# GLOBAL EVOLUTION FONDSMÆGLER-SELSKAB A/S ANNUAL REPORT

CVR No.: 30 60 21 53

Buen 11 2.sal, 6000 Kolding

01.01 2023 - 31.12 2023

Penneo document key: M0L8N-630HG-V8MZB-00NFC-YQ846-PJAI3

This annual report has been adopted at the annual general meeting on March 12, 2024.

Hans-Christian Ohrt
Chairman of the meeting

GlobalEvolution

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## 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

Danske Bank A/S
Kolding Åpark 8H
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 2023.

The Annual Report has been prepared in accordance with legal requirements including the Danish Investment Firms and Investment Services and Activities Act, and the 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 12 March 2024

Board of Management:

| Morten Bugge | Torben Schytt |
|---|---|

Board of Directors:

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

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# 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 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including material accounting policy information. The financial statements are prepared in accordance with the Danish Investment Firms and Investment Services and Activities Act, and the 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 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, and the 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 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 Investment Firms and Investment Services and Activities Act, and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. 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.

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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 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.

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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 relevant law and regulations.

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 relevant law and regulations. We did not identify any material misstatement of the Management's review.

Copenhagen, 12 March 2024

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

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# MANAGEMENT'S REVIEW

## Business activities

The Company offers services to institutional and professional investors based on investments in emerging markets. In 2023 the Company had an average number of employees of 48.

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/.

## 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 DKK 42,365 thousand which is below the expected profit and notable lower that the profit of the previous year. The Company's balance sheet as of 31 December 2023 shows an equity of DKK 84,059 thousand.

The company has experienced large outflows in asset under management (AuM) in the beginning of the year. The 2023 profit has been significantly impacted due to this development. Expenses were in line with expectations while earnings declined more than expected due to the AuM development.

Earnings have declined notably compared to 2022 and a less than budgeted. The overall result is regarded as satisfactory given the development in AuM.

## Post balance sheet events

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

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## Outlook for 2024

The Company plan to continue its expansion of clients globally. The company expect this expanded reach to lead to a continued growth in assets under management in 2024.

The overall 2024 net result is expected to be in the range of DKK 60m to DKK 80m.

## Climate

Being on a journey with the rest of the world to move towards a low-carbon future, we are dedicated to continuing exploring and understanding our role and responsibilities. Our 2023 climate report following the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations is declaring our continued support for the TCFD principles. The report reflects our commitment to understanding our role and responsibilities in the global low-carbon transition, our efforts to take climate risks into consideration in the investment process, and our accountability as a corporate entity in the low-carbon transition. Climate change and the low-carbon transition entail financial risks and opportunities for investments. As an EM fixed income investor, we are attentive to the general expectations for EM countries to play an important role in the global low-carbon transition but also the large financing gap for EM to reach net zero – creating an urgent support for EM to transition in an inclusive way without having to sacrifice growth and transparency. Following TCFD recommendations, we disclose key metrics used for managing climate-related risks.

## 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.

## 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.

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## Board of Directors, proposed dividend

Board of Directors propose a dividend of DKK 20,000 thousand at the company's general meeting.

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## INCOME STATEMENT

| Notes | | 2023<br>1,000 DKK | 2022<br>1,000 DKK |
|---|---|---|---|
| 3 | Interest income | 1,545 | 0 |
| 4 | Interest expenses | -770 | -2,187 |
| | **Net interest income** | **775** | **-2,187** |
| | Fees and commissions income | 228,920 | 285,192 |
| | Paid fees and commissions expenses | -1,491 | -397 |
| 5 | **Net interest and fee income** | **228,204** | **282,608** |
| 6 | Value adjustments | -493 | 1,167 |
| 7 | Staff costs and administrative expenses | -171,703 | -189,142 |
| | Depreciation and impairment of property, plant and equipment | -4,054 | -4,560 |
| | Income from equity investments in subsidiaries | 1,877 | 1,592 |
| | **Result before tax** | **53,831** | **91,665** |
| 8 | Taxes | -11,466 | -21,120 |
| | **Result for the year** | **42,365** | **70,545** |
| | Other comprehensive income | -216 | 384 |
| | **Comprehensive income for the period** | **42,149** | **70,929** |

## Allocation of the result

| | | |
|---|---|---|
| Proposed dividend | 20,000 | 30,000 |
| Paid, interim dividend | 25,000 | 50,000 |
| Revaluation reserve according to the equity method | 3,067 | 2,717 |
| Accumulated result | -5,918 | -11,788 |
| **Total allocation** | **42,149** | **70,929** |

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## BALANCE SHEET

| Notes | | 31 December 2023 1,000 DKK | 31 December 2022 1,000 DKK |
|---|---|---|---|
| | **ASSETS** | | |
| | Cash in hand and demand deposits with central banks | 4 | 4 |
| 9 | Receivables from credit institutions and central banks | 80,520 | 72,900 |
| 10 | Investment in subsidiary | 11,547 | 8,480 |
| 11 | Other property, plant and equipment | 7,931 | 10,919 |
| 12 | Deferred tax assets | 3,979 | 274 |
| | Other assets | 77,843 | 83,210 |
| | Prepayments | 8,460 | 9,246 |
| | **Total assets** | **190,284** | **185,033** |

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## BALANCE SHEET

| Notes | | 31 December 2023 1,000 DKK | 31 December 2022 1,000 DKK |
|---|---|---|---|
| | **LIABILITIES & EQUITY** | | |
| 13 | Debt to credit institutions and central banks | 1 | 4 |
| | Tax liabilities | 14,302 | 21,132 |
| | Other liabilities | 91,921 | 82,881 |
| | **Total liabilities** | **106,224** | **104,017** |
| 14 | Share capital | 4,576 | 4,576 |
| | Revaluation reserve according to the equity method | 10,315 | 7,248 |
| | Retained earnings | 49,169 | 39,192 |
| | Proposed dividend | 20,000 | 30,000 |
| | **Total equity** | **84,059** | **81,016** |
| | **Total liabilities & equity** | **190,284** | **185,033** |

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

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## STATEMENT OF CHANGES IN EQUITY

| 1,000 DKK | Share capital | Revaluation reserve according to the equity method | Retained earnings | Proposed dividend | Total |
|---|---|---|---|---|---|
| Equity at 01.01.22 | 4,576 | 4,531 | 35,292 | 190,000 | 234,399 |
| Comprehensive income for the period | 0 | 2,717 | -11,788 | 80,000 | 70,929 |
| Change in equity for the period: | | | | | |
| Distribution to owners, dividend 2021 | 0 | 0 | 0 | -190,000 | -190,000 |
| Interim dividend | 0 | 0 | 0 | -50,000 | -50,000 |
| Issue of stock awards | 0 | 0 | 15,688 | 0 | 15,688 |
| **Equity at 31.12.22** | **4,576** | **7,248** | **39,192** | **30,000** | **81,016** |
| Equity at 01.01.23 | 4,576 | 7,248 | 39,192 | 30,000 | 81,016 |
| Comprehensive income for the period | 0 | 3,067 | -5,918 | 45,000 | 44,149 |
| Change in equity for the period: | | | | | |
| Distribution to owners, dividend 2022 | 0 | 0 | 0 | -30,000 | -30,000 |
| Interim dividend | 0 | 0 | 0 | -25,000 | -25,000 |
| Issue of stock awards | 0 | 0 | 15,895 | 0 | 15,895 |
| **Equity at 31.12.23** | **4,576** | **10,315** | **49,169** | **20,000** | **84,059** |

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.

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# NOTES

## 1. Accounting Policies

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

The Accounting policies have applied consistently with latest Annual Report.

### 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.

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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.

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.

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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).

**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

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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.

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.

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## 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.

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

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.

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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.
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.

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## 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.

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.

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## NOTES

### 2. Key Figures and Financial Ratios

| 1,000 DKK | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **KEY FIGURES** | | | | | |
| **Income Statement** | | | | | |
| Net interest income and fee income | 228,204 | 282,608 | 430,451 | 251,676 | 286,955 |
| Value adjustments | -493 | 1,167 | 3,632 | -3,708 | 893 |
| Staff costs and administrative expenses | 171,703 | 189,142 | 170,169 | 143,657 | 121,277 |
| Income from equity investments | 1,877 | 1,592 | 1,245 | 818 | 544 |
| Result for the year | 42,365 | 70,545 | 198,879 | 76,400 | 122,564 |

| 1,000 DKK | 31.12.23 | 31.12.22 | 31.12.21 | 31.12.20 | 31.12.19 |
|---|---|---|---|---|---|
| **Balance Sheet** | | | | | |
| Equity | 84,059 | 81,016 | 234,399 | 89,008 | 158,649 |
| Total assets | 190,284 | 185,033 | 366,089 | 186,881 | 268,386 |
| **FINANCIAL RATIOS** | | | | | |
| Base capital in relation to minimum capital requirement | 1.40 | 1.30 | 1.33 | 2.07 | 2.27 |
| Capital ratio* | 140.4%* | 130.3%* | 132.9%* | 16.6% | 12.5% |
| Core capital ratio* | 140.4%* | 130.3%* | 132.9%* | 16.6% | 12.5% |
| Return on equity before tax | 65.2% | 58.1% | 160.5% | 81.3% | 130.1% |
| Return on equity after tax | 51.3% | 44.7% | 123.0% | 61.7% | 97.3% |
| Income/cost ratio | 1.30 | 1.47 | 2.47 | 1.67 | 2.31 |

* The capital ratios and core-capital ratios are calculated in accordance with 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

| | 2023<br>1,000 DKK | 2022<br>1,000 DKK |
|---|---|---|

### 3. Interest income

| | | |
|---|---|---|
| Receivables from credit institutions and central banks | 1,545 | 0 |
| Total interest income | 1,545 | 0 |

### 4. Interest expenses

| | | |
|---|---|---|
| Payables to credit institutions and central banks | 0 | 712 |
| Other interest expenses | 770 | 1,475 |
| Total interest expenses | 770 | 2,187 |

### 5. Net interest and fee income

Net interest, fee income and value adjustments are generated from Denmark.

### 6. Value adjustments

| | | |
|---|---|---|
| Currency | -493 | 1,167 |
| Total value adjustments | -493 | 1,167 |

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## NOTES

| | 2023<br>1,000 DKK | 2022<br>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 | 166 | 85 |
| Board of Management, fixed salary | 11,038 | 11,011 |
| Board of Management, variable salary | 1,729 | 5,028 |
| Risk takers, fixed salary | 4,290 | 20,771 |
| Risk takers, variable salary | 3,670 | 22,755 |
| Salaries and remuneration to the Board of Directors, Board of Management and employees with influence on risk | 20,893 | 59,650 |
| Staff salaries | 65,274 | 43,269 |
| Staff pensions | 8,709 | 5,237 |
| Social security costs | 4,232 | 6,131 |
| Payroll tax | 10,726 | 9,554 |
| Total staff costs | 109,834 | 123,841 |
| Other administrative expenses | 61,869 | 65,301 |
| Total staff costs and administrative expenses | 171,703 | 189,142 |
| Average number of employees in the year | 48 | 52 |
| Number of risktakers: | | |
| Board of Directors | 4 | 4 |
| Board of Management | 2 | 2 |
| Staff | 3 | 11 |
| Total | 9 | 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.

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## NOTES

### 7. Staff costs and administrative expenses – continued -

The company has 2 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 28.2 million (2022: DKK 34.2 million), wherein the Fair Market Value of the RSU's was DKK 14.1 million (2022: DKK 16.8 million). The Fair Market Value of all granted unvested RSU's during the lifetime of the program was 28.5 million at 31 December 2023.

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| | 2023<br>1,000 DKK | 2022<br>1,000 DKK |
|---|---|---|
| **8. Taxes** | | |
| Current tax | 14,698 | 21,259 |
| Change in deferred tax | -2,908 | -210 |
| Adjustment of tax in respect of previous years | -324 | 49 |
| Other taxes | 0 | 22 |
| Total taxes | 11,466 | 21,120 |
| **Tax Reconciliation** | | |
| Tax rate | 25.2% | 22.0% |
| Non-taxable items | 2.0% | 1.0% |
| Change in deferred tax | -5.9% | 0,0% |
| Average effective tax rate | 21.3% | 23.0% |

The current tax for the year is calculated for Danish companies based on a tax rate of 25.2% (2022: 22%). For foreign companies, the current tax rate in the concerned countries has been used.

In 2024 the tax rate will increase to 26%.

## NOTES

| | 31.12.2023<br>1,000 DKK | 31.12.2022<br>1,000 DKK |
|---|---|---|

### 9. Receivables from credit institutions and central banks

| | | |
|---|---|---|
| Receivables from credit institutions, on demand | 80,520 | 72,900 |
| Total receivables from credit institutions and central banks | 80,520 | 72,900 |

### 10. Investments in subsidiaries

| | | |
|---|---|---|
| Cost as at 31.12.22 | 1,232 | 1,232 |
| Cost as at 31.12.23 | 1,232 | 1,232 |
| Revaluations as at 31.12.22 | 7,248 | 4,531 |
| Revaluations in the year | 1,877 | 1,592 |
| Currency adjustments | -216 | 384 |
| Equity movement | 1,406 | 741 |
| Revaluations as at 31.12.23 | 10,315 | 7,248 |
| Carrying amount as at 31.12.23 | 11,547 | 8,480 |

| 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% | 7,587 | 1,476 |
| Global Evolution USA LLC | New York, USA | 100% | 3,960 | 401 |

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## NOTES

| | 31.12.2023<br>1,000 DKK | 31.12.2022<br>1,000 DKK |
|---|---|---|

### 11. Other property, plant and equipment

| | | |
|---|---|---|
| Total cost as at 31.12.22 | 25,745 | 28,970 |
| Additions in the year | 1,156 | 11 |
| Disposal in the year | -279 | -3,236 |
| Total cost as at 31.12.23 | 26,622 | 25,745 |
| Depreciation as at 31.12.22 | 14,826 | 11,995 |
| Depreciation in the year | 4,054 | 4,718 |
| Reversal of depreciation on disposals | -189 | -1,887 |
| Depreciation as at 31.12.23 | 18,691 | 14,826 |
| Carrying amount as at 31.12.23 | 7,931 | 10,919 |

Leasing assets amount to DKK 5,935 thousand as per 31 December 2023 and DKK 7,692 thousand as per December 2022.

### 12. Deferred tax

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

| | 31.12.2023<br>1,000 DKK | 31.12.2022<br>1,000 DKK |
|---|---|---|

### 13. Debt to credit institutions and central banks

| | | |
|---|---|---|
| Debt to credit institutions, on demand | 1 | 4 |
| Total debt to credit institutions and central banks | 1 | 4 |

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## NOTES

### 14. Share capital

The share capital consists of 1,224,502 shares of EUR 0.5 nominal value each.

### 15. Contingent liabilities, other financial obligations

| | 31.12.2023<br>1,000 DKK | 31.12.2022<br>1,000 DKK |
|---|---|---|
| The Guarantee Fund for Depositors and Investors | 275 | 273 |

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

| | 31.12.2023<br>1,000 DKK | 31.12.2022<br>1,000 DKK |
|---|---|---|

### 17. Capital adequacy requirements

Capital adequacy requirements according to article 11 of Regulation (EU) 2019/2033:

| | | |
|---|---|---|
| Solvency K-factor | 139 | 1,466 |
| Minimum capital EUR 0.075m (EUR 0.05m) | 559 | 558 |

Capital adequacy requirements according to article 13 of Regulation (EU) 2019/2033:

| | | |
|---|---|---|
| Total fixed expenses prior year | 149,563 | 129,778 |
| Capital adequacy requirements, 25% thereof | 37,391 | 32,445 |
| Fulfillment of above capital requirements by 31 December (own Funds) | 52,512 | 42,262 |

### 18. Solvency

| | | |
|---|---|---|
| Shareholders' equity | 84,059 | 81,016 |
| Proposed dividend | -20,000 | -30,000 |
| Investment in subsidiary | -11,547 | -8,480 |
| Deferred tax asset | 0 | -274 |
| Core capital after deduction | 52,512 | 42,262 |
| Own Funds | 52,512 | 42,262 |
| Capital ratio | 140.4% | 130.3% |
| Core capital ratio | 140.4% | 130.3% |

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## 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

Financial risks are managed in accordance with the Board of Directors' instructions to the Board of Management. The company has only limited credit risk exposure as receivables is mainly against systemic important Danish credit institutions and financially strong investment service clients. Liquidity is managed to secure adequate and stabile liquidity to fulfill the Company's obligations.

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. The company is not exposed to other market risks since it does not have a trading book.

Significant risk and uncertainties

Business risks is considered as the most significant risk factor.

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