
MAJ INVEST HOLDING A/S

ANNUAL REPORT 2021

CVR NO. 28 29 54 80

MAJ
INVEST





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IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THE DANISH AND ENGLISH VERSIONS OF MAJ INVEST HOLDING'S ANNUAL REPORT 2021, THE DANISH VERSION SHALL PREVAIL



COMPANY INFORMATION

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BOARD OF DIRECTORS
Tommy Pedersen, chairman
Nils Bernstein
Maria Helene Hjorth
Jørgen Tang-Jensen
Søren Krag Jacobsen
Anders Møller Olesen
Kirsten Slot

EXECUTIVE BOARD
Jeppe Christiansen, CEO
Henrik Parkhøi, Deputy CEO
Jens Aaløse, Managing Director*

*Is expected registered in the spring 2022

CEO LETTER

This year we are starting a new tradition when presenting the annual financial statements. Going forward we will include a description of our efforts to ensure a positive contribution to society. As a company, we offer advisory services and long-term investments. Our activities and results have a great impact on clients and the companies in which we invest. In addition, our activities also have an economic impact, which gives us a natural responsibility to be in balance with the surrounding society. We have noticed increased political interest in relation to our sector. Maj Invest has thus been required to pay a so-called contribution to society – a special tax levied on the financial sector. Perhaps we have not successfully managed to explain the importance and value-creating nature of our business activities in accordance with the rest of Denmark's corporate world. We will try to remedy this going forward.

2021 saw a turnaround in the COVID-19 crisis. Private businesses showed their ability to innovate. Several biotech and pharmaceutical companies managed to develop vaccines in record time that effectively protect against the worst effects of COVID-19. This has rescued the world from a massive virus crisis and formed the basis of the economic upturn together with major fiscal initiatives.

Based on this, the Maj Invest Group achieved highly satisfactory 2021 financial results. In 2021, most of our investment portfolios generated returns exceeding 10%. We experienced fair growth in the assets under management, and our mutual fund business at Maj Invest now has more than 50,000 investors. We experienced a very large influx of international clients within our largest business area, global value investments. Today, assets under management in this area exceed DKK 70 billion. We established a third microfinance fund and a new private equity fund together with PKA, with assets under management of DKK 5 billion. One objective of the fund is to invest in venture capital within life science, green technology etc., mainly outside Denmark.

In recent years, we have focused on environmental, social and governance (ESG) factors. Already in 2010, we signed the United Nations international principles for responsible investment (PRI). We have not formu-

lated an actual policy but have gradually addressed the many challenges. In recent years, they have been incorporated into our business activities and strategic planning.

Maj Invest is a knowledge-based company. We provide advisory services and invest based on developed analytical knowledge of the global, European and Danish economies and an understanding of the terms of competition and the challenges businesses face. The capital invested on behalf of clients has been generated through many years of savings. From an economic perspective, savings express the result of work effort. We are therefore very careful when it comes to investing this capital because it comprises saved-up working hours to be channelled into the sectors and companies that contribute to maintaining and creating new wealth. This currently helps to achieve the necessary transition of society towards more service business, a stronger health sector and more green energy. As a financial knowledge-based company, our job is to channel this capital into optimal economic development. Our clients highly value this business mindset, and history has shown that the types of companies that ensure balanced and healthy social development also create high returns in the long term without taking undue risk.

At Maj Invest, we administer and invest more than DKK 100 billion, and half of this is on behalf of international clients. We are a company that brings foreign exchange to Denmark and creates valuable jobs. Since our foundation in 2005, we have created more than 100 new jobs and paid more than DKK 350 million in taxes. In addition, private equity investments have created growth and progress in medium-sized Danish companies, employing more than 10,000 people today.

Our employees are our most important asset. We believe in diversity and knowledge. Our age distribution largely reflects the world in which we work. The average age is 43 years, distributed evenly across age groups. Our gender distribution mirrors the financial sector as a whole. We have decided to ensure more diversity in the management of the company; thus, our objective is to have at least 40% female managers in 4 years.



Taking corporate social responsibility is important. This obviously applies to our investment activities but also in other respects. We have a social committee that proactively supports projects and initiatives with social objectives on behalf of the company. Since it was established in 2016, the social committee has given DKK 7 million to social projects and companies. We have decided to continue this activity and have allocated DKK 10 million for this purpose in the next 5 years.

The climate crisis is becoming more and more pressing. At Maj Invest, we have chosen to focus on how we as a company can contribute to understanding the importance of efforts to avoid the crisis. The next 25 years, the climate crisis will force a massive change in the world's energy sector that will be crucial for the global economy and Denmark's economy and companies. We have therefore decided to host two climate days in the spring to focus on climate and investments. In recent years, we have actively worked on climate investments in our portfolios. In 2020, we launched the investment product Green Bonds. In 2021, we invested in a Norwegian company develop-

ping green battery technology, and in early 2022 we launched the product Net Zero 2050, which focuses on investing in companies that actively and measurably make an effort to ensure the transition from fossil fuels to green energy.

The next few years will be difficult in a global political and economic perspective. The political conflict level is very high, especially regarding Russia, but tensions between the United States and China are also of concern. Europe is affected by the conflict with Russia, which at best can be described as a new iron curtain. This will have huge political and economic consequences for many years to come. The global economy is heavily indebted because of the COVID-19 crisis, and we are facing a climate crisis requiring international political cooperation and tremendous economic initiatives.

The global economy is robust and is experiencing an economic upturn, with the United States as an economic growth engine. But it is imperative that we save and invest in the green transition in a fight against time. We possess the technology and the capital, but

we need the political courage, whilst in Europe and the United States we still need to acknowledge that we are responsible for the majority of carbon dioxide emissions into the atmosphere. The high-income countries should therefore pay for the green transition and help the rest of the world in further developing green technology. Historically, Denmark has not been a "first mover". On the contrary, together with the rest of Europe and the United States, we are primarily responsible for the climate crisis and are therefore obligated to solve it. Fortunately, we are moving forward, and it is encouraging that large Danish companies are at the forefront of the green transition. The good news in 2021 was that the corporate world embraced the transition towards green energy, which is no longer up for discussion. We are past that point, and today the focus is on how companies optimally and as rapidly as possible can invest and produce only by using green energy.

For several years, we at Maj Invest have prepared for this eventuality. We are engaged in long-term investments with the purpose of ensuring the optimal development for our clients and society. This is why in the years to come we will channel more of our resources into understanding what it takes to complete the transition from fossil fuels to green energy. This will affect everyone: all consumers, all companies and all investors. The development for the years to come can be described in one paraphrased quote from Bill Gates as: "everything will be built around green energy".

We are moderately optimistic about the global economic outlook for the coming years. The serious European crisis caused by Russia's invasion of Ukraine may change this. We expect reasonable and positive returns for the next 10 years; however, the results may be subject to serious fluctuation since several important factors will have increased impact. Inflation, indebtedness, geopolitical tensions and massive climate investments may lead to great fluctuation in the valuation of the stock markets. Fortunately, the global market economy is sufficiently strong to secure the long-term positive trend in growth and wealth.

Jeppe Christiansen, CEO





MANAGEMENT'S REVIEW

QUICK FACTS 2021 - GROUP

Danish financial group with international activities:

- 108 employees in four countries.
- DKK 112 billion in assets under management, including assets in Maj Bank.
- A global and diversified client base.

Group activities:

- Asset management and advisory services on listed securities.
- Advisory services to:
 - > The mutual fund Investeringsforeningen Maj Invest, with assets of DKK 26 billion.
 - > Two Danish private equity funds.
 - > Investment fund with global minority shares.
 - > Three private equity funds investing in microfinance.
 - > Retail clients in Maj Bank on savings and investments.

FINANCIAL HIGHLIGHTS - GROUP

INCOME STATEMENT

DKK thousand	2017	2018	2019	2020	2021
Total gross income	467,530	340,629	400,150	368,154	579,432
- Net interest and fee income	406,316	342,357	333,944	357,852	524,892
- Market value and currency translation adjustments	45,456	(11,427)	56,374	(65)	48,988
- Other operating income	15,757	9,698	9,832	10,367	5,552
Staff costs and administrative expenses	(208,994)	(212,039)	(215,062)	(218,664)	(232,745)
Profit before tax	245,222	115,046	166,288	142,560	341,641

BALANCE SHEET

Shareholders' equity	424,201	418,455	368,808	382,941	464,032
Total assets	691,600	665,740	637,137	712,957	764,318

RATIOS AND KEY FIGURES

Return on equity before tax	52.2%	27.3%	42.2%	37.9%	80.7%
Cost/income ratio	2.13	1.53	1.74	1.64	2.44
Cost in % of income	46.9%	65.5%	57.4%	61.1%	41.1%
Capital ratio	31.1%	33.0%	21.4%	23.0%	21.4%
Own funds in relation to minimum capital requirements	3.9	4.1	2.7	2.9	2.7

Ratios and key figures were drawn up in accordance with the definitions of the Danish Financial Supervisory Authority (FSA).

HIGHLIGHTS AND MAJOR EVENTS

FINANCIAL YEAR 2021

In 2021, the Group achieved the best financial results since being founded in 2005. The results are highly satisfactory and exceed the original expectations. The highlights are as follows.

- Profit before tax was DKK 342 million, corresponding to a return on average equity of 80.7%. Profit after tax was DKK 269 million. In 2020, profit before tax was DKK 143 million and profit after tax was DKK 110 million.
- In March, Maj Invest reached a milestone, as total assets under management passed DKK 100 billion. At year-end, the assets under management had increased to DKK 112 billion. The figures comprise the whole Group, including the assets in Maj Bank.
- Maj Invest Asset Management saw growth of 20% in assets under management. International investors' assets now represent more than half the total assets under management.
- The mutual fund *Investeringsforeningen Maj Invest*, which is advised by Maj Invest Asset Management, has continued the growth of previous years. At year-end 2021, the mutual fund comprised more than 51,000 investors, and the assets totalled DKK 26 billion.
- Maj Invest Equity has provided advisory services on the sale of the portfolio companies *Itadel* and *Godt Smil*. In addition, Maj Invest Equity has provided advisory services on the acquisition of the portfolio companies *Genan* and *N'AGE* as well as a minority investment in the battery manufacturer *Morrow*.
- Maj Invest Equity International secured additional investment commitment of USD 52 million in the third fund investing in microfinance. Total investment commitments now amount to USD 176 million.
- Jens Aaløse has been employed as new Managing Director and Managing Partner with responsibility for private equity activities. Marianne Settnes (Legal & Compliance) and Kasper Svarrer (Financial Inclusion) have both been appointed Managing Directors.

MILESTONES FOR THE MAJ INVEST GROUP

2005

Fondsmæglerselskabet Maj Invest A/S established. *Investeringsforeningen Maj Invest* (mutual fund) and first Danish private equity fund established.

2008

Investeringsforeningen Maj Invest (mutual fund) receives first Morningstar rating.

2010

First microfinance private equity fund established.

2014

Representative office in London established and establishment of Maj Invest South America, Peru.

2015

Maj Bank established. Second microfinance private equity fund established.

2016

Private equity fund Maj Invest Equity 5 established.

2017

Registration in the US (SEC) and with the authorities in Canada.

2018

Microfinance company in India established.

2019

Establishment of two investment funds in the US based on value equities. Establishment of third microfinance private equity fund.

2020

Establishment of the mutual fund *Grønne Obligationer* (green bonds) in *Investeringsforeningen Maj Invest*.

2021

Authorisation as portfolio manager in four provinces in Canada. Advisory services to the fund *Private Equity Minorities I*.

2022

Establishment of the mutual fund *Net Zero 2050* in *Investeringsforeningen Maj Invest*.

BUSINESS ACTIVITIES OF THE GROUP

The Group's main business areas are Maj Invest Asset Management and Maj Invest Equity, with both Danish and international activities. Both business areas provide advisory services to institutional clients and other large clients. In addition, Maj Bank provides advisory services to retail clients.

Maj Invest Asset Management provides advisory services on the composition of securities portfolios and management of listed equities and bonds. The clients comprise institutional clients in Denmark as well as internationally, the mutual fund *Investeringsforeningen Maj Invest* in Denmark and the international mutual fund *Maj Invest Funds*. In addition, advisory services are provided to two investment funds investing in value equities.

Maj Invest Equity provides investment advisory services to two private equity funds primarily investing in unlisted equities in Denmark. Currently, the two private equity funds comprise 13 companies in the portfolio. In addition, Maj Invest Equity extends its advisory services to a third private equity fund with a broad focus within minority investments.

Maj Invest Equity International provides investment advisory services to three private equity funds investing internationally within microfinance, financial infrastructure and microfinance banks. At present, there are 11 companies in the portfolio.

Maj Bank provides investment advisory services on savings and investments to retail clients.

MAJ INVEST ASSET MANAGEMENT

Maj Invest Asset Management provides advisory services on portfolio and investment decisions and asset management of listed products. Products are offered both as discretionary portfolio management agreements, investment advisory services agreements and through investment funds, including through 15 funds of the mutual fund *Investeringsforeningen Maj Invest* to which the Group acts as investment adviser. Products are distributed through such channels as distribution agreements, among other things.

Maj Invest Asset Management has provided several investors with advisory services on investments in global value equities. The strategy has delivered good returns for investors and over time generated a significant excess return that also excels internationally.

BUSINESS STRUCTURE - THE MAJ INVEST GROUP

MAJ INVEST HOLDING A/S		
FONDSMÆGLERSELSKABET MAJ INVEST A/S	MAJ BANK A/S	MAJ INVEST EQUITY A/S
<p>Asset management Advisory services to professional clients on asset allocation and listed assets</p> <p>Investment funds</p> <ul style="list-style-type: none"> ▪ <i>Investeringsforeningen Maj Invest</i>, Denmark ▪ <i>Maj Invest Funds</i>, Luxembourg ▪ <i>Maj Invest Global Value Equities Fund LP</i>, USA ▪ <i>Maj Invest Collective Investment Trust</i>, USA 	<p>Bank Advisory services to private clients on investments and savings</p> <p>Maj World Client and advisory services platform</p>	<p>Private equity Advisory services to private equity funds on investment in unlisted companies</p> <p>Danish private equity funds <i>Maj Invest Equity 4 K/S</i> <i>Maj Invest Equity 5 K/S</i> <i>Maj Invest Equity 6 K/S</i> (being set up)</p> <p>International private equity funds <i>Danish Microfinance Partners K/S</i> <i>Maj Invest Financial Inclusion II K/S</i> <i>Maj Invest Financial Inclusion III K/S</i></p> <p>Other funds <i>Private Equity Minorities I K/S</i></p>
Representative office in England		Group companies in Peru and India

In recent years, we have entered into several discretionary agreements on the value equities product with international investors directly and through Maj Invest Funds, an internationally based mutual fund primarily focusing on European clients. In addition, we advise two investment funds in the United States, which saw growth in assets in 2021, one reason being many new investors.

The value equity product has experienced an international breakthrough, and assets from international investors of DKK 60 billion represent more than half of the Group's total assets under management. As a result of this growth, Maj Invest Asset Management has been authorised as a non-resident portfolio manager in four Canadian provinces in 2021. In addition, Maj Invest Asset Management is registered in Australia (with exemption) and the United States.

In recent years, Maj Invest Asset Management has been working on developing new climate-focused products. Among other things, this has led to the launch of the products Maj Invest Grønne Obligationer (green bonds) in 2020 and Maj Invest Net Zero 2050 in 2022 through the mutual fund *Investeringsforeningen Maj Invest*.

INVESTERINGSFORENINGEN MAJ INVEST (MUTUAL FUND)

Maj Invest Asset Management acts as investment advi-

ser to *Investeringsforeningen Maj Invest*, which comprises 15 funds and has been offered to both private and professional investors for 16 years. The total number of investors increased by 23% to more than 51,000 in 2021. The assets under management increased by DKK 2 billion, and the total assets under management were DKK 26 billion at year-end 2021.

New green fund: Net Zero 2050

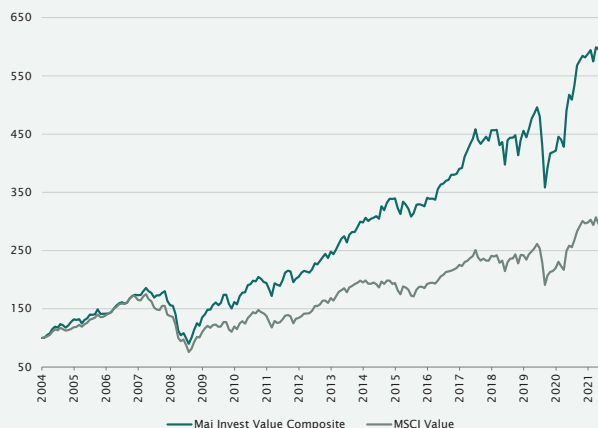
In February 2022, the mutual fund *Investeringsforeningen Maj Invest* launched the fund *Maj Invest Net Zero 2050*, which invests in the green transition.

The EU countries target climate neutrality in 2050, and the United States and China also have green goals. Climate neutral means no net carbon or greenhouse-gas emissions. This requires massive investment and represents great opportunities for investors.

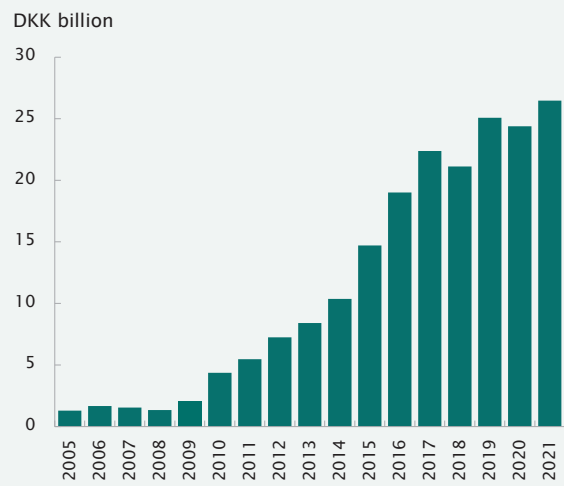
Net Zero 2050 invests in both companies with focus on climate issues and companies and resources that are prerequisites for the green transition.

This means that the fund may invest in the entire value chain surrounding electric cars: from the extraction of essential metals to the development of technologies and the production of cars and components. Or it may invest in the infrastructure or production and distribution of electricity. The fund may also invest in metals and raw materials.

RETURN FOR THE VALUE STRATEGY RELATIVE TO THE MSCI VALUE INDEX



INVESTERINGSFORENINGEN MAJ INVEST (MUTUAL FUND) TREND IN ASSETS SINCE ESTABLISHMENT



INVESTERINGSFORENINGEN MAJ INVEST (MUTUAL FUND) PERFORMANCE RELATIVE TO COMPARABLE INDEX AND MORNINGSTAR CATEGORY

	Return 2021	Return since launch	Performance relative to index	Performance relative to Morningstar category		Launch date
				1 year	10 years	
Danske Aktier	22.6	544.3	+51.2	+2.3	+6.3	16 Dec 2005
Vækstaktier ¹⁾	23.9	106.7	+28.4	+1.7	-	13 Jun 2017
Value Aktier	29.2	313.9	+45.8	+3.6	+44.6	16 Dec 2005
Value Aktier Akk.	29.3	67.1	-38.3	+3.7	+43.3	29 Jun 2015
Value Aktier SRI+	32.7	42.2	-16.0	+7.2	-	2 Oct 2018
Emerging Markets Value	7.5	38.7	-42.1	+2.6	-	16 Dec 2013
Global Sundhed	7.4	210.1	-0.9	-	-	1 Mar 2013
Danske Obligationer	-2.2	64.4	+13.5	+0.9	+7.5	16 Dec 2005
Globale Obligationer	0.1	78.6	+27.8	+0.5	+19.6	16 Dec 2005
Grønne Obligationer ²⁾	0.9	3.3	+4.9	+1.3	-	3 Jun 2020
High Income Obligationer	5.9	25.8	-1.4	-4.4	-	30 Oct 2015
Pension	12.3	140.6	+27.0	+3.2	+34.0	16 Dec 2005
Kontra	-10.5	48.1	-	-	-	11 Jun 2006
Makro	14.7	99.2	+14.4	+5.2	-	22 Mar 2013

Notes: The mutual fund Kontra has no comparable index. In performance relative to Morningstar category, extended performance for the mutual fund Maj Invest Value Aktier Akkumulerende is included; thus, its track record dates back to the launch of the mutual fund Maj Invest Value Aktier. 1) The mutual fund changed its name and adjusted its investment area in June 2017. 2) Return since launch in June 2020.

Climate-focused product range established

All mutual funds of Investeringsforeningen Maj Invest adhere to the fund's general policy for sustainable and socially responsible investments and are therefore also subject to a norm-based screening and process for active ownership. In 2021, an EU regulation on sustainability-related disclosures became effective. Eight of the mutual funds in Investeringsforeningen Maj Invest have been classified as "Article 6", and six have been classified as "Article 8", meaning that they include sustainability in the investment process.

Investors that combine the new mutual fund, Maj Invest Net Zero 2050, with Maj Invest Grønne Obligationer (green bonds) and one or more of the equity funds Maj Invest Global Sundhed (health equities), Maj Invest Vækstaktier (growth equities) and Maj Invest Value Aktier SRI+ (value equities) get a portfolio investing in green solutions and future technologies and not in fossil fuels.

FIRST WHOLE YEAR WITH MAJ INVEST GRØNNE OBLIGATIONER (GREEN BONDS)

In the middle of June 2020, the mutual fund Investeringsforeningen Maj Invest launched the fund Maj Invest Grønne Obligationer (green bonds). The fund invests exclusively in green bonds and was the first green fixed-income mutual fund in Denmark.

The investors in Maj Invest Grønne Obligationer thereby finance several green projects that in their own way help to achieve one or more Sustainable Development Goals. Read more in the fund's impact report at majinvest.dk/majgro (in Danish).

A green bond is defined by the fact that it only finances green projects with clear environmental benefits, such as projects within sustainable energy, clean transport or adaptation to climate change.

The fund was well received by investors. At year-end 2021, the total assets amounted to DKK 755 million.

MAJ INVEST EQUITY

Maj Invest Equity is among the largest private equity advisers in the small and medium-sized enterprise segment in Denmark. Maj Invest Equity currently advises three funds. The focus in 2021 has been on developing the portfolio companies and optimally navigating them through the effects and after-effects of COVID-19.

Maj Invest Equity 4 K/S is fully invested and has four remaining companies in the portfolio at year-end 2021. In 2021, Maj Invest Equity provided advisory services on the sale of the portfolio company Godt Smil, which was Denmark's leading dental chain, with 31 clinics. During the ownership period of Maj Invest Equity 4 K/S, Godt Smil has shown growth rates of more than 20% annually. The sale has provided investors with a highly satisfactory return. After closing of the 2021 accounts, advisory services were provided on a successful sale of Svendsen Sport.

The 2021 results of Maj Invest Equity 4 K/S totalled DKK 664 million, which is very satisfactory. The return places the fund in the top quartile of comparable European funds.

In 2021, Maj Invest Equity provided advisory services to Maj Invest Equity 5 K/S on the sale of the portfolio company Itadel, which was the fund's second exit, and on the acquisition of the environmental company Genan, the world's largest tyre recycling company. Genan is a pioneer in the recycling industry and has been one of the leading Danish companies within the green transition for several years.

In 2021, Maj Invest Equity further provided Maj Invest Equity 5 K/S advisory services on the acquisition of N'AGE, which is Denmark's largest chain of cosmetic clinics specialising in non-surgical treatments (non-invasive cosmetic treatments) performed by specially

trained nurses and doctors. The company was established in 2003 and comprises six cosmetic clinics, a webshop and an academy training cosmetic nurses.

Maj Invest Equity 5 K/S' 2021 results totalled DKK 415 million, which is considered highly satisfactory.

In 2021, Maj Invest Equity started providing advisory services to the newly established fund Private Equity Minorities I K/S. The fund broadly focuses on minority investments in companies and funds in developed markets, primarily in unlisted companies. Some of the commitment may be allocated to direct or indirect investments in venture within greentech and life science tech. The fund's investment commitment totals DKK 5 billion. In 2021, Maj Invest Equity provided advisory services on the fund's first investment in the battery factory Morrow, which aims to develop the world's most sustainable batteries. The investment strategy for Private Equity Minorities I K/S does not overlap the investment strategies of Maj Invest Equity 5 K/S or the future fund, Maj Invest Equity 6 K/S.

As part of the Maj Invest Group, Maj Invest Equity works based on the same criteria as the United Nations principles for responsible investment (PRI) in such areas as human rights, labour rights, environment and anti-corruption.

In 2021, Jens Aaløse joined as new Managing Partner in Maj Invest Equity, as mentioned in the section on management and ownership. Jens was part of TDC's group management from 2014 to 2021, former CEO of Danske Spil and part of the management in SAS.

INVESTMENT STRATEGY FOR MAJ INVEST EQUITY 5 K/S

The investment strategy for Maj Invest Equity 5 K/S is to invest in small and medium-sized Danish enterprises with a value of DKK 225–450 million (€30–60 million). Investments are made in companies that have value creation potential in service, brands, manufacturing and food. The portfolio companies need to occupy a strong market position or have the potential to carve out a strategic position in a growing market.

Maj Invest Equity 5 K/S usually takes a leading role in the investment but differs from other private equity funds since it applies a flexible ownership model that invests in both minority and majority shareholdings. This is done with an active and dynamic partnership philosophy in collaboration with the other shareholders, management and business partners. The focus is on thoroughly aligning expectations with those of our investment partners. This is done by proposing transparent plans, aims and ambitions and setting out plans for the most important measures to be implemented during the fund's ownership. Companies must focus on skills that generate a competitive advantage in the market. Owners and management have to agree on a robust and well-thought-out strategy and business plan. Companies seeking growth, new capital and fresh skills are typical investment opportunities for Maj Invest Equity 5 K/S.

Value creation is based on a long-term operational and strategic increase in value through permanent improvements and innovation. Added to this is the opportunity for targeted organic growth and growth through acquisitions. Long-term ownership, supported by experienced and capable managers and business partners who can contribute to business improvements for these companies, also forms part of the value creation strategy. These partners will usually undertake roles on the board of the companies but will also be co-investors. An important prerequisite when investing in a company is that management itself invests in the business. This ensures the best possible convergence of interests between Maj Invest Equity 5 K/S and management.



MAJ INVEST EQUITY INTERNATIONAL

Since 2010, Maj Invest Equity International has provided investment advisory services within microfinancing and financial inclusion. Maj Invest Equity International advises three private equity funds with similar investment strategies.

Investments are made in financial institutions and banks providing financial services such as loans, savings accounts, insurance and payment transfers, among other things, to the poorest parts of the population in selected countries in Latin America, Africa and Asia, with a focus on India. The expected return of the most recent fund, Maj Invest Financial Inclusion Fund III, is Net IRR 15–20%. The fund was established in December 2019, and total investment commitments were USD 176 million at year-end 2021. The fund's final closing is set for March 2022, with expected total commitments of USD 183 million.

Further, in its work with the investments, Maj Invest Equity International encourages integrating environmental, social and governance (ESG) factors and how the investments in such financial institutions positively affect clients and the surrounding society. In addition, Maj Invest Equity aims to further several Sustainable Development Goals, especially number 1 (No Poverty) and number 5 (Gender Equality) when working with the investments.

The investment strategy of the funds is to promote social sustainability, hereby giving the very large client group below the middle class access to financial services and thus the opportunity for financial development. Typically, these include working capital loans for small family businesses. In addition, the financial institutions also help in educating their clients within budgeting and savings planning, among other things. The funds also seek to promote environmental responsibility, including reducing and adapting to climate change and promoting governance in the portfolio companies.

OUTREACH FINANCIAL INCLUSION FUNDS



33.4
million clients



3,959
USD million
loan portfolio



1,601
USD million
savings portfolio

46%
female clients



88%
income-generating
activities



2,810
branches

78%
clients in
rural areas



37%
agricultural
activities



30,862
business
correspondents

To assist the team of five people in Denmark, subsidiaries in Peru and India have six employees. The team very thoroughly analyses potential investments before investing and takes a very active work approach towards the companies in the ownership period. The funds are typically represented in the board of directors.

In addition, Maj Invest Equity International provides advisory services to two funds with investments in Vietnam and Indonesia. No new investments will be made, but in 2021 advice was given on the sale of a portfolio company in Indonesia.

MAJ BANK

Maj Bank provides investment advisory services to clients and offers accounts and custody accounts for savings and investment purposes. Maj Bank is a savings bank that supplements clients' everyday bank business.

Similar to 2020, the COVID-19 situation impacted the year. There have been many restrictions on client events and other physical activities. Despite these restrictions, there was a high level of activity in 2021, especially driven by considerable interest from clients. Maj Bank benefitted from references from existing clients, which is considered a sign that existing clients have a positive experience of the advice and services provided by Maj Bank. In 2021, the number of clients increased by just under 20%.

2021 generated reasonable returns for clients. Generally, the financial markets provided good returns. This combined with the influx of new clients resulted in an increase in total assets of 34%.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group has not had any research activities; however, during financial year 2021 the Group, together with external suppliers, further developed the IT knowledge platform Maj World that is used in Maj Bank A/S.



MANAGEMENT AND OWNERSHIP

Maj Invest Holding A/S is the parent company of the Maj Invest Group. Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S carry out many of its activities. The Maj Invest Group also consists of Maj Bank A/S and a variety of management companies related to the Group's activities in the Maj Invest Equity business area. A Group overview is available on the company website at majinvest.com/en/about-maj-invest/about-maj-invest/structure.

MANAGEMENT

The Board of Directors has seven members, three of whom are elected by the employees. The shareholder-elected board members were last changed in 2020. An election for employee directors was held in 2021. Two employees were re-elected, and one was elected for the first time.

The Executive Board comprises Jeppe Christiansen and Henrik Parkhøi. Jens Aaløse has joined the Group as new Managing Director and Managing Partner with responsibility for private equity activities, among other things. He is expected to be registered as Managing Director in 2022.

In addition, the Group's management comprises Managing Director Marianne Settnes, Head of Legal & Compliance, and Managing Director Kasper Svarrer, who is in charge of private equity activities within the financial inclusion area.

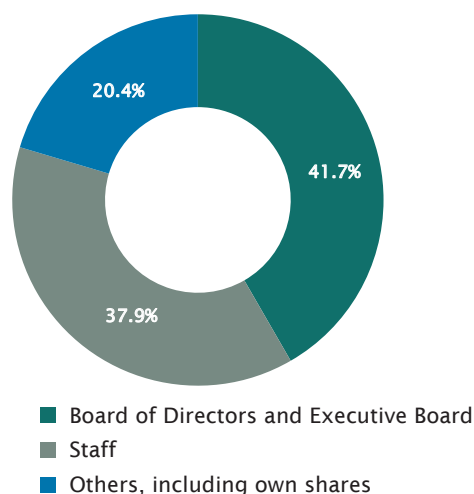
Several of the directors and the Executive Board are also represented on the Board of Directors and/or the Executive Board in other companies in the Group.

The directorships and executive functions of the Board of Directors and the Executive Board are explained in the section on executive functions and directorships.

OWNERSHIP

Corporate employees have currently received an offer to buy shares in Maj Invest Holding A/S. This offer to employees should be viewed as an element in furthering shareholders' common interest, retaining the expertise and qualifications in the organisation and thus reinforcing the commitment of employees in a competitive financial group. The Board of Directors, the Executive Board and the majority of employees own shares in Maj Invest Holding A/S. The shareholder distribution in Maj Invest Holding A/S as of year-end 2021 is shown in the figure below.

DISTRIBUTION OF SHARES IN MAJ INVEST HOLDING A/S



STAFF CONDITIONS AND POLICIES ETC.



For the period until March 2023, the Board of Directors had set a target for the share of the underrepresented gender at 25% of shareholder-elected directors. The shareholder-elected directors include Tommy Pedersen, Maria Helene Hjorth, Nils Bernstein and Jørgen Tang-Jensen, and the target has therefore been met. To encourage diversity, in March 2022 the Board of Directors set two new targets of 40% for the period until March 2026 for the Board of Directors and other management levels. Maj Invest is aware that gender is one of the more relevant parameters for diversity and that there is a continued need for encouraging diversity in general.

The Board of Directors of Maj Invest Holding A/S and the Boards of Directors of the subsidiaries Fondsmæglerelskabet Maj Invest A/S and Maj Bank A/S have also prepared policies that aim for a more equal gender distribution in the Boards of Directors and at other management levels and, moreover, to encourage diversity. The strategy is still to fill management positions based on qualifications but to encourage diversity if possible.

The long-term objective is for the company to reflect the surroundings, making it an attractive choice for both clients and current and future employees.

SALARY AND REMUNERATION POLICY AND PRACTICE

Once a year, the Board of Directors revises the Group's salary and remuneration policy and practice. The Board of Directors has decided not to appoint a remuneration committee because of the Group's size. The salary and remuneration policy is available on the Group's website at majinvest.com/juridisk (in Danish).

Note 8 in the financial statements provides further information on the remuneration and salaries of the Board of Directors, the Executive Board and the employees whose activities significantly influence the company's risk profile by fixed and variable remuneration.

KNOWLEDGE RESOURCES

The Group's business activities are based on providing advisory services regarding trading and investing in listed securities and private equity. This places exacting demands on the qualifications and specialist expertise of the employees. A very high share of the employees have expertise in special investment areas and extensive experience within the financial sector.



POLICIES

CLIMATE AND SOCIAL RESPONSIBILITY - PRODUCTS

The Maj Invest Group aims to support investments and products encouraging social responsibility and sustainability within climate issues. The Maj Invest Group offers investment strategies and specific investments in sustainable energy and companies developing technologies and products that reduce the carbon footprint (scope 1, 2 and 3).

The Maj Invest Group provides advisory services to:

- Maj Invest Value Aktier SRI+ (value equities)
- Maj Invest Grønne Obligationer (green bonds)
- Maj Invest Net Zero 2050
- Maj Invest Global Sundhed (health equities)
- The investment in Morrow Batteries (sustainable batteries)

CLIMATE AND SOCIAL RESPONSIBILITY - PRINCIPLES

Maj Invest encourages contributions to social responsibility and climate. For several years, the Maj Invest Group has been working with sustainable investments and investment strategies.

- The Maj Invest Group adheres to internationally recognised sustainability standards and principles.
- All investments in listed securities in Maj Invest Asset Management are screened to ensure that companies live up to Maj Invest's policy on social responsibility. The Maj Invest Group cooperates with an internationally recognised third party concerning screening and engagement.
- In 2010, Maj Invest and Maj Invest Equity signed the United Nations international principles for responsible investment (PRI) and adheres to the principles.
- The Maj Invest Group has a staff committee with the objective of addressing climate-friendly solutions in the Group, including reducing the carbon footprint.
- The Maj Invest Group has a staff committee with a social purpose. The committee's work focuses on donations for marginalised groups in society.

FINANCIAL CONTRIBUTIONS WITH A SOCIAL PURPOSE

For several years, the Maj Invest Group has made financial contributions to several projects supporting marginalised people and charitable purposes. During the past 5 years, contributions were made to more than 30 projects.



GENDER DISTRIBUTION

AT THE BEGINNING OF 2022

	Men	Women
Group management	80%	20%
Mid-level managers	81%	19%
Total	68%	32%

EMPLOYEE AGE DISTRIBUTION

AT THE BEGINNING OF 2022

60+ YEARS	7%
50-59 YEARS	27%
40-49 YEARS	26%
30-39 YEARS	19%
20-29 YEARS	21%

FINANCIAL REVIEW

RECOGNITION AND MEASUREMENT RISKS AND UNCERTAINTIES

The major risks pertaining to recognition and measurement relate to market and liquidity-related transactions, performance fees and, to a smaller degree, to unlisted investments and the calculation of intangible assets.

The market and liquidity-related positions are mostly placed in Danmarks Nationalbank (central bank), in Danish listed mortgage bonds and in large banks in Denmark. Moreover, there are listed as well as unlisted investments - the latter primarily relating to Maj Invest Equity - and the Group's treasury-related activities. Investments are measured at their fair value and the value is accordingly adjusted on an ongoing basis.

Intangible assets pertain to development costs for the IT platform Maj World and software in general. These assets are written off continuously, and the useful value of Maj World and the value of software are assessed on an ongoing basis. Consequently, there is, in our opinion, a modicum of uncertainty associated with the measurement of these assets at year-end 2021.

There have been no extraordinary events in the period under review that can have affected recognition or measurement.

MAJ INVEST HOLDING A/S

Market value and currency translation adjustments relating to the company's treasury activities showed a gain of DKK 27.0 million against a loss of DKK 9.7 million at year-end 2020. Equities amounted to DKK 24.7 million. The main part of these market value and currency translation adjustments pertain to the two Danish private equity funds. Other market value and currency translation adjustments primarily relate to currency translation adjustments as a consequence of a rising US dollar, among other things.

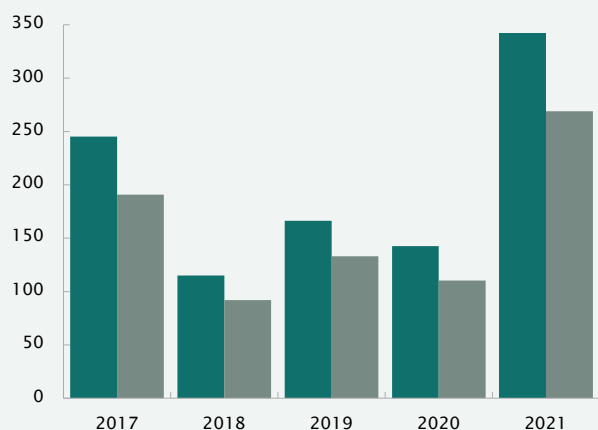
Other operating income amounted to DKK 6.4 million in 2021 compared with DKK 7.4 million in 2020. The main part relates to the administration of certain private equity funds. The decline is as expected and should be seen in the context of the old funds for which the investment period has ended as there is no administration of the newer private equity funds. Additionally, there is income from the sale of services to other group companies.

Staff and administrative costs increased from DKK 14.1 million in 2020 to DKK 15.6 million in 2021. The activity level was higher in 2021 than in 2020, even though it was still impacted by the development in the COVID-19 situation.

TRENDS IN PROFIT (GROUP)

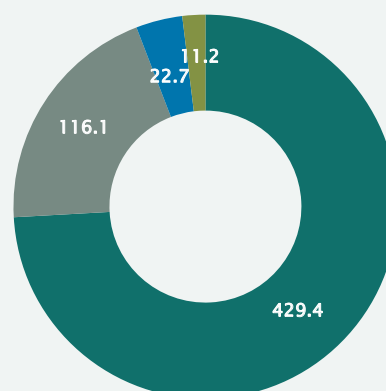
- Profit before tax
- Profit after tax

DKK million



GROSS REVENUE, INCL. ELIMINATIONS (DKK MILLION)

- Asset Management
- Equity
- Treasury
- Bank



In 2021, depreciation charges on intangible assets increased DKK 0.6 million to DKK 2.4 million, which is related to IT software.

Results from interests in associated companies totalled DKK 0.2 million in 2021 compared with DKK -1.7 million in 2020. Associated companies are attributable to the company's treasury investments and should be viewed in the context of the company's other treasury investments referred to under market value and currency translation adjustments.

Results of interests in group enterprises totalled DKK 258.0 million in 2021, which is more than double the results in 2020 of DKK 125.7 million. Results in group enterprises are explained in more detail in the section entitled "Significant subsidiaries".

Net profit for the year 2021 amounted to DKK 269.1 million compared with DKK 110.3 million in 2020. Net profit for the year is highly satisfactory and the company's best to date. Profit is above the upgraded forecast of profit after tax in the level of DKK 220-240 million as expressed in the interim financial statements.

At year-end 2021, shareholders' equity was DKK 464.0 million compared with DKK 382.9 million at year-end 2020. In 2021, dividend for 2020 and interim dividend for 2021 for a total of DKK 206.8 million were distributed.

At year-end 2021, the total balance sheet was DKK 580.6 million (year-end 2020: DKK 531.7 million).

SIGNIFICANT SUBSIDIARIES

Fondsmæglerselskabet Maj Invest A/S' gross income was DKK 468.0 million; an increase of 47% compared with gross income of DKK 317.7 million in 2020. The increase primarily relates to fee income in Asset Management that experienced an inflow from international clients in particular, now representing half of the company's fee income. Staff and administrative costs showed an increase in 2021 to DKK 167.3 million compared with DKK 156.5 million in 2020. Profit after tax amounted to DKK 231.9 million in 2021. Profit after tax for 2020 was DKK 122.8 million. Shareholders' equity at year-end 2021 was DKK 267.6 million, and the total assets were DKK 316.2 million.

Maj Invest Equity A/S' gross income totalled DKK 72.1 million in 2021 compared with DKK 48.4 million in 2020. Gross income in 2021 is positively affected by carried interest being recognised as a result of good returns for investors in one of the private equity funds as well as increasing income from the influx of new investors in a private equity fund investing within microfinance and financial inclusion. Staff and administrative costs showed a modest increase to DKK 40.9 million. Profit after tax was DKK 28.9 million in comparison with DKK 6.1 million in 2020. Shareholders' equity amounted to DKK 47.9 million at year-end 2021, and the total assets were DKK 82.9 million.

Maj Bank A/S' gross income was DKK 10.6 million compared with DKK 10.2 million in 2020. Net fee income derived from client-related activities increased by DKK 2.1 million compared with 2020. The development in the financial markets led to a reduction in the bank's portfolio of DKK 2.0 million compared with 2020.

Profit after tax was DKK -3.7 million; the same level as 2020. Shareholders' equity amounted to DKK 56.5 million at year-end 2021, and the total assets were DKK 175.7 million.

For an overview of the profits and shareholders' equity of subsidiaries, please see note 26.

COMMENTS ON SELECTED ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's gross income rose 57% and totalled DKK 579.4 million in 2021 compared with DKK 368.2 million in 2020. The increase is positively affected by an increase in business volume and positive market value and currency translation adjustments.

Net interest and fee income increased from DKK 357.9 million in 2020 to DKK 524.9 million in 2021, equivalent to an increase of DKK 167.0 million. The increase is the result of major interest in the product Global Value Equities in Asset Management. In addition, further capital inflow and positive returns have affected assets under management and thus the Group's fee income.

In 2020, market value and currency translation adjustments amounted to a modest loss of DKK 0.1 million against a gain of DKK 49.0 million in 2021. A large

part of the market value and currency translation adjustments relate to the Group's treasury activities. In 2021, the Group generated an excess return on unlisted equities (carried interest) from one of the Danish private equity funds advised by the group.

The Group's cost level in the form of staff and administrative costs and depreciation charges on intangible and tangible assets amounted to DKK 238.1 million in 2021, which is an increase of DKK 14.3 million from DKK 223.8 million in 2020. Salary-related costs rose by DKK 14.5 million to DKK 168.8 million in 2021, among other things as a consequence of higher bonus-related costs, general salary increases, etc. Other costs amounted to DKK 63.9 million; a modest decline compared with the DKK 64.4 million in 2020. Other costs are still affected by the COVID-19 situation, one of the reasons being modest travel-related expenses and lower costs for client-related activities.

For the treasury-related investments which are associated companies due to the ownership interest/share of votes, results amounted to DKK 0.2 million in 2021 compared with DKK -1.7 million in 2020. Results of interests in associated companies should be seen in the context of the Group's other treasury-related investments.

Consolidated profit before tax amounted to DKK 341.6 million in 2021, equivalent to a return on equity of 80.7%. In 2020, consolidated profit before tax was DKK 142.6 million. Profit after tax amounted to DKK 269.1 million in 2021 and thus exceeds the expectations of profit after tax of DKK 220-240 million revised upwards in the 2021 interim report. Profit after tax is the highest ever in the history of the Group. In 2020, profit after tax was DKK 110.3 million.

Total consolidated assets amounted to DKK 764.3 million at year-end 2021 (year-end 2020: DKK 713.0 million). More than half of assets are highly liquid and consist of receivables from central banks and credit institutions and listed bond holdings.

At year-end 2021, shareholders' equity totalled DKK 464.0 million versus DKK 382.9 million at year-end 2020. In 2021, dividends of DKK 101.7 million concerning financial year 2020 were distributed together with interim dividends of DKK 105.1 million for 2021. Additionally, own shares were sold for net DKK 18.1 million.

CAPITAL AND CAPITAL RATIOS

The Group's own funds totalled DKK 293.4 million at year-end 2021 compared with DKK 264.0 million at year-end 2020. Note 25 of the financial statements shows the relationship between shareholders' equity and own funds.

The Group's capital ratio was 21.4% at year-end 2021 which is a decline of 1.6 percentage points in comparison with 23.0% at year-end 2020. The Group's own funds are still strong compared to the statutory minimum requirements.

Group risk exposure totalled DKK 1,373.8 million at year-end 2021 versus DKK 1,147.3 million at year-end 2020. Credit risk exposures rose by DKK 83.9 million to DKK 448.5 million at year-end 2021 due to increasing business volume and higher fee receivables. Market risk exposures were DKK 113.8 million; on level with year-end 2020. The Group's operational risk items increased by DKK 142.1 million to DKK 811.4 million at year-end 2021. Operational risk items are calculated according to a simple method (basic indicator approach) using the average gross income over the previous three years. The increase in consolidated income entails a computationally rise in capital requirements even though the development does not reflect an actual increase in the Group's operational risks.

At year-end 2021, the Parent's own funds amounted to DKK 295.3 million versus DKK 267.0 million at year-end 2020. Given total risk exposure of DKK 766.1 million, the capital ratio was 38.6% at year-end 2021. The capital ratio was 36.7% at year-end 2020.

With the current level of own funds, both the Group and the Parent company have adequate excess cover in terms of the sufficient level of own funds set by the Board of Directors to meet the capital adequacy requirements.

CORPORATE RISKS

As a financial business, the Group undertakes various risks relating to credit, market, liquidity and operations. Risk management is a crucial activity given full attention by management because uncontrolled development of such risks could adversely impact consolidated profit and the level of capital.

For a detailed description of corporate risks see note 28 (Financial instruments and risks) and the document (in Danish) on our website majinvest.com/kapitalforhold, which discloses financial information on capital and risks in compliance with the Capital Requirements Regulation (CRR).

DISTRIBUTION OF PROFIT

The Board of Directors recommends that the general meeting approves the distribution of dividends in the amount of DKK 4.5 per share of DKK 1. In August 2021, the company distributed interim dividends of DKK 2.9 per share of DKK 1; thus, total dividends for the financial year 2021 amounts to DKK 7.4 per share of DKK 1, equivalent to net profit for the year.

OUTLOOK FOR 2022

The variable portion of consolidated income is increasing, and a large part of the income directly depends on total assets under management and therefore on the development in the financial markets. Rising inflation and the COVID-19 situation, albeit to a lesser extent than previous years, increase the risk of fluctuations in the financial markets and thus the uncertainty of future earnings.

We expect gross income for 2022 on level with or lower than that of 2021. A significant portion of the gross income derived from private equity activities is expected to be performance-related. The level of performance-related gross income is subject to uncertainty and depends on the number of corporate sales on which we provide advisory services and investor returns on these investments.

In addition to human suffering and property damage, the Russian invasion of Ukraine has created massive security challenges, not least in Europe. This will, by all appearances, affect the economy significantly in a negative direction. The extent of these negative consequences cannot be meaningfully assessed at present. For 2022, we therefore expect profit after tax on level with or below profit after tax for 2021.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date and before the signing of the annual report that are thought to materially affect the assessment of our annual report.



EXECUTIVE FUNCTIONS AND DIRECTORSHIPS

Executive functions and directorships in commercial enterprises

BOARD OF DIRECTORS

TOMMY PEDERSEN

Chairman of the boards of:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Maj Invest Holding A/S
Bodum Invest AG, Switzerland

Vice chairman of the boards of:

Bodum Holding AG, Switzerland, with
one subsidiary
Bodum Land A/S
Løvenholm Fonden

Directorships:

Jeudan A/S
Pharmacosmos Holding A/S

Managing Director:

TP Advisers ApS

NILS BERNSTEIN

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Bank A/S
Maj Invest Equity A/S
Maj Invest Holding A/S

MARIA HELENE HJORTH

Chairman of the boards of:

Grandhood ApS
Monsenso A/S

Vice chairman of the boards of:

Thylander Gruppen A/S

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Maj Invest Holding A/S
Asetek A/S
Trifork Holding AG, Switzerland

Managing Director

Nolu Holding ApS

JØRGEN TANG-JENSEN

Chairman of the boards of:

Strøjer Ler A/S
Strøjer Tegl A/S
Strøjer Tegl Systems A/S

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Maj Invest Holding A/S
Rockwool International A/S
Villum Fonden
VKR Holding A/S

Other offices:

Tænketanken Europa

SØREN KRAG JACOBSEN

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Holding A/S

ANDERS MØLLER OLESEN

Directorships:

Maj Invest Holding A/S

Alternating directorships:

Fondsmæglerselskabet Maj Invest A/S

KIRSTEN SLOT

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Holding A/S

As regards executive board members' directorships, please refer to section 80 of the Danish Financial Business Act.

EXECUTIVE BOARD

JEPPE CHRISTIANSEN

Chairman of the boards of:

EMLIKA Holding ApS with one subsidiary and one subsubsidiary
Haldor Topsøe A/S
JEKC Holding ApS

Vice chairman of the boards of:

Novo Nordisk A/S

Directorships:

Bellabeat, Inc., USA
Kirkbi A/S
Novo Holdings A/S
Pluto Naturfonden
Randers Regnskov (the Randers Regnskov fund)

CEO:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Maj Invest Holding A/S

Managing Director:

Det Kgl. Vajsenhus

Other offices:

- Danish Microfinance Partners K/S, investment committee member
- Maj Invest Equity 4 K/S, investment committee member
- Maj Invest Equity 5 K/S, investment committee member
- Maj Invest Equity Southeast Asia II K/S, investment committee member
- Maj Invest Equity Vietnam I K/S, investment committee member
- Maj Invest Financial Inclusion Fund II K/S, investment committee member
- Maj Invest Financial Inclusion Fund III K/S, investment committee member

HENRIK PARKHØI

Directorships:

Maj Bank A/S
Maj Invest Equity A/S
Maj Invest Singapore Private Ltd., Singapore
Maj Invest South America S.A., Peru
Investeringsforvaltningsselskabet SEBinvest A/S

Deputy CEO:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Holding A/S



FINANCIAL STATEMENTS

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK thousand	Note	Group		Parent	
		2021	2020	2021	2020
Interest income	3	3,610	2,926	1,107	951
Interest expense	4	(3,089)	(2,721)	(1,402)	(1,313)
Net interest income		521	204	(295)	(362)
Dividend on equities etc.		1,106	964	957	718
Fee and commission income		544,740	374,636	-	-
Fee and commission expense		(21,475)	(17,953)	(32)	(83)
Net interest and fee income	6, 7	524,892	357,852	630	273
Market value and currency translation adjustments	5, 6, 7	48,988	(65)	26,995	(9,653)
Other operating income		5,552	10,367	6,387	7,357
Staff costs and administrative expenses	8	(232,745)	(218,664)	(15,555)	(14,105)
Depreciation, amortisation and impairment of intangible and tangible assets	17, 18	(5,307)	(4,888)	(2,419)	(1,792)
Other operating costs		(51)	(214)	-	-
Loan impairment charges	9	64	(89)	64	(89)
Results of interests in associated companies and group enterprises	15, 16	249	(1,739)	258,224	123,942
Profit before tax		341,641	142,560	274,325	105,934
Tax	10	(72,577)	(32,289)	(5,261)	4,337
Net profit for the year		269,064	110,271	269,064	110,271
Other comprehensive income					
Translation of results of foreign entities		800	(1,465)	800	(1,465)
Other comprehensive income, total		800	(1,465)	800	(1,465)
Comprehensive income for the year, total		269,864	108,806	269,864	108,806

DISTRIBUTION OF PROFIT

For distribution

Transferred from "Retained earnings previous years"	268,663	109,050
Net profit for the year	269,064	110,271
For distribution, total	537,727	219,321

Proposed distribution

Proposed dividend	163,575	109,050
Extraordinary dividend distributed in the financial year	105,088	-
Provision for "Reserve for net revaluation using the equity method"	261,024	128,919
Provision for equity under "Retained earnings"	8,040	(18,647)
Distributed amount, total	537,727	219,321

BALANCE SHEET

DKK thousand	Note	Group		Parent	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
ASSETS					
Cash in hand and					
demand deposits with central banks		95,610	9,600	3	3
Due from credit institutions and central banks	11	166,219	229,455	10,476	7,145
Loans and other receivables at fair value	9,12	2,980	10,178	2,646	9,844
Bonds at fair value	13	193,822	232,835	5,259	5,151
Equities etc.	14	158,962	129,487	141,681	113,163
Interests in associated companies	15	26,295	26,047	26,295	26,047
Interests in group enterprises	16	-	-	387,040	360,219
Intangible assets	17	6,530	6,643	4,481	3,619
Other tangible assets	18	3,509	3,084	68	16
Current tax assets		9	422	-	4,085
Deferred tax assets		100	73	-	-
Other assets	19	100,842	55,568	2,067	1,891
Prepaid expenses		9,438	9,565	633	499
Total assets		764,318	712,957	580,649	531,681

BALANCE SHEET

DKK thousand	Note	Group		Parent	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
LIABILITIES					
Debt					
Due to credit institutions	21	91,706	123,519	91,706	123,519
Deposits	22	115,628	99,487	-	-
Current tax liabilities		7,931	1,050	3,477	-
Other liabilities	23	60,581	71,074	18,429	22,221
Prepaid income		23,478	33,995	2,014	2,213
Total debt		299,325	329,125	115,625	147,953
Provisions					
Provisions for deferred tax		961	891	992	788
Provisions, total		961	891	992	788
Shareholders' equity					
Share capital		36,350	36,350	36,350	36,350
Accumulated value adjustments					
Accumulated currency translation of foreign entities		(1,406)	(2,206)	(1,406)	(2,206)
Other reserves					
Net revaluation using the equity method		-	-	58,936	56,912
Other reserves		46,934	28,876	104,843	86,785
Retained earnings		218,579	210,870	101,735	96,050
Proposed dividend		163,575	109,050	163,575	109,050
Total shareholders' equity		464,032	382,941	464,032	382,941
Total liabilities		764,318	712,957	580,649	531,681

Notes not referred to: 1, 2, 20, 24, 25, 26, 27 and 28.

STATEMENT OF CAPITAL - GROUP

2021						
DKK thousand	Share capital	Other reserves	Currency translation reserve	Retained earnings	Proposed dividend	Total
Shareholders' equity, year-end 2020	36,350	28,876	(2,206)	210,870	109,050	382,941
Net profit for the year	-	-	-	269,064	-	269,064
Other comprehensive income						
Translation of results of foreign entities	-	-	800	-	-	800
Other comprehensive income, total	-	-	800	-	-	800
Comprehensive income for the year, total	-	-	800	269,064	-	269,864
Transactions with owners						
Dividend 2020	-	-	-	-	(101,742)	(101,742)
Non-distributed dividend, own shares 2020	-	-	-	7,308	(7,308)	-
Extraordinary dividend 2021	-	-	-	(105,415)	-	(105,415)
Non-distributed dividend, own shares 2021	-	-	-	327	-	327
Proposed dividend	-	-	-	(163,575)	163,575	-
Acquisition of own shares	-	(26,586)	-	-	-	(26,586)
Sale of own shares	-	44,644	-	-	-	44,644
Shareholders' equity, year-end 2021	36,350	46,934	(1,406)	218,579	163,575	464,032

STATEMENT OF CAPITAL - GROUP

2020						
DKK thousand	Share capital	Other reserves	Currency translation reserve	Retained earnings	Proposed dividend	Total
Shareholders' equity, year-end 2019	36,350	25,942	(741)	201,842	105,415	368,808
Net profit for the year	-	-	-	110,271	-	110,271
Other comprehensive income						
Translation of results of foreign entities	-	-	(1,465)	-	-	(1,465)
Other comprehensive income, total	-	-	(1,465)	-	-	(1,465)
Comprehensive income for the year, total	-	-	(1,465)	110,271	-	108,806
Transactions with owners						
Dividend 2019	-	-	-	-	(97,608)	(97,608)
Non-distributed dividend, own shares 2019	-	-	-	7,807	(7,807)	-
Proposed dividend	-	-	-	(109,050)	109,050	-
Acquisition of own shares	-	(4,223)	-	-	-	(4,223)
Sale of own shares	-	7,157	-	-	-	7,157
Shareholders' equity, year-end 2020	36,350	28,876	(2,206)	210,870	109,050	382,941

STATEMENT OF CAPITAL - PARENT

2021	Reserve for net revalua- tion using		Currency		Retained earnings	Proposed dividend	Total
DKK thousand	Share capital	equity method	Other reserves	translation reserve			
Shareholders' equity, year-end 2020	36,350	56,912	86,785	(2,206)	96,050	109,050	382,941
Net profit for the year	-	261,024	-	-	8,040	-	269,064
Other comprehensive income							
Translation of results of foreign entities	-	-	-	800	-	-	800
Other comprehensive income, total	-	-	-	800	-	-	800
Comprehensive income for the year, total	-	261,024	-	800	8,040	-	269,864
Transactions with owners							
Dividend 2020	-	-	-	-	-	(101,742)	(101,742)
Non-distributed dividend, own shares 2020	-	-	-	-	7,308	(7,308)	-
Extraordinary dividend from subsidiaries 2021	-	(105,000)	-	-	105,000	-	-
Expected dividend from subsidiaries*	-	(154,000)	-	-	154,000	-	-
Extraordinary dividend 2021	-	-	-	-	(105,415)	-	(105,415)
Non-distributed dividend, own shares 2021	-	-	-	-	327	-	327
Proposed dividend	-	-	-	-	(163,575)	163,575	-
Acquisition of own shares	-	-	(26,586)	-	-	-	(26,586)
Sale of own shares	-	-	44,644	-	-	-	44,644
Shareholders' equity, year-end 2021	36,350	58,936	104,843	(1,406)	101,735	163,575	464,032

*Dividend will be approved at the annual general meeting in the spring 2022.

STATEMENT OF CAPITAL - PARENT

2020								
DKK thousand	Share capital	Reserve for net revaluation using equity method	Other reserves	Currency translation reserve	Retained earnings	Proposed dividend	Total	
Shareholders' equity, year-end 2019	36,350	55,993	83,850	(741)	87,940	105,415	368,808	
Net profit for the year	-	128,919	-	-	(18,647)	-	110,271	
Other comprehensive income								
Translation of results of foreign entities	-	-	-	(1,465)	-	-	(1,465)	
Other comprehensive income, total	-	-	-	(1,465)	-	-	(1,465)	
Comprehensive income for the year, total	-	128,919	-	(1,465)	(18,647)	-	108,806	
Transactions with owners								
Dividend 2019	-	-	-	-	-	(97,608)	(97,608)	
Non-distributed dividend, own shares 2019	-	-	-	-	7,807	(7,807)	-	
Expected dividend from subsidiaries*	-	(128,000)	-	-	128,000	-	-	
Proposed dividend	-	-	-	-	(109,050)	109,050	-	
Acquisition of own shares	-	-	(4,223)	-	-	-	(4,223)	
Sale of own shares	-	-	7,157	-	-	-	7,157	
Shareholders' equity, year-end 2020	36,350	56,912	86,785	(2,206)	96,050	109,050	382,941	

*Dividend was approved at the annual general meeting in the spring 2021.

STATEMENT OF CAPITAL - PARENT

The company's share capital consists of 36,350,000 shares of DKK 1 (year-end 2020: 36,350,000).

The company has issued 998,186 options (2020: 998,186 options) entitling holders to subscribe for a share. The options are issued at fair value. The options may be exercised in one annual period up to four weeks after the annual general meeting and until April 2023. The strike price of the issued options is the fair value at the time of issue.

Own shares 2021	Shares		In % of capital
	Number	Nom. value	
Own shares 1 January	2,436,099	2,436,099	6.7%
Acquisition of own shares	1,059,700	1,059,700	2.9%
Sale of own shares	(2,661,750)	(2,661,750)	(7.3%)
Own shares 31 December	834,049	834,049	2.3%

Own shares were acquired in connection with employees leaving the group. Own shares were sold in connection with the recruitment of group staff and as an extraordinary offer made to corporate employees. The value of the annual acquisition and sale of own shares was a net sale of DKK 18,058 thousand.

Own shares 2020	Shares		In % of capital
	Number	Nom. value	
Own shares 1 January	2,692,124	2,692,124	7.4%
Acquisition of own shares	371,875	371,875	1.0%
Sale of own shares	(627,900)	(627,900)	(1.7%)
Own shares 31 December	2,436,099	2,436,099	6.7%

Own shares were acquired in connection with employees and board members leaving the group. Own shares were sold in connection with the recruitment of group staff and directors joining the board and as an extraordinary offer made to corporate employees. The value of the annual acquisition and sale of own shares was a net sale of DKK 2,935 thousand.

NOTES

Note 1 Accounting principles

GENERAL

The annual report, which comprises the group and its parent, Maj Invest Holding A/S, has been prepared in compliance with the Danish Financial Business Act, including the Executive Order on Financial Reporting for Credit Institutions and Investment Companies etc.

The accounting policies are the same as last year.

Consolidation

The consolidated financial statements comprise the parent, Maj Invest Holding A/S, and the entities, in which the parent directly or indirectly holds more than 50% of the voting rights, or in which the parent has a controlling interest through its holding of shares or in some other manner.

The consolidated financial statements are prepared by aggregating uniform income, costs, assets and liabilities. Intra-group income and expenses, accounts and intra-group profit or loss arising from transactions between consolidated entities are eliminated.

The financial statements included in the consolidated financial statements have been prepared in compliance with the group's accounting policies.

The parent's interests in consolidated subsidiaries are eliminated against the parent's share of the particular subsidiary's equity value.

Recognition and measurement

All income and expenses relating to the reporting period are recognised in the income statement regardless of time of payment.

Retrocession fees are recognised after deduction of fees which contractually are to be settled with the client.

Assets are recognised in the balance sheet, if, in all probability, future economic benefits will flow to the company, and the values of such assets can be measured reliably.

Liabilities are recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the company, and the values of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement of assets and liabilities after initial recognition is made as described below for each accounting item.

Recognition and measurement of assets and liabilities have taken into account any information available after the balance sheet date but before the presentation of the annual report, either affirming or not affirming conditions existing on the balance sheet date.

Foreign currency

Transactions in foreign currency are translated into Danish kroner at the exchange rates prevailing on the transaction date.

Monetary items in currencies other than Danish kroner are translated into Danish kroner at the closing rates of the particular currencies on the balance sheet date.

Non-monetary items in currencies other than Danish kroner recognised at cost are translated into Danish kroner at the exchange rates on the transaction date.

Non-monetary items in currencies other than Danish kroner recognised at fair value are translated into Danish kroner at the closing rates on the balance sheet date.

Any currency translation adjustments are recognised in the income statement. Any currency translation adjustments relating to foreign entities are recognised in other comprehensive income.

Derivatives

On initial recognition, derivatives are recognised at cost in the balance sheet and subsequently measured at fair value. Any changes in the fair values of derivatives are recognised currently in the income statement.

Intra-group transactions

Intra-group transactions are made on an arm's length basis or settled on the basis of actual costs.

Translation of foreign entities

The profits or losses of foreign associated companies or subsidiaries, which are independent units, are translated at the rates on the transaction date or corresponding average rates.

Balance sheet items are translated at the rates on the balance sheet date. Any currency translation adjustments arising from the translation of equity at the beginning of the year and any currency translation adjustments arising from the translation into Danish kroner (DKK) of profits or losses of foreign entities' functional rates are recognised directly in other comprehensive income.

NOTES

Note 1 continued

Tax

Tax on the year's results consisting of current tax and deferred tax for the reporting period is recognised in the income statement with the portion that is attributable to the results for the year and directly via equity with the portion that is attributable to equity transactions. Any changes in deferred tax due to tax rate adjustments are recognised in the income statement.

Provisions are made for both current and deferred taxes for the period under review in respect of the jointly taxed consolidated entities. The company is jointly taxed with all its subsidiaries residing in Denmark. The tax effect of joint taxation is allocated to profit or loss in the consolidated entities in proportion to their taxable incomes. The jointly taxed entities are included in the Danish tax prepayment scheme.

Provisions for deferred tax on any temporary differences between the tax base of assets and liabilities and their carrying amounts are measured using the balance-sheet liability method. If a temporary difference is negative, a deferred tax asset will be recognised if, in all probability, it can be applied to reduce any future tax liability.

Any deferred tax is measured in compliance with current tax rules and at the tax rate likely to be applicable once any temporary differences have been eliminated. Any deferred tax assets or liabilities are presented after offsetting in the same legal entity.

INCOME STATEMENT

Interest, dividends, fees and commissions

Interest, fees and commissions are accrued and recorded in the period they are earned and recognised in the income statement at the amounts relevant to the period under review.

Interests are presented gross, i.e. negative interests on due from credit institutions and bonds are presented under interest expenses, and negative interests on deposits are presented under interest income.

Commissions and fees etc., which are an integral part of the effective interest rate, are recognised as part of amortised cost. Commissions and fees etc., which are considered an integral part of the effective interest rate, are accrued and recognised over the term to maturity.

Dividends are recognised in the income statement at the time of declaration or on the distribution of interim dividends.

Performance-related investment management fees are recorded as income once the management service has been provided and the company, in all probability, will be entitled to such fees.

Fees and commissions received will include income from services vis-a-vis clients.

Market value adjustments

Any differences between the fair values and the carrying amounts of securities are recognised as market value adjustments.

Carried interest comprises a share of the return exceeding an agreed level and is recognised as market value and currency translation adjustments. Non-recognised carried interest is mentioned under the section "Contingent assets".

Other operating income

Other operating income includes items of a nature secondary to the company's core activity, including fees from entities for which we carry out administrative tasks. Other operating income is accrued when earned and recognised in the income statement at the amounts relevant to the period under review.

Staff costs and administrative expenses

Staff costs and administrative expenses include salaries, pensions and social costs, rent, IT costs, legal and audit fees and other administrative expenses. Costs relating to benefits and other payments payable to employees, including holiday pay etc., are recognised in step with employees performing the work entitling them to such benefits and other payments.

Results of interests in associated companies and group enterprises

The proportionate shares of net profits or losses for the reporting period in associated companies and subsidiaries are recognised as results of interests in associated companies and group enterprises.

BALANCE SHEET

Assets

Cash in hand and demand deposits with central banks

Cash in hand and demand deposits with central banks are recognised at their fair values.

NOTES

Note 1 continued

Receivables from credit institutions and central banks

On initial recognition, receivables from credit institutions and central banks are recognised at their fair values and subsequently at amortised cost.

Loans and other receivables

Loans and other receivables are recognised at amortised cost. Loans and other receivables are not held for trading purposes and only include loans where the borrower has no contractual right to repay the loan with tradable bonds issued by the company.

Loans and receivables, where there has not been a significant increase in credit risk since the first recognition, are written down by an amount corresponding to the statistically expected loss in the coming 12 months, while loans and receivables which have seen a significant increase in credit risk are written down by an amount corresponding to the expected loss over the remaining term of the loan/receivable. For loans and receivables that are impaired (non-performing), only interest on the written-down amount is recognised as income. As part of the group's treasury activities, Maj Invest Holding A/S has provided limited loans to commercial enterprises. Maj Bank A/S also has a very limited number of deposit accounts that are overdrawn due to payment of fees. The group has therefore not developed models for the impairment of loans and receivables. Write-downs are based on individual valuations and estimates.

Securities

Securities are recognised at their fair values on the balance sheet date. The fair values of unlisted investments are the transaction prices that would result from a trade between independent parties. The fair values of interests in private equity funds are computed at the fair values of the underlying investments in compliance with the International Private Equity and Venture Capital Valuation Guidelines drawn up by the IPEV Board. The settlement date is used as the date of recognition. Any change in value between the trade date and the settlement date is recognised as a financial asset or a financial liability.

Interests in associated companies and group enterprises

Interests in associated companies and subsidiaries are recognised and measured using the equity method. The proportionate interests in the equity values of associated compa-

nies or group enterprises computed on the basis of the fair values of identifiable net assets at the time of acquisition are recognised in "Interests in associated companies and group enterprises".

Goodwill is not amortised, but tested for impairment – at a minimum once annually. Writedowns as a result of impairment are included in the profit and loss account under "Investments in associated companies and group enterprises".

The total net revaluation of investments in associated and affiliated companies is allocated via the distribution of profits to the reserve for net revaluation using the intrinsic value method under the equity's statutory reserves. Reserves are reduced by dividend payments to the parent company and are adjusted by other equity movements in the subsidiaries.

Exchange rate adjustments for translation of foreign entities are recognised under other comprehensive income.

Intangible assets

Intangible assets consist of a trading system, a portfolio management system and computer software. Intangible assets are measured at cost with the deduction of any amortisation or impairment losses. These assets are amortised on a straight-line basis over their estimated useful lives or over the relevant contractual periods:

- Trading system: 60 months
- Computer software and portfolio management system: 36 months

Other tangible assets

Other tangible assets are measured at cost with the deduction of any depreciation or impairment losses. These assets are depreciated on a straight-line basis over their estimated useful lives:

- Computer equipment: 36 months
- Furnitures, fixtures and equipment: 36 months

Recoverable amounts

The carrying amounts of intangible assets and other tangible assets are reviewed annually to determine whether there is an indication for impairment in addition to any depreciation or amortisation charges. If so, an impairment test will deter-

NOTES

Note 1 continued

mine whether the recoverable amount is lower than the carrying amount, and the asset will subsequently be recorded at the lower recoverable amount. The recoverable amount of an asset is calculated as the higher of its net selling price or its value in use.

Other assets

Income falling due after year-end and any interest receivable will be recognised in other assets. Any significant amounts receivable and falling due more than 12 months after the period in which they were earned are discounted at their present values on the balance sheet date. The discounting rate used matches the market rate of return of the particular amounts receivable.

Any positive fair values of derivatives, including spot transactions, are recognised in other assets.

Prepaid expenses

Prepayments incurred on or before the balance sheet date, but concerning subsequent reporting periods are recorded as prepaid expenses. Prepaid expenses are measured at cost.

LIABILITIES

Deposits

Deposits include debts to private people and counterparties, not being credit institutions and central banks, including ordinary demand deposits and special deposits. On initial recognition, deposits are recognised at their fair values and subsequently at amortised cost.

Debts to credit institutions

On initial recognition, debts to credit institutions are measured at their fair values and subsequently at amortised cost.

Other liabilities

Other liabilities are measured at their net realisable values.

Expenses falling due after year-end and any interest payable are recorded in other liabilities. Any negative fair values of derivatives, including spot transactions, are recognised in other liabilities.

Prepaid income

Income received before the balance sheet date, but concerning subsequent reporting periods are recorded as prepaid income. Prepaid income is measured at cost.

Shareholders' equity

Premiums in respect of issued options and warrants and any redemption of options and warrants in respect of corporate shares are recognised in other reserves as movements in equity.

Any obligation to buy back shares in the event of an employee leaving the company's employment is deducted from equity and recorded as debt in other liabilities. The debt is computed at the amount of shares that the company is obliged to buy back in compliance with the shareholders' agreement duly considering the capital requirements of the group and the company.

Any purchases or sale of own shares are recognised directly at the transaction value and recognised as a change directly in equity via "Other reserves".

Any proposed dividends are recognised as a liability at the time of adoption at the annual general meeting (time of declaration). Dividends to be paid for the period under review will be recorded as a separate item in shareholders' equity.

NOTES

Note 2 Financial highlights - group (5-year overview)

INCOME STATEMENT

DKK thousand	2021	2020	2019	2018	2017
Net interest and fee income	524,892	357,852	333,944	342,357	406,316
Market value and currency translation adjustments	48,988	(65)	56,374	(11,427)	45,456
Staff costs and administrative expenses	(232,745)	(218,664)	(215,062)	(212,039)	(208,994)
Impairment charges on loans and receivables etc.	64	(89)	(4,286)	-	-
Results of interests in associated companies and group enterprises	249	(1,739)	(9,706)	(7,021)	(5,333)
Net profit for the year	269,064	110,271	132,943	91,982	190,924

BALANCE SHEET

Loans	2,980	10,178	2,407	6,346	3,366
Shareholders' equity	464,032	382,941	368,808	418,455	424,201
Total assets	764,318	712,957	637,137	665,740	691,600

RATIOS AND KEY FIGURES

Return on equity before tax	80.7%	37.9%	42.2%	27.3%	52.2%
Return on equity after tax	63.5%	29.3%	33.8%	21.8%	40.6%
Cost/income ratio	2.44	1.64	1.74	1.53	2.13
Cost in % of income	41.1%	61.1%	57.4%	65.5%	46.9%
Tier 1 capital ratio	21.4%	23.0%	21.4%	33.0%	31.1%
Capital ratio	21.4%	23.0%	21.4%	33.0%	31.1%
Own funds in relation to minimum capital requirements	2.7	2.9	2.7	4.1	3.9
Return on assets expressed as the ratio between net profit for the year and total assets	35.2%	15.5%	20.9%	13.8%	27.6%

Ratios and key figures were drawn up in accordance with the definitions of the Danish Financial Supervisory Authority (FSA).

NOTES

Note 2 Financial highlights - parent (5-year overview)

INCOME STATEMENT

DKK thousand	2021	2020	2019	2018	2017
Net interest and fee income	630	273	(325)	(33)	3,528
Market value and currency translation adjustments	26,995	(9,653)	40,237	(15,066)	39,681
Staff costs and administrative expenses	(15,555)	(14,105)	(12,898)	(13,955)	(12,932)
Impairment charges on loans and receivables etc.	64	(89)	(4,286)	-	-
Results of interests in associated companies and group enterprises	258,224	123,942	103,762	102,817	155,805
Net profit for the year	269,064	110,271	132,943	91,982	190,924

BALANCE SHEET

Loans	2,646	9,844	2,398	6,340	3,366
Shareholders' equity	464,032	382,941	368,808	418,455	424,201
Total assets	580,649	531,681	491,184	517,821	560,538

RATIOS AND KEY FIGURES

Return on equity before tax	64.8%	28.2%	34.2%	19.9%	42.6%
Return on equity after tax	63.5%	29.3%	33.8%	21.8%	40.6%
Cost/income ratio	16.32	7.63	8.48	6.99	16.42
Cost in % of income	6.1%	13.1%	11.8%	14.3%	6.1%
Tier 1 capital ratio	38.6%	36.7%	35.2%	52.3%	49.9%
Capital ratio	38.6%	36.7%	35.2%	52.3%	49.9%
Own funds in relation to minimum capital requirements	4.8	4.6	4.4	6.5	6.2
Return on assets expressed as the ratio between net profit for the year and total assets	46.3%	20.7%	27.1%	17.8%	34.1%

Ratios and key figures were drawn up in accordance with the definitions of the Danish Financial Supervisory Authority (FSA).

NOTES

DKK thousand	Group		Parent	
	2021	2020	2021	2020
Note 3 Interest income				
Due from credit institutions	171	233	0	5
Loans and other receivables	726	714	587	582
Bonds	2,364	1,884	393	372
Negative interest from deposits	399	247	-	-
Derivatives	(267)	(171)	-	(12)
Of which foreign exchange contracts represent	(267)	(171)	-	(12)
Other interest income	217	20	127	4
Total interest income	3,610	2,926	1,107	951
Note 4 Interest expenses				
Credit institutions	(1,177)	(1,262)	(1,177)	(1,262)
Negative interest from credit institutions and central banks	(1,307)	(1,032)	(75)	(50)
Negative interest from bonds	(112)	(166)	-	-
Other interest expenses	(493)	(261)	(149)	(0)
Total interest expenses	(3,089)	(2,721)	(1,402)	(1,313)
Note 5 Market value and currency translation adjustments				
Bonds	(3,657)	2,738	(158)	63
Equities etc.	52,775	(567)	24,694	(7,083)
Currency	208	(1,722)	2,459	(2,633)
Derivatives	(338)	(515)	-	-
Total market value and currency translation adjustments	48,988	(65)	26,995	(9,653)
Note 6 Net interest, fee income and market value and currency translation adjustments by business area				
Net interest and fee income				
Asset Management	424,348	266,312	-	-
Equity	88,549	82,409	-	-
Treasury	834	236	630	273
Maj Bank	11,161	8,894	-	-
Total net interest and fee income	524,892	357,852	630	273
Market value and currency translation adjustments				
Asset Management	5,094	5,603	-	-
Equity	22,000	-	-	-
Treasury	21,894	(5,669)	26,995	(9,653)
Total market value and currency translation adjustments	48,988	(65)	26,995	(9,653)

NOTES

DKK thousand	Group		Parent	
	2021	2020	2021	2020
Note 7 Geographical segmentation				
Net interest and fee income				
Denmark	297,652	249,277	241	(165)
Other Europe	100,703	55,767	-	-
Asia	507	762	389	438
North America	107,612	43,281	-	-
South America	(5)	(4)	-	-
Oceania	18,423	8,770	-	-
Total net interest and fee income	524,892	357,852	630	273
Market value and currency translation adjustments				
Denmark	49,604	5,206	28,140	(4,900)
Other Europe	(75)	(548)	36	(10)
Asia	(744)	(591)	(1,353)	(581)
North America	172	(4,162)	172	(4,162)
South America	32	29	-	-
Total market value and currency translation adjustments	48,988	(65)	26,995	(9,653)
Note 8 Staff costs and administrative expenses				
Directors				
Directors, fixed remuneration	(1,900)	(1,600)	(450)	(450)
Directors, variable remuneration	-	-	-	-
Total	(1,900)	(1,600)	(450)	(450)
Executive board				
Executive board, fixed remuneration	(18,420)	(17,927)	(2,929)	(2,689)
Executive board, variable remuneration	(200)	(200)	(30)	(30)
Total	(18,620)	(18,127)	(2,959)	(2,719)
Other significant risk takers				
Risk takers, fixed remuneration	(34,858)	(38,355)	(1,275)	(1,113)
Risk takers, variable remuneration	(1,385)	(1,400)	(60)	(30)
Total	(36,243)	(39,755)	(1,335)	(1,143)
Staff costs				
Salaries	(83,791)	(67,325)	(5,248)	(4,407)
Pensions	(7,129)	(8,921)	(538)	(619)
Social security costs and payroll tax based on Financial Services Payroll Tax Act	(21,114)	(18,559)	(1,500)	(1,519)
Total	(112,035)	(94,806)	(7,286)	(6,545)
Other administrative expenses	(63,948)	(64,376)	(3,524)	(3,248)
Total staff costs and administrative expenses	(232,745)	(218,664)	(15,555)	(14,105)

Number of (incl. resigned): Board of Directors 7 (2020: 7), Executive Board 3 (2020: 3). Other significant risk takers 17 (2020: 16), parent 2 (2020: 2).

Information on management members' individual salary conditions can be disclosed by Head of Legal & Compliance by visiting in person the company office located at Gammeltorv 18, DK-1457 Copenhagen K. Information can be disclosed for a period of minimum 10 years after the release of this annual report.

NOTES

Note 8 continued

Executive board members' investment commitment/employment contracts involving performance bonus/carried interest.

2021	Jeppe Christiansen		Henrik Parkhøi	
- = No commitment or not included + = Included in scheme	Performance bonus	Carried interest	Performance bonus	Carried interest
Maj Invest Equity 4 K/S	-	+	-	-
Maj Invest Equity 5 K/S	-	+	-	-
Maj Invest Equity Vietnam I K/S	-	+	-	+
Danish Microfinance Partners K/S	-	-	-	-
Maj Invest Equity Southeast Asia II K/S	-	+	-	-
Maj Invest Financial Inclusion Fund II K/S	-	+	-	+
Maj Invest Financial Inclusion Fund III K/S	-	+	-	+

Executive board members' investment commitment/employment contracts involving performance bonus/carried interest.

2020	Jeppe Christiansen		Erik Holm		Henrik Parkhøi	
- = No commitment or not included + = Included in scheme	Performance bonus	Carried interest	Performance bonus	Carried interest	Performance bonus	Carried interest
LD Equity 3 K/S	+	-	+	-	+	-
Maj Invest Equity 4 K/S	-	+	-	+	-	-
Maj Invest Equity 5 K/S	-	+	-	+	-	-
Maj Invest Equity Vietnam I K/S	-	+	-	+	-	+
Danish Microfinance Partners K/S	-	-	-	-	-	-
Maj Invest Equity Southeast Asia II K/S	-	+	-	+	-	-
Maj Invest Financial Inclusion Fund II K/S	-	+	-	+	-	+
Maj Invest Financial Inclusion Fund III K/S	-	+	-	-	-	+

NOTES

Note 8 continued

DKK thousand	Group		Parent	
	2021	2020	2021	2020
Number of employees				
Average number of employees (full-time equivalent)	108	107	8	8
Auditors appointed by the general meeting, fees				
Statutory audit of financial statements	(939)	(774)	(181)	(166)
Other assurance services	(559)	(463)	(57)	(19)
Tax advisory services	-	(31)	-	-
Non-audit services	(584)	(264)	(62)	(12)
Total audit and non-audit fees	(2,083)	(1,532)	(300)	(197)

Note 9 Loan impairment charges

PARENT

Gross loans, guarantees and loan commitments amount to DKK 2,676 thousand (2020: DKK 9,938 thousand), DKK 252 thousand (2020: DKK 252 thousand) and DKK 0 thousand (2020: DKK 2,962 thousand), respectively, and are allocated to stage 1 based on a specific assessment of the credit risk. Total loan impairment charges for 2021 amount to a net reversal of DKK 64 thousand (2020: net impairment charge of DKK 89 thousand). Total loan impairment charges on the balance sheet amount to DKK 30 thousand (2020: DKK 94 thousand). Gross loans, guarantees and loan commitments recognised in the balance sheet total DKK 2,646 thousand (2020: DKK 9,844 thousand), DKK 252 thousand (2020: DKK 252 thousand) and DKK 0 thousand (2020: DKK 2,962 thousand).

GROUP

Gross loans, guarantees and loan commitments amount to DKK 3,010 thousand (2020: DKK 10,271 thousand), DKK 917 thousand (2020: DKK 848 thousand) and DKK 0 thousand (2020: DKK 2,962 thousand), respectively, and are allocated to stage 1 based on a specific assessment of the credit risk. Total loan impairment charges for 2021 amount to a net reversal of DKK 64 thousand (2020: net impairment charge of DKK 89 thousand). Total loan impairment charges on the balance sheet amount to DKK 30 thousand (2020: DKK 94 thousand). Gross loans, guarantees and loan commitments recognised in the balance sheet total DKK 2,980 thousand (2020: DKK 10,178 thousand), DKK 917 thousand (2020: DKK 848 thousand) and DKK 0 thousand (2020: DKK 2,962 thousand).

Note 10 Tax

Tax on profit for the year	(71,177)	(32,680)	(3,685)	3,946
Adjustment of prior-year tax charges	(1,329)	119	(1,372)	323
Adjustment of deferred tax	(70)	273	(204)	69
Total tax	(72,577)	(32,289)	(5,261)	4,337
Effective tax rate				
Current tax rate	22.0%	22.0%	22.0%	22.0%
Adjustment of non-taxable items	(1.1%)	0.3%	0.1%	(0.0%)
Adjustment of results of interests in associated companies and group enterprises	(0.0%)	0.4%	(20.7%)	(25.7%)
Adjustment of prior-year tax charges	0.4%	(0.1%)	0.5%	(0.3%)
Total effective tax rate	21.2%	22.6%	1.9%	(4.1%)

Deferred tax relates to intangible and other tangible assets.

There is no provision for deferred tax in respect of interests in associated companies and group enterprises.

DKK thousand	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Note 11 Due from credit institutions and central banks				
Demand deposits	159,659	209,455	10,476	7,145
Due up to 3 months	6,560	20,000	-	-
Due from credit institutions and central banks, total	166,219	229,455	10,476	7,145

NOTES

DKK thousand	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Note 11 continued				
By counterparty				
Credit institutions	159,659	209,455	10,476	7,145
Central banks	6,560	20,000	-	-
By counterparty, total	166,219	229,455	10,476	7,145
Note 12 Loans				
By current maturity				
On demand	4	4	-	-
More than 3 months and up to 1 year	478	2,708	148	2,378
Over 1 year and up to 5 years	2,497	7,466	2,497	7,466
Loans, total	2,980	10,178	2,646	9,844
Note 13 Bonds at fair value				
Listed government bonds	8,515	3,489	-	-
Other mortgage bonds	180,148	224,358	100	164
Other bonds	5,159	4,988	5,159	4,988
Bonds at fair value, total	193,822	232,835	5,259	5,151
At year-end 2021, the group had provided bonds at a market value of DKK 35.1 million (2020: DKK 35.7 million) in security of trading in derivatives and securities.				
Interest rate risk	7,110	5,982	64	106
Note 14 Equities etc.				
Equities/mutual funds listed in				
Nasdaq OMX Copenhagen A/S	25,367	22,800	17,178	15,442
Equities/mutual funds listed in other stock exchanges	216	165	216	165
Unlisted equities at fair value	133,379	106,522	124,286	97,556
Total equities etc.	158,962	129,487	141,681	113,163
Note 15 Interests in associated companies				
Total acquisition cost at 1 January	36,682	36,473	36,682	36,473
Additions	-	208	-	208
Total acquisition cost at 31 December	36,682	36,682	36,682	36,682
Revaluations at 1 January	(10,635)	(8,896)	(10,635)	(8,896)
Profit for the year	249	(1,739)	249	(1,739)
Revaluations at 31 December	(10,386)	(10,635)	(10,386)	(10,635)
Carrying amount at 31 December	26,295	26,047	26,295	26,047
Carrying amount at 1 January	26,047	27,577	26,047	27,577

NOTES

DKK thousand	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Note 16 Interests in group enterprises				
Total acquisition cost at 1 January	-	-	231,555	222,534
Additions	-	-	1,046	10,000
Disposals	-	-	-	(979)
Total acquisition cost at 31 December	-	-	232,601	231,555
Revaluations at 1 January	-	-	128,664	84,589
Currency translation adjustments	-	-	800	(1,465)
Profit for the year	-	-	257,975	125,681
Dividend	-	-	(233,000)	(81,000)
Reversals of revaluations	-	-	-	859
Revaluations at 31 December	-	-	154,439	128,664
Carrying amount at 31 December	-	-	387,040	360,219
Carrying amount at 1 January	-	-	360,219	307,123
Note 17 Intangible assets				
Total cost at 1 January	31,905	30,760	6,331	4,879
Additions	3,368	1,478	3,263	1,452
Disposals	(9,471)	(333)	-	-
Total cost at 31 December	25,802	31,905	9,594	6,331
Amortisation and impairment charges at 1 January	(25,262)	(22,520)	(2,712)	(930)
Amortisation charges for the year	(3,481)	(3,075)	(2,401)	(1,782)
Reversals of amortisation charges	9,471	333	-	-
Amortisation and impairment charges at 31 December	(19,272)	(25,262)	(5,113)	(2,712)
Carrying amount at 31 December	6,530	6,643	4,481	3,619
Carrying amount at 1 January	6,643	8,240	3,619	3,949
Note 18 Other tangible assets				
Total cost at 1 January	19,402	21,618	820	955
Currency translation adjustments	(12)	25	-	-
Additions	2,340	969	70	8
Disposals	(3,196)	(3,209)	(266)	(144)
Total cost at 31 December	18,534	19,402	624	820
Depreciation and impairment charges at 1 January	(16,318)	(17,456)	(804)	(938)
Currency translation adjustments	12	(66)	-	-
Depreciation charges for the year	(1,826)	(1,813)	(19)	(10)
Reversals of depreciation charges	3,108	3,017	266	144
Depreciation and impairment charges at 31 December	(15,024)	(16,318)	(557)	(804)
Carrying amount at 31 December	3,509	3,084	68	16
Carrying amount at 1 January	3,084	4,161	16	17

NOTES

DKK thousand	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Note 19 Other assets				
Various debtors	83,671	48,439	275	136
Positive fair value of derivatives etc.	153	588	-	-
Interest due and commission	5,721	4,952	442	456
Other assets	11,297	1,589	1,350	1,298
Other assets, total	100,842	55,568	2,067	1,891

'Other assets, total' include accounts with group enterprises worth

	-	-	272	132
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Note 20 Contingent assets

Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S have made a number of investment management agreements involving payment of a performance-based management fee/carried interest. This means that if a return exceeds an agreed level, the companies will earn a share of such return by way of a performance-based management fee/carried interest. Such fees are typically computed on a quarterly basis and may also fall due for quarterly payment. However, the payment of such fees cannot exceed the fee to which the companies are certain to be entitled.

At 31 December 2021, the performance-based fee/carried interest, to which the company is not yet entitled, amounted to approx. DKK 81 million (at 31 December 2020: DKK 60 million) after provisions.

Note 21 Due to credit institutions**By current maturity**

Up to 3 months	91,706	123,519	91,706	123,519
Due to credit institutions, total	91,706	123,519	91,706	123,519

Note 22 Deposits**By current maturity**

Demand deposits	94,228	64,681	-	-
Up to 3 months	754	1,227	-	-
Over 3 months and up to 1 year	200	326	-	-
Over 1 year and up to 5 years	5,116	8,321	-	-
Over 5 years	15,329	24,933	-	-
Deposits, total	115,628	99,487	-	-

By type of deposit

Demand deposits	94,228	64,681	-	-
Special forms of deposits	21,400	34,806	-	-
Deposits, total	115,628	99,487	-	-

NOTES

DKK thousand	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Note 23 Other liabilities				
Various creditors	14,249	11,152	1,892	3,479
Negative fair values of derivatives etc.	262	123	-	-
Accrued interest and commissions	4,482	3,179	184	39
Buyback obligation, own shares	15,000	15,000	15,000	15,000
Other liabilities	26,588	41,620	1,353	3,703
Other liabilities, total	60,581	71,074	18,429	22,221

'Other liabilities, total' include accounts with group enterprises worth

-	-	-	0
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Note 24 Guarantees and contingent liabilities**Guarantees etc.:**

Other guarantees	917	848	252	252
Total guarantees etc.	917	848	252	252

Other contingent liabilities:

Other liabilities (commitment to invest in capital funds)	48,534	51,306	48,359	51,135
Loan commitments	-	2,962	-	2,962
Other contingent liabilities, total	48,534	54,268	48,359	54,098

Other binding agreements

Maj Invest Holding A/S has entered into a tenancy agreement for the premises Gammeltorv 18 of which the company pays a share. The agreement is terminable at six months' notice by either party.

The group has entered into an agreement concerning a securities trading system. This agreement runs until 30 September 2024.

The group has entered into an agreement concerning IT operations. The agreement is terminable at 12 months' notice by either party.

The total IT obligations in the non-terminable period are:

In year one	685	653	-	-
Between one and five years	1,234	1,789	-	-
Other binding agreements, total	1,919	2,441	-	-

The company is jointly registered concerning VAT and payroll tax payable under the Danish Financial Services Payroll Tax Act with Fondsmæglerselskabet Maj Invest A/S, Maj Invest Equity A/S and Maj Bank A/S and jointly liable for any payments in respect thereof. The company is also jointly taxable with all group entities residing in Denmark.

Being the administration company, we are jointly and severally liable with the other entities in the joint taxation scheme in respect of Danish corporation tax and withholding taxes on dividends, interest income and royalties. For 2021, the jointly taxed entities have a current tax liability of DKK 7,446 thousand (31 December 2020: tax liability of DKK 677 thousand). In addition, the jointly taxed entities has a current tax asset of DKK 422 thousand concerning previous years.

NOTES

DKK thousand	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Note 25 Own funds				
Shareholders' equity	464,032	382,941	464,032	382,941
Total tier 1 capital before primary deductions	464,032	382,941	464,032	382,941
Primary deductions				
Proposed dividend	(163,575)	(109,050)	(163,575)	(109,050)
Unused limits for own share purchase	(69)	(2,777)	(69)	(2,777)
Intangible assets	(6,530)	(6,643)	(4,481)	(3,619)
Deferred capitalised tax assets	(100)	(73)	-	-
Valuation based on prudence	(379)	(388)	(560)	(505)
Total common equity tier 1 capital after primary deductions	293,380	264,008	295,348	266,990
Total eligible capital	293,380	264,008	295,348	266,990

DKK thousand	Company activity	Ownership interest	Shareholders' equity	Profit after tax
Note 26 Group overview				
Consolidated subsidiaries				
Fondsmæglerselskabet Maj Invest A/S, Copenhagen	Asset management company	100%	267,581	231,868
Maj Bank A/S, Copenhagen	Bank	100%	56,532	(3,724)
Maj Invest Equity A/S, Copenhagen	Alternative investment fund manager	100%	47,941	28,914
Danish Microfinance Partners Management ApS, Copenhagen	Private equity management	100%	243	(1)
Management Equity Vietnam I ApS, Copenhagen	Private equity management	100%	506	5
Maj Invest Singapore Private Limited, Singapore*	Consulting company	100%	62	(21)
Maj Invest South America S.A., Lima, Peru**	Consulting company	100%	1,527	146
MJIC Consultancy Private Limited Mumbai, India**	Consulting company	100%	12,713	807
MI (US) GP LLC, Delaware, USA	General partner	100%	-	-

*In voluntary liquidation. Shareholders' equity and profit after tax cover the period 01.01.21-10.03.21 after which the company goes into liquidation.

**Owned jointly by two Group companies, with Maj Invest Holding A/S owning the majority.

NOTES

Note 26 continued

Shareholders' equity and results are based on the companies' most recently approved annual reports. Shareholders' equity and results of foreign subsidiaries are based on non-audited financial statements. Subsidiaries of consolidated subsidiaries are not included in the group overview but their results are included in the results of the consolidated subsidiaries.

From a materiality point of view, associated companies are not included.

Note 27 Related parties and ownership

Intra-group transactions

The company has entered into a licensing agreement with Maj Bank A/S on the use of Maj World. The licensing agreement has been entered into on an arm's-length basis and totalled DKK 0.5 million in the financial year.

The company has entered into an agreement on administrative tasks with Maj Bank A/S. These services are settled on a cost-covered basis and totalled DKK 1.2 million in the financial year.

The company has entered into an agreement on administrative tasks with Maj Invest Equity A/S and Management Equity Vietnam I ApS on administrative tasks concerning private equity funds. These services are settled on an arm's-length basis and totalled DKK 4.8 million in the financial year.

Other related parties

Related parties include members of the Board of Directors and the Executive Board and their family members. Related parties also comprise companies in which the persons mentioned above hold significant interests.

The Executive Board members participate as special limited partners on equal terms with any other special limited partners in one or more private equity funds under the Group's management. The Company has acquired the special limited partnership share in a private equity fund from a Managing Director. The transaction has been settled on an arm's-length basis.

The Executive Board, some of the members of the Board of Directors as well as a family member are clients of Maj Bank A/S. Except for a few fees applicable to the bank's clients, transactions with the above-mentioned group of related parties are made on market terms and in accordance with current business conditions.

The members of the Board of Directors and the Executive Board and/or companies that are considered related parties to such Directors or Executive Board members hold shares in Maj Invest Holding A/S. The members of the Executive Board and/or companies that are considered related parties to such Executive Board members have bought shares in Maj Invest Holding A/S from Maj Invest Holding A/S. Such transactions have been settled on an arm's-length basis.

The Group has not raised any loans, mortgage credits or charges, or any other form of guarantee or security on behalf of any members of the Executive Board or the Board of Directors, any related family members of such members, or companies in which such members have significant interests.

In 2021, there were no extraordinary transactions with related parties.

Ownership

In compliance with the Danish Companies Act, sections 55 and 56, the following shareholders have been entered in the company's register of shareholders as holding minimum 5% of the company capital or minimum 5% of the voting rights:

JEKC Holding, 2100 Copenhagen Ø
 Erik Holm Holding ApS, 2900 Hellerup
 Henrik Parkhøi, Ellevadsvej 35, 2920 Charlottenlund
 Lind Invest ApS, 8000 Århus C

NOTES

Note 28 Financial instruments and risks

Objectives and risk policies

The Board of Directors has provided guidelines in respect of the types of risk that the Group may be exposed to. These guidelines include identification, management, control and reporting of risks. The guidelines are supported by a number of routines, and in the subsidiaries Fondsmæglerselskabet Maj Invest A/S, Maj Invest Equity A/S and Maj Bank A/S also by a number of business procedures. Moreover, the Directors of Fondsmæglerselskabet Maj Invest A/S, Maj Invest Equity A/S and Maj Bank A/S have in addition formulated corporate policies relevant to the companies relating to market risks, liquidity, credit, insurance cover of risks, and operational risks. Together with the corporate policies established by the subsidiaries Fondsmæglerselskabet Maj Invest A/S, Maj Invest Equity A/S and Maj Bank A/S, the guidelines and procedures constitute the Group's risk policy. The risk policy includes a decentralised function identifying risks at various levels in the Group enabling a current assessment of any consequences as well as ensuring that the group's capital and capital ratio requirements always comply with statutory requirements and identified risks.

To ensure efficient management of the risk policy, we have segregated the function in charge of business and the function responsible for managing and monitoring the various types of risk.

Market and liquidity risks

The Group's market risks are related to the activities in Markets in the subsidiary Fondsmæglerselskabet Maj Invest A/S and to the Group's shareholders' equity, surplus liquidity investments and foreign exchange fees.

The Directors have set up a general framework in respect of market risks.

The framework for investing consolidated liquidity is wide in areas where the risk is considered small and narrow in less liquid areas of investment and/or investments involving larger credit risks. The framework is used in combination with the positive lists drawn up by the Directors as regards approved financial institutions and countries. Exposures outside these positive lists have a higher risk weighting and a lower investment frame than do exposures on the positive lists. This helps reduce the market risks and ensure that we have liquid assets in the form of a large holding of securities that are easily realisable.

Liquidity risks

The Group's liquidity must always be sufficient. We have a framework determining the portion of consolidated liquidity that may be placed in fixed-term deposits and the maximum term.

The Board of Directors of the subsidiaries Fondsmæglerselskabet Maj Invest A/S and Maj Bank A/S have drawn up liquidity plans (contingency and emergency plans) for any liquidity crises.

These liquidity plans may also be applied at group level.

Interest rate risks

Interest rate risks are primarily a result of the investments of consolidated liquidity in the form of exposure in bond markets. The Directors have set up a maximum framework in respect of interest rate risks. A very large portion of investments are short-term investments. Interest rate risks are modest compared with shareholders' equity and own funds.

Interest rate risks	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Interest rate risks (DKK thousand)		5,836	(102)	(53)
In % of year-end shareholders' equity	1.5%	1,5%	(0.0%)	(0.0%)
In % of year-end own funds	2.4%	2.2%	(0.0%)	(0.0%)

NOTES

Note 28 continued

In the current management and monitoring of interest rate risks, we use a duration model based on the Danish FSA's guidelines.

Equity risks

The framework in respect of equity risks is limited by positions in single equities, types of equities, including mutual funds, and a total limit on equity exposures. A few positions in unlisted equities are included as interests in associates due to the percentage of ownership.

Via separate investment frameworks, the group can also invest in private equity products for which the group acts as investment advisor. This provides investors with a high degree of corporate commitment concerning the products we offer. The group's holdings of interests are seen below.

31.12.2021	Group			Parent		
Equities etc. at fair value	DKK thousand	In % of year-end equity	In % of year-end own funds	DKK thousand	In % of year-end equity	In % of year-end own funds
Mutual fund units in the trading portfolio	8,189	1.8%	2.8%	-	-	-
Listed equities outside the trading portfolio	17,395	3.7%	5.9%	17,395	3.7%	5.9%
Unlisted equities	47,239	10.2%	16.1%	38,593	8.3%	13.1%
Associated companies	26,295	5.7%	9.0%	26,295	5.7%	8.9%
Holdings in private equity funds	86,139	18.6%	29.4%	85,693	18.5%	29.0%
Total equities etc. at fair value	185,258	39.9%	63.1%	167,976	36.2%	56.9%

31.12.2020	Group			Parent		
Equities etc. at fair value	DKK thousand	In % of year-end equity	In % of year-end own funds	DKK thousand	In % of year-end equity	In % of year-end own funds
Mutual fund units in the trading portfolio	7,358	1.9%	2.8%	-	-	-
Listed equities outside the trading portfolio	15,607	4.1%	5.9%	15,607	4.1%	5.8%
Unlisted equities	41,003	10.7%	15.5%	32,449	8.5%	12.2%
Associated companies	26,047	6.8%	9.9%	26,047	6.8%	9.8%
Holdings in private equity funds	65,521	17.1%	24.8%	65,107	17.0%	24.4%
Total equities etc. at fair value	155,535	40.6%	58.9%	139,210	36.4%	52.1%

Currency risks

Currency risks relate to liquidity investments in securities and to fees from international clients.

Forward exchange contracts are used for hedging of certain positions.

We have a framework for unhedged foreign exchange positions, and a framework for currency positions combined with foreign exchange hedging. This provides an upper limit for currency positions even if risks are hedged.

NOTES

Note 28 continued

As a result of the Danish fixed rate policy vis-a-vis the euro, we do not have any framework as regards the euro.

The group's currency risks are limited and shown in the table below.

Currency risks	Group		Parent	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Currency risks (DKK thousand)*	7,668	7,204	5,379	5,503
In % of year-end shareholders' equity	1.7%	1.9%	1.2%	1.4%
In % of year-end own funds	2.6%	2.7%	1.8%	2.1%

*Change of 2.25% for EUR and 12% for other currencies.

Counterparty risks

The corporate securities brokers (Markets) in Fondsmæglerselskabet Maj Invest A/S trade daily on behalf of our clients and for our own portfolios. Our counterparties are therefore other securities brokers or market participants and/or clients. Transactions in Markets are exclusively spot transactions. Trade in listed derivatives is limited and exclusively for hedging of our own positions. The group has modest counterparty risk on forward exchange contracts used for hedging of certain currency positions.

Maj Bank A/S provides investment advice and facilitates transactions on behalf of its clients. No transactions are made on its own account. Client transactions are settled as commission transactions through a business partner via the client's online banking account. The company has no trading portfolio.

Credit risks

The group's credit risks primarily concern receivables from clients and market and liquidity-related transactions. Credit risks are subject to a framework given by the board of directors. The size of the credit risk framework is lower than the framework allowed by law both as regards individual transactions and the Group's overall credit exposure.

The Group's clients are institutional investors and wealthy clients and thus financially solid clients. Clients are regulated by fixed and short payment intervals. The credit risk in respect of clients is considered insignificant.

As part of the Group's treasury activities, the Group has to a limited extent provided loans for companies. In addition, Maj Bank A/S has to a very limited extent deposit accounts that have been overdrawn due to payment of fees.

Reporting and monitoring of risks

The Group's financial positions are recorded in a trading system for activities in Markets in Fondsmæglerselskabet Maj Invest A/S and a standard portfolio system for the own positions not related to the trading activities in Markets.

We have invested substantial resources in computer systems for the management and identification of risks in order to currently monitor and control such risks.

Accounting & Risk Management and Middle Office have online access to the trading system and are able to see transactions and positions in the system. The trading and finance systems are integrated, the latter being responsible for bookkeeping of transactions.

Middle Office administers a portfolio management system, which includes transactions and positions in respect of own portfolio activities not associated with Markets.

NOTES

Note 28 continued

Control, reconciliation and bookkeeping are made on a day-to-day basis in both computer systems and checked against the company's finance system. Transactions are recorded and reconciled to the settled transactions and the Group's custody accounts in external banks and bank accounts.

There are also regular checks of the prices of positions which the Group has with external parties such as depository banks, stock exchanges or similar institutions.

Based on the risk management module of the trading system and withdrawals from accounts and custody accounts, a daily report is prepared showing earnings, positions, risks and utilisation of lines concerning the Markets activities of Fondsmægler-selskabet Maj Invest A/S. This report is submitted to Markets and the Executive Board of Fondsmægler-selskabet Maj Invest A/S.

Middle Office delivers currently reconciled data from the portfolio management system to Accounting & Risk Management, which monitors the corporate investment framework.

On the basis of data from the trading system, the portfolio management system and extracts from the finance system, Accounting & Risk Management currently reports to the executive board on the overall market, credit risks and liquidity. Directors receive reports once every three months.



STATEMENTS

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report for Maj Invest Holding A/S for the period 1 January 2021 - 31 December 2021.

The Board of Directors and the Executive Board hereby declare that we are of the opinion that:

- The annual report has been prepared in accordance with legal requirements.
- The financial statements and the consolidated financial statements give a true and fair view of the Parent's and the Group's assets, liabilities and financial position at 31 December 2021 and of the results.
- The management's review includes a fair report of developments in the Parent's and the Group's activities and financial position and describes the significant risks and any uncertainty factors that may affect the Parent or the Group.

The annual report will be submitted to the general meeting for approval.

Copenhagen, 7 March 2022

EXECUTIVE BOARD

Jeppe Christiansen
CEO

Henrik Parkhøi
Deputy CEO

BOARD OF DIRECTORS

Tommy Pedersen
Chairman

Nils Bernstein

Maria Helene Hjorth

Jørgen Tang-Jensen

Søren Krag Jacobsen
Elected by staff

Anders Møller Olesen
Elected by staff

Kirsten Slot
Elected by staff

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Maj Invest Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements (hereinafter collectively referred to as "the financial statements") of Maj Invest Holding A/S for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company. The financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Business Act.

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 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 the Danish Financial Business 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.

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 form of 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 under the Danish Financial Business Act.

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

Copenhagen, 7 March 2022

EY Godkendt Revisionspartnerselskab
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