

DANSKE INVEST MANAGEMENT A/S

Parallelvej 17, DK-2800 Kgs. Lyngby

Company reg. (CVR) no. 12 52 25 76

FT no. 17.110

Annual report 2021

The annual report was presented and adopted by the shareholders
at the Company's annual general meeting
on 21 April 2022

Chair of the meeting

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Management's review

Main activity and events in 2021

The Company's main activity is the management of UCITS¹ and AIF² investment funds domiciled in Denmark and Luxembourg. The various managed funds consist of sub-funds and legal corporate structures (in the following referred to as "funds"). The Company's primary field of funds are primarily marketed towards retail and institutional investors. The Company's source of income is fees from the managed funds based on a fee structure agreed in advance.

Breakdown of the Company's assets and number of managed funds in the 2020-2021 period:

	Year-end 2021			Year-end 2020		
	Assets under management in DKKbn	Funds	Sub-Funds	Assets under management in DKKbn	Funds	Sub-Funds
Danske Invest DK UCITS	334	4	114	303	4	116
Danske Invest LU UCITS	167	2	71	119	2	71
Danske Invest DK Multipurpose AIF funds	199	2	43	174	2	38
Other Danish AIFs	7	10	10	6	8	8
Other non Danish AIFs	27	2	10	25	2	10
Total Danske Invest	734	20	248	627	18	243

During the last 12 months, assets under management increased from DKK 627bn to DKK 734bn reflecting a growth of 17%. Most of the growth took place in Danske Invest's UCITS funds domiciled in Denmark and Luxembourg. Assets under management on UCITS funds increased 19% during the last 12 months.

Results of operations for 2021

DKKm	Annual report 2021	Annual report 2020	Change in accounting principles – 2020	2020 – pro forma	Change 2021 vs 2020-pro forma
Fees and Commissions (net)	323.1	348.8	-100.7	248,1	+75.0
Financial items	12.9	-6.3	0.0	-6,3	+19,2
Net Income	336.0	342.5	-100.7	241.8	+94.2
Staff and administrative expenses	-113.9	-219.2	+100.7	-118.5	+4,6
Profit/loss before tax	222.1	123.3	0.0	123.3	+98,8
Tax	-50,0	-28,5	0,0	-28,5	-21,4
Profit after tax	172.1	94.8	0.0	94.8	+77.3

In 2021, the profit after tax amounted to DKK 172.1 mill compared to DKK 94.8 mill in 2020 pro-forma. The higher earnings came primarily from higher income, which was up DKK 94.2 mill or

¹ UCITS – Undertakings for Collective Investment in Transferable Securities Directive.

² AIF – Alternative Investment Funds.

39%. The income growth was driven by a growth in assets under management, which on an average basis were up 17% when comparing 2021 with 2020. In 2021 we also saw an AuM driven improvement due to relatively lower expenses to custody and fund administration services delivered by the outsourcing partners of Danske Invest Management A/S. The 2021 income also included a one-off item related to the selling of FundConnect A/S.

Total staff and administrative expenses amounted to DKK 113.9 mill or 4% lower than 2020.

The annual report for 2020 included expectations to 2021 earnings after tax of DKK 90-95 mill. Danske Invest Management A/S came out with DKK 172 mill or 77-82 mill above expectations. The one-off item related to the selling of FundConnect A/S was not included in the 2021 expectations. In addition we did not expect the growth in asset under management and the underlying earnings improvement driven by the higher assets under management and the associated margin improvement mentioned above. All in all, Management find the 2021 result satisfying.

Management

The Board of Directors were in 2021 restructured in order to get a better representation of main stakeholders from Danske Bank and from main Danske Invest funds managed by DIMA. The Board now is represented by Chairman of the Board Lars Alstrup (Danske Bank), Vice Chairman Søren Hvidkjær (Investorforum), Bo Holse (DK UCITS + DK AIF's), Jan Stig Rasmussen (LU UCITS + DK/LU AIF's), Line Munkholm Haukrogh (Danske Bank) and Lars Eigen Møller (Danske Bank). In 2021 Glenn Söderholm, Jørgen Allan Horwitz, Agnete Raaschou-Nielsen and Helle Marianne Breinholt have left the Board.

The Executive Management consisted of Robert Bruun Mikkelsen, Managing Director, and Morten Rasten, Executive Director, throughout the period.

Risks and uncertainties

The managed funds' contributions to the Company's earnings are calculated as a percentage of each individual subfund's market value. The Company's earnings are thus dependent on the managed funds' market value, which are dependent on issues, redemptions, dividends and developments in the financial markets. A DKK 10 billion decline in average assets under management would have an adverse effect on earnings of approx. DKK 5 million.

Outlook for 2022

For 2022, Danske Invest Management expects a profit after tax of DKK 145-150 million. However, the financial performance will continue to depend on developments in the financial markets. The Covid 19 situation is still a factor that will impact the business environment and financial markets in 2022.

Events after the balance sheet date

No events have occurred from the balance sheet date until signing of the annual report, which haven't been included in the outlook for 2022.

Remuneration of the Board of Directors and the Executive Management

Remuneration of the Board of Directors and the Executive Management in 2021 was based on a fixed fee structure and is reflected in note 3.

The Board of Directors and the Executive Management will in 2022 still be remunerated on a fixed fee basis.

The Company's remuneration policy reflects its goals of having a well-regulated governance process as well as sustained and long-term value creation for the shareholder. The policy further ensures that the Company can attract, develop and retain high-performing and motivated employees in a competitive market, where the employees are encouraged to take sustainable measures into account. Furthermore that there is a coherence between the best interests of the shareholder, the funds managed by the Company and the investors and the employees. The policy also focuses on ensuring sound and effective risk management.

Knowledge resources

The Company's activity places considerable demands on business processes and knowledge resources. To continue to be a provider of high-quality services, the Company must be able to attract and retain employees possessing the required knowledge and experience.

Directorships

Board of Directors:

Lars Alstrup, Chairman

Head of Products & Solutions, Danske Bank A/S

Deputy chairman of the board of directors of

- E-nettet A/S

Board member of:

- P27 Nordic Payments Platform AB
- Home A/S

Søren Hvidkjær, Vice Chairman (appointed by investorforum)

Professor, Dean of Research,

Management Board, Copenhagen Business School (CBS)

Chairman of the board of directors of

- Birthe and Svend Aage Nielsen's Foundation

Vice chairman of the board of directors of:

- Greater Copenhagen EU Office

Board member of:

- Made – Manufacturing Academy of Denmark

Bo Holse

Attorney-at-Law (HC),

Gorrissen Federspiel Advokatpartnerselskab

Chairman of the board of directors of:

- Ejendomsselskabet af 1/1 1995 A/S
- Callie Invest A/S
- DK Kapital A/S
- Familien Andresens selskab til fremme af medicinsk forskning A/S

Member of the board of directors of:

- Investeringsforeningen Danske Invest

- Investeringsforeningen Danske Invest Select
- Investeringsforeningen Danske Invest Index
- Investeringsforeningen Profil Invest
- Kapitalforeningen Danske Invest Institutional
- AP Invest Kapitalforening
- DCH International A/S
- Premium Pork International A/S
- Svend Andresens Familiefond

Jan Stig Rasmussen

Independent Director

Chairman of the board of directors of:

- Merchant Equity Fund-of-Funds K/S
- Merchant Equity Fund-of-Funds Komplementar ApS
- Merchant Equity Infrastructure I GP ApS
- Merchant Equity Infrastructure I K/S
- Merchant Equity Infrastructure II A/S
- Merchant Equity Infrastructure III A/S
- Merchant Equity Infrastructure IV A/S
- Merchant Equity Large Cap Europe GP ApS
- Merchant Equity Large Cap Europe II GP ApS
- Merchant Equity Large Cap Europe II K/S
- Merchant Equity Large Cap Europe III GP ApS
- Merchant Equity Large Cap Europe III K/S
- Merchant Equity Large Cap Europe IV ApS
- Merchant Equity Large Cap Europe K/S
- Merchant Equity Large Cap Europe V GP ApS
- Merchant Equity Large Cap Europe V K/S
- Merchant Equity Large Cap Europe VI A/S
- Merchant Equity Large Cap VII A/S
- Merchant Equity Large Cap VIII A/S
- Merchant Equity Large Cap IX A/S
- Merchant Equity Large Cap X A/S
- Private Wealth Properties A/S
- Nykredit Alpha SICAV RAIF
- Danske Invest Allocation (SICAV)
- Danske Invest SICAV-SIF
- Danske Invest SICAV

Board member of:

- Lyrical Value Funds (Lux) (SICAV)
- BIL Invest SICAV
- InvestIn SICAV RAIF
- J. Safra Sarasin Investmentfonds AG
- Whitecroft Core Bank Risk Sharing Fund S.A., SICAV-FIAR
- BIL Manage Invest S.A.
- J. Safra Sarasin Fund Management (Luxembourg) S.A.

- InvestIn (SICAV)
- European Capital Partners (Luxembourg) S.A.
- Agricultural Bank of China (Luxembourg) S.A.
- UBS (Lux) Real Estate Funds Selection (SICAV)

Deputy chair of the Parish Council of:

- Den Danske Kirke i Luxembourg (asbl)

Line Munkholm Haukrogh

Chief Strategy Officer, Strategy Execution & Business Controls, Danske Bank A/S

Board member of:

- Realkredit Danmark A/S
- MobilePay A/S

Lars Eigen Møller

Executive Vice President, Asset Management, Danske Bank A/S

Chairman of the board of directors of:

- Danske Private Equity A/S

Board member of:

- Danske Invest PCC

Executive Management:

Robert Bruun Mikkelsen

Managing Director

Board Member of:

- The Danish Investment Association
- Danske Invest Asset Management AS, Norway (alternate)

Morten Rasten

Executive Director

Chairman of the board of directors of:

- Danske Invest Asset Management AS
- Danske Invest Fund Management Ltd.

Board member of:

- Danske Invest Allocation
- Danske Invest SICAV
- Danske Invest SICAV-SIF

Income statement

1 January to 31 December

Note	DKK'000	2021	2020
	Fees and commission income	3,041,609	2,587,737
	Fees and commission expenses	<u>-2,718,510</u>	<u>-2,339,582</u>
2	Fees and commissions (net income)	323,099	248,155
3,4	Staff costs and administrative expenses	<u>-113,860</u>	<u>-118,524</u>
	Profit before net financials	209,239	129,631
5	Financial expenses	-3,227	-6,957
6	Value adjustments	<u>16,095</u>	<u>678</u>
	Profit before tax	222,106	123,352
7	Tax	<u>-50,015</u>	<u>-28,493</u>
	Profit for the year	172,089	94,859
Total income			
	Profit for the year	<u>172,089</u>	<u>94,859</u>
	Comprehensive income for the period	172,089	94,859
Proposed appropriation of profit/loss			
	Dividend proposed for the financial year	172,089	200,000
	Retained earnings	<u>0</u>	<u>-105,141</u>
	Total amount appropriated	172,089	94,859

Balance sheet

Note	DKK'000	2021	2020
	Assets		
	Intangible assets		
8	Goodwill	21,163	21,163
	Total intangible assets	21,163	21,163
9	Leases	3,446	2,415
	Total tangible assets	3,446	2,415
	Non-current assets	24,609	23,578
	Receivables		
	Fees and commission receivable	448,577	385,715
	Current tax assets	6,394	14,012
7	Deferred tax assets	114	121
	Other receivables	3,152	4,427
	Total receivables	458,237	404,275
	Investments		
	Bonds at fair value	212,856	221,697
	Shares, etc.	104	1,782
	Total investments	212,960	223,479
10	Cash in hand and deposits in banks	199,039	193,027
	Current assets	870,236	820,781
	Total assets	894,845	844,359

Balance sheet

Note	DKK'000	2021	2020
	Equity and liabilities		
	Equity		
	Share capital	120,000	120,000
	Share premium account	70,404	70,404
	Other reserves	6,618	7,937
	Foreign currency translation reserve	-13	-11
	Retained earnings	51,095	49,776
	Proposed dividend	172,089	200,000
11	Total equity	420,193	448,106
	Liabilities		
	Fees and commission payable	451,608	378,289
	Other payables	23,044	17,964
	Total liabilities	474,652	396,253
	Total equity and liabilities	894,845	844,359
12	Collateral security and contingent liabilities		
13	Related party transactions		
14	Financial risks		
15	Financial highlights		

Statement of change in equity	2021	2020
DKK'000		
Share capital at 1 January	120,000	120,000
Share capital at 31 December	120,000	120,000
Share premium account at 1 January	70,404	70,404
Share premium account at 31 December	70,404	70,404
Other reserves at 1 January	7,937	7,937
Retained as per appropriation of profit/loss	-1,319	0
Other reserves at 31 December	6,618	7,937
Foreign currency translation reserve at 1 Jan.	-11	0
Decrease during the year	-2	-11
Foreign currency translation reserve at 31 Dec.	-13	-11
Retained earnings at 1 January	49,776	154,917
Retained as per appropriation of profit/loss	1,319	-105,141
Retained earnings at 31 December	51,095	49,776
Proposed dividend at 1 January	200,000	106,628
Dividends distributed	-200,000	-106,628
Retained as per appropriation of profit/loss	172,089	200,000
Proposed dividend at 31 December	172,089	200,000
Total Equity	420,193	448,106
Equity at 1 January	448,106	459,886
Profit for the year	172,089	94,859
Change in currency translation reserve	0	-11
Dividends distributed	-200,000	-106,628
Equity at 31 December	420,193	448,106

Notes

1. Accounting policies

The annual report of Danske Invest Management A/S for 2021 is presented in accordance with the provisions of the Danish Financial Business Act, including the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Change of accounting principles

Danske Invest Management's income comprise administration fee from the funds. The administration fee is set to cover Danske Invest Management's administration cost and to cover the direct fund related administration costs, which Danske Invest Management pays on behalf of the funds.

To ensure a clearly coherence between Danske Invest Management's incomes, direct fund related administration cost and Danske Invest Management's administrative cost and to align the Danish unit with the Luxembourg unit, it has been decided to present the direct fund related administration cost under "Fees and commission expenses" as the income is dependent of the direct fund related administration cost. Danske Invest Management's administrative expenses are presented under "Staff costs and administrative expenses".

The direct fund related administration costs comprise administrative services like NAV-calculations, fund accounting, subscription/redemption flow and AGM related costs, BoD costs and audit costs in the funds.

The comparative figures for 2020 has been adjusted to new principles and entails a movement of DKK 100,656k from "Staff costs and administrative expenses" to "Fees and commission expenses". For 2021 the effect was DKK 108,206k.

Recognition and measurement

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

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

The buying and selling of bonds and shares is recognised at the transaction date.

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

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations and intra-group mergers

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The uniting-of-interests method is applied to mergers between the parent company and its subsidiaries. This implies that the subsidiary's assets and liabilities are recognised in the parent company's financial statements as from the date when the parent company obtained control of the subsidiary and

based on their fair values as of that date, including goodwill. The comparative figures are restated as from the acquisition date.

Principles for transactions between group entities

Transactions between companies in the Danske Bank Group are settled on an arm's length or on a cost reimbursement basis and according to contractual agreement between the undertakings, unless the transactions are insignificant.

Fees and commission income

Fees and commissions receivable comprise management fees and administration fees from the UCITS funds managed. Also included are management fees and administration fees in which Danske Invest Management A/S acts as AIFM.

Fees and commission expenses

Fees and commissions payable comprise payments for portfolio advisory and portfolio management services and distribution, custodial costs, direct fund related administration costs, etc.

Staff costs and administrative expenses

The items includes salaries and other remuneration that the Company expects to pay for work carried out during the year. These include salaries, bonus, pension costs, holiday allowance and financial services employer tax, etc. The item also includes costs incurred during the year for marketing activities, board of directors, office premises, IT and other costs associated with the Company's operations.

Financial expenses

Financial expenses consist of interest paid on bank loans and the interest component of corporation tax.

Value adjustments

Realised and unrealised gains and losses on assets are recognised in the income statement.

Realised capital gains and losses on bonds and shares are calculated as the difference between fair value at the date of sale and fair value at the beginning of the year or, for assets acquired during the financial year, fair value at the date of acquisition. Unrealised capital gains and losses are calculated as the difference between fair value at the balance sheet date and fair value at the beginning of the year or, for assets acquired during the financial year, fair value at the date of acquisition.

Tax

Calculated current and deferred tax on the profit for the year and adjustments of tax charges for previous years are recognised in the income statement.

Deferred tax

Deferred tax on all temporary differences between the tax base of assets and liabilities and their carrying amounts is accounted for in accordance with the balance sheet liability method. Deferred tax is recognised in the balance sheet under "Deferred tax assets" or "Provisions for deferred tax". Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax.

Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Goodwill

Any added value in the form of goodwill relative to the net asset value of the underlying business is not amortised but assessed at the end of each reporting period and written down in case of impairment. Goodwill is recognised in the balance sheet under intangible assets. Negative goodwill is recognised in the income statement.

Leases

The Company recognises a right-of-use asset and a lease liability at the commencement date, for all lease agreements, that the Company has entered into except short-term leases of low value and leases with a term of 12 months or less. On initial recognition of a lease, the Company recognises a lease liability at the present value of future lease payments using the Companies rate and right-of-use asset. Subsequently, the lease liability is adjusted for accrued interest and lease payments and corrected to reflect any modifications and remeasurement. The right-of-use asset is initially measured at cost, corresponding to the lease liability with addition of any lease payments made before the commencement date and any direct costs incurred. Subsequently, the asset is measured at cost less accumulated depreciation and any impairment losses and is depreciated on a straight-line basis over the lease term.

Lease liabilities are recognised in other liabilities.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. Provision is made for bad debts at the net realisable value.

Investments

Bonds are measured at fair value. The fair value of listed bonds is determined as the closing price at the balance sheet date, or in the absence of a closing price, at another official price deemed to be most similar thereto. If such price does not reflect an instrument's fair value for reasons of a lack of or insufficient trading in the period prior to the balance sheet date, the fair value is determined using a valuation technique, the purpose of which is to determine a transaction price of a trade made between independent parties on ordinary, commercial considerations at the date of measurement. Bonds drawn are measured at present value, which is defined as par and discounted using an individual assessment.

Unlisted shares are measured at fair value using generally recognised methods.

Foreign currency translation reserve

Assets and liabilities at units outside Denmark are translated into DKK at the applicable exchange rate at the balance sheet date. Income and expenses are translated at the applicable exchange rate at the translation date. Gains and losses are recognized in the foreign currency translation reserve in equity.

Other reserves

Other reserves relates to a tax reserve in respect of the branch in Luxembourg.

Liabilities

Liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Note DKK'000	2021	2020
2. Fees and commissions (net income)		
Investment funds (UCITS)	277,547	207,136
Other entities in which the Company acts as AIFM	45,552	41,019
Total	<u>323,099</u>	<u>248,155</u>

Of the variable amounts, payments to the custodian/depositary/investment manager/distributor Danske Bank A/S amount to TDKK 2,418,035 against TDKK 1,893,785 in 2020.

3. Staff costs and administrative expenses

Staff costs	54,490	52,521
Administrative expenses	59,370	66,002
Total	<u>113,860</u>	<u>118,524</u>
Staff costs:		
Salaries	43,114	39,784
Pension	5,288	4,451
Other expenses for financial services employer tax and social security costs	6,089	8,286
Total	<u>54,490</u>	<u>52,521</u>
Variable payments hereof	501	400

The Company employed an average of 52 full-time staff in 2021.

Note DKK'000	2021	2020
3. Staff costs and administrative expenses – continued		
Remuneration of Executive Management and Board of Directors:		
Executive Management	4,718	4,726
Board of Directors	625	825
Total	<u>5,343</u>	<u>5,551</u>
Executive Management		
Robert Bruun Mikkelstrup		
Fixed remuneration	2,597	2,572
Variable remuneration	0	0
Total	<u>2,597</u>	<u>2,572</u>
Morten Rasten		
Fixed remuneration	2,121	2,154
Variable remuneration	0	0
Total	<u>2,121</u>	<u>2,154</u>
Executive Management members	<u>2</u>	<u>2</u>
Board of Directors		
Fixed remuneration	625	825
Variable remuneration	0	0
Total amount earned	<u>625</u>	<u>825</u>
Number of board members	<u>6</u>	<u>7</u>
Remuneration of individual members of the Board of Directors paid during the year		
Lars Alstrup* (joined April 2021)	0	0
Jan Stig Rasmussen	100	0
Line Munkholm Haukrogh	0	0
Glenn Söderholm* (joined October 2019 and)	0	0
Lars Eigen Møller* (joined April 2018)	0	0
Søren Hvidkjær	225	225
Jørgen A. Horwitz	50	150
Agnete Raaschou-Nielsen	50	150
Bo Hølse	150	150
Helle Marianne Breinholt (joined May 2018)	50	150
Total	<u>625</u>	<u>825</u>

* Board members employed with the Danske Bank Group do not receive remuneration for membership of the Company's Board of Directors.

Note DKK'000

2021

2020

3. Staff costs and administrative expenses – continued

Remuneration of other material risk takers

In 2021, Danske Invest Management A/S paid remuneration totalling TDKK 12,756 for 11 material risk takers other than the Executive Management (2020: TDKK 12,395 for 11 material risk takers). The remuneration consists of a fixed remuneration of TDKK 12,510 and a variable remuneration of TDKK 246 (2020: TDKK 12,170 and TDKK 225).

4. Audit fee

Fees for statutory audit	166	168
Total fees	<u>166</u>	<u>168</u>

5. Financial expenses

Other interest expenses	-3,227	-6,957
Total	<u>-3,227</u>	<u>-6,957</u>

6. Value adjustments

Value adjustment of bonds	-351	-225
Value adjustments of shares	16,446	903
Total	<u>16,095</u>	<u>678</u>

7. Tax

Tax charged on the profit for the year	-38,994	-27,701
Adjustment of deferred tax	-7	0
Prior-year tax adjustments	755	0
Tax related to branch in Luxembourg	-11,769	-792
Total	<u>-50,015</u>	<u>-28,493</u>

Note DKK'000	2021	2020
Note 8 Tax – continued		
Reconciliation of tax expense for the year:		
22% of profit/loss before tax for the year	-38,743	-26,344
22% of permanent deviations and interest premium	-258	-1,347
Tax related to branch in Luxembourg	-11,769	-792
Prior-year tax adjustments	755	0
Tax expense for the year	<u>-50,015</u>	<u>-28,493</u>
Deferred tax asset at year-end relates to:		
Property, plant and equipment	36	63
Prepayments and costs payable, etc.	78	58
Total	<u>114</u>	<u>121</u>
8. Goodwill		
Goodwill at 1 January	21,163	21,163
Additions during the year	0	0
Disposals during the year	0	0
Goodwill at 31 December	<u>21,163</u>	<u>21,163</u>
9. Leases		
Cost at 1 January	5,171	5,171
Additions during the year	3,446	0
Disposals during the year	0	0
Cost at 31 December	<u>8,617</u>	<u>5,171</u>
Depreciation at 1 January	-2,756	-397
Depreciation during the year	-2,415	-2,359
Depreciation at 31 December	<u>-5,171</u>	<u>-2,756</u>
Leases at 31 December	<u>3,446</u>	<u>2,415</u>
10. Cash		
Demand deposits with credit institutions	199,039	193,026
Total	<u>199,039</u>	<u>193,026</u>

Note DKK'000	2021	2020
Equity	420,193	448,106
Deferred tax assets	-114	-121
Proposed dividend	<u>-172,089</u>	<u>-200,000</u>
Tier 1 capital	<u>247,990</u>	<u>247,985</u>
Capital base (less goodwill)	<u>226,827</u>	<u>226,822</u>

The Company is a wholly owned subsidiary of Danske Bank A/S, Copenhagen. The Company's share capital, which is not divided into share classes, is divided into 1,200,000 shares of DKK 100 each.

Within the past five years, the share capital was raised by TDKK 2,000 in 2019.

12. Collateral security and contingent liabilities

The Company is jointly taxed with all entities in the Danske Bank Group and are jointly and severally liable for their Danish income tax, withholding tax, etc. The Company is registered jointly with all major Danish subsidiaries of the Danske Bank Group for financial services employer tax and VAT, for which it is jointly and severally liable.

The Company has rent commitments towards its parent company totalling TDKK 817, against TDKK 745 last year.

The Company has no other contingent liabilities or collateral security.

13. Related party transactions

The Company has had the following transactions with Danske Bank Group.

Related party transactions are settled on an arm's-length basis or on a cost-reimbursement basis and according to contractual agreement between the undertakings, unless the transactions are insignificant.

	2021	2020
Payment for the administrative platform provided by Danske Bank A/S. The platform and the services provided comprise daily calculations of the net asset value on Danske Invest funds, preparation of financial statements for the individual Danske Invest funds, reporting, monitoring of investment restrictions and the like.	136,859	131,669
Part of net fees, cf. note 2	2,418,034	1,893,785
Interest on bank deposits and bonds	-3,144	-7,006
Bank deposits, year-end	199,038	193,026
Bond portfolio, year-end	69,800	71,470

14. Financial risks

All managed funds' contributions to the Company's earnings are calculated as a percentage of each individual fund's assets. The Company's earnings are thus dependent on the managed funds' assets, which are dependent on issues, redemptions, dividends and developments in the investments made by the funds in the financial markets.

The Board of Directors regularly discusses the Company's solvency requirement and risks, most recently at the board meeting held on 16 December 2021.

15. Financial highlights

Key figures

DKK'000

	2021	2020	2019	2018	2017
Fees and commissions (net) 1)	323,099	248,155	336,613	322,512	283,988
Staff costs and administrative expenses 1)	113,860	118,524	190,014	178,669	124,922
Profit before net financials	209,239	129,631	146,599	143,843	159,066
Profit for the year	172,089	94,859	107,058	106,919	121,095
Equity	420,193	448,106	459,886	280,424	448,505
Total assets	894,845	844,359	841,750	538,436	659,616

Key figures

Total capital ratio 2)	157.5	113.4	237.1	200.2	123.8
Return on equity before tax (%) 2)	51.2	27.2	37.3	37.8	37.6
Return on equity after tax (%) 3)	39.6	20.9	28.9	29.3	29.3
Average number of full-time employees	52	48	25	21	23
Number of funds under management	20	18	18	16	13
Number of sub-funds etc. under management/AIFM	248	243	258	189	189
Assets under management/AIFM in DKK billions	733	627	616	462	504

1) Fees and commissions (net) and staff costs and administrative expenses have for the years 2021 and 2020 been adjusted for the change in accounting principles mentioned at note 1 page 12. The years 2017-19 have not been adjusted accordingly.

2) The total capital ratio is calculated as capital base as a percentage of the individual solvency need set by the Board of Directors.

3) Return on equity is calculated as profit/loss for the year relative to average equity at the beginning and end of the year.

Statement by Management

The Board of Directors and the Executive Management have discussed and approved the annual report of Danske Invest Management A/S for the financial year 2021.

The annual report is presented in accordance with the provisions of the Danish Financial Business Act with the related Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of its operations for the financial year 1 January-31 December 2021.

Moreover, in our opinion, the Management's review includes a fair review of developments in the Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Company.

We recommend that the annual report be approved at the annual general meeting.

Kgs. Lyngby, 28 February 2022

Executive Management

Robert Bruun Mikkelsen
Managing Director

Morten Rasten
Executive Director

Board of Directors

Lars Alstrup
Chairman

Søren Hvidkjær
Vice Chairman

Bo Hølse

Jan Stig Rasmussen

Line Munkholm Haukrog

Lars Eigen Møller

Independent auditor's reports

To the shareholder of Danske Invest Management A/S

Opinion

We have audited the financial statements of Danske Invest Management A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act with the related Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Business Act with the related Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 28 February 2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 96 35 56

Jens Ringbæk
Statsautoriseret revisor
MNE-nr. 27735

Kasper Bruhn Udam
Statsautoriseret revisor
MNE-nr. 29421

Supplementary information

Danske Invest Management A/S contacts

Robert Bruun Mikkelsen, Managing Director

Morten Rasten, Executive Director

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Danske Invest Management A/S

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Tel. + 45 33 33 71 71

Company reg. (CVR) no. 12 52 25 76

Relevant links

www.danskeinvest.dk

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Kasper Bruhn Udam

State-Authorised Public Accountant

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NEM ID 

Robert Bruun Mikkelsen

Managing Director

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NEM ID 

Jens Ringbæk

State-Authorised Public Accountant

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Jan Stig Rasmussen

Board Member

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Bo Hølse

Board Member

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Morten Rastén

Executive Director

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Vice Chairperson

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Lars Eigen Møller

Board Member

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Line Munkholm Haukrogh

Board Member

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Lars Alstrup

Chairperson

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