1 July 2022

Monthly Executive Briefing

Higher inflation, higher recession risk

Recession and inflation fears took centre stage in financial markets in June, as investors were torn between two scenarios: 1) a "stagflation" trap / bad recession as broad and persistent inflation pressures trigger ever-more aggressive central bank tightening, versus 2) a 'soft landing' scenario, where central banks manage to contain inflation triggering a mild recession with limited damage to the economy. Whenever stagflation concerns dominate, inflation expectations edge higher, rates markets price in front-loaded central bank hiking cycles and risk sentiment takes a hit. In turn, when markets tune in for a 'soft landing', inflation expectations moderate, yield curves flatten and stock markets stabilise. In net, it was the stagflation fears that dictated in June: rates and yields continued to tick up, spreads widened, EUR/USD slid and stock markets declined.

As actual inflation has continued to nudge up and inflation expectations remain elevated, markets are pricing in ever more aggressive, but short-lived central bank hiking cycles. The Federal Reserve hiked rates by 75bp in June, the biggest one-time move since 1994. In the context of persistent and broad-based price pressures, we expect Fed to hike rates by another 75bp in July and by 50bp in September, November and December. If we are right, the Fed funds target range would be 3.75-4.00% by year-end. Starting next year, we expect Fed to stay put as the US economy falls into a recession in Q2-23 with the fast hikes raising the risk of the recession coming sooner.

The ECB finds itself between a rock and a hard place as it needs to hike rates while avoiding impairment to its monetary policy transmission. We (and markets) expect ECB to hike rates by 25bp in July. For September, ECB President Lagarde has said a 50bp hike is warranted if inflation expectations do not improve. Despite moderation in long-term inflation expectations, peak inflation lies still ahead, and we expect ECB to hike rates by 25bp in July and 50bp in September, followed by two more 25bp hikes this year, and another two in Q1 next year. Higher yields triggered concern regarding debt sustainability in Southern Europe and Italy's 10-year bond yield topped 4% in mid-June, before the ECB announced they are preparing a new tool to address market fragmentation. Similar to the SMP programme, which was active in 2010-2012, the new tool is likely to be liquidity neutral, allowing the ECB to simultaneously tighten monetary policy. Reduced gas deliveries have resurfaced the risk that production shutdowns will be necessary in Europe.

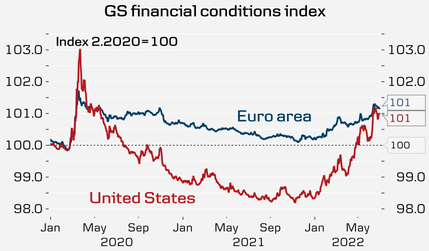
As Western economies cool down, China is swimming against the tide. Service sector activity benefited from the easing of covid restrictions in June. Construction sector also improved and manufacturing activity returned to expansionary territory. With government stimulus kicking in, assuming no new outbreaks and a continued trend towards looser restrictions, we expect a stronger growth momentum in China towards the year-end.

As a result from the recent market rout triggered by re-pricing of central bank expectations, financial conditions have tightened considerably both in the US and in euro area. Higher financing costs across assets imply hard times for indebted corporates and sovereigns, and particularly for emerging markets with substantial external vulnerabilities. EM FX and EM debt have underperformed in June and as most of the monetary tightening is still ahead, the outlook is not much brighter.

Key points

- Fear of inflation is increasingly supplemented by fear of recession as a market theme, not least in credit markets where spreads have widened very substantially.
- However, there were also large parts of June where markets moved in the other direction, and uncertainty and volatility is high in many markets.
- Both Sweden and Norway had 50bp rate hikes in June. Rate hikes look set to continue this year.

Financial conditions have mostly tightened in the US, where it was also needed more

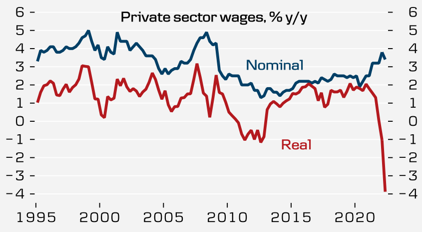


Source: Bloomberg, Macrobond Financial

Denmark

Tighter financial conditions in Europe are affecting Denmark not least through much higher yields on 30 year mortgage bonds, and the housing market is showing signs of slowdown, though not yet of lower prices. Decreasing optimism is visible in business surveys, and unemployment is stabilising, at a very low level. On some measures, the Danish labour market is one of the tightest in Europe, but wage growth actually moderated to 3.4% y/y in Q2, from 3.8% in Q1. In 2008, with a similar situation in the labour market and much lower inflation, wage growth reached 4.9%. The moderate pace now suggests that inflation is expected to decline again soon, and that the high degree of economic pessimism among consumers is affecting wage demands. Real wages have been reduced to end-2020 levels, and look set to decline further.

Modest wage growth in Denmark

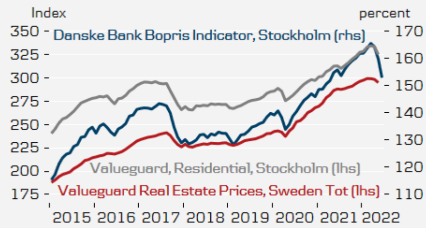


Sources: DA, Statistics Denmark, Macrobond Financial, Danske Bank

Sweden

The Riksbank as expected hiked by 50bp to 0.75% and the new policy rate path implies hikes for the rest of 2022, but more modest increases from 2023 and onwards. The average rate in Q2 2023 in the rate path is 1.90% and the end point in Q2 2025 is 2.1%. The new rate path rhymes well with our own forecast for the Riksbank, where we expect continued 50bp hikes in Sep and Nov followed by 25bp in Feb 2023. How about the risks for 75bp? It should not be ruled out, but in our view, it would require another upwards shift in the inflation picture and for global central banks to hike more aggressively. It would also likely require higher inflation and wage expectations, which we do not see at this point. The likelihood for an interim meeting is low in our view. Housing prices decreased for the second month in a row according to Valueguard and our own Boprisindiaktor measuring prices in Stockholm showed that the decrease in prices further accelerated in June with 4.3% s.a. It remains to be seen how prices develop in the rest of Sweden, we believe the trend will be similar but with slightly lower price decrease.

Swedish housing market slowing

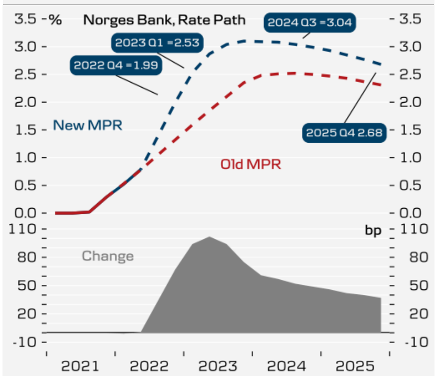


Source: Macrobond Financial, Danske Bank

Norway

Norges Bank turned significantly more hawkish at its June meeting, hiking by 50bp and lifting the rate path, so it now indicates an additional 185bp worth of rate hikes until the end of 2023, where it shows the policy rate topping at 3.1% in Q4, against a previous top point of 2.5% in Q3 2024. This is based on a positive outlook for the Norwegian economy and upwards revisions to expectations for inflation and wage growth, the latter now forecast at 4.4% in 2023. In our view, the economic outlook is too optimistic, given the weakening global outlook and the impact the interest rate hikes will have on the domestic economy. Hence, our forecast is that the policy rate will reach 2.25% at the end of 2022 and not be hiked any further.

Higher rate path in Norway

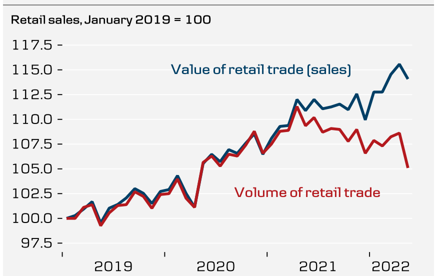


Source: Norges Bank, Macrobond Financial

Finland

In Finland, economic activity has gradually cooled down. Consumers spend more in retail trade, but due to high inflation (7% in May), less goods are bought. Sanctions and voluntary boycotts have halted most of the trade with Russia. That is negative for the economy, but some industries like sawmills have benefited from lack of competition from Russia. There will be additional investment into energy and national security. Consumer confidence is very weak and business confidence has fallen. Service business confidence is relatively good. Construction sector looks most pessimistic and activity is likely to fall in H2 2022. Housing market activity stays below 2021, but prices are stable. The FIN-FSA recommends that mortgage borrowers' total loan-servicing costs should be no more than 60% of their net income. This DSTI cap may limit lending, especially in growth centers. Open job vacancies are plentiful in many industries, which is a buffer against economic adversities.

Finnish consumers spend more to get less



Source: Macrobond Financial

Currency markets

While June was characterised by a month of two halves – deflation fears in the first half, diminished inflation fears in the second – the FX month overall was characterised by a stronger USD driven by both sharper Fed monetary tightening and sour global risk appetite. Also, the CHF has had a strong month following the Swiss National Bank delivering a surprise 50bp rate hike and no longer referring to CHF as “highly valued”. This has sent EUR/CHF close to the psychologically important level of parity. In the other end of the spectrum, JPY weakness resumed as global yields moved higher and Bank of Japan stuck to its yield curve control target. USD/JPY subsequently hit the highest level since 1998. In the Scandies, both NOK and SEK suffered from weaker global growth prospects and souring global risk appetite. EUR/DKK continues to trade just south of 7.44.

Bond markets

Inflation and central bank response keep being the main theme in fixed income markets with underlining push for higher yields. However, the recession fears have lately pulled both short term and long term yields 40bp lower during June. Still, daily volatility is very high and yield moves of +/-10bp day to day is beginning to be common, and this is also limiting risk appetite among market participants, reducing liquidity. For Danish mortgage bonds, spreads widened in the first half of the month with flex/FLT bonds seeing a rare large spread widening of some 10bp. Since mid-June, mortgage bonds have seen spread tightening and especially callables have seen one of the best performance periods ever with 30-40bp within two-three weeks driven by the still very high buybacks from borrowers in the lower coupon callables.

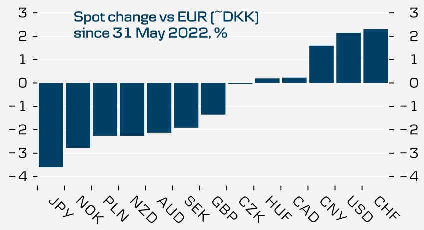
Credit markets

June was a rough month for credit markets. iTraxx Xover widened c.150bp and Main more than 30bp. The indices are trading in 587bp and 120bp, respectively, which is their highest levels since 2012 if we exclude the most extreme levels reached during the COVID crisis and early 2016 (where higher levels were only sustained for a couple of weeks). Distress is particularly pronounced in the real estate segment where investor panic has reached extreme levels due to high debt burdens and financing costs. The adverse market conditions have also been visible in the primary market where issuance activity in June was around half the level from 2021. When new deals have come to the market it has usually been with heavy new issue concessions thus putting further pressure on secondary spreads.

Equities

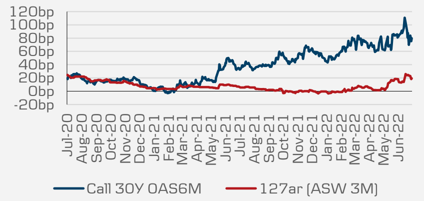
June became another very bad month for equities and first half of 2022 turned out to be one of the worst on record for equities. However, June also marked an important change in the equity investment narrative as the stagflation trade turned into a recession trade. Put it differently, materials, energy and partly financials turning into leading underperformers. Q3 earnings season will start in a couple of weeks and it will be an okay earnings season while guidance will be very poor. The big drop in momentum in June will continue in Q3 and hence most managements will have to issue conservative guidance. The combination of macro data and guidance will also mean a big shift to analysts’ estimates. We are expecting earnings estimates will be cut by 5-10% within the next six months. The positive take is that markets have already priced in some of the further deterioration we expect to see in macro and earnings.

FX. Sorted spot returns vs EUR over the last month



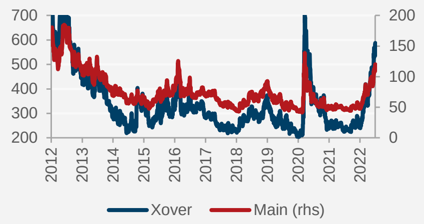
Past performance is not a reliable indicator of current or future results. Source: Macrobond Financial

Still high spreads on Danish callables



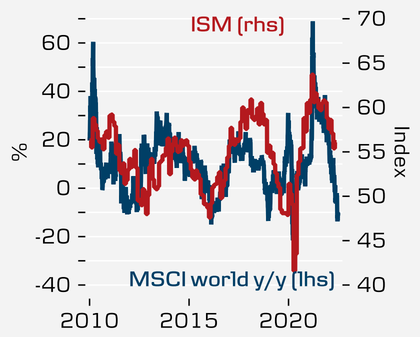
Past performance is not a reliable indicator of current or future results. Source: Danske Bank

Credit spreads at multi-year highs



Past performance is not a reliable indicator of current or future results. Source: BondRadar

Market pricing weaker PMI



Past performance is not a reliable indicator of current or future results. Source: Macrobond Financial, Refinitiv and Danske Bank securities

Names and contact information of analysts

Editor:			
Las Olsen, *Chief Economist*	Denmark	+45 45 12 85 36	laso@danskebank.com
Therese Persson, *Analyst*	Sweden	+46 8 568 805 58	therese.persson@danskebank.se
Frank Jullum, *Chief Economist*	Norway	+47 85 40 65 40	fju@danskebank.com
Pasi Petteri Kuoppamäki, *Chief Economist*	Finland	+358 10 546 7715	paku@danskebank.com
Minna Kuusisto, *Chief Analyst*	International Macro	+358 44 2609979	minna.kuusisto@danskebank.com
Kristoffer Lomholt, *Chief Analyst*	FX Research	+45 45 12 85 29	klom@danskebank.com
Jan Weber Østergaard, *Chief Analyst*	Fixed Income Research	+45 45 13 07 89	jast@danskebank.com
Mark Thybo Naur, *Senior Analyst*	Credit Research	+45 45 12 84 30	mnau@danskebank.com
Bjarne Breinholt Thomsen, Senior Equity Strategist	Equities Research	+45 61 22 56 13	bt@danskebank.com
Conor Lambe, *Chief Economist*	Northern Ireland	+44 28 9004 8060	conor.lambe@danskebank.co.uk

Macroeconomic forecast

Macro forecast. Scandinavia

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Ex-ports[1]	Im-ports[1]	Infla-tion[1]	Wage growth[1]	Unem-ploym[3]	Public budget[4]	Public debt[4]	Current acc.[4]
Denmark	2021	4.9	4.3	4.2	6.2	8.0	8.0	1.9	3.0	3.7	2.6	36.7	8.3
	2022	3.5	2.1	-0.3	3.3	4.1	1.9	6.4	3.7	2.5	1.0	31.9	8.8
	2023	0.7	1.3	0.9	-0.4	2.2	2.5	2.6	4.0	2.7	0.7	29.9	8.1
Sweden	2021	4.8	6.1	2.6	5.9	7.6	9.3	2.2	2.7	8.8	-0.2	37.7	5.2
	2022	1.1	2.6	0.1	-0.3	5.4	6.3	6.4	2.0	7.4	-0.3	33.0	4.9
	2023	1.6	1.7	1.2	1.3	3.9	3.4	3.5	2.1	7.2	0.3	31.0	5.2
Norway	2021	4.1	4.9	3.8	-0.9	4.7	2.3	3.5	3.5	3.2	-	-	-
	2022	3.6	6.7	1.3	3.1	6.0	7.5	4.6	3.7	1.8	-	-	-
	2023	1.6	2.5	1.3	2.0	4.0	4.0	2.0	3.7	2.1	-	-	-

Macro forecast. Euroland

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Ex-ports[1]	Im-ports[1]	Infla-tion[1]	Wage growth[1]	Unem-ploym[3]	Public budget[4]	Public debt[4]	Current acc.[4]
Euro area	2021	5.3	3.6	3.9	4.1	10.8	8.7	2.6	4.1	7.7	-5.1	97.4	3.2
	2022	2.8	2.4	2.9	2.4	5.5	6.5	7.3	3.2	6.8	-3.7	94.7	2.4
	2023	1.8	0.7	3.7	3.5	3.9	4.4	2.8	3.4	6.8	-2.5	92.7	2.9
Germany	2021	2.9	0.3	2.9	1.0	9.5	9.0	3.2	3.4	3.6	-3.7	69.3	7.4
	2022	1.4	3.0	1.3	2.2	1.9	6.7	7.9	3.3	3.0	-2.5	66.4	6.4
	2023	1.8	0.7	4.1	3.5	3.9	4.5	3.3	3.9	3.0	-1.0	64.5	6.8
Finland	2021	3.0	3.6	2.7	1.1	5.6	5.6	2.2	2.3	7.7	-2.6	72.3	0.9
	2022	1.5	1.6	1.5	4.0	1.0	2.5	6.0	2.8	6.4	-2.8	65.0	-0.6
	2023	1.6	2.5	1.0	2.5	2.0	3.5	2.5	2.6	6.3	-2.3	64.8	-0.2

Macro forecast. Global

	Year	GDP[1]	Private cons.[1]	Public cons.[1]	Fixed inv.[1]	Ex-ports[1]	Im-ports[1]	Infla-tion[1]	Wage growth[1]	Unem-ploym[3]	Public budget[4]	Public debt[4]	Current acc.[4]
USA	2021	5.7	7.9	0.5	7.8	4.5	14.0	4.7	4.2	5.4	-12.4	126.9	-3.5
	2022	2.4	2.9	-0.8	3.9	2.9	9.6	8.4	5.2	3.6	-4.2	124.0	-3.5
	2023	0.1	0.1	1.1	-1.2	-2.3	-1.7	4.6	4.2	3.9	-3.8	121.0	-3.2
China	2021	8.0	10.2	-	5.2	-	-	0.7	5.0	-	-5.6	68.9	3.0
	2022	3.7	4.8	-	3.0	-	-	2.5	5.0	-	-7.7	77.8	1.1
	2023	5.7	6.5		5.0			2.5	5.5		-7.1	81.8	1.0
UK	2021	7.4	6.2	14.3	5.9	-1.3	3.8	2.6	5.1	4.5	-5.4	95.6	-2.6
	2022	4.0	4.8	1.3	8.1	0.7	14.7	8.4	4.4	3.6	-3.9	95.5	-4.8
	2023	-0.2	-0.3	1.2	-1.9	-2.4	-2.4	5.6	3.3	4.1	-1.9	97.0	-3.7
Japan	2021	1.7	1.1	2.1	-1.3	11.9	5.1	-0.2	-	2.8	-	-	-
	2022	1.7	3.3	1.4	-1.8	3.6	4.1	1.6	-	2.5	-	-	-
	2023	1.8	1.6	0.7	1.7	2.9	1.1	1.1	-	2.5	-	-	-

Source: OECD and Danske Bank. 1) % y/y. 2) % contribution to GDP growth. 3) % of labour force. 4) % of GDP.

Financial forecast

Bond and money markets

		Key interest rate	3m interest rate	2-yr swap yield	10-yr swap yield	Currency vs EUR	Currency vs USD	Currency vs DKK	Currency vs NOK	Currency vs SEK
USD	01-Jul	1.75	2.28	3.20	3.04	104.6	-	711.1	991.6	1030.1
	+3m	2.00	2.59	3.25	3.40	103.0	-	722.6	1038.8	1009.7
	+6m	2.50	3.11	3.55	3.60	102.0	-	729.9	1019.6	1049.0
	+12m	3.25	3.40	3.65	3.40	100.0	-	745.0	1000.0	1080.0
EUR	01-Jul	-0.50	-0.18	1.33	2.19	-	104.6	743.9	1037.2	1077.5
	+3m	0.25	0.52	1.30	2.05	-	103.0	744.3	1070.0	1040.0
	+6m	0.50	0.90	1.45	2.30	-	102.0	744.5	1040.0	1070.0
	+12m	1.25	1.37	1.50	2.20	-	100.0	745.0	1000.0	1080.0
JPY	01-Jul	-0.10	-0.03	0.11	0.49	120.5	135.4	6.17	8.61	8.94
	+3m	-0.10	-	-	-	133.9	130.0	5.56	7.99	7.77
	+6m	-0.10	-	-	-	130.6	128.0	5.70	7.97	8.20
	+12m	-0.10	-	-	-	125.0	125.0	5.96	8.00	8.64
GBP*	01-Jul	1.25	-	2.60	2.32	86.6	120.8	858.7	1197.4	1243.9
	+3m	1.50		2.15	2.10	86.0	119.8	865.4	1244.2	1209.3
	+6m	1.75		2.25	2.10	85.0	120.0	875.9	1223.5	1258.8
	+12m	1.75		2.15	1.90	84.0	119.0	886.9	1190.5	1285.7
CHF*	01-Jul	-0.25	-	0.70	1.67	100.3	95.9	741.4	1033.8	1074.0
	+3m	0.25	-	-	-	101.0	98.1	736.9	1059.4	1029.7
	+6m	0.75	-	-	-	100.0	98.0	744.5	1040.0	1070.0
	+12m	0.75	-	-	-	99.0	99.0	752.5	1010.1	1090.9
DKK	01-Jul	-0.60	0.09	1.64	2.48	743.86	711.11	-	139.44	144.86
	+3m	0.15	0.72	1.55	2.30	744.25	722.57	-	143.77	139.74
	+6m	0.65	1.13	1.70	2.55	744.50	729.90	-	139.69	143.72
	+12m	1.15	1.55	1.75	2.45	745.00	745.00	-	134.23	144.97
SEK	01-Jul	0.25	0.74	2.46	2.72	1077.5	1030.1	69.0	96.3	100.0
	+3m	1.25	0.85	2.25	2.65	1040.0	1009.7	71.6	102.9	-
	+6m	1.75	1.10	2.45	2.65	1070.0	1049.0	69.6	97.2	-
	+12m	2.00	1.40	2.40	2.60	1080.0	1080.0	69.0	92.6	-
NOK	01-Jul	1.25	1.67	3.18	3.22	1037.2	991.6	71.7	100.0	103.9
	+3m	1.50	2.38	2.95	3.30	1070.0	1038.8	69.6	-	97.2
	+6m	2.25	2.60	2.85	3.40	1040.0	1019.6	71.6	-	102.9
	+12m	2.25	2.60	2.75	3.30	1000.0	1000.0	74.5	-	108.0

*Note: GBP swaps are SONIA and CHF swaps are SHARON

Commodities

		2022				2023				Average	
	01-Jul	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023
ICE Brent	111	98	112	120	100	95	95	95	95	106	95

Source Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The authors of this report are listed on page 4 of this report.

Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

Regulation

Authorised and regulated by the Danish Financial Services Authority (Finanstilsynet). Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

Danske Bank's research reports are prepared in accordance with the recommendations of the Danish Securities Dealers Association.

Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are organised independently from, and do not report to, other business areas within Danske Bank.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Financial models and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country. Documentation can be obtained from the authors on request.

Risk warning

Major risks connected with recommendations or opinions in this research report, including as sensitivity analysis of relevant assumptions, are stated throughout the text.

Expected updates

This report is updated monthly.

Date of first publication

See the front page of this research report for the date of first publication.

General disclaimer

This research has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments').

This research report has been prepared independently and solely on the basis of publicly available information that Danske Bank A/S considers to be reliable but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this research report and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report.

The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this research report.

This research report is not intended for, and may not be redistributed to, retail customers in the United Kingdom (see separate disclaimer below) and retail customers in the European Economic Area as defined by Directive 2014/65/EU.

Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank A/S is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank A/S who have prepared this research report are not registered or qualified as research analysts with the New York Stock Exchange or Financial Industry Regulatory Authority but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this document is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

Disclaimer related to distribution in the European Economic Area

This document is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

Report completed: 1 July 2022, 17:30 CET

Report first disseminated: 1 July 2022, 18:30 CET