



For the financial
year 2020

HusCompagniet A/S, CVR 36972963

Remuneration Report

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Chairpersons' statement

On behalf of the Board of Directors, I present HusCompagniet's remuneration report, which provides an overview of the remuneration of the members of the Board of Directors and of the Executive Management.

2020 has been a landmark year for HusCompagniet with the company's shares being admitted to trading and official listing on Nasdaq Copenhagen A/S on 18 November 2020 ("IPO"). This significant change for HusCompagniet has also reflected on the remuneration of the Board of Directors and the Executive Management, amongst other things with HusCompagniet's remuneration policy 2020 being adopted at the extraordinary general meeting on 5 November 2020. As a consequence of the IPO and the significant changes this has entailed for HusCompagniet, we have made the decision that this report should focus on the remuneration realised since the IPO, meaning from 18 November until and including 31 December in the financial year 2020.

The IPO has triggered certain bonus agreement with Executive Management and an individual board member, causing extraordinary bonuses to be paid-out in November 2020. It is our assessment that these extraordinary bonuses agreed between HusCompagniet and the Executive Management and an individual board member in advance of the IPO should not be viewed under the framework of the remuneration policy. It is therefore our conclusion that since the IPO, the remuneration of the members of the Board of Directors and the Executive Management has been in alignment with the remuneration policy.

The remuneration of the Executive Management is designed to support the strategic priorities in the Group's strategy and thereby ensure that the interests and the sustainability of the Group are considered and certain short- and long-term goals are achieved. The remuneration components of both the Board of Directors and the Executive Management are furthermore designed to attract and retain talent and encourage retention of members of the Executive Management to ensure continuity and serve the long-term interests and sustainability of HusCompagniet and its shareholders.

During 2021, the Remuneration and Nomination Committee will further formalise its work and assess whether adjustments are needed to the remuneration policy or the composition of the remuneration. Our ambition in this work is to provide a transparent remuneration for the Executive Management which is in line with the framework of the remuneration policy and with an increased focus on non-financial objectives, including ESG elements, compared to the 2020 remuneration.

Claus V. Hemmingsen

Chairperson of the Board of Directors and the Remuneration and Nomination Committee.

2. Introduction

In light of HusCompagniet's IPO in November 2020, this report will, in addition to providing information on the actual remuneration of the Board of Directors and Executive Management for the period following the IPO in 2020, also include pro forma information illustrating the remuneration as it would have been, if the IPO fee levels were applied throughout the entire 2020 financial year.

The remuneration of the Board of Directors since the IPO is in compliance with the remuneration policy, which stipulates that the Board of Directors receives a fixed annual fee only, and that the Board of Directors does not receive any incentive or share-based remuneration. The remuneration of the Executive Management for the period following the IPO is also in compliance with the remuneration policy.

The overall objective of the remuneration policy is to (i) attract, retain and motivate qualified members of the Board of Directors and the Executive Management, (ii) to align the interests of the Board of Directors and the Executive Management with the interests of the shareholders and (iii) support HusCompagniet's strategic short-term and long-term goals. The remuneration elements and principles are outlined in the fact box in this section of the report. A detailed overview is also included in section 8, Appendix (Tables 4 and 5). The current remuneration policy is available on HusCompagniet's website, <https://investors.huscompagniet.com>.

The remuneration report complies with section 139b of the Danish Companies Act and is in line with the Recommendations on Corporate Governance issued by the Danish Corporate Governance Committee and with inspiration from the draft European Commission Guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement.

Remuneration elements of the remuneration policy 2020

Remuneration elements of members of the Board of Directors:

- Fixed annual fee reflecting the scope and complexity of the work and reasonable when compared with other listed companies of the same size and complexity
- Extraordinary fees for ad hoc tasks, travel allowance and payment of social security contributions
- Board members are not entitled to incentive pay, including share-based remuneration, nor are they covered by pension schemes

Remuneration elements of the Executive Management:

- Fixed annual salary reflecting competitive market and individual performance
- Benefits, including but not limited to company car, car allowance, phone, computer, internet and newspapers
- Short-term incentive cash bonus based on annually determined targets and may include discretionary elements
- Long-term incentive in the form of a share-based scheme comprised of restricted share units which vest over 3 years and align Executive Management and shareholder interests and serves as a retention incentive
- One-off individual cash or share-based bonuses

3. Remuneration | Board of Directors

The annual fixed fee (the “Base Fee”) for members of the Board of Directors in 2020 is DKK 300,000 with the Chairperson receiving a multiple of 3 and the Vice Chairperson a multiple of 2 for their extended duties, Members of the Audit Committee and the Remuneration and Nomination Committee receive a supplementary annual fee of DKK 100,000 and DKK 75,000, respectively, and the chairperson of the Audit Committee and the Remuneration and Nomination Committee receives a supplementary annual fee of DKK 200,000 and DKK 100,000, respectively. Since the IPO, board members have realised a proportionate amount of the Base Fee for their service on the Board of Directors and committee work as set out in Table 1. An illustrative full year 2020 remuneration of the board members based on IPO fee levels is summarised in Table 1A.

Representatives of HusCompagniet’s major shareholder on the Board of Directors, Mads Munkholt Ditlevsen and Nils Magnus Tornling, have waived their rights to board fees.

No additional fees, travel allowance or social security contributions were paid to board members from 18 November to 31 December 2020. See however section 4.2 regarding extraordinary cash bonus pay-out to Steffen Martin Baungaard.

Table 1 | Actual remuneration of Board of Directors from 18 November to 31 December 2020 (DKK)¹

Name	Committees	Board fee	Committee fees	Additional fees	Total remuneration	Shareholding at end of 2020**
Claus Michael Valentin Hemmingsen, Chairperson	Chairperson of the Remuneration and Nomination Committee	86.667	8,333	-	95,000	46,453
Anja Bach Eriksson Kofoed, Vice Chairperson	Chairperson of the Audit Committee	55,000	16,667	-	71.667	31,179
Steffen Martin Baungaard		30,000	-	-*	30,000	167,981
Mads Munkholt Ditlevsen	Member of the Remuneration and the Nomination Committee	-	-	-	-	-
Ylva Anne Viktoria Ekborn	Member of the Remuneration and Nomination Committee and the Audit Committee	30,000	14,583	-	44,583	4,026
Nils Magnus Tornling	Member of the Audit Committee	-	-	-	-	249,639
Total		201.667	39,583	-	241.250	-

¹ Fees for 18th to 30th November were paid-out based on pre-IPO annual fixed fee levels, i.e. DKK 350,000 to the Chairperson and DKK 150,000 to other board members. December fees were paid-out as 1/12 of the post-IPO board and committee fee levels.

* See section 4.2 below.

** Directly and/or indirectly

Table 1A | Illustrative full year 2020 remuneration of Board of Directors based on IPO fee levels (DKK)

Name and position	Committees	Board fee	Committee fees	Additional fees	Total remuneration	Shareholding at end of 2020**
Claus Michael Valentin Hemmingsen, Chairperson	Chairperson of Remuneration and Nomination Committee	900,000	100,000	-	1,000,000	46,453
Anja Bach Eriksson Kofoed, Deputy Chairperson	Chairperson of the Audit Committee	600,000	200,000	-	800,000	31,179
Steffen Martin Baungaard		300,000	-	-*	300,000	167,981
Mads Munkholt Ditlevsen	Member of the Remuneration and Nomination Committee	-	-	-	-	-
Ylva Anna Viktoria Ekborn	Member of the Remuneration and Nomination Committee and the Audit Committee	300,000	175,000	-	475,000	4,026
Nils Magnus Tornling	Member of the Audit Committee	-	-	-	-	-
Total		2,100,000	475,000	-	2,575,000	249,639

* See section 4.2 below.

** Directly and/or indirectly

4. Remuneration | Executive Management

The realised remuneration of the CEO and the CFO for the period since the IPO totalled DKK 28,852,900 comprising fixed and variable remuneration components, including extraordinary bonus payment. The post-IPO composition of the remuneration creates a well-balanced package reflecting the individual performance and responsibility of the members of the Executive Management in relation to established goals and targets, both in the short and the longer term and the Group's overall performance in the financial year 2020.

The objectives and targets of the Executive Management's short-term incentive scheme ("STI") for 2020 were fixed early in 2020, prior to the adoption of the remuneration policy and the IPO. The STI 2020 objectives were linked directly and solely to the financial targets in the Group's strategy. The remuneration policy limits the variable remuneration under the STI to maximum 80% of the annual fixed salary with a target bonus around 40% of the annual fixed salary. The STI bonus payment for 2020 to both the CEO and the CFO were maximised at 75% with no defined target bonus. The CEO realised a cash bonus of DKK 2,447,297 and the CFO realised a cash bonus of DKK 2,288,708 in 2020, corresponding to 61.18% and 70.42%, respectively, of their individual annual base salary as adjusted as of the IPO. Pay-out was determined by the Board of Directors, based on performance against the following targets:

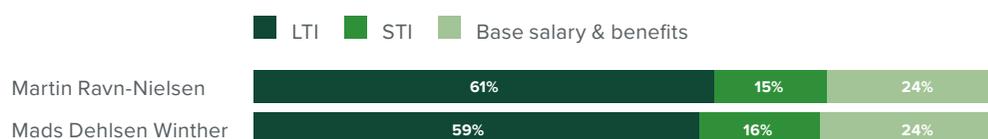
Name and position	Fixed remuneration		Variable remuneration		Extraordinary items ¹	Total remuneration	Shareholding at end of 2020*
	Base salary	Benefits	Cash bonus ²	RSUs			
Martin Ravn-Nielsen, CEO	466,666	14,603	285,518	1,199,952	14,900,000	16,866,739	219,256
Mads Dehlsen Winther, CFO	379,166	19,927	267,016	974,961	10,345,091	11,986,161	101,529
Total	845,832	34,530	552,534	2,174,913	25,245,091	28,852,900	-

* Directly or indirectly

1. I.e. non-recurring remuneration awarded or due (IPO bonus, sign-on fee, retention bonus, redundancy payment, compensation for relocation, severance payments, etc.).

2. The stated cash bonus covers the period 18 November until and including 31 December 2020 on a pro rata basis based on actual full year cash bonus pay-out. The full year cash bonus for the financial year 2020 was DKK 4,736,005.

Figure 1: Actual pay-mix Executive Management from 18 November to 31 December 2020, excl. extraordinary items



- EBITDA Group (40%): performance was above target
- Gross Profit (20%): performance was above target
- Houses sold in Denmark (20%): performance was above target
- Houses delivered in Denmark (20%): performance was below target

Table 2 outline the proportionate amount of the cash bonus allocated to the period from 18 November to 31 December 2020 which totals DKK 552,534 for the CEO and the CFO.

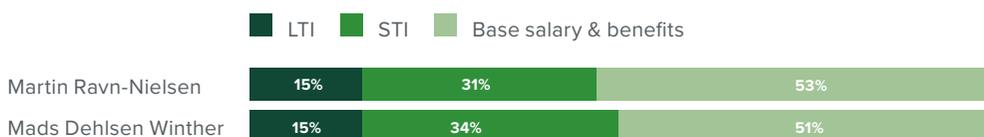
The CEO and the CFO each received an LTI grant following the IPO at a value corresponding to 30% of the post IPO base salary. The CEO was granted Restricted Share Unites (“RSU”) at a total value of DKK 1,199,952 and the CFO was granted RSUs at a total value of DKK 974,961.

Since the IPO, the CEO and the CFO have realised a proportionate amount of the fixed and variable remuneration as set out in Table 2. An Illustrative full year 2020 remuneration of the Executive Management based on IPO fee levels is summarised in Table 2A.

Name and position	Fixed remuneration		Variable remuneration		Extraordinary item ³	Total remuneration	Shareholding at end of 2020*
	Base salary	Benefits	Cash bonus ²	RSUs			
Martin Ravn-Nielsen, CEO	4,000,000	125,172	2,447,297	1,199,952	14,900,000	22,672,421	219,256
Mads Dehlsen Winther, CFO	3,250,000	170,802	2,288,708	974,961	10,345,091	17,029,562	101,529
Total	7.250.000	295,974	4,736,005	2,174,913	25,245,091	39,701,983	-

*Directly or indirectly
 3. I.e. non-recurring remuneration awarded or due (sign-on fee, retention bonus, redundancy payment, compensation for relocation, severance payments, etc.).

Figure 2: Illustrative pay-mix Executive Management full year 2020 based on post-IPO fee levels, excluding extraordinary items



4.1 Long Term Incentive Programme

In alignment with the remuneration policy, the members of the Executive Management participate in the long-term incentive programme which was implemented on 23 November 2020 and consisted of RSUs. The CEO and the CFO were both granted RSUs at a value corresponding to 30% of their individual base salary. The value of an RSU at the time of grant is calculated based on fair market value, for the 2020 grant corresponding to DKK 117. Consequently, the CEO was granted 10,256 RSUs and the CFO was granted 8,333 RSUs, entitling the CEO and the CFO, respectively to receive a corresponding number of shares in HusCompagniet upon vesting.

The RSUs are subject to a three-year vesting period from the date of grant. The RSUs are granted with the primary purpose of retention and vesting is therefore conditional upon (i) the Executive Management member remaining employed with the Group throughout the vesting period (or becomes a good leaver during the vesting period in which case only a proportionate portion of RSUs shall vest), and (ii) the participant having complied in all respects with the general terms and conditions as determined by the Board of Directors.

Table 3 | LTI Programmes of Executive Management

Name and position	Programme	Grant date	Final vesting	Number of RSUs	Value of Grant	Exercised	Value of exercised RSUs - 2020
						Year of 2020	
Martin Ravn-Nielsen, CEO	2020 Ordinary Grant (RSU)	23 November 2020	November 2023	10,256	1,199,952	N/A	No RSUs exercised
Mads Dehlsen Winther, CFO	2020 Ordinary Grant (RSU)	23 November 2020	November 2023	8,333	974,961	N/A	No RSUs exercised

4.2 Extraordinary remuneration

In connection with completion of the IPO, the CEO, the CFO and board member Steffen Martin Baungaard were awarded extraordinary cash bonuses totalling DKK 26,245,091, of which the CEO received DKK 14,900,000, the CFO received DKK 10,345,091 and Steffen Martin Baungaard received DKK 1,000,000. The IPO related bonus agreements were entered into prior to the IPO and the adoption of the current remuneration policy and are therefore not considered a deviation or derogation from the remuneration policy although exceeding the maximum amounts for extraordinary remuneration and ad hoc fees stipulated in the remuneration policy.

5. Remuneration of employees

HusCompagniet does not have any employees other than Executive Management, and thus, it is not relevant to report on any development in the remuneration for employees of HusCompagniet for the 2020 financial year. However, based on the median remuneration of the Group FTEs in 2020 the CEO-pay ratio is 11.56⁴. Details can be found in HusCompagniet's Annual Report 2020 page 47 which is available on HusCompagniet's website, <https://investors.huscompagniet.com>.

6. Compliance with the remuneration policy

The framework provided by the remuneration policy became applicable in connection with the IPO, and thus the remuneration of the Board of Directors and Executive Management for the period following the IPO in the 2020 financial year has complied with the remuneration policy.

The STI bonus 2020 and extraordinary bonuses granted in 2020 are based on agreements made between HusCompagniet and the Executive Management and board member, Steffen Martin Baungaard, respectively, prior to the IPO. It therefore the view of the Board of Directors that there are deviations or derogations from the framework provided by the remuneration policy in the financial year 2020.

7. Board of Directors' statement on Remuneration Report

The Board of Directors has considered and adopted the remuneration report of HusCompagniet A/S for the financial year 2020. The report has been prepared to meet the requirements of the section 139b of the Danish Companies Act and the Recommendations on Corporate Governance issued by the Danish Corporate Governance Committee. The remuneration report describes the remuneration realised by the Board of Directors and the Executive Board of HusCompagniet from 18 November and including 31 December 2020 as well as the relationship between the remuneration and HusCompagniet's remuneration policy for 2020. HusCompagniet's remuneration policy provides the right to make use of a claw-back. This right has not been used.

It is the view of the Board of Directors that since the IPO the remuneration of the Executive Management for the relevant period of the financial year 2020 has been conducted in alignment with HusCompagniet's remuneration policy and according to the above stated requirements. The report will be presented for an advisory vote at the Annual General Meeting planned for 12 April 2021.

4. CEO-pay ratio is based on the median base salary for Group employees for December 2020, excluding benefits, bonuses and commissions payments compared to CEO-remuneration consisting of base salary and cash bonus but excluding benefits and extraordinary items

8. Appendix

Tables 4 and 5 outline in summary the elements of HusCompagniet's remuneration policy 2020 for the Board of Directors (Table 4) and Executive Management (Table 5):

Table 4 Remuneration policy elements, Board of Directors 2020		
Element	Purpose	Level
Base Fee – Board	Attract and retain competent people and motivate to ensure implementation of strategy and achievement of long-term and short-term targets	Members: Base fee, currently DKK 300,000 Chairperson: 3 times the Base Fee Vice Chairperson: 2 times the Base Fee
Fee – Committees	As above	Chairperson of the Audit Committee may receive 2/3 of the Base Fee Members of the Audit Committee may receive 1/3 of the Base Fee Chairperson of the Remuneration and Nomination Committee may receive 1/3 of the Base Fee Members of the Remuneration and Nomination Committee may receive 1/3 of the Base Fee
Ad hoc fee	Remunerate ad hoc tasks outside the scope of ordinary board or committee tasks	The value of an ad hoc fee may not exceed 50% of the total remuneration paid to the relevant Board member, including any additional fees to the Chairperson, Vice Chairperson and committee members
Expenses and contributions	Reimburse expenses in connection with board and/or committee meetings Cover social security contributions within the EU to the extent imposed by foreign national authorities in relation to board fees and reimbursable expenses	Reasonable expenses such as travel and accommodation relating to board and committee meetings and relevant training
Insurance	Provide the board members with insurance	Customary D&O insurance covering the Board of Directors. To the extent the insurance coverage should prove insufficient, HusCompagniet may in certain cases decide to indemnify board members for personally incurred claims and expenses
Pension	N/A	N/A
Incentive	N/A	N/A

Table 5 | Remuneration policy elements, Executive Management 2020

Element	Purpose	Description	Level	Performance based
Fixed salary	Attract and retain high-performing talent with the ability to implement strategy and deliver long-term shareholder value	Reviewed and determined annually by the Board of Directors based on factors such as (i) skills, performance and experience; (ii) market practice of comparable peers; (iii) scope and responsibilities of the role; and (iv) the strategic direction of the company	Reflecting competitive market and individual performance	N/A
Pension	N/A	HusCompagniet does not contribute to Executive Management's pension schemes	N/A	N/A
Benefits	As above	Customary monetary and non-monetary benefits, including but not limited to company car, car allowance, phone, computer, internet, newspapers etc.	N/A	N/A
Short-term incentive	Promote performance in line with the strategy with target alignment to strategic priorities to ensure value creation and sustainability of the company are considered and short-term goals are achieved	Annual performance-based cash bonus, subject to predefined financial targets, non-financial and individual objectives and targets defined by the Board of Directors based on input from CEO being met. Size of the cash bonus is determined by the Board of Directors and may include a discretionary element further to the specific targets	Corresponding to up to 80% of the annual fixed salary with a target bonus around 40% of the annual fixed salary	Based on achievement of the pre-defined objectives and targets
Long-term incentive	Retention and incentivise share price development over a longer period of time	RSU Programme with a vesting period of three years with criteria of continued employment or good leaver and compliance with general terms and conditions.	May not exceed 50% annual fixed salary. 2020-level is 30% annual fixed salary and	Value of RSU is based on the development in share price
Extraordinary remuneration	As deemed necessary to achieve the long-term interest of the company	One-off bonuses as deemed necessary by the Board of Directors, such as sign-on bonuses, retention bonuses or bonuses for extraordinary performance consisting of cash-based bonus and/or share-based grants.	May not exceed 100 % of the fixed annual salary	Not predefined
Severance payments		Severance payment including salary in the applicable notice period	May not exceed two years' total remuneration, including all remuneration components	N/A
Claw back		Variable remuneration earned, awarded or paid out may be reduced, lapse or be reclaimed if and to the extent earned, awarded or paid out on the basis of fraud, wilful misconduct, gross negligence, incorrect or misleading information or that the conditions for earning, award or payment of variable remuneration have not been fulfilled	Any variable remuneration	N/A
Shareholding requirements	Alignment of interest of HusCompagniet's shareholders and members of the Executive Management	Executive Management is required to hold shares corresponding to at least one year's fixed base salary	N/A	N/A



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