

MT HØJGAARD HOLDING

MT HØJGAARD HOLDING A/S

Remuneration report 2021

Contents

Remuneration report

1. Introduction	1
2. Financial results	1
3. Remuneration of the Board of Directors	2 - 3
4. Remuneration of the Executive Board	4 - 8
5. Comparison of remuneration and accounting figures	9 - 10
6. Statement by the Board of Directors	11
7. Independent auditor's report	12

This remuneration report covers MT Højgaard Holding A/S and has been published in both Danish and English. In case of discrepancies between the two versions, or in case of doubt, the Danish version shall prevail.

MT HØJGAARD HOLDING

Remuneration report 2021

1. Introduction

This remuneration report discloses all of the Group's remuneration of members of the Board of Directors of MT Højgaard Holding A/S ("the Company" or "MTHH"), which is listed on Nasdaq OMX Copenhagen, and of the registered Executive Board of MTHH in 2021. The disclosures in the remuneration report are primarily derived from the audited financial statements, which are available at www.mthh.eu. The remuneration report has been compiled in accordance with section 139b of the Danish Companies Act and MTHH's remuneration policy, which was adopted at the Annual General Meeting held on 17 March 2020 and is available at www.mthh.eu.

The overall principles of the remuneration policy are:

- To support the purpose and sustainability of the Company;
- To align the remuneration components with the interests of shareholders and other stakeholders relevant to the above;
- To support delivery of MTHH's strategic priorities;
- To attract, motivate and retain members of the Board of Directors and the Executive Board of the appropriate calibre given the size and complexity of the business; and
- To reward members of the Executive Board in line with corporate and individual performance.

The result of the vote at the Annual General Meeting on 18 March 2021 on the Remuneration Report for 2020 did not give rise to a need to make any changes.

2. Financial results

Group revenue increased to DKK 7.2 billion, matching the expectations of revenue of around DKK 7 billion. Operating profit before special items and special amortisation increased to DKK 179 million. Earnings consequently met the expectations of operating profit of around DKK 175 million.

Following high order intake of approx. DKK 10 billion, the portfolio of firm, unconditional orders increased to approx. DKK 10.8 billion. The value of orders won but not yet contracted was approx. DKK 4 billion, which will not be included in the order book until the orders have been contracted.

MT HØJGAARD HOLDING

3. Remuneration of the Board of Directors

The Board of Directors of MTHH consists of four to seven members elected by the shareholders in General Meeting, see the Articles of Association. In 2021, the Board had six members. At the Annual General Meeting on 18 March 2021, Ole Jess Bandholtz Røsdahl resigned from the Board of Directors of MTHH, and Janda Campos and Steffen Baungaard joined the Board of Directors on that day.

In accordance with the voluntary scheme on Group representation, Jesper Hoffmann, Peter Martin Facius and Lars Tesch Olsen joined the Board of Directors of MT Højgaard Holding A/S as new employee-elected Board members on 18 March 2021. Stine Marie Søderdahl Friis joined MT Højgaard Holding A/S's Board of Directors as employee-elected Board member on 5 January 2022, replacing Jesper Hoffmann.

The members of the Board of Directors receive a fixed annual remuneration, which is approved at the Company's AGM for the current financial year. These members are not covered by a pension plan and do not receive variable or incentive-based pay. The annual remuneration must be in accordance with market practice for comparable enterprises, taking into account the required skills, efforts, duties and the nature of the work and responsibilities.

All Board members receive the same annual base remuneration, which was DKK 350,000 for 2021, while the Chairman receives 3 times the fixed annual base remuneration and the Deputy Chairman 1.5 times the fixed annual base remuneration. Additional fees for committee work, including ad hoc committees, must be determined by the Board of Directors after considering the precise scope and workload of such committee work and must also be approved by the General Meeting.

Additional fees for sitting on the Audit Committee may total an amount of up to 0.85 times the fixed annual base remuneration for ordinary members and up to 1.75 times the fixed annual base remuneration for the Chairman of the Audit Committee.

The separate fee for participation in the Nomination Committee and the Remuneration Committee may amount to up to 0.25 times the annual base remuneration for each committee.

Furthermore, members of the Board of Directors may receive an additional fee for ad hoc work, however, this option was not exercised in 2021.

The remuneration for 2021 was adopted by the AGM of MTHH on 18 March 2021.

MT HØJGAARD HOLDING

Remuneration of individual members of the Board of Directors in 2021

Remuneration of individual members of the Board of Directors				
		MT Højgaard Holding A/S		
Name	Position	Board of Directors	Committee	Total
Carsten Dilling	Chairman of the Board of Directors and Chairman of the Nomination Committee and the Remuneration Committee	1,050,000	50,000	1,100,000
Anders Lindberg	Deputy Chairman, member of the Nomination Committee and the Remuneration Committee, Chairman of the Audit Committee	525,000	191,667	716,667
Christine Thorsen	Member of the Board of Directors	350,000	-	350,000
Janda Campos	Member of the Board of Directors (from March 2021)	262,500	-	262,500
Pernille Fabricius	Member of the Board of Directors and member of the Audit Committee	350,000	83,333	433,333
Steffen Baungaard	Member of the Board of Directors (from March 2021)	262,500	-	262,500
Ole Jess Bandholtz Røsdahl	Member of the Board of Directors (to March 2021)	87,500	-	87,500
Peter Martin Facius	Employee-elected Board member (from March 2021)	262,500	-	262,500
Lars Tesch Olsen	Employee-elected Board member (from March 2021)	262,500	-	262,500
Stine Marie Søderdahl Friis	Employee-elected Board member (from March 2021)	-	-	-
Jesper Hoffmann	Employee-elected Board member (from March 2021 to December 2021)	262,500	-	262,500
Total remuneration, in DKK		3,675,000	325,000	4,000,000

The remuneration published does not include reimbursed expenses incurred by the individual members of the Board of Directors as part of their meeting activities at MT Højgaard Holding A/S.

MT HØJGAARD HOLDING

4. Remuneration of the Executive Board

The Board of Directors is of the opinion that a combination of fixed and performance-related remuneration of the Executive Board helps ensure that the Company can attract and retain a competent and value-creating Executive Board and that partially incentive-based remuneration encourages the Executive Board to create value for the benefit of the shareholders.

The remuneration package for the Executive Board consists of a fixed remuneration (base salary), a short-term bonus and a long-term incentive (LTI) programme. Moreover, it is possible for the Board of Directors, in special cases, to grant a member of the Executive Board an option programme and/or an extraordinary bonus. The Executive Board also receives non-monetary benefits such as a company car, telephone, etc. Expenses incurred by members of the Executive Board in connection with travel, conferences, training/education, etc. are reimbursed by the Company.

In 2021, the remuneration of the Executive Board was composed of the following:

- **Base salary:** An annual market-consistent remuneration that is fixed based on skills, performance, experience, scope of work and responsibilities, taking into consideration the rate of pay rise for executives and other employees.
- **Other benefits:** Housing, car, telephone, etc.
- **Short-term bonus:** Covering a maximum of 10 months of the fixed monthly base salary per financial year. The annual bonus schemes are contingent on the targets defined in the annual bonus agreement being met in whole or in part.
- **Long-term incentive (LTI) programme:** An investment of 25% to 100% of the short-term bonus earned by members of the Executive Board is converted into shares that vest over a three-year period and may qualify for free shares (maximum grant/deduction of 0.5 free share per share a year).

MT HØJGAARD HOLDING

Remuneration of individual members of the Executive Board in 2021

Remuneration of individual members of the Executive Board							
Name	Position	Year	Fixed remuneration		Variable remuneration		Total
			Base salary	Other benefits*	Short-term bonus	LTI programme**	
Morten Hansen	President and Chief Executive Officer	2021	6,000,000	231,252	4,871,000	1,704,991	12,807,243
		Share	47%	2%	38%	13%	100%
Martin Solberg	Chief Financial Officer	2021	3,549,743	19,703	2,495,235	1,008,793	7,073,473
		Share	50%	0%	35%	14%	100%
Total remuneration, in DKK		2021	9,549,743	250,955	7,366,235	2,713,784	19,880,716

* Other benefits include the tax base of free residence, free telephone, car allowance, mileage allowance and insurance.

** The LTI programme has been calculated using the grant date fair value of the contingent shares that correspond to the estimated and maximum number of contingent shares to vest at the maturity date multiplied by the grant date share price.

MT HØJGAARD HOLDING

Short-term bonus of individual members of the Executive Board in 2021

Short-term bonus of individual members of the Executive Board					
	Position	Weight	Actual results*	Bonus earned	Maximum bonus
Morten Hansen	President and Chief Executive Officer				
<i>KPIs in the MT Højgaard Holding Group</i>					
	<i>EBIT before special items and special amortisation in 2021</i>	50%	Above	4,750,000	5,000,000
	<i>Order intake in 2021</i>	50%	Above		
Performance ratio				95%	
Martin Solberg	Chief Financial Officer				
<i>KPIs in the MT Højgaard Holding Group</i>					
	<i>EBIT before special items and special amortisation in 2021</i>	50%	Above	2,023,354	2,129,846
	<i>Order intake in 2021</i>	50%	Above		
Performance ratio				95%	
<i>* Short-term bonus has been fixed on the basis of actual financial results, and forms the basis for "above", "equal to" eller "below" each target set.</i>					

The short-term bonus of the individual members of the Executive Board is based on the targets for MTHH's EBIT before special items and order intake in 2021 being met. In 2021, the Executive Officers achieved performance ratios of 95%.

Both Executive Officers have decided to invest all of their short-term bonus earned in 2021 in the LTI programme in MT Højgaard Holding A/S.

MT HØJGAARD HOLDING

Long-term incentive (LTI) programme

In November 2020, the Board of Directors of MTHH decided, consistently with the applicable remuneration policy adopted at the AGM held on 17 March 2020, to implement a few adjustments to and specifications in the existing LTI programme that was introduced after the completion of the merger in accordance with the remuneration policy of 5 April 2019 applicable at that time. The adjusted LTI programme is effective for 2020 and onwards and replaces the 2019 programme. The terms, the overall principles and the remuneration components of the adjusted programme have remained unchanged in all material respects. The aim of the LTI programme is still to ensure convergence of interests of Management and shareholders, to strengthen and retain the attachment of members of the Executive Board to the Group, and to intensify Management's focus on financial targets, including high and long-term value added.

The LTI programme is effective in parallel with MTHH's short-term cash bonus programme for the Executive Board and entitles members of the Executive Board to invest 25% to 100% of any short-term bonus they may have earned the year before. The LTI programme is a revolving, conditional share incentive scheme that is based on an annual right to have conditional shares granted in MTHH ("LTI Grant"). Shares acquired on the LTI Grant are subject to a three-year maturity period.

Under certain conditions, members of the Executive Board may become eligible for additional contingent "Matching Shares" paid for by MTHH. Any dividend on shares acquired by the member of the Executive Board under the LTI programme, inclusive of any Matching Shares, is automatically re-invested in shares in MTHH ("Dividend Shares").

The value of the shares of the individual members of the Executive Board, inclusive of any Matching Shares or Dividend Shares, under the LTI programme cannot exceed two years' base salary for such members per LTI Grant, calculated using the stock market value of the mature shares at the maturity date.

Executive Board members' share of their LTI Grant in the custody account, inclusive of Dividend Shares, will be subject to an annual grant or deduction of Matching Shares based on developments in the Company's share price or its financial performance. Consequently, the original LTI Grant or investment by the Executive Board member may be subject to deduction. Matching Shares are granted or deducted in full shares, and for the combined maturity period they cannot exceed +/- 0.5 share per share in the custody account, rounded down to the nearest full share.

Executive Board members' right to receive the shares as part of the LTI Grant, inclusive of any Matching Shares or Dividend Shares, is subject to continued employment at the maturity date (or resignation as a good leaver). A bad leaver will lose all of their LTI Grants and thus all immature conditional shares, including any Matching Shares or Dividend Shares. The right to receive Matching Shares is also contingent on MTHH in the financial year prior to the LTI Grant and in the three subsequent financial years (four financial years in aggregate) for at least one year either having distributed dividend to the shareholders of MT Højgaard Holding A/S or having reduced the long-term liabilities.

MT HØJGAARD HOLDING

In March 2021, Morten Hansen and Martin Solberg invested 100% of their short-term bonus for 2020 of DKK 2,187,000 and DKK 1,293,881 respectively in 22,641 and 13,395 investment shares respectively in MTHH at the grant price of DKK 96.591 per share, qualifying them to receive up to a maximum of 11,320 and 6,697 contingent shares ("Matching Shares") if the share price increases by 100% or more from the grant date to the vesting date. Fair value of a contingent share has been calculated at DKK 195.6162 per share at the grant date, which amount has been calculated using the average share price over the first five weekdays after the grant date of 18 March 2021. The value of the grants was calculated at a total of DKK 1,704,991 and DKK 1,008,793 respectively based on, among other factors, the expected maturity period of three years from the grant date, the expected increase in the MT Højgaard Holding A/S share price from the grant date to the vesting date, and assuming that either dividend is paid or long-term liabilities are repaid.

Terms of termination and termination benefit

Executive Board members have a term of notice of 6-12 months towards MTHH whereas MTHH can terminate an Executive Board member at 12 months' notice.

MTHH may, in exceptional circumstances, require repayment (claw-back), in whole or in part, of variable remuneration (cash or share-based) if disbursement was made using incorrect or inaccurate data. This was not the case in 2021, 2020 or 2019.

MT HØJGAARD HOLDING

5. Comparison of remuneration and accounting figures

Comparison of remuneration and accounting figures					
	2021	Change	2020	Change	2019***
Executive Board - remuneration					
Morten Hansen*	12,807,243	56%	8,183,852		1,229,000
2019, annualised for comparison					6,866,000
Converted into annual increase				19%	
Martin Solberg**	7,073,473	50%	4,714,535		3,417,000
2019, annualised for comparison					4,753,920
Converted into annual increase				-1%	
Board of Directors - remuneration					
Carsten Dilling	1,100,000	0%	1,100,000	25%	881,944
Anders Lindberg	716,667	-14%	837,500	14%	733,333
Christine Thorsen	350,000	0%	350,000	8%	325,000
Janda Campos (from March 2021)	262,500		-		-
Pernille Fabricius	433,333	-11%	487,500	-26%	658,333
Steffen Baungaard (from March 2021)	262,500		-		-
Ole Jess Bandholtz Røsdahl (to March 2021)	87,500	-75%	350,000	8%	325,000
Peter Martin Facius (from March 2021)	262,500		-		-
Lars Tesch Olsen (from March 2021)	262,500		-		-
Stine Marie Søderdahl Friis (from January 2022)	-		-		-
Jesper Hoffmann (from March 2021 to December 2021)	262,500		-		-
Morten Hansen (to February 2020)	-		32,184	-88%	259,753

MT HØJGAARD HOLDING

Comparison of remuneration and accounting figures (continued)					
	2021	Change	2020	Change	2019***
Employees – average remuneration					
The MT Højgaard Holding Group's average remuneration of employees	615,509	6%	579,366	3%	562,764
Employees of the MT Højgaard Holding Group (FTE)	2,785	4%	2,680	23%	2,178
MT Højgaard Holding A/S's average remuneration of employees	756,599	-	-	-	-
Employees of MT Højgaard Holding A/S other than the Executive Board (FTE)	60	-	-	-	-
Financial results					
Revenue of the MT Højgaard Holding Group, in DKK million	7,203	21%	5,951	27%	4,672
EBIT before special items of the MT Højgaard Holding Group, in DKK million			87	601%	12
EBIT before special items and special amortisation of the MT Højgaard Holding Group, in DKK million ****	179	45%	124		
The MT Højgaard Holding Group's order intake, in DKK million	9,950	33%	7,506	20%	6,267

* For 2019, remuneration as acting President and CEO covers the period from November to December 2019. For 2020, remuneration as acting President and CEO covers the period from January 2020 and as permanent President and CEO from February 2020.

** For 2019, remuneration as CFO covers the period from June 2019 to December 2019.

*** 2019 also covered remuneration of the former President and CEO for the period 5 April 2019 to 13 November 2019 in the total amount of DKK 16.6 million including remuneration, termination benefit for 12 months and a bonus for 2019 etc. In addition, the former President and CEO earned a bonus of approximately DKK 2 million for 2020.

**** New performance measure introduced in 2021.

MT HØJGAARD HOLDING

6. Statement by the Board of Directors

The Board of Directors has today considered and approved the remuneration report of MT Højgaard Holding A/S for the financial year 1 January to 31 December 2021.

The remuneration report is presented in accordance with section 139b of the Danish Companies Act.

In our opinion, the remuneration report is in accordance with the Company's remuneration policy, which has been adopted at the Company's Annual General Meeting, and is free of material misstatement, whether due to fraud or error.

We recommend the remuneration report for advisory vote at the Company's Annual General Meeting.

Søborg, 21 February 2022

Board of Directors

Carsten Dilling
Chairman

Anders Lindberg
Deputy Chairman

Christine Thorsen

Janda Campos

Pernille Fabricius

Steffen Baungaard

Peter Martin Facius

Lars Tesch Olsen

Stine Marie Søderdahl Friis

MT HØJGAARD HOLDING

7. Independent auditor's report on the Company's remuneration report

To the shareholders of MT Højgaard Holding A/S

We have examined whether the remuneration report of MT Højgaard Holding A/S for the period 1 January – 31 December 2021 contains the disclosures required pursuant to section 139b(3) of the Danish Companies Act.

The degree of assurance we express in this report is reasonable.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3) of the Danish Companies Act.

The Board of Directors is also responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's independence and quality control

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of laws and regulations applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IEASBA Code, which rely on general principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We are subject to the International Standard on Quality Control, ISQC 1, and thus use a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements of Danish law and other regulations.

Auditor's responsibilities

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We performed our work in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and additional requirements under Danish audit regulation to obtain reasonable assurance for our conclusion.

As part of our examinations, we performed the below procedures:

- ▶ We verified whether the remuneration report, to the extent relevant, contains the disclosures required pursuant to section 139b(3)(i)-(vi) of the Danish Companies Act regarding the remuneration of each member of Management.

We believe that our work provides a reasonable basis for our conclusion.

Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore, we do not express any conclusion in this regard.

MT HØJGAARD HOLDING

Conclusion

In our opinion, the remuneration report, in material respects, contains the information required pursuant to section 139b(3) of the Danish Companies Act.

Copenhagen, 21 February 2022

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Torben Bender
State Authorised Public Accountant
mne21332

Thomas Bruun Kofoed
State Authorised Public Accountant
mne28677