
MAJ INVEST HOLDING A/S

ANNUAL REPORT 2022

CVR NO. 28 29 54 80

MAJ
INVEST



COMPANY INFORMATION

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Executive Board
Jeppe Christiansen,
CEO
Henrik Parkhøi,
Deputy CEO
Jens Aaløse,
Managing Director,
Managing Partner

*elected by staff



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IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THE DANISH AND ENGLISH VERSIONS OF MAJ INVEST HOLDING'S ANNUAL REPORT 2022, THE DANISH VERSION SHALL PREVAIL



CEO LETTER

Jeppe Christiansen
CEO

2022 was a difficult year. The world economy experienced three crises. Russia's war against Ukraine remains the greatest threat to the global economy and to geopolitical stability. This has created security policy challenges for the 30 NATO countries and has triggered an energy crisis in Europe. In addition, the US economy is being hit by significant monetary policy tightening, with the key interest rate increasing from 0% to 4.75% in less than a year. The background for this is US labour market trends, which are facing a shortage of workers. In addition, China's economy was battered by a new COVID crisis and a long period of lockdown, which only ended in December 2022. Overall, these three factors have reduced the global growth rate to the current 2.5%. Lower global growth and high key interest rates have resulted in significant price declines on both the bond and stock markets.

Nevertheless, market mechanisms and private initiative have created the necessary adaptations. Rising energy prices and rising interest rates have forced both companies and consumers to increase efficiency and savings, which together have slowed down inflation. We assess that inflation peaked at the end of 2022 and that growth in the global economy will therefore return to the long-term trend of about 3-4% in the next few years.

2022 was undoubtedly challenging for investors in general and equally so for our clients. On average, both bonds and shares worldwide have declined in value between 0% and 25%. This is not unusual from a historical perspective. Many political observers think that the current geopolitical challenges and global crises are greater than at any time since the Second

World War. That is not our view. History presents many examples of major economic and geopolitical crises that we have overcome. There are certainly major risks now, but economic history is littered with similar patterns. As an investor, you should therefore think long term, focus on global risk diversification and ensure sufficient liquidity.

Maj Invest's business development is linked to financial market trends. We continue to focus on stable investment categories. Our value portfolios and stable bond portfolios declined in price, but this mainly reflected adjustment to higher inflation rates and interest rates as well as the exchange-rate turmoil this generates. No one can predict how long this financial turmoil will continue. Current conditions result in price declines in the short term but increase the potential returns in these portfolios in the long term.

Maj Invest Asset Management has focused on long-term investment trends for several years, including two crucial themes. One is investments that can direct the world towards net zero 2050. The second is investments that ensure long-term sustainable resource utilisation protecting the environment globally. This was the basis for us launching the investment products Grønne Obligationer (Green Bonds) in 2020 and Net Zero 2050 in 2022. This is also the background to our focus on climate in selected departments in Investeringforeningen Maj Invest and in Maj Bank. We will strengthen this focus on products that promote climate awareness in the coming years, since our starting point is investing in companies that change their policies and thus contribute to achieving net zero globally by 2050 at the latest. We have experienced enor-

mous investor interest in investments that contribute to ensuring the green energy transition. Investors have shown massive interest in our top products in this category, Grønne Obligationer (Green Bonds) and Net Zero 2050, with both reaching more than DKK 500 million in investment.

Climate-focused products

	Size	Investors
Green bonds	DKK 673 million	2,832
Net Zero 2050	DKK 818 million	1,511
Global health eqt.	DKK 822 million	7,338

In private equity, we exercise direct ownership in many companies. We have started to focus on three areas: climate awareness, diversity and inclusion. We invest everywhere with specific subgoals that support this. Companies, which attract our interest, focus intensively on climate and contribute to greater transparency on CO2 emissions. One way they do this is by reporting according to science-based targets. There is still a long way to go, but for Maj Invest the most important thing is that the process has started and that the companies create understanding, acceptance and momentum.

Maj Invest decided in 2022 to aim for at least 40% women in executive management in all the companies in which we have a controlling stake. During 2022, we identified many talented board candidates and increased the proportion of women from 19% to 30% on the companies' boards. Similarly, we are attempting to ensure diversity in the Maj Invest Group. The current distribution on the Board of Directors is 40% women and 60% men.

In the coming years, we will more strongly focus on human resources policy, corporate social responsibility and the need to include people who have difficulty in entering the traditional labour market which does not always recognise their competencies.

Ensuring broader initiatives that increase diversity is also important. We therefore systematically recruit talented business professionals and offer them board courses and mentoring courses. We think that diversity creates great value. Some portfolio companies have found good ways of including employees with a less

conventional background, and over the next few years we will examine the opportunities for adopting a similar approach in other companies. Many hidden competencies can benefit companies and create value for both employees and society.

Maj Invest decided in 2016 to make donations to support socially disadvantaged groups and initiatives that have a green climate profile. Since then, we have donated DKK 8 million and, in 2022, we decided to donate an additional DKK 10 million to these types of initiatives over the next 5 years. We consider companies taking social responsibility to be crucial.

Denmark now has a centrist coalition government, and we look forward to political initiatives focusing on strengthening private business, entrepreneurship and especially the approach to Denmark's labour market. We will need this. As a high-tech country with extensive international trade, Denmark has the potential for many years of future growth and prosperity. This will require flexibility, training and the ability for private initiatives to develop. The financial sector is a key part of this development. We ensure the availability of venture capital for the most promising companies and projects. No country has demonstrated lasting economic growth without an efficient financial sector. The efficient allocation of capital is an important societal task. This is why we will continue to provide insight to the government and Folketing (parliament) why companies in the financial sector should enjoy operating conditions and a tax environment as favourable as all other industries. We note that the Minister for Industry, Business and Financial Affairs has expressed the same ambition.

7 March 2023

MANAGEMENT'S REVIEW

OVERVIEW



DANISH FINANCIAL GROUP WITH INTERNATIONAL ACTIVITIES

The Maj Invest Group provides advisory services to institutional, professional and retail clients on asset management and securities.

Headquarters are located in Copenhagen, and the Group employs 110 people in four countries. Assets under management total DKK 84 billion, including assets in Maj Bank. The client base is global and diversified.

Among others, the Group provides advisory services to:

- The mutual fund *Investeringsforeningen Maj Invest*.
- Two Danish private equity funds and an investment fund with global minority shares.
- Three international private equity funds within microfinance.
- Institutional clients in Denmark and internationally.
- Retail clients in Maj Bank on investments.

FINANCIAL HIGHLIGHTS - GROUP

INCOME STATEMENT

DKK thousand	2018	2019	2020	2021	2022
Total gross income	340,629	400,150	368,154	579,432	502,360
- Net interest and fee income	342,357	333,944	357,852	524,892	464,311
- Market value and currency translation adjustments	(11,427)	56,374	(65)	48,988	33,341
- Other operating income	9,698	9,832	10,367	5,552	4,708
Staff costs and administrative expenses	(212,039)	(215,062)	(218,664)	(232,745)	(239,276)
Profit before tax	115,046	166,288	142,560	341,641	252,475

BALANCE SHEET

Shareholders' equity	418,455	368,808	382,941	464,032	367,837
Total assets	665,740	637,137	712,957	764,318	727,494

RATIOS AND KEY FIGURES

Return on equity before tax	27.3%	42.2%	37.9%	80.7%	60.7%
Cost/income ratio	1.53	1.74	1.64	2.44	2.03
Cost in % of income	65.5%	57.4%	61.1%	41.1%	49.3%
Capital ratio	33.0%	21.4%	23.0%	21.4%	21.8%
Own funds in relation to minimum capital requirements	4.1	2.7	2.9	2.7	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 2022

In 2022, despite difficult market conditions with instability in the financial markets, the Group delivered satisfactory results in line with expectations. The highlights are as follows.

- Profit before tax was DKK 252 million, corresponding to a return on average equity of 61%. Profit after tax was DKK 211 million. In 2021, profit after tax was DKK 269 million.
- With a capital ratio of 21.8% and own funds of DKK 290 million at year-end 2022, the Group is well capitalised.
- The mutual fund *Investeringsforeningen Maj Invest*, which is advised by *Maj Invest Asset Management*, launched the fund *Maj Invest Net Zero 2050*. The fund invests in the entire value chain behind the green transition.
- The mutual fund *Investeringsforeningen Maj Invest* continued the growth of previous years in the number of investors, and at year-end 2022 the mutual fund had more than 53,000 investors. Assets totalled DKK 19 billion.
- The mutual funds *Maj Invest Kontra Strategier* (countercyclical strategies) and *Maj Invest Global Sundhed* (global health equities) generated the best and second-best returns, respectively, of all Danish mutual funds in 2022. Only 12 of 669 mutual funds in Denmark generated positive returns.
- *Maj Invest Equity* has provided advisory services to *Private Equity Minorities I* on investments in seven companies in the US, Europe and Israel. The fund was established in 2021.
- *Maj Invest Equity* has provided advisory services on the sale of the portfolio companies *Svendsen Sport* and *PcP Corporation*. Both sales generated highly satisfactory returns to the investors.
- The final closing of the fund *Maj Invest Financial Inclusion Fund III* took place in March 2022, with total commitments of USD 183 million.

MAJ INVEST MILESTONES

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) shows three years of results. Is rated by Morningstar for the first time.
- 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** Establishment of the fund *Private Equity Minorities I*. Authorisation as portfolio manager in four provinces in Canada.
- 2022** Establishment of the mutual fund *Net Zero 2050* in *Investeringsforeningen Maj Invest*.

INTERNATIONAL GROUP

Maj Invest is a Danish financial group with international activities.



COPENHAGEN
Headquarters

LONDON
Virtual representative office

MUMBAI, INDIA
Subsidiary

LIMA, PERU
Subsidiary

BUSINESS ACTIVITIES OF THE GROUP

The Group's main business areas cover advisory services on listed securities through Maj Invest Asset Management and advisory services on unlisted investments through Maj Invest Equity and Maj Invest Equity International. The business areas carry out activities in Denmark and internationally and extend their services to institutional and professional clients in Denmark and abroad. Maj Bank provides investment advisory services to retail clients in Denmark.

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 in the US investing in value equities.

Maj Invest Equity provides investment advisory services to two private equity funds primarily investing in unlisted equities in Denmark. At year-end 2022, the two private equity funds comprised 11 companies in the portfolio.



Maj Invest Equity Minorities & Ventures provides advisory services to a private equity fund with a broad focus on minority investments.

Maj Invest Equity International provides investment advisory services within microfinancing and financial inclusion in Latin America, Africa and Asia. Maj Invest Equity International extends its advisory services to three private equity funds with similar investment strategies. At year-end 2022, the three private equity funds comprised a total of 14 companies in the portfolio.

Maj Bank provides investment advisory services to retail clients through the platform Maj World.

BUSINESS STRUCTURE - THE MAJ INVEST GROUP

MAJ INVEST HOLDING A/S

FONDSMÆGLERSELSKABET

MAJ INVEST A/S

Asset management

Advisory services to professional clients on asset allocation and listed assets

Investment funds

- Investeringsforeningen Maj Invest, Denmark
- Maj Invest Funds, Luxembourg
- Maj Invest Global Value Equities Fund LP, USA
- Maj Invest Collective Investment Trust, USA

MAJ BANK A/S

Bank

Advisory services to retail clients on investments through the platform Maj World.

MAJ INVEST EQUITY A/S

Private equity

Advisory services to private equity funds on investment in unlisted companies

Danish private equity funds

Maj Invest Equity 4 K/S
Maj Invest Equity 5 K/S
Maj Invest Equity 6 K/S (being set up)

Maj Invest Equity Minorities & Ventures

Private Equity Minorities I K/S

International private equity funds

Danish Microfinance Partners K/S
Maj Invest Financial Inclusion II K/S
Maj Invest Financial Inclusion III K/S

Group companies in Peru and India

MAJ INVEST ASSET MANAGEMENT

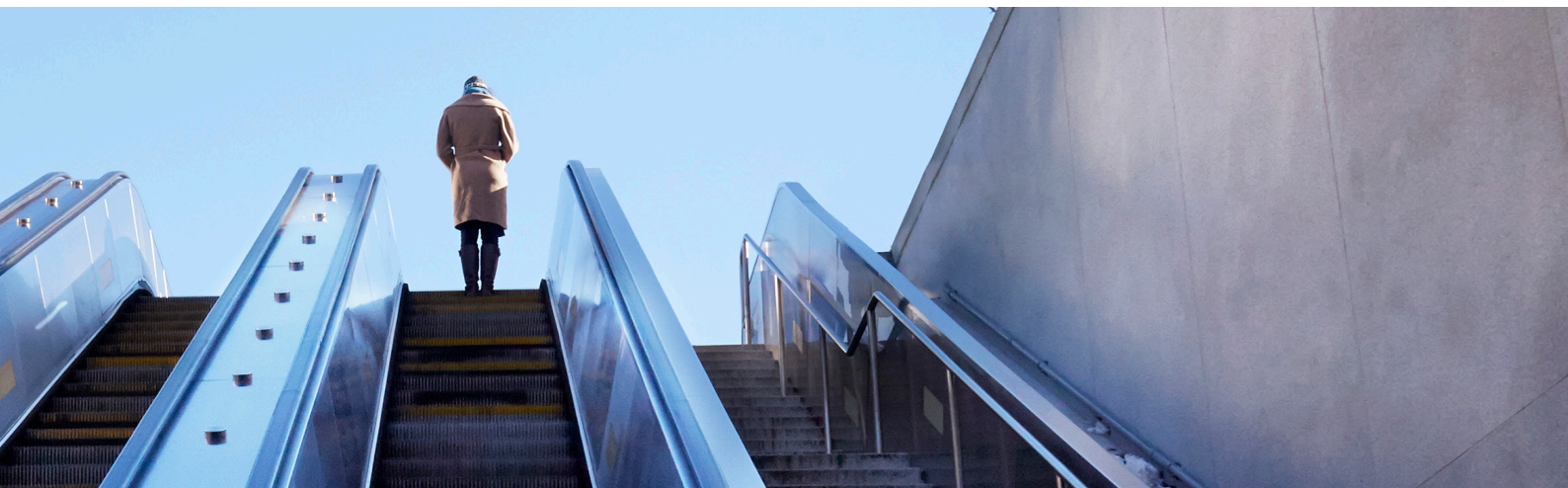
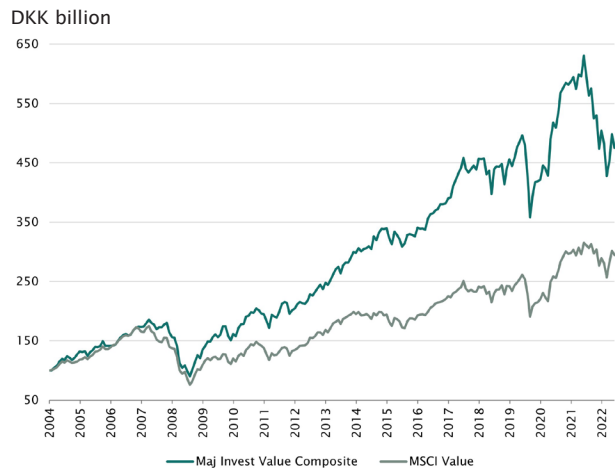
Maj Invest Asset Management provides advisory services on portfolio and investment decisions and asset management of listed products. Products are offered as discretionary portfolio management agreements, as investment advisory services agreements and through investment funds.

The Danish mutual fund, Investeringsforeningen Maj Invest, offers 15 funds to which Maj Invest Asset Management acts as investment adviser. Products are distributed to professional clients of Maj Invest, among others, and through distribution agreements with Danish banks. Maj Invest also extends its advisory services to Luxembourg-based Maj Invest Funds, addressing European clients, and to investment funds in the United States.

In recent years, we have entered into several discretionary agreements on the value equities product with international investors directly and through Maj Invest Funds. The value equities product is the Company's largest product, and total assets from international investors in the value equities product account for half of total assets under management. Maj Invest Asset Management was authorised as a non-resident portfolio manager in four Canadian provinces in 2021. In addition, Maj Invest Asset Management is registered in Australia 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. Maj Invest Asset Management has worked determinedly with climate- and environment-related investments since the mutual fund Maj Invest Global Sundhed (global health equities) was launched in 2008.

Return for the value strategy relative to the MSCI Value Index



INVESTERINGSFORENINGEN MAJ INVEST (MUTUAL FUND)

Maj Invest Asset Management acts as investment adviser 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 developed positively in 2022 and increased to 53,500 investors. At year-end 2022, total assets under management were DKK 19 billion.

By and large, all parts of the global equity and bond markets fell in 2022 because of inflation, interest rate increases and general recession concerns. Thus, only 12 of the 669 Danish mutual funds generated positive returns in 2022. As a result, the mutual funds of Investeringsforeningen Maj Invest investing in Danish equities, growth equities and value equities experienced a year with unsatisfactory returns.

Maj Invest Kontra Strategier (countercyclical strategies) and Maj Invest Global Sundhed (global health equities) were the two best mutual funds among all Danish mutual funds in 2022. The mutual fund Net Zero 2050, which was launched two weeks before the invasion of Ukraine, also generated a positive return. Three funds in the absolute top in a challenging year is highly satisfactory.

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 norm-based screening and a process for active ownership. Twelve of the mutual funds of Investeringsforeningen Maj Invest have been classified as Article 8 funds under the Sustainable Finance Disclosure Regulation (EU) 2019/2088, meaning that they include sustainability in the investment process.

The mutual fund has regularly offered new funds focusing on sustainability since Maj Invest Global Sundhed (global health equities) was launched in 2008 under the name Miljø & Klima (environment and climate). In 2022, Maj Invest Net Zero 2050 was added to the product range, and investors combining the Net Zero



2050 fund with Maj Invest Grønne Obligationer (green bonds) and one or more of the equity funds Global Sundhed (global health equities), Vækstaktier (growth equities) and Globale Aktier non fossil (global equities non fossil) will get a portfolio investing in, among other things, green solutions and future technologies and not in fossil fuels.

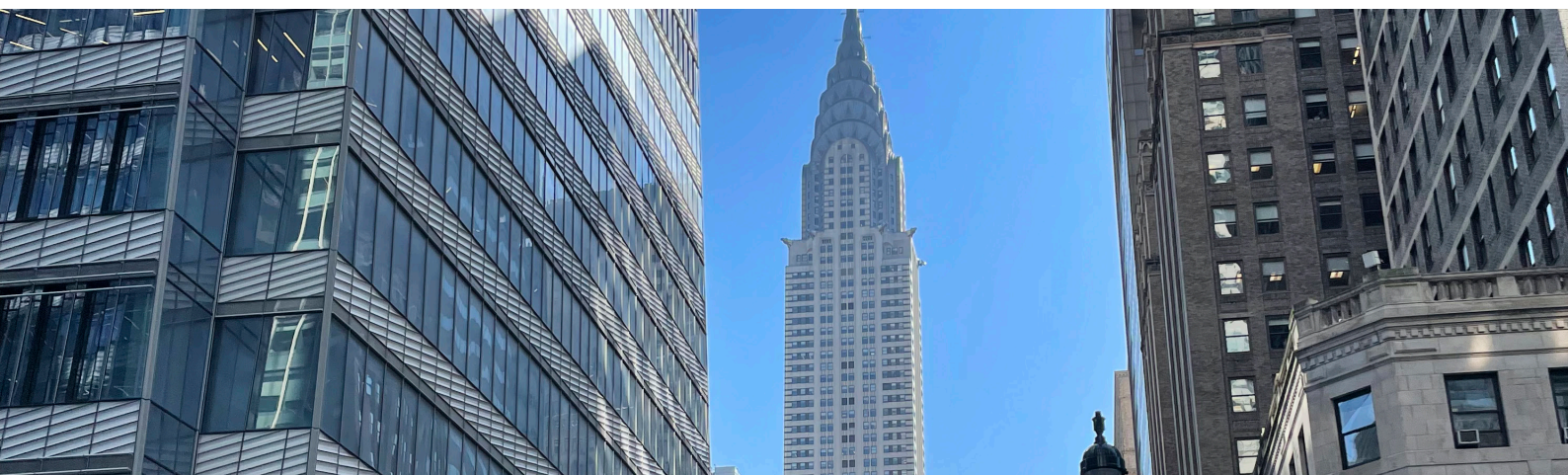
New green fund: Net Zero 2050

In February 2022, the mutual fund launched Maj Invest Net Zero 2050, which invests in the green transition. The EU countries aim for climate neutrality by 2050 just as the United States and China have green objectives. Climate neutral means zero CO₂ or greenhouse gas emissions net. This requires huge investments and will create good opportunities for investors.

Maj Invest Net Zero 2050 invests in both companies with a climate focus and companies and resources taking part in the green transition. For example, this means that the fund may invest in the entire value chain surrounding electric cars: from extracting crucial metals to developing technologies and producing cars and components and investments in infrastructure or producing and distributing electricity. The fund may also invest in metals and raw materials.

The fund was well received by investors. At year-end 2022, total assets amounted to DKK 672 million.

MAJ INVEST EQUITY



Maj Invest Equity is among the largest private equity advisers in the small and medium-sized enterprise segment in Denmark. At year-end 2022, Maj Invest Equity advised three funds. The focus in 2022 was on developing the portfolio companies and optimally navigating them through the effects and after-effects of COVID-19 and on the current financial and geopolitical turbulence. In addition, a new fund was being established.

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.

Maj Invest Equity 4 K/S

Maj Invest Equity 4 K/S is fully invested and has two remaining companies in the portfolio at year-end 2022. In 2022, Maj Invest Equity provided advisory services on the sale of the portfolio companies Svendsen Sport and PcP Corporation. During the ownership period of Maj Invest Equity 4 K/S, Svendsen Sport expanded to more new markets. The Company set up in the United States, developed a full product range with its own brands and showed strong growth in turnover and earnings up to exit. During the ownership period of Maj Invest Equity 4 K/S, PcP Corporation streamlined the operational and commercial platform. The company has been rebranded, has completed a fundamental digitalisation of its business and showed strong earnings

growth up to exit. Both sales generated highly satisfactory returns to the investors. After the closing of the financial statements, advisory services were provided on a successful sale of Vega Sea A/S.

The 2022 results of Maj Invest Equity 4 K/S amounted to DKK 107 million, which is considered satisfactory.

Maj Invest Equity 5 K/S

Maj Invest Equity 5 K/S is also fully invested and has nine remaining investments in the portfolio at year-end 2022. The focus in 2022 was on ensuring progress in the portfolio companies and managing the global macroeconomic challenges.

The 2022 results of Maj Invest Equity 5 K/S amounted to a deficit of DKK 110 million, primarily due to value adjustments.

Maj Invest Equity 6 K/S

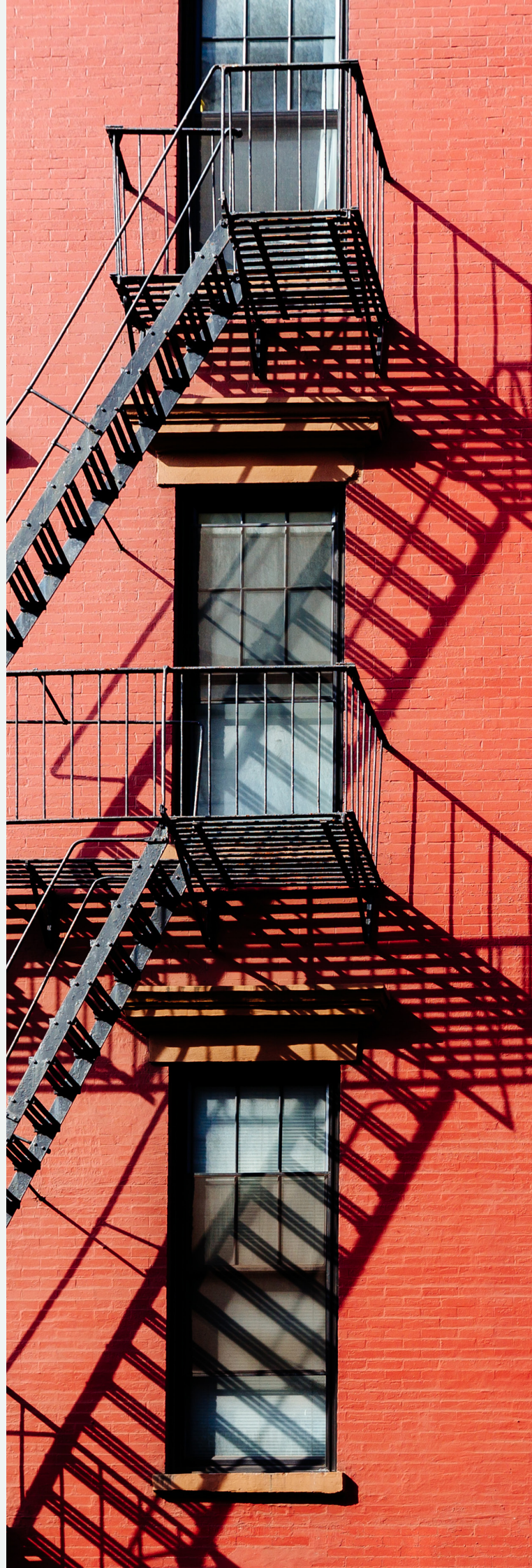
At year-end, Maj Invest Equity 6 K/S was in the establishment phase, and fundraising was initiated in 2022. Like fund 4 and fund 5, the fund will invest in and develop small and medium-sized Danish enterprises. Sustainability and ESG will be core focal points of the fund in developing the companies. Maj Invest Equity 6 K/S will be classified as an Article 8 fund under the Sustainable Financial Disclosure Regulation, promoting diversity, inclusion, climate and recirculation.

MAJ INVEST EQUITY 5 K/S

The investment strategy of Maj Invest Equity 5 K/S is to invest in small and medium-sized Danish enterprises with a value of DKK 200 to 600 million. Investments are made broadly in Danish companies within service, brands, industry, food, technology and others. 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 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 must 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 increase in value through permanent improvements. Added to this is the opportunity for targeted organic growth and growth through acquisitions. Long-term ownership, supported by experienced business partners that can contribute to business improvements for these companies, also forms part of Maj Invest Equity's philosophy. These partners 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 MINORITIES & VENTURES

Maj Invest Equity Minorities & Ventures has advised the newly established fund Private Equity Minorities I K/S.

The fund's investment strategy is focused on minority investments within the asset classes "private equity" and "venture capital". The life sciences and technology are the main sectors.

PRIVATE EQUITY MINORITIES I K/S

The fund was established in the second half of 2021 and is classified as an Article 8 fund under the Sustainable Financial Disclosure Regulation. ESG and sustainability are core focal points, with the fund seeking direct exposure to responsible companies that show consideration for the outside world, particularly the green transition.

Investments are primarily unlisted, with expected ownership of 10-25% and geographically limited to developed markets. The fund's commitment is DKK 5 billion, and investments are usually structured alongside reputable professional investors with a proven track record.

2022 was eventful and full of opportunities, which resulted in seven investments for a total of more than DKK 3 billion, including commitments. Since inception, the fund has invested in a total of eight companies. Although most of the capital has been allocated to large, defensive companies with structural growth opportunities within the life sciences, capital has also been allocated to two niche funds specialising in Israeli deep-tech and startup companies within the life sciences in the US.

- **Grove** is an Israeli venture capital company investing in domestic, high-tech and scalable start-up companies.
- **Red Tree** is a US venture capital company investing in scalable start-up companies within the life sciences on the west coast of the US.
- **Medical Knowledge Group** is a US supplier of analytics-driven marketing and commercialisation platforms for pharmaceutical companies.
- **Ritedose** is a US contract manufacturer of pharmaceutical products by means of a special sterilisation technology.
- **KabaFusion** provides home infusion and treatment for patients in acute care and chronically ill patients in the US and has plenty of opportunities to consolidate.
- **Sartorius** is a German manufacturer of laboratory equipment, including bioreactors, water purification systems and precision weights.
- **Synklino** is a Danish start-up company developing a drug candidate for the treatment of cytomegalovirus, which is a threat to patients receiving transplants.
- **Morrow** develops sustainable battery production by optimising the composition of raw materials and the availability of hydropower along Norway's Battery Coast. The investment was made in 2021.

The pipeline is flourishing, and further investments alongside strategic partners are expected in 2023. The listed stock market saw a significant negative value adjustment in 2022. This development was reflected in the private markets and will be used to obtain exposure to structurally attractive and innovative businesses. 2023 is also expected to be an active year.



MAJ INVEST EQUITY INTERNATIONAL

Since 2010, Maj Invest Equity International has provided investment advisory services within 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, payments, insurance and money transfers to the poorest parts of the population who are not included in the formal economy. The funds invest in selected countries in Latin America, Africa and Asia – the last focusing on India.

In all funds, Maj Invest Equity International works to enhance the positive effect from investments to benefit 1) clients, 2) investors and 3) the national economy of the respective countries. In addition, Maj Invest Equity International aims to further several of the Sustainable Development Goals, especially Goal 1 (No Poverty) and Goal 5 (Gender Equality), when working with the investments. The funds invest in well-established financial institutions with a well-founded strategy to promote social sustainability and create an inclusive financial infrastructure in the relevant country. The funds usually invest with other respected and like-minded investors.

The access to financial services gives the very large client group below the middle class an opportunity for financial prosperity. Typically, working capital loans for small family businesses are one of the main products. These loans often have higher interest rates than we are used to in developed countries. This is a direct re-

sult of financial institutions making many small loans in local currencies, which are time- and resource-consuming to distribute, and capital costs are high. In addition, inflation in the relevant countries is often relatively high. Clients view access to these essential financial services as very positive compared with the only other alternative, the black market.

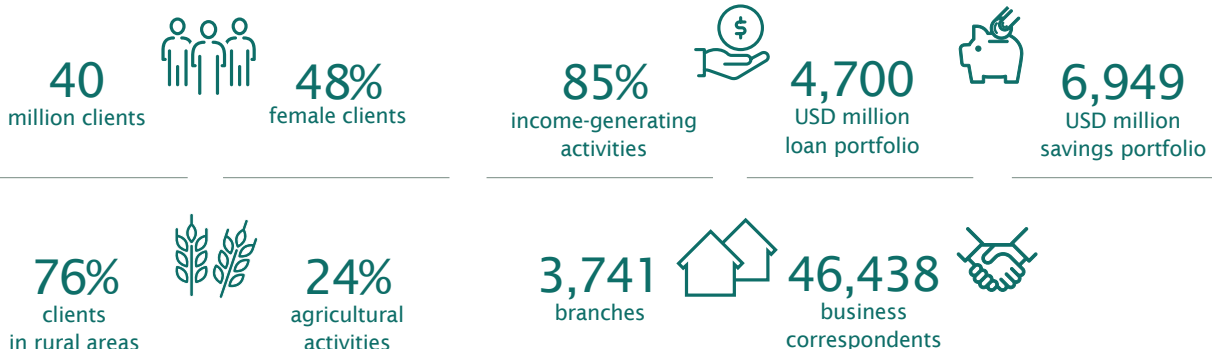
Several of the financial institutions also offer initiatives to help a part of the client group improve their financial lives. Examples include training in managing a business while focusing on creating financial stability, tools to make the small businesses more profitable, budgeting or savings planning for the small family-owned businesses. The funds also seek to promote environmental factors, including reducing and adapting to the impact of climate change, and corporate governance in the individual portfolio companies.

To assist the team of four people in Denmark, Group companies in Peru and India have six employees. The team 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 on the board of directors.

Final closing for the latest fund

Maj Invest Financial Inclusion Fund III K/S was established in December 2019, and total investment commitments were USD 183 million at the fund's final closing in March 2022. At year-end 2022, the fund has completed five of the expected seven investments.

THE PORTFOLIO COMPANIES OF THE FINANCIAL INCLUSION FUNDS REACH 40 MILLION CLIENTS



Note: As of September 2022. Source: Maj Invest.

MAJ BANK

Maj Bank provides investment advisory services to clients and exclusively offers accounts and custody accounts for savings and investment purposes. Maj Bank is an investment bank and thus a supplement to clients' everyday bank connection.

The adverse financial markets with declining equity and bond prices in 2022 also had a negative impact on Maj Bank and Maj Bank's clients. Maj Bank places great emphasis on long-term investments and strives towards being highly available to clients. 2022 was characterised by a close dialogue and sparring with the bank's clients on the development in the financial markets. In addition, there was considerable activity with follow-up meetings on clients' investment strategies. Despite hard market terms, the number of clients increased by 8% net. However, total assets under management declined due to market fluctuations.

Maj World, Maj Bank's advisory and client platform, was continuously updated with new functions. This work will continue in 2023, focusing on the client experience.

Maj Bank's advisory services are built on three principles:

Big Picture

- Identifies long-term trends
- Assesses current economic and financial events
- Separates news from noise
- Recommends investment strategy



Investment approach

- Five risk profiles
- Portfolio weights
- Product selection
- Portfolio trading



Fair costs and client bonus

- Client fee of DKK 200 per month
- Client bonus depending on investment volume



MAJ BANK - INVESTMENT BANK FOR PRIVATE CLIENTS

Maj Invest for private clients

Maj Bank is the Maj Invest Group's offer to private clients. Maj Bank focuses solely on savings and investments. Simplicity and availability are key words in our work. Maj Bank offers accounts and custody accounts for all types of savings and investment purposes. As an investment bank we do not offer loans, current accounts, debit cards and payment services.

Sustainable choices

Clients requiring high quality as well as sustainability are offered a group of specifically selected products from the mutual fund Maj Invest and other quality suppliers.

Sustainable investments are defined as investments contributing to environmental goals, for example lower carbon footprint or social goals such as the fight against equality or furthering social integration.

Knowledge in focus - not news

History has shown that long-term investments pay off. This requires sufficient knowledge and an understanding of risks in order to keep calm when volatility in financial markets increases. Therefore, we focus on long-term economic trends. We analyse and eliminate all unnecessary noise. This knowledge is shared with clients in Maj World. Simplicity and focus are crucial in creating an overview. Overview is a good starting point when making long-term investments.

The importance of savings

To save and invest will help you feel secure and provide you future opportunities. Freedom is the result of decent savings. Maybe this is why Danes have increased their savings for the last 25 years. The more important savings is to the individual, the more important it is to focus on ways to handle savings.

MAJ
BANK

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/koncernstruktur (in Danish).

BOARD OF DIRECTORS

The Board of Directors has eight members, three of whom are elected by the employees. Among the shareholder-elected board members, changes were last made in 2022. The most recent election for employee directors was held in 2021. In the first quarter of 2023, an employee director withdrew from the Board of Directors, and the substitute member has joined. The directorships and executive functions of the Board of Directors are explained in the section on executive functions and directorships on page 26.

EXECUTIVE BOARD

The Executive Board comprises Jeppe Christiansen, Henrik Parkhøi and Jens Aaløse, who joined in the first quarter of 2022. In addition, Group management comprises Managing Director Marianne Settnes, head of the Group's legal and compliance department, Managing Director Kasper Svarrer, who is head of the activities under Maj Invest Equity International, and Managing Director Simon Richard Nielsen, who will join on 1 April 2023 as head of the department for communication, contents and marketing. The directorships and executive functions of the Executive Board are explained in the section on executive functions and directorship on page 27.

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.

DIVERSITY

In March 2022, the Board of Directors set 40% targets for the share of the underrepresented gender in the Board of Directors (shareholder-elected board members) and other management levels. The targets have been set for a period up until 2026.

With the current composition of the Board of Directors, as described on page 26, equal gender representation has been achieved in the Board of Directors, and the

40% target for the Board of Directors is thus considered met. The most recent assessment of the achievement of targets for the proportion of the underrepresented gender at other management levels was carried out in March 2023.

Maj Invest is aware that gender is one of more relevant parameters for diversity and that there is a continued need for encouraging diversity in general.

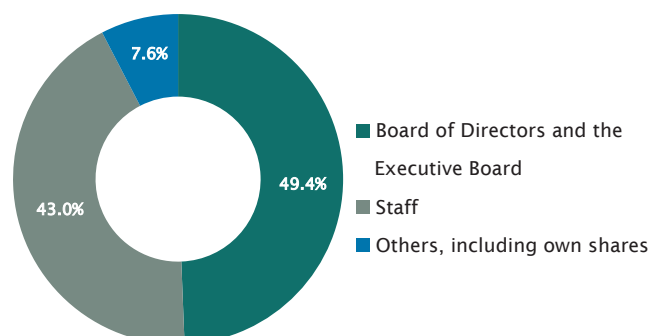
The Board of Directors of Maj Invest Holding A/S and the Boards of Directors of the subsidiaries Fondsmæglerselskabet Maj Invest A/S, Maj Invest Equity A/S and Maj Bank A/S have also prepared policies that aim for a more equal gender distribution in the Boards of Directors and at other management levels 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 Group to reflect the surroundings, making it an attractive choice for both clients and current and future employees.

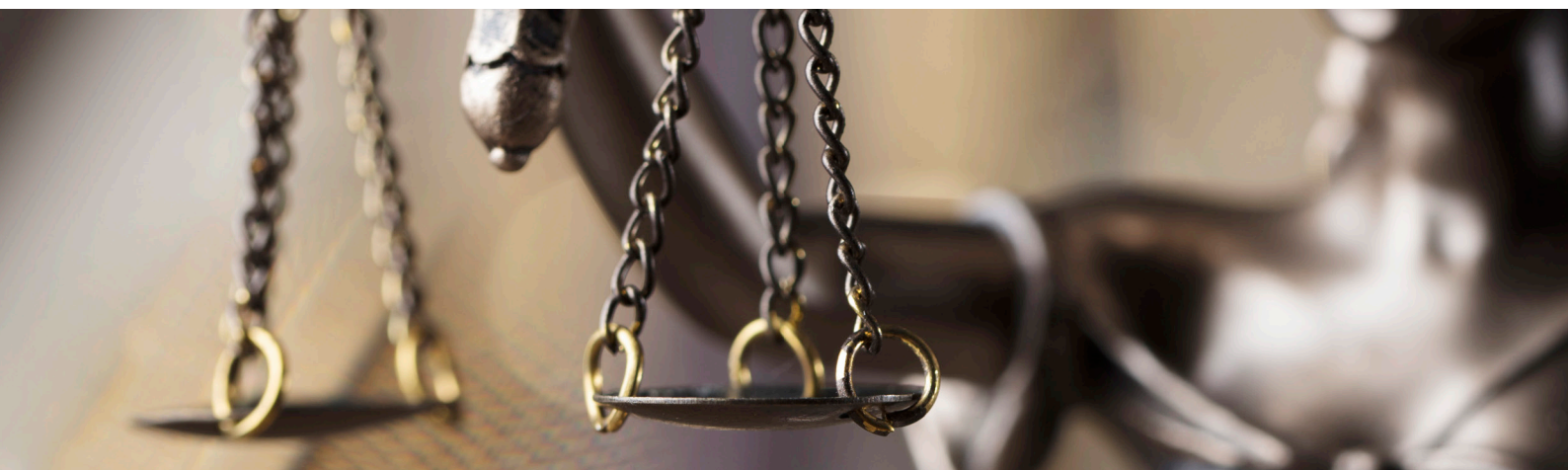
OWNERSHIP

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 2022 is shown in the figure below.

DISTRIBUTION OF SHARES IN MAJ INVEST HOLDING A/S



STAFF CONDITIONS, POLICIES ETC.



The Maj Invest Group continually strives to develop and strengthen its workplace for the Group to be an attractive place of employment. As described on page 18, Management focuses on diversity and the opportunity to attract and retain the best managers and employees. The distribution of managers and employees on gender and age is shown below.

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 has expertise in special investment areas and extensive experience within the financial sector.

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).

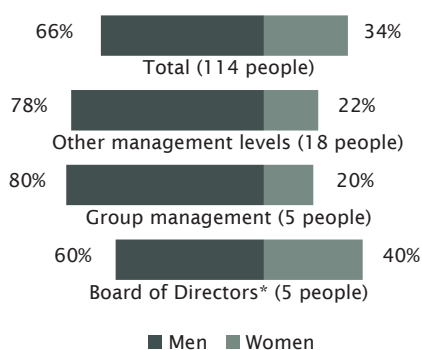
Note 8 in the financial statements provides further information on the remuneration and salaries of the Board of Directors, the Executive Board and the employees whose activities significantly influence the Company's risk profile by fixed and variable remuneration.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group did not have any research activities, but has in the financial year in cooperation with external suppliers further developed the IT knowledge platform Maj World, which is used in Maj Bank A/S.

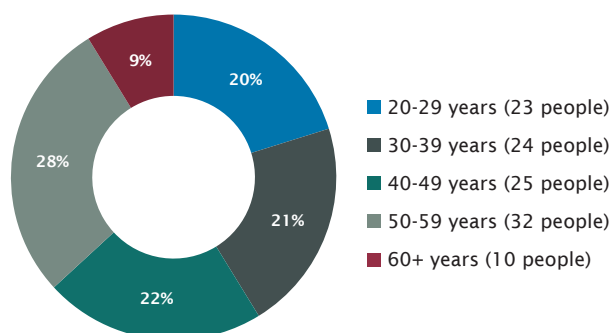
GENDER DISTRIBUTION

1 January 2023



AGE DISTRIBUTION

Employees and management, 1 January 2023



*Shareholder-elected board members

CLIMATE AND SOCIAL RESPONSIBILITY

The Maj Invest Group aims to encourage social and climate sustainability. This applies both directly and through the majority of investment strategies and products offered by the Group.

INVESTMENTS, CLIMATE AND SOCIAL RESPONSIBILITY

In 2010, Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity joined and adheres to the United Nations Principles for Responsible Investment (PRI). For several years, the Maj Invest Group has worked with its investment strategies to further and facilitate investors' contribution to social and climate sustainability. The Maj Invest Group endeavours to adhere to internationally recognised standards and principles for sustainability screening and goals in its sustainability-related work.

- All investments in listed securities in Maj Invest Asset Management are screened to ensure that companies comply with the Group's policy on responsible investment. This is done together with an internationally recognised third party concerning screening and engagement.
- The Maj Invest Group offers investment strategies and specific investments in sustainable energy and companies reducing the carbon footprint through behavioural changes, technology or products.
- The aim is to offer new products and funds as Article 8 products. This means that sustainability will be included in the investment process and that investors will receive reports on the sustainability of the products.
- Four of the private equity funds advised by the Group are classified as Article 8 funds. Three of these funds invest within financial inclusion, especially in developing countries (see page 15).
- Fondsmæglerselskabet Maj Invest A/S provides advisory services to the mutual fund Investeringsforeningen Maj Invest on several products advancing sustainability (see page 11). Twelve of 15 funds in the mutual fund Investeringsforeningen Maj Invest are classified as Article 8 funds.

The Maj Invest Group provides advisory services to and manages investments on behalf of clients. Clients' sustainability preferences are included in the advisory services provided.

FINANCIAL CONTRIBUTIONS WITH A SOCIAL PURPOSE

The Group has introduced several initiatives to directly contribute to social responsibility and climate solutions.

- The Maj Invest Group has a permanent staff committee with a social purpose (Udvalg til Sociale Formål). The committee's work focuses on donations for marginalised groups in Danish society.
- For several years, the Maj Invest Group has made financial contributions to several projects supporting marginalised people and charitable purposes. In the period 2016-2022, contributions totalling DKK 8.1 million were made to more than 30 projects, and some of these for several years. In 2022, contributions were made to 13 projects.
- The Maj Invest Group's objective is to donate DKK 10 million over a 5-year period (2023-2027), focusing partly on the group of marginalised people and partly on nature and climate.
- The Maj Invest Group has a staff committee working with various options to choose solutions internally with less impact on the climate, such as reducing the carbon footprint (scope 1).



The private, charitable association Hellebro aims to help young homeless and marginalised people between 18 and 29 years. For several years and most recently in 2022, Hellebro has received donations from the Maj Invest Group.



FINANCIAL REVIEW

RECOGNITION AND MEASUREMENT RISKS AND UNCERTAINTIES

The major risk pertaining to recognition and measurement relates to market and liquidity-related transactions, performance fees and to unlisted equity investments and intangible assets.

The market and liquidity-related positions are mostly placed in Danmarks Nationalbank (central bank), in Danish listed bonds and in large banks in Denmark. Moreover, there are listed as well as unlisted equity investments, the latter primarily relating to Maj Invest Equity, and the Group's treasury-related activities. Investments are measured at fair value and the value is accordingly adjusted on an ongoing basis. The unlisted equity investments which are associated companies due to the share of votes are recognised using the equity method. In note 28 to the financial statements, equity holdings in terms of the different types of equities are shown.

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 2022.

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

MAJ INVEST HOLDING A/S

Net interest income amounted to DKK -1.0 million in 2022 versus DKK -0.3 million in 2021. A rising interest rate resulted in rising interest expenses on the company's overdraft facility.

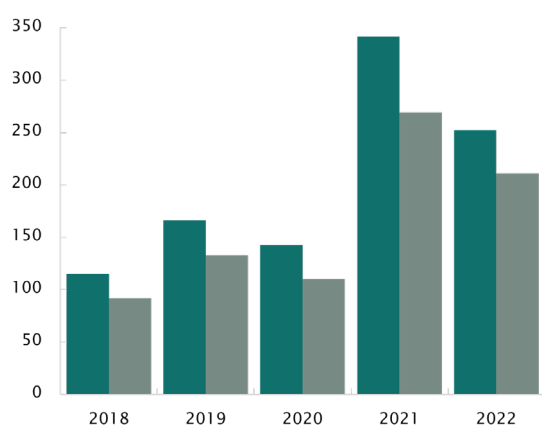
In 2022, market value and currency translation adjustments showed a loss of DKK 3.7 million versus a gain of DKK 27.0 million in 2021. The market value and currency translation adjustments pertain to the company's Treasury activities. In 2022, the equity positions amounted to a loss of DKK 5.0 million in consequence of impairment of an unlisted portfolio stock versus a gain of DKK 24.7 million in 2021. The main part of the market value and currency translation adjustments in 2021 pertained to the two Danish private equity funds. Other market value and currency translation adjustments primarily relate to currency translation adjustments.

Other operating income amounted to DKK 5.9 million in 2022 versus DKK 6.4 million in 2021. 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 pri-

TRENDS IN PROFIT (GROUP)

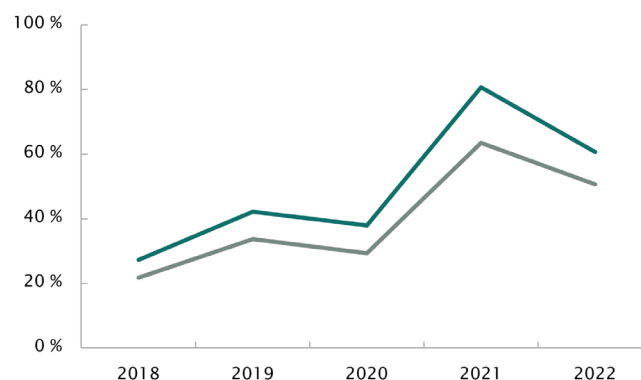
- Profit before tax
- Profit after tax

DKK million



RETURN ON EQUITY

- Return on equity before tax
- Return on equity after tax



vate equity funds. Additionally, there is income from the sale of services to other group companies.

Staff and administrative costs increased from DKK 15.6 million in 2021 to DKK 16.2 million in 2022. The activity level was higher in 2022 than in 2021 as 2021 was still impacted by the development in the COVID-19-situation.

In 2022, depreciation charges on intangible assets increased DKK 0.7 million to DKK 3.1 million, which is related to IT software.

Results from interests in associated companies totalled DKK -4.5 million in 2022 versus DKK 0.2 million in 2021. 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 224.5 million in 2022, which is lower than the DKK 258.0 million in 2021. Results in group enterprises are explained in more detail in the section entitled "Significant subsidiaries".

Net profit for the year 2022 amounted to DKK 211.0 million versus DKK 269.1 million in 2021. Net profit for 2022 is satisfactory and in line with the expectations expressed in the half-year report.

At year-end 2022, shareholders' equity was DKK 367.8 million versus DKK 464.0 million at year-end 2021. In 2022, dividend for 2021 and interim dividend for 2022 for a total of DKK 300.9 million were distributed.

At year-end 2022, the total balance sheet was DKK 478.7 million (year-end 2021: DKK 580.6 million).

SIGNIFICANT SUBSIDIARIES

Fondsmæglerselskabet Maj Invest A/S' gross income was DKK 396.2 million; a decline of DKK 71.8 million compared with gross income of DKK 468.0 million in 2021. The decline primarily relates to financial market instability, resulting in a decline in assets under management, but also negative market value and currency translation adjustments on the company's own portfolio (Treasury). Staff and administrative costs amounted to DKK 167.5 million, which was on level

with 2021. Profit after tax for 2022 was DKK 175.5 million versus DKK 231.9 million in 2021. Shareholders' equity amounted to DKK 200.1 million at year-end 2022, and the total assets were DKK 259.1 million.

Maj Invest Equity A/S' gross income in 2022 totalled DKK 102.8 million; an increase of DKK 30.7 million compared with the DKK 72.1 million in 2021. Gross income in 2022 is positively affected by carried interest being recognised as a result of good returns for investors in one of the private equity funds to which advisory services are provided. Staff and administrative costs showed an increase of DKK 4.2 million to DKK 45.1 million. Profit after tax was DKK 56.6 million, which is almost double the profit after tax in 2021 of DKK 28.9 million. Shareholders' equity amounted to DKK 24.5 million at year-end 2022, and the total assets were DKK 65.9 million.

Maj Bank A/S' gross income was DKK 6.1 million versus DKK 10.6 million in 2021. Net fee income derived from client-related activities declined slightly by DKK 0.1 million compared with 2021. The development in the financial markets led to a reduction in the bank's own portfolio of DKK 5.3 million in 2022. Profit after tax was DKK -8.4 million in 2022 versus DKK -3.7 million in 2021. Shareholders' equity amounted to DKK 58.2 million at year-end 2022, and the total assets were DKK 235.3 million.

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

COMMENTS ON SELECTED ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

Net interest and fee income totalled DKK 464.3 million in 2022 versus DKK 524.9 million in 2021. The negative development in the financial markets has led to a large drop in assets under management, resulting in a decline in income generated from advisory services.

In 2022, total market value and currency translation adjustments showed a gain of DKK 33.3 million versus a gain of DKK 49.0 million in 2021. Adjustments in bond prices resulted in a loss of DKK 21.5 million in 2022 versus a loss of DKK 3.7 million in 2021. The loss is attributable to rising interest rates in 2022. Stock price adjustments showed a gain of DKK 55.2 million, which is slightly above the DKK 52.8 million

gained in 2021. As a consequence of the development in the financial markets, the equity market value and currency translation adjustments relating to the Group's treasury activities have been negatively affected. However, compared with 2021 the Group generated a higher excess return in 2022 on unlisted equities (carried interest) from one of the Danish private equity funds advised by the group. Other market value and currency translation adjustments, comprising currency translation adjustments and hedging transactions, showed a modest loss in 2022.

The Group's cost level in the form of staff and administrative costs and depreciation charges on intangible and tangible assets amounted to DKK 245.3 million in 2022, which is an increase of DKK 7.2 million from the DKK 238.1 million in 2021. Salary-related costs declined by DKK 2.0 million to DKK 166.8 million; among other things as a consequence of lower bonus-related costs. Other costs amounted to DKK 78.5 million; an increase of DKK 9.2 million compared with the DKK 69.3 million in 2021. The 2021 cost level was affected by the COVID-19 situation with more 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 and/or share of votes, results amounted to DKK -4.5 million in 2022 versus DKK 0.2 million in 2021. 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 252.5 million in 2022, equivalent to a return on equity of 60.7%. In 2021, consolidated profit before tax was DKK 341.6 million. Consolidated profit after tax was DKK 211.0 million in 2022 versus DKK 269.1 million in 2021. 2022 profits are in line with the expressed expectations.

Total consolidated assets amounted to DKK 727.5 million at year-end 2022 versus DKK 764.3 million at year-end 2021. 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 2022, shareholders' equity totalled DKK 367.8 million versus DKK 464.0 million at year-end

2021. In 2022, dividends of DKK 159.8 million concerning financial year 2021 were distributed together with interim dividends of DKK 141.1 million for 2022. The acquisition and sale of own shares amounted to net DKK -5.9 million and other equity items totalled DKK -0.3 million.

CAPITAL AND CAPITAL RATIOS

The Group's own funds totalled DKK 289.6 million at year-end 2022 versus DKK 293.4 million at year-end 2021. Note 25 of the financial statements shows the relationship between shareholders' equity and own funds.

The Group's capital ratio was 21.8% at year-end 2022 versus 21.4% at year-end 2021. The Group's own funds are still strong compared to the statutory minimum requirements.

Group risk exposure totalled DKK 1,327.2 million at year-end 2022 versus DKK 1,373.8 million at year-end 2021. Credit risk exposures declined by DKK 73.4 million to DKK 375.2 million at year-end 2022. Market risk exposures were DKK 100.5 million, which is a decline of DKK 13.3 million compared with year-end 2021. The Group's operational risk items increased by DKK 40.0 million to DKK 851.5 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 2022, the Parent's own funds amounted to DKK 290.9 million versus DKK 295.3 million at year-end 2021. Given total risk exposure of DKK 609.2 million, the capital ratio was 47.8% at year-end 2022. The capital ratio was 38.6% at year-end 2021.

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 operati-

ons. 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 1.9 per share of DKK 1. In August 2022, the company distributed interim dividends of DKK 3.9 per share of DKK 1. Thus, total dividends for the financial year 2022 amount to DKK 5.8 per share of DKK 1, equivalent to net profit for the year.

OUTLOOK FOR 2023

The majority of group income is variable and directly depends on the size of the assets under management and thereby the trends in the financial markets. The continued instability in the financial markets, high inflation and the geopolitical situation increase the risk of fluctuations in the financial markets and thus the uncertainty of future earnings.

The assets under management in 2023 are expected to be lower than in 2022. Thus, a decline in gross income is expected in 2023. A 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.

Costs are expected to increase because of high inflation.

For 2023, profit after tax is expected to be lower than that of 2022.

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 board of:

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

Vice-chairman of the board of:

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

Directorships:

Pharmacosmos 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 board of:

Thylander Gruppen A/S

Directorships:

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

Managing Director:

Nolu Holding ApS

BRITTA KORRE STENHOLT

Chairman of the board of:

Electro Energy A/S

Vice-chairman of the board of:

Dansk Industri

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Maj Invest Holding A/S
Foreningen Byggeriets Diversitetsdag
Optigroup AB, Sweden

Managing Director:

C.F. Richs Vej 115 ApS
Fragtvej 7-9 ApS
Jarlsberggade 10 ApS
Korre Holding ApS
Stark Danmark A/S

JØRGEN TANG-JENSEN

Chairman of the board of:

Tænketanken Europa

Directorships:

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

TOMAS MUNKSGARD HOFF

Directorships:

Maj Invest Holding A/S

SØREN KRAG JACOBSEN

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Holding 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 board of:**

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

Directorships:

A/S United shipping & Trading Company
Bellabeat, Inc., USA
Kirkbi A/S
Novo Holdings A/S
Novo Nordisk A/S
Lone Dybkjær Fonden
Pluto Naturfonden
Randers Regnskov (the Randers Regnskov fund)

CEO:

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

Other offices:

Investment committee member

- Danish Microfinance Partners K/S
- Maj Invest Equity 4 K/S
- Maj Invest Equity 5 K/S
- Maj Invest Equity Southeast Asia II K/S
- Maj Invest Equity Vietnam I K/S
- Maj Invest Financial Inclusion Fund II K/S
- Maj Invest Financial Inclusion Fund III K/S
- Private Equity Minorities I K/S

HENRIK PARKHØI **Directorships:**

Maj Bank A/S
Maj Invest Equity A/S
Maj Invest South America S.A., Peru
Investeringsforvaltningsselskabet SEInvest A/S

Deputy CEO:

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

JENS AALØSE **Chairman of the board of:**

Blue Ocean Robotics Holding ApS with one subsidiary
Fonden LDE 3 GP
Fonden MIE 6 GP
Sticks 'N' Sushi Holding A/S with one subsidiary

Vice-chairman of the board of:

Topdanmark A/S
Topdanmark Forsikring A/S

Directorships:

Dansk Erhverv
FDM Travel A/S
Fonden Maj Invest Equity General Partner
Gerda og Victor B. Strands Fond/Toms Gruppens Fond
Gerda og Victor B. Strands Holding A/S
Good Food Group A/S
MIE5 Datterholding 6 ApS

Managing Director:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Maj Invest Holding A/S
MIE4 Holding 2 ApS
MIE5 Holding 6 ApS
MOMA Capital ApS
PE Minorities GP ApS

Other offices:

Investment committee member

- Maj Invest Equity 4 K/S
- Maj Invest Equity 5 K/S
- Private Equity Minorities I K/S



FINANCIAL STATEMENTS

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK thousand	Note	Group		Parent	
		2022	2021	2022	2021
Interest income	3	3,432	3,610	848	1,107
Interest expense	4	(3,962)	(3,089)	(1,872)	(1,402)
Net interest income		(530)	521	(1,024)	(295)
Dividend on equities etc.		1,906	1,106	1,243	957
Fee and commission income		482,891	544,740	-	-
Fee and commission expense		(19,957)	(21,475)	(124)	(32)
Net interest and fee income	6, 7	464,311	524,892	95	630
Market value and currency translation adjustments	5, 6, 7	33,341	48,988	(3,652)	26,995
Other operating income		4,708	5,552	5,936	6,387
Staff costs and administrative expenses	8	(239,276)	(232,745)	(16,230)	(15,555)
Depreciation, amortisation and impairment of intangible and tangible assets	17, 18	(5,687)	(5,307)	(3,065)	(2,419)
Other operating costs		(321)	(51)	-	-
Loan impairment charges	9	(125)	64	(125)	64
Results of interests in associated companies and group enterprises	15, 16	(4,475)	249	220,023	258,224
Profit before tax		252,475	341,641	202,981	274,325
Tax	10	(41,475)	(72,577)	8,019	(5,261)
Net profit for the year		211,000	269,064	211,000	269,064
Other comprehensive income					
Translation of results of foreign entities		(332)	800	(332)	800
Other comprehensive income, total		(332)	800	(332)	800
Comprehensive income for the year, total		210,668	269,864	210,668	269,864

DISTRIBUTION OF PROFIT

Proposed dividend	69,065	163,575
Interim dividends distributed in the financial year	141,114	105,088
Provision for "Reserve for net revaluation using the equity method"	232,896	261,024
Provision for equity under "Retained earnings"	(232,075)	(260,624)
Distributed amount, total	211,000	269,064

BALANCE SHEET

DKK thousand	Note	Group		Parent	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
ASSETS					
Cash in hand and					
demand deposits with central banks		100,081	95,610	5	3
Due from credit institutions	11	175,870	166,219	11,686	10,476
Loans and other receivables at fair value	9,12	4,230	2,980	3,897	2,646
Bonds at fair value	13	193,088	193,822	4,942	5,259
Equities etc.	14	138,868	158,962	120,207	141,681
Interests in associated companies	15	23,855	26,295	23,855	26,295
Interests in group enterprises	16	-	-	302,078	387,040
Intangible assets	17	7,129	6,530	5,894	4,481
Other tangible assets	18	3,959	3,509	127	68
Current tax assets		-	9	3,080	-
Deferred tax assets		127	100	-	-
Other assets	19	72,613	100,842	2,384	2,067
Prepaid expenses		7,673	9,438	505	633
Total assets		727,494	764,318	478,660	580,649

BALANCE SHEET

DKK thousand	Note	Group		Parent	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
LIABILITIES					
Debt					
Due to credit institutions	21	89,932	91,706	89,932	91,706
Deposits	22	173,781	115,628	-	-
Current tax liabilities		4,363	7,931	-	3,477
Other liabilities	23	54,016	60,581	17,792	18,429
Prepaid income		35,872	23,478	1,552	2,014
Total debt		357,964	299,325	109,277	115,625
Provisions					
Provisions for deferred tax		1,693	961	1,546	992
Provisions, total		1,693	961	1,546	992
Shareholders' equity					
Share capital		36,350	36,350	36,350	36,350
Accumulated value adjustments					
Accumulated currency translation of foreign entities		(1,739)	(1,406)	(1,743)	(1,406)
Other reserves					
Net revaluation using the equity method		-	-	40,837	58,936
Other reserves		41,007	46,934	98,915	104,843
Retained earnings		223,153	218,579	124,413	101,735
Proposed dividend		69,065	163,575	69,065	163,575
Total shareholders' equity		367,837	464,032	367,837	464,032
Total liabilities		727,494	764,318	478,660	580,649

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

STATEMENT OF CAPITAL - GROUP

2022			Currency			
DKK thousand	Share capital	Other reserves	translation reserve	Retained earnings	Proposed dividend	Total
Shareholders' equity, year-end 2021	36,350	46,934	(1,406)	218,579	163,575	464,032
Net profit for the year	-	-	-	141,935	69,065	211,000
Other comprehensive income						
Translation of results of foreign entities	-	-	(332)	-	-	(332)
Other comprehensive income	-	-	(332)	-	-	(332)
Other comprehensive income, total	-	-	(332)	141,935	69,065	210,668
Equity items						
Dividend for 2021	-	-	-	-	(159,822)	(159,822)
Non-distributed dividend, own shares 2021	-	-	-	3,753	(3,753)	-
Interim dividend 2022	-	-	-	(141,765)	-	(141,765)
Non-distributed dividend, own shares 2022	-	-	-	651	-	651
Acquisition of own shares	-	(72,642)	-	-	-	(72,642)
Sale of own shares	-	66,715	-	-	-	66,715
Equity items, total	-	(5,927)	-	(137,361)	(163,575)	(306,863)
Shareholders' equity, year-end 2022	36,350	41,007	(1,739)	223,153	69,065	367,837

STATEMENT OF CAPITAL - GROUP

2021	Share capital	Other reserves	Currency translation reserve	Retained earnings	Proposed dividend	Total
DKK thousand						
Shareholders' equity, year-end 2020	36,350	28,876	(2,206)	210,870	109,050	382,941
Net profit for the year	-	-	-	105,489	163,575	269,064
Other comprehensive income						
Translation of results of foreign entities	-	-	800	-	-	800
Other comprehensive income	-	-	800	-	-	800
Other comprehensive income, total	-	-	800	105,489	163,575	269,864
Equity items						
Dividend for 2020	-	-	-	-	(101,742)	(101,742)
Non-distributed dividend, own shares 2020	-	-	-	7,308	(7,308)	-
Interim dividend 2021	-	-	-	(105,415)	-	(105,415)
Non-distributed dividend, own shares 2021	-	-	-	327	-	327
Acquisition of own shares	-	(26,586)	-	-	-	(26,586)
Sale of own shares	-	44,644	-	-	-	44,644
Equity items, total	-	18,058	-	(97,780)	(109,050)	(188,772)
Shareholders' equity, year-end 2021	36,350	46,934	(1,406)	218,579	163,575	464,032

STATEMENT OF CAPITAL - PARENT

2022							
DKK thousand	Share capital	Reserve for net revalua- tion using equity method	Other reserves	Currency translation reserve	Retained earnings	Proposed dividend	Total
Shareholders' equity, year-end 2021	36,350	58,936	104,843	(1,406)	101,735	163,575	464,032
Net profit for the year	-	232,896	-	-	(90,961)	69,065	211,000
Other comprehensive income							
Translation of results of foreign entities	-	4	-	(336)	-	-	(332)
Other comprehensive income	-	4	-	(336)	-	-	(332)
Other comprehensive income, total	-	232,900	-	(336)	(90,961)	69,065	210,668
Equity items							
Dividend 2021	-	-	-	-	-	(159,822)	(159,822)
Non-distributed dividend, own shares 2021	-	-	-	-	3,753	(3,753)	-
Interim dividend from subsidiaries 2022	-	(165,000)	-	-	165,000	-	-
Expected dividend from subsidiaries*	-	(86,000)	-	-	86,000	-	-
Interim dividend 2022	-	-	-	-	(141,765)	-	(141,765)
Non-distributed dividend, own shares 2022	-	-	-	-	651	-	651
Acquisition of own shares	-	-	(72,642)	-	-	-	(72,642)
Sale of own shares	-	-	66,715	-	-	-	66,715
Equity items, total	-	(251,000)	(5,927)	-	113,639	(163,575)	(306,863)
Shareholders' equity, year-end 2022	36,350	40,837	98,915	(1,743)	124,413	69,065	367,837

*Dividend will be approved at the annual general meeting in the spring 2023.

STATEMENT OF CAPITAL - PARENT

2021	Share capital	Reserve for net revaluation using equity method	Other reserves	Currency translation reserve	Retained earnings	Proposed dividend	Total
DKK thousand							
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	-	-	(155,535)	163,575	269,064
Other comprehensive income							
Translation of results of foreign entities	-	-	-	800	-	-	800
Other comprehensive income	-	-	-	800	-	-	800
Other comprehensive income, total	-	261,024	-	800	(155,535)	163,575	269,864
Equity items							
Dividend 2020	-	-	-	-	-	(101,742)	(101,742)
Non-distributed dividend, own shares 2020	-	-	-	-	7,308	(7,308)	-
Interim dividend from subsidiaries 2021	-	(105,000)	-	-	105,000	-	-
Expected dividend from subsidiaries*	-	(154,000)	-	-	154,000	-	-
Interim dividend 2021	-	-	-	-	(105,415)	-	(105,415)
Non-distributed dividend, own shares 2021	-	-	-	-	327	-	327
Acquisition of own shares	-	-	(26,586)	-	-	-	(26,586)
Sale of own shares	-	-	44,644	-	-	-	44,644
Equity items, total	-	(259,000)	18,058	-	161,220	(109,050)	(188,772)
Shareholders' equity, year-end 2021	36,350	58,936	104,843	(1,406)	101,735	163,575	464,032

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

STATEMENT OF CAPITAL - PARENT

The company's share capital consists of 36,350,000 shares of DKK 1 (year-end 2021: 36,350,000 shares), i.e. a total nominal value of DKK 36,350,000 (year-end 2021: DKK 36,350,000). No shares have special rights.

The company had issued 998,186 options which were exercised after the annual general meeting in March 2022. The strike price of the issued options was the fair value at the time of issue. At year-end 2022, there were no outstanding options (year-end 2021: 998,186 options).

Own shares 2022	Shares		In % of capital
	Number	Nom. value	
Own shares 1 January	834,049	834,049	2.3%
Acquisition of own shares	5,167,096	5,167,096	14.2%
Sale of own shares	(5,507,606)	(5,507,606)	(15.1%)
Own shares 31 December	493,539	493,539	1.4%

Own shares were acquired in connection with employees leaving the group in the financial year and previous years. Own shares were sold in connection with the recruitment of group staff and as an extraordinary offer made to a few corporate employees. In addition, shares were sold in connection with the exercise of options. The value of the annual acquisition and sale of own shares in 2022 amounted to net DKK -5,927 thousand.

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 and board members 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 in 2021 was a net sale of DKK 18,058 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 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 initially recognised at their fair values and subsequently at amortised cost.

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
- IT 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:

- IT hardware: 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 determine whether the recoverable amount is lower than the car-

NOTES

Note 1 continued

rying 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	2022	2021	2020	2019	2018
Net interest and fee income	464,311	524,892	357,852	333,944	342,357
Market value and currency translation adjustments	33,341	48,988	(65)	56,374	(11,427)
Staff costs and administrative expenses	(239,276)	(232,745)	(218,664)	(215,062)	(212,039)
Impairment charges on loans and receivables etc.	(125)	64	(89)	(4,286)	-
Results of interests in associated companies and group enterprises	(4,475)	249	(1,739)	(9,706)	(7,021)
Net profit for the year	211,000	269,064	110,271	132,943	91,982

BALANCE SHEET

Loans	4,230	2,980	10,178	2,407	6,346
Shareholders' equity	367,837	464,032	382,941	368,808	418,455
Total assets	727,494	764,318	712,957	637,137	665,740

RATIOS AND KEY FIGURES

Return on equity before tax	60.7%	80.7%	37.9%	42.2%	27.3%
Return on equity after tax	50.7%	63.5%	29.3%	33.8%	21.8%
Cost/income ratio	2.03	2.44	1.64	1.74	1.53
Cost in % of income	49.3%	41.1%	61.1%	57.4%	65.5%
Tier 1 capital ratio	21.8%	21.4%	23.0%	21.4%	33.0%
Capital ratio	21.8%	21.4%	23.0%	21.4%	33.0%
Own funds in relation to minimum capital requirements	2.7	2.7	2.9	2.7	4.1
Return on assets expressed as the ratio between net profit for the year and total assets	29.0%	35.2%	15.5%	20.9%	13.8%

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	2022	2021	2020	2019	2018
Net interest and fee income	95	630	273	(325)	(33)
Market value and currency translation adjustments	(3,652)	26,995	(9,653)	40,237	(15,066)
Staff costs and administrative expenses	(16,230)	(15,555)	(14,105)	(12,898)	(13,955)
Impairment charges on loans and receivables etc.	(125)	64	(89)	(4,286)	-
Results of interests in associated companies and group enterprises	220,023	258,224	123,942	103,762	102,817
Net profit for the year	211,000	269,064	110,271	132,943	91,982

BALANCE SHEET

Loans	3,897	2,646	9,844	2,398	6,340
Shareholders' equity	367,837	464,032	382,941	368,808	418,455
Total assets	478,660	580,649	531,681	491,184	517,821

RATIOS AND KEY FIGURES

Return on equity before tax	48.8%	64.8%	28.2%	34.2%	19.9%
Return on equity after tax	50.7%	63.5%	29.3%	33.8%	21.8%
Cost/income ratio	11.45	16.32	7.63	8.48	6.99
Cost in % of income	8.7%	6.1%	13.1%	11.8%	14.3%
Tier 1 capital ratio	47.8%	38.6%	36.7%	35.2%	52.3%
Capital ratio	47.8%	38.6%	36.7%	35.2%	52.3%
Own funds in relation to minimum capital requirements	6.0	4.8	4.6	4.4	6.5
Return on assets expressed as the ratio between net profit for the year and total assets	44.1%	46.3%	20.7%	27.1%	17.8%

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

NOTES

DKK thousand	Group		Parent	
	2022	2021	2022	2021
Note 3 Interest income				
Due from credit institutions and central banks	867	171	25	0
Loans and other receivables	314	726	175	587
Bonds	2,472	2,364	397	393
Negative interest from deposits	386	399	-	-
Derivatives	(940)	(267)	(47)	-
Of which foreign exchange contracts represent	(940)	(267)	(47)	-
Other interest income	332	217	298	127
Total interest income	3,432	3,610	848	1,107
Note 4 Interest expenses				
Credit institutions	(1,771)	(1,177)	(1,771)	(1,177)
Negative interest from credit institutions and central banks	(1,227)	(1,307)	(74)	(75)
Negative interest deposits	(330)	-	-	-
Negative interest from bond holdings	(65)	(112)	-	-
Other interest expenses	(568)	(493)	(27)	(149)
Total interest expenses	(3,962)	(3,089)	(1,872)	(1,402)
Note 5 Market value and currency translation adjustments				
Bonds	(21,459)	(3,657)	(184)	(158)
Equities etc.	55,193	52,775	(5,037)	24,694
Currency	(739)	208	1,573	2,459
Derivatives	346	(338)	(4)	-
Total market value and currency translation adjustments	33,341	48,988	(3,652)	26,995
Note 6 Net interest, fee income and market value and currency translation adjustments by business area				
Net interest and fee income				
Asset Management	376,580	424,348	-	-
Equity	76,872	88,549	-	-
Treasury	256	834	95	630
Maj Bank	10,603	11,161	-	-
Total net interest and fee income	464,311	524,892	95	630
Market value and currency translation adjustments				
Asset Management	3,914	5,094	-	-
Equity	56,295	22,000	-	-
Treasury	(26,868)	21,894	(3,652)	26,995
Total market value and currency translation adjustments	33,341	48,988	(3,652)	26,995

NOTES

DKK thousand	Group		Parent	
	2022	2021	2022	2021
Note 7 Geographical segmentation				
Net interest and fee income				
Denmark	241,815	297,652	(299)	241
Other Europe	95,795	100,703	-	-
Asia	313	507	-	-
North America	112,773	107,612	394	389
South America	(6)	(5)	-	-
Oceania	13,621	18,423	-	-
Total net interest and fee income	464,311	524,892	95	630
Market value and currency translation adjustments				
Denmark	35,030	49,604	(3,793)	28,140
Other Europe	(573)	(75)	(35)	36
Asia	(580)	(744)	631	(1,353)
North America	(455)	172	(455)	172
South America	(82)	32	-	-
Total market value and currency translation adjustments	33,341	48,988	(3,652)	26,995
Note 8 Staff costs and administrative expenses				
Directors				
Directors, fixed remuneration	(2,069)	(1,900)	(488)	(450)
Directors, variable remuneration	-	-	-	-
Total	(2,069)	(1,900)	(488)	(450)
Executive board				
Executive board, fixed remuneration	(18,985)	(18,420)	(2,638)	(2,929)
Executive board, variable remuneration	-	(200)	-	(30)
Total	(18,985)	(18,620)	(2,638)	(2,959)
Other significant risk takers				
Risk takers, fixed remuneration	(31,833)	(34,858)	(1,567)	(1,275)
Risk takers, variable remuneration	(1,465)	(1,385)	(30)	(60)
Total	(33,298)	(36,243)	(1,597)	(1,335)
Staff costs				
Salaries	(84,789)	(83,791)	(5,827)	(5,248)
Pensions	(6,942)	(7,129)	(452)	(538)
Social security costs and payroll tax	(20,763)	(21,114)	(1,560)	(1,500)
Total	(112,494)	(112,035)	(7,839)	(7,286)
Other administrative expenses	(72,430)	(63,948)	(3,669)	(3,524)
Total staff costs and administrative expenses	(239,276)	(232,745)	(16,230)	(15,555)

Number of (incl. resigned): Board of Directors 8 (2021: 7), Executive Board 3 (2021: 3). Other significant risk takers group 15 (2021: 17), parent 2 (2021: 2).

Information on management members' individual remuneration 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.

2022	Jeppe Christiansen		Henrik Parkhøi		Jens Aaløse	
- = No commitment or not included + = Included in scheme	Performance bonus	Carried interest	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	-	+	-	+	-	-

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	-	+	-	+

NOTES

Note 8 continued

DKK thousand	Group		Parent	
	2022	2021	2022	2021
Number of employees				
Average number of employees (full-time equivalent)	110	108	9	8
Auditors appointed by the general meeting, fees				
Statutory audit of financial statements	(955)	(939)	(174)	(181)
Other assurance services	(586)	(559)	(54)	(57)
Non-audit services	(528)	(584)	-	(62)
Total audit and non-audit fees	(2,069)	(2,083)	(228)	(300)

Note 9 Loan impairment charges

PARENT

Gross loans and guarantees amount to DKK 4,052 thousand (2021: DKK 2,676 thousand) and DKK 252 thousand (2021: DKK 252 thousand). Based on a specific assessment of the credit risk, DKK 3,064 thousand (2021: DKK 2,928 thousand) are allocated to stage 1, and DKK 1,240 thousand (2021: 0 thousand) are allocated to stage 2. Total loan impairment charges for 2022 amount to DKK 125 thousand (2021: net reversal of DKK 64 thousand), of which DKK 1 thousand (2021: net reversal of DKK 64 thousand) is allocated to stage 1, and DKK 124 thousand (2021: DKK 0 thousand) are allocated to stage 2. Total loan impairment charges on the balance sheet amount to DKK 155 thousand (2021: DKK 30 thousand), of which DKK 31 thousand (2021: DKK 30 thousand) are allocated to stage 1, and DKK 124 thousand (2021: DKK 0 thousand) are allocated to stage 2. Loans after impairment charges recognised in the balance sheet amount to DKK 3,897 thousand (2021: DKK 2,646), and guarantees after impairment charges amount to DKK 252 thousand (2021: DKK 252 thousand). Of this, DKK 3,033 thousand (2021: DKK 2,898 thousand) are allocated to stage 1, and DKK 1,116 thousand (2021: DKK 0 thousand) are allocated to stage 2.

GROUP

Gross loans and guarantees amount to DKK 4,386 thousand (2021: DKK 3,010 thousand) and DKK 836 thousand (2021: DKK 917 thousand). Based on a specific assessment of the credit risk, DKK 3,982 thousand (2021: DKK 3,927 thousand) are allocated to stage 1, and DKK 1,240 thousand (2021: DKK 0 thousand) are allocated to stage 2. Total loan impairment charges for 2022 amount to DKK 125 thousand (2021: net reversal of DKK of 64 thousand), of which DKK 1 thousand (2021: net reversal of DKK 64 thousand) is allocated to stage 1, and DKK 124 thousand (2021: DKK 0 thousand) are allocated to stage 2. Total loan impairment charges on the balance sheet amount to DKK 155 thousand (2021: DKK 30 thousand), of which DKK 31 thousand (2021: DKK 30 thousand) are allocated to stage 1 and DKK 124 thousand (2021: DKK 0 thousand) are allocated to stage 2. Loans after impairment charges recognised in the balance sheet amount to DKK 4,230 thousand (2021: 2,980), and guarantees after impairment charges amount to DKK 836 thousand (2021: 917 thousand). Of this, DKK 3,950 thousand (2021: DKK 3,897 thousand) are allocated to stage 1, and DKK 1,116 thousand (2021: DKK 0 thousand) are allocated to stage 2.

Note 10 Tax

Tax on profit for the year	(46,022)	(71,177)	2,808	(3,685)
Adjustment of prior-year tax charges	5,264	(1,329)	5,766	(1,372)
Adjustment of deferred tax	(456)	(70)	(317)	(204)
Adjustment of deferred tax due to a change in tax rate	(260)	-	(238)	-
Total tax	(41,475)	(72,577)	8,019	(5,261)

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.

NOTES

Note 10 continued

DKK thousand	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Effective tax rate				
Current tax rate	22.0%	22.0%	22.0%	22.0%
Adjustment of non-taxable items	(4.0%)	(1.1%)	0.6%	0.1%
Adjustment of results of interests in associated companies and group enterprises	0.5%	(0.0%)	(23.8%)	(20.7%)
Adjustment of prior-year tax charges	(2.1%)	0.4%	(2.8%)	0.5%
Adjustment of deferred tax due to a change in tax rate	0.1%	-	0.1%	-
Total effective tax rate	16.4%	21.2%	(4.0%)	1.9%

Note 11 Due from credit institutions

Demand deposits	169,416	159,659	11,686	10,476
Due up to 3 months	6,454	6,560	-	-
Due from credit institutions, total	175,870	166,219	11,686	10,476

Note 12 Loans

By current maturity

On demand	3	4	-	-
Up to 3 months	1,116	-	1,116	-
More than 3 months and up to 1 year	3,111	478	2,781	148
Over 1 year and up to 5 years	-	2,497	-	2,497
Loans, total	4,230	2,980	3,897	2,646

Note 13 Bonds at fair value

Government bonds	41,277	8,515	-	-
Other mortgage bonds	146,934	180,148	65	100
Other bonds	4,877	5,159	4,877	5,159
Bonds at fair value, total	193,088	193,822	4,942	5,259

At year-end 2022, the group had provided bonds at a market value of DKK 23.1 million (2021: DKK 35.1 million) in collateral for trading in derivatives and securities.

Interest rate risk	6,971	7,110	14	64
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Note 14 Equities etc.

Equities/mutual funds listed in Nasdaq Copenhagen A/S	29,135	25,367	19,411	17,178
Equities/mutual funds listed in other stock exchanges	172	216	172	216
Unlisted equities at fair value	109,561	133,379	100,624	124,286
Total equities etc.	138,868	158,962	120,207	141,681

Note 15 Interests in associated companies

Total acquisition cost at 1 January	36,682	36,682	36,682	36,682
Additions	2,035	-	2,035	-
Total acquisition cost at 31 December	38,717	36,682	38,717	36,682
Revaluations at 1 January	(10,386)	(10,635)	(10,386)	(10,635)
Profit for the year	(4,475)	249	(4,475)	249
Revaluations at 31 December	(14,862)	(10,386)	(14,862)	(10,386)
Carrying amount at 31 December	23,855	26,295	23,855	26,295
Carrying amount at 1 January	26,295	26,047	26,295	26,047

NOTES

DKK thousand	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Note 16 Interests in group enterprises				
Total acquisition cost at 1 January	-	-	232,601	231,555
Additions	-	-	10,000	1,046
Disposals	-	-	(842)	-
Total acquisition cost at 31 December	-	-	241,759	232,601
Revaluations at 1 January	-	-	154,439	128,664
Currency translation adjustments	-	-	(332)	800
Profit for the year	-	-	224,499	257,975
Dividend	-	-	(319,000)	(233,000)
Reversals of revaluations	-	-	714	-
Revaluations at 31 December	-	-	60,320	154,439
Carrying amount at 31 December	-	-	302,078	387,040
Carrying amount at 1 January	-	-	387,040	360,219
Note 17 Intangible assets				
Total cost at 1 January	25,802	31,905	9,594	6,331
Additions	4,427	3,368	4,427	3,263
Disposals	(7,927)	(9,471)	-	-
Total cost at 31 December	22,303	25,802	14,021	9,594
Amortisation and impairment charges at 1 January	(19,272)	(25,262)	(5,113)	(2,712)
Amortisation charges for the year	(3,828)	(3,481)	(3,014)	(2,401)
Reversals of amortisation charges	7,927	9,471	-	-
Amortisation and impairment charges at 31 December	(15,173)	(19,272)	(8,127)	(5,113)
Carrying amount at 31 December	7,129	6,530	5,894	4,481
Carrying amount at 1 January	6,530	6,643	4,481	3,619
Note 18 Other tangible assets				
Total cost at 1 January	18,534	19,402	624	820
Currency translation adjustments	63	(12)	-	-
Additions	2,354	2,340	110	70
Disposals	(921)	(3,196)	(53)	(266)
Total cost at 31 December	20,029	18,534	682	624
Depreciation and impairment charges at 1 January	(15,024)	(16,318)	(557)	(804)
Currency translation adjustments	(58)	12	-	-
Depreciation charges for the year	(1,859)	(1,826)	(51)	(19)
Reversals of depreciation charges	871	3,108	53	266
Depreciation and impairment charges at 31 December	(16,070)	(15,024)	(555)	(557)
Carrying amount at 31 December	3,959	3,509	127	68
Carrying amount at 1 January	3,509	3,084	68	16

NOTES

DKK thousand	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Note 19 Other assets				
Various debtors	62,640	83,671	204	275
Positive fair value of derivatives etc.	3,171	153	276	-
Interest due and commission	5,160	5,721	485	442
Other assets	1,641	11,297	1,419	1,350
Other assets, total	72,613	100,842	2,384	2,067

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

	-	-	203	272
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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 2022, the performance-based fee/carried interest, to which the company is not yet entitled, amounted to approx. DKK 30 million (at 31 December 2021: approx. DKK 81 million) after provisions.

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

Up to 3 months	89,932	91,706	89,932	91,706
Due to credit institutions, total	89,932	91,706	89,932	91,706

Note 22 Deposits**By current maturity**

Demand deposits	143,895	94,228	-	-
Up to 3 months	3,926	754	-	-
Over 3 months and up to 1 year	172	200	-	-
Over 1 year and up to 5 years	1,151	5,116	-	-
Over 5 years	24,638	15,329	-	-
Deposits, total	173,781	115,628	-	-

By type of deposit

Demand deposits	143,895	94,228	-	-
Special forms of deposits	29,887	21,400	-	-
Deposits, total	173,781	115,628	-	-

NOTES

DKK thousand	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Note 23 Other liabilities				
Various creditors	12,308	14,249	1,550	1,892
Negative fair values of derivatives etc.	171	262	-	-
Accrued interest and commissions	3,935	4,482	122	184
Buyback obligation, own shares	15,000	15,000	15,000	15,000
Other liabilities	22,602	26,588	1,121	1,353
Other liabilities, total	54,016	60,581	17,792	18,429

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

	-	-	48	-
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Note 24 Guarantees and contingent liabilities**Guarantees etc.:**

Other guarantees	836	917	252	252
Total guarantees etc.	836	917	252	252

Other contingent liabilities

Other liabilities (commitments to invest in capital funds)	46,391	48,534	46,240	48,359
Other contingent liabilities, total	46,391	48,534	46,240	48,359

Other binding agreements

Maj Invest Holding A/S has entered into a tenancy agreement for the premises Gammeltorv 18, DK 1457 Copenhagen K, which is terminable at six months' notice by either party. A share of the costs related to this tenancy agreement are paid by other group companies, however, the obligation lies with Maj Invest Holding A/S. The Group has entered into a tenancy agreement for a virtual representative office in England. This agreement runs until 29 February 2024.

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

In year one	44	45	-	-
Between one and five years	7	7	-	-
Total rent obligations	52	52	-	-

Maj Invest Holding A/S has entered into an agreement concerning IT software. A share of the costs is paid by other group companies. The agreement runs until March 2026. The group has entered into an agreement concerning a securities trading system. The 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	818	685	57	-
Between one and five years	721	1,234	147	-
Other binding agreements, total	1,539	1,919	204	-

The company is jointly registered concerning VAT and payroll tax with Fondsmæglersekskabet 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 2022, the jointly taxed entities have a current tax liability of DKK 4,028 thousand (31 December 2021: tax liability of DKK 7,446 thousand).

NOTES

DKK thousand	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Note 25 Own funds				
Share capital	36,350	36,350	36,350	36,350
Currency translation reserve (other comprehensive income)	(1,739)	(1,406)	(1,743)	(1,406)
Other reserves	41,007	46,934	139,752	163,779
Retained earnings	292,218	382,154	193,478	265,310
Shareholders' equity	367,837	464,032	367,837	464,032
Proposed dividend	(69,065)	(163,575)	(69,065)	(163,575)
Total tier 1 capital before primary deductions	298,772	300,457	298,772	300,457
Primary deductions				
Unused limits for own share purchase	(1,514)	(69)	(1,514)	(69)
Intangible assets	(7,129)	(6,530)	(5,894)	(4,481)
Deferred tax assets	(127)	(100)	-	-
Valuation based on prudence	(356)	(379)	(451)	(560)
Total common equity tier 1 capital after primary deductions	289,646	293,380	290,913	295,348
Total eligible capital	289,646	293,380	290,913	295,348

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%	204,074	175,493
Maj Bank A/S, Copenhagen	Bank	100%	58,151	(8,377)
Maj Invest Equity A/S, Copenhagen	Alternative investment fund manager	100%	24,507	56,561
Danish Microfinance Partners Management ApS, Copenhagen	Private equity management	100%	241	(2)
Management Equity Vietnam I ApS, Copenhagen	Private equity management	100%	508	2
Maj Invest South America S.A., Lima, Peru*	Consulting company	100%	1,619	(82)
MJIC Consultancy Private Limited Mumbai, India*	Consulting company	100%	12,979	842
MI (US) GP LLC, Delaware, USA	General partner	100%	-	-

*Owned 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 0.7 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 4.1 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 and/or companies related to them 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 sold the special limited partnership share in two private equity funds to a company related to a Managing Director. The transactions have been settled on an arm's-length basis.

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

Some of the members of the Executive Board as well as the Board of Directors and their family members 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 Group has not provided any loans, collateral, charges, or any other form of guarantee or security to 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 2022, 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 ApS, DK-2100 Copenhagen Ø
 Henrik Parkhøi, Ellevadsvej 35, DK-2920 Charlottenlund
 Kurt Türker Kara, Tyrebakke 1, DK-2840 Holte
 Lind Invest ApS, DK-8000 Aarhus 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. There is 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, Maj Invest Equity 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. The liquidity plans have not yet been applied.

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. In the current management and monitoring of interest rate risks, a duration model based on the Danish FSA's guidelines is used. A large portion of investments are short-term investments. Interest rate risks are shown in the following table.

Interest rate risks	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Interest rate risks (DKK thousand)	6,804	6,955	(165)	(102)
In % of year-end shareholders' equity	1.8%	1.5%	(0.0%)	(0.0%)
In % of year-end own funds	2.3%	2.4%	(0.1%)	(0.0%)

NOTES

Note 28 continued

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 associated companies 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.

31.12.2022	Group			Parent		
	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
Equities etc.						
Mutual fund units in the trading portfolio	9,724	2.6%	3.4%	-	-	-
Listed equities outside the trading portfolio	19,583	5.3%	6.8%	19,583	5.3%	6.7%
Unlisted equity holdings	39,717	10.8%	13.7%	31,223	8.5%	10.7%
Holdings in private equity funds	69,844	19.0%	24.1%	69,401	18.9%	23.9%
Associated companies	23,855	6.5%	8.2%	23,855	6.5%	8.2%
Equities etc., total	162,723	44.2%	56.2%	144,062	39.2%	49.5%

31.12.2021	Group			Parent		
	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
Equities etc.						
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 equity holdings	47,239	10.2%	16.1%	38,593	8.3%	13.1%
Holdings in private equity funds	86,139	18.6%	29.4%	85,693	18.5%	29.0%
Associated companies	26,295	5.7%	9.0%	26,295	5.7%	8.9%
Equities etc., total	185,258	39.9%	63.1%	167,976	36.2%	56.9%

Currency risks

Currency risks relate to the group's liquidity investments in cash deposits, 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..

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

NOTES

Note 28 continued

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

Currency risks	Group		Parent	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Currency risks (DKK thousand)*	8,224	7,668	7,265	5,379
In % of year-end shareholders' equity	2.2%	1.7%	2.0%	1.2%
In % of year-end own funds	2.8%	2.6%	2.5%	1.8%

* Change of 2.25% for EUR and 15% for other currencies (2021: 12%).

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 payment intervals. The credit risk in respect of clients is considered limited.

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. Maj Bank A/S has financial positions registered in BEC Financial Technologies' (BEC) basic systems. The other own positions are registered in a standard portfolio system.

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 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.

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.

NOTES

Note 28 continued

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, the finance system and BEC, Accounting & Risk Management currently reports to the executive board on the overall market risks, 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 2022 - 31 December 2022.

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 2022 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 2023

Jeppe Christiansen
CEO

Henrik Parkhøi
Deputy CEO

Jens Aaløse
Managing Director, Managing Partner

BOARD OF DIRECTORS

Tommy Pedersen
Chairman

Nils Bernstein

Maria Helene Hjorth

Britta Korre Stenholt

Jørgen Tang-Jensen

Tomas Munksgard Hoff
Elected by staff

Søren Krag Jacobsen
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 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies, for 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 assets, liabilities and the financial position of the Group and Parent Company at 31 December 2022 and of the results of the Group's and Parent Company's operations for the financial year 1 January – 31 December 2022 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 Group 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 requirements and the IESBA Code.

Management's responsibility 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 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard
State Authorised Public Accountant
mne28632

Rasmus Berntsen
State Authorised Public Accountant
mne35461







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