MILTON
HUSE

2022

ANNUAL REPORT

Milton Huse A/S, Helge Nielsens Allé 7.3, 8723 Løsning, CVR no. 33492782

The annual general meeting adopted the Annual Report on 31/05/2023

Chairman of the general meeting - Birgitte Brinch Madsen

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LETTER FROM THE EXECUTIVE MANAGEMENT

In 2022 Milton Huse achieved the highest revenues in its history, surpassing DKK 2.7bn and EBIT before special items raised by 64% y/y to DKK 77m. Across segments, we delivered 1,250 houses in 2022 – also a new record.

Building activity has been high during 2022 and the Danish construction sector was extremely busy. This caused labour shortage and wage inflation among our subcontractors, ultimately leading to cost increse. Furthermore, surging energy prices further accelerated cost inflation. Consequently, gross margins remained significantly suppressed especially during the first half of 2022.

Rapidly rising interest rates and low consumer confidence caused a decline in market demand for both detached and semi-detached houses during 2022. The new level for market demand has not been seen lower since the early 1990s.

In order to ensure a sustainable business, we launched a number of mitigating actions including cost reduction through layoffs and a re-organisation of sales offices. By the end of 2022, we were 192 FTEs across 6 offices, down from 197 FTEs across 14 offices by the end of 2021. Our employees are the backbone of our business, and we wish to thank all of them for their remarkable efforts during an extraordinary year with high building activity in a challenging business environment and at the same time low market demand.

We are pleased to see our market shares grew modestly during 2022, despite the implementation of necessary sales price hikes to absorb cost inflation on materials. We have invested many resources in improving our market surveillance of cost prices and the competitive environment

LETTER FROM THE EXECUTIVE MANAGEMENT (CONTINUED)

2023 Outlook

Revenues: Our turnover in 2023 is expected to decline to around 50% of the revenue in 2022. Our expectations are significantly lower than 2022 level due to the current market conditions.

EBIT Margin: We expect EBIT margin in 2023 at the level of 4%.

Above is based on current expectations and an unchanged market situation as we saw in H2 2022.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, including projections of financial performance in 2023 as well as future strategies and plans. The forward-looking statements are based on our current expectations, estimates and assumptions. Although we believe that these assumptions were reasonable when made, forward-looking statements by their nature involve risks and uncertainties, and many factors, some of which beyond our control, may result in actual developments differing considerably from the expectations set out in this report. Such factors include, but are not limited to, general economic and business conditions and interest rate fluctuations, market demand and competition.

to minimise the risks of contracts with low gross margins.

At Milton Huse, it is part of our DNA to act properly and treat others fairly. In 2022 we launched an ESG strategy during the year, where we have achieved the first results and made good progress on other initiatives. We were very pleased to receive a pre-certification in the newly developed sustainability certification system for detached houses, DGNB Villa, as the first ever.

Looking ahead, we expect 2023 revenue to decline to around 50% of the revenue in 2022, as a result of the lower market demand. We expect an operating profit (EBIT-margin) at the level of 4%. Our expectations are based on a strong backlog and profitability-enhancing activities.

2023 has started with continued low market demand in both segments, yet with a positive trend. During the first months of 2023 we still see an ongoing improvement in profitability, because of implemented initiatives. Simultaneously, we will continue our constant work to improve our business and strengthen our position.

Erik Rehnquist CEO

Michael Hvid CFO

BUSINESS MODEL

KEY RESOURCES

CORE BUSINESS ACTIVITIES

VALUE CREATED

KEY RESOURCES

OUR PEOPLE
Our employees are the backbone of the business

OUR PARTNERS
We engage in long relationships with suppliers, subcontractors and business partners

OUR CULTURE
We aim to push our industry in the right direction with our humble and forward-leaning culture

NATURAL RESOURCES
With care, we use many different materials made of natural resources such as bricks, lumber and concrete when building houses

FINANCIAL CAPITAL
We finance our business with reinvested cash flows and credit facilities

CORE BUSINESS ACTIVITIES

PROJECT DEVELOPMENT
With our forward-leaning culture, we expect to benefit from development of land and large housing projects

DESIGNING & SELLING
We listen and inspire when designing and selling the houses that fit our customers' needs and wishes. We sell at fixed prices to offer certainty for our customers

PLANNING
We make detailed plans to ensure lean and efficient work streams

SOURCING
We closely cooperate with our suppliers, ensuring we get the right quantity and quality at the right time

CONSTRUCTION
Our trusted subcontractors take care of construction under our supervision

DELIVERING
With care, we deliver detached and semi-detached houses

VALUE CREATED

CUSTOMER VALUE
Our customers benefit from our efficient business, which provides access to affordable quality houses

PARTNERSHIP VALUE
Our close cooperation with partners allows for mutual beneficial relationships

SOCIETY VALUE
Lean work streams enable an efficient use of resources

EMPLOYEE VALUE
We aim to provide an inclusive and rewarding work environment with equal opportunities for development

SHAREHOLDER VALUE
Since our inception, we have consistently delivered profits every year despite our high investments in future growth

CORPORATE SOCIAL RESPONSIBILITY

Milton Huse has adopted an overall Corporate Social Responsibility (CSR) policy, which became effective from 2022. This policy was under development in 2021, when Milton Huse started planning the implementation of the most material CSR topics in own operations and with suppliers.

Milton Huse has an impact on the surrounding communities. We deliver houses of good quality at reasonable prices for consumers and professional real estate investors (for further details, refer to the description of our business model on page 6). As houses last for decades, the impact on the surrounding communities varies through their lifespan. The new CSR policy is based on Milton Huse's strive to deliver value to societies by acting responsibly as homebuilder.

The foundation of the CSR policy is the ten principles of the UN Global Compact, comprising four overall themes: Human Rights, Labour, Environment, and Anti-Corruption.

Human Righs

We fundamentally believe in respecting and treating others fairly. As determined in our CSR policy, Milton respects human rights in all of its business and activities. Furthermore, we support and respect the protection of internationally proclaimed human rights. Human rights violations are unacceptable. Milton Huse assigns a construction manager for all construction sites, and we have at no time experienced human rights violations in connection with our business and we assess that the risk therefore is very low. During 2022 Milton Huse has also implemented a new code of conduct, which contains human rights parameters. The code of conduct is applicable to management, employees, and business partners. The code of conduct is publicly available at miltonhuse.dk.

Labour

The backbone of Milton Huse is the employees. To ensure a sustainable labour force with the right skills, we provide both apprenticeships and internships. We believe this will not only benefit us but also the entire industry and the broader society.

Diversity & inclusion

Milton Huse should be an inclusive workplace with right to equal opportunities without discrimination. We hire new employees solely based on their competencies and experiences. Gender, belief, age, nationality, ethnicity, or sexual orientation are of no relevance. We, however, acknowledge that the construction sector is heavily male-dominated, which increases the need for us to act proactively to improve the gender diversity and Milton Huse has therefore adopted a diversity policy. The initiatives include implementing discussions about leadership ambitions in employee development dialogues and the ambition to establish regular statistics for the gender distribution in the organisation among other initiatives.

Milton Huse takes responsibility for its work environment, which should be safe and healthy for its employees. A new initiative in 2022, in line with our ESG roadmap, has been to implement an employee well-being survey, the survey had a good result and insights. Furthermore, Milton Huse supports the elimination of all forms of forced and compulsory labour, and the effective abolition of child labour.

CSR policy

We engage with hundreds of local subcontractors and suppliers as a part of our business model. We believe that partnerships offer win-win situations for the involved parties due to comparative advantages. We are pleased to see that some of our partners have grown together with us.

Our business model relies on the use of subcontractors and suppliers, who we require to comply with our code of conduct and strongly encourage to follow our stance on CSR and act responsibly. Not following our stance in practice will inevitably lead to termination of our relationship. As the vast majority of our subcontractors and suppliers are local with many years of experience from the industry and long relationships with Milton Huse, we assess the risk of them not following our CSR stance as low.

Climate and environment

From an environment and climate perspective, we always comply with local regulations. We aim to be ahead in the implementation of known upcoming regulations. Furthermore, we encourage and aim to take active part in the development and diffusion of environmentally friendly technologies as part of our CSR policy. We also favour environmentally friendly technologies in our offerings. One example is dual flush toilets with low water consumption, which are the standard offering at Milton Huse. During 2022 Milton Huse has also mapped environmental product declarations for the majority of materials used. This has also led to a change in certain standard procedures, where the life cycle emissions could be reduced.

Climate change caused by human-driven activities is one of the biggest challenges facing the world. We aim to minimise the negative consequences of our activities through selective choices of materials in our offerings. Likewise, we also encourage our customers to consider renewable energy sources such as solar panels or heatpumps.

Corruption and bribery

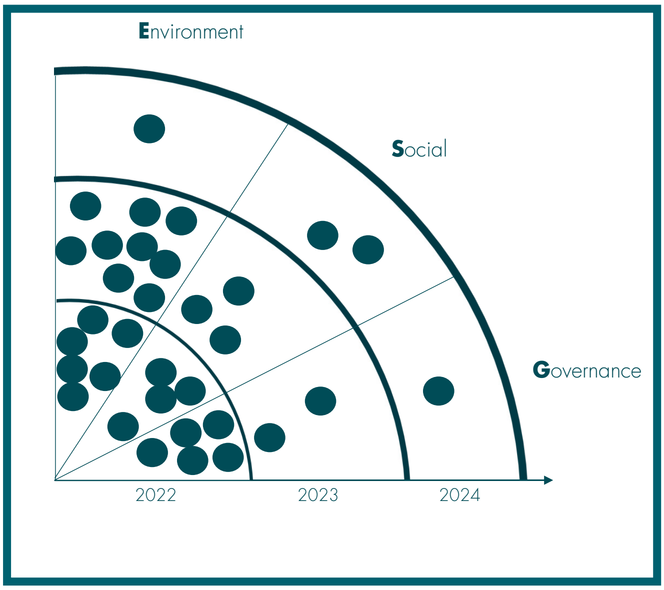
The last principle in our CSR policy is that we do not accept any form of corruption or bribery. Similar to previous years, we have not detected any violations related to this during 2022, why we do not assess that there are special risks on this area. No employee may receive, offer, promise, or authorise the giving of money, or anything else of monetary value, to or from an individual or entity in the private sector or a government official in order to secure an improper advantage.

Milton Huse established an ESG (Environmental, Social and Governance) strategy during 2022. The strategy includes a comprehensive roadmap with initiatives for the coming three years across all aspects of the ESG agenda, which also includes human rights, social responsibility, climate and anti-corruption in our CSR policy. We aim to update the roadmap at least once a year, ensuring that we always have a plan for the coming three years. We also aim to establish a set of ESG measurements that allow internal and external stakeholders to track our progress.

DGNB villa

During 2022 Milton Huse launched a new webpage for responsible homebuilding, which provides an introduction of ESG matters to potential customers and other relevant stakeholders. In September Milton Huse also achieved a DGNB Villa pre-certification as the first homebuilder in Denmark. DGNB Villa is a newly developed certification system for sustainability related factors such as environmental, economic, and social factors in the construction of detached houses. Milton Huse has a designated salesperson to DGNB Villa homes in order to ensure the best possible customer experience with in-depth advice with this field.

ESG Roadmap



Note: Each dot represents one ESG-related initiative

Composition of the board of directors

The Board of Directors consists of 5 members: Birgitte Brinch Madsen, Erik Rehnquist, Lars Arenfeldt Jensen, Christina Rehnquist and Søren Rehnquist.

The Board of Directors currently consists of 2 female and 3 male directors. As included in the diversity policy, Milton Huse aims for an equal gender distribution in the Board with a gender distribution of 2 out of 3 being opposite gender, as defined by the Danish Business Authority's guidelines.

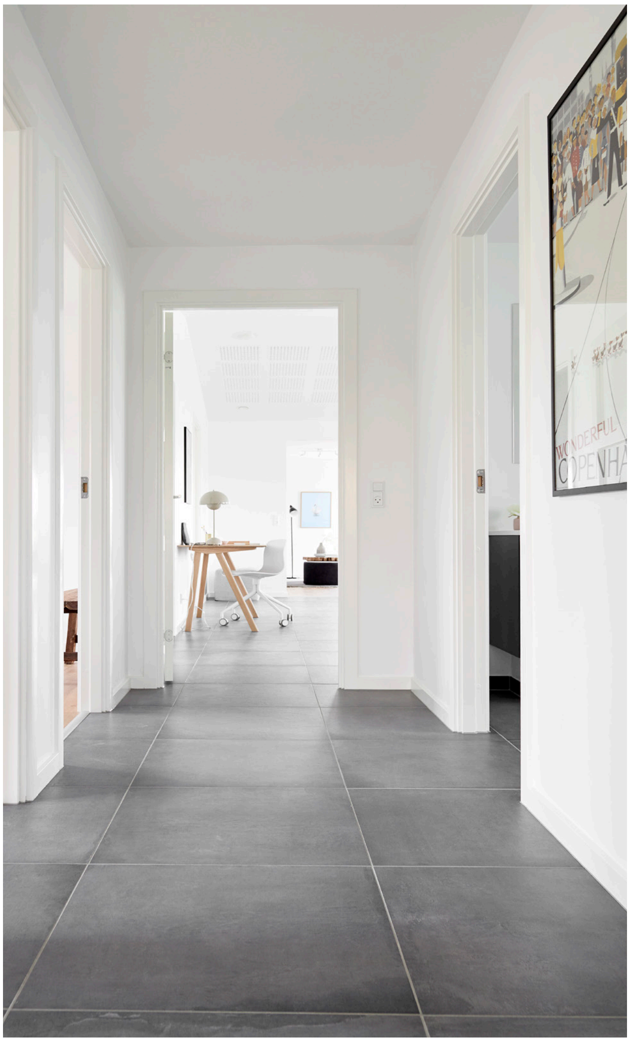
Composition of the executive management

The Executive Management is unchanged and comprises 2 members: CEO Erik Rehnquist and CFO Michael Hvid.

Currently, the Executive Management consists of two men and no women. As included in our diversity policy, Milton Huse aims for an improvement of the gender distribution throughout the staff including managerial positions. Currently, one (defined as the Executive Management and employees with managerial responsibilities reporting directly to the Executive Management) is female. The initiatives include implementing discussions about leadership ambitions in employee development dialogues and the ambition to establish regular statistics for the gender distribution in the organisation among other initiatives.

DATA ETHICS POLICY

The Board of Directors has adopted a Data Ethics Policy. In working with data, Milton Huse ensures that appropriate measures are in place to safeguard ethical data processing, and it has implemented security measures to ensure secure storage of data. Milton Huse adheres to a high standard of data ethics and solely uses and processes data for legitimate purposes that serves shared benefit for all interested parties. Data processing must never lead to any form of discrimination or biased decisions, decision-making or results. Regardless of how Milton Huse collects data, the company always respects applicable data privacy laws. When sharing data, Milton Huse imposes high standards on the recipients to ensure appropriate data security.



2022 PERFORMANCE

INCOME STATEMENT

Revenue: Milton Huse generated 22% organic growth in 2022, leading to a Group revenue of DKK 2,778m. This is the highest revenue in our history and thus meeting the 2022 guidance set out in the 2021 annual report. The detached segment delivered organic revenue growth of 20%, mainly led by the high number of deliveries following the strong market demand in 2021. Organic revenue growth for the semi-detached segment was 20%, fuelled by deliveries and production of projects sold in previous years. The detached segment delivered a revenue of DKK 1,910m or 69% of Group revenue, while the semi-detached segment delivered DKK 868m.

To fully understand the revenue development in Milton Huse, it is important to pay attention to the applied accounting principles, as 95% were recognised over time in 2022 as a percentage of completion. In 2021 94% of revenues were recognised over time. Revenue growth will therefore lag the growth in number of houses sold.

The average selling price for houses delivered in 2022 was fairly higher compared to the level seen in 2021 for both segments.

Gross profit came in at DKK 247m, corresponding to a gross margin of 8.9%, up from 2021 gross profit of DKK 203m and a gross margin of 8.9%. The gross margin for the detached segment was 9.4%, while the semi-detached segment delivered a gross margin of 7.8%. During 2022, the gross margin in both segments remained adversely impacted by headwind from cost inflation due to labour shortage in the sector, as well as distressed supply chains for materials, especially in the first half of the year. Consequently, further margin supportive initiatives including higher sales prices were launched. The margin supportive initiatives launched during 2021 significantly supported margins in the second half of 2022. The support was, however delayed due to the supply chain disruptions seen in first half of 2022.

The combined revenue from sales of completed houses (show houses) and sales of land plots, where the gross margin usually is significantly higher, dropped to 5.2% of Group revenue from 5.6% in 2021.

EBIT ended at DKK 46m, up from DKK 34m in 2021.

EBITDA before special items was DKK 77m, corresponding to an EBITDA margin of 2.8%, up from 2021 EBITDA before special items was DKK 47m and an EBITDA margin of 2.0%. Staff costs and other external expenses grew by 9.2% y/y and came in at DKK 170.3m, corresponding to 6.1% of total revenue. The cost ratio declined by 0.7 pp y/y.

2022 PERFORMANCE (CONTINUED)

By the end of 2022 Milton Huse had 192 FTEs compared to 197 FTEs by the end of 2021. Staff costs per average FTE declined approximately 8.4% during 2022, partly led by lower sales commissions due to the lower number of houses sold.

EBIT before special items ended at DKK 65m in 2022, which was below our outlook for 2022 of "Above DKK 138m". The miss was led by a weaker gross margin than expected due to the reasons stated above, as well as the material decline in market demand for both detached and semi-detached houses. The EBIT before special items margin came in at 2.7% in 2022. 2021 EBIT before special items was DKK 34m and the 2021 EBIT margin was 1.5%. Depreciation, amortisation and impairment losses declined by 4.2% y/y to DKK 11.8m, corresponding to 0.4% of total revenues. This was down 0.1 pp y/y.

Depreciation of property, plant and equipment was DKK 4.8m, down from DKK 5m in 2021. Depreciation of right-of-use-assets was DKK 7.7m, up from DKK 7.4m in 2021.

Special items came in at DKK 18.9m in 2022, compared to DKK 0m during 2021. Strategic reorganisations accounted for DKK 13.0m, while other strategic projects accounted for DKK 5.9m.

Pre-tax profit was DKK 4.3m compared to DKK 9.3m in 2021. Net financial expenses were DKK 42m in 2022 compared to DKK 25m in 2021, up DKK 17m y/y reflecting the full year impact from the subordinated debt raised in 2021and increased medium-term financing need following the high building activity.

2022 PERFORMANCE (CONTINUED)

Net profit was DKK 3.5m, compared to 2021 net profit of DKK 6.4m. The effective tax rate for 2022 was 20% up from 32% in 2021 due to a greater share of non-deductible expenses to pre-tax profit than in 2021.

BALANCE SHEET

Total assets amounted to DKK 1,230m year-end, compared to DKK 1,109m at the end of 2021. Total non-current assets amounted to DKK 28m, compared to DKK 38m at 31 December 2021. Total current assets amounted to DKK 1,202m at 31 December 2022, up from DKK 131 one year earlier, mainly led by higher contract assets amid an increased activity level. However, relative to Group revenue contract assets accounted for 30%, down from 39% in 2021. The increase in total assets is therefore mainly due to inventories, where there are more show houses and semi-detached houses compared to 2021.

Equity amounted to DKK 205m at 31 December 2022, compared to DKK 201m one year earlier. On the back of the 2022 results, Milton Huse proposes not to distribute dividends to its shareholders.

Subordinated debt was DKK 152m at 31 December 2022, compared to DKK 153m at 31 December 2021. The subordinated debt was raised during 2021 in order to finance growth opportunities and it is due in 2024.

Bank loans were DKK 405m, compared to DKK 282m at 31 December 2021. This increase was led by the increase in total assets. During 2022 Milton Huse also replaced its previous credit facility with a committed credit facility with expiry in 2024.

CASH FLOWS

Cash flow from operating activities was DKK -108m in 2022, compared to DKK 28m in 2021. The negative cash flow was primarily due to changes in net working capital from 2021 to 2022 and increased financial expenses during the year.

Cash flow from investing activities amounted to DKK -7m during 2022, compared to DKK -5m in 2021. This was driven by new investments in property, plant and equipment.

OTHER

Events after the balance sheet date: No material events have occurred between 31 December 2022 and the date of publication of this annual report that have not already been included in the annual report and that would have a material effect on the assessment of the Group's financial position.

5-YEAR SUMMARY TABLE

DKKm	2022	2021	2020	2019*	2018*
Statement of profit or loss					
Revenue	2,778	2,286	1,770	1,162	704
Gross profit	247	203	255	142	91
Operating profit/(loss) before depreciation and amortisation (EBITDA) before special items	77	47	138	65	24
Special items	-19	0	0	0	0
Operating profit/(loss) before depreciation and amortisation (EBITDA) after special items	58	47	149	65	24
Operating profit/(loss) (EBIT) before special items	65	34	138	21	19
Operating profit/(loss) (EBIT)	46	34	138	21	19
Net financials	-42	-25	-11	-7	-4
Profit/loss before tax	4	9	127	13	15
Net profit for the year	3	6	98	10	11
Balance sheet					
Total non-current assets	28	38	31	13	13
Total current assets	1,202	1,071	961	682	349
Total assets	1,230	1,109	992	696	362
Equity	205	201	195	104	72
Subordinated debt	152	153	0	0	0
Total non-current liabilities	206	496	46	30	7
Total current liabilities	819	412	750	562	283
Other key figures					
Average number of full-time equivalent employees	215	182	136	136	69
Investments in property, plant and equipment	7	7	4	7	6
Ratios					
Gross margin	8.9%	8.9%	14.4%	12.3%	12.9%
EBITDA margin before special items	2.8%	2.0%	7.8%	5.6%	3.4%
EBITDA margin after special items	2.1%	2.0%	8.4%	5.6%	3.4%
EBIT margin before special items	2.3%	1.5%	7.8%	1.8%	2.7%
EBIT margin after special items	1.7%	1.5%	7.8%	1.8%	2.7%
Profit margin	0.1%	0.3%	5.6%	0.9%	1.6%
Return on equity	1.7%	3.2%	65.6%	11.8%	16.3%

Note: *) Figures for 2019 are based on Danish local GAAP. Figures for 2018 are based on Danish local GAAP and non-consolidated for Milton Huse A/S.
See Note 1 for definitions of ratios.

FINANCIAL STATEMENTS 2022 - CONSOLIDATED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

DKK'000	Note	2022	2021
Revenue	4	2,778,203	2,286,305
Cost of sales		-2,530,811	-2,083,498
Gross profit		**247,392**	**202,807**
Staff costs	5	-134,400	-124,159
Other external expensens		-35,962	-31,840
Operating profit/(loss) before depreciation and amortisation (EBITDA) before special items		**77,030**	**46,808**
Special items	6	-18,945	0
Operating profit/(loss) before depreciation and amortisation (EBITDA) after special items		**58,085**	**46,808**
Depreciation, amortisation and impairment losses	7	-11,863	-12,386
Operating profit/(loss) (EBIT)		**46,222**	**34,422**
Financial expenses	8	-41,913	-25,046
Profit before tax		**4,309**	**9,376**
Tax for the year	9	-855	-3,004
Total comprehensive income for the year		**3,454**	**6,372**
Distribution of profit and loss:			
Milton Huse A/S, shareholders		3,454	6,372

BALANCE SHEET - CONSOLIDATED (ASSETS)

DKK'000	Note	31 Dec 2022	31 Dec 2021
Property, plant and equipment	10	8,082	7,439
Right-of-use assets	11	16,447	27,492
Deposits (asset)		3,139	2,430
Other equity investments		250	250
Total non-current assets		**27,918**	**37,611**
Inventories	12	327,535	146,341
Trade receivables	13	27,851	22,004
Contract assets	14	835,318	887,536
Other receivables		5,851	8,590
Prepayments		4,569	3,856
Cash		1,267	2,801
Total current assets		**1,202,391**	**1,071,128**
Total assets		**1,230,309**	**1,108,739**

BALANCE SHEET - CONSOLIDATED

DKK'000	Note	31 Dec 2022	31 Dec 2021
Share capital	16	2,600	2,600
Retained earnings		202,283	198,828
Total equity		**204,883**	**201,428**
Deferred tax	8	15,724	13,063
Other provisions	11	20,240	19,570
Interest-bearing liabilities	17	0	281,813
Subordinated debt	17	151,669	152,982
Other payables		7,052	6,958
Lease liabilities	10	11,327	21,312
Total non-current liabilities		**206,012**	**495,698**
Interest-bearing liabilites	17	405,358	0
Contract liabilities	14	0	0
Lease liabilities	10	6,169	7,365
Other provisions	11	6,969	0
Deposits (liability)		3,143	1,588
Trade payables		275,275	275,982
Payables to affiliates		44,613	45,878
Current tax liability	8	184	9,095
Other payables		77,703	71,705
Total current liabilities		**819,414**	**411,613**
Total liabilities		**1,025,426**	**907,311**
Total equity and liabilities		**1,230,309**	**1,108,739**

STATEMENT OF CHANGES IN EQUITY - CONSOLIDATED

DKK'000	Share capital	Retained earnings	Total
2022			
Balance at 1 January	**2,600**	**198,828**	**201,428**
Total comprehensive income			
Net profit/(loss) for the period	0	3,454	3,454
Total comprehensive income for the year	**0**	**3,454**	**3,454**
Balance at 31 December	**2,600**	**202,282**	**204,883**

DKK'000	Share capital	Retained	Total
2021			
Balance at 1 January	**2,600**	**192,456**	**195,056**
Total comrehensive income			
Net profit/(loss) for the period	0	6,372	6,372
Total comprehensive income	**0**	**6,372**	**6,372**
Balance at 31 December	**2,600**	**198,828**	**201,428**

CASH FLOW STATEMENT - CONSOLIDATED

DKK'000	Note	2022	2021
Operating profit/loss		46,222	34,422
Depreciation, amortisation and impairment losses		11,863	12,386
Change in provisions		7,639	1,661
Change in working capital	15	-125,857	16,300
Financial expenses paid		-41,913	-25,046
Income taxes refunded/(paid)		-5,793	-11,845
Cash flow from operating activities		**-107,839**	**27,878**
Disposal of property plant and equipment		678	0
Investments in property plant and equipment		-7,105	-5,201
Deposits		-709	-319
Cash flow from investing activities		**-7,136**	**-5,520**
Proceeds from borrowings	17	122,232	152,982
Repayment of interest-bearing liabilities	17	0	-126,614
Payment of principal portion of lease liabilities	10	-7,526	-7,795
Repayment of loans from affilates		-1,265	-43,717
Cash flow from financing activities		**113,441**	**-25,144**
Change in cash and cash equivalents			
Cash, 1 January		2,801	5,587
Net cash flow		-1,534	-2,786
Cash, 31 December		**1,267**	**2,801**

NOTES - CONSOLIDATED

NOTE 1 - ACCOUNTING POLICIES

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class C (large) enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS-bekendtgørelsen ") issued in accordance with the Danish Financial Statements Act ("DFSA").

Basis of preparation

The financial statements are presented in Danish kroner (DKK). All amounts have been rounded to the nearest DKK thousand, unless otherwise indicated.

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of Milton Huse A/S (the Parent Company) and subsidiaries which are entities controlled by Milton Huse A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

Principles of consolidation

The Consolidated Financial Statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries.

The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The financial statements used for consolidation are prepared in accordance with the Group's accounting policies.

The line items of subsidiaries are recognised 100% in the Consolidated Financial Statements. Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Accounting policies are described in full in this note below.

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

Cash flow statement

The cash flow statement is presented using the indirect method commencing with the profit for the year and shows cash flows from operating, investing and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial income and expenses paid and income tax paid.

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

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's debt, share capital and dividend paid.

Cash comprises demand deposits in banks and cash on hand.

Statement of profit or loss

Revenue

Revenue consists of sale of houses and land plots. Revenue comprises revenue contracts which are recognised over time and revenue contracts which are recognised at a point in time as described below.

Revenue from sale of houses is typically recognised over time when a contract with a buyer is entered into before finalisation of the construction of the specific houses and revenue from sale of land plots and houses finalised before entering into a sales contract is recognised at a point in time

The Group acts as primarily responsible for the delivery of the performance obligation towards the customer and carries the risks related to the construction and is therefore considered as the principal part in the sales contracts.

Payment is typically due at the time of final delivery of the construction. Most sales contracts are finalised within 12 months from entering into the sales contracts. For contracts with a duration that exceeds 12 months the financing component inherent in the sales contracts is assessed insignificant and hence, no adjustment of the transaction price with regards to a financing component in the contracts with customers is made.

Revenue recognised over time

Milton constructs and sells houses under long-term contracts with customers. Such contracts are typically entered into before or during the construction of the houses. Under the terms of the contracts, Milton is contractually restricted from redirecting the houses to other customers and has an enforceable right to payment for work completed to date. For detached houses the right to payment is supported by received bank guarantees and the customer cannot terminate the contract. For semi-detached houses, the customer typically can terminate the contract, but in that case Milton has a legal right to payment for work performed including profit. Therefore, in both situations revenue from construction of such houses is recognised over time according to the percentage-of-completion method based on the transaction price and input from costs recognised, as all performance obligations are fulfilled on an ongoing basis throughout the construction period.

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

The revenue consists of sales of houses sold on customers' building sites and sales of houses sold on own building sites. For houses sold on customers' building sites, sales contracts are considered to comprise only one performance obligation being the construction of the house, as all components of the construction are considered closely interrelated and not distinct. For houses sold on own building sites, the site and building are considered two separate performance obligations, however these are combined into one performance obligation if the contract with the customers also includes significant amenities in the form of roads, pavement, and utilities for an area with multiple houses as they are considered closely interrelated and not distinct.

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 stand-alone price of the modifications and an actual assessment of the elements of the contract with the other performance obligations under the sales contract.

The recognition of revenue is determined based on the transaction price, being the amount of consideration to which Milton is expected to be entitled according to the specific contract, and the stage of completion. The consideration might include estimated variable amounts, if it is highly probable that a significant reversal of such amounts will not occur. The stage of completion is determined based on the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs.

Revenue recognised at a point in time

Revenue from sale of houses, where the construction is finalised before entering into sales contracts with customers, and plots is recognised in the income statement when the performance obligation is fulfilled. This is defined as the point in time when control of the completed houses or land plots (sold separately or as a separate performance obligation together with a building) is transferred to the customer, which normally is when the customer has legal title to the house or the plot, the customer has the significant risks and rewards of ownership to the asset and the customer has accepted the asset and Milton has a right to payment from the customer.

Cost of sales

Cost of sales includes costs of land plot, raw materials, consumables and other related costs as well as subcontractors incurred in generating the revenue for the year.

Other external expenses

Other external expenses include the period's expenses relating to the Group's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, low-value and short-term leases, etc., less cost of sales.

Staff costs

Staff costs consist of salaries, sales commissions, bonuses, pensions and social costs, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, vacation pay, and other benefits are recognised in the year in which the associated services are rendered by the employees. Contributions to defined contribution plans are recognised in the statement of profit or loss in the period to which they relate and any contributions outstanding are recognised in the statement of financial position as other

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

liabilities. Management expects commissions paid to employees as a result of signing new client contracts to be recoverable. Such commissions are deferred and expensed when the related revenues are recognised.

Other operating income
Other operating income and other operating expenses comprise income and expenses of a secondary nature relative to the principal activities of the Group.

Financial income and financial expenses
Financial income and expenses include interest income, interest expense, amortisation of borrowing costs and realised and unrealised exchange gains and losses.

Tax
Tax on the profit or loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit or loss for the year is recognised in the statement of profit or loss, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity.
Current tax payable and receivable is recognised in the statement of financial position as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the statement of financial position date.
Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.
Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.
Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the statement of profit or loss.
The Group is included in national joint taxation with its Parent Company, F Holding Horsens ApS. The tax charge for the year is allocated between the Danish jointly taxed companies in proportion to their taxable income, taking into account taxes paid.

Balance sheet

Property, plant and equipment
Property, plant and equipment comprise other fixtures and fittings, tools and equipment and are measured at cost less accumulated depreciation and accumulated impairment losses. Other fixtures and

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

fittings, tools and equipment are depreciated on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

- Other fixtures and fittings, tools and equipment – 3-5 years
- Leasehold improvements – 5 years, max. remaining lease period

Property, plant and equipment are tested for impairment if indications of impairment exist. Property, plant and equipment are written down to their recoverable amount, if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognised in the statement of profit or loss.

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the assets.

The Group leases properties which include a service element in the payments to the lessor in the form of car services and car related cost etc. This service is deducted from the lease payment when measuring the lease obligation. Where the Group cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short term leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognised in “Lease liabilities”, is measured at the present value of the remaining lease payments, discounted by the Group’s incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the exercise of options to extend or shorten the lease period due to a material event or material change in circumstances which are within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the statement of profit or loss.

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

Other equity investments
Other equity investments are measured at fair value.

Inventories
Inventories mainly comprises show-houses and semi-detached houses and are measured at the lower of cost and net realisable value. Cost comprises direct cost. Net realisable value is the estimated selling price in the ordinary course of business, based on broker reports, observed site trades in the market and other relevant input.

Contract assets and contract liabilities
Construction contracts in progress are recognised in the balance sheet as a contract asset or a contract liability, depending on the revenue recognised for each contract less progress billings. Revenue is recognised and measured based on the stage of completion as described in the revenue section. Progress billings are made according to the specific contract and reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billings exceed the revenue recognised to date under the stage of completion method then a contract liability is recognised for the difference.

Trade receivables
Trade receivables are measured at amortised cost less allowance for lifetime expected credit losses.
To measure the expected credit losses, credit risk for trade receivables has been based on an individual assessment. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.
The cost of allowances for expected credit losses and write-offs for trade receivables are recognised in the statement of profit or loss in other external expenses.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Bank loans
Bank loans are measured at amortised cost.

Trade payables and other payables
Trade payables include the normal vendors payments. Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Such payables are measured at amortised cost.

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

Definitions and ratios

Number of houses sold: A house is sold when the customer signs the house purchase contract and the cancellation period has ended

Number of houses delivered: A house is accounted for as delivered, when all performance obligations are fulfilled.

Gross margin: Gross profit / revenue * 100

EBITDA margin: EBITDA / revenue * 100

EBIT margin: EBIT / revenue * 100

Profit margin: Profit/loss after tax for the year / revenue * 100

Return on equity: Profit/loss after tax for the year / average equity * 100

Equity ratio: Shareholders' equity / total assets

Equity ratio incl. subordinated debt: (Shareholders' equity + subordinated debt) / total assets

NOTE 2 - ADOPTION OF NEW AND AMENDED STANDARDS

The new and amended Standards and Interpretations that have been issued, but are not yet effective, up to the date of issuance of the Group's Financial Statements are not disclosed in detail, as the Group does not expect any material impact from the IFRS standards that have not been implemented. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective.

NOTE 3 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

As part of the preparation of the financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The accounting policies are described in detail in note 1 to the financial statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements:

Project sale structured through a corporate wrapper (accounting judgement)

In the semi-detached segment the revenue contracts are structured so that the construction contract is made between Milton Huse A/S and an entity (SPV) established and regulated according to agreements with the ultimate customer. The shares in the SPV are delivered to the ultimate customer, mainly real estate companies, pension funds etc., at closing through a Share Purchase Agreement at closing [a Corporate wrapper]. As the IASB has not yet concluded how corporate wrappers should be accounted for diversity in practice exists and the Management has chosen to apply a policy that best reflects the substance of the transactions and the activities performed by the Group.

Management has deemed that contracts with the following characteristics are in scope of IFRS 15:

- The outcome produced is within Milton Huse's ordinary activities

NOTE 3 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

- The construction contract and the Share Purchase Agreement are entered into at the same time, and the construction does not begin until these contracts are signed
- The SPV contains only inventory in the form of semi-detached houses and any related income tax asset or liability at the time of closing
- Milton Huse retains no interest in the inventory or the shares transferred to the customer

For 2022 DKK 580.2 million of the revenue is from transactions structured in corporate wrappers (2021: DKK 385.1 million). If revenue were recognised at the closing time, DKK 418.1 million of this revenue would have been deferred (2021: DKK 280.1 million)

Judgement regarding when the performance obligation is satisfied (accounting judgement)
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.

Judgement regarding number of performance obligations (accounting judgement)
At contract inception, management further assesses if the contract for sales of building(s), land plots, and/or amenities should be treated as one or several distinct performance obligations. Complexity arises when selling bundled site and building(s), and the consequence of the accounting judgement is related to the timing of revenue recognition, especially for point in time sales. The assessment is based on an analysis of each contract on how the amenities transform the site and hence tie the site and building together. If the amenities transform the site, all performance obligations are combined into one performance obligation.

Estimate stage of completion (accounting estimate)
The stage of completion is based on an estimate of the total expected costs for our contracts. The estimates primarily relate to the level of contingencies to cover unforseen costs, such as cost changes due to changes in future suppliers of raw materials and subcontractors products as well as unforseen cost related to execution and hand-over. The estimates are based on the specifics for each contracts while taking historic data into account. There is a risk that the final result will differ from the profit accrued based on percentage-of-completion. At year-end, recognised revenues from contract assets amounted to DKK 913m (2021: DKK 803m), refer to note 14 contract assets.

NOTE 4 - SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

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

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision making and for the monitoring of the operating results of the operating segments for the purpose of performance assessment. Segment performance is evaluated based on revenue and is measured consistently with revenue in the Consolidated Financial Statements.

DKK'000	**Detached houses**	**Semi-detached houses**	**Non allocated**	**Total**
2022				
Revenue				
Revenues from external customers	1,910,610	867,593	0	2,778,203
Cost of sales	-1,731,023	-799,788	0	-2,530,811
Segment gross profit	**179,587**	**67,805**	**0**	**247,392**
Total fixed cost			-170,362	-170,362
Segment EBITDA before special items			**-170,362**	**77,030**
Special items			-18,945	-18,945
Depreciation			-11,863	-11,863
Interest expenses			-41,913	-41,913
Segment profit before tax			**-243,083**	**4,309**
Tax for the year			-855	-855
Segment profit after tax			**-243,938**	**3,454**
EBITDA margin % before special items				**2,8%**

NOTE 4 - SEGMENT INFORMATION (CONTINUED)

DKK'000	Detached houses	Semi-detached houses	Non allocated	Total
2021				
Revenue				
Revenues from external customers	1,526,321	759,984	0	2,286,305
Cost of sales	-1,393,925	-689,573	0	-2,083,498
Segment gross profit	**132,396**	**70,411**	**0**	**202,807**
Total fixed cost			-155,999	-155,999
Segment EBITDA before special items			**-155,999**	**46,808**
Depreciation			-12,386	-12,386
Interest expenses			-25,046	-25,046
Segment profit before tax			**-193,431**	**9,376**
Tax for the year			-3,004	-3,004
Segment profit after tax			**-196,435**	**6,372**
EBITDA margin % before special items				**2,0%**

NOTE 4 - SEGMENT INFORMATION (CONTINUED)

DKK'000	Detached houses	Semi-de-tached houses	Total
2022			
Revenue recognised over time			
Sales value houses sold on custom-ers building sites	1,614,940	82,299	1,697,239
Sales value houses sold on own bu-liding sites	151,392	785,294	936,686
Total revenue recognised over time	**1,766,332**	**867,593**	**2,633,925**
Revenue recognised at a point in time			
Completed houses	129,100	0	129,100
Sales of land plots	15,178	0	15,178
Total revenue recognised at a point in time	**144,278**	**0**	**144,278**
Total revenue	**1,910,610**	**867,593**	**2,778,203**

NOTE 4 - SEGMENT INFORMATION (CONTINUED)

DKK'000	Detached houses	Semi-de-tached houses	Total
2021			
Revenue recognised over time			
Sales value houses sold on custom-ers building sites	1,330,115	52,994	1,383,109
Sales value houses sold on own bu-liding sites	68,081	706,990	775,071
Total revenue recognised over time	**1,398,196**	**759,984**	**2,158,180**
Revenue recognised at a point in time			
Completed houses	128,125	0	128,125
Total revenue recognised at a point in time	**128,125**	**0**	**128,125**
Total revenue	**1,526,321**	**759,984**	**2,286,305**

NOTE 5 - STAFF COSTS

DKK'000	2022	2021
Salaries	117,944	109,425
Pensions	11,910	11,428
Other social security costs	2,264	1,942
Other staff costs	2,282	1,364
Total	**134,400**	**124,159**
Average number of full-time equivalent employees during the year	215	182
Executive Management (Key Management Personnel)		
Salaries and wages	6,615	4,962
Pensions	163	403
Total	**6,778**	**5,365**
Board of Directors		
Salaries and wages	1,925	798
Total	**1,925**	**798**

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies including terms of notice and non-competitive clauses.

NOTE 6 - SPECIAL ITEMS

DKK'000	2022	2021
Strategic organisational changes	13,081	0
Other strategic projects	5,864	0
Total	**18,945**	**0**

Reconciliation of EBITDA		
Operating profit before depreciation and amortisation	58,085	46,808
Special items	18,945	0
Operating profit before depreciation and amortisation (EBITDA) before special items	**77,030**	**46,808**

NOTE 7 - DEPRECIATION, AMORTISATION AND LOSSES

DKK'000	2022	2021
Depreciation of property, plant and equipment	4,821	4,965
Loss or gain from sale of intangible assets and property, plant and equipment	-678	0
Depreciation of right-of-use assets	7,720	7,421
Total	**11,863**	**12,386**

NOTE 8 - FINANCIAL EXPENSES

DKK'000	2022	2021
Interest expenses from affiliated companies	20,143	9,383
Interest on debt and borrowings	19,429	12,821
Other interest expenses	2,341	2,842
Total	**41,913**	**25,046**

NOTE 9 - TAX FOR THE YEAR

DKK'000	2022	2021
Current tax for the year income	-1,806	-477
Changes in deferred tax	2,661	3,481
Total	**855**	**3,004**
Tax calculated as 22% of profit/loss before tax	369	2,063
Non-deductible expenses	486	941
Total	**855**	**3,004**
Tax rate for the year (%)	20%	32%
Deferred tax liabilities, net		
Deferred tax 1 January	13,063	9,582
Deferred tax for the year recognised in the statement of profit or loss	2,661	3,431
Other adjustments	0	50
Deferred tax 31 December	**15,724**	**13,063**
Deferred tax is recognised in the statement of financial position as follows:		
Deferred tax (liability)	-15,724	-13,063
Total	**-15,724**	**-13,063**
Deferred tax concerns:		
Contract costs	19,406	16,406
Tangible assets other than contract costs	-1,350	-858
Liabilities	-2,143	-2,202
Intangible assets	-189	-283
Total	**15,724**	**13,063**

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements
2022		
Cost at 1 January	29,259	11,379
Additions	5,783	1,322
Disposals	-301	-6,486
Cost at 31 December	**34,741**	**6,215**
Depreciation at 1 January	25,458	7,741
Depreciation during the year	3,153	1,668
Depreciation of disposals	-301	-4,845
Depreciation at 31 December	**28,310**	**4,564**
Carrying amount at 31 December	**6,431**	**1,651**
2021		
Cost at 1 January	25,666	7,996
Additions	3,593	3,383
Cost at 31 December	**29,259**	**11,379**
Depreciation at 1 January	22,410	5,823
Depreciation during the year	3,048	1,918
Depreciation at 31 December	**25,458**	**7,741**
Carrying amount at 31 December	**3,801**	**3,638**

NOTE 11 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

DKK'000	Buildings & Offices	Cars
2022		
Cost at 1 January	30,469	10,509
Additions	4,669	2,706
Disposals	-13,274	0
Cost at 31 December	**21,864**	**13,215**
Depreciation at 1 January	8,944	4,542
Depreciation during the year	4,916	2,804
Depreciation of disposals	-2,574	0
Depreciation at 31 December	**11,286**	**7,346**
Carrying amount at 31 December	**10,578**	**5,869**

DKK'000	Buildings & Offices	Cars
2021		
Cost at 1 January	23,408	5,865
Additions	7,061	4,644
Cost at 31 December	**30,469**	**10,509**
Depreciation at 1 January	3,651	2,414
Depreciation during the year	5,293	2,128
Depreciation at 31 December	**8,944**	**4,542**
Carrying amount at 31 December	**21,525**	**5,967**

Carrying amounts of lease liabilities and movements during the period:

DKK'000	2022	2021
At 1 January	28,676	22,992
Additions	6,867	12,918
Accrual of interest	459	561
Payments	-7,526	-7,795
Disposals	-10,980	0
At 31 December	**17,496**	**28,676**
Non-current	**11,327**	**21,312**
Current	**6,169**	**7,365**

NOTE 11 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The following amounts have been recognised in the statement of profit or loss:

DKK'000	2022	2021
Depreciation expense of right-of-use assets	-7,720	-7,421
Interest expense on lease liabilities	-459	-562
Total amount recognised in the statement of profit or loss	**-8,179**	**-7,983**

The Group had total a outflow for leases of DKK 7,526 thousand (2021: DKK 7,795 thousand).
The Group leases offices, and lease terms are negotiated on an individual basis and contain different terms and conditions. As part of COVID-19, no rent concession has been received. The applied interest rate for leases is fixed (2%). Extension options and termination options are included in a number of property and equipment leases. The majority of the options held are only exercisable by the Group and not by the respective lessor. The Group assesses at the lease commencement date whether it is reasonably certain to exercise such options and reassesses if there is a significant event.

NOTE 12 - OTHER PROVISION

DKK'000	2022	2021
Other provisions at 1 January	19,570	17,909
Arising during the year	49,007	31,244
Utilised	-41,368	-29,583
Other provisions at 31 December	**27,209**	**19,570**
Distributed in the balance sheet as follows:		
Non-current liabilies	20,240	19,570
Current liabilities	6,969	0
Total	**27,209**	**19,570**

No unsued amount has been reversed during the year.

Other provisions are comprised of guarantee commitments at one- and five-year reviews of houses delivered. The amouts recognised at 31.12.2022 are what is expected in order to settle the commitment.

NOTE 13 - INVENTORIES

DKK'000	2022	2021
Raw materials	5,846	9,158
Show-houses and semi-detached houses	321,689	137,183
Total at 31 December	**327,535**	**146,341**

During the year DKK 0 (2021: DKK 0) was recognised as an expense and DKK 0 (2021: DKK 0) as an impairment.

NOTE 14 - TRADE RECEIVABLES

DKK'000	31 Dec 2022	31 Dec 2021	01 Jan 2021
Trade receivables	29,590	23,743	7,408
Write-downs	-1,739	-1,739	-1,732
Total	**27,851**	**22,004**	**5,676**

The Group receives security in the form of a bank guarantee or deposit in connection with the startup 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 Group has no material risks relating to a single customer or business partner, since every contract holds a bank quarantee before beginning of the project. The credit risk exposure relating to dealing with private counterparties is estimated to be limited.

NOTE 15 - CONTRACT ASSETS

Construction contracts (assets/liabilities)

Contract assets comprise the selling price of work performed where the Group does not yet have invoiced the work performed as the work performed has not yet been approved by the customer and hence billing is not allowed according to contracts. 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 construction. The Group receives a bank guarantee in connection with the start-up of each contract for detached houses, and is entitled to payment for work performed, including profit during the project. The credit risk related to contract assets is therefore estimated to be limited.

DKK'000	2022	2021
Selling price of contract assets	1,060,970	981,667
Prepayments from customers	225,652	94,131
Presented as follows:		
Contract assets	835,318	887,536
Contract liabilities	0	0
Total	**835,318**	**887,536**
Prepayments from customers regarding construction contracts	0	0
Delivery obligations		
Within one year	748,081	1,365,516
After one year	434,751	1,135,611

There are no retained payments related to contract assets.

NOTE 16 - WORKING CAPITAL CHANGES

DKK'000	2022	2021
Changes in inventory	-181,194	58,127
Change in receivables and prepayments	48,397	-171,453
Change in trade payables and other debt etc	6,940	129,626
Total	**-125,857**	**16,300**

NOTE 17 - SHARE CAPITAL

At 31 December 2022, the share capital consisted of 2,600,000 (2021: 2,600,000) shares with a nominal value of DKK 1.

The shares are not divided into classes and carry no right to fixed income.

DKK'000	
Issued and fully paid-up shares:	
At 1 January 2022	2,600
Share capital at 31 December 2022	**2,600**

NOTE 18 - INTEREST-BEARING LIABILITIES

DKK'000	2022	2021
Borrowings		
Subordinated debt*	151,669	152,982
Non-current borrowings	0	281,813
Current borrowings	405,358	0

DKK'000	Currency	Interest type	Carrying amount
2022			
Subordinated debt	DKK	Fixed	151,669
Current borrowings	DKK	Floating	405,358
Non-current borrowings	DKK	Floating	0
Total as of 31 December			**557,027**
2021			
Subordinated debt	DKK	Fixed	152,982
Non-current borrowings	DKK	Floating	281,813

*) The subordinated debt is raised through Milton Holding Horsens A/S and MHH NewCo ApS (intercompany). The subordinated debt is subordinated to any other payables in the Group. The subordinated debt is due during 2024. Interest will roll up.

Changes in interest-bearing borrowings, incl. lease liabilities

DKK'000	2022	2021
Liabilities at 1 January	463,472	431,419
Loans raised	122,232	0
Subordinated debt raised	0	152,982
Change in lease liabilities	-11,181	5,685
Repayments including leasing	0	-126,614

The Group had non-cash additions to right-of-use assets and lease liabilities of DKK 7,375 thousand in 2022 (DKK 12,918 thousand in 2021).

NOTE 19 - FINANCIAL RISKS

Capital management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

Financial risk management

Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks as described in the following. It is Group policy to operate with a low risk profile, so that interest rate risk and credit risk only occur in commercial relationships. The scope and nature of the Group's financial instruments appear from the statement of profit or loss and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to the Group's financial instruments.

Credit risk

Milton Huse is exposed to customers' inability to meet their financial obligations. To address this risk, the Group obtains a bank guarantee on the agreed selling price from all customers before construction starts and the customers pay on delivery. In contracts where the scope and price is subsequently changed, the bank guarantee is updated if Management considers the change to be significant. This eliminates the risk of debt or loss, as all payment rights are secured before the houses are delivered. For semi-detached projects, Milton Huse typically receives collateral of 15-20% of the agreed selling price, as Milton Huse has access to land during the construction or otherwise receives ongoing payments. It is the Group's assessment that the exposure to credit risk is low. Impairment of receivables amounted to DKK 0m in 2022 and 2021.

Liquidity risk

Milton Huse does not receive payment until construction is finished and the house is handed over to the customer for detached houses and for certain semi-detached houses. For other semi-detached houses Milton Huse receives ongoing payments for parts of the agreed selling prices. Accordingly, the Group needs sufficient credit facilities to fund constructions in progress. The Group continues monitoring the need of liquidity. At 31 December 2022, the Group has an undrawn committed credit facility of DKK 196m (2021: DKK 473m) to ensure that the Group is able to meet its obligations. The Committed credit agreement expires at the beginning of 2024. The management sees no challenges in negotiating a new credit agreement, as the management continuously monitors and optimizes liquidity. The credit agreement is based on ongoing compliance with usual debt covenants.

Management considers the credit availability to be sufficient for the next 12 months.

The following table summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

NOTE 19 - FINANCIAL RISKS (CONTINUED)

DKK'000	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	Carrying amount
Year ended 31 December 2022						
Interest-bearing loans and	48,558	356,800	151,669	0	**557,027**	557,027
Lease liabilities	1,366	4,601	11,529	0	**17,496**	17,496
Other payables	70,651	0	7,052	0	**77,703**	77,703
Trade payables	275,275	0	0	0	**275,275**	275,275
Total non-derivative financial liabilities	**395,850**	**361,401**	**170,250**	**0**	**927,501**	**927,501**
Year ended 31 December 2021						
Interest-bearing loans and	0	0	434,795	0	**434,795**	434,795
Lease liabilities	2,136	5,659	20,650	232	**28,677**	28,677
Other payables	64,747	0	6,958	0	**71,705**	71,705
Trade payables	275,982	0	0	0	**275,982**	275,982
Total non-derivative financial liabilities	**342,865**	**5,659**	**462,403**	**232**	**811,159**	**811,159**

Interest rate risk

Interest rate risk arises in relation to interest-bearing assets and liabilities. The Group's interest-bearing debt to credit institutions of DKK 405m at 31 December 2022 is subject to a floating rate of interest.
If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions at year-end 2022 would lead to a yearly increase in interest expenses of DKK 3.3m before tax. A corresponding decrease in market interest rates would have the opposite impact.

NOTE 19 - FINANCIAL RISKS (CONTINUED)

Categories of financial assets and financial liabilities measured at amortised cost

DKK'000	2022	2021
Deposits (asset)	3,143	2,430
Receivables	27,851	22,004
Other equity investments	250	250
Cash	1,267	2,801
Total assets	**32,511**	**27,485**
Bank loans, non-current	0	-281,813
Subordinated debt	-151,669	-152,982
Bank loans, current	-405,358	0
Lease liabilities	-17,496	-28,677
Deposits (liability)	-3,143	-1,588
Trade payables	-275,275	-275,982
Payables to affiliated companies	-44,613	-45,878
Other payables	-77,703	-71,705
Total liabilities	**-975,257**	**-858,625**
Total, net	**-942,746**	**-831,140**

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

NOTE 20 - GUARANTEES, CONTINGENT LIABILITIES AND COLLATERAL

Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement where F Holding Horsens ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Group is involved in disputes. Management expects no material negative consequences for the group companies.

Collateral

Milton Huse A/S has issued a letter of indemnity with a corporate mortgage of nominal DKK 10m as collateral for the interest-bearing liability with the bank. The indemnity letter covers intangible and tangible assets, inventories and trade receivables, which carrying amount, per 31 December 2022, is DKK 74m (31 December 2021: DKK 66m).

As collateral for bank debt in Milton Huse A/S, Milton Huse has provided a mortgage deed of DKK 75m with a carrying amount at 31 December 2022 that amounts to DKK 198m. The bank debt amounts to DKK 405m at 31 December 2022.

NOTE 21 - RELATED PARTIES

Ownership structure

Shareholders (Companies)	Address	Registered office	Basis of influence
F Holding Horsens ApS	Plutovej 1, 8700 Horsens	Denmark	**) See below*
- MHH NewCo ApS	Plutovej 1, 8700 Horsens	Denmark	100%
- Milton Holding Horsens ApS	Plutovej 1, 8700 Horsens	Denmark	100%
- Milton Huse A/S	Plutovej 1, 8700 Horsens	Denmark	100%

*) F Holding Horsens ApS is fully owned by the individuals; Erik Rehnquist, Christina Rehnquist and Søren Rehnquist.

The immediate parent company is Milton Holding Horsens A/S; the ultimate parent company is F Holding Horsens ApS.

Transactions with related parties:

DKK'000	2022	2021
Transactions:		
Sales of property and other assets	0	73,200
Purchase of goods and services	-16,142	-22,000
Sales of goods and services	1,630	1,000
Interest paid to affiliates	-19,887	-9,383
Year end balance:		
Subordinated debt	-151,668	-152,982

Other related parties

Other related parties of Milton Huse A/S with a significant influence comprise the Board of Directors and the Executive Management and their related parties. Remuneration is disclosed in note 5. There were no other related parties identified and no other transactions either in 2022 nor 2021.

NOTE 22 - LIST OF GROUP COMPANIES

Name	Registered office	Equity interest
Snærildgaard 2018 ApS	Hedensted, Denmark	100%
Abelonelundvej Etape 1 ApS	Hedensted, Denmark	100%
Abelonelundvej Etape 2 ApS	Hedensted, Denmark	100%
Udviklingsselskabet Gl. Færgevej ApS	Hedensted, Denmark	100%
Vonsild Område IV ApS	Hedensted, Denmark	100%
Møllevej 91 ApS	Hedensted, Denmark	100%
Bregnhovedvej Give ApS	Hedensted, Denmark	100%
Fore Merianhaven ApS	Hedensted, Denmark	100%
Aahaveparken ApS	Hedensted, Denmark	100%
Tåsingevej Haderslev ApS	Hedensted, Denmark	100%
Mælkevejen Korsør ApS	Hedensted, Denmark	100%
Hammelev Bygade ApS	Hedensted, Denmark	100%
Vallensved ApS	Hedensted, Denmark	100%
Jyderup ApS	Hedensted, Denmark	100%
Projekt Stenlille ApS	Hedensted, Denmark	100%
Mælkevejen Korsør 2 ApS	Hedensted, Denmark	100%
Skousbo Eng ApS	Hedensted, Denmark	100%

NOTE 23 - EVENTS AFTER THE REPORTING PERIOD

From the statement of financial position date and until today, no further matters which would influence the evaluation of the financial statements have occurred.

The financial statements were approved by the Board of Directors and authorised for issue on 10/03/2023.

FINANCIAL STATEMENTS - PARENT COMPANY

STATEMENT OF PROFIT OR LOSS - PARENT COMPANY

DKK'000	Note	2022	2021
Revenue	2	2,688,869	2,220,053
Cost of sales		-2,448,369	-2,018,284
Gross profit		**240,500**	**201,769**
Staff costs	3	-134,400	-124,159
Other external expensens		-44,951	-32,437
Other operating income		0	832
Operating profit/(loss) before depreciation and amortisation (EBITDA) before special items		**61,148**	**46,004**
Special items	4	-18,945	0
Operating profit/(loss) before depreciation and amortisation (EBITDA) after special items		**42,203**	**46,004**
Depreciation, amortisation and impairment losses	5	-11,863	-12,386
Operating profit/(loss) (EBIT)		**30,340**	**33,618**
Income from investment in affiliated companies		13,097	-140
Financial income	6	540	836
Financial expenses	7	-42,303	-24,938
Profit before tax		**1,675**	**9,376**
Tax for the year	8	1,779	-3,004
Profit for the year	9	**3,454**	**6,372**
Distribution of profit and loss:			
Milton Huse A/S, shareholders		3,454	6,372

BALANCE SHEET - PARENT COMPANY (ASSETS)

DKK'000	Note	31 Dec 2022	31 Dec 2021
Other fixtures and equipment	10	6,431	3,801
Leasehold improvements	10	1,651	3,638
Right of use assets	10	16,447	27,492
Tangible assets		**24,529**	**34,931**
Investment in subsidiaries		37,859	81,413
Deposits (asset)		3,139	2,430
Other equity investments		250	250
Financial assets	**11**	**41,248**	**84,094**
Total non-current assets		**65,777**	**119,024**
Raw materials		5,846	9,158
Assets held for sale		277,508	142,122
Inventories		**283,354**	**151,280**
Trade receivables		27,851	22,004
Work in progress	12	802,491	779,710
Receivables from affiliated companies		41,367	36,482
Current tax receivables		1,779	0
Other receivables		5,752	8,027
Prepayments	13	4,569	3,850
Receivables		**883,810**	**850,074**
Cash		146	954
Total current assets		**1,167,311**	**1,002,309**
Total assets		**1,233,088**	**1,121,333**

BALANCE SHEET - PARENT COMPANY (LIABILITIES)

DKK'000	Note	31 Dec 2022	31 Dec 2021
Share capital		2,600	2,600
Retained earnings		202,283	198,829
Total equity		**204,883**	**201,429**
Deferred tax	14	13,207	13,207
Other provisions	15	27,209	19,570
Provisions		**40,416**	**32,777**
Lease liabilities (non-current)		11,529	21,312
Interest-bearing liabilites (non-current)		151,669	434,795
Other payables (non-current)		7,053	6,958
Total non-current liabilities	**16**	**170,251**	**463,065**
Current portion of non-current liablities other than provisions	17	0	0
Interest-bearing liabilities		405,358	0
Deposits (liability)		198	1,588
Trade payables		267,137	281,982
Lease liabilities		5,967	7,365
Payable to affiliated companies		61,525	61,112
Current tax liability		0	2,647
Other payables		77,353	69,369
Total current liabilities		**817,538**	**424,063**
Total liabilities		**987,789**	**887,128**
Total equity and liabilities		**1,233,088**	**1,121,333**

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

DKK'000	Share capital	Retained	Total
2022			
Equity beginning of year	**2,600**	**198,830**	**201,430**
Proposed dividend			0
Profit/loss for the year		3,454	3,454
Equity end of year	**2,600**	**202,284**	**204,884**

NOTES - PARENT COMPANY

NOTE 1- ACCOUNTING POLICIES

The separate Parent Company Financial Statements have been incorporated in the Annual Report because a separate set of financial statements is required for the Parent Company under DFSA requirements for annual reports of reporting class C (large) enterprises. The Company is required to apply the requirements for reporting class C (large) enterprises in accordance with DFSA. Unless stated below the accounting principles are the same as the ones applied in the consolidated financial statements.
Referring to section 86(4) of DFSA, no cash flow statement has been prepared.
As a consequence of implementation of IFRS in the Consolidated Financial Statements, Management has decided to align the accounting policies applied to the Parent Company Financial Statements as well. Except for the described changes, the accounting policies applied are consistent with those applied in previous years.

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

To align with the IFRS group presentation, the company has in 2021 changed the presentation of profit and loss from an income statement presenting costs classified by function to an income statement presenting costs classified by nature. Furthermore, the balance sheet has been prepared in accordance to an IFRS presentation as an addition in accordance to DFSA.

NOTE 2 - REVENUE

DKK'000	Detached houses	Semi-detached houses	Total
2022			
Revenues from external customers	1,910,610	778,259	2,688,869
2021			
Revenues from external customers	1,526,321	693,732	2,220,053

NOTE 3 - STAFF COSTS

DKK'000	2022	2021
Salaries	117,944	109,425
Pensions	11,910	11,428
Other social security costs	2,264	1,942
Other staff costs	2,282	1,364
Total	**134,400**	**124,159**
Average number of full-time equivalent employees during the year	215	182
Executive Management (Key Management Personnel)		
Salaries and wages	6,615	4,962
Pensions	163	403
Total	**6,778**	**5,365**
Board of Directors		
Salaries and wages	1,925	798
Total	**1,925**	**798**

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies including terms of notice and non-competitive clauses.

NOTE 4 - DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

DKK'000	2022	2021
Depreciation of property, plant and equipment	4,821	4,966
Loss or gain from sale of intangible assets and property, plant and equipment	-678	0
Depreciation of right-of-use assets	7,720	7,420
Total	**11,863**	**12,386**

NOTE 5 - SPECIAL ITEMS

DKK'000	2022	2021
Strategic organisational changes	13,081	0
Other strategic projects	5,864	0
Total	**18,945**	**0**
Reconciliation of EBITDA		
Operating profit before depreciation and amortisation	42,203	46,808
Special items	18,945	0
Operating profit before depreciation and amortisation (EBITDA) before special items	**61,148**	**46,808**

NOTE 6 - FINANCIAL INCOME

DKK'000	2022	2021
Financial income from affiliated companies	540	836
Profit/loss for the year	**540**	**836**

NOTE 7 - FINANCIAL EXPENSES

DKK'000	2022	2021
Financial expenses from affiliated companies	20,143	9,383
Other interest expenses	0	2,194
Interest on debts and borrowings	19,279	12,713
Other financial expenses	2,881	648
Profit/loss for the year	**42,303**	**24,938**

NOTE 8 - TAX

DKK'000	2022	2021
Current tax	-1,779	2,718
Changes in deferred tax	0	286
Profit/loss for the year	**-1,779**	**3,004**

NOTE 9 - PROPOSED DISTRIBUTION OF PROFIT AND LOSS

DKK'000	2022	2021
Retained earnings	3,454	6,372
Profit/loss for the year	**3,454**	**6,372**

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Right of use assets
2022			
Cost at 1 January	29,259	11,379	40,978
Additions	5,783	1,322	7,375
Disposals	-301	-6,486	-13,274
Cost at 31 December	**34,741**	**6,215**	**35,079**
Depreciation at 1 January	25,458	7,741	13,486
Depreciation during the year	3,153	1,668	7,720
Depreciation of disposals	-301	-4,845	-2,574
Depreciation at 31 December	**28,310**	**4,564**	**18,632**
Carrying amount at 31 December	**6,431**	**1,651**	**16,447**

NOTE 11 - FINANCIAL ASSETS

DKK'000	Investment in affiliated companies	Other equity investments	Deposits
2022			
Cost at 1 January	84,645	250	2,430
Additions	9,994	0	709
Disposals	-31,545	0	0
Cost at 31 December	**63,094**	**250**	**3,139**
Depreciation at 1 January	-3,232	0	0
Share of profit/loss for the year	9,520	0	0
Received dividends	-40,400	0	0
Disposals	8,877	0	0
Depreciation at 31 December	**-25,235**	**0**	**0**

NOTE 12 - WORK IN PROGRESS

DKK'000	2022	2021
Work in progress	802,491	779,710
Cost at 31 December	**802,491**	**779,710**

NOTE 13 - PREPAYMENTS

Prepayments comprise incurred costs for rent and insurance, relating to subsequent financial years. Prepayments are measured at cost.

NOTE 14 - DEFERRED TAX

Changes during the year		
Beginning of the year	13,207	12,921
Recognised in the statement of profit and loss	0	286
End of year	**13,207**	**13,207**

NOTE 15 - OTHER PROVISIONS

Other provisions comprise provision for guarantees on construction contracts and provisions for restructuring costs etc. See Note 12 in the consolidated financial statements for further details.

NOTE 16 - NON-CURRENT LIABILITIES

DKK'000	Less than 1 year 2022	Less than 1 year 2021	More than 1 year 2022	Total
Year ended 31 December 2022				
Bank loans (non-current)	405,358	0	0	405,358
Subordinated debt*	0	0	151,669	151,669
Lease liabilities	5,967	7,365	11,529	17,496
Other payables	0	6,880	7,052	7,052
Total	411,325	14,245	170,250	581,575

*) The subordinated debt is raised through Milton Holding Horsens A/S and MHH NewCo ApS (intercompany). The subordinated debt is subordinated to any other payables in the Group. The subordinated debt is due during 2024. Interest will roll-up.

NOTE 17 - GUARANTEES, CONTINGENT LIABILITIES AND COLLATERAL

Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement where F Holding Horsens ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Group is involved in disputes. Management expects no material negative consequences for the group companies.

Collateral

Milton Huse A/S has issued a letter of indemnity with a corporate mortgage of nominal DKK 10m as security for the interest-bearing liability with the bank. The indemnity letter covers intangible and tangible assets, inventories and trade receivables, which carrying amount, per 31 December 2022, is DKK 66m (31 December 2021: DKK 57m).

As security for bank debt in Milton Huse A/S a mortgage of DKK 95m has been provided with a carrying amount at 31 December 2022 amounting to DKK 133m. The bank debt amounts to DKK 279m at 31 December 2022.

NOTE 18 - RELATED PARTIES

Related parties with controlling interest

Milton Holding Horsens A/S owns the majority of the shares within the Company, thus having controlling influence thereon. The ultimative owner is F Holding Horsens ApS. The ownership structure is:

Company	Address	Country	Ownership
F Holding Horsens ApS	Helge Nielsens Allé 7.3, 8723 Løsning	Denmark	**) See below*
- MHH NewCo ApS	Helge Nielsens Allé 7.3, 8723 Løsning	Denmark	100%
- Milton Holding Horsens ApS	Helge Nielsens Allé 7.3, 8723 Løsning	Denmark	100%
- Milton Huse A/S	Helge Nielsens Allé 7.3, 8723 Løsning	Denmark	100%

*) F Holding Horsens ApS is fully owned by the individuals; Erik Rehnquist, Christina Rehnquist and Søren Rehnquist.

Related parties (subsidiaries)

Name	Registered office	Equity interest
Snærildgaard Etape 1 ApS	Hedensted, Denmark	100%
Snærildgaard 2018 ApS	Hedensted, Denmark	100%
Abelonelundvej Etape 1 ApS	Hedensted, Denmark	100%
Abelonelundvej Etape 2 ApS	Hedensted, Denmark	100%
Udviklingsselskabet Gl. Færgevej ApS	Hedensted, Denmark	100%
Vonsild Område IV ApS	Hedensted, Denmark	100%
Møllevej 91 ApS	Hedensted, Denmark	100%
Bregnhovedvej Give ApS	Hedensted, Denmark	100%
Fore Merianhaven ApS	Hedensted, Denmark	100%
Aahaveparken ApS	Hedensted, Denmark	100%
Tåsingevej Haderslev ApS	Hedensted, Denmark	100%
Mælkevejen Korsør ApS	Hedensted, Denmark	100%
Hammelev Bygade ApS	Hedensted, Denmark	100%
Vallensved ApS	Hedensted, Denmark	100%
Jyderup ApS	Hedensted, Denmark	100%
Projekt Stenlille ApS	Hedensted, Denmark	100%
Mælkevejen Korsør 2 ApS	Hedensted, Denmark	100%
Skousbo Eng ApS	Hedensted, Denmark	100%

Related party transactions

The annual report only discloses transactions with related parties that have not been carried out on market terms.

No such transactions were completed during the financial year

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT ON THE 2022 ANNUAL REPORT

The Board of Directors and the Executive Management have today considered and approved the annual report of Milton Huse A/S for 2022.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU. The parent financial statements are presented in accordance with the DanishFinancial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair viewof the Group's and the Parent's financial position at as well as of the results of their operations and Group's cash flows for 2022.

We believe that the management review contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hedensted, 10 March 2023

Executive Management:

Erik Rehnquist
CEO

Michael Hvid
CFO

Board of Directors:

Birgitte Brinch Madsen
Chairman

Christina Rehnquist

Søren Rehnquist

Erik Rehnquist

Lars Arenfeldt Jensen

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of Milton Huse A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Milton Huse for the financial year 2022, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. 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, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2022, and of the results of its operations and cash flows for the financial year 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2022, and of the results of its operations for the financial year 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management review

Management is responsible for the management review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORTS (CONTINUED)

Moreover, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management review is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management review.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 the 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 these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the 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 and the parent 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

INDEPENDENT AUDITOR'S REPORTS (CONTINUED)

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent'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 the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Aarhus, 10 March 2023

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