

2023 ANNUAL REPORT

CPH CAPITAL

Fondsmæglerselskab A/S

CVR nr: 34 60 65 44

The Annual General Meeting adopted the Annual Report on 22 April 2024.

Chairman of the Annual General Meeting

A handwritten signature in black ink, appearing to read 'Tobias Linde', written in a cursive style.

Tobias Linde

CPH CAPITAL Fondsmæglerselskab A/S

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CPH CAPITAL Fondsmæglerselskab A/S

FACTS ABOUT CPH CAPITAL

FULL NAME AND ADDRESS

CPH Capital Fondsmæglerselskab A/S (the "Company")

Lautrupsgade 7, 6

2100 Copenhagen Ø, Denmark

Phone: +45 69 14 81 99

FOUNDATION AND RESIDENCE

The Company was founded on 2 July 2012 and the Company's municipality of residence is Copenhagen, district of Østerbro.

OBJECTIVE

The Company's objective is to serve as an investment manager and to provide investment related services in accordance with the Danish Investment Firms and Investment Services and Activities Act and the licence obtained from the Danish FSA.

FINANCIAL YEAR

The Company's financial year is 1 January to 31 December.

BOARD OF DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing of the financial statements are as follows:

Silvio Cruz, Chairman

Jessica Lynne Samuels (*appointed 16 February 2024*)

Christopher Edward George Hogbin (*resigned 16 February 2024*)

Nicholas Santino Naclerio (*appointed 31 July 2023*)

David Michael Lesser (*resigned 31 July 2023*)

BOARD OF MANAGEMENT

Ian Christian Foster, Chief Executive Officer

Kyle Di Gangi

CPH CAPITAL Fondsmæglerselskab A/S

FACTS ABOUT CPH CAPITAL (continued)

AUDITORS

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup, Denmark

Benny Voss, State Authorised Public Accountant
Michael E. Jacobsen, State Authorised Public Accountant

SUPERVISORY AUTHORITY

The following public authority supervises Danish financial businesses:

Danish Financial Supervisory Authority

Strandgade 29
1401 København K,
Denmark

REGISTRATION NUMBERS

Central Business Registration Number: 34 60 65 44
Registration number with the FSA: 8310

CPH CAPITAL Fondsmæglerselskab A/S

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Board of Management present the Company's 2023 Annual Report in accordance with the Danish Investment Firms and Investment Services and Activities Act, the Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, as well as guidelines issued by the Danish FSA.

In the Boards' opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of its operations for the financial year 2023.

It is the Boards' view that the Management Commentary contains a fair review of the developments in the Company's activities and finances, profit for the period and of its financial position as well as a description of the principal risks and uncertainties facing the Company. We recommend that the Annual Report is approved at the Annual General Meeting.

Copenhagen, 26 March 2024

Board of Management

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Ian Christian Foster

DocuSigned by:

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Kyle Di Gangi

Board of Directors

DocuSigned by:

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Silvio Cruz
Chairman

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Jessica Lynne Samuels

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Nicholas Santino Naclerio

CPH CAPITAL Fondsmæglerselskab A/S

INDEPENDENT AUDITOR'S REPORT

To the shareholders of CPH Capital Fondsmæglerselskab A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Investment Firms and Investment Services and Activities Act.

We have audited the Financial Statements of CPH Capital Fondsmæglerselskab A/S for the financial year 1 January - 31 December 2023, which comprise income statement and other comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (the "financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Investment Firms and Investment Services and Activities Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Investment Firms and Investment Services and Activities 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 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 Company or to cease operations, or has no realistic alternative but to do so.

CPH CAPITAL Fondsmæglerselskab A/S

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Hellerup, **26 March 2024**

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Benny Voss
State Authorised Public Accountant
mne15009



Michael E. Jacobsen
State Authorised Public Accountant
mne16655

CPH CAPITAL Fondsmæglerselskab A/S

MANAGEMENT COMMENTARY

PRINCIPAL ACTIVITIES

The Company's primary activity is to provide investment management services for Global Active Core Equity shares. CPH manages a Luxembourg SICAV sponsored by the AllianceBernstein Group.

BUSINESS REVIEW

The Company recorded a profit on ordinary activities before taxation for the financial year of DKK 83,037k (2022: DKK 83,400k). The Company's fee income increased by 1% to DKK 191,163k (2022: DKK 188,760k). Staff costs and administrative expenses increased by 10% to DKK 114,279k (2022: DKK 103,981k).

BALANCE SHEET TOTAL and EQUITY

At 31 December 2023, the Company's balance sheet total is DKK 254,393k (2022: DKK 309,652k). This is comprised of deposits with Danish banks totalling DKK 206,508k, property, plant and equipment of DKK 1,580k, tax receivables of DKK 18,758k, and other assets and prepayments of DKK 27,547k. The Company's equity totals DKK 147,920k at 31 December 2023 (2022: DKK 174,541k).

KEY PERFORMANCE INDICATORS (KPIs) and RISKS

Assets under management ("AUM") amounted to DKK 103.6bn (2022: DKK 96.7bn). The Company's financial results and long-term business are influenced by the team's ability to produce additional returns as compared to the world share index. In the short run, results will be affected by general share price fluctuations.

CAPITAL ADEQUACY and SOLVENCY REQUIREMENTS

The Company is subject to capital and solvency requirements of the Danish Investment Firms and Investment Services and Activities Act ("Fondsmæglerloven") transposing the Investment Firm Directive ("IFD") and Investment Firm Regulation ("IFR") into Danish national law. The Company is sufficiently capitalized with the "Own funds capital ratio" of 340.7% at 31 December 2023 (2022: 265.1%).

MANAGEMENT and OWNERSHIP

The Board of Management consists of Ian Foster and Kyle Di Gangi. The Company's A shares and B shares are 100% owned by AllianceBernstein L.P. (the "ABLP").

FUTURE DEVELOPMENTS and OUTLOOKS

The intention for 2024 is to maintain a stable business platform, grow AUM and seek to maximize client returns at minimum risk levels in the current market. To achieve this, the Company will continue developing its knowledge resources, specifically its people. The Company will keep fostering a strong culture by incorporating diversity and inclusion, encouraging innovation, developing and retaining high quality talent. The Company implements a disciplined framework for developing all of its investment professionals. The aim is to build collective intelligence from well-trained research analysts and portfolio managers working collaboratively to implement disciplined decision-making processes.

CPH CAPITAL Fondsmæglerselskab A/S

MANAGEMENT COMMENTARY (CONTINUED)

RESEARCH AND DEVELOPMENT ACTIVITIES BRANCHES ABROAD

None. The Company's knowledge resources are all based in Copenhagen, Denmark.

OTHER DIRECTORSHIPS HELD BY MEMBERS OF BOARD OF DIRECTORS

Silvio Cruz is also a Member of the Board of Directors of:

AB Commercial Real Estate Debt Investor S.A.

AllianceBernstein (Luxembourg) S.à r.l.

AB SICAV I

AB SICAV III

W.P. Stewart Holdings Fund

Nicholas Santino Naclerio is also a Member of the Board of Directors of:

AllianceBernstein International LLC

AllianceBernstein Investments, Inc

AllianceBernstein Investor Services, Inc.

SCB Global Holdings LLC

AllianceBernstein Preferred Limited

AB ECRED Co-Investment Limited

AB ECRED Management Limited

WPS Advisors, LLC

AC (Mauritius) Pvt. Ltd.

AB Holdings (Cayman) Ltd.

AB Private Credit Investors LLC

AllianceBernstein Oceanic Corporation

AB Germany GMBH

AB Custom Alternatives Solutions LLC

AB Real Estate Investments LLC

AllianceBernstein Corporation of Delaware

Jessica Lynne Samuels does not hold any other directorships.

UNDERREPRESENTED GENDER

A new piece of legislation enhancing underrepresented gender disclosure requirements came into force in January 2023. The amendment to Paragraph 71 of the Danish Investment Firms and Investment Services and Activities Act expands the existing duty under the Companies Act, the Commercial Foundations Act and the Danish Financial Statements Act to fix and disclose target figures for the under-represented gender.

Despite the Company being exempt from setting up the targets due to employing fewer than 50 employees, it is still obliged to disclose a 5-year overview of the underrepresented gender's participation in the Company's management under the Order 116 of 27 January 2023.

	As at December 31,
	2023
Total number of board managers	2
% of the underrepresented gender	0%
	As at December 31,
	2023
Total number of board directors	3
% of the underrepresented gender	0%

CPH CAPITAL Fondsmæglerselskab A/S

INCOME STATEMENT & STATEMENT OF COMPREHENSIVE INCOME

	note	Years Ended December 31,	
		2023	2022
		(in thousands DKK)	
Interest income	3	6,313	660
Interest expense	4	(18)	(1,868)
Net interest income / (expense)		6,295	(1,208)
Fee and commission income	5	191,163	188,760
Net interest and fee income		197,458	187,552
Value adjustment	6	530	516
Staff cost and administrative expenses	7	(114,279)	(103,981)
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment		(672)	(687)
Profit before tax		83,037	83,400
Tax	8	(29,658)	(13,878)
Profit for the year		53,379	69,522
Proposed distribution of profit:			
Extraordinary dividend		80,000	60,000
Retained earnings		(26,621)	9,522
		53,379	69,522
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the year		53,379	69,522
Total comprehensive income		53,379	69,522

Notes 1 to 19 form an integral part of the Financial Statements.

CPH CAPITAL Fondsmæglerselskab A/S

BALANCE SHEET

	note	As at December 31,	
		2023	2022
		(in thousands DKK)	
ASSETS			
Receivable from credit institutions	9	206,508	285,827
Other property, plant and equipment	10	1,580	2,048
Deferred tax assets	11	18,758	19,313
Other assets		27,277	1,572
Prepayments		270	892
TOTAL ASSETS		254,393	309,652
LIABILITIES and EQUITY			
Liabilities			
Current tax liabilities		17,619	7,392
Other liabilities		88,854	127,719
		106,473	135,111
Equity			
Share capital		5,500	5,500
Share premium account		12,000	12,000
Retained earnings		130,420	157,041
		147,920	174,541
TOTAL LIABILITIES and EQUITY		254,393	309,652
OFF BALANCE SHEET ITEMS			
Guarantee:			
Danish Guarantee Fund for Depositors and Investors		221	219

Notes 1 to 19 form an integral part of the Financial Statements.

CPH CAPITAL Fondsmæglerselskab A/S

STATEMENTS OF CHANGES IN EQUITY

	Year Ended December 31, 2023			
	(in thousands DKK)			
	Share capital	Share premium	Retained earnings	Total
Equity at January 1, 2023	5,500	12,000	157,041	174,541
Profit for the year	-	-	53,379	53,379
Comprehensive income for the year	-	-	-	-
Extraordinary dividends distributed	-	-	(80,000)	(80,000)
Equity at December 31, 2023	5,500	12,000	130,420	147,920

	Year Ended December 31, 2022			
	(in thousands DKK)			
	Share capital	Share premium	Retained earnings	Total
Equity at January 1, 2022	5,500	12,000	147,519	165,019
Profit for the year	-	-	69,522	69,522
Comprehensive income for the year	-	-	-	-
Extraordinary dividends distributed	-	-	(60,000)	(60,000)
Equity at December 31, 2022	5,500	12,000	157,041	174,541

The share capital consists of 4,125,000 A shares at DKK 1 and 1,375,000 B shares at DKK 1.

CPH CAPITAL Fondsmæglerselskab A/S

LIST OF NOTES TO THE FINANCIAL STATEMENTS

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13	Capital Structure and Solvency
14	Consolidation
15	Financial risks and risk management

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Danish Investment Firms and Investment Services and Activities Act, the Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, as well as guidelines issued by the Danish FSA. The financial statements are presented in Danish Kroner, rounded to the nearest thousand.

Summary of significant accounting policies

Recognition and measurement

Income is recognised in the income statement when earned, including recognition of value adjustments of financial assets and liabilities. All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value. However, intangible assets and property, plant and equipment are measured at cost at the time of the initial recognition. Subsequently, assets and liabilities are measured as described for each financial statement item below.

Income statement & statement of comprehensive income

Interest, fees and commission

Interest, fees and commission are accounted for on an accruals basis with the financial reporting period.

Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to profit or loss for the year and in other comprehensive income recognised directly in equity by the portion attributable to entries directly in other comprehensive income and equity.

Provisions for deferred tax are measured in accordance with the balance-sheet liability method including all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Balance Sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs of provisions for bad debts.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Other property, plant and equipment

Property, plant and equipment are measured at cost less straight-line depreciation calculated on the estimated useful lives of the assets.

Leasehold improvements	6 years
Fixtures and fittings etc	3-5 years

The company has applied the update to 'IFRS 16 Leases' that requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments.

Other assets

Other assets include assets that have not been included in other asset items.

Prepayments/deferred income

Prepayments/deferred income include income/expenses for subsequent financial reporting periods.

Current tax and deferred tax

Current tax payable or receivable is recognised in the balance sheet as tax computed on this year's taxable income, adjusted for prior years' taxable income and prepaid tax.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to crystallise as current tax. For this period, the tax rate applied is 25.2%. Deferred tax is computed on all temporary differences between the carrying amount and tax-based value of assets and based on a 26% tax rate applicable for 2024 and onwards.

Deferred tax assets are recognised at their estimated utilisable value, either as elimination against tax on future earnings or as set-off against deferred tax liabilities.

Provisions

Provisions are recognised when the Company has a constructive obligation as a result of an event occurring on the balance sheet date at the latest, and it is probable that future economic benefits will flow out of the Company to meet this obligation. Provisions for deferred tax are specified in the section dealing with tax payable and deferred tax.

Liabilities other than provisions

Liabilities other than provisions which comprise amounts payable to creditors etc. are measured at amortised costs, usually equaling nominal value.

Dividend

Dividend, if proposed, is recognised as a liability at the time of adoption at the general meeting. If a Dividend is proposed and paid in the financial year it is disclosed as a separate item in equity.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Financial highlights

The financial highlights are defined in accordance with the requirements of the Danish Executive Order on the Presentation of Financial Statements and with the recommendations issued by the Danish Society of Financial Analysts. The new Stockbroking Act has modified the calculation of the capital ratios from 2021 as follows: "Own funds capital ratio": Own funds / own funds requirement (must exceed 100%), "Tier 1 capital ratio": Tier 1 capital / own funds requirement (must exceed 75%), and "Common equity ratio": Common equity capital / own funds requirement (must exceed 56%). The own funds requirement is the highest of (i) the permanent minimum capital, (ii) 25% of fixed costs, and (iii) the K-factor requirement.

2. FINANCIAL HIGHLIGHTS

	Years Ended December 31,				
	2023	2022	2021	2020	2019
	(in thousands DKK)				
Income statement					
Net interest and fee income	197,458	187,552	282,363	155,031	150,562
Value adjustments	530	516	(195)	337	(413)
Staff costs and admin. expenses		(103,981)	(150,160)	(89,530)	(97,343)
Profit for the period	53,379	69,522	102,753	52,622	43,078
Balance sheet					
Equity	147,920	174,541	165,019	112,266	89,644
Total assets	254,393	309,652	367,122	167,298	131,216
Key ratios					
Own funds capital ratio (>100%)	340.7%	265.1%	158.6%	189.4 %	513.1%
Tier 1 capital ratio (>75%)	340.7%	265.1%	158.6%	n.a.	n.a.
Common equity ratio (>56%)	340.7%	265.1%	158.6%	n.a.	n.a.
Return on equity before tax	51.5%	49.1%	94.8%	64.6%	54.6%
Return on equity after tax	33.1%	48.5%	74.1%	52.1%	45.1%
Rate of profit return on total assets	21.0%	22.5%	28.0%	31.5%	32.8%
Income/cost ratio	1.7	1.8	1.9	1.7	1.5

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. INTEREST INCOME

	2023	2022
	(in thousands DKK)	
Interest on demand deposits with credit institutions & central banks	6,313	660
Total interest income	6,313	660

4. INTEREST EXPENSE

	2023	2022
	(in thousands DKK)	
Interest expense	18	1,868
Total interest expense	18	1,868

5. FEE AND COMMISSION INCOME

The Company has not broken down fee income and commission income by activity. No material differences have been considered to exist between the Company's activities and geographical areas, for which reason no segment information is provided.

6. VALUE ADJUSTMENT

The value adjustment relates to the effects of changes in foreign exchange rates. In 2023 the Company incurred a foreign exchange gain of DKK 530k (2022: DKK 516k). The Company did not have any other types of value adjustment.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. STAFF COST AND ADMINISTRATIVE EXPENSES

	2023	2022
	(in thousands DKK)	
Salaries to the staff	76,539	65,253
Social security costs	215	187
Levies calculated on the basis of the number of employees on payroll	12,735	13,255
Other administrative expenses	24,790	25,286
Total staff costs and administrative expenses	114,279	103,981
Average number of employees	11	11
Number of Directors	3	3

No Director received fixed or variable remuneration from the Company during 2023. And no pension obligations have been undertaken for Management or other staff. This disclosure pursuant to Section 77d(3) of the Danish Financial Business Act: Total remuneration earned in their capacity as member of the Group' Executive Board or Board of Directors, paid during the financial year.

Audit fees

The statutory audit is performed by PricewaterhouseCoopers (the "PWC") appointed by the Company's shareholders in the annual general meeting.

	2023	2022
	(in thousands DKK)	
Statutory audit	191	183
Total fees to auditors	191	183

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TAX

	2023	2022
	(in thousands DKK)	
Estimated tax on income for the year	29,133	13,649
Change in deferred tax	2,095	3,160
Adjustment of tax estimated for previous years	(30)	(799)
Adjustment of deferred tax for previous years	(1,359)	839
Change in tax rate in FY23	(181)	(2,971)
Total tax	29,658	13,878

	2023	2022
EFFECTIVE TAX RATES:		
Current tax rate	25.20%	22.00%
Adjustment of tax estimated for previous years	-0.04%	-0.96%
Adjustment of deferred tax for previous years	-1.64%	1.01%
Tax rate for permanent differences	12.41%	-1.85%
Change in tax rate	-0.22%	-3.56%
Effective tax rate	35.72%	16.64%

On 1 January 2023, amendments to the Danish Corporation Tax Act and the Danish Tax Assessment Act entered into force in which the corporate tax rate applicable to financial companies increased from 22 percent to 25.2 percent as at 1 January 2023 and will increase to 26 percent in 2024. Therefore, the 26% tax rate used for the provision of the deferred tax assets.

9. RECEIVABLE FROM CREDIT INSTITUTIONS

	2023	2022
	(in thousands DKK)	
Demand deposits with credit institutions	206,508	285,827
Receivable from credit institutions	206,508	285,827

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. OTHER PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	(in thousands DKK)	
MACHINERY, FIXTURES AND FITTINGS		
Cost, at January 1	1,358	1,300
Additions for the year	204	58
Cost, at December 31	1,562	1,358
Depreciation, at January 1	(1,167)	(1,124)
Depreciation for the year	(53)	(43)
Depreciation of assets held, at December 31	(1,220)	(1,167)
Carrying amount, at December 31	342	191
PROPERTY AND LEASEHOLD IMPROVEMENTS		
Cost, at January 1	4,906	4,781
Additions for the year	-	125
Cost, at December 31	4,906	4,906
Depreciation, at January 1	(3,049)	(2,405)
Depreciation for the year	(619)	(644)
Depreciation of assets held, at December 31	(3,668)	(3,049)
Carrying amount, at December 31	1,238	1,857
TOTAL PROPERTY, PLANT AND EQUIPMENT, at December 31	1,580	2,048

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. DEFERRED TAX ASSETS

	2023	2022
	(in thousands DKK)	
The basis underlying deferred tax calculation:		
Fixed assets	(7)	159
RSU distribution	576	(9,730)
Deferred cash award	-	2,493
Short-term debt	71,528	82,267
Finance lease	(1,238)	(10)
Mortgage amortisation	1,287	(899)
Total provisions for deferred tax	72,146	74,280
Tax value thereof 26%	18,758	19,313

On 1 January 2023, companies liable to tax in Denmark were limited to deduct salary expenses at DKK 7.7 million per person in a year. The limit applies per employee in an income year. The salary expense of employees exceeding the threshold is to be written off in 2023 from deferred tax as it is no longer deductible for corporate tax purposes.

12. OWNERSHIP AND RELATED PARTIES

Name	Basis of influence
ABPL	Principal Shareholder with Controlling Interest
Ian Foster	CEO, Executive Board Member
Kyle Di Gangi	Executive Board Member
Nicholas Naclerio	Member of the Board of Directors
Jessica Lynne Samuels	Member of the Board of Directors
Silvio Cruz	Member of the Board of Directors

The Company's ultimate parent is AllianceBernstein L.P. (the "ABLP"), Delaware limited partnership, from which the Company also receives an allocation of the investment management residual profits, reported in the Financial Statements hereto as 'fee income'. The Company is further related to AllianceBernstein Limited (the "ABL"), an ultimate subsidiary of ABLP. ABL provides the Company with investment management services, like trading or portfolio implementation and corporate and fiduciary services, for example, human resources, finance function, legal and compliance services and information technology services.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CAPITAL STRUCTURE AND SOLVENCY

	2023	2022
	(in thousands DKK)	
CAPITAL STRUCTURE		
Equity	147,920	174,541
<i>less</i> Deferred tax assets	(18,758)	(19,313)
Common Equity Tier	129,162	155,228
Core capital	129,162	155,228
Capital base	129,162	155,228
RISK EXPOSURE		
Credit risk	15,400	15,250
Market risk	7,300	10,940
Threshold due to fixed costs	271,844	404,095
RATIOS		
Common Equity Tier %	27.9%	21.2%
Core Capital %	27.9%	21.2%
Capital Base %	27.9%	21.2%

14. CONSOLIDATION

The Company's immediate parent is AllianceBernstein Preferred Limited (the "ABPL"), a company registered in England and Wales, however the Company's results are included into the consolidated financial statements of ABLP (the "Consolidated Financial Statements"). The Consolidated Financial Statements can be obtained from AllianceBernstein. L.P. 501 Commerce Street, Nashville, TN 37 203, USA. Equitable Holdings ,Inc., a financial services company based in New York, N.Y., USA, is the ultimate holding company of ABLP.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISKS AND RISK MANAGEMENT

The Company is primarily exposed to operational, credit, market and concentration risks. The overall risk management objectives and framework are established by the Board of Directors. The Board of Management is in charge of day-to-day compliance therewith and regularly reports on compliance to the Board of Directors.

Operational risk refers to the risk of unforeseen losses resulting from internal procedure and control weaknesses. Operational risk is inherent in an investment company. Asset management, provision of advisory services and administration by the Company is dependent on well-working IT systems, competent staff and a strong control environment, among other elements, for which reason the Company focuses on monitoring and control and has established procedures for crisis management.

Credit risk refers to the risk of loss resulting from counterparties not meeting their payment obligations to the Company, either in whole or in part. The Company is mostly exposed to Danish credit institutions, other group companies and collective investment schemes. The Company considers such risk to be low since no loss has been recorded for those counterparties.

Market risk refers to the risk of the market value of a financial liability increasing or decreasing due to fluctuations in share prices, interest rates and exchange rates. The Company is only exposed to market risk if invoices are settled in foreign currency.

Concentration risk refers to the risk of a considerable share of the Company's earnings centering on a single product, investor or a distributor. The Company's earnings are very sensitive and will be affected if the product is discontinued, or a major investor cashes in their investment.

Particular risks

Excess liquidity is held as cash, for which reason the Company's financial exposure is limited. The Company's principal business risk relates to the development of assets managed, the development in customer intake as well as portfolio returns and the concentration risk exposure to customers, distributors and products.