GLOBAL EVOLUTION FONDSMÆGLER-SELSKAB A/S ANNUAL REPORT

CVR No.: 30 60 21 53

Buen 11 2.sal, 6000 Kolding

01.01 2021 - 31.12 2021

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GlobalEvolution

Table of Contents

Company Details	3
Statement by the Board of Directors and the Board of Management	4
Independent Auditors' Report	5 – 7
Management's Review	8 – 10
Income Statement	11
Balance Sheet	12- 13
Statement of Changes in Equity	14
Notes	15 – 31

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Company Details

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Board of Directors

Linwood Earle Bradford Jr., Chair of the Board
Jung Won Lee
Hans-Christian Ohrt
Søren Rump

Board of Management

Morten Bugge
Torben Schytt

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Bankers

Nordea Bank AB
Rendebanen 13
6000 Kolding

Jyske Bank A/S
Jernbanegade 5
6000 Kolding

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6000 Kolding

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STATEMENT BY THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

The Board of Directors and the Board of Management have today discussed and approved the annual report of Global Evolution Fondsmæglerselskab A/S for the financial year 1 January - 31 December 2021.

The Annual Report has been prepared in accordance with the Danish Financial Business Act, including the Executive Order on Financial reports for Credit Institutions and Investment Companies.

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 the Company's operations for the financial year 1 January - 31 December 2021.

In our opinion the Management's Review contains a fair review of the circumstances, the Review includes, and a description of the significant risks and uncertainties by which the Company can be influenced.

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

Kolding, 22 march 2022

Board of Management:

Morten Bugge	Torben Schytt

Board of Directors:

Linwood Earle Bradford Jr. Chair of the Board	Jung Won Lee	Hans-Christian Ohrt	Søren Rump

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

INDEPENDENT AUDITORS' REPORT

To the shareholders of Global Evolution Fondsmæglerselskab A/S

Opinion

We have audited the financial statements of Global Evolution Fondsmæglerselskab A/S for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

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.

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 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.

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- 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.

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, 22 march 2021

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorized Public Accountant
mne35420

Anders Hoberg Hedegaard
State Authorized Public Accountant
mne45895

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

MANAGEMENT'S REVIEW

Business activities

The Company offers services to institutional and professional investors based on investments in emerging markets. At the end of 2021, the Company had a total of 52 employees.

Global Evolution Fondsmæglerselskab A/S's vision is to become one of the leading global asset management companies within its business area.

Management of Directorship

For a specification of the Board of Directors and Board of Management, Management and Directorship see the annual Disclosure requirement of capital and risk report available at https://www.globalevolution.com/disclosure-reports/.

Unusual conditions

As of 30 June 2001, the accounting policies have changed as a result of implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019. The Regulation entails a number of requirements for changes to the company's calculation of own funds, capital requirements and calculation of capital ratios.

The changes are described in note 1 as well as applied accounting policies, to which reference is made.

Recognition and measurement uncertainties

There are no recognition and measurement uncertainties, just as no exceptional circumstances affecting the recognition and measurement occurred during the period.

Developments in the Company's business activities and financial situation

The Company's income statement for the year shows a profit of t.DKK 198,914 which is significantly above the expected profit. This is caused by performance fees in subsidiaries significantly impacting the profit. The Company's balance sheet as at 31 December 2021 shows an equity of t.DKK 234,399.

The company has been fully operational despite periods of lockdowns of the different offices as a result of the ongoing global Covid-19 pandemic. The employees are used to operate online and to have the flexibility to work from home.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

In 2021 asset under management in USD-terms increased by 0.9 bn dollars. Expenses were in line with expectations while earnings increased more than expected due to performance fees. The overall result is significantly better than budgeted and the result is regarded as very satisfactory.

Post balance sheet events

No post balance sheet events have occurred which have a significant influence on the evaluation of the annual report.

Outlook for 2022

The Company expect to continue its expansion of clients globally. The Company expect this expanded reach to lead to a continued growth in assets under management in 2022, despite the war in Ukraine.

The overall 2022 net result is expected to be in the range of DKK 90m to DKK 120m.

Climate

In 2021, the company published its first climate report" entitled "Carbon efficiency in emerging and frontier markets: 2021 TCFD Report". This work also underpins our reporting under the UN-PRI guidelines. This publication emphasized and satisfied the major demand of the company's clients to integrate climate change and enhance reporting. The purpose of this work is also to inform of the investment process to the benefit of the company and the clients by considering climate-related risks to the portfolios. The future is likely to be dominated by excessive carbon emission and it is likely that we will not reach the temperature targets by reducing carbon emission alone. We expect that innovative technologies will be—and must be—the focus of heavy investing which will help us overcome this massive challenge. Consequently, as part of our strategy towards assessing the risks for our client's portfolios associated with climate-change our vision is to support, monitor, and advocate for heavy investments in technological progress related to how we make things; how we plug in; how we grow things; how we get around; and how we live. Essential here, is what we do first, and how we establish sufficient and timely financing and support.

Knowledge resources

The Company's business is based on management of investments in Emerging Markets, which requires a high level of knowledge and competences in the organisation. The staff is therefore characterised by being highly qualified and educated within the financial markets.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Special risks

In note 19, the Company describes the special risks which may affect the Company.

Research and development activities

The Company has developed its own portfolio management systems and continuously develops and optimises the individual product and distribution platforms. The expenses incurred in this respect are expensed as they are incurred.

Subsidiary abroad

The Company has a subsidiary in the United States and Singapore and a branch in United Kingdom.

Board of Directors, proposed dividend

Board of Directors propose a dividend of t.DKK 190,000 at the company's general meeting.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

INCOME STATEMENT

Notes		2021 1,000 DKK	2020 1,000 DKK
3	Interest income	171	824
4	Interest expenses	-1,351	-885
	Net interest income	**-1,180**	**-61**
	Fees and commissions income	432,052	254,600
	Paid fees and commissions expenses	-421	-2,863
5	**Net interest and fee income**	**430,451**	**251,676**
6	Value adjustments	3,632	-3,708
7	Staff costs and administrative expenses	-170,169	-143,656
	Depreciation and impairment of property, plant and equipment	-5,691	-4,496
	Income from equity investments in subsidiaries	1,245	818
	Result before tax	**259,468**	**100,634**
8	Taxes	-60,589	-24,234
	Result for the year	**198,879**	**76,400**
	Other comprehensive income	299	-268
	Tax on other comprehensive income	0	0
	Comprehensive income for the period	**199,178**	**76,132**

Allocation of the result

Proposed dividend	190,000	40,000
Paid, interim dividend	35,000	40,000
Revaluation reserve according to the equity method	2,306	601
Accumulated result	-28,128	-4.469
Total allocation	**199,178**	**76,132**

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

BALANCE SHEET

Notes		31 December 2021 1,000 DKK	31 December 2020 1,000 DKK
	ASSETS		
	Cash in hand and demand deposits with central banks	4	4
9	Receivables from credit institutions and central banks	79,884	72,617
10	Investment in subsidiary	5,763	3,457
11	Other property, plant and equipment	16,975	22,422
12	Deferred tax assets	64	0
	Tax assets	0	2,424
	Other assets	256,614	77,840
	Prepayments	6,785	8,117
	Total assets	**366,089**	**186,881**

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

BALANCE SHEET

Notes		31 December 2021 1,000 DKK	31 December 2020 1,000 DKK
	LIABILITIES & EQUITY		
13	Debt to credit institutions and central banks	4	0
12	Deferred tax	0	86
	Tax liabilities	38,990	0
	Other liabilities	92,696	97,787
	Total liabilities	**131,690**	**97,873**
14	Share capital	4,576	4,576
	Revaluation reserve according to the equity method	4,531	2,225
	Retained earnings	35,292	42,207
	Proposed dividend	190,000	40,000
	Total equity	**234,399**	**89,008**
	Total liabilities & equity	**366,089**	**186,881**

15 Contingent liabilities
16 Related parties
17 Capital adequacy requirements
18 Solvency
19 Special risks

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

STATEMENT OF CHANGES IN EQUITY

1,000 DKK	Share capital	Revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total
Equity at 01.01.20	4,576	1,624	32,449	120,000	158,649
Comprehensive income for the period	0	601	-4,469	80,000	76,132
Change in equity for the period:					
Distribution to owners, dividend 2018	0	0	0	-120,000	-120,000
Interim dividend	0	0	0	-40,000	-40,000
Issue of stock awards	0	0	14,227	0	14,227
Equity at 31.12.20	**4,576**	**2,225**	**42,207**	**40,000**	**89,008**
Equity at 01.01.21	4,576	2,225	42,207	40,000	89,008
Comprehensive income for the period	0	2,306	-28,128	225,000	199,178
Change in equity for the period:					
Distribution to owners, dividend 2019	0	0	0	-40,000	-40,000
Interim dividend	0	0	0	-35,000	-35,000
Issue of stock awards	0	0	21,213	0	21,213
Equity at 31.12.21	**4,576**	**4,531**	**35,292**	**190,000**	**234,399**

The company has a Long Term Incentive Program. The parent company will issue Restricted Stock Units (RSU's) as bonus awards to the bonus receivers in the company.

Each RSU represents a promise to deliver one share in the parent company. Parts of the bonus awards are deferred in up to 5 years, and the RSU's will vest at fair market value.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

1. Accounting Policies

The Annual Report has been presented in accordance with the Danish Financial Business Act, and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

Changes in accounting policies as a result of implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019

The accounting policies have changed as a result of implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019. The Regulation entails a number of requirements for changes to the company's calculation of own funds, capital requirements and calculation of capital ratios.

The change in calculation method requires the Company to calculate its capital requirements as the highest of the following:

- 25 % of the fixed overhead of the preceding year
- permanent minimum capital requirement as specified in Article 9 of Directive (EU) 2019/2034
- k-factor requirement as specified in Article 15 of Regulation (EU) 2019/2033

The change in accounting policies only affect the ratios of capital ratio and core capital ratio.

New method for calculating financial ratios:

$$\text{Capital ratio} = \frac{\text{Own funds}}{\text{Capital requirements}}$$

$$\text{Core capital ratio} = \frac{\text{Core Capital funds}}{\text{Capital requirements}}$$

Method for calculating ratios until to 31.12.2020:

$$\text{Capital ratio} = \frac{\text{Capital adequacy}}{\text{Total risk exposure (REA)}}$$

$$\text{Core capital ratio} = \frac{\text{Core capital}}{\text{Total risk exposure (REA)}}$$

No comparison figures have been adjusted for previous periods.

In addition to the changes described above, there are no changes in accounting policies and the Accounting policies have applied consistently with latest Annual Report.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Intra-group business combinations

Intra-group business combinations are accounted for using the book value method. The assets and liabilities are considered to be transferred when the Company gains control of the acquired entity. When using this method no changes are made to book values in the amalgamated companies.

Comparative figures are not adjusted.

Recognition and measurement in general

In the income statement, income is recognised as earned, including value adjustments of financial assets and liabilities. In the income statement, all expenses, including depreciation and impairment losses, are recognised as well.

In the balance sheet, assets are recognised when the economic benefits are likely to be realised and when the asset value can be measured in a reliable manner. Liabilities are recognised when they are likely to be realised and when they can be measured in a reliable manner. On subsequent recognition, financial assets and liabilities are measured as described below for each specific entry.

For purposes of recognition and measurement, predictable losses and risks which occur before the interim report is presented are taken into consideration.

Reporting currency

The Annual Report is presented in Danish kroner.

Foreign currency translation

Transactions in foreign currency are translated into Danish kroner using the exchange rate ruling on the date of the transaction.

Monetary items denominated in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement under value adjustments.

On recognition of foreign subsidiaries and associates which are independent entities, the income statements are recognised at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are recognised at the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arisen at the conversion of equity at the beginning of the year and income statements at the exchange rates applicable at the balance sheet date are recognised in other comprehensive income.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Translation adjustments of intercompany balances with independent foreign subsidiaries and associates which are considered part of the overall investment are recognised other comprehensive income.

INCOME STATEMENT

Interest income and fee income

Interest income consists of interest and similar income and will be accrued over the specific periods to which they relate and they will be recognised in the income statement with the amount related to the specific financial reporting period.

Fee income includes income related to fees paid by clients for portfolio management and advisory services provided by the Company.

Performance fees are recognised as income when the Company obtains definitive rights to the Fee.

Performance fee and fixed fee income is recognised as a net fee with all rebates deducted. Rebates contains an estimation element upon first recognition and is subsequently recalculated when all parameters are certain.

Value adjustments

Realized and unrealized capital gains and losses are recognised in the income statement, including any value adjustment of assets and liabilities measured at fair value.

Staff costs and administrative expenses

This includes expenses to staff, management and administration, including expenses related to office rental.

Employees of the Company receive remuneration in the form of share-based payments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognized in employee benefits expense together with a corresponding increase in equity (other capital reserves) over the years in which the service, and, where applicable, the performance conditions, are fulfilled (the vesting period).

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Depreciation and impairment

The item includes depreciation and impairment of property, plant and equipment. Fixed assets are depreciated using the straight-line method, based on the cost, measured by reference to the below assessment of the useful life of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Cars	3-5 years

The scrap value for cars is estimated at 14,2%-17,5% of cost.

Gains or losses on the sale of fixed assets are recognised in the income statement under 'Depreciation and impairment'.

Tax

Tax for the year comprises current tax and changes in deferred tax for the year. Tax relating to the profit/loss for the year is recognised in the income statement, and the tax relating to amounts directly recognised in equity is recognised directly in equity.

In connection with the settlement of joint taxation contributions the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable income. This means that the enterprises with a tax loss receive joint taxation contributions from the enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Receivables

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes receivables and receivables related to fees for portfolio management.

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets

Investments in subsidiaries are recognized in the balance sheet at the proportionate ownership of the companies adjusted for the remaining goodwill and unrealized Company internal gains and losses (equity method).

The subsidiaries are recognized in the income statement in proportion to the ownership corresponding to the investments.
Newly acquired or newly established companies are recognized in the financial statements from the acquisition date. Companies disposed of are recognized up to the date of disposal.

Gains or losses on disposal of subsidiaries are calculated as the difference between the sales price and the carrying value of net assets at the date of disposal including unamortized goodwill and estimated costs to sell. Gains and losses are recognized in the Income Statement under investments in associated companies and subsidiaries.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Leased property, plant and equipment qualifying for recognition as assets held under finance leases are treated as acquired assets.

The cost of assets held under finance leases is measured at the lower of cost according to the lease and the net present value of the lease payments, calculated by reference to the interest rate implicit in the lease.

Leases

Effective from 1 January 2019, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in Property, plant and equipment and Lease liabilities as a separate line in the statement of financial position.

Impairment of assets

The carrying amount of non-current assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If there are indications of impairment, an impairment test is conducted of individual assets or Companys of assets. The assets or Companys of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or Company of assets as well as expected net cash flows from the disposal of the asset or Company of assets after the expiry of their useful lives.

Prepayments

Prepayments recognised under assets includes incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Shareholders' equity

Dividends proposed for the reporting period are presented as a separate item under 'Shareholders' equity'.

Premiums for stock awards and the redemption of stock awards on the company's share are recognized as a change in equity in retained earnings.

Income taxes

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Financial liabilities

Financial liabilities are recognised on the raising of loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Other debt is subsequently measured at amortised cost, corresponding to the nominal unpaid debt.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Financial highlights

The financial highlights have been prepared in accordance with the Danish Financial Supervisory Authority's executive order on financial reports of credit institutions and stockbroker companies.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

2. Key Figures and Financial Ratios

1,000 DKK	2021	2020	2019	2018	2017
KEY FIGURES					
Income Statement					
Net interest income and fee income	430,451	251,676	286,955	230,853	204,491
Value adjustments	3,667	-3,708	893	1,141	-1,170
Staff costs and administrative expenses	170,169	143,657	121,277	90,215	73,517
Income from equity investments	1,245	818	544	270	241
Result for the year	198,914	76,400	122,564	110,452	100,804

1,000 DKK	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Balance Sheet					
Equity	234,399	89,008	158,649	93.230	86,201
Total assets	366,089	186,881	268,386	146.176	140,433
FINANCIAL RATIOS					
Base capital in relation to minimum capital requirement	1,33	2,07	2,27	1,34	1,81
Capital ratio*	132,9%	16,6%	12,5%	10,7%	14,5%
Core capital ratio*	132,9%	16,6%	12,5%	10,7%	14,5%
Return on equity before tax	160,5%	81,3%	130,1%	157,9%	181,1%
Return on equity after tax	123,0%	61,7%	97,3%	123,1%	140,9%
Income/cost ratio	2,47	1,67	2,31	2,56	2,75

* As a result of the changes described in the accounting policies used, the capital ratios and core-capital ratios are calculated in accordance with the new rules. The new rules have led to a different method of calculation, which is why this has led to an expected increase in financial ratios. The figures are therefore not directly comparable with the previous period.

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NOTES

	2021 1,000 DKK	2020 1,000 DKK
3. Interest income		
Other interest income	171	824
Total interest income	171	824
4. Interest expenses		
Payables to credit institutions and central banks	242	460
Other interest expenses	1,109	425
Total interest expenses	1,351	885
5. Net interest and fee income		
Denmark	430,451	251,676
Total net interest and fee income	430,451	251,676
6. Value adjustments		
Currency	3,632	-3,708
Total value adjustments	3,632	-3,708

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

	2021 1,000 DKK	2020 1,000 DKK
7. Staff costs and administrative expenses		
Salaries and remuneration to the Board of Directors, the Board of Management and employees with influence on risk:		
Board of Directors, only fixed salary	138	214
Board of Management, fixed salary	11,072	11,220
Board of Management, variable salary	5,016	3,287
Risk takers, fixed salary	28,284	21,464
Risk takers, variable salary	31,991	21,680
Salaries and remuneration to the Board of Directors, Board of Management and employees with influence on risk	76,501	57,865
Staff salaries	28,283	32,522
Staff pensions	4,678	4,043
Social security costs	3,182	3,096
Payroll tax	8,591	7,505
Total staff costs	121,235	105,031
Other administrative expenses	48,934	38,625
Total staff costs and administrative expenses	170,169	143,656
Total number of employees at the end of period	52	50
Number of risktakers:		
Board of Directors	4	4
Board of Management	2	2
Staff	15	11
Total	21	17

Remuneration of the Board of Directors and Board of Management of Global Evolution Fondsmæglerselskab A/S are shown in the annual Disclosure requirement of capital and risk report available at https://www.globalevolution.com/disclosure-reports/.

The company has no pension liabilities as the company's plan is a defined contribution plan.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

7. Staff costs and administrative expenses – continued -

The company has 13 material risk takers beyond the company's Board of Directors, the members of Board of Management and the Heads of control functions.

The company has a Long Term Incentive Program. The parent company will issue Restricted Stock Units (RSU's) as bonus awards to the bonus receivers in the company. The Participants of the program are the employees, Board of Management and Board of Directors of the company.

Each RSU represents a promise to deliver one share in Global Evolution Financial ApS. Parts of the RSU's are deferred in up to 5 years, and the RSU's will vest at fair market value.

The total granted bonus award was DKK 44.3 million (2020: DKK 30.9 million), wherein the Fair Market Value of the RSU's was DKK 21.9 million (2020: DKK 14.9 million). The Fair Market Value of all granted unvested RSU's during the lifetime of the program was 52,8 million at 31 December 2021.

	2021 1,000 DKK	2020 1,000 DKK
8. Taxes		
Estimated tax charge for the period	59,905	23,575
Change in deferred tax	-151	106
Adjustment of tax in respect of previous years	-53	85
Other taxes	888	468
Total taxes	60,589	24,234
Tax Reconciliation		
Tax rate	22,0%	22,0%
Non-taxable items	1,1%	1,5%
Average effective tax rate	23,1%	23,5%

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

	31.12.2021 1,000 DKK	31.12.2020 1,000 DKK

9. Receivables from credit institutions and central banks

Receivables from credit institutions, on demand	79,880	72,617
Total receivables from credit institutions and central banks	79,880	72,617

10. Investments in subsidiaries

Cost as at 31.12.20	1,232	3
Additions in the year	0	1,229
Cost as at 31.12.21	1,232	1,232
Revaluations as at 31.12.20	2,225	1,625
Revaluations in the year	1,245	818
Currency adjustments	299	-268
Equity movement	762	50
Revaluations as at 31.12.21	4,531	2,225
Carrying amount as at 31.12.21	5,763	3,457

Name	Registered office	Ownership interest	Equity 1,000 DKK	Result for the year 1,000 DKK
Global Evolution Fund Management Singapore Pte. Ltd	Singapore	100%	3,255	865
Global Evolution USA LLC	New York, USA	100%	2,508	380

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

	31.12.2021 1,000 DKK	31.12.2020 1,000 DKK

11. Other property, plant and equipment

Total cost as at 31.12.20	31,282	28,667
Additions in the year	243	7,200
Disposal in the year	-2,555	-4,585
Total cost as at 31.12.21	28,970	31,282
Depreciation as at 31.12.20	8,860	6,533
Depreciation in the year	5,690	4,317
Reversal of depreciation on disposals	-2,555	-1,990
Depreciation as at 31.12.21	11,995	8,860
Carrying amount as at 31.12.21	16,975	22,422

Leasing assets amount to t.DKK 11,718 as per 31 December 2021 and t.DKK 15,008 as per December 2020.

12. Defered tax

Deferred tax assets and provisions relate to temporary differences between tax values and carrying amounts.

	31.12.2021 1,000 DKK	31.12.2020 1,000 DKK

13. Debt to credit institutions and central banks

Debt to credit institutions, on demand	4	0
Total debt to credit institutions and central banks	4	0

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NOTES

14. Share capital

The share capital consists of 1,224,502 shares of EUR 0,5 nominal value each.

	31.12.2021 1,000 DKK	31.12.2020 1,000 DKK

15. Contingent liabilities, other financial obligations

The Guarantee Fund for Depositors and Investors	218	265

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company Global Evolution Holding ApS.

16. Related parties

Ownership:

The following shareholders are registered in the company's register of shareholders as holding more than 5% of the share capital:

- Global Evolution Financial ApS, Kolding

The ultimate parent (shareholder) is Cathay Financial Holding Co. Ltd., Taiwan.

The company is included in the consolidated financial statements of the parent Global Evolution Holding ApS, Kolding

Transactions with the subsidiary Global Evolution USA LLC and Global Evolution Fund Management Singapore Pte Ltd include miscellaneous recharges of administrative expenses and staff costs. All transactions are made on market terms and in accordance with the companies transfer pricing policy.

The annual Disclosure requirement of capital and risk report is available at https://www.globalevolution.com/disclosure-reports/.

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NOTES

	31.12.2021 1,000 DKK	31.12.2020 1,000 DKK

17. Capital adequacy requirements

Capital adequacy requirements according to article 11 of Regulation (EU) 2019/2033:		
Solvency K-factor	968	-
Total risk exposure (REA)	-	274,719
Capital adequacy requirement, 8% of total risk exposure (REA)	-	21,978
Minimum capital EUR 0.075m (EUR 0.05m)	558	372
Capital adequacy requirements according to article 13 of Regulation (EU) 2019/2033:		
Total fixed expenses prior year	116,090	87,910
Capital adequacy requirements, 25% thereof	29,023	21,977
Fulfillment of above capital requirements by 31 December (own Funds)	38,572	45,551

18. Solvency

Shareholders' equity	234,399	89,008
Proposed dividend	-190,000	-40,000
Investment in subsidiary	-5,763	-3,457
Deferred tax asset	-64	0
Core capital after deduction	38,572	45,551
Own Funds	38,572	45,551
Capital ratio	132,9%	16,6%
Core capital ratio	132,9%	16,6%

Accounting policies are changes as a result of implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 as described in note 1.

Penneo document key: GUZ1Q-7T8AE-6NUKW-AE3UM-PS7OT-OW4TW

NOTES

19. Special risks

Business risks

Earnings are considerably affected by the assets under management and the management fee. The size of the assets depends partly on changes in the price of the underlying portfolio, partly on the general demand for asset management within emerging markets. Therefore, it is important to the Company to attract new investors, while at the same time providing competitive returns and products.

Financial risks

The composition of the balance sheet total in the Company is solid, as none of the balance sheet total is financed externally, and because 0% of total assets are placed in Danish/Nordic highly rated and systemically important credit institutions and Danish highly rated government and mortgage bonds. Against this background, the financial risks in the Company are considered limited. Financial risks are managed in accordance with the Board of Directors instructions to the Board of Management.

Foreign exchange risk

The Company is exposed to exchange rate risks. Foreign exchange exposure relating to future transactions is evaluated and hedged by instruments such as forward exchange contracts. The management of foreign exchange risks is based on policies approved by the Board of Directors.

Significant risk and uncertainties

Business risks is considered as the most significant risk factor.

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