due to the continued lower demand, redundancies were made during H1 2022, and again on 18 August 2022 a redundancy process has been initiated. Details are outlined under Contingency planning and activities.

Deliveries amounted to 1,006 houses, up 23% from 818 in H1 2021. The higher level reflected a high completion rate of 2021 sales, despite challenging markets with distressed supply chains. Focus on improving the delivery flow between quarters continues yet a challenging fourth quarter for 2022 is expected in Zealand.

Average selling price (ASP) increased in the detached segment to DKK 2.5 million reflecting this effect. Order books have shortened in Jutland and Funen while Zealand still have prolonged delivery time due to scarcity in sub-contractors. Building permit process are overall back on pre-covid levels.

HusCompagniet generated revenue of more than DKK 2.2 billion in H1 2022, up 11% from H1 2021. HusCompagniet's core market, Danish detached houses, comprised 78% of the revenue while Semi-detached and Sweden comprised 14% and 8%, respectively.

EBITDA margin before special items decreased by 0.9%-points impacted by high-cost inflation.

Immediate surcharges from suppliers had an impact especially in the second quarter. Continuous price adjustments have somewhat mitigated the effects and adjustments are expected to positively impact margin levels in the second half of 2022.

HusCompagniet successfully maintained the important target of delivering 98% of our houses on time and at agreed cost backed by HusCompagniets long term relationships with sub-contractors and suppliers.

### Customer satisfaction

We are pleased to see that customer ratings remain high, and we continue to have the best rating in the industry, with a satisfaction score of 4.7. out of 5.0 on Trustpilot with more than 4,500 reviews.

### Contingency planning and activities

Our business model and position in the market allow us to quickly adapt to changes in the supply and demand structure and secure competitive offerings.

The market demand for Detached houses has been reduced substantially since the extraordinarily high level in H1 2021. In February 2022 a staff reduction was completed, and 28 employees were terminated. In June, staff was reduced by 13 and on 18 August a collective redundancy process was initiated. Negotiations are initiated with approximately 46 employees seen to be terminated.

Reductions are concentrated in the detached segment to meet the lower demand. Market development are being monitored closely and further actions will be taken if necessary.

Due to lower production capacity needed and geographic optimisation, the Herning office will close production and the Horsens office will close both production and sales during 2022. In addition, the current Esbjerg office will move to the newly acquired factory.

Ramp up processes in Sweden and in the Semi-detached segment have been postponed for the time being while keeping focus on acquiring relevant competences.

The reorganisations made in 2022 are expected to save approx. DKK 55 - 65 million on SG&A annually.

Severance cost for reduction of staff in June and August and closing of offices of around DKK 20-25 million in total is expected for 2022, which will impact special items.

Further initiatives include a reduction of the showhouse portfolio going forward.

#### **Semi-detached – strategy update**

In H1 2022 we sold 126 units of which 77 were B2B sales against 138 in H1 2021 of which 79 were B2B sales.

Due to the decrease in demand the sales level for 2022 is expected to be lower than the realised 387 units in 2021.

Long process time in Semi-Detached permits continued to rise in H1 2022. Despite current market challenges we are comfortable with the strategic target set of 750 sold semi-detached houses annually by end of 2025.

The Semi-detached strategy will be further supported by the acquisition of a factory in Esbjerg, Denmark in April 2022, focusing on the use of more sustainable materials in Semi-detached projects. Further, a frame agreement for up to 370 units with NREP entered in Q2 2022 is expected to support sales levels.

#### **Acquisition of factory in Esbjerg, Denmark**

HusCompagniet acquired the factory in Esbjerg, Denmark on 28 April 2022 and the agreement was closed 1 July 2022. The integration process is in progress.

#### **Automation of the Swedish factory**

To ease capacity constraints and increase utilisation of the Swedish factory a production re-build including automation improvements in one of two production halls began in the July 2022 to increase capacity by up to 40%.

The upgrade is going according to plan and production in upgraded production hall will start again according to plan in September 2022.

Due to the capacity constraints and limitation of market activities, the market share in the Swedish segment was decreasing in a falling market.

#### **Capital structure and dividend**

Financial leverage was 2.2x LTM EBITDA bsi on 30 June 2022, up from 1.8x on 31 December 2021. The level increase was mainly due to the acquisition of the factory in Esbjerg, Denmark.

Liquidity remains solid, and due to postponements and cancellations of land bank acquisitions, financial gearing is expected to be around 2.0x by end of 2022.

A DKK 7.35 per share dividend, totalling DKK 132 million, was paid out in April 2022 following shareholder approval at the General Meeting.

The dividend policy adopted targets an initial pay-out ratio of at least 50% of the reported profit for the year by means of dividend to at least 25% by means of dividend, supplemented by means of share buyback for around 25%.

## Financial review for the first half of 2022

### Revenue

HusCompagniet reported a total revenue of DKK 2,266 million in H1 2022, up 11% from DKK 2,041 million in H1 2021, in line with guidance. The increase was mainly due to an increase in the number of houses delivered totalling of 1,006 houses. Average selling price (ASP) for the Detached segment increased to DKK 2.4 million from DKK 2.2 million in H1 2021, reflecting a strong margin focus.

### Gross margin

Gross margin was 18.8%, down from 20.6% in H1 2021. The development was mainly driven by high-cost inflation and immediate surcharges from suppliers affecting all segments. Semi-detached was on a lower margin compared to H1 2021, mainly due to internal transfer pricing as a substantial part of the production was completed in the detached segment. The transfer pricing effect is expected to reduce over time as the Semi-detached organisation is ramping up.

### EBITDA before special items

Reported EBITDA before special items was DKK 175 million compared with DKK 175 million in H1 2021. This corresponds to an EBITDA margin before special items of 7.7% compared to a margin of 8.6% in H1 2021.

The development was mainly due to decrease in gross margin while SG&A increased slightly due to a smaller ramp-up of the organisation in Semi-Detached and Sweden. The SG&A level is expected to decrease in the second half of 2022 due to staff reductions made in February 2022.

### Amortisation and depreciation

Amortisation and depreciation amounted to DKK 23 million against DKK 23 million in H1 2021. Depreciation amounted to DKK 14 million. Amortisation mainly consists of development projects including ERP system. Depreciation mainly refers to leasing contracts.

### Special items

There were Special items of DKK 1 million in H1 2022 due to the acquisition of the Factory in Esbjerg, Denmark. There were no special items in H1 2021.

### EBIT

Reported EBIT amounted to DKK 151 million against DKK 152 million in H1 2021, corresponding to a margin of 6.7% and 7.4% respectively. The margin level reflected a challenging market. A continued strong margin focus is expected to positively impact margin levels in the second half of 2022.

### Net financials

Reported net financials was an expense of DKK 10 million compared to an expense of DKK 10 million in H1 2021.

### Profit for the year before tax for continued operations

Profit for the year before tax from the continued operation was DKK 141 million in H1 2022 compared with DKK 142 million in H1 2021.

### Taxation

Reported tax for H1 2022 was DKK 32 million against DKK 32 million in H1 2021.

### Discontinued operations

During 2020, the Group closed its German and Swedish brick house activities finalised in September 2020. Reported loss from discontinued operations was DKK 10 million in H1 2022 due to a noncash effect of currency adjustments on loans received from group entities.



	Q2-2022	Q2-2021	H1-2022	H1-2021
<b>Sales (units)</b>	<b>358</b>	<b>721</b>	<b>732</b>	<b>1,347</b>
Detached	279	511	557	981
Semi detached	52	56	126	138
Sweden	27	154	49	228
<b>Deliveries (units)</b>	<b>526</b>	<b>424</b>	<b>1,006</b>	<b>818</b>
Detached	364	348	705	675
Semi detached	93	20	165	31
Sweden	69	56	136	112
<b>Order backlog (gross) (DKKm)</b>	<b>3,497</b>	<b>3,775</b>	<b>3,497</b>	<b>3,775</b>
Detached	2,525	2,867	2,525	2,867
Semi detached	658	584	658	584
Sweden	314	324	314	324
<b>Order backlog (net) (DKKm)</b>	<b>2,547</b>	<b>2,912</b>	<b>2,547</b>	<b>2,912</b>
Detached	1,832	2,255	1,832	2,255
Semi detached	434	378	434	378
Sweden	281	279	281	279
<b>Share of own land* (%)</b>	<b>10.1%</b>	<b>20.1%</b>	<b>15.7%</b>	<b>15.9%</b>
Detached (%)	8.0%	17.8%	8.2%	14.2%
Semi-detached (%)	18.3%	60.0%	47.9%	51.6%

\*Only Denmark

### Cash flow

#### Operating activities

Net cash generated from operating activities was DKK 7 million compared with DKK 72 million in H1 2021. Cash flows were supported by the higher operating profit offset by changes in working capital.

#### Investing activities

Net investments of DKK 17 million were generated during H1 2022, against DKK 7 million in H1 2021. Net investments mainly related to development projects and property, plant, and equipment.

#### Free cash flow

Free cash flow was negative DKK 10 million against DKK 66 million in H1 2021, mainly driven by operating activities. Cash conversion was negative 6%.

#### Financing activities

Financing activities was negative DKK 29 million, against negative DKK 71 million in H1 2021. Payment of dividend to shareholders of DKK 132 million was paid in April 2022 while DKK 60 million was paid in April 2021. Proceeds from loan in H1 2022 of net DKK 153 million included funds to pay for acquired factory in Esbjerg Denmark of DKK 75 million.

### Balance sheet

#### Financing

Net interest-bearing debt (NIBD) totalled DKK 897 million on 30 June 2022 against DKK 713 million on 31 December 2021. The net interest-bearing debt to EBITDA ratio was 2.2x compared to 1.8x at year-end 2021. The increase was mainly due to the acquisition of the factory in Esbjerg.

#### Equity

The Groups equity decreased by DKK 71 million in H1 2022, to stand at DKK 1,814 million. The decrease was based dividend



payment of DKK 132 million in April 2022 and purchase of own shares of DKK 37 million in Q1 2022, partly offset from the profit for the period.

#### **Net working capital**

Net working capital totalled DKK 657 million on 30 June 2022, up from DKK 528 million on 30 June 2021. The change was mainly caused by an increase in trade and other receivables and contract liabilities. Net working capital increased from DKK 517 million. On 31 December 2021, DKK 75 million was deposited in June for the acquisition of the factory in Esbjerg, Denmark.

Inventories totalled DKK 313 million on 30 June 2022, from DKK 314 million on 30 June 2021, on 31 December 2021 inventories totalled DKK 316 million.

#### **Contract assets**

Contract assets (net) amounted to DKK 737 million compared to DKK 678 million end of H1 2021. The development reflected slightly higher building activity.

#### **Order backlog**

The order backlog (gross) on 30 June 2022 amounted to DKK 3,497 million compared to DKK 3,775 million on 30 June 2021. The Net order backlog on 30 June 2022 amounted to DKK 2,547 million against DKK 2,912 million on 31 December 2021. The decreased level backlog was due to lower sales rate in H1 2022 compared to H1 2021.

Deliveries amounted to 1,006 houses, which exceeded the H1 2021 figure of 818. In H1 2021, 15.7% of deliveries were houses built on own land. Full-year level is expected to be around 10%.

#### **Land bank**

As of 30 June 2022, HusCompagniet's land bank comprised 239 individual land plots (including show houses and project houses) valued at DKK 226 million. As of 31 December 2021, HusCompagniet's land bank comprised 271 individual land plots (including show houses and project houses) valued at DKK 215 million.

#### **Dividend**

A dividend of DKK 7.35 per share for the 2021 financial year was distributed following shareholder approval at the Annual General Meeting held on 8 April 2022.

HusCompagniet's dividend policy targets initial pay-out ratio of at least 50% of reported profit for the year by means of dividend to at least 25% by means of dividend, supplemented by means of share buyback for around 25%.

The dividend for 2021 financial year added up to a total dividend pay-out of approximately DKK 132 million, corresponding to pay-out ratio of 50% of the consolidated profit after tax.

#### **Events after the balance sheet date**

On 18 August, HusCompagniet will initiate a collective redundancy process, primarily in the Detached segment. The reorganisation, including closing of offices, is expected to generate expenses of DKK 20-25 million that will impact special items for 2022.

No other events have occurred after the balance sheet date that are expected to have a material effect on HusCompagniet's financial position.

## Financial review for the second quarter of 2022

### Revenue

HusCompagniet reported total revenue of DKK 1,094 million in Q2 2022 up 0.9% from DKK 1,084 million in Q2 2021. Deliveries amounted to 526 houses an increase of 24.1% from 424 houses in Q2 2021. Revenue was positively impacted by the higher level of deliveries offset by high-cost inflation in the period.

### EBITDA before special items

Reported EBITDA before special items was DKK 76 million compared with DKK 101 million in Q2 2021. This corresponds to an EBITDA margin before special items of 6.9% compared to a margin of 9.3% in Q2 2021. Gross margin was 18.9% down from 21.2%. The quarter was affected by immediate surcharges imposed from suppliers.

### Special items

Special items amounted to DKK 1 million in Q2 2022 related to the acquisition of the factory in Esbjerg, Denmark, compared to no Special items in Q2 2021.

### Profit for the period

Profit for the period from continued operations was DKK 45 million in Q2 2022, against DKK 68 million in Q2 2021.

### Cash flow

#### Operating activities

Net cash generated from operating activities was DKK 13 million compared with DKK 62 million in Q2 2021. Inflow from operating profit was partly offset by changes in working capital. DKK 75 million was paid for the factory in Esbjerg, Denmark in June 2022.

#### Investing activities

Net investments of DKK 10 million were made during Q2 2022, against DKK 3 million in Q2 2021. Free cash flow

Free cash flow was DKK 3 million, against DKK 59 million in Q2 2021. Cash conversion was 4% for the quarter.

### Financing activities

Financing activities was DKK 12 million, against negative DKK 69 million in Q2 2021. The financing activities were affected by temporarily proceeds from the revolving credit facility of net DKK 153 million partly offset by dividend payment of DKK 132 million.

## Segments

Detached is our largest segment comprising 78% of total revenue in H1 2022. Semi-detached and Sweden comprised 14% and 8%, respectively. For H1 2021, the revenue split between the segments was 81%, 12% and 7%, respectively.

### Denmark - detached

Sales was 557 in H1 2022, down 43% or 424 houses from an extraordinary high level of 981 houses in Q2 2021. Q2 2022 sales came in at 279 houses.

Deliveries increased 4% totalling 705 in H1 2022 from 675 houses in H1 2021. Production utilisation increased in the period. Q2 2022 deliveries came in at 364 houses.

Revenue amounted to DKK 1,769 million, up 7% from DKK 1,651 million from H1 2021. The increase was driven by increased deliveries. Share of own land deliveries was 8.2% down from 14.2%.

The gross margin was 18.8% (20.2% y-o-y) with EBITDA before special items at DKK 139 million, corresponding to a margin of 7.8%.

EBITDA bsi margin decreased from 8.2% in H1 2021, primarily due to immediate surcharges from suppliers in Q2. Q2 2022 EBITDA bsi margin was 6.8%.

Average selling price (ASP) was DKK 2.4 million on par increased from DKK 2.2 million in H1 2021, reflecting a strong margin focus. Q2 2022 ASP was DKK 2.5 million.

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<b>Sales</b>	626	721	545	484	374	358
<b>Deliveries</b>	394	424	390	623	480	526

### Denmark - Semi-detached houses

Sales was 126 units, down from 138 in H1 2021. 77 were B2B sales. On 30 June 2022, the order book (net) was at DKK 434 million.

Revenue amounted to DKK 319 million, up from DKK 239 million in H1 2021. Revenue comprised mainly contacted work in progress. Share of own land in deliveries was 47.9%.

The gross margin was 8.4% (11.0% y-o-y) and EBITDA before special items DKK 13 million, corresponding to a margin of 4.1%. (7.3% y-o-y). Semi-detached was on a lower margin compared to H1 2021, mainly due to internal transfer pricing as the majority of production was completed in the detached segment. The transfer pricing effect is expected to reduce over time as the Semi-detached organisation is increasing production capacity.

Average selling price (ASP) was DKK 1.8 million, an increase from DKK 1.3 million y-o-y due to the delivery of larger projects with higher ASP. Share of own land deliveries decreased in the period. The Q2 2022 gross margin was 10.3% and an EBITDA margin at 3.6%.

### Sweden

Sales was 49 houses from 228 in H1 2021. Market demand declined and sales and marketing efforts were postponed in 2022 due to production capacity shortage at the Swedish factory. Increase in deliveries from 112 to 136, an increase of 21%.

Revenue amounted to DKK 178 million, up from DKK 150 million in H1 2021. The increase was driven by increased deliveries. The gross margin was 37.3% with EBITDA before special items at DKK 23.3 million, corresponding to an EBITDA margin of 13.1%. Average selling price (ASP) was DKK 1.3 million, on par with H1 2021 due to change in share of on-site construction projects.

The Q2 2022 gross margin was 36.9%, while the EBITDA margin was 12.0%.

The factory is undergoing automation upgrade to increase capacity.

### Outlook for 2022

We adjust the full-year 2022 guidance issued on 28 April 2022 due to lower expected sales for 2022, delayed effect of sales price adjustments and special items in relation to reorganisation.

- Revenue is expected to be DKK 4,100 – 4,400 million (previously DKK 4,250 – 4,550 million)
- EBITDA before special items is expected to be DKK 340 – 360 million (previously DKK 370-410 million)
- Operating profit (EBIT) is expected to be DKK 265 – 290 million (previously DKK 320-360 million). EBIT guidance adjustment includes special items effect of DKK 20-25 million from reorganisation

HusCompagniet expects net debt to EBITDA before special items around 2.0x at the end of 2022 (previously below 2.25x). Several planned acquisitions of new land plots are cancelled or postponed due to the current market situation.

DKKm	Updated 28 April 2022	Initial Outlook 5 November 2021
Revenue	4,250-4,550	4,350-4,650
EBITDA	370-410	420-450
EBIT	320-360	370-400
Leverage ratio (NIBD/LTM EBITDA bsi)	below 2.25x	below 2.0x

The visibility has been reduced substantially due to the war in Ukraine and an uncertain geopolitical situation not seen in recent times. High-cost inflation, distressed supply chains, and rising interest rates are affecting the market situation. HusCompagniet are continuously adjusting sales prices to follow the market development.

Immediate surcharges were in April imposed from suppliers as high as up to 30%, due to accelerated energy prices. Continuous adjustments to sales prices are expected to positively impact margins in H2 2022.

Due to market slowdown in all segments, we adjust our assumptions for sales in 2022, and consequently deliveries are also adjusted

### Assumptions for the outlook

The 2022 guidance is based on no severe disruption of supply chains including gas supply emerging and on raw material prices not significantly exceeding current levels.

- Current expectations for 2022 sales are between 1,100 – 1,400 (previously 1,700 and 2,100 houses).
- Current expectations for 2022 deliveries are between 1,925 and 2,050 houses (previously 1,950-2,100)
- Revenue from the semi-detached segment is assumed to be around DKK 450-500 million (previously DKK around 500 million)
- Share of deliveries on own land is expected to be around 10% due to the current size of the land bank. Long-term target remains at around 20%
- Current expectations for capital expenditures are DKK 40–60 million and comprise investments in digitalisation, automation, B2B and sustainability
- Full year cash conversion (free cash flow to EBITDA) is expected to be at least 50% despite the increased capex level
- Special items of DKK 25 -30 million is expected, including expenses for redundancies (Previously DKK 2-5 million)
- As announced on 1 July 2021, due to the delayed closing of the acquisition of Danhaus Production A/S, 2022 expected revenue from the factory is expected to be around DKK 50-80 million (previously around DKK 100 million) with an expected break-even EBITDA result (unchanged).

### General assumptions

General assumptions comprise assumptions relating to macro-economic conditions, industry considerations, regulatory changes, and customer behaviour (particularly in the 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 no other external actions.

### Forward-looking statements

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

### Risk factors

HusCompagniet is exposed to strategic, operational, and financial risks, which are described in the management review and the 2021 Annual Report prepared in accordance with IFRS.

## Statement by Management

The Board of Directors and the Executive Board have reviewed and approved the interim condensed consolidated financial statement of the Group for the period 1 January – 30 June 2022. The interim condensed consolidated financial statement, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

It is our opinion that the interim condensed consolidated financial statement gives a true and fair view of the financial position for the Group on 30 June 2022 and the results of the Group's operations and cash flow for the period 1 January – 30 June 2022.

Further, in our opinion, the Management's review gives a fair view of the development in the Group's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group face.

Virum, 18 August 2022

Executive Board:

Martin Ravn-Nielsen  
Group CEO

Mads Dehlsen Winther  
Group CFO

Board of Directors:

Claus V. Hemmingsen  
Chairperson

Anja B. Eriksson  
Vice chairperson

Stig Pastwa

Ylva Ekborn

Mads Munkholt Ditlevsen

Bo Rygaard

## Interim condensed consolidated Income Statement

DKK'000	Note	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Revenue	3, 4	2,266,150	2,040,504	1,093,638	1,083,667	4,314,783
Cost of Sales		-1,840,892	-1,621,117	-886,650	-854,273	-3,439,886
<b>Gross profit</b>		<b>425,258</b>	<b>419,387</b>	<b>206,988</b>	<b>229,394</b>	<b>874,897</b>
Staff cost		-176,657	-185,582	-90,929	-98,535	-349,059
Other external expenses		-73,504	-58,719	-40,451	-29,739	-124,900
Other operating income		106	107	106	76	173
<b>Operating profit before depreciation and amortisation (EBITDA) before special items</b>		<b>175,202</b>	<b>175,193</b>	<b>75,714</b>	<b>101,196</b>	<b>401,111</b>
Special items		-722	-1	-722	0	0
<b>Operating profit before depreciation and amortisation (EBITDA) after special items</b>		<b>174,481</b>	<b>175,192</b>	<b>74,992</b>	<b>101,196</b>	<b>401,111</b>
Depreciation and amortisation		-23,207	-23,106	-11,446	-11,190	-46,118
<b>Operating profit (EBIT)</b>		<b>151,274</b>	<b>152,086</b>	<b>63,546</b>	<b>90,006</b>	<b>354,993</b>
Financial income		23	37	14	28	300
Financial expenses		-10,311	-10,277	-5,451	-5,359	-20,761
<b>Profit before tax from continuing operations</b>		<b>140,986</b>	<b>141,845</b>	<b>58,112</b>	<b>84,676</b>	<b>334,533</b>
Tax on profit		-32,069	-32,455	-13,437	-16,767	-69,981
<b>Profit for the period from continuing operations</b>		<b>108,918</b>	<b>109,390</b>	<b>44,676</b>	<b>67,909</b>	<b>264,552</b>
Profit/(loss) after tax for the period from discontinued operations	5	-9,665	-75	-8,601	169	0
<b>Profit for the period</b>		<b>99,253</b>	<b>109,316</b>	<b>36,075</b>	<b>68,078</b>	<b>264,552</b>

### Profits attributable to:

DKK'000	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Equity owners of the Company	99,253	109,316	36,075	68,078	264,552

### Earnings per share:

DKK	Note	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Earnings per share (EPS Basic)		6.0	5.5	2.2	3.4	13.7
Diluted earnings per share (EPS-D)		5.9	5.5	2.2	3.4	13.7
Earnings per share (EPS Basic) continuing operations		6.5	5.5	2.7	3.4	13.7
Diluted earnings per share (EPS-D) continuing operations		6.5	5.5	2.7	3.4	13.7
Earnings per share (EPS) (DKK) from discontinued business		-0.6	0.0	-0.5	0.0	0.0
Diluted earnings per share (EPS-D) (DKK) from discontinued business		-0.6	0.0	-0.5	0.0	0.0

## Interim condensed consolidated Statement of Other Comprehensive Income

DKK'000	Note	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Profit for the year		99,253	109,316	36,075	68,078	264,552
Other comprehensive income		0	0	0	0	0
<i>Items that may be reclassified to the income statement in subsequent periods</i>		0	0	0	0	0
<i>Foreign currency translation differences, subsidiary</i>		-4,455	-462	-5,551	0	-2,112
<b>Other comprehensive income, net of tax</b>		<b>-4,455</b>	<b>-462</b>	<b>-5,551</b>	<b>0</b>	<b>-2,112</b>
<b>Total comprehensive income for the year</b>		<b>94,808</b>	<b>108,854</b>	<b>30,524</b>	<b>68,078</b>	<b>262,440</b>

### Total comprehensive income attributable to:

DKK'000	Note	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Equity owners of the Company		94,808	108,854	30,524	68,078	262,440



## Interim condensed consolidated Balance Sheet

DKK'000	Note	H1 2022	FY 2021	H1 2021
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		2,019,275	2,031,471	2,035,014
Intangible assets		39,297	39,741	40,501
Right-of-use assets		77,805	87,709	95,670
Property, plant, and equipment		27,662	20,728	19,993
Deferred tax asset		27,568	28,153	0
Other receivables		4,756	4,756	4,756
<b>Total non-current assets</b>		<b>2,196,363</b>	<b>2,212,558</b>	<b>2,195,934</b>
<b>Current assets</b>				
Inventories	6	312,549	315,926	314,422
Contract assets	7	800,096	809,330	806,791
Trade and other receivables		302,562	170,272	246,360
Prepayments		11,992	14,203	13,063
Cash and cash equivalents		15,063	55,420	75,038
<b>Total current assets</b>		<b>1,442,263</b>	<b>1,365,151</b>	<b>1,455,674</b>
<b>Total assets</b>		<b>3,638,626</b>	<b>3,577,709</b>	<b>3,651,608</b>

## Interim condensed consolidated Balance Sheet - continued

DKK'000	Note	H1 2022	FY 2021	H1 2021
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		91,050	100,000	100,000
Retained earnings and other reserves		1,722,579	1,784,982	1,809,065
<b>Total equity</b>		<b>1,813,629</b>	<b>1,884,982</b>	<b>1,909,065</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings		672,442	672,058	671,674
Lease liabilities		64,337	73,247	82,005
Provisions		7,977	8,680	8,555
Deferred tax liability		38,373	38,683	10,117
<b>Total non-current liabilities</b>		<b>783,130</b>	<b>792,668</b>	<b>772,351</b>
<b>Current liabilities</b>				
Lease liabilities		21,876	23,076	23,150
Trade and other payables		612,135	554,333	630,091
Contract liabilities	7	62,613	84,730	129,234
Prepayments from customers	7	10,133	10,081	32,235
Provisions		31,910	34,718	34,222
Income tax payable		60,390	44,998	36,192
Other liabilities		89,648	148,123	85,068
Bank overdrafts		153,162	0	0
<b>Total current liabilities</b>		<b>1,041,867</b>	<b>900,059</b>	<b>970,192</b>
<b>Total liabilities</b>		<b>1,824,997</b>	<b>1,692,727</b>	<b>1,742,543</b>
<b>Total equity and liabilities</b>		<b>3,638,626</b>	<b>3,577,709</b>	<b>3,651,608</b>

## Interim condensed consolidated Statement of Cash Flows

DKK'000	Note	H1 2022	H1 2021	FY 2021
<b>Cash flow from operating activities</b>				
EBITDA, after special items		174,481	175,192	401,111
EBITDA, discontinued activities		0	-75	5,501
<b>EBITDA</b>		<b>174,481</b>	<b>175,117</b>	<b>406,612</b>
Adjustments for non-cash items		1,425	3,997	11,495
<b>Adjusted EBITDA</b>		<b>175,906</b>	<b>179,114</b>	<b>418,107</b>
Changes in working capital		-142,196	-76,052	-84,508
<b>Cash flow from operating activities before financial items</b>		<b>33,710</b>	<b>103,062</b>	<b>333,599</b>
Interest received		23	36	300
Interest elements of lease payments		-2,604	-2,871	-5,736
Interest paid		-7,706	-7,406	-15,025
Corporation tax paid		-16,402	-20,384	-54,661
<b>Net cash generated from operating activities</b>		<b>7,021</b>	<b>72,437</b>	<b>258,477</b>
<b>Cash flow from investing activities</b>				
Acquisition of assets recognised as property, plant, and equipment		-9,184	-3,883	-11,327
Acquisition of assets recognised as intangible assets		-7,631	-2,854	-10,435
<b>Net cash generated from investing activities</b>		<b>-16,815</b>	<b>-6,737</b>	<b>-21,762</b>
<b>Cash flow from financing activities</b>				
Repayment of bank overdraft		-50,000	1,340	0
Proceeds from bank overdraft		203,546	0	0
Repayment of lease liabilities		-13,088	-12,399	-21,850
Dividend to equity holders		-132,276	-60,000	-60,000
Dividends from own treasury shares		0	410	410
Acquisition of own shares		-36,821	0	-179,990
<b>Net cash generated from financing activities</b>		<b>-28,639</b>	<b>-70,648</b>	<b>-261,430</b>
<b>Total cash flows</b>		<b>-38,433</b>	<b>-4,948</b>	<b>-24,715</b>
<b>Cash and cash equivalents on 1 January</b>		<b>55,420</b>	<b>77,916</b>	<b>77,467</b>
Net foreign currency gains or losses		-1,925	2,070	2,668
<b>Cash and cash equivalents on 30 June/31 December</b>		<b>15,063</b>	<b>75,038</b>	<b>55,420</b>
<b>Free cash flow</b>		<b>-9,794</b>	<b>65,700</b>	<b>236,715</b>

## Interim condensed consolidated statement of changes in equity

2022

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
<b>Equity on 1 January</b>	<b>100,000</b>	<b>1,656</b>	<b>1,651,050</b>	<b>132,276</b>	<b>1,884,982</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>99,253</b>	<b>0</b>	<b>99,253</b>
<b>Other comprehensive income:</b>					
Foreign currency translation differences	0	-4,455	0	0	-4,455
<b>Total other comprehensive income</b>	<b>0</b>	<b>-4,455</b>	<b>0</b>	<b>0</b>	<b>-4,455</b>
<b>Transactions with owners of the Company and other equity transactions:</b>					
Capital reduction	-8,950	0	8,950	0	0
Share-based payment	0	0	2,946	0	2,946
Purchase of own shares	0	0	-36,821	0	-36,821
Dividends, own shares	0	0	0	0	0
Dividends paid	0	0	0	-132,276	-132,276
<b>Total transactions with owners of the Company and other equity transactions</b>	<b>-8,950</b>	<b>0</b>	<b>-24,925</b>	<b>-132,276</b>	<b>-166,151</b>
<b>Equity on 30 June</b>	<b>91,050</b>	<b>-2,799</b>	<b>1,725,378</b>	<b>0</b>	<b>1,813,629</b>

**Interim condensed consolidated statement of changes in equity –  
continued**

2021

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
<b>Equity on 1 January</b>	<b>100,000</b>	<b>3,768</b>	<b>1,693,424</b>	<b>60,000</b>	<b>1.857,192</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>109,316</b>	<b>0</b>	<b>109,316</b>
<b>Other comprehensive income:</b>					
Foreign currency translation differences	0	-462	0	0	-462
<b>Total other comprehensive income</b>	<b>0</b>	<b>-462</b>	<b>0</b>	<b>0</b>	<b>-462</b>
<b>Transactions with owners of the Company and other equity transactions:</b>					
Share-based payment	0	0	2,609	0	2,609
Dividends, own shares	0	0	410	0	410
Dividends paid	0	0	0	-60,000	-60,000
<b>Total transactions with owners of the Company and other equity transactions</b>	<b>0</b>	<b>0</b>	<b>3,019</b>	<b>-60,000</b>	<b>-56,981</b>
<b>Equity on 30 June</b>	<b>100,000</b>	<b>3,306</b>	<b>1,805,759</b>	<b>0</b>	<b>1,909,065</b>

## Notes overview

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## 1 Accounting policies

This interim condensed financial report comprises the period 1 January – 30 June 2022.

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

The financial part of the interim condensed financial report has been prepared in accordance with IAS 34 for interim condensed consolidated financial statements.

The accounting policies are unchanged from the 2021 consolidated financial statements, to which reference is made except the changes stated below. A full description of accounting policies is provided in the 2021 consolidated financial statements.

### Changes to accounting policies

HusCompagniet A/S has implemented the following new or amended standards and interpretations with effect from 1 January 2022:

· Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and Annual Improvements 2018-2020.

HusCompagniet A/S has implemented the standards and interpretations that became effective in the EU for 2022. None of these standards or interpretations has affected recognition or measurement in 2022 or is expected to affect the Group.

## 2 Accounting estimates and judgements

In preparing the interim condensed 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.

The significant estimates made by management applying the Group's accounting policies and the associated significant estimating uncertainties are the same for the preparation of the interim condensed financial statements as for the preparation of the consolidated financial statements for 2021.

## 3 Segment information

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

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

No operating segments have been aggregated to form the above reportable operating segments.

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



### 3 Segment information

H1 2022	Denmark		Sweden				
DKK'000	Detached houses	Semi-detached houses	Wooden houses	Total continuing operations	Total discontinued operations	Total segments	
<b>Revenue</b>							
External customers	1,966,192	121,774	178,185	2,266,150	0	2,266,150	
Inter-segment	-196,764	196,764	0	0	0	0	
<b>Total revenue</b>	<b>1,769,427</b>	<b>318,538</b>	<b>178,185</b>	<b>2,266,150</b>	<b>0</b>	<b>2,266,150</b>	
<b>Income/(expenses)</b>							
Cost of goods	-1,626,484	-102,772	-111,636	-1,840,892	-280	-1,841,172	
Inter-segment	188,894	-188,894	0	0	0	0	
<b>Segment gross profit</b>	<b>331,837</b>	<b>26,872</b>	<b>66,549</b>	<b>425,258</b>	<b>-280</b>	<b>424,978</b>	
<b>Gross margin</b>	<b>18.8%</b>	<b>8.4%</b>	<b>37.3%</b>	<b>18.8%</b>	<b>-0%</b>	<b>18.8%</b>	
Other operating income	106	0	0	106	0	106	
Staff costs	-140,420	-12,016	-24,221	-176,657	0	-176,657	
Other operating expenses	-52,819	-1,662	-19,023	-73,504	1,426	-70,089	
<b>Segment EBITDA</b>	<b>138,704</b>	<b>13,194</b>	<b>23,305</b>	<b>175,203</b>	<b>1,146</b>	<b>178,337</b>	
<b>EBITDA margin</b>	<b>7.8%</b>	<b>4.1%</b>	<b>13.1%</b>	<b>7.7%</b>	<b>-</b>	<b>7.9%</b>	

### 3 Segment information - Continued

H1 2021 DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
<b>Revenue</b>						
External customers	1,779,798	110,424	150,282	2,040,504	0	2,040,504
Inter-segment	-128,713	128,713	0	0	0	0
<b>Total revenue</b>	<b>1,651,085</b>	<b>239,137</b>	<b>150,282</b>	<b>2,040,504</b>	<b>0</b>	<b>2,040,504</b>
<b>Income/(expenses)</b>						
Cost of goods	-1,440,987	-89,265	-90,865	-1,621,117	0	-1,621,117
Inter-segment	123,564	-123,564	0	0	0	0
<b>Segment gross profit</b>	<b>333,663</b>	<b>26,307</b>	<b>59,416</b>	<b>419,387</b>	<b>0</b>	<b>419,387</b>
<b>Gross margin</b>	20.2%	11.0%	39.5%	20.6%	-	20.6%
Other operating income	107	0	0	107	0	107
Staff costs	-157,444	-8,473	-19,666	-185,582	-4	-185,586
Other operating expenses	-41,590	-458	-16,671	-58,719	155	-58,564
<b>Segment EBITDA</b>	<b>134,737</b>	<b>17,376</b>	<b>23,079</b>	<b>175,192</b>	<b>151</b>	<b>175,344</b>
<b>EBITDA margin</b>	8.2%	7.3%	15.4%	8.6%	-	8.6%

#### Reconciliation of profit

DKK'000	2022 H1	2021 H1
Segment EBITDA from continuing operations	174,481	175,192
Segment EBITDA from discontinued operations	1,146	151
Special items from discontinued operations	-1,146	-1
Depreciation and amortisations	-23,207	-23,106
Financial income	1,437	12,317
Financial expenses	-21,463	-22,783
Profit before tax from discontinued operations	9,738	75
<b>Profit before tax from continuing operations</b>	<b>140,986</b>	<b>141,845</b>

## 4 Revenue

H1 2022						
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Sales value houses sold on customers building sites	1,594,646	159,434	178,185	1,932,264	0	1,932,264
Sales value houses sold on own building sites	119,577	159,104	0	278,681	0	278,681
<b>Total Contracted sales</b>	<b>1,714,222</b>	<b>318,538</b>	<b>178,185</b>	<b>2,210,945</b>	<b>0</b>	<b>2,210,945</b>
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Show- and project houses	39,596	0	0	39,596	0	39,596
Other revenue	0	0	0	0	0	0
Sales of land plots	15,609	0	0	15,609	0	15,609
<b>Total Non-contracted sales</b>	<b>55,205</b>	<b>0</b>	<b>0</b>	<b>55,205</b>	<b>0</b>	<b>55,205</b>
<b>Total Revenue</b>	<b>1,769,427</b>	<b>318,538</b>	<b>178,185</b>	<b>2,266,150</b>	<b>0</b>	<b>2,266,150</b>

## 4 Revenue - Continued

### Revenue per segment and category - Contracted Sales

H1 2021						
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Sales value houses sold on customers building sites	1,319,724	41,771	150,282	1,511,777	0	1,511,777
Sales value houses sold on own building sites	180,649	197,366	0	378,015	0	378,015
<b>Total Contracted sales</b>	<b>1,500,373</b>	<b>239,137</b>	<b>150,282</b>	<b>1,889,792</b>	<b>0</b>	<b>1,889,792</b>

### Revenue per segment and category - Non-contracted sales

H1 2021						
DKK'000	Denmark		Sweden	Total continuing operations	Total discontinued operations	Total segments
	Detached houses	Semi-detached houses	Wooden houses			
Show houses	67,497	0	0	67,497	0	67,497
Other revenue	0	0	0	0	0	0
Sales of land plots	83,215	0	0	83,215	0	83,215
<b>Total Non-contracted sales</b>	<b>150,712</b>	<b>0</b>	<b>0</b>	<b>150,712</b>	<b>0</b>	<b>150,712</b>
<b>Total Revenue</b>	<b>1,651,085</b>	<b>239,137</b>	<b>150,282</b>	<b>2,040,504</b>	<b>0</b>	<b>2,040,504</b>

### Revenue per continuing and discontinued operations

DKK'000	2022 H1	2021 H1
Total revenue from continuing operations	2,266,150	2,040,504
Total revenue from discontinued operations	0	0
<b>Total revenue</b>	<b>2,266,150</b>	<b>2,040,504</b>

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

Non-contracted sales are recognised on delivery (point-in-time). Contracted sales are recognised over time. Payment is typically due at the time of final delivery of the house project; however, a small deposit is paid upon contract negotiation.

The Group receives a bank guarantee in connection with the start-up of each contract, and is entitled to payment for work performed, including profit, during the project. Construction contracts with professional investors may also include payments on account.

Contracted sales comprise the sale of houses constructed on the customers land, or houses sold on own land (semi-detached includes land plots) that are covered by a customer contract before construction is started.

## 4 Revenue - Continued

Conversely, non-contracted sales comprise of:

1. The sale of houses constructed on own land to which no customer contract has been entered into before construction starts.
2. The sale of detached land-plots to which no customer contract has been entered into before purchase and development of the land plots.

## 5 Discontinued operations

In 2019, the Group decided to close 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 large new 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 during September 2020. The closing of the discontinued operations are proceeding as expected. The closing is expected to be finalised in 2023.

DKK'000	H1 2022	H1 2021
Revenue	0	0
Expenses	0	151
Impairment	0	0
<b>Operating income</b>	<b>0</b>	<b>151</b>
Finance Costs	-9,738	-226
<b>Profit/(loss) before tax from discontinued operations</b>	<b>-9,738</b>	<b>-75</b>
Tax on profit/(loss)	74	0
<b>Profit/(loss) after tax for the period from discontinued operations</b>	<b>-9,665</b>	<b>-75</b>

The net cash flows generated /(incurred) by the business segments brick houses in Sweden and the operations in Germany are, as follows:

DKK'000	H1 2022	H1 2021
Operating	-2,031	-75
Investing	0	0
Financing from group entities	17,000	0
<b>Net cash inflow/(outflow)</b>	<b>14,969</b>	<b>-75</b>

## 6 Inventories

DKK'000	H1 2022	H1 2021	FY 2021
Raw materials	9,793	7,063	9,766
Show-houses and semi-detached houses (non-contracted)	159,735	141,697	140,718
Land	143,066	170,662	165,442
Write-down inventories	0	-5,000	0
<b>Total inventories</b>	<b>312,549</b>	<b>314,422</b>	<b>315,926</b>

## 7 Contract assets

DKK'000	H1 2022	H1 2021	FY 2021
Selling price of contract assets	810,395	838,614	859,079
Prepayments from customers	-72,911	-161,057	-134,478
	<b>737,484</b>	<b>677,557</b>	<b>724,601</b>

Calculated as follows:

Contract assets	800,096	806,791	809,330
Contract liabilities	-62,613	-129,234	-84,730
	<b>737,484</b>	<b>677,557</b>	<b>724,601</b>
Prepayments from customers regarding construction contracts not yet started	<b>10,133</b>	<b>32,235</b>	<b>10,081</b>

Delivery obligations	H1 2022	H1 2021	FY 2021
Within one year	<b>3,282,289</b>	<b>3,760,575</b>	<b>3,553,226</b>
After one year	<b>214,232</b>	<b>53,567</b>	<b>185,976</b>

### 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.

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

Contract liabilities were largely affected by a high level of deposits in 2021 due to the negative interest rate environment. As a result, the Company removed the deposit option which is the main reason H1 2022 prepayments are lower than H1 2021.

Delivery obligations are lower in H1 2022 due to a decline in sales compared to H1 2021.

Credit risk on contract assets is generally managed by regular credit rating of customers and business partners. The credit risk exposure relating to dealing with private counterparties is estimated to be limited.

## 8 Business Combinations

HusCompagniet A/S has closed the agreement to acquire 100% of the shares in Danhaus Production A/S from NVV GmbH and JAWS Holding ApS (Danhaus) at an enterprise value of DKK 90 million on a debt-free basis. The acquisition was completed on 1 July 2022, hence HusCompagniet closing balance and thereby also initial accounting for the business combination is incomplete at time of report Q2 2022. It is expected that the majority of the purchase price will be allocated to tangible assets due to the factory owned by Danhaus Production A/S. The intended primary use for the factory will be to produce components to the detached segment and increase the level of automation. The purchase price does not have any contingent liabilities related. The acquisition-related costs amount to DKK 0,7 million.

## 9 Events after the balance sheet date

On 18 August, HusCompagniet will initiate a collective redundancy process, primarily in the Detached segment. The reorganisation, including closing of offices, is expected to generate expenses of DKK 20-25 million that will impact special items for 2022.

No other events have occurred after the balance sheet date that are expected to have a material effect on HusCompagniet's financial position.