

ANNUAL REPORT

2023



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FINANCIAL STATEMENTS

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FIND OUR REPORTS HERE:

Sustainability Report 2023
mthh.eu/ESG/ESG

Report on corporate governance recommendations
mthh.eu/corporategovernance2023

This annual report covers MT Højgaard Holding A/S and has been published in both Danish and English. In case of any discrepancy between the two versions, or in case of any doubt, the Danish version will take precedence.

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FRONT PAGE: PORT OF RØNNE

In 2023, MT Højgaard Danmark completed the contract for an expansion of the Port of Rønne. Phase 3 of the project will be carried out by MT Højgaard Danmark in the coming years.

BUILDING ON

2023 was the first year in which the Group companies worked within the framework of the new Group strategy "Building on".

Read more on page 13 >

CONSOLIDATED FINANCIAL STATEMENTS

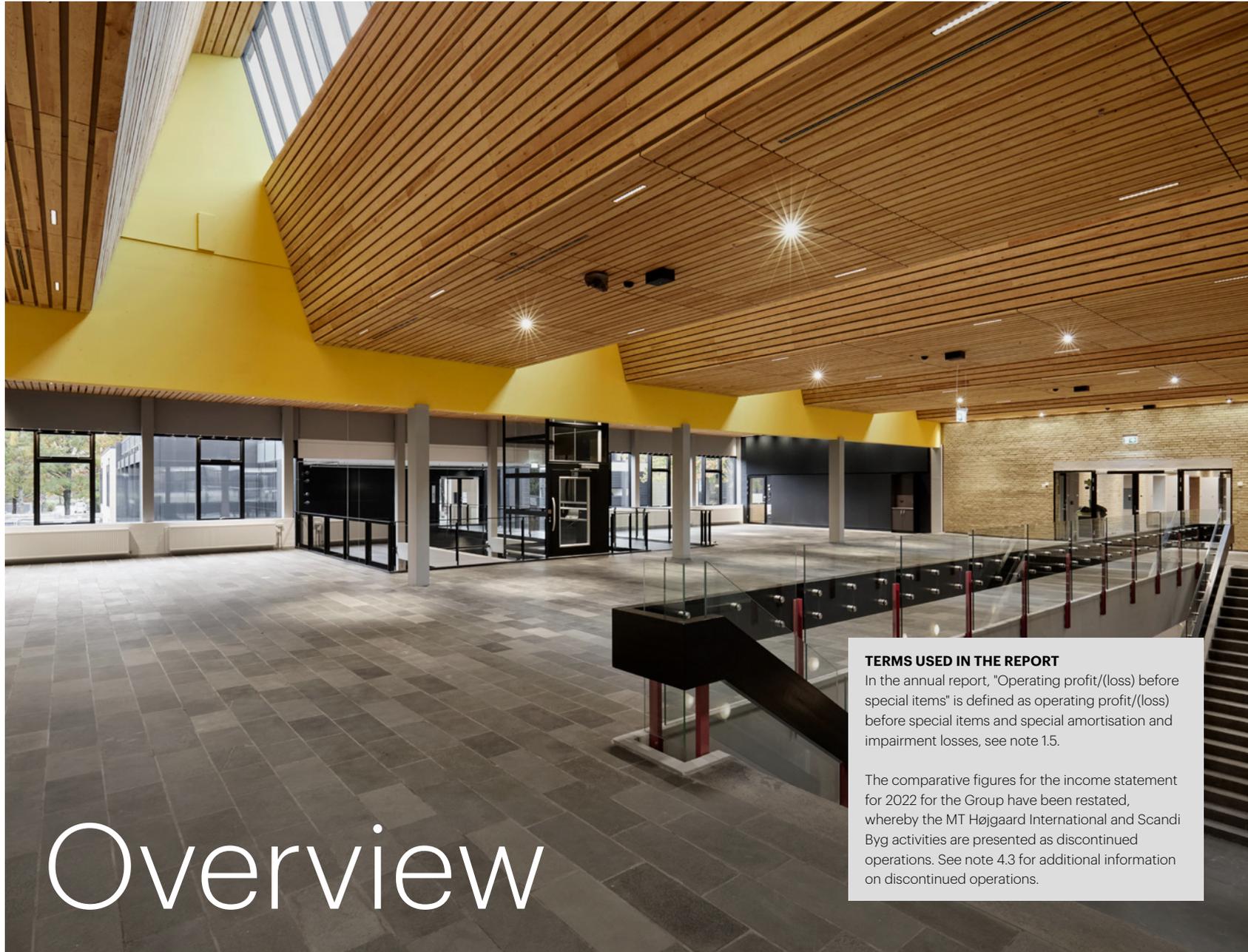
2023 was a good year for MT Højgaard Holding, which recorded profitable growth and solid performance in the Danish core business.

See the consolidated financial statements on page 45 >

BUSINESS AREAS

Strong, independent business units constitute the core of the Group.

See their financial results on pages 19-26 >



Overview

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DTU BUILDING 208

Enemærke & Petersen has carried out a complete renovation, development and transformation of building 208, one of the large auditorium buildings from 1967 at the Technical University of Denmark (DTU). The building has been transformed with due respect of the original, high architectural quality of the building created by Eva and Nils Koppel.

Photographer: Jonathan Weimar

TERMS USED IN THE REPORT

In the annual report, "Operating profit/(loss) before special items" is defined as operating profit/(loss) before special items and special amortisation and impairment losses, see note 1.5.

The comparative figures for the income statement for 2022 for the Group have been restated, whereby the MT Højgaard International and Scandi Byg activities are presented as discontinued operations. See note 4.3 for additional information on discontinued operations.

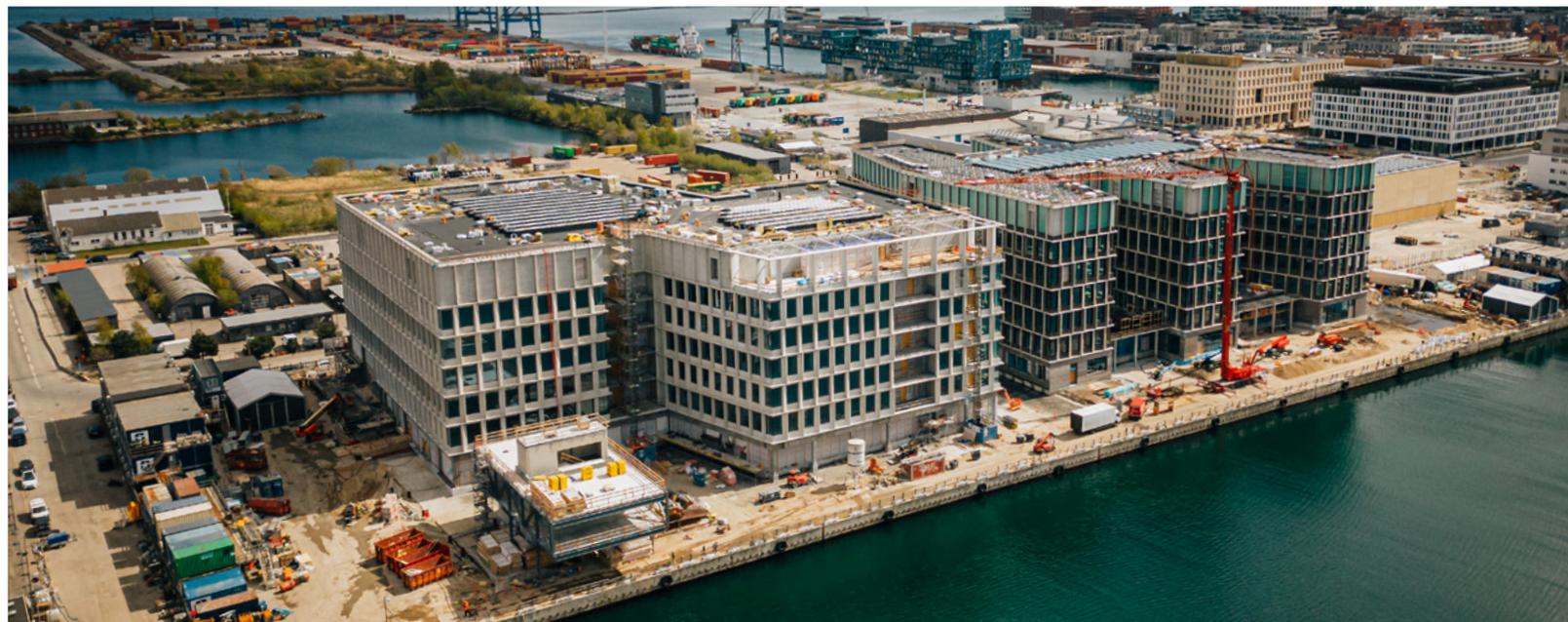
The year in figures

Revenue and earnings in the Group's continuing operations improved for the fifth year running. The profit for the year lived up to the most recent guidance from October 2023.

The results of Scandi Byg and MT Højgaard International are reported as "Profit/(loss) from discontinued operations" and are therefore excluded from the figures below. Comparative figures for 2022 have been restated.

SVANEMØLLEHOLM

The construction of the headquarters for Nykredit and AP Pension at Svanemølleholm in Copenhagen is nearing completion.



REVENUE

9.8 DKK billion

8.1 DKK billion in 2022

The Group recorded growing business activity in a slowing market. MT Højgaard Danmark and MT Højgaard Property Development recorded high double-digit growth, while revenue in Enemærke & Petersen increased by 6%.

OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS

409 DKK million

333 DKK million in 2022

Operating profit before special items and special amortisations and impairment losses increased by 23%, and the operating profit margin improved from 4.1% to 4.2%. The improvement was mainly attributable to MT Højgaard Danmark.

ORDER INTAKE

9.9 DKK billion

11.6 DKK billion in 2022

The business units adopted a selective approach to ensure profitable growth in a market characterised by intensifying price competition. 21% of order intake came from strategic construction partnerships and other collaboration projects.

ORDER BOOK

13.5 DKK billion

13.3 DKK billion in 2022

In addition to the DKK 13.5 billion order book, the Group has orders awarded but not yet contracted for DKK 1.6 billion and future production in strategic construction partnerships with an estimated value of DKK 5.2 billion.

OUTLOOK FOR 2024*

400-425 DKK million

389 DKK million in 2022

In 2024, MT Højgaard Holding expects an operating profit (EBIT) in the range of DKK 400-425 million. The Group guides for revenue in the range of DKK 10-10.5 billion.

* From 2024, expectations will be given on the operating profit (EBIT) instead of as previous operating profit before special items and special depreciation and write-downs. In 2023, special items and special amortisation and impairment losses amounted to DKK 19.4 million.

Consolidated financial highlights

Amounts in DKK million	2023	2022	2021	2020	2019	Amounts in DKK million	2023	2022	2021	2020	2019
INCOME STATEMENT						OTHER INFORMATION					
Revenue	9,788	8,080	6,966	5,780	4,672	Order intake	9,949	11,649	9,877	7,370	5,061
Gross profit/(loss)	720	628	495	435	185	Order book, year-end	13,505	13,344	10,624	8,015	6,595
Operating profit/(loss) before special items	409	333	172	104	77	Working capital	-669	-6	126	-142	-119
Special items	-19	-25	-49	-71	-100	Net interest-bearing deposit/debt (+/-)	240	-528	-668	-823	-967
Operating profit (EBIT)	389	308	123	33	-23	EBITDA	494	409	290	251	185
Net financials	-59	-83	-33	-44	112	Net interest-bearing debt relative to EBITDA	-0.5	1.3	2.3	3.3	3.9
Net profit/(loss) for the year from continued operations	305	231	131	4	62	Average invested capital incl. goodwill	942	1,342	1,426	1,468	1,123
Net profit/(loss) for the year from discontinued operations	-201	-219	-13	97	4	Average number of employees	2,774	2,421	2,536	2,595	2,178
Net profit/(loss) for the year	104	12	118	101	66	FINANCIAL RATIOS, %					
BALANCE SHEET						Gross margin	7.4	7.8	7.1	7.5	5.4
Non-current assets	1,124	1,270	1,453	1,647	1,937	Operating margin before special items	4.2	4.1	2.5	1.8	0.3
Current assets	4,194	3,519	2,886	2,363	2,471	EBIT margin	4.0	3.8	1.8	0.6	-0.5
Total assets	5,318	4,789	4,339	4,010	4,408	Return on invested capital incl. goodwill (ROIC)*	41.3	23.0	8.6	2.2	-2.0
Share capital	156	156	156	156	156	Return on invested capital incl. goodwill after tax*	32.2	17.9	6.7	1.8	-1.6
Equity	846	751	737	624	521	Return on equity (ROE)	13.1	1.6	17.7	18.0	17.4
Non-current liabilities	776	988	1,151	1,150	1,233	Solvency ratio	15.9	15.3	16.6	15.2	11.5
Current liabilities	3,696	3,050	2,451	2,235	2,653	Solvency ratio incl. subordinated loan	21.9	23.7	25.8	25.2	20.6
CASH FLOWS						SHARE-RELATED RATIOS					
Cash flows from operating activities	793	213	59	137	123	Number of shares at year-end, million shares	7.8	7.8	7.8	7.8	7.8
Cash flows for investing activities, net	-15	-32	385	159	-202	Earnings per share (EPS), DKK	13.4	1.5	15.2	12.9	8.8
Of which for investments in property, plant and equipment	-82	-76	-239	-84	-134	Diluted earnings per share (EPS-D), DKK	13.3	1.5	15.1	12.9	8.8
Cash flows from financing activities	-228	-47	-358	-134	83	Earnings per share from continuing operations, DKK	39.6	30.1	17.0	0.4	8.2
Net increase (decrease) in cash and cash equivalents	550	134	85	161	5	Diluted earnings per share from continuing operations, DKK	39.1	29.6	16.9	0.4	8.2
						Book value per share, DKK	108.2	94.1	92.4	78.2	65.0
						Total market capitalisation, DKK million	962	1,133	1,698	1,324	650

Figures for 2019 cover the period from 5 April 2019 to 31 December 2019.

Definitions of financial ratios are set out in the notes under accounting policies, page 83.

Operating profit/(loss) before special items is used as an alternative performance measure for the MT Højgaard Holding Group, as management regards this as valuable information for the user of the financial statements. Special items and special amortisation, which consists of amortisation of the write-ups as a result of purchase price allocations, have been eliminated from the performance measure used.

* The calculation of ROIC has been changed to be based on EBIT rather than operating profit before special items, and has been changed for all 5 years.

Business model



Strong results in a focused group

The order book stabilised at DKK 13.5 billion in 2023, even though the Group opted for a selective approach to the market, which was characterised by a lower level of activity and intensified price competition in several segments.

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Going into 2023, our ambition was to maintain the positive momentum from 2022. Having successfully achieved that, our results for 2023 demonstrate that we have a solid financial foundation for the future.



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From the left:
CFO Rasmus Untidt,
CEO Steffen Baungaard
and Chairman of the Board
of Directors Carsten Dilling.

2023 was a good year for MT Højgaard Holding. We generated strong results and took important steps to sharpen the profile of our Danish core business, which maintained its good momentum and holds a strong market position.

Despite a downward trend in construction activity and some turmoil in the building industry, MT Højgaard Holding recorded a 21% increase in revenue to DKK 9.8 billion. Furthermore, we achieved our goal of profitable growth by lifting operating profit before special items and special amortisation and impairment losses by 23% to DKK 409 million.

In a challenging market, we opted for a selective approach focusing on securing long-term profitability. Nevertheless, we ended the year with a solid and slightly higher order book of DKK 13.5 billion. On top of the order book come orders awarded but not yet contracted and future activity in strategic construction partnerships and joint ventures. The combined order book provides a solid foundation for the Group's activities in the years ahead.

From seven to three business units

Since 2019, when the current ownership structure of MT Højgaard Holding was established, we have continuously optimised our portfolio of activities. We started out with seven business units, which differed widely in terms of market approach, maturity and capital needs. We have since prioritised the areas in which we could best utilise our management and financial resources to generate growth, and decided which businesses we should divest, because we were no longer the best owner. As a result of these priorities, we sold Lindpro in 2020 and Ajos in 2021. In 2023, we sold Scandi Byg and

also resolved to wind up the loss-making MT Højgaard International. The winding-up process is underway. Contract has been entered into for the sale of the Portuguese business Seth, and we are now working to find the best possible solutions for the companies in the North Atlantic.

Even though we have moved from seven to three business areas, the Group's topline has grown steadily and earnings have multiplied since 2019. This underlines the strength and quality of the three continuing business units – the two large contracting companies MT Højgaard Danmark and Enemærke & Petersen, complemented by project development activities in MT Højgaard Property Development.

Our task now is to build on those strong foundations. We need to maintain the specific characteristics and specialist capabilities of the business units, but we also need to be better at exploiting the benefits of being a large group with a clear, shared direction. We must establish an organisation capable of creating added value for our customers and for the Group.

IMPROVED EARNINGS IN 2024

The headline for 2024 is steady profitable growth with a goal for earnings again to out-grow revenue. We expect to generate revenue in the range of DKK 10-10,5 billion and aim to improve our operating profit (EBIT) to the range of DKK 400-425 million, against DKK 389 million in 2023.

Our forecast for 2024 largely builds on the orders we have already received. On top of this come orders awarded but not yet contracted and the good projects in our pipeline. These

include projects from our strategic construction partnerships with large clients and other projects in binding collaborations. Obviously, we will also seek to obtain new orders and remain active in the tendering market, as this helps us to stay competitive. However, we will not compete on a scale that pushes the margins for new projects to very low levels, as has, unfortunately, sometimes been the case during the past year. Prices must help ensure profitability and go hand-in-hand with professionalism, quality, reliability of supply, collaborative skills and the ability to develop sustainable buildings.

STABLE BUSINESS AND SOLID FINANCIAL FOUNDATION

Going into 2023, our ambition was to maintain the positive momentum from 2022. Having successfully achieved that, our results for 2023 demonstrate that we have a solid financial foundation for the future. We must build on this foundation, and the stable Danish core business must keep up the good momentum so that we can achieve our goal of profitable growth.

When our solvency ratio reaches 20%, our dividend policy enables us to pay dividends so that our owners can also benefit from the value we create for customers and business partners. It is our ambition to pay dividends when so permitted by our dividend policy, which will be a clear indication of the progress we have made in transforming the Group. Our debts are under control, liquidity has been substantially strengthened, and earnings are approaching the levels we are aiming for.

We would like to thank our shareholders for their support during the transformation process. We would also like to thank customers and business partners for their trust. We will continue to endeavour to honour their trust, and we will particularly welcome collaboration on the way we plan, design and carry out projects so that we can resolve the very pressing problem of high carbon emissions from construction.

Finally, we would like to thank our close to 2,800 employees for their great efforts, commitment and determination to find the best solutions. This creates the foundation for the Group's results every single day. In 2024, we will continue to build the Group's positive momentum and do our best to live up to the confidence that our customers, business partners and investors display in us.

Carsten Dilling

Chairman of the Board of Directors

Steffen Baungaard

CEO

Rasmus Untidt

CFO

Repositioning the Group

In 2023, MT Højgaard Holding initiated a strategic repositioning of the Group by commencing the sale and winding up of the international activities to focus exclusively on the Danish core business.

In June 2023, the Board of Directors of MT Højgaard Holding initiated a strategic process for its international activities, which in October resulted in the sale of the Group's ownership interest in the Portuguese company Seth and a decision to sell the remaining international activities in Greenland and on the Faroe Islands to wind up the business unit MT Højgaard International.

Following the repositioning, MT Højgaard Holding will focus on the profitable Danish core business, which consists of the business units MT Højgaard Danmark, Enemærke & Petersen and MT Højgaard Property Development, which have generated growth and improved earnings for five years running.

In autumn 2023, MT Højgaard Danmark assumed management responsibility for the activities in Greenland and initiated a turnaround focused on the well-run technical and service activities in Arssarnerit as part of the sales effort. Focus was also intensified on reducing construction activities and executing the order book in MT Højgaard Grønland as well as completing the two remaining contracts in 2024. The contracts involve a hall of residence

in Nuuk and an airport in Nuuk, for which stages of completion are 91% and 79%, respectively.

The market approach has also been radically revised in Greenland with ongoing adjustments of capacity and the organisation with a view to divestment in 2024. The process of divesting the activities or individual assets in Greenland remains on track.

On the Faroe Islands, efforts are being made to sell the ownership in the 80%-owned company RTS Contractors. The divestment marks the end to the Group's activities in the Faroe Islands.

As previously announced, the activities in the Maldives, where demand remains strong for coastal protection and concrete element works in connection with resorts, have been transferred to MT Højgaard Danmark and are still a part of the Group's activities.

ACCOUNTING FOR MT HØJGAARD INTERNATIONAL

Because of the decision to divest the international activities, MT Højgaard International was, as of 27 October 2023, classified as discontinued operations in accordance with IFRS 5.

The reclassification entails that the international activities are presented as "assets held for sale" in this annual report, and the result is reported as "profit/(loss) from discontinued operations", which also includes the divested Scandi Byg and the effect of the earn-out agreement from the sale of Ajos in 2021. See note 4.3. Comparative income statement figures have been restated.

In 2023, MT Højgaard International's revenue amounted to DKK 557 million and the loss after tax was DKK 238 million.

As part of the strategic process, management estimated the growth and earnings potential of MT Højgaard International and wrote down the value of the international activities by DKK 53 million, of which DKK 25 million concerned intangible assets and property, plant and equipment and DKK 28 million a tax asset in Greenland. The write-down was made in October and had no impact on cash flows or liquidity. The value has not subsequently been written down further.

Order book

The order book stabilised at DKK 13.5 billion in 2023, even though the Group opted for a selective approach to the market, which was characterised by a lower level of activity and intensified price competition in several segments.

The Group contracted new orders and extra works for DKK 9.9 billion in 2023, against DKK 11.6 billion in the record-breaking 2022. The main reason for the decrease was that the business units maintained a selective approach to ensure profitable growth in a market characterised by intensifying price competition with more bidders for fewer projects.

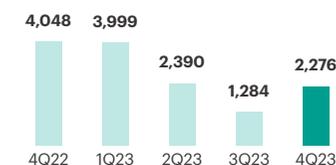
As expected, market demand was affected by high interest rates, macroeconomic uncertainty and the impact of the price increases in recent years, especially on building materials. In some parts of the market, this led to delays, cancellation or re-tendering of projects. Activity levels in newbuilds and refurbishment of residential units were particularly hard hit, while demand

SELECTED, MAJOR PROJECTS IN THE GROUP IN 2023

Company	Project	Order type	Amount
MT Højgaard Danmark	Domicile for Danish Defence Intelligence Service in Copenhagen for PensionDanmark	PPP	About DKK 2 billion
MT Højgaard Danmark	Multi-user building for Arbejdernes Landsbank in Copenhagen	Design and build contract	DKK 455 million
MT Højgaard Property Development	Joint head office for labour union organisations – in Copenhagen	Design and build contract	DKK 364 million
MT Højgaard Danmark	Phase three of expansion of the Port of Rønne	Design and build contract, civil works	DKK 279 million
Enemærke & Petersen	Transformation of property for Kirkbi Invest in Copenhagen	Design and build contract	DKK 184 million
Enemærke & Petersen	Newbuild of Generationernes Byhus – mixed residential project for KAB in Ørestad (Copenhagen)	Construction partnership &os	DKK 182 million
MT Højgaard Danmark	Transformer station in Thorsminde for RWE	Design and build contract in a consortium	DKK 182 million
MT Højgaard Danmark	New train station in Taastrup for DSB	Design and build contract	DKK 182 million
Enemærke & Petersen	Refurbishment project for Arbejdernes Byggeforening in Silkeborg	Main contract after tender process	DKK 166 million
Enemærke & Petersen	Tingbjerg Skole in Copenhagen	Construction partnership TRUST	DKK 153 million
MT Højgaard Danmark	Refurbishment project for Køge Boligselskab	Main contract	DKK 133 million

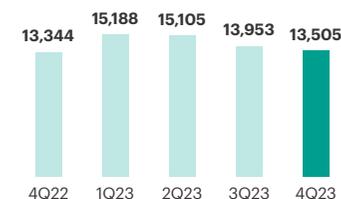
ORDER INTAKE

DKK million



ORDER BOOK

DKK million



for commercial buildings was more robust, and parts of the civil engineering market saw a rising level of activity, especially for green transition and energy renovation projects.

MT Højgaard Danmark's order intake of DKK 5.8 billion was 20% below the level of 2022, while Enemærke & Petersen's order intake of DKK 3.4 billion was 18% lower. On the other hand, MT Højgaard Property Development recorded an order intake of DKK 834 million, which was 91% higher than in 2022, driven in particular by a large property project in the Copenhagen's South Harbour district.

21% of the order intake came from the strategic construction partnerships with large social housing and public clients and projects in other forms of collaboration, including IPD projects, dialogue-based tenders, projects with early involvement and phased tenders. The percentage was lower than in the preceding years, in part because the first TRUST partnership with the City of Copenhagen was completed in 2023, and new projects from the replacement partnership – TRUST II – are not expected to be added until in 2024.

In 2024, we also expect to receive the first orders from two new multi-year construction partnerships with the Municipality of Furesø (MT Højgaard Danmark) and Hørsholm

DEVELOPMENT IN THE ORDER BOOK

Amounts in DKK million

	Q423	Q422	2023	2022
Order book, beginning of period	13,952	11,725	13,344	9,775
Order intake during the period	2,276	4,048	9,949	11,649
Production during the period	-2,723	-2,429	-9,788	-8,080
Order book, end of period	13,505	13,344	13,505	13,344

Municipality (Enemærke & Petersen). Valued at up to DKK 650 million, the two new partnerships will not be added to the order intake until contracts have been signed for the individual projects. The Group continues to consider partnerships and close collaboration with customers and consultants as a method of differentiation in the market and a way to ensure effective construction processes at the agreed time, the agreed price and without conflicts.

ORDER BOOK

The Group's order book of final, unconditional orders was valued at DKK 13.5 billion at 31 December 2023, which was 1% higher than in 2022. The order book is widely spread across segments, project sizes and geography. Of the order book, 41% comes from multi-year partnerships and other collaboration projects.

In addition to the DKK 13.5 billion order book, the Group has orders awarded but not yet contracted for a total of DKK 1.6 billion. Nearly all of these orders were won in the fourth quarter with expected contract signing in 2024. The orders include stage four of the expansion of the Port of Rønne, a newbuild project for a large industrial group and several social housing refurbishment projects.

To this figure should be added the value of

future projects under the strategic partnerships with the housing associations Civica and KAB, the Capital Region of Denmark as well as municipalities of Copenhagen, Hørsholm and Rudersdal. The value of future production output in the partnerships is estimated at DKK 5.2 billion.

The combined order book – which equals a little more than twice the expected revenue

in 2024 – makes MT Højgaard Holding more robust to market fluctuations, and makes it easier to plan activities and optimise the use of own resources.

Finally, projects in joint ventures with a value of around DKK 1 billion are not included in the order book, including MT Højgaard Danmark's share of the construction of the North Harbour Tunnel.

DANISH DEFENCE INTELLIGENCE SERVICE

The largest order in 2023 was the contract with PensionDanmark to plan, construct and manage a new domicile for the Danish Defence Intelligence Service – the largest public-private partnership (PPP) to date. MT Højgaard Denmark is the general contractor, while MT Højgaard Property Development and DEAS Group will handle the day-to-day property management of the building for 30 years. Construction began in the second half of 2023. Render: Danish Defence Intelligence Service.



Outlook for 2024

Focus will remain on stable, profitable growth. The outlook for 2024 is supported by a healthy order book, a solid pipeline and a strong exposure to the growth segments of the market.

In 2024, MT Højgaard Holding expects to generate revenue in the range of DKK 10-10.5 billion, for a marginal increase on 2023.

MT Højgaard Holding has previously provided guidance based on operating profit/(loss) before special items and special amortisation and impairment losses. This practice will be changed for 2024 to the effect that guidance instead will be based on operating profit (EBIT), which is a more commonly used accounting term.

Operating profit (EBIT) is expected to be in the range of DKK 400-425 million, which will be an improvement of 3%-9% relative to 2023. All three business units are expected to improve their earnings and margins, driven by high capacity utilisation, better contribution ratios and optimised project processes.

Based on the known phasing of projects and orders, consolidated revenue and operating profit are expected to peak in the second half of the year, with the lowest levels seen in the first quarter.

About 77% of the expected revenue in 2024 from construction and engineering projects was contracted at the end of 2023, making the forecasts robust to market volatility.

Furthermore, the Group has orders awarded but not yet contracted for DKK 1.6 billion with contracts expected to be signed in 2024, as well as a promising pipeline and strong exposure to the parts of the market in which growth is expected.

In 2024, focus will again be on achieving a reasonable return on the invested capital to enhance the Group's financial latitude. Working capital and cash flow improvements achieved in recent years need to be consolidated.

Across the Group, we will take measures to enhance productivity and efficiency throughout the value chain, from submission of tenders to handover of the final projects.

The loss from discontinued operations is expected to be lower than in 2023. Scandi Byg was sold effective 29 December, and Seth is expected to be sold in the first quarter of 2024 when the competition authorities in Angola are expected to approve the sale. Subsequently, focus will be on winding up the activities in the North Atlantic.

KEY ASSUMPTIONS

Key assumptions relating to the Danish market in 2024:

- No growth is expected in overall demand for construction and civil engineering projects in 2024, but there will be growth pockets in parts of the market representing opportunities for MT Højgaard Holding's businesses.
- A strong interest is expected across the market for collaboration-based projects in which the parties join forces to develop projects and ensure their buildability within agreement scopes and terms.
- Decent demand is still expected for civil engineering works and infrastructure projects, underpinned by public sector investments under the Infrastructure Plan 2035. Climate and energy solutions, including the green transition of energy supply, are also expected to contribute to a high level of activity.
- More public funds are expected to be allocated to modernising the building stock of the Danish Armed Forces and to investments in eldercare and healthcare. Schools and day care centres are expected to remain a large activity area.
- Within commercial buildings, growth opportunities are expected in selected segments, generally within refurbishment and green transition projects.
- Expectations are for solid activity in the refurbishment of both private and social residential buildings, while newbuilds of private residential buildings are likely to still be affected by high interest rates.
- If inflation remains subdued, interest rates are expected to be gradually lowered over the course of the year.
- Postponements of project start-ups or delays in contract signing may occur, but the effect is assumed to be limited.

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

REVENUE

10-10.5 DKK billion

Expected in 2024, in the range of

10-10.5 DKK billion

Realised 2023

9.8 DKK billion

OPERATING PROFIT (EBIT)

400-425 DKK million

Expected in 2024, in the range of

400-425 DKK million

Realised 2023

389 DKK million

FORWARD-LOOKING STATEMENTS

The annual report contains forward-looking statements, including projections of financial performance in 2024, which, by their nature, involve risks and uncertainties that may cause actual performance to differ from that contained in the forward-looking statements. Reference is made to the risk section on pages 35-37 of the annual report.

Strategy 2025

'BUILDING ON'

At the beginning of 2023, MT Højgaard Holding launched its new Group strategy 'BUILDING ON'. Based on more than a hundred years of experience, the Group aims to continue developing, planning and performing construction, civil engineering and infrastructure projects and services in the Danish market.

The new strategy extends towards 2025 and is to ensure continued business development through four selected focus areas.

2023 was the first year in which the Group companies worked within the framework of the new Group strategy.

On the following pages, we provide a brief status of goals, results and progress in the individual focus areas.

We also describe developments in three selected market areas in which the Group holds a strong position and aims to generate further growth.



Strategy



Economy

Long-term profitable growth and a stable and sound return on invested capital



Market



A preferred business partner in attractive markets where we can make a difference

SPECIAL RESULTS AND INITIATIVES IN 2023

Revenue growth 2023

21%

- Overall profitable growth in the Danish core business
- Working capital and cash flow improvements
- Agreements on divestment of Scandi Byg and Seth
- Winding up of activities in the North Atlantic ongoing

Earnings growth (EBIT) 2023

26%

Strategic priorities in the period to 2025

- Continued profitable growth
- Strengthened return on invested capital
- Strengthened financial latitude

Initiatives in the period to 2025

- Final wind up of discontinued activities
- Strengthening core activities
- Selective expansion of activities within the core areas

SPECIAL RESULTS AND INITIATIVES IN 2023

Order book from collaboration and partnerships

5.6 DKK billion

- Continued progress in the Danish core business
- New partnerships and collaboration agreements with DSB and the municipalities of Hørsholm and Furesø.
- Civil engineering and infrastructure projects accounted for 42% of revenue and 30% of the order book in MT Højgaard Danmark

Order book from civil engineering and infrastructure

2.3 DKK billion

Strategic priorities in the period to 2025

- Maintaining leading position in collaboration and partnerships
- Strengthening activities within civil engineering and infrastructure
- Strengthening green transition activities

Initiatives in the period to 2025

- Developing existing activities
- Selective approach to market opportunities
- Strengthening collaboration with subcontractors and materials suppliers

People

An attractive workplace with a positive social impact on society



Climate and environment



An active Group that assumes responsibility for the green transition

SPECIAL RESULTS AND INITIATIVES IN 2023

Accident rate*

16.6

Share training posts*

8%

Women in the group*

10.5%

- Working environment resources brought closer to the projects where most of the work-related accidents occur
- Initiatives to attract apprentices to the crafts and continuing professional development and relevant courses
- Focus on attracting women builders through early action

Strategic priorities in the period to 2025

- Maintaining a secure and safe working environment for all
- Retaining and developing competent employees
- Increasing diversity across employee groups

Initiatives in the period to 2025

- Safety: Incorporating a Vision Zero culture
- Dedicated efforts relating to recruitment and retention
- Apprentice schemes

SPECIAL RESULTS AND INITIATIVES IN 2023

Recirculation of waste*

68.4%

CO₂e emissions scopes 1 and 2 (location-based)*

13,601 tonnes

- Focus on reducing CO₂e emissions with LCA and selection of materials as the main focus areas
- Increased recirculation of materials
- Sustainability capabilities strengthened across employee teams in the Group, both through recruitment and training initiatives

Strategic priorities in the period to 2025

- Accelerating and documenting sustainability initiatives in projects
- Ensure a systematic approach to managing sustainability data
- Reducing CO₂e emissions

Initiatives in the period to 2025

- Increasing recycling of materials and waste
- CO₂e-reducing initiatives across the value chain
- Making demands on our suppliers and business partners

* The figures include the international companies and Scandi Byg.

Collaboration and partnerships

Strategic partnerships and new forms of collaboration continue to make up a good part of the Group's order book. From interest-based partnerships with early involvement of all the parties involved in the construction process to building partnerships often spanning several years and projects. The interest-based collaboration calls for a collaborative culture based on trust, openness and shared goals between participants. This type of collaboration is gaining popularity as it enhances productivity,

increases value creation and reduces the risk of conflict between the parties involved in the construction process. Based on the positive experience, an increasing number of municipalities, regions, housing associations and other clients have become interested in the new forms of collaboration.

In 2023, 21% of the Group's order intake came from construction partnerships with the Municipality of Copenhagen, the Capital Region of

PARTNERSHIP FRONTRUNNER

Enemærke & Petersen was among the frontrunners regarding partnerships when, already seven years ago, the business unit entered into the TRUST partnership which, over a multi-year period, carried out refurbishment projects and newbuilds of schools, daycare centres, etc. for the Municipality of Copenhagen. In 2021, when the municipality invited new tenders for the contract, Enemærke & Petersen was awarded the TRUST partnership contract again, and this time projects have an increased focus on sustainability. The experience from the partnership has clearly shown that close collaboration between the many parties involved results in more effective construction processes at the agreed time, quality and price.

Selected collaboration agreements and partnerships

- MT Højgaard Danmark has entered into a billion-kroner collaboration agreement with DSB for DGNB-certified workshops for repair and maintenance of electric trains, trainsets and double-decker carriages.
- MT Højgaard Danmark has entered into a partnership with the Municipality of Furesø to energy-optimize and update municipal buildings.
- Enemærke & Petersen remains committed to the LIVA partnerships which refurbish and construct social housing units for CIVICA on Funen, and in Byggepartnerskabet & os with KAB.
- Enemærke & Petersen has formed the construction partnership HØST with Hørsholm Municipality with the aim of carrying out construction and renovation projects customised to the municipality's specific needs.

Denmark, Civica and KAB and from various other collaboration projects, including IPD projects, dialogue-based tenders, projects with early involvement and phased tenders. Out of the Group's ten largest orders in 2023, three were collaboration projects, and 37% of Group revenue was generated by strategic construction partnerships and other collaboration projects.

The ambition is to keep on increasing the share of collaboration and partnership projects to maintain stability, optimise capacity utilisation, reduce risks and consolidate long-term relationships which may contribute to generating the best possible results for all parties involved in the construction process. The experience from the first partnerships has clearly shown that close interest-based collaboration between the many parties involved results in more effective projects at the agreed time, quality and price and causing much fewer conflicts between the parties.



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CONSTRUCTION PARTNERSHIP WITH HØRSHOLM MUNICIPALITY

Enemærke & Petersen has formed the construction partnership HØST with Hørsholm Municipality, which aims to develop a collaboration model customised to the municipality's specific needs. The picture shows a start-up workshop event.

Civil engineering and infrastructure

Despite higher interest rates in 2023, which affected the level of building activity, the market for civil engineering and infrastructure projects remains relatively buoyant. This has opened up for some good project opportunities for MT Højgaard Danmark. In terms of revenue, up to 42% of total orders in 2023 were for civil engineering and infrastructure projects in MT Højgaard Danmark. Revenue stemming from civil engineering and infrastructure projects reached DKK 2.3 billion, while the order book was almost DKK 2.3 billion at year-end 2023.

Some of the most significant projects in 2023 were the North Harbour Tunnel in a joint venture with BESIX, the construction of the railway bridge across Guldborgsund and green workshops with railway facilities in Copenhagen, Aarhus and Næstved for DSB's new electric trains. MT Højgaard Danmark also won the tender for the continued development and expansion of the Port of Rønne.

MORE INVESTMENTS IN ENERGY AND HEAT

In the field of energy, there were increasing investment in energy and heating supply in 2023 driven by the goal of increasing renewable energy and making the Danish energy supply mix less dependent on Russian gas. Specifically, MT Højgaard Danmark collaborates with Siemens on building an onshore transformer station for the new *Thor* offshore windfarm, which is set to become Denmark's largest windfarm by 2027. Furthermore, district heating projects are underway both in Gladsaxe and in Kolding, as well as projects to build a new CO₂ capture facility at Avedøreværket.

FUTURE FOCUS ON CIVIL ENGINEERING AND INFRASTRUCTURE

In the years to come, the Group will focus on establishing a clearer position within civil engineering in order to obtain a good balance between the Group's market segments.

Project opportunities in civil engineering, infrastructure and green transition projects thus constitute an important element in making the Group more robust to business cycle fluctuations.



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NEW KONG FREDERIK IX BRIDGE

MT Højgaard Danmark is extending the connection across Guldborgsund with New Kong Frederik IX bridge.

Green transition

In 2023, Group companies experienced a growing demand for projects supportive of the green transition.

At the end of 2023, a new Energy Performance of Buildings Directive (EPBD) was adopted by the EU. The Directive stipulates that all new buildings in the EU must be zero-emission buildings by 2030, while all existing buildings must be zero-emission buildings by 2050. Consequently, energy renovation and green transition are expected to make up a larger proportion of our order books in the years ahead.

GROWING INTEREST IN CLIMATE INITIATIVES

The Group experienced growing interest in climate initiatives and certification in 2023.

One of the first projects of the year was PFA Marina Park, which is the first DGNB Platinum-certified building constructed by MT Højgaard Danmark. In a partnership with VELUX, MOE and EFFEKT, Enemærke & Petersen is building seven homes with the lowest carbon footprint recorded in Denmark to date at no extra cost during the construction process.

GREATER FOCUS ON BUILDING TRANSFORMATION

We also recorded growth in the market for building transformation, which involves repurposing existing buildings into new

purposes. Group companies carried out a number of important building transformation projects in 2023.

MT Højgaard Danmark was in charge of transforming the former psychiatric hospital in Aarhus into attractive residential units in the new housing area Bindsbøll Byen. In addition, Enemærke & Petersen launched a comprehensive transformation of DMI's headquarters in Copenhagen, which will be transformed into a modern, DGNB Gold-certified office building.

Furthermore, the Municipality of Furesø selected MT Højgaard Danmark for energy-optimisation projects involving schools, kindergartens and other municipal properties during 2024 and 2025.

NEW EU DIRECTIVE WITH STRICTER REQUIREMENTS FOR NEW AND EXISTING BUILDINGS

At the end of 2023, the EU adopted the Energy Performance of Buildings Directive, which defines ambitious requirements for carbon emissions both for new and existing buildings. The new requirements are expected to be implemented in Danish construction legislation within eighteen months. Examples of EU requirements:

- All new buildings must be zero-emission buildings by 2030, while all existing buildings must be zero-emission buildings by 2050.
- Enhanced focus on installing solar cell systems for new buildings, public buildings and existing commercial buildings undergoing comprehensive refurbishment.
- Residential buildings must reduce average energy consumption by 16% by 2030, and 55% of the reduction will have to be achieved through renovation of the worst-performing buildings.

GREEN TRANSITION TRAINING FOR 250 BUILDERS

MT Højgaard Danmark and Enemærke & Petersen resolved to enrol 250 builders in a supplementary training programme in 'green transition at the building site' in recognition of the fact that new and future requirements call for new knowledge. Launched in 2023, the training programme will continue in 2024.

The courses will be carried out by the adult vocational training centres and the Advisory Board for Education and Training for the Building and Construction Industry, and the builders will learn how to correctly manage excess materials, waste and dust, among other things. The course will also prepare them for meeting the requirements contained in DGNB and the Nordic Swan Ecolabel.

DALUM PAPIRFABRIK, ODENSE

The transformation of Dalum Papirfabrik near Odense is well underway. In 2023, MT Højgaard Property Development started developing Hollænderhuset, which will be transformed into twenty high-end owner-occupied flats.

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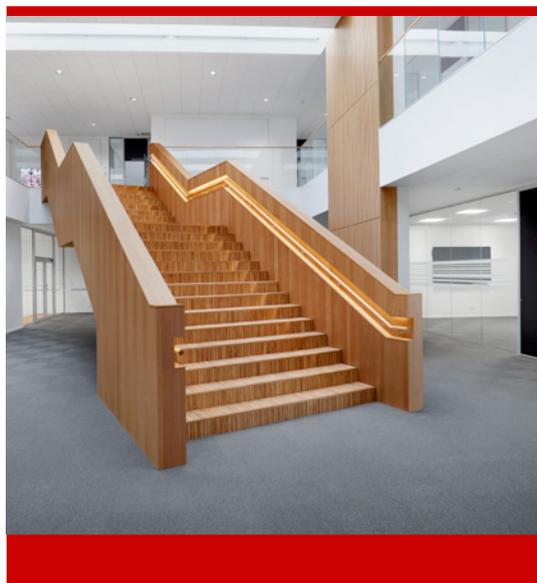
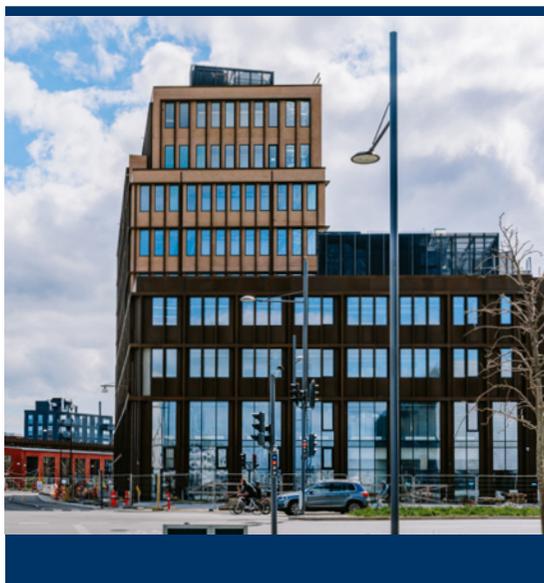


Results in 2023

> SIMAC IN SVENDBORG

In 2023, MT Højgaard Danmark handed over the new maritime academy SIMAC in Svendborg. The concrete works won the precast concrete panel award from Dansk Beton (association of Danish concrete producers).

MT HØJGAARD HOLDING



Major contractor specialising in construction, civil engineering and infrastructure projects

[Read more on pages 21-22 >](#)



Nationwide contractor specialising in newbuilds, refurbishment and building services as well as strategic partnerships

[Read more on pages 23-24 >](#)



Development and realisation of construction projects and urban development

[Read more on pages 25-26 >](#)



^ MARINA PARK, COPENHAGEN

The year in numbers

REVENUE

5,590
DKK million

OPERATING PROFIT

271
DKK million

ORDER INTAKE

5,755
DKK million

ORDER BOOK

7,641
DKK million

HIGH AND STABLE ACTIVITY LEVELS THROUGHOUT 2023

2023 was a satisfactory year with high levels of activity across MT Højgaard Danmark. Revenue for the year increased to DKK 5,590 million, which represents growth of 28% compared to the revenue of DKK 4,352 million in 2022. Revenue growth is reflected in staff numbers, with around 100 new salaried employees hired in the various competence areas in 2023.

Capacity utilisation was high and stable throughout 2023. Stable production levels improved earnings, with operating profit for 2023 coming in at DKK 271 million (2022: DKK 161 million), equivalent to an operating profit margin of 4.8%. The result is viewed as satisfactory in an industry characterised by rising economic and market uncertainty. Continuing operational stability will remain a key focus area, not least at a time when the overall business is growing.

All in all, the stronger financial results provide a solid ballast for the coming years and hence the opportunity to invest in the further development of MT Højgaard Danmark's areas of competence and human resources.

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MARINA PARK, COPENHAGEN

In summer 2023, MT Højgaard Danmark handed over the multi-user building Marina Park to PFA. The building can be divided into seventeen lease units.

SPECIAL PROJECTS AND INITIATIVES

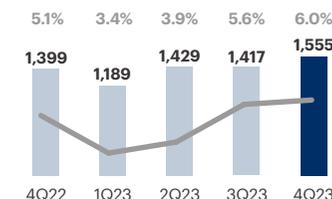
In 2023, MT Højgaard Danmark launched its new strategy 'Momentum 25'. The strategy expresses an ambitious vision to create an attractive and competitive workplace that can retain, develop and attract the industry's most talented employees. A workplace characterised by close collaboration, a high level of professionalism and, not least, a strong sense of community across the company.

The strategy is founded on a firm belief that talented employees – with a broad and deep professional ballast and excellent collaborative skills – are the key to gaining a competitive edge and the ability to find, win and execute on our customers' projects. The strategy is underpinned by a high degree of employee engagement, whereby workgroups concentrate on selected focus areas that together can ensure the development of MT Højgaard Danmark as a workplace.

A new organisational model was launched in parallel with the strategy implementation, with projects placed at the top and as the focal point for the many professional competences required to create good projects. The new organisation promotes our employees' sense of belonging to the projects, ensures close collaboration and contributes to a good and healthy work environment.

Revenue and profit margin

DKKm



In 2023, MT Højgaard Danmark continued to focus on increasing the flow of collaborative projects with early engagement. In other words, projects where all parties play a part in designing and specifying the project and ensuring its buildability, with the aim of creating more robust solutions. This is an important building block for MT Højgaard Danmark's strategy and is reflected in our order book, of which these types of projects constitute a large share both right now and in the coming quarters.

Notable ongoing collaborative projects include the new, green workshops for DSB's electric trains in Copenhagen, Aarhus and Næstved, the Water Culture House in Copenhagen and a new framework agreement with Furesø Municipality.



2023 has been a crucial year for us. A year when we had to show the effects of the turnaround. I am proud to have experienced my skilled colleagues' drive and ability to work on the many changes, and I would not hesitate to declare that we have passed the test. It has been a hard but good year.

2024 will be exciting but also challenging. The market is changing, and we constantly have to be adaptable and flexible. This is made possible by our new organisation, which puts the projects above everything.

CARSTEN LUND

Managing Director, MT Højgaard Danmark



ORDER INTAKE AND ORDER BOOK

MT Højgaard Danmark recorded an order intake of DKK 5,755 million in 2023 (2022: DKK 7,200 million), with the order book amounting to DKK 7,641 million at year-end (2022: DKK 7,475 million).

Bidding activity levels were high and sustained throughout the year across all competence areas. MT Højgaard Danmark can definitely feel the effect of the societal investments in civil engineering and infrastructure projects, with a number of major orders confirmed during the year. In terms of contract sum, more than 32% of the total order intake in 2023 originated from the civil engineering or infrastructure areas. Revenue stemming from civil engineering and infrastructure projects reached DKK 2,314 million, while the order book for the area was DKK 2,250 at year-end 2023.

MAJOR NEW PROJECTS IN 2023

- New headquarters for the Danish Defence Intelligence Service in Copenhagen, PPP project
- Major expansion of the Port of Rønne, stages 3 and 4
- Energy-efficiency optimisation of Skt. Kjelds Gård, Copenhagen
- Extension of Den Permanente bathing facilities, Aarhus
- New train station in Taastrup for DSB
- New transformer station for offshore wind farm in Thorsminde for RWE
- Refurbishment of 220 family social housing units in Solbakken for Køge Boligselskab
- Strategic partnership with Furesø Municipality for building maintenance and energy-efficiency optimisation
- Multi-user office building for Arbejdernes Landsbank in Copenhagen

MARKET UPDATE

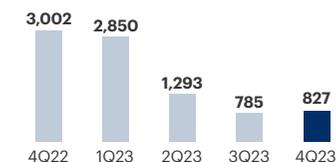
As a major contractor, MT Højgaard Danmark has a broad focus on the Danish construction and civil engineering market, and therefore selectively pursues many varied assignments in the newbuild and building refurbishment areas as well as in civil engineering and infrastructure across the country. A large proportion of the projects are completed with a high degree of own production, using our in-house competences. Our broad approach to the market makes the business robust in terms of dealing with fluctuations in individual market segments.

Despite the generally high level of activity in the industry in 2023 and a still positive outlook with decent activity levels, the market is also unsettled and changeable. Growing unease among contractors and suppliers requires a sharper focus on underlying contract terms and conditions throughout the value chain in order to ultimately be capable of delivering to customers at the agreed quality and price and within the agreed time frame. In the short term, uncertainty in the value chain means more intense price competition, which in turn places high demands on collaborative skills, professionalism, choice of production methods and procurement of deliverables.

With respect to market developments, major residential projects have for some time been – and continue to be – in decline, while the supply of refurbishment projects has been stable. Hence, we expect the refurbishment market to remain stable in the time ahead due to both the ageing building stock, but also as a result of the rising interest for building transformation in light of climate and environmental considerations.

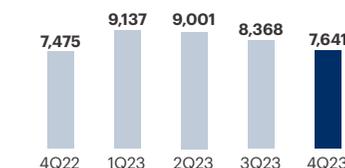
Order intake

DKK million



Order book

DKK million



Still rising activity levels and good opportunities are apparent in civil engineering and infrastructure, driven by public investments that are part of the Infrastructure Plan 2035. Civil engineering investments and investments in the green transition are expected to ensure high levels of activity in the coming year. We also expect solid growth opportunities in certain industrial segments and in connection with the energy supply transition in Denmark.

Rising interest rates have had a dampening effect on the market in 2023. Interest rates are expected to decrease in 2024, which is expected to impact private sector construction.



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**NEW BRAVIDA HEAD-
 QUARTERS IN AARHUS**
 PHOTOGRAPHER:
 JONATHAN WEIMAR

The year in numbers

REVENUE

3,882
DKK million

OPERATING PROFIT

154
DKK million

ORDER INTAKE

3,416
DKK million

ORDER BOOK

5,205
DKK million

The reporting for Enemærke & Petersen encompasses the companies Enemærke & Petersen, Raunstrup and NemByg. The three companies operate as independent entities with their own particular approach to the market and projects, but at the same time they share market insight and a number of common strategic goals.

ACTIVITY LEVELS REMAIN STABLE AND EARNINGS SOLID

Annual revenue totalled DKK 3,882 million (2022: DKK 3,650 million), an increase of 6%. The increase came on the back of high levels of activity in Enemærke & Petersen, while the subsidiary companies, Raunstrup and NemByg, saw slightly lower revenues compared to last year. The revenue increase was mainly a result of working through the record order book at the start of the year. More than one third of the year's revenue stemmed from strategic partnerships and collaborative projects.

Operating profit for 2023 was DKK 154 million (2022: DKK 151 million), an increase of 2%. All three companies realised an increase in operating profit compared to 2022. The overall operating profit margin was 4.0% compared to 4.1% in 2022. The slightly lower profit margin was due to write-downs on a few projects.

SPECIAL PROJECTS AND INITIATIVES

Enemærke & Petersen

Enemærke & Petersen had a long string of projects in 2023, many via partnerships and collaborative agreements, and with a high percentage of refurbishment and building transformation projects.

Enemærke & Petersen worked closely with Bravida on the construction of the technical contractor's own new head office in Brabrand.

The headquarters is one of Denmark's first commercial buildings certified to the DGNB Gold and Heart standard and is one of the first finished DGNB Heart buildings in Denmark.

In a project development undertaking with Almenr, Enemærke & Petersen built homes in Fridlev, a co-housing community village in Hvalsø. Fridlev is a high-quality wooden construction project.

Enemærke & Petersen also carried out the complete refurbishment, development and transformation of DTU's (Denmark's Technical University) large auditorium, building 208, which was originally built in 1967. The building has been transformed into a living house of learning for students while respecting the building's high architectural standard.

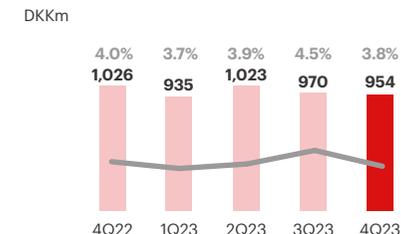
In Nivå, Enemærke & Petersen completed Teglsøerne, a modern residential development comprising 97 units. The residential project consists of terrace houses and apartments in a variety of sizes and styles aimed at a mix of families with children, young people, adults and older citizens. MT Højgaard Property Development was the developer on the project.

In 2023, Enemærke & Petersen's joint ownership of Genbyg provided the catalyst for many activities, diverse forms of collaboration, systems and processes in connection with the reuse of materials. Initiatives included the collection of surplus materials from building sites as well as the development of recycled products for construction projects.

Raunstrup

Insurance damage accounted for a great deal of Raunstrup's activities in 2023. Challenging weather conditions kept Raunstrup busy, with

Revenue and profit margin



the company involved in 14,791 insurance cases of varying scale across the country. The number of insurance cases was 12% higher than in 2022 and set a new record for the building services business area.

For the Technical and Environmental Administration in Copenhagen, Raunstrup has constructed a local recycling station where the buildings are constructed using 98% recycled materials from, for example, Covid-19 test centres and Enemærke & Petersen's refurbishment project at Damhusengen's school.

NemByg

NemByg had a good year with a solid series of projects, mainly in Southern Denmark. One of the year's most notable projects was the Jutlandia Warehouse in Esbjerg Harbour. The project for Jutlandia Terminal Ejendomme ApS consists of two linked logistics halls totalling 4,000m² in all.

The Maritime centre, built by NemByg as combined contractor, was named building of the year in 2023. The carefully detailed wooden building, situated on Havneøen ('harbour island') in Esbjerg and housing seven maritime- and watersports-related clubs, scooped the IAKS architecture prize and the Danish Wood Award 2023 during the year.



Enemærke & Petersen



We are satisfied to have demonstrated continuity in the business in 2023. The past five years we have seen our top-line grow strongly. But it is crucial for us that the bottom line keeps up, and that we live up to expectations, as we have done in 2023. When Enemærke & Petersen's activities are financially healthy and stable overall, that affords us the freedom to invest in the future. At the same time, our different areas of business ensure we have options in a market that is at times sensitive to the economic climate. That will be no less important when we look ahead.

TROELS AGGERBO

Managing Director, Enemærke & Petersen



ORDER INTAKE AND ORDER BOOK

The order intake in 2023 amounted to DKK 3,416 million (2022: DKK 4,173 million). The decline in the order intake compared to 2022 is not satisfactory. The main reason behind the lower order intake in 2023 was fewer tenders for social housing refurbishment. Enemærke & Petersen, Raunstrup and NemByg all experienced increased competition on individual tenders as well as postponed decisions on orders. Furthermore, order intake was affected by the first TRUST partnership with the Municipality of Copenhagen concluding and new projects in TRUST II not being expected until sometime in 2024.

The order book at year-end amounted to DKK 5,205 million (2022: DKK 5,670 million). The decline in the order book was due to the lower order intake and higher revenue. More than 50% of the order book at year-end 2023 relates to strategic partnerships and collaborative projects.

MAJOR NEW PROJECTS IN 2023

- Project development and construction of 64 residential units and a communal house in Kildebjerg Ry (E&P)
- Transformation and refurbishment of commercial property at Lyngbyvej 100 in Copenhagen East (E&P)
- HØST, new 4-year strategic partnership with Hørsholm Municipality (E&P)
- LIVA partnership: Refurbishment of social housing in Vollsmose (E&P)
- TRUST partnership: Music house at Sankt Annæ Gymnasium (upper secondary school) and the Topstykket sports hall and daycare institution (E&P)
- Byggepartnerskabet & os: Social housing in Generationernes Byhus; refurbishment of social housing in Store Hus in Hvidovre (E&P)
- Modernisation and extension of Solbjergskolen for the Municipality of Aarhus (Raunstrup)

- Construction of four transformer stations for Vores Elnet on Funen; option of four more (Raunstrup)
- Refurbishment of social housing in Skoleparken in Esbjerg (NemByg)
- Construction of a new exhibition and information barracks as part of FLUGT – refugee museum of Denmark, in Oksbøl (NemByg)

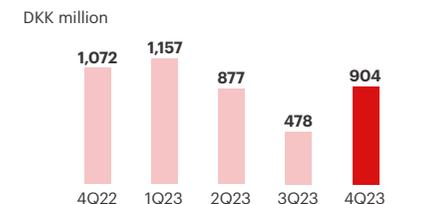
MARKET UPDATE

After a prolonged period of delays, cancellations and re-tendering, activity levels in the social housing market have rebounded. Activity levels are expected to continue rising in the social housing market, where much of the waiting list from the Green Housing Agreement (2020) remains to be realised. In recent years, the segment has seen a transition away from the classic tendering round and forms of contracts towards an extended tendering procedure with negotiation and tendering of integrated construction with the early involvement of the contractor. With both professional competences in the refurbishment of complex residential areas and solid experience of new forms of collaboration, Enemærke & Petersen has a solid platform from which to play a significant role in the social housing market in the coming years.

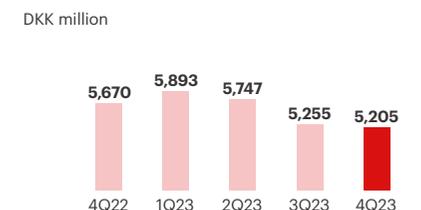
Despite uncertainty on future macroeconomic developments, lower interest rates and inflation are expected in the coming years. Activity levels among private sector players are therefore expected to pick up again, for example within residential newbuilds. Enemærke & Petersen has in recent years established new customer relations with private sector builders, successfully winning exciting refurbishment and building transformation projects, and these can be further developed in the future.

We expect the school and daycare area will continue to be one of the biggest areas in

Order intake



Order book



terms of publicly funded construction. Furthermore, growth opportunities are anticipated in health and elder care due to the increasing number of elderly. Enemærke & Petersen won a new partnership with Hørsholm Municipality in 2023 that is expected to further highlight the benefits of partnerships for smaller municipalities.

Via the companies Raunstrup og NemByg, Enemærke & Petersen is present in Southern and Northern Jutland across a number of segments spanning from general refurbishment, new residential and industrial construction to a series of complex cultural projects. The strong foothold in the market provides flexibility in terms of business conditions and the solving of assignments. At the core of all three business units is a focus on collaboration and quality, which is a strong foundation for being able to continue to grow and develop.



ENGØHUS BUSINESS PARK, AARHUS

The year in numbers

REVENUE

590
DKK million

OPERATING PROFIT

22
DKK million

ORDER INTAKE

834
DKK million

ORDER BOOK

717
DKK million

SATISFACTORY YEAR IN AN UNCERTAIN MARKET

MT Højgaard Property Development's result developed as expected in 2023. Market uncertainties meant a challenging first half-year, with a number of project opportunities postponed. The situation changed in the second half, when the negative performance of the first six months turned into an overall positive result.

Revenue in 2023 amounted to DKK 590 million (2022: DKK 489 million), mainly driven by the activities in Dalum and the construction of owner-occupied residential units in Nivå and Roskilde as well as the sale of three commercial properties in the fourth quarter. Operating profit before special items was thus DKK 22 million (2022: DKK 31 million), in line with expectations and viewed as satisfactory in the current market.

The value of the property portfolio was DKK 308 million at year-end 2023 (2022: DKK 310 million) after a year of both adding and disposing of plots and property. Divestments included the sale of the above-mentioned commercial and residential properties. Additions comprised mainly the purchase of Dalum Kloster and the completed residential units in Nivå and Roskilde that are not yet sold and will be included in the property portfolio.

SPECIAL PROJECTS AND INITIATIVES

MT Højgaard Property Development's activities in 2023 mainly focused on the completion and handover of several residential projects and an office property in Aarhus, while project development work mainly concerned the major projects in Copenhagen's South Harbour district and Dalum.

In 2023, we completed and handed over 370 residential units at Dalum Papirfabrik, Teglsøerne in Nivå and Rullestenen in Roskilde.

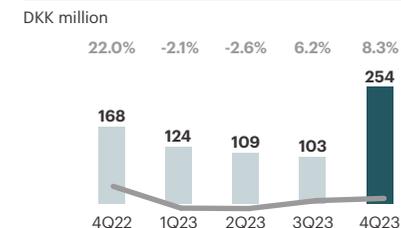
An impressive number that was considerably higher than in previous years. Common to all the many residential units delivered was that they were finished to a good quality, resulting in many satisfied customers. The units consist of owner-occupied homes sold to private buyers and rental properties sold to investors, with Dalum Papirfabrik in particular adding to the total.

Dalum Papirfabrik will continue to constitute a significant share of the total portfolio of residential units under construction in the coming years. Despite a restrained housing market, MT Højgaard Property Development broke ground on the construction of the first 22 terrace houses in stage 1 in the latter half of 2023. The houses are expected to be completed at the start of 2025, while stage 2, comprising 23 terrace houses, will follow, with construction starting at the end of 2024, as sales are already going well. In addition to the terrace houses, the plan is to build 20 owner-occupied apartments in a transformed factory building. Initiation of the building works is awaiting the pre-sales requirements being met.

As well as the projects at Dalum Papirfabrik, MT Højgaard Property Development has also invested in Dalum Kloster, which was taken over at the very start of 2023. The planning process was set in motion in 2023 with the aim of developing around 25,000 m² of residential units over several years in this area of natural beauty. The first indication of the huge interest in the project became apparent at an open house event in September, when up to 2,000 people came by to get an insight into the future plans for the buildings and outdoor areas. The high level of interest bodes well for the property's future development.

Development work has been concentrated around Copenhagen's South Harbour district,

Revenue and profit margin



where in the final month of the year around 10,000 m² of office buildings were sold to four labour union organisations. The office space is integrated into a building complex which also includes around 9,000 m² of mixed family and youth residential units as well as a grocery store. This means the project has been sold, and construction is scheduled to commence in the first quarter of 2024. The sale was the culmination of a long and focused development process, with the entire area around the new 'Slusen' metro station covered by a local plan where MT Højgaard Property Development has been the driving force.

Construction of a new headquarters for the Danish Defence Intelligence Service at the former Svanemøllen barracks commenced in the second half of 2023. MT Højgaard Property Development has entered into a PPP joint venture with Pension Danmark and the DEAS Group on a 30-year operations and service contract for the building.

During the year, MT Højgaard Property Development sold two commercial properties from its portfolio in Fredericia and Hillerød, respectively. The remainder of the property portfolio is regularly assessed with a view to purchases and disposals that can strengthen and support the business going forward.



We have fulfilled our expectations for 2023 despite a difficult and restrained property market. Market conditions will remain challenging in 2024 but, among other initiatives, we are also working on a number of exciting development projects in our own property portfolio, which we believe can help differentiate us and support further positive developments in our business.

MADS BØGELUND LAURITZEN

Managing Director, MT Højgaard Property Development



ORDER INTAKE AND ORDER BOOK

The order intake in 2023 amounted to DKK 834 million (2022: DKK 437 million). The order book at year-end amounted to DKK 717 million (2022: DKK 472 million). This year's largest addition to the order book was the property in South Harbour, where turnkey contracts for the construction of residential units, offices and retail property.

MARKET UPDATE

Uncertainty and restraint characterised the property market throughout 2023. Rising interest rates and increased financing costs put a damper on market activity, delaying progress on a number of development projects. Projects in secondary geographical locations, in particular, have been affected, with the combination of return expectations, financing costs and land and construction prices slowing progress on the projects.

Likewise, housing sales in development projects have been slower than expected, especially with regard to terrace houses and owner-occupied apartments. Demand for terrace houses dipped significantly in the first half of 2023 before correcting again in the final months of the year. This now means there is a backlog on the sales side, which is expected to be positively impacted by a renewed appetite for home buying in the course of 2024.

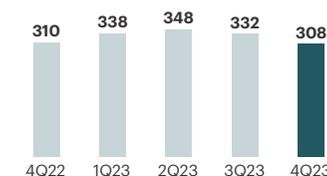
Lower interest rates are expected in 2024, which may spur activity in the market for residential projects around the major urban centres in Copenhagen, Aarhus and Odense. This is expected to have a positive impact on MT Højgaard Property Development's housing development activities.

We do not assess the commercial segment curve to be on an upward trajectory in 2024. However, special circumstances and specific demand could make a difference for several properties in MT Højgaard Property Development's property portfolio. MT Højgaard Property Development is working with several city development projects that combine housing and businesses at prime locations that are assessed to be attractive for both private and institutional investors.

MT Højgaard Property Development has in collaboration with DEAS accumulated considerable experience from a number of PPP projects that have been completed and put into operation. The PPP model rooted in political backing and the general economic situation is expected to be able to find more favour within certain segments of the public construction industry. The 30-year contract for operating the Danish Defence Intelligence Service's new headquarters, which is being undertaken in a

Property portfolio*

DKK million



* Excluding own building projects

collaboration between DEAS and MT Højgaard Property Development, is an example of this.

KILDEGÅRDEN, ROSKILDE

In Roskilde, MT Højgaard Property Development completed the residential project Kildegården, consisting of 35 owner-occupied residential units, in 2023. The building integrates in a unique context between the former military barracks and Kunstens Hus in Roskilde.



Fourth quarter results

As expected, the fourth quarter was the busiest quarter of 2023 and the one with the highest earnings.

There was decent growth in the fourth quarter in the Danish core business with MT Højgaard Danmark, Enemærke & Petersen and MT Højgaard Property Development representing the Group's continuing operations.

Revenue increased to DKK 2,723 million, up 12% compared to the same period of 2022. MT Højgaard Danmark recorded revenue growth of 11%, thus maintaining the strong momentum the business unit had shown throughout 2023. Revenue in MT Højgaard Property Development increased 51% following the sale of three commercial buildings, while revenue in Enemærke & Petersen fell by 7% in line with expectations.

Operating profit before special items and special amortisation of DKK 133 million was 9% lower than the very strong fourth quarter of 2022, where an operating profit of DKK 146 million was realised.

MT Højgaard Danmark improved its operating profit to DKK 94 million driven by higher capacity utilisation, optimised project processes and lower capacity costs, while Enemærke & Petersen's operating profit of DKK 36 million was affected by a slight drop in activity. Finally, MT Højgaard Property Development saw its operating profit fall to DKK 21 million from DKK 37 million in the fourth quarter of 2022, when the business unit recorded higher margins on property sales.

After depreciation and amortisation, financial items and tax, continuing operations generated a profit of DKK 125 million, against DKK 149 million in the year-earlier period.

Results for the fourth quarter were in line with expectations.

The order intake in the fourth quarter was DKK 2,276 million, against DKK 4,048 million in the same period of 2022. Furthermore, the business units had orders awarded but not yet contracted for a combined value of DKK 1,289 million.



Amounts in DKK million

	Q4 2023				Q4 2022			
	Revenue	Operating profit/(loss) before special items	Order intake	Order book	Revenue	Operating profit/(loss) before special items	Order intake	Order book
MT Højgaard Danmark	1,555	94	827	7,641	1,399	72	3,002	7,475
Enemærke & Petersen	954	36	904	5,205	1,026	41	1,072	5,670
MT Højgaard Property Development	254	21	574	717	168	37	54	472
Other, including eliminations	-40	-18	-29	-58	-164	-4	-80	-273
MT Højgaard Holding Group	2,723	133	2,276	13,505	2,429	146	4,048	13,344

COLLABORATION WITH GENBYG

Enemærke & Petersen's co-ownership of Genbyg has started the development of many activities, including the collection of excess materials from construction sites to reduce waste, direct reuse of dismantled materials from building sites and the development of recycled products for construction projects. The picture shows the collection of excess materials from the construction project

Daginstitutionen Store Møllevej.
Photographer: Jonathan Weimar

Financial review 2023

MT Højgaard Holding's Danish core business reported profitable growth again in 2023, improving its cash flows and return on invested capital.

MT Højgaard Holding achieved the expected progress in a year in which the Danish construction and civil engineering industry felt the impact of slowing activity and growing market uncertainties.

Consolidated revenue rose 21% to DKK 9,788 million, compared to the revenue forecast of DKK 9.5-10 billion. Fully organic, the revenue growth was supported by a very high order book at the beginning of the year.

Operating profit before special items and special amortisation increased to DKK 409 million, an increase of DKK 76 million. The Group had guided for an operating profit of "around DKK 400 million".

At the same time, the Group strengthened its financial latitude by substantially improving its operating cash flows, which enabled it to reduce net interest-bearing debt by DKK 768 million. Return on invested capital increased by 14.3 percentage points to 32.2%.

REVENUE

Group revenue was distributed on more than 300 construction, refurbishment and civil engineering projects and 14,791 damage control cases. The activities were fairly evenly distributed in terms of geography, project types and sizes.

MT Højgaard Danmark and MT Højgaard Property Development both recorded high, double-digit topline growth of 28% and 21%, respectively, while Enemærke & Petersen posted a 6% increase in revenue.

Across the Group, the contribution from strategic construction partnerships and other collaboration projects increased 71% to DKK 3,625 million, accounting for 37% of revenue (2022: 26%). The largest collaboration projects counted several projects for DSB, new production buildings for Novo Nordisk, a new research building for DTU in Kongens Lyngby, the Water Culture House in Copenhagen, the TRUST partnership with the Municipality of Copenhagen and the Køge Kyst residential project for PensionDanmark.

Revenue from infrastructure and civil engineering projects increased 19% to DKK 2,314 million, accounting for 42% of MT Højgaard Danmark's revenue (2022: 46%). The actual contribution was higher as the large North Harbour Tunnel project is carried out in a joint venture, with only a share of earnings being consolidated. It remains a goal to ensure a sensible balance between civil engineering, newbuild and refurbishment projects across the Group.

Amounts in DKK million

	YTD 2023				YTD 2022			
	Revenue	Operating profit/(loss) before special items	Order intake	Order book	Revenue	Operating profit/(loss) before special items	Order intake	Order book
MT Højgaard Danmark	5,590	271	5,755	7,641	4,352	161	7,200	7,475
Enemærke & Petersen	3,882	154	3,416	5,205	3,650	151	4,173	5,670
MT Højgaard Property Development	590	22	834	717	489	31	437	472
Other, including eliminations	-274	-38	-56	-58	-411	-10	-161	-273
MT Højgaard Holding Group	9,788	409	9,949	13,505	8,080	333	11,649	13,344

RESULTS

The Group's gross margin fell to 7.4% (2022: 7.8%), while the ratio of distribution costs and administrative expenses to revenue fell to 3.6% (2022: 4.0%). These developments reflect the selective approach to the market.

MT Højgaard Danmark improved its operating profit margin from 3.7% to 4.8% driven by growing activity, high capacity utilisation and stable production. For Enemærke & Petersen, the operating profit margin was largely unchanged at 4.0% (2022: 4.1%) due to slightly lower earnings on a few projects that are nearing completion. MT Højgaard Property Development's operating profit margin fell to 3.7% from 6.3% in 2022, when margins on project sales were higher. Outside the three business units, the operating loss in "Other" increased to DKK 38 million (2022: loss of DKK 9 million), especially because of significant earnings in 2022 from the completed Hisingsbron project in Sweden, and prior-year provisions were reversed in 2022.

The write-downs on the projects reduced operating profits by a net amount of DKK 48 million, against DKK 30 million in 2022.

The profit before share of profit of joint ventures increased to DKK 366 million, an improvement of DKK 59 million, while the after-tax contribution from joint ventures, notably the North Harbour Tunnel, increased by DKK 17 million to DKK 43 million.

Operating profit before special items and special amortisation was DKK 409 million, which increased the Group's operating profit margin from 4.1% to 4.2%. After PPA amortisation of DKK 19 million (2022: DKK 25 million), EBIT increased to DKK 389 million (2020: DKK 308 million). This lifted the EBIT margin from 3.8% to 4.0%, while return on invested capital after tax (ROIC) improved to 32.2% (2022: 17.9%).

Net financials were an expense of DKK 59 million, against an expense of DKK 83 million in 2022. The fall was due to an adjustment of the liability concerning the purchase of the remaining 40% of the shares in NemByg and higher financial income. The improvement was partly offset by higher interest expenses on floating-rate debt.

The net operating result after tax from continuing operations rose to DKK 305 million from DKK 231 million in 2022. The improvement was mainly driven by a stronger operating profit and partly by lower financial expenses. The tax charge of DKK 25 million corresponds to a tax rate of 7.6% after capitalisation of prior year tax losses because of the positive performance in the Danish core business.

The operating result after tax from discontinued operations was a loss of DKK 201 million (2022: loss of DKK 219 million). Of this amount, a loss of DKK 9 million related to Scandi Byg, which was sold on 29 December 2023. MT Højgaard International's share is a loss of DKK 238 million, including the DKK 53 million write-down of assets to fair value carried out when it was decided to sell the international activities. On the other hand, discontinued operations include an income of DKK 34 million, mainly because of higher expectations for the earn-out agreement from the sale of Ajos' pavilion business in 2021.

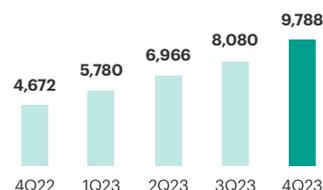
PARENT COMPANY

The parent company MT Højgaard Holding A/S is in charge of a variety of Group functions, such as finance, strategy, business development, sustainability, investor relations, IT and legal affairs. In 2023, the EBIT reported by the parent company was a loss of DKK 40 million (2022: loss of DKK 33 million), which was in line with expectations. Subsidiaries reported a profit of DKK 136 million (2022: DKK 61 million), and profit for the year was DKK 103 million (2022: DKK 12 million). The total assets of the parent company made up DKK 3,480 million (2022: DKK 3,134 million) and the equity was DKK 844 million (2022: DKK 734 million).

The parent company is expected to report an operating loss of around DKK 20-25 million for 2024.

REVENUE

DKK million



OPERATING PROFIT/(LOSS) BEFORE SPECIAL ITEMS

DKK million



The net profit for the year of DKK 104 million (2022: DKK 12 million) yielded a return on equity of 13.1% (2022: 1.6%). The Board of Directors recommends that the profit be transferred to reserves.

DISPUTES

The efforts to settle or resolve old disputes progressed well in 2023. There were small developments in the cases related to the Niels Bohr Institute, New Aalborg University Hospital and Gødstrup Regional Hospital, but the public clients are generally still reluctant to settle the matters out of court. MT Højgaard Holding's assessment of the three disputes is unchanged.

BALANCE SHEET

Total assets increased by 11% to DKK 5.3 billion, driven primarily by a strong working capital, with the positive developments in construction contracts in progress impacting the balance sheet increase.

Intangible assets, property, plant and equipment and lease assets totalled DKK 782 million (2022: DKK 1,002 million). The decrease was due to assets in MT Højgaard International being transferred to assets held for sale.

The value of building plots and properties developed in-house for resale was DKK 377 million, and at DKK 2,006 million receivables were on a level with 2022.

Construction contracts in progress were a liability item of DKK 856 million net (2022: DKK 532 million), while trade payables amounted to DKK 1,500 million, against DKK 1,384 million the year before.

Total working capital was reduced to a liability item of DKK 669 million (2022: liability item of DKK 6 million). The change primarily reflected the increase in construction contracts in progress and trade payables. The net interest-bearing debt (NIBD) was a deposit of DKK 240 million, against a debt of DKK 528 million in 2022. The improvement was driven by the improved working capital.

EQUITY

Equity increased to DKK 846 million (2022: DKK 751 million), and the solvency ratio was 15.9% (2022: 15.3%). Including a subordinated loan of DKK 320 million from Knud Højgaards Fond (2022: DKK 400 million), the solvency ratio was 21.9% (2022: 23.7%).

CASH FLOWS

Cash flows from operating activities improved substantially to DKK 793 million (2022: DKK 213 million). The improvement was primarily driven by the continuous efforts to reduce working capital, especially through improved phasing of project payments. The higher earnings also contributed to the increase.

Investing activities generated a cash outflow of DKK 15 million (2022: outflow of DKK 32 million).

Financing activities generated a cash outflow of DKK 228 million (2022: outflow of DKK 47 million). The increase was due to the repayment of lease debt and mortgage loans in connection with the sale of Scandi Byg's activities and repayment of the subordinated loan from Knud Højgaards Fond. In March 2023, MT Højgaard Holding repaid the first DKK 80 million of the subordinated loan of DKK 400 million, and in January 2024 MT Højgaard Holding repaid an additional DKK 80 million of the loan. The remainder of the loan will be repaid in annual fixed tranches of DKK 80 million until March 2027.

The net increase in cash and cash equivalents amounted to DKK 550 million (2022: DKK 134 million), and cash and cash equivalents improved to DKK 936 million (2022: DKK 386 million).

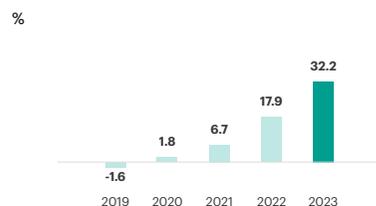
CAPITAL RESOURCES

In addition to cash and cash equivalents of DKK 936 million, the Group has unused credit facilities with banks. In the opinion of the Board of Directors, total capital resources will be adequate to cover the planned level of activity, realise the strategic plans and withstand potential fluctuations in liquidity.

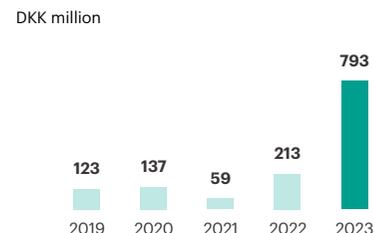
ACCOUNTING ESTIMATES

For certain assets and liabilities as well as income statement items, assessments have been made of accounting estimates and judgments. Refer to note 5.3 for a more detailed description.

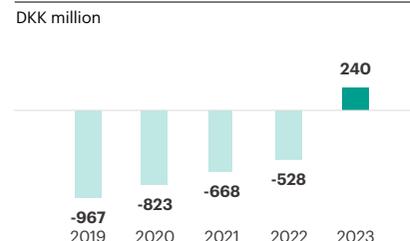
RETURN ON INVESTED CAPITAL



CASH FLOWS FROM OPERATING ACTIVITIES



NET INTEREST-BEARING DEBT/DEPOSIT



EVENTS AFTER THE BALANCE SHEET DATE

No material events have arisen between the balance sheet date and the date of publication of the annual report that have not already been included herein or have a material effect on the assessment of the Group's financial position.

The MT Højgaard Holding Group is actively and systematically working with ESG (Environmental, Social & Governance). Initiatives in the fields of the environment and climate, employee-related and social matters as well as management and governance are paramount for the Group's strategy and value creation.

The full ESG reporting is found in a separate ESG Report, which constitutes the Group's corporate social responsibility report for the period 1 January to 31 December 2023 pursuant to section 99 a of the Financial Statements Act and our report on the diversity of governance bodies pursuant to section 107 d of the Financial Statements Act. The ESG Report also constitutes the Group's EU Taxonomy Regulation reporting. The ESG Report is available at: mthh.eu/sustainability-report-UK

Our report on the gender composition of management pursuant to section 99 b of the Financial Statements Act is set out on page 33 of this report.

For the year 2024, the Annual Report and the ESG Report will be combined into one report.



ESG

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BOLIGVÆRKSTEDET

In a partnership with VELUX, Artelia and EFFEKT, Ene-mærke & Petersen completed a new concept for residential construction, BoligVærkstedet in Jernbanebyen.

The concept construction has a CO₂ footprint of only 3.8 kg of CO₂ emissions/m²/year, which is three times lower than the current Danish statutory requirement.

ESG key figures

The growing focus on the green transition in construction continued in 2023, driven among other things by EU legislation.

The MT Højgaard Holding Group spent the year preparing for a wave of upcoming regulatory requirements, including CSRD reporting from the 2024 fiscal year and the upcoming due diligence directive, which places increased demands for responsibility in the value chain. As part of the CSRD efforts, the Group prepared its first double materiality assessment, working hard to ensure that the Group is able to comply with the new reporting requirements.

New requirements at project level from the EU Taxonomy, sustainability certifications and LCA requirements stipulated by the Danish Building Regulations all contribute to sustainability initiatives increasingly being integrated at an early stage in the Group's projects in collaboration with clients and consultants.

In 2023, the MT Højgaard Holding Group continued its efforts to ensure a systematic approach to sustainability data management. The combination of a joint reporting system, accounting policies, training and internal controls has enabled the Group to ensure a high degree of transparency in the ESG performance. This enables the Group to regularly launch new projects and make decisions on a fact-based foundation.

All key figures cover the entire Group and are calculated in accordance with the Group's ESG policies. The key figures are covered by the auditor's statement providing limited assurance, and starting next year all figures will be comprised by an auditor's statement pursuant to the CSRD.

The ESG Report provides greater insight into data and the Group's targets and initiatives.

ESG KEY FIGURES⁶

	UNIT	2023	2022
E - Environment			
Scope 1 emissions ^{1 og 2}	Tonnes	12,235	10,883
Scope 2 location-based emissions ^{1 og 2}	Tonnes	1,366	1,098
Scope 3 emissions ^{1 og 2}	Tonnes	127,850	147,053
Emission intensity scopes 1 and 2 ^{1 og 2}	Tonnes/DKKm	1.3	1.3
Emission intensity scope 3 ^{1 og 2}	Tonnes/DKKm	11.8	16.4
Sustainable energy ^{1 og 2}	%	27.2	29.9
Waste recirculation	%	68.4	69.1
S - Social			
Average full-time employess	FTEs	3,330	3,004
Women in hourly paid positions	%	2.6	2.5
Women in salaried positions	%	23.4	23.5
Women in management positions ³	%	20.0	20.4
Employee turnover rate - hourly paid	%	49.5	50.9
Employee turnover rate - salaried ³	%	21.8	23.4
Accident rate	Frequency	16.6	13.7
Sickness absence	%	3.7	3.5
Training positions	%	8.0	7.9
G - Governance			
Women on MT Højgaard Holding's Board of Directors	%	50.0	42.9
Attendance rate at board meetings	%	93.3	95.0

1 Since the Sustainability Report is submitted using the GHG Protocol's accounting principles, discontinued activities are included in the above data, just as significant joint ventures are included in the climate accounting in proportion to the group's ownership stake.

2 For 2022, scope 1 emissions have been corrected from 10,783 to 10,883, scope 2 emissions from 3,453 to 1,098 and scope 3 emissions from 98,322 to 147,053. As a result, the emission intensity for scope 1 and 2 in 2022 has been adjusted from 1.6 to 1.3 and the emission intensity for scope 3 is adapted from 11.0 to 16.4. Due to the changes, the share of renewable energy in 2022 is also corrected from 34.7 to 29.9.

3 For 2022, women in management positions have been corrected from 18.2 to 20.4 and the employee turnover rate for white-collar workers has been corrected from 24.4 to 23.4.

ESG ACCOUNTING POLICIES

Scope 1 emissions are calculated on the basis of the Group's consumption of fuel. Scope 2 location-based emissions are calculated on the basis of the Group's consumption of electricity and district heating. Scope 3 emissions include seven of the fifteen GHG Protocol categories: purchased goods and services, capital goods, fuel- and energy-related activities, waste, business travel, employee commuting and use of sold products. All emissions are measured in tonnes of CO₂e.

Emission intensity is defined as the total emission of CO₂e in tonnes relative to turnover in DKK million. The share of renewable energy is calculated as the

total share of energy consumption for electricity and heating generated by renewable energy sources.

Recirculated waste is defined as the percentage by weight of waste which is prepared for direct reuse, recycling or material recovery out of the total waste volumes.

The average full-time workforce (FTE) is defined as an employee's contractual working hours compared with a full-time contract and is calculated as an average over the year based on monthly measurements.

The proportion of women is defined as the number of employed women (HC) out of the total workforce (HC) in the relevant categorisation. Headcounts (HC) in the

various categories are calculated as an average over the year based on monthly measurements.

Management positions are defined as persons in positions with employee responsibility reporting directly to the Executive Board. The calculation of the gender composition on the Board of Directors only includes members elected by the general meeting.

The attendance rate for board meetings is calculated as the total number of ordinary board meetings that the individual member has attended (including for employee representatives).

The employee turnover rate shows the proportion of permanent employees who leave the company

during the year out of the total number of permanent employees (HC).

The accident frequency rate is calculated as the number of lost-time accidents per one million working hours, and it is measured relative to the number of working hours performed.

Absence due to illness is calculated as the number of hours of illness relative to the number of contractual working hours.

The proportion of employees in training positions is calculated as the number of apprentices, trainees, student assistants and industrial PhDs relative to the total number of employees (HC).

Reporting on section 99b of the Financial Statements Act

Gender composition of the Board of Directors and management of MT Højgaard Holding A/S (parent company)

POLICY

The Group's equal opportunities and diversity policy has been prepared to promote an inclusive and diverse working environment. Based on specific targets and selected focus areas, the policy serves to ensure that initiatives and regular follow-up in the area are integrated in the Group's operations.

TARGETS

MT Højgaard Holding has defined the target that, by 2025, the under-represented gender should represent at least 50% of the parent company's board members elected at the annual general meeting (the supreme governance body) and 40% of the other management layers of the parent company. The rest of the management consists of the Executive Board (first management level) and other managers with managerial and employee responsibilities (second management level). In 2022, there were two separate targets for the Executive Board and other management levels. As these are reported combined this year, the aggregate target is 40%.

Due to stricter requirements for reporting the gender composition of management, see section 99b of the Financial Statements Act, which

took effect on 1 January 2023, the targets and figures for the gender composition of management only comprises the parent company MT Højgaard Holding. Each business unit reports on targets and policies in the management review of their own annual reports, where this is required.

DEVELOPMENT

The board consists of 6 members elected by the general meeting members. The proportion of the under-represented gender among the board members elected at the annual general meeting increased to 50% in 2023 from 43% in 2022, thus achieving the 50% target by 2025. An equal gender distribution on the Board of Directors has thus been achieved.

GENDER COMPOSITION OF THE PARENT COMPANY'S MANAGEMENT TEAM

Supreme governance body (Board of Directors)

Total number of board members		6	7
Proportion of the under-represented gender among the board members elected at the annual general meeting	50%	50%	43%

Other management levels (Executive Board and other management levels)

Total number other management levels		6	8
Proportion of the under-represented gender	40%	33%	25%

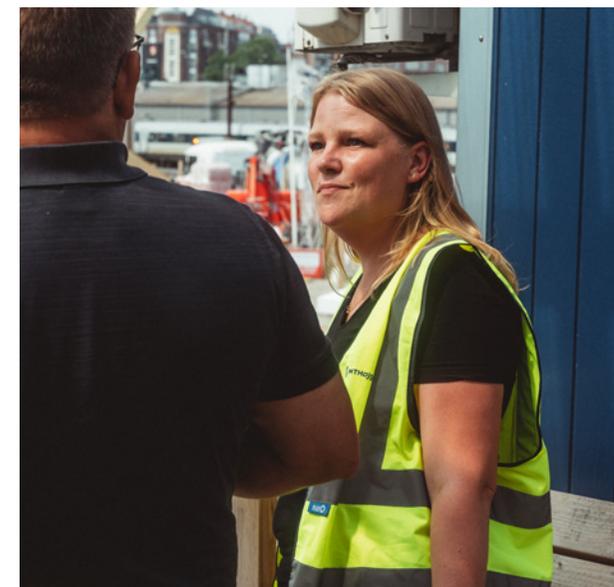
The proportion of the under-represented gender at other management levels increased to 33% in 2023 from 25% in 2022. An equality gender distribution has thus been achieved cf. the Danish Business Authority's definition. Efforts to achieve the 40% target by 2025 remain ongoing.

SIGNIFICANT STEPS TAKEN IN 2023

In 2023, MT Højgaard Holding continued its efforts to recruit more member of the under-represented gender, among other things through recruitment process initiatives aimed at ensuring a broader appeal in advertised jobs.

Furthermore, MT Højgaard Holding focused on securing a more balanced gender

representation in the Group, especially at the business unit construction sites, where the proportion of women remains very low. The Group has defined a target of having 5% hourly paid women in 2025. The Sustainability Report provides more detailed descriptions of the business unit initiatives.



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STORE MØLLEVEJ DAY CARE CENTRE

As part of the TRUST partnership, Enemærke & Petersen has built a new two-storey day care centre on Store Møllevvej on the island of Amager with room for 60 day nursery children and 66 kindergarten children. The institution offers outdoor areas at ground level and on the rooftop.

Photographer: Laura Stamer



Risk management

Adequate risk management across the Group, and especially in our projects, is vital to ensure long-term value creation in the Group. Risk management therefore forms an integral part of the Group's strategy and day-to-day operations.

The Board of Directors is in charge of the Group's overall risk management. The Board of Directors oversees the Executive Board, which lays down the principles for risk management reporting, risk assessments and risk mitigation. Each business unit reports risks to the Executive Board on a monthly basis or as required and, together with the Group's finance department, the Executive Board reports risks to the Board of Directors and the Audit Committee.

RISK ASSESSMENT AND MANAGEMENT IN 2023

Employees

Executing the order book involves a risk of stress and accidents but also the risk of not being able to attract sufficiently skilled labour. The risk is managed by creating a safe and inclusive working environment and competitive terms of employment. Developing employees through training, talent development and career opportunities help us retain employees and reduce recruitment costs.

Project execution

As a projects-based business, project execution will always constitute a material risk. To mitigate this risk, we aim to engage in close collaboration with clients, consultants, architects and subcontractors and to ensure a good working environment, including well-functioning and safe construction sites.

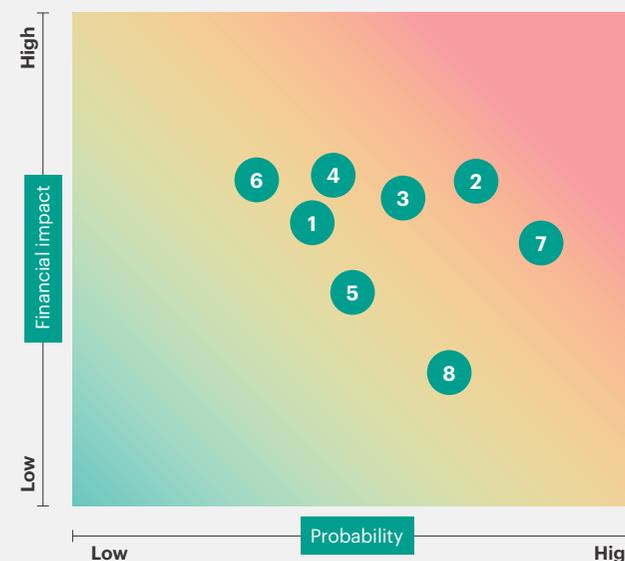
IT security

Due to the ever-growing risk of cyber attacks, the Group has launched a number of initiatives to mitigate the risk, including employee training and regular updates of our IT environment and processes. The risk of cyber attacks is considered high and must continuously be mitigated.

Climate and the environment

Climate-related risks pose an increasing threat, and they have an increasing impact on Group projects since, on the one hand, projects need to be adapted to the climate changes and other environmental requirements and, on the other hand, projects have an impact on the climate and the environment. Managing these risks is an important part of the Group's strategy and is considered to constitute a competitive advantage that will create new opportunities. The Group's strategy aims to exploit these opportunities through a proactive approach to legislation, efficient use of resources and other factors in the field of sustainability, which is an ever-growing focus area for clients, financial players and legislators.

RISK MANAGEMENT MATRIX



RISKS

- | | |
|---------------------|---------------------------|
| 1 Bidding | 5 Image |
| 2 Project execution | 6 Market fluctuations |
| 3 Employees | 7 IT Security |
| 4 Disputes | 8 Climate and environment |

	<div data-bbox="230 188 286 244"></div> <div data-bbox="302 197 421 236">Bidding</div>	<div data-bbox="698 188 754 244"></div> <div data-bbox="770 197 1023 236">Project execution</div>	<div data-bbox="1164 188 1220 244"></div> <div data-bbox="1236 197 1400 236">Employees</div>	<div data-bbox="1630 188 1686 244"></div> <div data-bbox="1702 197 1836 236">Disputes</div>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Causes of risk and impact</p>	<p>The Group spends considerable resources on participating in tenders and bidding for projects without any guarantee that these efforts will result in orders won. In addition, the business units bid for and enter into binding contracts for projects at fixed prices.</p> <p>The Group's performance may be adversely impacted by significant increases in raw materials prices, payroll costs and costs for subcontractors as a result of a high level of activity in the construction and civil engineering industry, which is characterised by fierce price competition at the same time. Moreover, earnings on projects depend, to a great extent, on whether the estimates of time and materials are correctly reflected in pricing.</p>	<p>The risk factors linked to execution of projects are many and very different, including among other things:</p> <ul style="list-style-type: none"> • Inadequate project management • Lack of collaboration/communication with client, consultant and subcontractors • Lack of decisions or wrong decisions • Delays in delivery of materials • Delays from subcontractors • Subcontractors having suspended payments or going bankrupt 	<p>The Group's employees are the cornerstone of the business. Accidents, injuries and stress may have serious implications for the individual employee. For the Group, it may result in project disruptions and costs.</p> <p>Demand for qualified labour is generally high. It is crucial for the Group to be able to attract and retain competent managers and employees in order to win orders, execute projects and identify and manage potential risks .</p>	<p>The Group may become involved in litigation, arbitration or public authority proceedings, which may arise from claims concerning delays or defects, warranty claims or breach of contracts.</p> <p>Negative outcomes of disputes may result in reassessment of the Group's financial results, and the Group may also be held responsible for any financial losses.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Risk mitigation</p>	<ul style="list-style-type: none"> • Strong bidding team for complex projects • Training of bidding team to ensure they have the right skills • Improved quality assurance of own bids and bids from subcontractors • Contracting of largest possible share of project costs already at the conclusion of contracts • Fixed price contracts with subcontractors at an early stage of the project • Right to adjust materials prices or the like during the project phase and the use of economies of scale 	<ul style="list-style-type: none"> • Early and close collaboration with clients, consultants, architects and subcontractors • Creating and maintaining a good working environment • Establishing and maintaining well-functioning, tidy and safe construction sites • Screening of subcontractors and maintaining long-standing partnerships • Regular risk assessment and risk management of projects in progress 	<ul style="list-style-type: none"> • Competitive terms of employment • Good career and development opportunities in a large group with many different projects • Efforts to ensure a good, safe and inclusive working environment • Further training, talent development and graduate programmes 	<ul style="list-style-type: none"> • Avoid disputes by collaborating closely with clients and consultants • Establish long-term, strategic construction partnerships; conclude contracts with early project involvement; and ensure quality in the bidding for and execution of projects

Causes of risk and impact		<h3>Image</h3>		<h3>Market fluctuations</h3>		<h3>IT security</h3>		<h3>Climate and the environment</h3>
	<p>Group image may be affected by a large number of factors, such as occupational accidents, enforcement notices from the Danish Working Environment Authority, disputes with clients and/or subcontractors, bad working environment or non-compliance with environmental requirements, either directly or on the part of our subcontractors.</p> <p>The image of the Group and the business units may deter builders from entering into new contracts and affect the ability to attract and retain employees.</p>	<p>The activity level relating to commercial, institutional and residential building and infrastructure projects and the extent of public civil engineering projects are highly dependent on macroeconomic developments. Market fluctuations can lead to opposite effects on activity levels in the private and public sectors and have a significant impact on the Group's overall level of activity and earnings.</p> <p>Markets are sensitive to interest fluctuations, and an economic slowdown can lead to recession in the construction and civil engineering industry in Denmark.</p>	<p>On a daily basis, the Group experiences various cyber attacks, and the level of threat is still considered high. The Group receives an increasing number of malicious emails, such as phishing mails, which may contain harmful software such as virus and ransomware. We also experience CEO and CFO fraud on an increasing scale, where email senders impersonate an executive.</p> <p>The impact on the Group increases in step with the increasing digitisation. Failure of our IT security could result in a lack of access to the Group's data, or that confidential data is stolen and may be used for extortion purposes.</p>	<p>The Group's activities have a significant negative impact on the climate and the environment through greenhouse gas emissions, resource consumption, waste generation and contamination. The production of the materials used leaves a significant footprint. The responsibility for reducing the negative impact has been given a lot more focus in recent years, and there are new legislative requirements in Danish building regulation and from the EU regarding reporting and reduction. This places new demands on construction processes, skills and systems. The transition to a low-emission economy may cause substantial costs. A more proactive effort to reduce impacts is required for us to stay competitive. In the long term, changed weather patterns will become a risk factor as well.</p>				
Risk mitigation	<ul style="list-style-type: none"> Regular monitoring of compliance with safety and environmental requirements as regards projects carried out by us or our subcontractors Regular inspections by the Danish Working Environment Authority to ensure compliance with current legislation and rules governing safety and the working environment Mandatory safety course for employees Avoid disputes through close collaboration, right from the bidding phase and until project completion 	<ul style="list-style-type: none"> Maintain a broad project portfolio in the business units, including a balance between large and small projects and projects within newbuilds, civil engineering, refurbishment and service Maintain stability and robustness through strategic partnerships and collaboration agreements Maintain a substantial order book and portfolio of multi-year projects Maintain collaboration with different types of customers and business partners 	<ul style="list-style-type: none"> IT security training courses for employees Continuous implementation of new and updated IT security procedures Emergency plans for cyber attacks Continuous strengthening and modernisation of the IT environment Monitoring of the IT environment 	<ul style="list-style-type: none"> Prepare the Group for current and coming climate and environmental requirements from customers and authorities. Maintain systematic collection and reporting of climate and environmental data Initiate measures to reduce energy and resource consumption during the construction phase. Initiate measures to increase reuse and recycling of materials and waste. Increase awareness about the impact of materials as a basis for procurement decisions 				

Corporate governance

The statutory corporate governance report and MT Højgaard Holding's position on Recommendations on Corporate Governance can be found at mthh.eu/corporategovernance2023. The report describes MT Højgaard Holding's management structure and key elements of the company's internal control and risk management systems relating to financial reporting.

MANAGEMENT STRUCTURE

The general meetings are the company's supreme authority, and their responsibilities include electing the Board of Directors of MT Højgaard Holding, except for three board members who are elected by the Group's employees under a voluntary scheme on Group representation. The Board of Directors is responsible for the overall and strategic management and oversees the Group's activities, management and organisation. The Board of Directors employs and dismisses the Executive Board.

The Executive Board is responsible for the day-to-day management and for executing the strategy and decisions made by the Board of Directors.

The annual general meeting may resolve to amend the company's articles of association provided that at least two-thirds of the share capital are represented at the meeting and that the resolution is passed by at least two-thirds of the votes cast and the capital represented.

SELF-EVALUATION

The Board of Directors carries out an annual self-evaluation of its work, performance,

composition and skills. The Board of Directors is assessed to possess the necessary skills. The individual members' skills of relevance to MT Højgaard Holding are set out on pages 41-43.

BOARD COMMITTEES

The Board of Directors has established an Audit Committee that assists the board in overseeing the financial reporting process and reviewing the adequacy and effectiveness of internal control systems. The Board of Directors has also set up a Nomination Committee that prepares decisions to be made by the Board of Directors on the composition of the Board of Directors and the Executive Board based on the skills required in the management. The Board of Directors has set up a Remuneration Committee that prepares decisions to be made by the Board of Directors on remuneration policy, guidelines for incentive pay, remuneration and terms of employment of the Executive Board as well as remuneration of the Board of Directors. Finally, the Board of Directors has set up a Sustainability Committee to assist the Board of Directors in handling tasks relating to sustainability, especially with regard to sustainability strategy and reporting.

The remuneration policy and the committees' terms of reference are found at mthh.eu/corporate-governance/corporate-governance.

BOARD OF DIRECTORS AND EXECUTIVE BOARD IN 2023

In most of 2023, the Board of Directors of MT Højgaard Holding had ten members, seven of

BOARD MEMBER	BOARD MEETINGS		COMMITTEE MEETINGS
	Ordinary	Extraordinary	
Carsten Dilling	6/6	2/2	4/4
Morten Hansen	5/6	2/2	4/4
Anders Lindberg	4/6	1/2	3/5
Pernille Fabricius	6/6	1/2	5/5
Christine Thorsen	6/6	2/2	4/4
Steffen Baungaard*	5/6	1/1	
Janda Campos	6/6	2/2	4/4
Lars Tesch Olsen	6/6	2/2	
Peter Martin Facius	6/6	2/2	
Stine Friis**	6/6	1/2	

* Steffen Baungaard stepped down from the Board of Directors on 30 November 2023.

** Stine Friis stepped down from the Board of Directors on 31 December 2023.

whom are elected by the general meeting for a term of one year. Except for Morten Hansen, who has been a member of the Executive Board of MT Højgaard Holding A/S within the past five years, the members elected by the general meeting are considered independent. Carsten Dilling is Chairman of the Board of Directors, and Morten Hansen is Deputy Chairman.

Steffen Baungaard stepped down from the Board of Directors on 30 November 2023, and Stine Friis stepped down from the Board of Directors at the end of 2023 as a result of the sale of Scandi Byg. There were no other changes to the Board of Directors in 2023.

In 2023, the Board of Directors held six ordinary and two extraordinary board meetings. Attendance details are shown in the figure.

There were changes to the Executive Board in 2023. Steffen Baungaard thus replaced Henrik Mielke as Group CEO on 1 December 2023.

As of 31 December 2023, Group management thus consists of Steffen Baungaard and Rasmus Untidt.

DATA ETHICS REPORT

MT Højgaard Holding has drawn up a separate data ethics policy. The policy aims to clarify how the Group works with data ethics and data use, and to establish a framework for data ethical conduct. The policy also sets out the Group's data ethics guidelines for the collection, use and sharing of data with a view to ensuring good practice and respecting the rights of customers, business partners and employees. In addition, the policy describes how these principles are embedded in the business units and the efforts made to promote knowledge-sharing and ensure training of relevant representatives across the Group. The policy for data ethics can be found under mthh.eu/Corporate-governance/Corporate-governance.

Shareholder information

INVESTOR RELATIONS POLICY

The management of MT Højgaard Holding A/S strives to maintain an open, honest and trusting dialogue with all market stakeholders to ensure that the Group's actual and expected value creation is reflected in the share price. The company's IR policy is available at mthh.eu/Corporate-governance/Corporate-governance.

IR ACTIVITIES IN 2023

The Executive Board is in regular dialogue with investors, equity analysts, the media and other stakeholders. CFO Rasmus Untidt is responsible for contact with investors and analysts.

Annual and interim financial reports and other company announcements can be found at mthh.eu/Investor/Announcements. The company also announces details about major orders as investor news as well as through other investor channels.

ANALYST COVERAGE

ABG Sundal Collier and SEB cover the MT Højgaard Holding share.

THE MT HØJGAARD HOLDING SHARE

At 31 December 2023, MT Højgaard Holding's share capital remained unchanged at DKK 155,741,380, divided into 7,787,069 shares of DKK 20 each. There is only one class of shares, and no shares carry any special rights. All shares are listed on Nasdaq Copenhagen under ISIN DK0010255975. A total of 503,512 shares were traded in 2023 (2022: 815,252 shares, equal to 6% of the share capital (2022: 10%). The value of share turnover was around DKK 62 million

(2022: DKK 130 million).

The share closed 2023 at 123.5, compared to 145.5 on 31 December 2022. The decrease in the share price corresponds to a negative return of about 15%, compared to about 8% for all shares in OMX Nordic Mid Cap DKK GI (OMXNMCDKKG1). MT Højgaard Holding's market capitalisation was DKK 962 million at 31 December 2023 (2022: DKK 1,133 million). Adjusted for the holding of treasury shares, the market capitalisation was DKK 950 million at end-2023 (2022: DKK 1,117 million). In January 2024, the share price increased by 17% on mounting investor interest.

SHAREHOLDERS

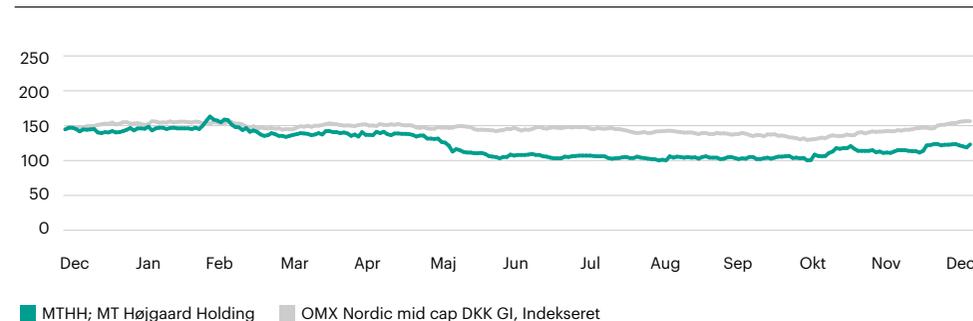
At 31 December 2023, MT Højgaard Holding had a total of 2,934 registered shareholders holding a total of 97.6% of the shares (2022: 2,862 shareholders holding a total of 97.6%). The twenty largest shareholders held about 85% of the share capital at the end of 2023 (2022: about 85%). The top 20 consisted of foundations and private individuals associated with the two original owner companies, companies associated with the families behind the original owner companies and Danish institutional investors.

TREASURY SHARES

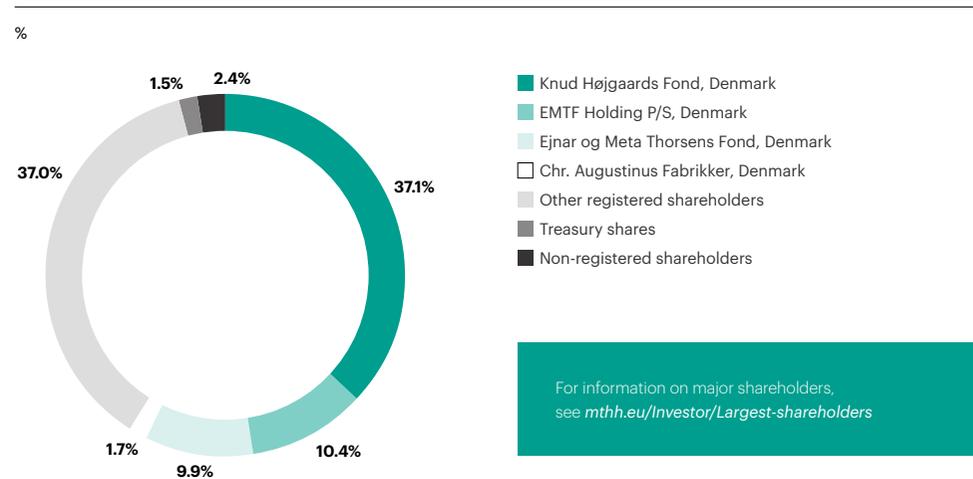
The Board of Directors is authorised to let the company acquire treasury shares up to a total of 10% of the share capital until 1 April 2024.

The company held 90,938 treasury shares at year-end 2023, corresponding to 1.17% of the share capital, compared with 113,442 shares and 1.46% at year-end 2022.

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



COMPOSITION OF SHAREHOLDERS AT 31 DECEMBER 2023



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

DIVIDEND POLICY

MT Højgaard Holding seeks to pay dividends, considering the need to reduce debt as well as the Group's liquidity forecast and solvency, see the Group's dividend policy at mthh.eu/Investor/Investor.

The Board of Directors recommends that no dividends be paid for 2023, as the 20% solvency target has still not been achieved.

Executive Board



STEFFEN BAUNGAARD

President and CEO

Joined: 2023
Born: 1967
Gender: Male
Nationality: Danish
Education: Graduate Diploma in Economics (HD-A), Building Constructor and various leadership courses through IMD/Harvard

Other appointments:

Enemærke og Petersen A/S (CB) Nordic Waterproofing AB (B)*
 MTHI Projects A/S (CB) Durapor A/S (B)*
 MT Højgaard Danmark A/S (CB) MT Højgaard International A/S (B)*
 MT Højgaard Property Development A/S (CB)
 M.B.Packaging A/S (CB)*
 Frederikshøj Ejendomme A/S (CB)*
 EBK Huse A/S (CB)*

* External board positions

Shareholding: 0
Change in 2023: 0



RASMUS UNTIDT

CFO

Joined: 2014 (CFO 2022)
Born: 1972
Gender: Male
Nationality: Danish
Education: Graduate Diploma in Business Administration (Financial and Management Accounting), MBA

Other appointments:

- Enemærke & Petersen A/S (B) - MT Højgaard Grønland ApS (B)
 - MT Højgaard Danmark A/S (DCB) - Arssarnerit A/S (B)
 - MT Højgaard Property Development A/S (B)
 - MT Højgaard International A/S (CB)

Shareholding: 0
Change in 2023: 0



TEGLSØERNE, NIVÅ

At a beautiful site in Nivå with direct access to the local lakes, MT Højgaard Property Development has constructed 97 residential units that blend in with the surrounding nature.

Board of Directors

External appointments at 31 December 2023

(CB)	= Chairman of the board of directors
(DCB)	= Deputy chairman of the board of directors
(B)	= Member of the board of directors
(E)	= Executive officer



CARSTEN DILLING
Chairman

Born: 1962
Gender: Male
Nationality: Danish

Independent: Yes

Elected first time in: 2018

Election term expires in: 2024

Board committees: Chairman of the Nomination Committee and the Remuneration Committee of MT Højgaard Holding A/S

Position: Professional board member

Education: BSc and Graduate Diploma in Business Administration (International Business)

External appointments:

- NNIT A/S, DK (CB)
- SAS AB, Sverige (CB)
- Terma A/S, DK (CB)
- Member of Maj Invest investment committees

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

Shareholding: 0

Change in 2023: 0



MORTEN HANSEN
Deputy Chairman of the Board of Directors

Born: 1963
Gender: Male
Nationality: Danish

Independent: No

Elected first time in: 2019

Election term expires in: 2024

Board committees: Member of the Nomination Committee and the Remuneration Committee of MT Højgaard Holding A/S

Education: BSc in Civil and Structural Engineering

External appointments:

Wholly-owned companies:

MH Holding, Vejle ApS (E) and subsidiaries, including Omnia Invest A/S and Juulsbjerg Ejendomme A/S

Other companies:

- Billund Lufthavn A/S (CB)
- Raunstrup A/S (CB)
- Ejendomsselskabet Vejle A/S (CB)
- Jansson A/S (CB)

Special skills: Strategy and management experience from contracting and project development company, board experience from listed company and other board work.

Shareholding: 45,931

Change in 2023: 0



CHRISTINE THORSEN

Born: 1958
Gender: Female
Nationality: Danish

Independent: Yes

Elected first time in: 2016

Election term expires in: 2024

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

Position: Dynamic Approach ApS (E)

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

External appointments:

- ANT-Fonden, DK (CB)
- World Guide Foundation, DK (B)

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

Shareholding: 20,000

Change in 2023: 0

Board of Directors

External appointments at 31 December 2023

(CB)	= Chairman of the board of directors
(DCB)	= Deputy chairman of the board of directors
(B)	= Member of the board of directors
(E)	= Executive officer



PERNILLE FABRICIUS

Born: 1966
Gender: Female
Nationality: Danish

Independent: Yes

Elected first time in: 2014

Election term expires in: 2024

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

Position: Group Chief Financial Officer, Org Group, London, UK

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

External appointments:

- K3 Technologies Inc (B og Head of Audit Committee), London UK
- Mer Norway A/S (B, head of audit committee and sustainability committee), Oslo Norway
- GreenGo Energy A/S (B, head of investment committee), Copenhagen, Denmark

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

Shareholding: 0

Change in 2023: 0



JANDA CAMPOS

Born: 1973
Gender: Female
Nationality: Brazilian and Danish

Independent: Yes

Elected first time in: 2021

Election term expires in: 2024

Board committees: Chairman of the Sustainability Committee of MT Højgaard Holding A/S

Position: Independent consultant

Education: MSc in Business Administration and Philosophy

External appointments: ProfilService A/S (B)

Special skills: Knowledge and experience of ESG from both a Danish and an international perspective, especially within corporate sustainability, including strategic integration of sustainability in organisations, ESG analyses, sustainability forecasts and related reporting. She has previously worked as relations manager of SOS Børnebyernes department for corporate partnerships and as Vice President Group CSR & Public Affairs at Carlsberg, Head of ESG and Sustainability at Grundfos, and she has served as a member of the Disclosure Committee under the Danish Ministry of Foreign Affairs.

Shareholding: 0

Change in 2023: 0



ANDERS LINDBERG

Born: 1965
Gender: Male
Nationality: Swedish

Independent: Yes

Elected first time in: 2019

Election term expires in: 2024

Board committees: Chairman of the Audit Committee of MT Højgaard Holding A/S

Position: President, Wärtsilä Energy AB

Education: MSc in Engineering, MBA

External appointments:

- Windeed AB, Sverige (B)
- Cilmeon AB, Sverige (B)

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

Shareholding: 0

Change in 2023: 0

Board of Directors

EMPLOYEE REPRESENTATIVES ON THE BOARD OF DIRECTORS

External appointments at 31 December 2023

(CB)	= Chairman of the board of directors
(DCB)	= Deputy chairman of the board of directors
(B)	= Member of the board of directors
(E)	= Executive officer



PETER MARTIN FACIUS

Born: 1976
Gender: Male
Nationality: Danish

Elected first time in: 2021

Election term expires in: 2025

Position: Carpenter, union representative

Education: Skilled carpenter/joiner, trained as a FDB sales assistant

External appointments:

Chairman of the Carpenters' Club at MTH 1004-1012 =
 (Senior shop steward for skilled carpenters and trainees)
 Bjmf Brancheclub (B)
 Vestegnens Brancheclub (B)

Alternate board member of Hustømmerforeningen
 Alternate board member of Landsbrancheklubben
 Alternate board member of MTH Danmark A/S

Special skills: Foreman, opinion-former, extensive knowledge of the Group after many years' employment.

Shareholding: 0

Change in 2023: 0



LARS TESCH OLSEN

Born: 1970
Gender: Male
Nationality: Danish

Elected first time in: 2021

Election term expires in: 2025

Position: Work environment consultant

Education: Skilled carpenter, completed board member training course

External appointments:

- Club of Enemærke & Petersen (B)
 - Main Working Environment Organisation of Enemærke & Petersen

Special skills: Extensive knowledge of Enemærke & Petersen after 25 years' employment as a skilled craftsman. Knows what goes on in the company – from builders to management. Takes an interest, is forthcoming and open-minded

Shareholding: 0

Change in 2023: 0

The employee representatives are elected for four-year terms, while members elected by the shareholders in general meeting are elected for one-year terms.



Consolidated financial statements

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IKEA COPENHAGEN

In 2023, MT Højgaard Danmark completed Copenhagen's new IKEA warehouse. On the top of the warehouse, visitors can enjoy the evening sun in the rooftop garden.

Consolidated financial statements

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Income statement

Amounts in DKK million	Note	2023	2022
Revenue	1.1	9,788.2	8,080.2
Production costs	1.2 1.4	-9,068.1	-7,451.9
Gross profit/(loss)		720.1	628.3
Distribution costs	1.2	-105.8	-132.3
Administrative expenses	1.2 1.4 4.1	-248.3	-188.6
Profit/(loss) before share of profit/(loss) of joint ventures		366.0	307.4
Share of profit/(loss) of joint ventures	2.5	42.5	26.0
EBIT before special items		408.5	333.4
Special items	1.5	-19.4	-25.4
EBIT		389.1	308.0
Financial income	3.3	13.7	3.0
Financial expense	3.3	-72.7	-86.2
Profit/(loss) before tax from continuing operations		330.1	224.8
Tax on profit/(loss) for the year from continuing operations	1.6	-25.2	6.4
Net profit/(loss) for the year from continuing operations		304.9	231.2
Net profit/(loss) for the year from discontinued/discontinuing operations	4.3	-201.3	-219.1
Net profit/(loss) for the year		103.6	12.1
Attributable to:			
Shareholders of MT Højgaard Holding A/S		103.2	11.7
Non-controlling interests		0.4	0.4
Total		103.6	12.1
Earnings per share	1.7		
Earnings per share (EPS), DKK		13.4	1.5
Diluted earnings per share (EPS-D), DKK		13.3	1.5
Earnings per share from continuing operations, DKK		39.6	30.1
Diluted earnings per share from continuing operations, DKK		39.1	29.6

Statement of comprehensive income

Amounts in DKK million	Note	2023	2022
Net profit/(loss) for the year		103.6	12.1
Other comprehensive income			
Items that may be reclassified to the income statement:			
Foreign exchange adjustments arising on translation of foreign entities		-2.6	0.7
Other capital items		-	0.2
Other comprehensive income after tax		-2.6	0.9
Total comprehensive income		101.0	13.0
Attributable to:			
Shareholders of MT Højgaard Holding A/S		100.6	12.6
Non-controlling interests		0.4	0.4
Total		101.0	13.0

Balance sheet

Amounts in DKK million	Note	2023	2022	Amounts in DKK million	Note	2023	2022
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Intangible assets	2.1	399.8	428.2	Share capital	3.1	155.7	155.7
Property, plant and equipment	2.2	248.4	323.2	Translation reserve		-0.8	1.8
Lease assets	2.3	133.8	250.2	Retained comprehensive income		689.3	576.5
Investments in joint ventures	2.5	51.8	69.1	Equity attributable to shareholders		844.2	734.0
Other investments		26.9	-	Non-controlling interests		1.3	17.1
Receivables	2.7	78.8	24.6	Total equity		845.5	751.1
Deferred tax assets	1.6	184.2	174.7	Non-current liabilities			
Total non-current assets		1,123.7	1,270.0	Deferred tax liabilities	1.6	36.4	44.8
Current assets				Provisions	2.9	142.4	145.5
Inventories	2.6	393.6	444.2	Mortgage debt	3.5	30.6	35.9
Receivables	2.7	2,006.1	2,029.9	Lease liabilities	2.3	152.5	230.6
Contract assets	2.8	450.8	447.9	Subordinated loan	3.5	240.0	320.0
Income tax		0.1	3.4	Other liabilities	3.7	174.2	211.1
Prepayments		29.6	54.2	Total non-current liabilities		776.1	987.9
Cash and cash equivalents	3.4	936.4	386.4	Current liabilities			
		3,816.6	3,366.0	Mortgage debt	3.5	1.5	2.0
Assets held for sale	4.3	377.4	152.5	Bank loans	3.5	0.4	3.4
Total current assets		4,194.0	3,518.5	Lease liabilities	2.3	58.7	64.0
Total assets		5,317.7	4,788.5	Subordinated loan	3.5	80.0	80.0
				Contract liabilities	2.8	1,306.4	979.8
				Trade payables		1,499.9	1,384.2
				Other liabilities		384.7	263.5
				Income tax		15.6	15.3
				Provisions	2.9	146.8	98.1
				Deferred income		3.6	2.9
						3,497.6	2,893.2
				Liabilities related to assets held for sale	4.3	198.5	156.3
				Total current liabilities		3,696.1	3,049.5
				Total liabilities		4,472.2	4,037.4
				Total equity and liabilities		5,317.7	4,788.5

Statement of cash flows

Amounts in DKK million	Note	2023	2022	Amounts in DKK million	Note	2023	2022
EBIT		389.1	308.0	Purchase of intangible assets	2.1	-6.9	-9.2
EBIT from discontinued operations		-263.0	-234.9	Purchase of property, plant and equipment	2.2	-82.4	-76.4
Adjustments for non-cash operating items etc.	4.2	265.8	341.3	Sale of property, plant and equipment		29.0	40.5
Cash flows from operating activities before working capital changes		391.9	414.4	Sale of companies and activities	4.3	19.9	-
Working capital changes:				Purchase and sale of joint ventures		0.9	-
Inventories		29.9	-114.2	Dividends from joint ventures		4.1	55.4
Receivables		-52.5	-258.5	Loans to joint ventures		20.7	-42.2
Contract assets and liabilities		262.7	115.3	Cash flows from investing activities		-14.7	-31.9
Trade and other current payables		211.0	115.0	Loan financing:	3.6		
Cash flows from operations (operating activities)		843.0	272.0	Decrease in bank loans		-132.3	-15.3
Financial income		13.7	3.1	Decrease in lease debt		-106.6	-73.5
Financial expense		-61.1	-47.8	Decrease in loans from related parties		-80.0	-17.3
Income taxes paid		-3.0	-14.5	Raising of debt with credit institutions		105.0	61.9
Cash flows from operating activities		792.6	212.8	Shareholders:			
				Dividends to non-controlling interests		-14.0	-
				Purchase of treasury shares		-	-2.3
				Cash flows from financing activities		227.9	-46.5
				Cash flows for the year		550.0	134.4
				Cash and cash equivalents at 01-01		386.4	252.0
				Cash and cash equivalents at 31-12	3.4	936.4	386.4

Statement of changes in equity

	2023					
Amounts in DKK million	Share capital	Translation reserve	Retained comprehensive income	Equity attributable to shareholders	Non-controlling interests	Total equity
Equity at 01-01	155.7	1.8	576.5	734.0	17.1	751.1
Net profit/(loss) for the year	-	-	103.2	103.2	0.4	103.6
Other comprehensive income:						
Foreign exchange adjustments arising on translation of foreign entities	-	-2.6	-	-2.6	-	-2.6
Transactions with owners:						
Share-based payments	-	-	9.6	9.6	-	9.6
Dividends non-controlling interests	-	-	-	-	-14.0	-14.0
Disposals non-controlling interests	-	-	-	-	-2.2	-2.2
Equity at 31-12	155.7	-0.8	689.3	844.2	1.3	845.5
						2022
Amounts in DKK million	Share capital	Translation reserve	Retained comprehensive income	Equity attributable to shareholders	Non-controlling interests	Total equity
Equity at 01-01	155.7	1.1	563.9	720.7	16.1	736.8
Net profit/(loss) for the year	-	-	11.7	11.7	0.4	12.1
Other comprehensive income:						
Foreign exchange adjustments arising on translation of foreign entities	-	0.7	-	0.7	-	0.7
Other capital items	-	-	0.2	0.2	-	0.2
Transactions with owners:						
Purchase of treasury shares	-	-	-2.3	-2.3	-	-2.3
Share-based payments	-	-	3.0	3.0	-	3.0
Additions non-controlling interests	-	-	-	-	0.6	0.6
Equity at 31-12	155.7	1.8	576.5	734.0	17.1	751.1

Notes

Note 1.1 Revenue and segment information

Amounts in DKK million							2023
	MT Højgaard Danmark	Enemærke & Petersen	MT Højgaard Property Development	Reporting segments	Other	Eliminations	Group
Construction contracts	5,465.9	3,509.8	391.4	9,367.1	-	-	9,367.1
Project development	-	-	185.5	185.5	-	-	185.5
Services and rental income	97.9	117.4	9.7	225.0	10.6	-	235.6
Revenue to external customers	5,563.8	3,627.2	586.6	9,777.6	10.6	-	9,788.2
Intersegment revenue	25.9	254.6	3.1	283.6	120.7	-404.3	-
Total revenue	5,589.7	3,881.8	589.7	10,061.2	131.3	-404.3	9,788.2
Depreciation	-36.0	-33.0	-3.0	-72.0	-13.4	-	-85.4
Profit/(loss) from joint ventures	35.1	-	4.1	39.2	3.3	-	42.5
EBIT before special items	270.7	153.7	22.0	446.4	-37.9	-	408.5
Total assets	3,481.4	1,817.5	639.0	5,937.9	998.3	-1,618.5	5,317.7
Total liabilities	2,408.5	1,253.3	530.3	4,192.1	1,898.6	-1,618.5	4,472.2

Amounts in DKK million							2022
	MT Højgaard Danmark	Enemærke & Petersen	MT Højgaard Property Development	Reporting segments	Other	Eliminations	Group
Construction contracts	4,179.3	3,171.1	372.1	7,722.5	-	-	7,722.5
Project development	-	-	108.4	108.4	-	-	108.4
Services and rental income	113.2	121.5	4.8	239.5	9.8	-	249.3
Revenue to external customers	4,292.5	3,292.6	485.3	8,070.4	9.8	-	8,080.2
Intersegment revenue	59.9	356.9	3.6	420.4	129.1	-549.5	-
Total revenue	4,352.4	3,649.5	488.9	8,490.8	138.9	-549.5	8,080.2
Depreciation	-31.4	-23.9	-3.1	-58.4	-17.3	-	-75.7
Profit/(loss) from joint ventures	-	-	4.4	4.4	21.6	-	26.0
EBIT before special items	161.2	150.5	30.7	342.4	-9.0	-	333.4
Impairment losses (special items)	-	-	-	-	-3.8	-	-3.8
Total assets	2,621.6	1,882.0	826.7	5,330.3	1,210.0	-1,751.8	4,788.5
Total liabilities	1,723.1	1,402.7	724.1	3,849.9	1,939.3	-1,751.8	4,037.4

Compared with 2022, the Maldives have been transferred from MT Højgaard International to MT Højgaard Danmark. As a result of the transfer, revenue for MT Højgaard Danmark for 2022 rose by DKK 75.4 million and operating profit before special items by DKK 4.4 million. The transfer was made because the management responsibility for the Maldives has been transferred to MT Højgaard Danmark.

Notes

Note 1.1 Revenue and segment information (continued)

Geographical breakdown of revenue and non-current assets

Amounts in DKK million	2023	2022
Revenue		
Denmark	9,662.6	8,000.5
Rest of world	125.6	79.7
Total revenue	9,788.2	8,080.2
Non-current assets		
Denmark	934.1	866.0
Rest of world	5.4	229.3
Total non-current assets	939.5	1,095.3

The Group is engaged in construction and civil works activities in Denmark and internationally.

The Group is engaged in international activities in Asia (Maldives and Vietnam).

Sale of properties, DKK 186 million (2022: DKK 103 million), is recognised on delivery of the property (point-in-time). All other revenue is recognised over time.



Accounting policies

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

Segment income and segment expenses before special items and assets and liabilities comprise the items that can be directly attributed to the individual segment.

The segment information is prepared in accordance with the Group's accounting policies and is based on the Group's internal management reporting.

Segment income and expense as well as segment assets and liabilities comprise the items that can be directly attributed to the individual segment, as well as the items that can be allocated to the individual segment on a reasonable basis. Revenue and profit before special items for reportable segments can be reconciled directly to the consolidated income statement.

Segment assets comprise non-current assets used directly in the segment's operations, including intangible assets and property, plant and equipment, as well as current assets used directly in the segment's operations, including inventories, trade receivables, other receivables and prepayments.

Segment liabilities comprise liabilities resulting from the operating activities of the segment, including trade payables, provisions and other payables.

Transactions between segments are priced at estimated market value.

The geographic distribution of revenue is based on the geographic location of the customers. Information on geographic distribution of segment assets is based on the physical location of the assets and comprises subsidiaries and joint ventures abroad.

GENERAL

Revenue comprises construction contracts, sale of development projects, sale of properties as well as services determined on a contract basis.

Where several contracts have been entered into with the same customer at the same time, the contracts are combined if they have a single commercial objective, the amount of consideration in one contract depends on the

Notes

Note 1.1 Revenue and segment information (continued)

other contract, and the goods or services promised are assessed to be a single performance obligation.

The Group's sales contracts are broken down into separately identifiable performance obligations, which are recognised and measured separately at fair value. Where a sales contract comprises several performance obligations, the total selling price is allocated to each separate performance obligation based on the selling price of each performance obligation.

Revenue is recognised when control of each separately identifiable performance obligation has transferred to the customer.

The recognised revenue is measured at the fair value of the agreed consideration excluding VAT and taxes collected on behalf of third parties. All forms of discounts granted are recognised in revenue. Fair value corresponds to the agreed price discounted to present value if the payment terms are longer than 12 months.

The amount of variable consideration, for example in the form of performance bonuses, incentives, penalties, etc., is only recognised in revenue if it is reasonably probable that a reversal of the amount of consideration will not occur in future periods, for example as a result of failure to meet targets etc.

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

CONSTRUCTION CONTRACTS

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

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

The Group's construction contracts comprise the construction of major construction and civil engineering projects for private and public customers. Construction contracts basically comprise a single performance obligation as the customer only obtains benefits from the perfor-

mance of the whole construction contract and the contract involves a high degree of integration of the various contract components.

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

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

PROJECT DEVELOPMENT

Revenue from project development where the overall project has not been sold prior to project start-up is recognised over time during the construction period based on the number of apartments sold and the overall percentage of completion. Recognition of revenue over time is based on an assessment that the apartments are so specialised that they cannot be used for any other purpose and that the Group is legally entitled to payment and that payment will be received.

Unsold apartments are recognised at cost under inventories.

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

SERVICES

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

RENTAL INCOME

Rental income comprises building hire under operating leases. Rent is accrued and recognised as income on a straight-line basis over the term of the lease in accordance with the contract.

Notes

Note 1.1 Revenue and segment information (continued)

Significant accounting estimates and judgements

For construction contracts, management considers that they essentially constitute a single performance obligation. The continuous transfer of control of the work performed occurs either because the construction work is being carried out on the customer's property whereby the title, and hence control, passes to the customer as the work is performed, or because the facilities are of such a specialised nature that, unless disproportionate sums of money are expended, there is no alternative use for them, while at the same time the customer is under obligation to pay for the work performed, including a reasonable profit for same, on a continuous basis.

Progress is measured using input methods based on actual costs incurred as a proportion of total expected costs, as this method is estimated to best reflect the continuous transfer of control. When determining the percentage of completion of a contract, account is taken of costs incurred that are attributable to inefficiencies or do not reflect the transfer of control to the customer. An important criterion for using the percentage-of-completion method is that it must be possible to estimate income and costs associated with the individual contracts reliably.

Variable consideration is only recognised in revenue if it is reasonably probable that a reversal of the amount of consideration will not occur in future periods. This assessment is made on an ongoing basis for the individual construction contracts. Expected contract revenue and contract costs may change as the contract is performed and uncertainties are resolved. Also, during the performance of the contract, amendments may be made, and the preconditions for the performance of the contract may turn out not to be fulfilled.

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

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

Note 1.2 Staff costs

Amounts in DKK million	2023	2022
Wages and salaries	1,543.7	1,349.5
Defined-contribution pension plans	132.2	102.8
Other social security costs	40.5	31.6
Share-based payments	2.3	2.5
Total	1,718.7	1,486.4
Average number of employees	2,774	2,421
Board remuneration	4.7	4.6
Executive Board:		
Salaries and fees	17.5	16.4
Share-based payments	-1.3	3.1
Total Executive Board	16.2	19.5

The remuneration package for the Executive Board consists of fixed remuneration (base salary), a short-term bonus and a long-term incentive programme (LTI programme, see note 1.3).

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

Notes

Note 1.3 Share-based payments

In accordance with its remuneration policy, the Group has established a long-term bonus programme for executive officers employed by the parent company and subsidiaries in the MT Højgaard Holding Group ("LTI programme").

The LTI programme entitles participants to invest the equivalent of 25-100% of any short-term bonus earned under the executive bonus programme in shares in MT Højgaard Holding A/S ("LTI grant"). Shares under the LTI programme are locked during a three-year period ("vesting period").

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

MT Højgaard Holding A/S is under an obligation to settle the LTI grant, including any Matching Shares and Dividend Shares, at the vesting

date. Shares comprised by the LTI grant will be purchased by the company and placed in a depository with MT Højgaard Holding A/S, so that they are available for release on vesting and fulfilment of the vesting conditions.

The LTI programme was granted at the annual general meetings in 2021, 2022 and 2023 and comprises the grant of a total of 91,408 granted shares. The LTI programme has a rolling vesting period of three years from the date of the Annual General Meeting of MT Højgaard Holding A/S until the expiry of the deadline for adoption of the financial statements of MT Højgaard Holding A/S at the Annual General Meeting three years later, following which the executive officers become the owners of the LTI grant. The entitlement to conditional shares that do not vest on this date will lapse without any compensation. The LTI grant is conditional upon the executive officers remaining employed by the company on the final vesting date.

Management expects the LTI grant in 2023 may be reduced by approx. 7% conditional shares during the vesting period, corresponding to 2,299 shares, based on an expected decrease in the share price until the vesting date. The LTI programme will be settled in shares.

Seven persons participate in the LTI programme. One person entered the LTI programme in 2023.

Breakdown of outstanding conditional shares

No. of shares	Parent company Executive Board	Other employees
Outstanding at 1 January 2022	67,228	45,009
Granted	43,265	11,530
Conditional shares	3,401	1,770
Exercised	-46,267	-1,558
Cancelled or forfeited	-11,567	-10,842
Transferred	-24,916	24,916
Outstanding at 31 December 2022	31,144	70,825
Granted	18,450	13,443
Conditional shares	-1,333	-966
Exercised	-6,605	-15,899
Cancelled or forfeited	-590	-1,420
Transferred	-29,750	29,750
Outstanding at 31 December 2023	11,316	95,733
Number of conditional shares that may be sold at 31 December 2022	0	0
Number of conditional shares that may be sold at 31 December 2023	0	0
Fair value of outstanding shares at 31 December 2022	4.5	10.3
Fair value of outstanding shares at 31 December 2023	1.4	11.8

The price per share in the 2020 LTI programme has been calculated at DKK 96.59 at the grant date.

The price per share in the 2021 LTI programme has been calculated at DKK 176.04 at the grant date.

The price per share in the 2022 LTI programme has been calculated at DKK 219.75 at the grant date.

The price per share is calculated as the average of the first five trading days in the year after the grant.

Notes

Note 1.3 Share-based payments (continued)

The average remaining term to vesting for outstanding conditional shares at 31 December 2023 was approx. 1.25 years.

In 2023, an expense of DKK 2.6 million was recognised in the income statement in respect of the LTI programme (2022: DKK 3.9 million), excluding the share of the short-term management bonus for 2022 invested in the LTI programme, which was expensed in 2022.



Accounting policies

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

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

The portion of vested short-term executive bonus used by the participant to invest in the LTI programme is recognised as staff costs under production or distribution costs or administra-

The fair value of "Matching Shares" at the grant date was calculated with assistance from Deloitte using a Monte Carlo simulation model based on a number of assumptions, such as share price at the grant date, a vesting period of three years, a return of equity of 13%, a volatility of 30% based on a five-year observation period for the return for a representative group.

tive expenses, depending on the participant's affiliation with the company in the year in which the short-term bonus vests, and it is not included in the fair value of the LTI programme on the date of grant.

The LTI programme is classified as an equity-settled plan. The value of services received as consideration for the granted right to conditional shares is measured at the fair value of the shares at the date of grant. The fair value of the granted right to conditional shares is not subsequently adjusted. The component of the fair value that can be attributed to employees that do not meet the vesting conditions is adjusted and recognised over the vesting period.

Note 1.4 Depreciation, amortisation and impairment losses

Amounts in DKK million	2023	2022
Amortisation of intangible assets	33.9	42.8
Impairment of intangible assets	1.2	66.4
Depreciation of property, plant and equipment	44.2	48.7
Impairment of property, plant and equipment	23.1	5.5
Depreciation of lease assets	65.5	61.3
Impairment of lease assets	-	28.2
Total amortisation, depreciation and impairment losses	167.9	252.9

Impairment losses on intangible assets in 2023 relate to ERP in MT Højgaard Grønland. The impairment losses in 2022 related to the PPA assets related to Scandi Byg, MT Højgaard Grønland, Arssarnerit and RTS Contractors.

Impairment losses on property, plant and equipment in 2023 related to building and plant and machinery in MT Højgaard Grønland. In 2022, impairment losses related primarily to building and plant and machinery in Scandi Byg.

Amounts in DKK million	2023	2022
Amortisation and impairment intangible assets	13.4	9.1
Depreciation and impairment property, plant and equipment	19.5	19.7
Depreciation and impairment lease assets	52.5	46.9
EBIT before special items	85.4	75.7
Amortisation and impairment intangible assets	19.4	21.6
Depreciation and impairment lease assets	-	3.8
Special items	19.4	25.4
Amortisation and impairment intangible assets	2.3	78.5
Depreciation and impairment property, plant and equipment	47.8	34.5
Depreciation and impairment lease assets	13.0	38.8
Profit/(loss) from discontinued/discontinuing operations	63.1	151.8

Notes

Note 1.5 Special items

Amounts in DKK million	2023	2022
Impairment losses and costs related to lease assets	-	-3.8
Amortisation of write-ups	-19.4	-21.6
Total special items	-19.4	-25.4

Special items amounting to an expense of DKK 3.8 million in 2022 related to the write-down on a lease asset (the headquarter lease in Søborg).

Expenses under special items would have been recognised in production costs with DKK 19.4 million (2022: DKK 21.6 million) and in administrative expenses with DKK 0 million (2022: DKK 3.8 million) if it had not been decided to use special items.

Accounting policies

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

Special amortisation and impairment losses relates to goodwill, customer relationships, brand and order book in connection with enterprise acquisitions.

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

Note 1.6 Income tax and deferred tax

Amounts in DKK million	2023	2022
Income tax expense for the year can be broken down as follows:		
Tax on profit/(loss) for the year from continuing operations	-25.2	6.4
Tax related to discontinued operations	36.3	20.7
Tax in the income statement	11.1	27.1
Tax on profit/(loss) for the year from continuing operations can be broken down as follows:		
Current tax	-24.4	-18.7
Deferred tax	-4.4	33.3
Adjustments to deferred tax in respect of prior years	3.9	-10.5
Adjustments to current tax in respect of prior years	-0.3	2.3
Tax on profit/(loss) for the year from continuing operations	-25.2	6.4
Calculated 22% tax on profit/(loss) before tax from continuing operations	-72.6	-49.5
Adjustments of calculated tax in foreign group enterprises relative to 22%	0.2	1.4
Tax effect of:		
Non-deductible expenses/non-taxable income	-2.8	-12.0
Share of profit/(loss) after tax of joint ventures	2.7	1.0
Adjustment of current and previous years' tax assets	43.7	73.7
Adjustments to tax in respect of prior years	3.6	-8.2
Tax on profit/(loss) for the year from continuing operations	-25.2	6.4
Effective tax rate (%)	7.6	-2.8

The Group's effective tax rate for 2023 was affected by the reversal of previous years' write-downs of the tax asset.

Notes

Note 1.6 Income tax and deferred tax (continued)

Amounts in DKK million	2023	2022
Deferred tax at 01-01	-129.9	-86.3
Deferred tax related to operations held for sale	-18.4	-20.8
Deferred tax recognised in profit/(loss) for the year	0.5	-22.8
Deferred tax at 31-12	-147.8	-129.9
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	-184.2	-174.7
Deferred tax liabilities	36.4	44.8
Deferred tax at 31-12, net	-147.8	-129.9
Deferred tax relates to:		
Intangible assets	35.2	41.2
Property, plant and equipment	-20.5	-26.7
Current assets	191.2	141.9
Provisions	-71.5	-38.9
Tax loss carryforwards	-282.2	-247.4
Deferred tax at 31-12	-147.8	-129.9
Deferred tax liabilities not recognised in the balance sheet		
Temporary differences relating to distributable reserves in foreign subsidiaries	3.5	15.0
Deferred tax assets not recognised in the balance sheet		
Tax loss carryforwards	-	63.7

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

RECOVERY OF DEFERRED TAX ASSETS

Compared with last year, tax loss carryforwards have been fully capitalised in the assessment of deferred tax assets. They have been capitalised based on expected positive earnings in the next five years.

MT Højgaard Denmark performed well, and the turnaround that commenced three years ago provides a solid platform for the future as also reflected in the outlook for the company's future earnings. In addition, both MT Højgaard Denmark and Enemærke & Petersen had record-high order books at 31 December 2023. This led to capitalisation of losses previously written down with DKK 57.5 million.

Notes

Note 1.6 Income tax and deferred tax (continued)

	2023			
Amounts in DKK million	Opening balance sheet	Recognised in profit/(loss) for the year	Discontinued operations	Closing balance sheet
Intangible assets	41.2	-6.3	0.3	35.2
Property, plant and equipment	-26.7	7.2	-1.0	-20.5
Other current assets	141.9	55.6	-6.3	191.2
Provisions	-38.9	-40.1	7.5	-71.5
Tax loss carryforwards	-247.4	-15.9	-18.9	-282.2
Total	-129.9	0.5	-18.4	-147.8

	2022			
Amounts in DKK million	Opening balance sheet	Recognised in profit/(loss) for the year	Discontinued operations	Closing balance sheet
Intangible assets	70.6	-12.9	-16.5	41.2
Property, plant and equipment	-5.7	-16.8	-4.2	-26.7
Current assets	143.5	31.9	-33.5	141.9
Provisions	-94.1	47.7	7.5	-38.9
Tax loss carryforwards	-200.6	-72.7	25.9	-247.4
Total	-86.3	-22.8	-20.8	-129.9



Accounting policies

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

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet.

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

The new legislative requirements concerning Pillar II have been adopted in certain jurisdictions where the Group has activities, and will be effective from 1 January 2024. The Group has made an assessment of the potential effect of Pillar II income tax, which is based on the most recently available financial information for the Group's companies. Based on the assessment, it is expected that the effective tax rate pursu-

ant to Pillar II in the tax jurisdictions in which the Group has activities will be 15% or higher. Management is not aware of matters that would change this assessment, and the Group therefore expects no effect of the Pillar II top-up tax.

In May 2023, IASB published and implemented a mandatory temporary exception to the treatment of the accounting effect of the Pillar Two tax reform. The exception will take immediate effect as the new tax rules are complex, and it is therefore uncertain whether the rules will lead to additional temporary differences, whether deferred taxes need to be remeasured as a result, and the tax rate to be used to measure the related deferred taxes. Furthermore, the tax rate applicable to the company's profits in future periods will depend on a number of factors that are difficult, if not impossible, to predict at the present time.

The Group has adopted the mandatory temporary exception in IAS 12 regarding the Pillar Two tax reform and does not include deferred taxes arising from the Pillar Two tax reform.

Notes

Note 1.6 Income tax and deferred tax (continued)

Significant accounting estimates and judgements

Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available, in the foreseeable future (normally 3-5 years), against which tax loss carryforwards, etc., can be offset. The amount to be recognised as deferred tax assets is determined on the basis of an estimate of the probable timing and amount of future taxable profits and taking into account current tax legislation. See note 2.4 for key assumptions applied for the valuation of deferred tax assets relating to tax loss carryforwards.

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

Tax assets in the Group relate among others to tax losses that can be carried forward indefinitely. They may be recognised as income when the Group reports the necessary positive results. Deferred tax is calculated using the tax rates effective in the respective countries to which the deferred tax relates.

The operation of a global business will result in disputes with tax authorities around the world. Management regularly evaluates the tax return statements, with applicable tax regulation being subject to interpretation, and considers whether a tax authority is likely to accept the tax treatment. The result of uncertain tax positions is measured on the basis of management's best estimate of amounts required to meet the obligation and is recognised in deferred tax or income tax depending on the tax position.

Note 1.7 Earnings per share

Amounts in DKK million

	2023	2022
Net profit/(loss) for the year	103.6	12.1
Non-controlling interests' share of Group profit/(loss)	0.4	0.4
Group share of net profit/(loss) for the year	103.2	11.7
Average number of shares, number	7,787,069	7,787,069
Average number of treasury shares	-95,994	-112,901
Average number of shares outstanding, number	7,691,075	7,674,168
Average diluting effect of share-based incentive programme, number	95,994	112,901
Average number of shares outstanding, number	7,787,069	7,787,069
Earnings per share (EPS), DKK	13.4	1.5
Diluted earnings per share (EPS-D), DKK	13.3	1.5
Earnings per share from continuing operations, DKK	39.6	30.1
Diluted earnings per share from continuing operations, DKK	39.1	29.6

Notes

Note 2.1 Intangible assets

	2023					
Amounts in DKK million	Goodwill	Brands	Order book	Customer relations	Other intangible assets	Total
Cost at 01-01	250.4	205.9	86.9	78.3	96.8	718.3
Additions	-	-	-	-	6.9	6.9
Disposals	-	-	-86.9	-	-1.6	-88.5
Transfers to assets held for sale	-29.6	-15.6	-	-16.6	-4.0	-65.8
Cost at 31-12	220.8	190.3	0.0	61.7	98.1	570.9
Amortisation and impairment losses at 01-01	29.6	51.4	86.9	47.9	74.3	290.1
Amortisation	-	8.4	-	11.0	14.5	33.9
Impairment losses	-	-	-	-	1.2	1.2
Disposals	-	-	-86.9	-	-1.6	-88.5
Transfers to assets held for sale	-29.6	-15.6	-	-16.6	-3.8	-65.6
Amortisation and impairment losses at 31-12	0.0	44.2	0.0	42.3	84.6	171.1
Carrying amount at 31-12	220.8	146.1	0.0	19.4	13.5	399.8
	2022					
Amounts in DKK million	Goodwill	Brands	Order book	Customer relations	Other intangible assets	Total
Cost at 01-01	250.4	211.4	88.6	90.1	94.3	734.8
Additions	-	-	-	-	9.2	9.2
Disposals	-	-	-	-	-2.2	-2.2
Transfers to assets held for sale	-	-5.5	-1.7	-11.8	-4.5	-23.5
Cost at 31-12	250.4	205.9	86.9	78.3	96.8	718.3
Amortisation and impairment losses at 01-01	-	27.5	83.5	30.8	64.0	205.8
Amortisation	-	10.6	5.1	13.9	13.2	42.8
Impairment losses	29.6	18.8	-	15.0	3.0	66.4
Disposals	-	-	-	-	-2.2	-2.2
Transfers to assets held for sale	-	-5.5	-1.7	-11.8	-3.7	-22.7
Amortisation and impairment losses at 31-12	29.6	51.4	86.9	47.9	74.3	290.1
Carrying amount at 31-12	220.8	154.5	0.0	30.4	22.5	428.2

The intangible assets impairment losses in 2023 and 2022 related to the ERP system and discontinued activities.

At year-end, the carrying amount of the ERP platforms in the Group was DKK 13.5 million. The cost of fully amortised assets still in use was DKK 60.9 million.



Accounting policies

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

Expected useful lives:

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

Notes

Note 2.2 Property, plant and equipment

	2023				
Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 01-01	201.2	151.8	86.3	-	439.3
Additions	0.2	72.3	9.4	0.5	82.4
Disposals	-0.5	-18.8	-9.8	-	-29.1
Transfers to assets held for sale	-54.7	-80.1	-30.2	-	-165.0
Cost at 31-12	146.2	125.2	55.7	0.5	327.6
Depreciation and impairment losses at 01-01	10.9	67.7	37.5	-	116.1
Depreciation	4.9	26.5	12.8	-	44.2
Impairment losses	17.3	5.7	0.1	-	23.1
Disposals	-	-4.0	-8.3	-	-12.3
Transfers to assets held for sale	-22.7	-49.5	-19.7	-	-91.9
Depreciation and impairment losses at 31-12	10.4	46.4	22.4	0.0	79.2
Carrying amount at 31-12	135.8	78.8	33.3	0.5	248.4
	2022				
Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 01-01	235.9	162.0	80.9	3.9	482.7
Additions	14.2	34.1	21.0	7.1	76.4
Transferred	11.0	-	-	-11.0	0.0
Disposals	-33.3	-38.3	-15.6	-	-87.2
Transfers to assets held for sale	-26.6	-6.0	-	-	-32.6
Cost at 31-12	201.2	151.8	86.3	0.0	439.3
Depreciation and impairment losses at 01-01	15.1	65.7	34.7	-	115.5
Depreciation	7.7	25.2	15.8	-	48.7
Impairment losses	3.7	1.8	-	-	5.5
Disposals	-5.1	-19.0	-13.0	-	-37.1
Transfers to assets held for sale	-10.5	-6.0	-	-	-16.5
Depreciation and impairment losses at 31-12	10.9	67.7	37.5	0.0	116.1
Carrying amount at 31-12	190.3	84.1	48.8	0.0	323.2



Accounting policies

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

Expected useful lives:

- Buildings 10-50 years
- Plant and machinery 3-10 years
- Fixtures and fittings, tools and equipment 3-10 years

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

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

Notes

Note 2.3 Leasing

	2023			
Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Carrying amount at 01-01	184.6	25.3	40.3	250.2
Additions	19.1	2.8	40.3	62.2
Remeasurement of lease liability	13.2	-	-	13.2
Depreciation	-39.6	-5.3	-20.6	-65.5
Disposals	-75.4	-3.2	-4.0	-82.6
Transfers to assets held for sale	-29.6	-14.1	-	-43.7
Carrying amount at 31-12	72.3	5.5	56.0	133.8

	2022			
Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Carrying amount at 01-01	182.2	36.3	37.8	256.3
Additions	38.2	20.4	27.5	86.1
Remeasurement of lease liability	11.1	-	-	11.1
Depreciation	-34.7	-8.8	-17.8	-61.3
Impairment losses	-3.8	-22.0	-2.4	-28.2
Disposals	-8.4	-0.6	-4.8	-13.8
Carrying amount at 31-12	184.6	25.3	40.3	250.2

For further information about impairment losses see note 1.5 and 4.3

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

Lease assets that are hired out amounted to DKK 77.9 million at 31 December 2022. In 2023, the part of the lease assets that is subleased have been recognised as subleasing.

Amounts in DKK million	2023	2022
Lease liabilities – by due date		
Due within one year	58.3	73.4
Due between one and five years	150.9	183.6
Due after more than five years	23.1	70.5
Total non-discounted lease liability at 31 December	232.3	327.5
Lease liabilities recognised in balance sheet		
Current	58.7	64.0
Non-current	152.5	230.6
Total	211.2	294.6
Amounts recognised in the income statement		
Interest expense in respect of lease liabilities	10.9	11.7
Variable lease payments not recognised as part of the lease liability	10.5	7.8
Costs in respect short-term leases	0.4	0.2

For 2023, the Group paid DKK 132.7 million (2022: DKK 119.4 million) related to leases, incl.

variable lease payments and costs related to short-term leases.



Accounting policies

Lease assets are depreciated on a straight-line basis over the estimated useful life:

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

Low-value lease assets (less than DKK 0.1 million) and short-term leases (less than 12 months) are not recognised in the balance sheet. Instead, lease payments on such leases are recognised on a straight-line basis in the income statement.

Notes

Note 2.4 Impairment testing

The impairment test was prepared based on accounting figures at 30 September 2023. The impairment test is based on the estimated value in use. The Group's business units are considered to be the Group's cash-generating units.

In connection with the impairment test, revenue was determined for each business unit on the basis of accounting figures at 30 September, forecasts for 2024 and 2025 and estimates for the years 2026-2028.

Consolidated goodwill

Amounts in DKK million	2023	2022
MT Højgaard Danmark A/S	63.3	63.3
MT Højgaard Property Development	11.2	11.2
Enemærke & Petersen A/S	59.6	59.6
Raunstrup	30.9	30.9
NemByg A/S	55.8	55.8
Total goodwill	220.8	220.8

The present value has been determined using a discount rate set for each unit. The Group applies two different discount rates. The discount rate depends on the size of the company and thus the illiquidity premium (company add-on) applied. Large companies (revenue greater than DKK 350 million) comprise MT Højgaard Danmark, Enemærke & Petersen, Raunstrup and MT Højgaard Property Development. Small companies comprise NemByg, RTS Contractors, MT Højgaard Private Limited (Maldives)

Growth in the terminal period was set at 2%. The result is also based on accounting figures at 30 September 2023 and forecasts for 2024 and 2025, with the EBIT margin rising from 4.1% to 4.3% during the period, and this margin is used in the projection as a long-term EBIT margin. Earnings are underpinned by the order book and the strategic initiatives launched by the companies.

and MT Højgaard Føroyar. Arssarnerit and MT Højgaard Grønland have a pre-tax discount rate of 19.05% and 27.21%, respectively.

The 2023 impairment did not give rise to a impairment of goodwill to the recoverable amount or impairment on customer relationships and brands. In 2022, there were impairments of DKK 63.2 million relating to Arssarnerit, RTS Contractors, MT Højgaard Grønland and Scandi Byg.

Amounts in DKK million	2023	2022
Goodwill		
Arssarnerit (Matu)	-	18.7
RTS Contractors	-	10.9
Total goodwill write-downs	-	29.6
Customer relationships and brands		
Arssarnerit (Matu)	-	12.0
RTS Contractors	-	2.7
MT Højgaard Færøerne	-	1.5
MT Højgaard Grønland	-	9.9
MT Højgaard Maldiverne	-	1.9
Scandi Byg	-	7.5
Total write-downs on customer relationships and brands	-	35.5
Pre-tax discount rates applied:		
Large companies	14.89%	15.75%
Small companies	18.06%	19.30%

Because of impairment indications, management has also performed an impairment test at 30 September 2023 for the companies MT Højgaard Grønland A/S and Arssarnerit. The tests performed gave rise to impairment losses on intangible assets as well as property, plant and equipment for the company MT Højgaard Grønland A/S in the amount of DKK 25 million. The impairment losses reflect lower EBIT margins due to write-downs on several projects.

The carrying amount is within the fair value hierarchy level 3, and in the impairment tests

EBIT margins increasing from -15% in the initial years to 4-5% in the longer term is used. Upon being impaired, the assets were transferred to assets held for sale.

The impairment loss for MT Højgaard Grønland is recognised under discontinued operations. For further information about discontinued operations, see note 4.3. For 2022, impairment losses, with the exception of MT Højgaard Maldiverne, were also recognised under discontinued operations.

Notes

Note 2.4 Impairment testing (continued)

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

In connection with the impairment tests, a sensitivity analysis was carried out for all cash-generating units. With the exception of assets held for sale, all other cash-generating units are not exposed to risks of impairment losses on a change in discount factors or terminal period growth, which will be within a realistic spread. A key parameter in the impairment tests are

forecasts, which by their nature are always subject to risks, and a significant future change to forecasts may lead to impairment in future periods, irrespective of the conclusion in 2023.

Assets held for sale are calculated at fair value less expected costs to sell and will therefore regularly be adjusted to the most recently known fair value until a sale has been executed. The Group's assets held for sale relate to discontinued operations.

general economic developments and the Group's risk management on individual projects. Budgets and estimates are determined on the basis of previous experience, including budgeted returns on the order portfolio and on anticipated orders and planned capacity, and taking into account management's expectations for the future, including announced expectations concerning future growth, EBIT margin and cash flows.

In addition, sensitivity analyses are prepared in order to support carrying amounts.

An assessment of the value is made based on expected future revenue, order book and earnings, and impairment testing is prepared in the event of any major changes. The value of customer relationships is assessed on the basis of whether there have been any changes in revenue and on key account revenue. The value of the order book is assessed on the basis of whether there have been any significant changes in earnings on expected revenue and any changes in the order book. The value of brands is assessed on the basis of the development in revenue.



Significant accounting estimates and judgements

In connection with impairment testing, an estimate is made of whether the individual cash-generating units to which the assets relate will be able to generate sufficient positive net cash flows to support the value. Such estimates are naturally subject to uncertainty, which is reflected in the discount rate applied. The carrying amount of goodwill is tested annually for impairment. Goodwill is primarily attributable to the merger of Højgaard Holding A/S and Monberg & Thorsen A/S, to which should be added goodwill attributable to the acquisitions of Raunstrup A/S, NemByg A/S, RTS Contractors SP/F and Matu A/S.

The recoverable amount is determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the annual test, net cash flows are determined on the basis of the latest approved budgets for the following two years and estimates for the following three years. The growth in the terminal period is kept constant.

The present value is determined using a discount rate before tax. The primary key assumptions are estimated to be the growth rates and the EBIT margins applied, which depend on

For customer relationships, order book and brands, intangible assets have been recognised in connection with the merger of Højgaard Holding A/S and Monberg & Thorsen A/S and the acquisitions of Raunstrup A/S, NemByg A/S, RTS Contractors SP/F and Matu A/S.

Notes

Note 2.5 Investments in joint ventures

Amounts in DKK million	2023	2022
Cost at 01-01	125.4	105.3
Additions	0.3	20.1
Disposals	-14.0	-
Transfers to assets held for sale	-83.1	-
Cost at 31-12	28.6	125.4
Adjustments at 01-01	-56.3	-14.5
Foreign exchange adjustments	-0.9	-1.9
Dividends	-4.1	-55.4
Share of net profit/(loss) for the year	29.6	15.5
Disposals	12.8	-
Transfers to assets held for sale	42.1	-
Adjustments at 31-12	23.2	-56.3
Carrying amount at 31-12	51.8	69.1

BESIX_MTH JV I/S is a joint venture between N.V. BESIX S.A. (50%) and MT Højgaard Danmark A/S (50%) to build the North Harbour Tunnel connecting the two districts of Østerbro and Nordhavn in Copenhagen. The construction work, which is undertaken for the Danish Road Directorate, commenced at the end of 2022 and had an extended financial year of 15 months during the first year.

Soc. de Empreitadas e Trabalhos Hidráulicos, S.A. (Seth) carries out contracting activities in Portugal and has activities in Africa through joint ventures etc. The investment was transferred to assets held for sale in 2023.

Financial information (100%) for each of the Group's individually material joint ventures, adjusted to reflect any differences in accounting policies.

Amounts in DKK million	BESIX-MTH JV I/S		Soc. de Empreitadas e Trabalhos Hidráulicos, S.A.	
	2023	2022	2023	2022
Ownership interest	50%	50%	60%	60%
Statement of comprehensive income				
Revenue	485.0	-	238.9	238.3
Net profit/(loss) for the year	57.7	-	-21.4	-16.6
Other comprehensive income	-	-	-1.0	0.3
Total comprehensive income	57.7	-	-22.4	-16.3
Balance sheet				
Non-current assets	17.5	-	43.5	33.8
Current assets	43.5	-	147.7	189.4
Cash and cash equivalents	85.0	-	38.1	20.0
Non-current liabilities	-	-	-	2.2
Current liabilities	88.3	-	161.2	148.9
Equity	57.7	-	68.1	92.1
Equity attributable to the Group	28.9	-	41.0	54.8

Reconciliation of carrying amount at 31 December

Amounts in DKK million	2023	2022
Carrying amount of material joint ventures	28.9	54.8
Carrying amount of other joint ventures	22.9	14.3
Carrying amount at 31-12	51.8	69.1

Notes

Note 2.5 Investments in joint ventures (continued)



Accounting policies

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

All of the Group's jointly owned companies are classified as joint ventures. Gains and losses on the divestment or winding up of joint ventures

are determined by deducting from the proceeds on divestment or winding up the carrying amount of net assets including goodwill at the date of divestment or winding up and related selling expenses.

Investments in joint ventures are measured using the equity method.



Significant accounting estimates and judgements

In the process of applying the Group's accounting policies, management regularly makes judgements, in addition to estimates, that may have a significant effect on the amounts recognised in the annual report.

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

Joint ventures are recognised using the equity method in the consolidated financial statements. Joint operations are recognised at the proportionate share of income, expenses, assets and liabilities. The Group's joint ventures are primarily in the PPP and PPS companies, Besix, Soc. de Empreitadas e Trabalhos Hidráulicos, S.A. ("Seth") and Skanska-MTH Hisingsbron HB. In 2023, Seth was transferred to assets held for sale.

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

Notes

Note 2.6 Inventories

Amounts in DKK million	2023	2022
Raw materials and consumables	16.4	32.3
Construction projects developed in-house	0.9	80.5
Properties held for resale	376.3	331.4
Total	393.6	444.2

Cost of sales for properties for resale was DKK 134.0 million (2022: DKK 44.3 million).

Accounting policies

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

Properties held for resale include undeveloped sites held with a view to project development activities, and completed residential projects for resale.

Construction projects developed in-house consist of project development carried out with a view to sale but as yet unsold. Construction projects developed in-house are transferred to properties held for resale.

Properties, project development in progress not yet sold under IFRS 15 and undeveloped sites that are not classified as held for continued future ownership or use are measured at the lower of cost and net realisable value.

Significant accounting estimates and judgements

Properties held for resale are assessed on a regular basis based on location, site area, development rights, nature and planning and development stage. The carrying amounts of properties is compared with the market, with similar previous realised sales, or with an estimated value determined as the selling value of the finished building less all realisation costs (development, site preparation, design, construction, sale and financing). Data relating to selling prices, rental prices and return requirements are based on

available market reports from recognised estate agents and own empirical figures. Realisation costs are based on prices obtained from the realisation of similar projects.

Likewise, the value of unsold dwellings developed and built in-house is assessed on the basis of already realised/sold dwellings in the same project, and the general market trend based on recognised market reports.

Notes

Note 2.7 Receivables

Amounts in DKK million	2023	2022
Trade receivables	1,902.9	1,847.4
Receivables from related parties	-	10.0
Receivables from joint ventures	32.7	61.3
Receivables from subleasing	46.1	13.1
Other receivables	103.2	122.7
Total	2,084.9	2,054.5
Recognised in the balance sheet as follows:		
Non-current assets	78.8	24.6
Current assets	2,006.1	2,029.9
Total	2,084.9	2,054.5

Amounts in DKK million	2023	2022
Write-downs for bad and doubtful debts at 01-01	32.7	23.8
Write-downs for the year	8.4	12.8
Realised during the year	-0.4	-3.4
Reversals	-	-0.5
Write-downs at 31-12	40.7	32.7

Receivables from subleasing comprise DKK 13.6 million due within one year, DKK 39.2 million due from 1 to 5 years and DKK 5.7 million due after more than 5 years.

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

Trade receivables include amounts that are subject to normal contract disputes. See note 3.8 for details.

CREDIT RISKS

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

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

The credit risk exposure relating to dealings with private counterparties other than banks is considered to be limited, as the Group to a great extent requests security, normally in the form of bank guarantees and surety bonds or similar, when entering into contracts with private clients. On construction and civil works projects, customers are billed as the work is performed, reducing the Group's credit risk.

Write-downs for bad and doubtful debts are consequently negligible and are due to disputes and compulsory winding-up or expected compulsory winding-up of customers. Historically, the Group has realised very few bad debt losses.

Notes

Note 2.7 Receivables (continued)

Amounts in DKK million				2023
	Percentage loss	Receivable	Expected loss	Total
Not due	0.0%	1,090.1	-	1,090.1
1-30 days past due	0.0%	360.2	-	360.2
31-60 days past due	0.0%	21.3	-	21.3
61-90 days past due	0.0%	54.2	-	54.2
More than 90 days past due	9.7%	417.8	40.7	377.1
Total		1,943.6	40.7	1,902.9

Amounts in DKK million				2022
	Percentage loss	Receivable	Expected loss	Total
Not due	0.0%	1,247.3	-	1,247.3
1-30 days past due	0.0%	227.4	-	227.4
31-60 days past due	0.0%	39.6	-	39.6
61-90 days past due	0.0%	24.0	-	24.0
More than 90 days past due	9.6%	341.8	32.7	309.1
Total		1,880.1	32.7	1,847.4



Accounting policies

The simplified IFRS 9 expected credit loss model, under which the expected loss is recognised immediately in the income statement, is applied to trade receivables and construction contract assets. The receivable is recognised at the same time as it is recognised in the balance sheet.

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

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

Notes

Note 2.8 Construction contracts

Amounts in DKK million	2023	2022
Progress billings	22,677.5	18,002.5
Selling price of construction contracts	-21,821.9	-17,470.6
Construction contracts (net)	855.6	531.9
Construction contracts in progress are recognised in the balance sheet as follows:		
Contract liabilities	1,306.4	979.8
Contract assets	-450.8	-447.9
Construction contracts (net)	855.6	531.9
Outstanding performance obligations related to construction contracts		
Within one year	8,090.2	7,334.5
More than one year	5,415.0	6,522.8
Total	13,505.2	13,857.3
Contract assets related to costs for the performance of construction contracts	-	-
Depreciation charge recognised under production costs	-	-

RECOGNISED REVENUE RELATED TO CONSTRUCTION CONTRACTS

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

Contract assets consist of the sales value of work performed where the full amount remains to be invoiced because of non-performance of contractual obligations.

Contract liabilities consist of liabilities arising from prepayments or invoicing received that exceed the revenue recognised for the contract as at the balance sheet date.

For guarantee obligations relating to projects or other sales, reference is made to note 3.8.

The selling price of work in progress rose at 31 December 2023 compared with 31 December 2022, reflecting higher activity.

Accounting policies

The selling price is measured by reference to the total expected income from each construction contract and the stage of completion at the balance sheet date.

The stage of completion is determined on the basis of the costs incurred and the total expected costs.

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

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



Significant accounting estimates and judgements

There has been a minor development in the cases related to the Niels Bohr Institute, New Aalborg University Hospital or Gødstrup Re-

gional Hospital, where the public clients generally have shown limited willingness to settle cases out of court..

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

Contract performance costs incurred as a direct consequence of the contract having been entered into and which are expected to be recovered, including soil investigations, manning plans etc., are capitalised and charged as expenses over the term of the contract. Costs in connection with sales work and bidding to secure contracts are recognised as distribution costs in the income statement in the financial year in which they are incurred.

Notes

Note 2.9 Provisions

Amounts in DKK million	2023	2022
Guarantee obligations at 01-01	126.6	129.0
Provided in the year	97.0	61.6
Utilised during the year	-36.4	-34.4
Unused amounts reversed	-17.3	-23.3
Transferred to/from liabilities related to assets held for sale	-6.3	-6.3
Guarantee obligations	163.6	126.6
Other provisions at 01-01	117.0	229.8
Provided in the year	64.9	107.8
Utilised during the year	-11.7	-167.5
Unused amounts reversed	-20.8	-48.5
Transferred to/from liabilities related to assets held for sale	-23.8	-4.6
Other provisions at 31-12	125.6	117.0
Total provisions	289.2	243.6
Recognised in the balance sheet as follows:		
Non-current liabilities	142.4	145.5
Current liabilities	146.8	98.1
Total provisions	289.2	243.6



Accounting policies

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

and five-year reviews and, for some contracts, estimated costs in connection with longer guarantee periods.

The Group may be involved in disputes/litigation, which may arise from claims concerning delays or defects, warranty claims or breach of contracts.



Significant accounting estimates and judgements

Provisions for guarantee obligations in the Group are assessed individually for each construction contract and relate to normal one-year and five-year guarantee works and, for a few contracts, longer guarantee periods. The level of provisions is based on experience and the characteristics of each project. By their na-

ture, such estimates involve uncertainty, and actual guarantee obligations may consequently differ from those estimated.

Provisions for disputes in the Group are also assessed individually based on a specific legal assessment.

Notes

Note 3.1 Share capital

MT Højgaard Holding has a share capital of DKK 155,741,380 divided into 7,787,069 shares of DKK 20 each. There is only one class of shares, and no shares carry any special rights.

TREASURY SHARES

At 31 December 2023, MT Højgaard Holding A/S had 90,938 treasury shares (2022: 113,442) with a nominal value of DKK 1.8 million (2022: DKK 2.3 million).

Treasury shares are mainly acquired for use in connection with the Group's share-based incentive programme.

Note 3.2 Capital management

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position complies with current regulations and is aligned with the commercial basis and level of activity.

The solvency ratio was 15.9% at the end of 2023 (2022: 15.3%) and the solvency ratio including subordinated loan was 21.9% (2022: 23.7%).

Dividends paid in 2023 amounted to nil per share (2022: nil).

Note 3.3 Financial income and expense

Amounts in DKK million	2023	2022
Financial income		
Interest, cash and cash equivalents etc.	12.6	2.7
Interest, joint ventures	1.1	0.3
Total financial income	13.7	3.0
Financial expense		
Interest, bank loans etc.	12.6	10.2
Interest, lease liabilities	10.9	11.7
Interest, Knud Højgaards Fond	28.7	20.9
Value adjustment put option, see note 3.7	16.2	43.4
Foreign exchange losses (net)	4.3	-
Total financial expense	72.7	86.2

Notes

Note 3.4 Cash and cash equivalents

Amounts in DKK million	2023	2022
Cash and cash equivalents	741.9	338.9
Cash and cash equivalents not available for the Group	194.5	47.5
Total cash and cash equivalents	936.4	386.4

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

Note 3.5 Bank loans, subordinated loan and interest rate risks

Amounts in DKK million	2023	2022
Subordinated loan		
Non-current liabilities	240.0	320.0
Current liabilities	80.0	80.0
Carrying amount at 31-12	320.0	400.0
Subordinated loan can be broken down by fixed-rate and floating-rate debt as follows:		
Floating-rate debt	320.0	400.0
Carrying amount at 31-12	320.0	400.0
Average effective interest rate (%)	9.2	8.0
Average remaining term (years)	3.3	4.3

Note 3.5 Bank loans, subordinated loan and interest rate risks (continued)

Amounts in DKK million	2023	2022
Bank loans and mortgage debt are recognised in the balance sheet as follows:		
Non-current liabilities	30.6	35.9
Current liabilities	1.9	5.4
Carrying amount at 31-12	32.5	41.3
Bank loans and mortgage debt can be broken down by fixed-rate and floating-rate debt as follows:		
Floating-rate debt	0.4	3.4
Fixed-rate debt	32.1	37.9
Carrying amount at 31-12	32.5	41.3
Weighted average effective interest rate (%)	3.1	1.9
Weighted average remaining term (years)	18.0	18.0
Weighted average remaining term on fixed rate (years)	3.0	3.6

Bank loans are only denominated in DKK, and movements are made up of modest draw-downs on credit facilities. Mortgage debt is only denominated in DKK, and movements are made up of decreases and repayment of debt. The subordinated loan is denominated in DKK.

SUBORDINATED LOAN

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

interest on a half-yearly basis in the form of 6-month CIBOR plus a margin.

The loan facility is repayable in fixed annual tranches of DKK 80 million, the next time on 31 March 2025 as the repayment for 2024 was repaid in January 2024, and the last time on 31 March 2027. An agreement has been made with Knud Højgaards Fond to the effect that for every DKK 80 million repayment made, a DKK 50 million credit facility will be made available up to a total of DKK 250 million. This credit facility expires on 31 March 2027.

Notes

Note 3.5 Bank loans, subordinated loan and interest rate risks (continued)

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

INTEREST RATE RISKS

The Group measures and manages interest rate risks on debt and deposits, which are determined and reviewed on a continuous basis. The Group is not exposed to any material interest rate risks.

Interest rate risks relate mainly to cash and interest-bearing liabilities. At the end of 2023, cash amounted to DKK 936.4 million and was mainly placed in accounts with day-to-day interest, on short-term, fixed-term deposit and escrow accounts.

The Group's interest-bearing liabilities stood at DKK 753.5 million at the end of 2023, with short-term borrowings accounting for 21.5%. The DKK 753.5 million can be broken down as

follows: Subordinated loan DKK 320 million, bank loans DKK 0.4 million, mortgage debt DKK 32.1 million, lease liabilities DKK 211.2 million, call option 78 million and other liabilities DKK 111.7 million. Fixed-rate debt accounted for 34.4% of the Group's interest-bearing liabilities.

Other liabilities of DKK 111.7 million consist of locked holiday pay that is index-linked on an ongoing basis in line with the development in wages and salaries, and a liability related to the acquisition of non-controlling shareholders' equity interests.

All other conditions being equal, the hypothetical effect of a one percentage point increase relative to the interest rate level realised for the year on the Group's floating-rate cash/cash equivalents and debt would have been a DKK 3.4 million increase in consolidated net profit/(loss) for the year and equity at 31 December 2023 (2022: decrease of DKK 1.5 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.



Accounting policies

Bank loans, etc., are recognised at inception at fair value net of transaction costs incurred. Subsequent to initial recognition, the liabilities are measured at amortised cost using the effective interest rate method. Accordingly, the difference between the proceeds (net) and the nominal value is recognised in the income

statement over the term of the loan. The fair value of financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.

Note 3.6 Liabilities from financing activities

Amounts in DKK million	2023				31-12
	01-01	Cash flows	Discontinued operations	Other non-cash movements	
Non-current liabilities	355.9	-	-	-85.3	270.6
Current liabilities	85.4	-107.3	18.5	85.3	81.9
Lease commitments	294.6	-106.6	-17.7	40.9	211.2
Liabilities from financing activities	735.9	-213.9	0.8	40.9	563.7

Amounts in DKK million	2022				31-12
	01-01	Cash flows	Company acquisition	Other non-cash movements	
Non-current liabilities	429.3	44.6	-21.2	-96.8	355.9
Current liabilities	6.3	-15.3	-2.4	96.8	85.4
Lease commitments	306.2	-73.5	-21.5	83.4	294.6
Liabilities from financing activities	741.8	-44.2	-45.1	83.4	735.9

Notes

Note 3.7 Financial instruments, currency risks and liquidity risks

Amounts in DKK million	2023	2022
Categories of financial instruments		
Other capital investments	26.9	-
Financial assets measured at fair value through profit or loss	26.9	0.0
Receivables	2,084.9	2,054.5
Cash and cash equivalents	936.4	386.4
Financial assets measured at amortised cost*	3,021.3	2,440.9
Financial liabilities measured at fair value in the income statement and recognised under other non-current liabilities	78.0	105.3
Mortgage debt	32.1	37.9
Bank loans	0.4	3.4
Lease commitments	211.2	294.6
Subordinated loan	320.0	400.0
Trade payables	1,499.9	1,384.2
Financial liabilities measured at amortised cost*	2,063.6	2,120.1

* Amortised cost corresponds largely to fair value.

In the category other capital investments, the group has at the end of 2023 invested in a company together with four other investors for the construction of a property.

The share is calculated at fair value and is based on an expected sales value. Investment has taken place at the end of 2023, with which the fair value corresponds largely for investment.

The Group recognises transfers between the various categories from the date on which an event or a change in circumstances results in a change of classification. No transfers were made between levels in 2023.

Maturity analysis for the Group's liabilities		2023				
Amounts in DKK million	Carrying amount	Contractual cash flows	Less than one year	Between one and five years	More than five years	
Non-derivative financial instruments						
Mortgage debt	32.1	43.8	2.4	10.0	31.4	
Bank loans	0.4	0.4	0.4	-	-	
Lease liabilities	211.2	232.3	58.3	150.9	23.1	
Subordinated loan	320.0	370.0	103.2	266.8	-	
Trade payables	1,499.9	1,499.9	1,499.9	-	-	
Other liabilities	78.0	87.3	-	87.3	-	
Total	2,141.6	2,233.7	1,664.2	515.0	54.5	
		2022				
Amounts in DKK million	Carrying amount	Contractual cash flows	Less than one year	Between one and five years	More than five years	
Non-derivative financial instruments						
Mortgage debt	37.9	48.7	3.0	11.5	34.2	
Bank loans	3.4	3.4	3.4	-	-	
Lease liabilities	294.6	327.5	73.4	183.6	70.5	
Subordinated loan	400.0	471.5	107.0	364.5	-	
Trade payables	1,384.2	1,384.2	1,384.2	-	-	
Other liabilities	105.3	124.1	-	124.1	-	
Total	2,225.4	2,359.4	1,571.0	683.7	104.7	

Notes

Note 3.7 Financial instruments and currency risks (continued)

OTHER LIABILITIES

EARN-OUT

The selling price for the pavilion business included an earn-out of up to DKK 110 million, which runs until the end of 2025.

The recognised earn-out is determined annually at fair value and is based on future rental activities until 2025.

Recognised liabilities at the end of 2023 were DKK 0 million (2022: DKK 30 million). A change in the buyer's future rental activities of +/- 10% results in a DKK 3.0 million change in the liability.

LIABILITY RELATED TO THE ACQUISITION OF NON-CONTROLLING SHAREHOLDERS' EQUITY INTERESTS

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

The fair value of the Group's liability relating to the acquisition of the non-controlling shareholders' equity interest has been estimated based on the expected earnings of the acquired enterprise and an EBITDA multiple. The

expected payment has been discounted using a discount rate of 15.1%. In calculating the estimate, the expected results were a key assumption. A +/- 10% change in the expected results for 2024 will lead to a DKK 5.9 million change in the liability.

The total payment for NemByg A/S amounts to DKK 70.7 million as a minimum. This is a fair value measurement at Level 3 under the fair value hierarchy applied. At the end of 2023, a liability of DKK 78.0 million was recognised (2022: DKK 75.2 million). The unrealised value adjustment for the year, DKK 16.2 million, has been recognised in finance costs, see note 3.3. In 2023, there DKK 14.0 million were received as return on shares in NemByg. In 2023, dividend of DKK 14.0 million was paid to non-controlling shareholders in NemByg.

The fair value of the Group's call option relating to the acquisition of the non-controlling shareholders' equity interest corresponds to the estimated market value of the underlying asset at the balance sheet date less the estimated exercise price for the equity interests. The estimated exercise price for the call option is based on the same assumptions and calculation methods as were used to estimate the value of the liability relating to the acquisition of non-controlling shareholders' equity interests.

At 31 December 2023, the fair value of the call option was estimated at nil.

LIQUIDITY RISKS

Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments. The Group's cash flow is managed centrally, mainly through a DKK cash pool and regular cash flow forecasts from the Group's subsidiaries.

CURRENCY RISKS

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

The Group's currency exposure in USD is DKK 40.6 million (2022: DKK 1.3 million). A 5% change in the exchange rate would have a profit impact of +/- DKK 1.6 million.

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

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

Notes

Note 3.7 Financial instruments and currency risks (continued)



Accounting policies

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

Call options relating to non-controlling equity interests in some subsidiaries are measured at fair value through profit or loss, and adjustments are recognised in financial income or expense. The fair value adjustment includes the effect of the change in the estimated present value of the expected cash flows for acquiring the remaining equity interests. The fair value of the call options relating to non-controlling equity interests in some subsidiaries is included in the item "Other non-current assets".

Liabilities relating to the acquisition of non-controlling shareholders' equity interests are measured at fair value through the income statement, and adjustments are recognised in financial income or expense. The liability is presented under non-current other liabilities.

Earn-out on sale of enterprises is measured at fair value through profit or loss.

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

The Group makes limited use of derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as finance costs or finance income as they occur.

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

Notes

Note 3.8 Contingent liabilities and security arrangements

Significant accounting estimates and judgements

Due to the nature of its business, the Group is naturally involved in various disagreements, disputes and legal and arbitration proceedings in both Danish and a few international companies. An assessment is made in all instances of the extent to which such cases may result in obligations for the Group, and the probability of

this. In some instances, a case may also result in a contingent asset or claims against other parties than the client. Management's estimates are based on available information and legal opinions from advisers. The outcome may be difficult to assess and, depending on the nature of the case, may differ from the Group's estimate.

SECURITY ARRANGEMENTS

Amounts in DKK million	2023	2022
The carrying amount of land and buildings posted as security for debt to mortgage credit institutions is	98.2	126.9
Normal security in the form of guarantees from financial institutions has been provided for contracts and supplies	4,687.6	4,120.4

Notes

Note 4.1 Fees paid to auditor appointed at the Annual General Meeting (EY)

Amounts in DKK million	2023	2022
Audit fees	6.2	6.2
Other assurance engagements	1.1	0.7
Tax and VAT advice	0.1	0.3
Non-audit services	0.3	0.4
Total fees	7.7	7.6

Note 4.2 Adjustments for non-cash operating items etc.

Amounts in DKK million	2023	2022
Depreciation, amortisation and impairment losses	167.9	252.9
Provisions	123.5	96.2
Share of profit/(loss) after tax of joint ventures	-29.6	-15.5
Other non-cash operating items, net	4.0	7.7
Total	265.8	341.3

Note 4.3 Discontinued operations and assets held for sale

2023

MT Højgaard International

In June 2023, MT Højgaard Holding initiated a strategic process for the business unit MT Højgaard International, and in October it was announced that the partly-owned Seth had been divested subject to approval by the Angolan

competition authorities. Net proceeds from the sale are expected to amount to around DKK 55 million including repayment of operating loan made available by MT Højgaard Holding and payment for the Group's 60% ownership interest in Seth.

Note 4.3 Discontinued operations and assets held for sale (continued)

In October, it was also announced that MT Højgaard Holding, based on the strategic process initiated in June 2023, had initiated a sales process with the aim to divest the activities in Greenland and on the Faroe Islands. As a result, these activities were in Q4 classified as discontinued operations, and comparative figures for 2022 were restated.

MT Højgaard International's share of operating loss (EBIT) for 2023 was DKK 229.0 million. The significantly negative result was driven by write-downs on projects and assets in Greenland. Assets held for sale relate exclusively to MT Højgaard International, as the other discontinued operations were sold at the end of 2023.

Scandi Byg

In July 2023, MT Højgaard Holding entered into an agreement for the sale of Scandi Byg, and after approval by the competition authorities in August 2023, the sale was completed in December 2023.

Scandi Byg's share of operating loss (EBIT) for 2023 was DKK 33.6 million. The negative result was driven by the underlying operations in Scandi Byg, and there were no gains or losses associated with the sale. The sales price was DKK 29.8 million, and the activities sold consisted primarily of property, plant and equipment for DKK 16.8 million, inventories for DKK 16.6 million and liabilities in the amount of DKK 3.6 million.

Ajos

In 2021, MT Højgaard Holding sold the the activities in the company Ajos, and Ajos was subsequently classified as a discontinued operation. The agreement contained an earn-out element for the sale, which must be remeasured at fair value until settlement in 2025.

Ajos' share of operating loss (EBIT) for 2023 was DKK 1.1 million, and gains from the sale of discontinued operations also concern an adjustment of the DKK 30 million earn-out liability. The adjustment of the provision was made due to improved forecasts.

2022

Scandi Byg

In December 2022, a sales process was initiated for Scandi Byg A/S, which led to a divestment in 2023. In 2022, the sales process led to an impairment of approximately DKK 30 million of property, plant and equipment and lease assets to fair value less selling costs. The valuation is supported by the agreement entered into with the buyer in January 2023 (Level 2). The carrying amounts of customer relationships and brands were also tested for impairment. The test led to impairment losses of DKK 7.5 million.

Ajos

A loss of DKK 22.3 million has been recognised in 2022 related to the sale of the Ajos activities, including a loss on sale of a site.

Notes

Note 4.3 Discontinued operations and assets held for sale (continued)

Amounts in DKK million	2023	2022
Revenue	804.0	865.3
Costs, including impairment losses	-1,067.0	-1,100.2
EBIT	-263.0	-234.9
Net financials	-4.6	-4.9
EBT	-267.6	-239.8
Income tax expense	42.9	20.7
Profit/(loss) after tax	-224.7	-219.1
Gains/losses on sales	30.0	-
Tax effect of gain/loss	-6.6	-
Net profit/(loss) for the year from discontinued operations, total	-201.3	-219.1
Attributable to:		
Shareholders of MT Højgaard Holding A/S	-201.7	-219.5
Non-controlling interests	0.4	0.4
Total	-201.3	-219.1
Earnings per share (EPS) for discontinued operations, DKK	-26.2	-28.6
Diluted earnings per share (EPS-D) for discontinued operations, DKK	-25.8	-28.1
Cash flows from operating activities	-134.2	-86.2
Cash flows from investing activities	14.8	-20.7
Cash flows from financing activities	173.2	169.7
Total cash flows from discontinued operations	53.8	62.8

Assets held for sale

Amounts in DKK million	2023	2022
Property, plant and equipment	112.4	18.4
Financial assets	45.4	-
Inventories	41.8	21.2
Receivables	164.8	112.9
Cash and cash equivalents	13.0	-
Total, assets held for sale	377.4	152.5
Bank loans	44.1	45.1
Provisions	40.7	10.9
Other liabilities	113.7	100.3
Liabilities related to assets held for sale	198.5	156.3



Accounting policies

Discontinued operations are significant business segments or geographical segments that have either been disposed of or are classified as held for sale and expected to be disposed of within one year pursuant to a single plan. Operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the business.

Net profit/(loss) from discontinued operations and value adjustments after tax of the associated assets and liabilities and gains/losses on sale are presented as a separate line in the income statement with restated comparative figures. Revenue, expenses, value adjustments

and tax of discontinued operations are disclosed in the notes.

Assets and related liabilities for discontinued operations are reported as separate line items in the balance sheet without restatement of comparative figures. Cash flows from the operating, investing and financing activities of discontinued operations are reported separate from the statement of cash flows and disclosed in this note.

Enterprises divested or wound up are recognised in the consolidated financial statements until the date of disposal.

Notes

Note 4.4 Related parties

Amounts in DKK million	2023	2022
Related party transactions:		
Sales of goods and services to Knud Højgaards Fond	72.2	8.1
Sales of goods and services to joint ventures	86.2	23.9
Interest, joint ventures	1.1	0.3
Interest, Knud Højgaards Fond	-28.7	-20.9
Receivables from joint ventures	32.7	61.3
Subordinated loan, Knud Højgaards Fond	-320.0	-400.0
Balance with Knud Højgaards Fond	-	10.0

Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board, and Knud Højgaards Fond with a shareholding of 37%.

Remuneration to the Board of Directors and the Executive Board as well as the share-based incentive programmes are disclosed in note 1.2.

For further information on the subordinated loan of DKK 320 million from Knud Højgaards Fond, see note 3.5.

Related parties also include joint ventures in which the Group has joint control. A list of the Group's companies is provided in note 5.4.

Dividends from joint ventures are disclosed in note 2.5.

For a joint venture, certain guarantees have been made to financial institutions.

Receivables from joint ventures in 2023 relate primarily to balances relating to purchases and sales of goods and services and in 2022 also a loan to SETH. The business-related balances are non-interest-bearing and are entered into on the same terms as apply to other customers and suppliers.

Balances with joint ventures were not written down in 2023 or 2022.

The Danish companies in the Group have been taxed jointly since 5 April 2019. In 2023, transfers of joint taxation contributions among the Danish companies were DKK 9.9 million (2022: DKK 17.2 million).

Note 4.5 Events after the balance sheet date

No material events have occurred between the balance sheet date and the date of publication of the annual report that have not already been

included in this annual report or have a material effect on the assessment of the company's financial position.

Notes

Note 5.1 Accounting policies

The Annual Report for 2023, which comprises the consolidated financial statements of MT Højgaard Holding A/S and its subsidiaries (the Group) and separate financial statements for the parent company has been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

On 22 February 2024, the Board of Directors and the Executive Board approved the Annual Report for 2023 of MT Højgaard Holding A/S, and it will be presented to the shareholders for approval at the Annual General Meeting to be held on 19 March 2024.

The consolidated financial statements are presented in Danish kroner (DKK million), which is also the parent company's functional currency.

The accounting policies are unchanged from those applied for 2022, except as stated below.

CHANGES TO ACCOUNTING POLICIES

MT Højgaard Holding A/S has implemented the following new or amended standards and interpretations with effect from 1 January 2023:

- IAS 12 – Income taxes related to leasing and Pillar II
- IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements

- IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

None of these standards or interpretations has affected recognition or measurement in 2023 or is expected to affect the Group.

GOING CONCERN STATEMENT

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

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent company MT Højgaard Holding A/S and subsidiaries controlled by MT Højgaard Holding A/S.

The Group controls an enterprise when it is exposed to, or has rights to, variable returns from its involvement with the enterprise and has the ability to affect those returns through its power over the enterprise.

When assessing control, the Group takes into account de facto control and potential voting rights that are substantive at the balance sheet date.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, determined applying the Group's accounting policies after elimination of intragroup income and expenses, shareholdings, balances and dividends, as well as unrealised gains/losses on transactions between the consolidated enterprises.

Subsidiaries' items are fully consolidated in the consolidated financial statements. Non-controlling interests' share of net profit/(loss) for the year and of equity in subsidiaries that are not wholly-owned is recognised as part of the Group's profit/(loss) or equity but is presented separately.

FOREIGN CURRENCY TRANSLATION

Transactions denominated in all currencies other than Danish kroner are accounted for as transactions in foreign currencies.

INCOME STATEMENT

Expenses are presented by function in the income statement.

Production costs comprise both direct and indirect costs incurred in generating the revenue

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

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

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

BALANCE SHEET

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

EQUITY

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

Notes

Note 5.1 Accounting policies (continued)

STATEMENT OF CASH FLOWS

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

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

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

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

FINANCIAL RATIOS

Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33.

Operating profit/(loss) before special items and special amortisation and impairment losses is defined as Operating profit/(loss). In order to make the operating results clearer and ensure

they match the published outlook, operating profit/(loss) and operating margin are presented before special items and special amortisation and depreciation. Special amortisation is PPA amortisation (amortisation of added value on customer relationships, brand and order book in connection with enterprise acquisitions).

Order intake is determined as the total contract sum of new construction contracts and agreements on services and project development, where a commercial and identifiable agreement has been entered into with the customer on delivery and payment that has been approved by both parties and which both parties have committed to performing, and where it is probable that the consideration will be received from the customer.

Order book is determined as the total contract sum of construction contracts and agreements on services and project development less the percentage completed as at the latest balance sheet date.

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

Working capital	Receivables + inventories (excl. properties for resale) + work in progress (net) - accounts payable
Net interest-bearing debt	Interest-bearing debt - (interest-bearing assets + cash and cash equivalents)
Invested capital	Intangible assets, property, plant and equipment + working capital
Gross margin	$\frac{\text{Gross profit/(loss)} \times 100}{\text{Revenue}}$
Operating margin before special items	$\frac{\text{Operating profit/(loss) before special items} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{EBIT} \times 100}{\text{Revenue}}$
Return on invested capital after tax incl. goodwill (ROIC after tax))	$\frac{\text{EBIT after tax (NOPAT)}}{\text{Average invested capital incl. goodwill}}$
Return on equity (ROE)	$\frac{\text{Profit/(loss) after tax excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$
Solvency ratio	$\frac{\text{Equity excl. non-controlling interests, end of year}}{\text{Total assets}}$
Earnings per share (EPS and EPS-D)	$\frac{\text{Earnings excl. non-controlling interests}}{\text{Average number of shares}}$
Net asset value per share	$\frac{\text{Equity excl. non-controlling interests}}{\text{Number of shares, end of year}}$
Market capitalisation	Market price x number of shares at year end
Average number of outstanding shares	Average number of shares outstanding for the year less average number of treasury shares

Notes

Note 5.1 Accounting policies (continued)

REPORTING IN ACCORDANCE WITH THE ESEF REGULATION

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

The combination of XHTML format and iXBRL tags allows annual reports to be read by both humans and machines, which improves the accessibility, analysis and comparability of the information included in the annual reports. The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is part of the ESEF Regulation and has been developed on the basis of the IFRS taxonomy.

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

This annual report, which has been submitted to the Danish Financial Supervisory Authority (the Officially Appointed Mechanism), consists of the XHTML document and technical files, all of which are included in the ZIP file mthh-2023-12-31-da.zip.

Central definitions

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

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

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

Note 5.2 New standards and interpretations

A number of new standards and interpretations that are not mandatory for MT Højgaard Holding A/S in connection with the preparation of the 2023 annual report have been issued. None of the new standards or interpretations is expected to have a material impact on MT Højgaard Holding A/S's financial reporting.

Notes

Note 5.3 Significant accounting estimates and judgements

Determining the carrying amounts of some assets and liabilities and income statement items requires judgements and estimates as well as assumptions related to future events.

The estimates and judgements made are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates, including cyclical impacts.

Shown on the right is an overview of the most material estimates and judgements, including an assessment of the effect of the Group's estimates and judgements on its financial position. Estimates deemed critical to the financial reporting primarily relate to the recognition of construction contracts and the risks associated with their execution. This concerns measurement of the selling price of construction contracts in progress, including assessment of expected remaining costs for completion of the projects, determination of guarantee commitments and assessment of the outcome of disputes and the effect of market fluctuations. Key accounting estimates are also made when assessing the need for impairment losses in connection with the measurement of intangible assets and deferred tax assets.

Additional information concerning estimates and judgements is provided under the individual notes.

THE IMPACT OF CLIMATE CHANGE ON FINANCIAL REPORTING

Risk assessments of climate and environmental risks are integrated in the Group's overall risk management process and are made on a quarterly basis. Management evaluates and adapts the most important efforts in terms of managing climate-related risk. Climate change, including rising sea levels and changed weather phenomena, involves potential risks to our assets; buildings, plots and machinery. Extreme weather phenomena may disrupt our operations by impacting project activities directly as well as indirectly throughout the value chain.

We recognise the regulatory requirements, such as CO₂ limits, which represent a potential financial risk to our business if we fail to adjust our activities and equipment to comply with such standards. When selecting fixed assets and assessing their useful lives, we consider the environment-specific requirements in force in the relevant or segment in which they are used. This applies especially to the transition to electrically powered machinery and vehicles. The Group's widespread use of leasing rather than purchasing assets increases the flexibility of our fleet, while reducing the risk of stranded assets.

Our forecast includes green transition business opportunities, where our ability to deliver low-emission construction, climate proofing and supporting the transition of society to green energy is expected to give us a competitive edge and boost our revenue. We expect that the transition to renewable energy and efforts to reduce energy and fuel consumption

over time will lead to cost and resource savings. Furthermore, the Group is focused on recycling and the use of scarce resources to minimise overconsumption and excess purchases, which is expected to reduce our costs and strengthen our sustainability profile.

Note	Area	Type of judgement	Effect*
1.1	Revenue and segment information	Revenue from construction contracts is recognised according to the stage of completion	Estimates and judgements
2.8	Construction contracts	Valuation of work in progress	Estimates and judgements
1.6	Income tax and deferred tax	Valuation of deferred tax	Estimates and judgements
2.4	Impairment tests	Impairment testing of goodwill and other assets	Estimates
4.3	Discontinued operations and assets held for sale	Valuation of assets held for sale	Estimates and judgements
3.8	Contingent liabilities and guarantees	Assess recognition and measurement of contingent liabilities regarding disputes, legal and arbitration proceedings	Estimates and judgements
2.9	Provisions	Assess provisions for guarantees and disputes	Estimates and judgements

* The number of shaded fields indicates the degree of estimates and judgements made in the assessment of the various areas, with six shaded fields representing the highest.

Notes

Note 5.4 Company overview

Subsidiaries	Registered office	Ownership interest 2023*	Ownership interest 2022*	Subsidiaries	Registered office	Ownership interest 2023*	Ownership interest 2022*
MT Højgaard Danmark A/S	Søborg DK	100%	100%	Nordre Mellemvej, Roskilde ApS	Søborg DK	100%	100%
MT Højgaard Vietnam Company Limited	Vietnam VN	100%	100%	Sjællandsbroen, København ApS	Søborg DK	100%	100%
MT Højgaard Private Limited	Maldiv. MV	100%	100%	Strandvej, Korsør ApS	Søborg DK	100%	100%
MTHI Projects A/S	Søborg DK	100%	100%	Sjællandsbroen Erhverv ApS	Søborg DK	100%	100%
Selskabet af 10. juni 2015 ApS	Søborg DK	100%	100%	Solrækkerne ApS	Søborg DK	100%	100%
MTHI A/S	Søborg DK	-	100%	Halland Boulevard, Høje Taastrup ApS	Søborg DK	100%	100%
Enemærke & Petersen A/S	Ringsted DK	100%	100%	Vestervænget, Høje Taastrup ApS	Søborg DK	100%	100%
E&P Murerforretning ApS	Ringsted DK	100%	100%	Skjeborg Allé, del 3, Høje Taastrup ApS	Søborg DK	100%	100%
Raunstrup A/S	Aarhus DK	100%	100%	Mosevej 15b, Risskov ApS	Søborg DK	100%	100%
Raunstrup Tømrer A/S	Aarhus DK	100%	100%	Mosevej 17, Risskov ApS	Søborg DK	100%	100%
Raunstrup Bygningsservice A/S	Aarhus DK	100%	100%	Nivåvej, Nivå - del 1 ApS	Søborg DK	100%	100%
Raunstrup Byggeri A/S	Aarhus DK	100%	100%	Nivåvej, Nivå - del 2 ApS	Søborg DK	100%	100%
NemByg A/S	Esbjerg DK	60%	60%	MTH Projekt 5 ApS	Søborg DK	100%	100%
Øresundsvej 11, Esbjerg ApS	Esbjerg DK	100%	100%	MTH Projekt 19 ApS	Søborg DK	100%	100%
Ejendomsselskabet Skovagervej, Ry ApS	Ry DK	100%	100%	MTH Projekt 21 ApS	Søborg DK	-	100%
MT Højgaard International A/S	Søborg DK	100%	100%	MTH Projekt 22 ApS	Søborg DK	100%	100%
Greenland Contractors I/S	Søborg DK	-	67%	MTH Projekt 23 ApS	Søborg DK	100%	100%
Greenland Contractors JV A/S	Greenland GR	50%	50%	MTH Projekt 24 ApS	Søborg DK	100%	100%
MT Højgaard Grønland ApS	Greenland GR	100%	100%	MTH Projekt 25 ApS	Søborg DK	100%	100%
Arssarnerit A/S	Greenland GR	100%	100%	MTH Projekt 28 ApS	Søborg DK	100%	100%
MT Højgaard Føroyar P/f	Faroe Islands DK	100%	100%	MTH Projekt 29 ApS	Søborg DK	100%	100%
RTS Contractors Sp/f	Faroe Islands DK	80%	80%	MTH Projekt 30 ApS	Søborg DK	100%	100%
Sp/f RTS Bygging	Faroe Islands DK	80%	-	MTH Projekt 31 ApS	Søborg DK	100%	100%
MT Højgaard Norge AS	Norway NO	100%	100%	MTH Projekt 32 ApS	Søborg DK	100%	100%
MT Højgaard Property Development A/S	Søborg DK	100%	100%	MTH Projekt 33 ApS	Søborg DK	100%	100%
Horsensvej, Vejle ApS	Søborg DK	100%	100%	MTH Projekt 34 ApS	Søborg DK	100%	100%
Gaardhaverne ApS	Søborg DK	100%	100%	Selskabet af 24. marts 1982 A/S	Søborg DK	100%	100%
				Administrationsselskabet af 1. oktober 2007 A/S	Søborg DK	100%	100%

* For the companies above, the ownership interest equals the voting share.

Notes

Note 5.4 Company overview (continued)

Joint ventures	Registered office	Ownership interest 2023*	Ownership interest 2022*
OPS Frederikshavn Byskole A/S	Fr.berg DK	50%	50%
OPS Skovbakkeskolen A/S	Fr.berg DK	50%	50%
Driftsselskabet OPP Vejle A/S	Fr.berg DK	50%	50%
Driftsselskabet OPP Slagelse sygehus A/S	Fr.berg DK	50%	50%
Driftsselskabet OPP Svanemøllen A/S	Fr.berg DK	50%	-
BESIX-MTH JV I/S**	Søborg DK	50%	50%
SC MTH JV I/S**	Søborg DK	50%	-
MTH Projekt 27 ApS	Søborg DK	90%	90%
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A. (Seth)	Portugal PT	60%	60%
Skanska-MTH Marieholmsbron HB	Sweden SE	-	30%
Skanska-MTH Hisingsbron HB	Sweden SE	30%	30%
Sundlink contractors	Sweden SE	37%	37%
Selskabet af 27.05.2015 ApS	Brøndby DK	50%	50%
Associates			
Genbyg.dk A/S	Kastrup, DK	20%	20%

* For the associated companies above, the ownership interest equals the voting share. For joint ventures, the voting share is distributed 50/50 between MT Højgaard Holding and the joint venture partner.

** As permitted by section 5(1) of the Danish Financial Statements Act, the partnership has elected not to present an annual report.



Parent company's financial statements

<
**SKOLEN I
SYDHAVNEN**

Enemærke & Petersen has carried out a 5,500 m² expansion of Skolen i Sydhavnen in Copenhagen, with new class rooms for the older pupils and a brand new daycare centre for the younger pupils.

Photo: Jonathan Weimar

Parent company's financial statements

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Income statement

Amounts in DKK million	Note	2023	2022
Revenue	3	131.3	136.8
Administrative expenses	4, 5, 6	-170.9	-170.1
EBIT		-39.6	-33.3
Profit/(loss) subsidiaries	7	136.1	61.2
Financial income	8	47.1	17.9
Financial expense	8	-68.7	-34.4
Profit/(loss) before tax		74.9	11.4
Tax on profit/(loss) for the year	9	28.3	0.3
Net profit/(loss) for the year		103.2	11.7

Statement of comprehensive income

Amounts in DKK million	Note	2023	2022
Net profit/(loss) for the year		103.2	11.7
Other comprehensive income			
Items that may be reclassified to the income statement:			
Foreign exchange adjustments arising on translation of foreign entities		-2.6	0.7
Capital items, subsidiaries		-	0.2
Other comprehensive income after tax		-2.6	0.9
Total comprehensive income		100.6	12.6

Balance sheet

Amounts in DKK million	Note	2023	2022	Amounts in DKK million	Note	2023	2022
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Intangible assets	10	-	2.2	Share capital		155.7	155.7
Property, plant and equipment	11	6.7	10.1	Reserve for net revaluation according to the equity method		30.9	50.3
Lease assets	12	6.9	78.3	Retained comprehensive income		657.6	528.0
Investments in group enterprises	7	2,041.6	1,772.7	Total equity		844.2	734.0
Loans to group entities	13	34.3	34.3	Non-current liabilities			
Loans to related parties	13	-	20.9	Lease liabilities	16	79.9	89.2
Receivables	14	64.0	-	Subordinated loan	19	240.0	320.0
Deferred tax assets	15	15.6	-	Other liabilities		3.3	8.6
Total non-current assets		2,169.1	1,918.5	Total non-current liabilities		323.2	417.8
Current assets				Current liabilities			
Receivables	14	568.8	862.0	Lease liabilities	16	20.6	18.8
Receivables joint taxation		16.4	6.5	Subordinated loan	19	80.0	80.0
Prepayments		17.2	10.9	Trade payables	19	14.5	7.1
Cash and cash equivalents		708.4	298.1	Receivables joint taxation		3.0	-
		1,310.8	1,177.5	Other liabilities		28.9	18.4
Assets held for sale	7	-	38.3	Payables to group enterprises		2,165.5	1,858.2
Total current assets		1,310.8	1,215.3	Total current liabilities		2,312.5	1,982.5
Total assets		3,479.9	3,134.3	Total liabilities		2,635.7	2,400.3
				Total equity and liabilities		3,479.9	3,134.3

Statement of cash flows

Amounts in DKK million	Note	2023	2022	Amounts in DKK million	Note	2023	2022
EBIT		-39.6	-33.3	Sale of property, plant and equipment		1.6	0.8
Adjustments for non-cash operating items etc.	17	25.1	21.2	Dividends received		155.0	240.0
Cash flows from operating activities before working capital changes		-14.5	-12.1	Capital contributions to subsidiaries	7	-250.0	-165.0
Working capital changes:				Loans to group entities		-	-34.3
Receivables		-6.2	4.1	Loans to joint ventures		20.9	-20.9
Receivables and payables group enterprises		601.5	148.5	Cash flows from investing activities		-72.5	20.6
Trade and other current payables		12.8	-8.1	Loan financing:	18		
Cash flows from operations (operating activities)		593.6	132.4	Decrease in lease debt		-15.0	-12.9
Financial income		47.1	17.9	Decrease in loans from related parties		-80.0	-17.3
Financial expense		-68.7	-34.4	Shareholders:			
Income taxes paid		5.8	3.0	Purchase of treasury shares		-	-2.3
Cash flows from operating activities		577.8	118.9	Cash flows from financing activities		-95.0	-32.5
				Cash flows for the year		410.3	107.0
				Cash and cash equivalents at 01-01		298.1	191.1
				Cash and cash equivalents at 31-12		708.4	298.1

Statement of changes in equity

2023				
Amounts in DKK million	Share capital	Reserve for net revaluation according to the equity method	Retained comprehensive income	Total equity
Equity at 01-01	155.7	50.3	528.0	734.0
Net profit/(loss) for the year	-	136.1	-32.9	103.2
Other comprehensive income:				
Foreign exchange adjustments, foreign enterprises	-	-2.6	-	-2.6
Dividends, subsidiaries	-	-155.0	155.0	0.0
Transactions with owners:				
Share-based payments	-	2.1	7.5	9.6
Equity at 31-12	155.7	30.9	657.6	844.2
2022				
Amounts in DKK million	Share capital	Reserve for net revaluation according to the equity method	Retained comprehensive income	Total equity
Equity at 01-01	155.7	225.1	339.9	720.7
Net profit/(loss) for the year	-	61.2	-49.5	11.7
Other comprehensive income:				
Foreign exchange adjustments, foreign enterprises	-	0.7	-	0.7
Dividends, subsidiaries	-	-240.0	240.0	0.0
Capital items, subsidiaries	-	0.2	-	0.2
Transactions with owners:				
Purchase of treasury shares	-	-	-2.3	-2.3
Share-based payments	-	3.1	-0.1	3.0
Equity at 31-12	155.7	50.3	528.0	734.0

Notes

Note 1 Accounting policies

THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

MT Højgaard Holding A/S have been prepared in accordance with IFRS Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

The accounting policies of MT Højgaard Holding A/S are identical to the Group's accounting policies, except as stated below.

INVESTMENTS IN SUBSIDIARIES

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

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

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

The carrying amounts of investments in subsidiaries are tested at least once annually to determine whether there is any indication of impairment. If this is the case, the recoverable amount of the asset or the cash-generating unit is estimated. However, the recoverable amount of goodwill is always estimated annually.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the total balance in a cash pool arrangement owned by the company.

Because of the nature of the arrangement, subsidiaries' surpluses and deficits in the cash pool arrangement are not accounted for as cash and cash equivalents but recognised in the items receivables from group enterprises and payables to group enterprises.

SHARE-BASED PAYMENTS

In the parent company, costs associated with the LTI programme related to participants employed by subsidiaries are recognised in investments in subsidiaries, and a set-off to the recognised cost is recognised in equity over the vesting period.

RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD

The reserve for net revaluation according to the equity method comprises net revaluation

Note 1 Accounting policies

of investments in group enterprises and joint ventures relative to cost, which consists of recognised investments, foreign exchange adjustments less dividends.

The reserve may be eliminated against losses, realisation of investments or changes in accounting estimates.

The reserve is not recognised at a negative amount.

Note 2 Significant accounting estimates and judgements

Significant accounting estimates and judgements related to the accounting policies applied by MT Højgaard Holding A/S correspond to those described in the consolidated financial statements.

Subsidiaries are tested for impairment if events or changed circumstances indicate that the carrying amount may not be recoverable. For further information on impairment testing of goodwill and added values, see note 2.4 to the consolidated financial statements.

In 2023, MT Højgaard Holding A/S announced plans to divest the underlying activities in MT Højgaard International A/S. In the Group reporting, the cash-generating units of MT Højgaard International A/S have been subjected to impairment tests, which did not give rise to any further impairment losses, and as investments are measured at net asset value, no value adjustment has been made of the investments in MT Højgaard International A/S in the annual report of MT Højgaard Holding A/S for 2023. As the entities expected to be wound up are subsidiaries of MT Højgaard International A/S, the investment in MT Højgaard International A/S is not presented as assets held for sale in the financial statements of MT Højgaard Holding A/S.

Notes

Note 3 Revenue

Amounts in DKK million	2023	2022
Products:		
Group contribution	48.2	43.9
IT services	59.8	73.0
Renting	14.9	16.7
Other	8.4	3.2
Total revenue	131.3	136.8
Primary geographical markets:		
Denmark	122.6	132.1
Rest of world	8.7	4.7
Total revenue	131.3	136.8

Revenue is recognised during the period in which the service is provided.

Note 4 Staff costs

Amounts in DKK million	2023	2022
Wages and salaries	58.0	58.5
Defined-contribution pension plans	3.4	3.6
Other social security costs	0.1	0.3
Share-based payments	1.5	2.8
Total	63.0	65.2
Average number of employees	53	57
Board remuneration	4.7	4.6
Executive Board:		
Salaries and fees	17.5	16.4
Share-based payments	-1.3	3.1
Total Executive Board	16.2	19.5

For further information on remuneration to the Executive Board and the Board of Directors, see note 1.2 to the consolidated financial statements.

Note 5 Depreciation, amortisation and impairment losses

Amounts in DKK million	2023	2022
Amortisation of intangible assets	2.2	0.8
Depreciation of property, plant and equipment	1.8	4.1
Depreciation of lease assets	13.6	12.4
Impairment of lease assets	-	3.8
Total amortisation, depreciation and impairment losses	17.6	21.1

Note 6 Fees paid to auditor appointed at the Annual General Meeting (EY)

Amounts in DKK million	2023	2022
Audit fees	1.5	1.2
Other assurance engagements	1.0	0.6
Non-audit services	0.1	0.3
Total fees	2.6	2.1

Notes

Note 7 Investments in subsidiaries

Amounts in DKK million	2023	2022
Cost at 01-01	1,621.3	1,595.7
Additions	250.0	165.0
Transfers to and from assets held for sale	139.4	-139.4
Cost at 31-12	2,010.7	1,621.3
Adjustments at 01-01	151.4	225.1
Foreign exchange adjustments	-2.6	0.7
Net profit/(loss) for the year	136.1	61.2
Dividends	-155.0	-240.0
Other adjustments	2.1	3.3
Transfers to and from assets held for sale	-101.1	101.1
Adjustments at 31-12	30.9	151.4
Carrying amount at 31-12	2,041.6	1,772.7

A list of subsidiaries is provided in note 5.4 to the consolidated financial statements.

Additions in 2023 and 2022 relate to a capital increase and capital contributions to subsidiaries.

The carrying amount of Scandi Byg of DKK 38.3 million was transferred to assets held for sale in 2022. The company has not been sold, only its activities, and the value was reversed in 2023. For further information, see note 4.3 to the consolidated financial statements.

Note 8 Financial income and expense

Amounts in DKK million	2023	2022
Financial income		
Interest, cash and cash equivalents etc.	11.1	-
Interest, group enterprises	0.9	0.2
Interest income, subsidiaries	35.1	17.7
Total financial income	47.1	17.9
Financial expense		
Interest, bank loans etc.	3.4	4.8
Interest, lease liabilities	6.1	6.3
Interest, related parties	28.7	20.9
Interest, subsidiaries	30.5	1.3
Loss on repayment of debt	-	1.1
Total financial expense	68.7	34.4

Notes

Note 9 Income tax

Amounts in DKK million	2023	2022
Income tax expense for the year can be broken down as follows:		
Tax on profit/(loss) for the year	28.3	0.3
Tax in the income statement	28.3	0.3
Tax on profit/(loss) for the year can be broken down as follows:		
Current tax	11.0	6.4
Deferred tax	15.6	-13.0
Adjustments to deferred tax in respect of prior years	-	6.3
Adjustments to current tax in respect of prior years	1.7	0.6
Tax on profit/(loss) for the year	28.3	0.3
Calculated 22% tax on profit/(loss) before tax	-16.4	-2.5
Tax effect of:		
Non-deductible expenses/non-taxable income	-0.6	-1.0
Share of profit/(loss) after tax of subsidiaries	29.9	13.5
Adjustment of current and previous years' tax assets	13.7	-16.5
Adjustments to tax in respect of prior years	1.7	6.8
Tax on profit/(loss) for the year	28.3	0.3
Effective tax rate (%)	-37.8	-2.6

Note 10 Intangible assets

Amounts in DKK million	2023	2022
Other intangible assets		
Cost at 01-01	18.2	18.4
Disposals	-	-0.2
Cost at 31-12	18.2	18.2
Amortisation and impairment losses at 01-01	-16.0	-15.4
Amortisation	-2.2	-0.8
Disposals	-	0.2
Amortisation and impairment losses at 31-12	-18.2	-16.0
Carrying amount at 31-12	-	2.2

Note 11 Property, plant and equipment

Amounts in DKK million	2023	2022
Fixtures and fittings, tools and equipment		
Cost at 01-01	14.3	18.8
Disposals	-2.1	-4.5
Cost at 31-12	12.2	14.3
Amortisation and impairment losses at 01-01	-4.2	-3.6
Depreciation	-1.8	-4.1
Disposals	0.5	3.5
Amortisation and impairment losses at 31-12	-5.5	-4.2
Carrying amount at 31-12	6.7	10.1

Notes

Note 12 Lease assets

				2023
Amounts in DKK million	Land and buildings	Other fixtures and fittings, tools and equipment	Total	
Carrying amount at 01-01	77.9	0.4	78.3	
Remeasurement of lease liability	7.5	-	7.5	
Depreciation	-13.5	-0.1	-13.6	
Disposals	-65.3	-	-65.3	
Carrying amount at 31-12	6.6	0.3	6.9	

				2022
Amounts in DKK million	Land and buildings	Other fixtures and fittings, tools and equipment	Total	
Carrying amount at 01-01	91.0	0.1	91.1	
Additions	-	0.4	0.4	
Remeasurement of lease liability	3.0	-	3.0	
Depreciation	-12.3	-0.1	-12.4	
Impairment losses	-3.8	-	-3.8	
Carrying amount at 31-12	77.9	0.4	78.3	

Leases mainly relate to an office property and vehicles. The lease term for the office property is ten years. The lease terms for vehicles vary between two and five years.

Lease assets that are rented to third parties amounted to DKK 77.9 million at 31 December 2022. In 2023, the part of the lease assets that is rented to third parties was disposed as lease asset and instead recognised as subleasing.

Note 13 Loans to related parties and group enterprises

					2023
Amounts in DKK million	Carrying amount	Less than one year	Between one and five years	More than five years	
Loans to group enterprises	34.3	-	34.3	-	
Carrying amount at 31-12	34.3	-	34.3	-	

					2022
Amounts in DKK million	Carrying amount	Less than one year	Between one and five years	More than five years	
Loans to group enterprises	34.3	-	34.3	-	
Loans to joint ventures	20.9	-	20.9	-	
Carrying amount at 31-12	55.2	-	55.2	-	

Loans are denominated either in EUR or DKK. Receivables are not considered to involve any credit risk.

Notes

Note 14 Receivables

Amounts in DKK million	2023	2022
Trade receivables	0.2	0.1
Receivables from group enterprises	578.3	850.3
Receivables from subleasing	42.9	-
Other receivables	11.4	11.6
Total	632.8	862.0
Recognised in the balance sheet as follows:		
Non-current assets	64.0	-
Current assets	568.8	862.0
Total	632.8	862.0

Receivables from subleasing comprise DKK 10.4 million due within one year, DKK 39.2 million due within 1 to 5 years and DKK 5.7 million due after more than 5 years.

Note 15 Deferred tax

Amounts in DKK million	2023	2022
Deferred tax at 01-01	-	-6.7
Deferred tax recognised in profit/(loss) for the year	-15.6	6.7
Deferred tax at 31-12	-15.6	0.0
Deferred tax relates to:		
Property, plant and equipment	14.6	-
Provisions	-26.5	-
Tax loss carryforwards	-3.7	-
Deferred tax at 31-12	-15.6	0.0

The deferred tax asset was capitalised in 2023 (written down in 2022) as it is considered likely that it can be utilised in the foreseeable future. See note 1.6 to the consolidated financial statements for additional information.

Amounts in DKK million	2023		
	Opening balance sheet	Recognised in the profit for the year	Closing balance sheet
Property, plant and equipment	-	14.6	14.6
Provisions	-	-26.5	-26.5
Tax loss carryforwards	-	-3.7	-3.7
Total	0.0	-15.6	-15.6

Amounts in DKK million	2022		
	Opening balance sheet	Recognised in the profit for the year	Closing balance sheet
Intangible assets	0.5	-0.5	-
Property, plant and equipment	16.4	-16.4	-
Provisions	-21.5	21.5	-
Tax loss carryforwards	-2.1	2.1	-
Total	-6.7	6.7	0.0

Notes

Note 16 Lease liabilities

Amounts in DKK million	2023	2022
Lease liabilities – by due date		
Due within one year	21.1	19.2
Due between one and five years	84.1	76.4
Due after more than five years	12.2	33.3
Total non-discounted lease liability at 31 December	117.4	128.9
Lease liabilities recognised in balance sheet		
Current	20.6	18.8
Non-current	79.9	89.2
Total	100.5	108.0
Amounts recognised in the income statement		
Interest expense in respect of lease liabilities	6.1	6.3

Note 17 Adjustments for non-cash operating items etc.

Amounts in DKK million	2023	2022
Depreciation, amortisation and impairment losses	17.6	21.1
Other non-cash operating items, net	7.5	0.1
Total	25.1	21.2

Note 18 Liabilities from financing activities

Amounts in DKK million	2023			31-12
	01-01	Cash flows	Other non-cash movements	
Non-current liabilities	320.0	-	-80.0	240.0
Current liabilities	80.0	-80.0	80.0	80.0
Lease commitments	108.0	-15.0	7.5	100.5
Liabilities from financing activities	508.0	-95.0	7.5	420.5
	2022			
Amounts in DKK million	01-01	Cash flows	Other non-cash movements	31-12
Non-current liabilities	417.3	-17.3	-80.0	320.0
Current liabilities	-	-	80.0	80.0
Lease commitments	117.4	-12.9	3.5	108.0
Liabilities from financing activities	534.7	-30.2	3.5	508.0

Notes

Note 19 Financial instruments

Amounts in DKK million	2023	2022
Categories of financial instruments		
Loans to group entities	34.3	34.3
Loans to related parties	-	20.9
Receivables	54.5	11.7
Receivables from group enterprises	578.3	850.3
Cash and cash equivalents	708.4	298.1
Financial assets measured at amortised cost	1,375.5	1,215.3
Lease liabilities	100.5	108.0
Subordinated loan	320.0	400.0
Trade payables	14.5	7.1
Payables to group enterprises	2,165.5	1,858.2
Financial liabilities measured at amortised cost*	2,600.5	2,373.3

* Amortised cost corresponds largely to fair value.

Maturity analysis for the companies' liabilities		2023			
Amounts in DKK million	Carrying amount	Contractual cash flows	Less than one year	Between one and five years	More than five years
Non-derivative financial instruments					
Lease liabilities	100.5	117.4	21.1	84.1	12.2
Subordinated loan	320.0	370.0	103.2	266.8	-
Trade payables	14.5	14.5	14.5	-	-
Payables to group enterprises	2,165.5	2,165.5	2,165.5	-	-
Total	2,600.5	2,667.4	2,304.3	350.9	12.2
		2022			
Amounts in DKK million	Carrying amount	Contractual cash flows	Less than one year	Between one and five years	More than five years
Non-derivative financial instruments					
Lease liabilities	108.0	128.9	19.2	76.4	33.3
Subordinated loan	400.0	471.5	107.0	364.5	-
Trade payables	7.1	7.1	7.1	-	-
Payables to group enterprises	1,858.2	1,858.2	1,858.2	-	-
Total	2,373.3	2,465.7	1,991.5	440.9	33.3

For further information on the subordinated loan, see note 3.5 to the consolidated financial statements.

Notes

Note 20 Contingent liabilities and security arrangements

MT Højgaard Holding A/S has issued a comfort letter for a subsidiary.

Normal guarantees etc. have been issued to the buyers in connection with sales of enterprises or assets. Provision has been made for estimated losses.

MT Højgaard Holding A/S is taxed jointly with its Danish subsidiaries, and is the management company for the joint taxation. The management company has unlimited and joint and several liability with the other companies with respect to income taxes and withholding taxes

on dividends, interest and royalties in the joint taxation group. At 31 December 2023, the total known net liability on payable income taxes and withholding taxes in the joint taxation group was nil (2022: DKK 0 million).

Any subsequent adjustments in respect of joint taxation income and withholding taxes etc. may result in the company's liability being higher.

For further information, see note 3.8 to the consolidated financial statements.

Security arrangements

Amounts in DKK million	2023	2022
Comfort letter issued to joint venture company	32.6	29.7
Guarantee for financial liabilities of subsidiaries	37.6	79.0
Security for contracts and supplies	118.8	-
Guarantees to financial institutions primarily for providing usual security for contracts and supplies	4,613.9	3,731.0

Note 21 Related parties

Amounts in DKK million	2023	2022
Related party transactions:		
Sales of goods and services to subsidiaries	126.0	134.1
Lease payments to subsidiaries	-5.2	-7.1
Sales of goods and services to Knud Højgaards Fond	0.1	0.1
Purchases of goods and services from subsidiaries	-3.1	-0.3
Interest, group enterprises	0.9	0.2
Interest, Knud Højgaards Fond	-28.7	-20.9
Receivables from subsidiaries	578.3	850.3
Receivable from SETH	-	20.9
Debt to subsidiaries	-2,165.5	-1,858.2
Subordinated loan, Knud Højgaards Fond	-320.0	-400.0

SIGNIFICANT INFLUENCE:

Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board, and Knud Højgaards Fond with a shareholding of 37%.

SUBSIDIARIES:

A list of subsidiaries is provided in note 5.4 to the consolidated financial statements.

Receivables from and payables to subsidiaries are primarily attributable to the cash pool arrangement. As the company did not incur any bad debts, an ECL loss is considered to be very limited.

Interest income and interest expense relating to balances with subsidiaries are disclosed in note 8.

Dividends from subsidiaries are disclosed in note 7.

Remuneration to the Board of Directors and the Executive Board as well as the share-based incentive programmes are disclosed in note 4.

For further information on the subordinated loan of DKK 320 million from Knud Højgaards Fond, see note 19.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the 2023 annual report of MT Højgaard Holding A/S.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2023 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year, cash flows and financial position and describes the significant risks and uncertainty factors pertaining to the Group and the parent company.

In our opinion, the 2023 annual report of MT Højgaard Holding A/S with the file name mthh-2023-12-31.zip has been prepared, in all material respects, in compliance within the ESEF Regulation.

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 22 February 2024

EXECUTIVE BOARD

Steffen Baungaard
President and CEO

Rasmus Untidt
CFO

BOARD OF DIRECTORS

Carsten Dilling
Chairman

Morten Hansen
Deputy Chairman

Anders Lindberg

Pernille Fabricius

Christine Thorsen

Janda Campos

Peter Martin Facius

Lars Tesch Olsen

Independent auditor's report

TO THE SHAREHOLDERS OF MT HØJGAARD HOLDING A/S

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard Holding A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January –

31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of MT Højgaard Holding A/S on 5 April 2019 for the financial year 2019. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 5 years up until the financial year 2023.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2023. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our au-

dit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

RECOGNITION AND MEASUREMENT OF CONSTRUCTION CONTRACTS AND RELATED REVENUE RECOGNITION

Accounting policies and information regarding revenue recognition related to construction contracts are disclosed in notes 1.1 and 2.8 to the consolidated financial statements. MT Højgaard Danmark, Enemærke & Petersen, Scandi Byg, MT Højgaard International and MT Højgaard Property Development erect major building and construction projects for private as well as public customers, where the delivery of the projects typically extends over more than one financial year. Due to the characteristics of the projects and in accordance with the accounting policies, MT Højgaard Holding recognises and measures revenue on these construction contracts over time based on input-based accounting methods. Recognition and measurement of construction contracts involve considerable estimates and judgements by Management to assess claims raised by the contractor, costs of completion of the projects, including warranties and disputes, as well as the period of completion. Changes to these accounting estimates during the project phase can have a material impact on revenue, production costs and results.

Therefore, we consider recognition of construction contracts a key audit matter in respect of the consolidated financial statements and the parent company financial statements.

In connection with our audit, we assessed the Group's business procedures and tested the design, implementation and efficiency of selected controls for revenue recognition in relation to construction contracts. We analysed the project accounts prepared by Management, and based on selected projects, we assessed and reconciled revenue recognised and production costs incurred to the cost estimate at the proposal date, the actual stage of completion and the latest projection. Our audit includes an evaluation of considerable estimates and assessments made by Management, whereby we have verified project documentation and discussed the status of projects in progress with members of Management, the finance function or project management.

We have obtained attorney's letters from the Group's external and internal attorneys and discussed with members of Management cases subject to disputes and/or legal proceedings to provide an assessment thereof.

During our audit, we focused on ensuring that policies and processes for performing management estimates have been applied consistently to uniform contracts and in accordance with previous years.

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that

are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON COMPLIANCE WITH THE ESEF REGULATION

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of MT Højgaard Holding A/S, we performed procedures to express an opinion on whether the annual report of MT Højgaard Holding A/S for the financial year 1 January – 31 December 2023 with the file name mthh-2023-12-31-da.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of MT Højgaard Holding A/S for the financial year 1 January – 31 December 2023 with the file name mthh-2023-12-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 22 February 2024

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Torben Bender

State Authorised
Public Accountant
mne21332

Thomas Bruun Kofoed

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