

NCI Credit Opportunity Fund A/S

Annexstræde 6, 2500 Valby

CVR-nr. 41 28 37 50

Årsrapport 2024

Godkendt på selskabets ordinære generalforsamling den 12. marts 2025

Dirigent:

.....

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Ledespåtegning

Bestyrelse og direktion har dags dato behandlet og godkendt årsrapporten for NCI Credit Opportunity Fund A/S for regnskabsåret 1. januar - 31. december 2024.

Årsrapporten er aflagt i overensstemmelse med årsregnskabsloven.

Det er vores opfattelse, at årsregnskabet giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31. december 2024 samt af resultatet af selskabets aktiviteter for regnskabsåret 1. januar - 31. december 2024.

Det er vores opfattelse, at ledelsesberetningen indeholder en retvisende redegørelse for de forhold, beretningen omhandler.

Endvidere giver den supplerende beretning om opfyldelse af bæredygtighedskarakteristika en retvisende redegørelse i overensstemmelse med Disclosureforordningens bestemmelser om periodisk rapportering.

Årsrapporten indstilles til generalforsamlingens godkendelse.

København, den 20. februar 2025

Direktion:

.....
Jørgen Beuchert

Bestyrelse:

.....
Søren Jørgensen
Formand

.....
Peter Reedtz

.....
Bertil From

Ledelsesberetning

Oplysninger om selskabet

Navn	NCI Credit Opportunity Fund A/S
Adresse, postnr. by	Annexstræde 6, 2500 Valby
CVR-nr.	CVR-nr. 41 28 37 50
Stiftet	31. marts 2020
Hjemstedskommune	København
Regnskabsår	1. januar - 31. december
Direktion	Jørgen Beuchert
Bestyrelse	Søren Jørgensen, formand Peter Reedtz Bertil From
Revisor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Frederiksberg

Ledelsesberetning

Virksomhedens væsentligste aktiviteter

NCI Credit Opportunity Fund A/S ("NCIC" eller "Selskabet") blev etableret i 2020 med det formål at skabe attraktive afkast ved investeringer i alternative investeringer inden for gæld med fokus på obligationer med høj rente, og hvor der er stillet sikkerhed for finansieringen. Geografisk investerer NCIC i Norden, Tyskland, Benelux og UK.

Investeringerne bliver foretaget på baggrund af en konkret kreditvurdering, som er baseret på fundamentalanalyse af det gældsudstedende selskab. Der foretages løbende kreditvurdering af investeringerne.

Selskabet finansierer sine investeringer via egenkapital. Investeringsstrategien er ikke baseret på gearing. Selskabet kan dog ifølge vedtægterne optage begrænset lånefinansiering, hvorfor der periodevist kan opstå korte træk for at optimere likviditeten.

NCIC's strategi er at skabe et stabilt og attraktivt afkast til investorerne gennem investeringer i udvalgte virksomheder, der har en risikoprofil, som matcher afkastpotentialet i overensstemmelse med NCIC's investeringsstrategi, og som giver et betydeligt merafkast i forhold til investment grade låneinvesteringer.

NCIC's strategi er desuden at være involveret og proaktiv i forhold til hver investering og dermed beskytte NCIC's interesser. Hvis en virksomhed, der er investeret i, kommer i økonomiske vanskeligheder, tager NCIC initiativ til at beskytte sine interesser ved at samle øvrige større obligationskreditører, forhandle med virksomheden, være direkte involveret i eventuelle ændringer til finansieringen, herunder evt. deltage med yderligere midler ved enten yderligere finansiering eller aktiekapitalinvestering, samt aktivt bestyrelsesarbejde.

NCIC er et investeringsselskab, som i Finanstilsynet er registreret som alternativ investeringsfond ("AIF"). Selskabets skattestatus som et §19-selskab betyder, at selskabet er skattetransparent, således at beskatning sker på aktionærniveau, baseret på investorernes individuelle skattestatus.

NCIC er open-ended, hvilket betyder, at selskabets strategi er løbende at tilpasse selskabets kapitalstørrelse i takt med efterspørgslen fra langsigtede investorer.

Selskabets vedtægter giver mulighed for, at aktionærer, som ønsker at reducere deres investering helt eller delvist, gør det gennem tilbagesalg af aktier til NCIC.

NCIC foretager løbende kapitaludvidelser med det formål at skabe de bedste rammer for at skabe attraktive afkast samt sikre en god diversificering af investeringsporteføljen.

NCIC's politik er at være udbyttebetalende.

Udvikling i aktiviteter og økonomiske forhold

Større internationale investorer har identificeret, at det nordiske marked er interessant med baggrund i stærke økonomier, gunstige makroforhold, politisk stabilitet, virksomheder med gode kreditkarakteristika og et investeringsmarked der giver attraktive afkastmuligheder. Det betyder, at vi har set en stigende investorinteresse for aktivklassen, herunder fra internationale investorer. Der har ligeledes været et øget aktivitetsniveau med nye udstedelser af virksomhedsobligationer, specielt i andet halvår.

2024 var som forventet præget af, at den i 2022-23 kraftigt stigende inflation og renter, samt stigende usikkerhed om den makroøkonomiske udvikling, begyndte at påvirke visse industrier og selskaber, specielt selskaber indenfor detail og selskaber med højere gearing. Den fortsatte krig i Ukraine og krigen i Gaza medførte fortsat øget usikkerhed. Generelt har de finansielle markeder være relativt volatile i 2024 med væsentlige forskelle i performance indenfor de forskellige aktivklasser, geografier og industrier.

I løbet af regnskabsåret har den svenske krone udviklet sig negativt overfor den danske krone, og årets resultat har derfor været negativt påvirket af valutakurser, eftersom ca. 29% af NCIC's portefølje har været gæld udstedt i svenske kroner.

Selskabet havde en balance pr. 31. december 2024 på 85,9M DKK og en egenkapital på 85,5M DKK. NCIC realiserede i 2024 et overskud på 7,2M DKK, svarende til et afkast på egenkapitalen på 9,7 %.

Ledelsesberetning (fortsat)

Afkastet for 2024 opfylder knap vores forventninger til 2024, som var et afkast på over 10%. NCIC har i perioden 2020-24 givet et gennemsnitlig årligt afkast på 11%.

Aktiekursen ultimo 2024, justeret for egne aktier, er 11,0310 DKK pr. aktie a nom. 1 DKK.

Der foreslås et udbytte for 2024 på 7,15M DKK, som udgør 0,8985 DKK pr. aktie.

Kategori	Afkast		
	2024	2023	2022
NCI Credit Opportunity Fund A/S	9,7 %	10,8 %	-0,3 %
Europæiske Investment Grade-obligationer (LPO6TREU-indeks, EUR-afkast i EUR)	2,5 %	7,5 %	-18,9 %
Europæiske High Yield-obligationer (LPO1TREU-indeks, EUR-afkast i EUR)	9,0 %	12,8 %	-11,3 %
Danske aktier (OMXC25)	-0,4 %	10,7 %	-11,9 %
Europæiske aktier (Euro Stoxx 600, SXXP-indeks, EUR-afkast i DKK)	9,0 %	17,0 %	-10,4 %
Globale aktier (MSCI ACWI, MXWD-indeks, USD-afkast i DKK)	25,9 %	19,3 %	-14,0 %

Det var vores forventning for 2024, at aktivitetsniveauet ville blive øget, og det har vi også set i 2024. NCIC havde ved årets indgang investeringer på tværs af 18 selskaber, og i løbet af året solgte vi eller blev indfriet på investeringer fordelt på seks selskaber og foretog investeringer i 12 selskaber. Ved årets udgang havde vi investeringer i 24 selskaber. I løbet af året har vi løbende foretaget porteføljeoptimering. NCIC har ikke haft kredittab på sine exits.

Porteføljespredningen og investeringsdiversificeringen er i løbet af regnskabsåret øget. Kreditboniteten af investeringsporteføljen vurderes som god. Risikoudviklingen på NCIC's investeringsportefølje udviklede sig positivt i 2024. Vi er som helhed tilfredse med udviklingen.

NCIC har en mindre finansieringsramme i Nykredit, som understøtter NCIC's likviditetsoptimering. Kreditten har ikke været udnyttet i løbet af året.

Aktiekapitaludvidelser eller tilbagekøb

Der har i 2024 været både kapitaludvidelse og aktietilbagekøb. NCIC øgede i 2024 egenkapitalen fra 79M DKK til 85M DKK. Selskabet havde ved udgangen af året 41 aktionærer.

NCIC havde ved udgangen af året 203.840 stk. aktier i egen beholdning.

NCIC planlægger at udvide selskabskapitalen løbende i 2025.

SFDR

NCIC er en artikel 8 fond under EU's Sustainable Finance Disclosure Regulation ("SFDR"), og i løbet af året har vi arbejdet videre med selskabets sustainability-politik og -procedurer. På www.nciadvisory.com findes SFDR og øvrige relevante sustainability-rapporter.

Forventninger til 2025

NCIC har en målsætning om løbende at udvide forretningsomfanget inden for den nuværende investeringsstrategi via yderligere kapitaludvidelser i løbet af 2025.

For 2025 forventer vi, at rentesænkningerne og et bedre ejendomsmarked i Sverige positivt vil påvirke NCIA investeringsportefølje. Vi fortsætter dog med en meget proaktiv tilgang på vores investeringer.

NCIC har en solid og diversificeret investeringsportefølje, som vi følger tæt. Det er vores vurdering, at selskabernes ledelser og ejere er fuldt beviste om de makroøkonomiske udfordringer, og at de agerer med rettidig omhu for at sikre selskabernes fremtidige drift.

Ledelsesberetning (fortsat)

Det er også vores vurdering, at selskabernes likviditetsberedskab er tilstrækkeligt, og at de fleste selskaber står rimelig stærk til at klare udfordringerne. Det er vores forventning at vi, til trods for dette, på enkelte selskaber i løbet af 2025 vil se en stigning i kreditrisikoen. Vi vil fortsat i 2025 arbejde med en tæt opfølgning på alle investeringer.

Vi forventer for 2025 at ville kunne skabe et attraktivt afkast for aktionærene, der overstiger ECB's reference rente (Main refinancing operations) + 6% på egenkapitalen primo efter udbyttebetaling svarende til et nettoresultat i niveau 7,5-8,0 Mio. DKK. Dette er baseret på investeringsporteføljen, som ved indgangen til 2025 havde et afkast til udløb på ca. 13,6 % (før eventuelle kredittab). Ændringer i renteniveauet vil kun i begrænset omfang påvirke investeringsporteføljen værdi grundet den relativt korte gennemsnitlige restløbetid på investeringsporteføljen og den høje grad af variabel forrentning.

Begivenheder efter balancedagen

NCIC havde pr. balancedagen afgivet et lånetilsagn til Acroud AB på 1,5 Mio. DKK, som i januar 2025 er blevet udbetalt til selskabet. Udover dette er der ikke indtruffet begivenheder efter balancedagen med væsentlig finansiel betydning for virksomheden.

Årsregnskab 1. januar - 31. december

Balance

Note	kr.	2024	2023
	AKTIVER		
	Investering i virksomhedslån	483.348	0
	Finansielle anlægsaktiver	483.348	0
	Anlægsaktiver	483.348	0
	Andre tilgodehavender	1.261.086	1.087.994
	Tilgodehavender	1.261.086	1.087.994
4	Investering i virksomhedsobligationer	79.446.371	62.216.007
	Tilgodehavende roll-up renter	332.253	116.175
5	Værdipapirer og kapitalandele	307.597	572.287
		81.830.656	63.992.463
	Likvide beholdninger	4.088.372	15.631.462
	Omsætningsaktiver	85.919.028	79.623.925
	AKTIVER I ALT	85.919.028	79.623.925
	PASSIVER		
	Aktiekapital	7.957.640	7.397.640
	Overført resultat	70.424.888	65.848.107
	Foreslået udbytte	7.150.000	6.200.000
	Egenkapital i alt	85.532.528	79.445.747
	Leverandører af varer og tjenesteydelser	80.609	160.113
	Anden gæld	305.891	18.065
	Kortfristede forpligtelser i alt	386.500	178.178
	Gældsforpligtelser	386.500	178.178
	PASSIVER I ALT	85.919.028	79.623.925

- 1 Anvendt regnskabspraksis
6 Eventualforpligtelser m.v.

Årsregnskab 1. januar - 31. december

Noter

1 Anvendt regnskabspraksis

Årsrapporten for NCI Credit Opportunity Fund A/S for 2024 er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for klasse B-virksomheder med tilvalg af visse bestemmelser for klasse C, i form af udarbejdelse af egenkapitalopgørelse.

Opstillingsformen for resultatopgørelsen er tilpasset selskabets aktivitet.

Årsregnskabet er aflagt efter samme regnskabspraksis som sidste år.

Regnskabsmæssige skøn og vurderinger

I forbindelse med regnskabsaflæggelsen foretager ledelsen visse skøn og vurderinger. Dette vedrører for selskabet primært opgørelsen af dagsværdien på investeringer i high-yield-virksomhedsobligationer, som er udstedt af mindre og mellemstore virksomheder med høj kreditrisiko, og af selskabets indregnede værdipapirer og kapitalandele, som består af unoterede aktier. Målingen af investeringer i virksomhedsobligationer samt unoterede værdipapirer og kapitalandele indebærer væsentlige skøn og er derfor behæftet med usikkerhed. De anvendte metoder til opgørelse af dagsværdier er nærmere beskrevet nedenfor under metoder til opgørelse af dagsværdi.

Virksomhedslån måles til amortiseret kostpris, og det er inden for rammerne af årsregnskabsloven valgt at anvende nedskrivningsprincipperne i IAS 39 ("incurred loss approach"). Nedskrivninger til imødegåelse af kredittab på virksomhedslån foretages således regnskabsmæssigt ud fra en individuel vurdering af de enkelte udlån og indregnes først, når det vurderes mest sandsynligt, at der opstår tab. Ledelsen har vurderet, at det ikke er relevant at indregne nedskrivninger ud fra en porteføljevurdering pr. 31. december 2024, da porteføljen ikke har en tilstrækkelig størrelse og sammensætning til, at dette er relevant.

Ledelsens vurderinger af nedskrivningsbehov baserer sig på de oplysninger, som er tilgængelige for selskabet på tidspunktet for aflæggelse af årsregnskabet, samt ledelsens skøn og forventninger til låntagers fremtidige økonomiske udvikling. Disse oplysninger og forhold er i sagens natur behæftet med usikkerhed, hvorfor de indregnede nedskrivninger kan vise sig at være utilstrækkelige.

Omregning af fremmed valuta

Transaktioner i fremmed valuta omregnes til transaktionsdagens kurs. Valutadifferencer indregnes i resultatopgørelsen som en kursregulering. Tilgodehavender, gæld og andre monetære poster i fremmed valuta, som ikke er afregnet på balancedagen, måles til balancedagens valutakurs. Forskellen mellem balancedagens kurs og kursen på tidspunktet for tilgodehavendets eller gældens opståen indregnes i resultatopgørelsen under kursreguleringer.

Resultatopgørelse

Renteindtægter og renteutgifter m.v.

Renteindtægter og renteutgifter indregnes i resultatopgørelsen i den periode, de vedrører, baseret på den nominelle rente.

Gebyrer og provisionsindtægter

Gebyrer og provisionsindtægter består af modtagne gebyrer i forbindelse med genforhandlinger af selskabets investeringer i virksomhedslån.

Valutakursreguleringer

Valutakursreguleringer vedrører såvel likvide beholdninger som investeringer i virksomhedsobligationer i fremmed valuta.

Værdireguleringer

Realiserede og urealiserede kredittab/-gevinster består af realiserede og urealiserede kredittab/-gevinster i virksomhedsobligationer og værdipapir og kapitalandele, som indregnes i resultatopgørelsen.

Andre eksterne omkostninger

Andre eksterne omkostninger omfatter omkostninger vedrørende virksomhedens primære aktivitet, der er afholdt i årets løb, herunder omkostninger til administration, bankgebyr m.v.

Personaleomkostninger

Personaleomkostninger omfatter løn og gager til selskabets bestyrelse.

Skat af årets resultat

NCI Credit Opportunity Fund A/S har vurderet, at dets skattemæssige status er et skattefrit investeringselskab i overensstemmelse med selskabsskattelovens § 3, stk. 1, nr. 19. Årsregnskab 1. januar - 31. december

Balance

Finansielle anlægsaktiver

Virksomhedslån måles til amortiseret kostpris ved anvendelse af den effektive rentes metode på basis af den forventede løbetid på udlånet (sædvanligvis 5 år). Kontraktmæssig løbetid på selskabets udlån udgør sædvanligvis 5-10 år.

Udlånene omfattes af en nedskrivningstest, såfremt ledelsen ved regnskabsafslæggelsen vurderer, at der er indikationer for et tab af dele eller hele tilgodehavendet. Nedskrivningstesten baseres på en konkret og individuel vurdering af de enkelte udlån og obligationer, hvor dækningen af den stillede sikkerhed tages i betragtning. Såfremt det vurderes mest sandsynligt, at debtors betalingsevne og den stillede sikkerhed ikke kan dække tilgodehavendet, indregnes en nedskrivning heraf til nutidsværdien af estimerede faktiske betalinger.

De løbende renteafkast samt ændringer i nedskrivninger indregnes i resultatopgørelsen. Eventuelle indbyggede afledte finansielle instrumenter måles til dagsværdi og værdiændringer indregnes i resultatopgørelsen under dagsværdireguleringer.

Virksomhedsobligationer

Investeringer i virksomhedsobligationer består af investeringer i illikvide noterede og unoterede virksomhedsobligationer, som indregnes til kostpris ved første indregning og efterfølgende måles til dagsværdi. De anvendte metoder til opgørelse af dagsværdier er beskrevet nedenfor.

Realiserede og urealiserede kursgevinster og -tab indregnes i resultatopgørelsen under dagsværdireguleringer.

Værdipapirer og kapitalandele

Værdipapirer og kapitalandele består af kortsigtede investeringer i kapitalandele, som er indregnet til kostpris i overensstemmelse med årsregnskabsloven § 37, stk. 4.

Andre tilgodehavender

Tilgodehavender måles til amortiseret kostpris med fradrag af nedskrivninger til imødegåelse af tab.

Udbytte

Ledelsens forslag til udbytte for regnskabsåret vises som en særskilt post under egenkapitalen og fragår egenkapitalen, når det endeligt deklareres.

Årsregnskab 1. januar - 31. december

Noter

2 Personaleomkostninger		
kr.	2024	2023
Bestyrelseshonorarer	191.667	116.250
Andre personaleomkostninger	696	10.570
Sum personaleomkostninger	192.363	126.820
Gennemsnitligt antal fuldtidsbeskæftigede	1	1

3 Skat af årets resultat

Selskabet har vurderet, at dets skattemæssige status er et investeringsselskab, jf. selskabsskattelovens § 3, stk. 1, nr. 19.

4 Virksomhedsobligationer

Investeringer i virksomhedsobligationer består af illikvide noterede og unoterede virksomhedsobligationer. Virksomhedsobligationer pr. 31. december 2024 udgør 79.446 t.kr. (2023: 62.216 t.kr.) (niveau 3 dagsværdihierarkiet).

Der har i regnskabsåret været urealiserede dagsværdireguleringer på -99 t.kr. (2023: -857 t.kr.)

Ledelsens fastlæggelse af dagsværdier baserer sig på de oplysninger, som er tilgængelige for selskabet på tidspunktet for aflæggelse af årsregnskabet. Værdiansættelserne er baseret på indikative priser fra markedsaktører med indsigt i de relevante obligationer og kapitalandele, suppleret med eventuelle oplysninger om priser ved nyligt gennemførte handler, samt ledelsens egne vurderinger af låntagers kreditværdighed og egenkapitalværdi baseret på ledelsens løbende overvågning af udstedernes finansielle udvikling og fremtidsudsigter.

Opgørelse af dagsværdier i niveau 3 indebærer væsentlige skøn og er derfor behæftet med usikkerhed.

5 Værdipapirer og kapitalandele

Værdipapirer og kapitalandele består af unoterede værdipapirer, som pr. 31. december 2024 udgør 308 t.kr. (2023: 572 t.kr.) Dagværdien heraf er opgjort på baggrund af ikke-observerbare markedsdata mv. (niveau 3 i dagsværdihierarkiet).

Der har i regnskabsåret været urealiserede dagsværdireguleringer på -371 t.kr. (2023: 0 t.kr.)

Ledelsens fastlæggelse af dagsværdier baserer sig på de oplysninger, som er tilgængelige for selskabet på tidspunktet for aflæggelse af årsregnskabet. Værdiansættelserne er baseret på anerkendte værdiansættelsesmetoder og teknikker til målingen af dagsværdien hvor der tages udgangspunkt i de investerede virksomheders branche, markedsposition og indtjeningssevne, og der inddrages bl.a. peer group multiple, dvs. markedsværdien af sammenlignelige børsnoterede virksomheder, (b) transaktionsmultiple i nyligt gennemførte M&A-transaktioner involverende sammenlignelige virksomheder, (c) værdiindikationer fra potentielle købere (d) samt nutidsværdi af forventet fremtidig indtjening.

6 Eventualforpligtelser m.v.

NCI Credit Opportunity Fund A/S har indgået en administrationsaftale med NCI Advisory A/S, som pr. statusdagen indebærer en betalingsforpligtelse på 997 t.kr. for 2025.

NCI Credit Opportunity Fund A/S har afgivet låntilsagn på 1.543 t.kr. til selskabet Acroud AB.

Supplerende beretninger i henhold til Disclosuresforordningen

PDF-rendering af dokumentet med URL: 6TY2CE5MFEJZE0D6KEE88YPTZ1SS6YK6H2W-XY007VZ

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: NCI Credit Opportunity Fund A/S (“NCIC”)
Legal entity identifier: 984500A72C703FBF3A26

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund applied MSCI ESG and Climate Methodologies, including the MSCI industry materiality map and PAI indicators, as the basis for the methodology to address environmental and/or social characteristics through the fund's Investment and Monitoring Framework for ESG, as described in the “Policy for Responsible Investments” and summarized as follows:

MSCI ESG and Climate Methodologies divide ESG into Environment (E), Social (S), and Governance (G). E, S, and G are subdivided into 10 themes, which are further divided into a range of topics. Through the industry materiality map, MSCI assesses which themes and topics are significant for each industry and issuer, assigning each topic a weight reflecting its materiality.

Based on issuers' PAI reporting for the previous period, the fund subjectively assessed issuers' activities in the relevant topics identified by MSCI and assigned a rating to each topic using the following scale:

4: Management and the company are genuinely committed to ESG.

3: Management and the company have taken steps to integrate ESG.

2: Management and the company show a small degree of commitment to ESG.

1: Management and the company show very limited or no commitment to ESG.

Based on the topic weights from the MSCI industry materiality map and the ratings assigned by the fund, each issuer received an individual E, S, and G rating as well as an overall ESG rating. The E, S, G, and ESG ratings were calculated by multiplying the topic ratings with the corresponding topic weights provided by MSCI. The fund's overall rating was determined by the simple average of the ratings of each issuer in the fund.

The fund used the above methodology to evaluate whether investments met the fund's requirements for promoting environmental and/or social characteristics. The fund's goals in promoting these characteristics were to:

- Promote compliance with the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO conventions, and other international minimum standards.
- Promote minimum environmental guarantees.
- Promote ethical and social minimum guarantees.

To achieve the above goals, the fund sought to:

- Exclude issuers with socially harmful activities,
- Exclude issuers with significant negative environmental impacts,
- Exclude issuers with unethical and/or controversial activities, such as those engaged in child labor, oil or coal extraction, the production of controversial weapons, lack of freedom of religion or equality, tolerance of racism, or failure to comply with laws, ethical, and moral standards,
- Assess investments' most significant adverse impacts on sustainability factors using PAI reporting,
- Influence issuers' key sustainability indicators, and
- Avoid investing in companies with a total or individual E, S, or G score of 1.

In the previous period, the fund achieved the above objectives by:

- Promoting compliance with the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO conventions, and other international minimum standards by excluding issuers that did not comply and had socially harmful activities,
- Promoting minimum environmental guarantees by excluding issuers with significant negative environmental impacts, such as those engaged in oil or coal extraction,
- Promoting ethical and social minimum guarantees by excluding issuers with unethical and/or controversial activities, such as child labor, controversial weapons production, lack of religious freedom or equality, tolerance of racism, or failure to meet laws, ethical, and moral standards,
- Evaluating investments' significant adverse sustainability impacts by analyzing PAI data and the MSCI industry materiality map, ensuring these impacts were reflected in the investments' E, S, G, and ESG scores, and
- Avoiding investment in companies with an overall or individual E, S, or G score of 1.

However, during the previous period, the fund:

- Did not significantly influence issuers' key sustainability indicators.

At the end of 2024, the fund had 23 investments, and at the end of 2023, it had 21 investments, all of which except one were screened, and met the above objectives regarding promoting environmental and/or social characteristics. The lack of screening for one investment is due to an ongoing liquidation process in the investment, and consequently, the investment has not received an ESG rating.

● **How did the sustainability indicators perform?**

The fund integrated sustainability indicators both qualitatively and quantitatively into the investment process.

Each investment was evaluated, screened, and analyzed based on characteristics selected from the fund's Investments and Monitoring Framework for ESG. The framework, as described earlier and in the fund's "Policy for Responsible Investments," uses themes and topics deemed material by MSCI ESG and Climate Methodologies and the MSCI industry materiality map. Within these themes and topics, the fund assessed investments' characteristics using data from the investments' PAI reporting.

During the period, the fund:

- Had no investments with significant socially harmful activities,
- Had no investments with significant environmentally harmful activities,
- Had no unethical and/or controversial investments, such as companies engaged in child labor, oil or coal extraction, controversial weapons production, lack of religious freedom or equality, racism, or noncompliance with laws, ethical, and moral standards.

The fund applied the above-described indicators in its screening and investment process and to calculate the ESG scores of investments and the portfolio, as previously described. Specifically:

- The fund screened 22 investments, representing 99.8% of the invested portfolio's value,
- The fund's average ESG score was 2.7 out of 4,
- The ESG score range was 1.7 to 4.0, with the lowest investment ESG score at 1.7 and the highest at 4.0,
- The fund had no screened investments with a total or individual E, S, or G score of 1, and
- The fund engaged with the screened investments by sending each one ESG questionnaire.

Additionally, the fund did not vote on any environmental and/or social initiatives, as there were no such initiatives available.

Sustainability indicators are not subject to an audit statement.

● **...and compared to previous periods?**

In 2023, the fund integrated sustainability indicators both qualitatively and quantitatively into its investment process.

For each investment, the fund assessed, screened, and analyzed it based on characteristics selected from the fund's Investments and Monitoring Framework for ESG. This framework, described in the previous section and in the fund's "Policy for Responsible Investments," applied themes and topics deemed material for the company's industry by MSCI ESG and Climate Methodologies and the MSCI industrial materiality

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

map. Within these themes and topics, the fund evaluated the investment's characteristics using data from the investment's PAI (Principal Adverse Impact) reporting.

The following applied to the fund:

- The fund had no investments with significant socially harmful activities.
- The fund had no investments with significant environmentally harmful activities.
- The fund had no unethical and/or controversial investments, such as investments in companies involved in child labor, in activities related to oil or coal extraction, in the production of controversial weapons, without practices for freedom of religion, with racist attitudes, or in companies that do not comply with laws and regulations or adhere to ethical and moral standards.

The fund applied the above-described indicators in the screening and investment process and to calculate the ESG scores of investments and the portfolio, as described in the previous section.

The following applied:

- The fund screened 20 investments, representing 99.8% of the portfolio.
- The fund's average ESG score (as a simple average of the ESG scores of the fund's investments) was 2.7 out of 4.
- The fund had an ESG range from 1.8 to 3.7, meaning the investment with the lowest ESG score was 1.8, while the investment with the highest ESG score was 3.7.
- The fund had no investments with an overall or individual E, S, or G score of 1.

Additionally, the fund had no environmental and/or social initiatives to vote on and, therefore, cast zero votes on environmental and/or social initiatives.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The fund is not obligated to make sustainable investments.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The fund is not obligated to make sustainable investments.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The fund is not obligated to make sustainable investments.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The fund is not obligated to make sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The fund considered the principal adverse impacts on sustainability factors through screening based on the fund’s Investment and Monitoring Framework for ESG. This framework, described in previous sections and in the fund’s “Policy for Responsible Investments,” was used to make a subjective assessment of the investment’s environmental and/or social characteristics. This assessment was based on the investment’s PAI (Principal Adverse Impact) reporting and themes and topics deemed material for the investment’s industry by MSCI, as determined by their ESG and Climate Methodologies and MSCI industrial materiality map.

Based on this assessment, the fund applied a norm-based screening with the goal of excluding investments in issuers involved in:

- Socially harmful activities,
- Significant negative environmental impacts, and
- Unethical and/or controversial activities, such as issuers involved in child labor, oil and coal extraction, production of controversial weapons, lack of practices for freedom of religion and/or equality, tolerance of racism, and issuers that fail to comply with laws, regulations, or ethical and moral standards.

The fund excluded no companies based on this screening, as the fund did not deem any of its investments to conflict with the stated goals of addressing the principal adverse impacts on sustainability factors

Regarding responsible investments, the fund followed NCI Advisory A/S’ policy for responsible investments, which is based on the frameworks defined for the NCI fund and the NCIA management. The policy and its underlying instructions were applied when considering voting at general meetings and engaging in dialogue with issuers performing poorly on sustainability factors.

Information on the fund’s investments and adverse impacts on sustainability factors was reported in the annual report.



What were the top investments of this financial product?

The list includes the 15 investments that represented the largest share of the financial product's investments as of 12/31/2024.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

Largest investments	Sector	% Assets	Country
Azerion Group NV	Gaming/ad-tech	9.0%	The Netherlands
LR Health & Beauty SE	Health & Beauty	8.0%	Germany
Aonic AB	Gaming/ad-tech	7.3%	Sweden
Booster Precision Components GmbH	Industrial components	5.6%	Germany
3t Global Bidco Plc	Energy services	5.4%	UK
Momox Holding SE	E-commerce	5.4%	Germany
Impala Bondco Plc	EdTech	5.1%	UK
Gaming Innovation Group Plc	Affiliate marketing	4.6%	Malta
Secop Group Holding GmbH	Refrigerators & Freezers	4.6%	Germany
TWMA Group Ltd	Energy services	4.5%	UK
Whitworth Midco Ltd	Industrial components	4.4%	UK
Novedo Holding AB	Industrial portfolio	3.9%	Sweden
Greenfood AB	Food & beverage	3.9%	Sweden
NoA Bidco AS	Consulting	3.8%	Norway
Brödernas Group AB	Restaurants	3.4%	Sweden

The list includes the 15 investments that represented the largest share of the financial product's investments as of 12/31/2023.

Largest investments	Sector	% Assets	Country
LR Global Holding GmbH	Health & Beauty	10.8%	Germany
Lithium Midco Ltd.	Telecom	9.9%	The Netherlands
Aonic AB	Gaming/ad-tech	7.1%	Sweden
Greenfood AB	Food & beverage	5.9%	Sweden
Secop Group Holding GmbH	Refrigerators & Freezers	4.9%	Germany
Skill Bidco Aps	Logistics	4.9%	Denmark
Gaming Innovation Group Plc	Affiliate marketing	4.8%	Malta
Azerion Group NV	Gaming/ad-tech	4.7%	The Netherlands

Whitworth Midco Ltd	Industrial components	4.5%	UK
Impala Bondco Plc	EdTech	3.7%	UK
Booster Precision Components GmbH	Industrial components	3.7%	Germany
Cabonline Group Holding AB	Taxi service	3.5%	Sweden
ZetaDisplay AB	Digital communication	3.1%	Sweden
Acroud AB	Affiliate marketing	3.1%	Sweden
Novedo Holding AB	Industrial portfolio	3.0%	Sweden



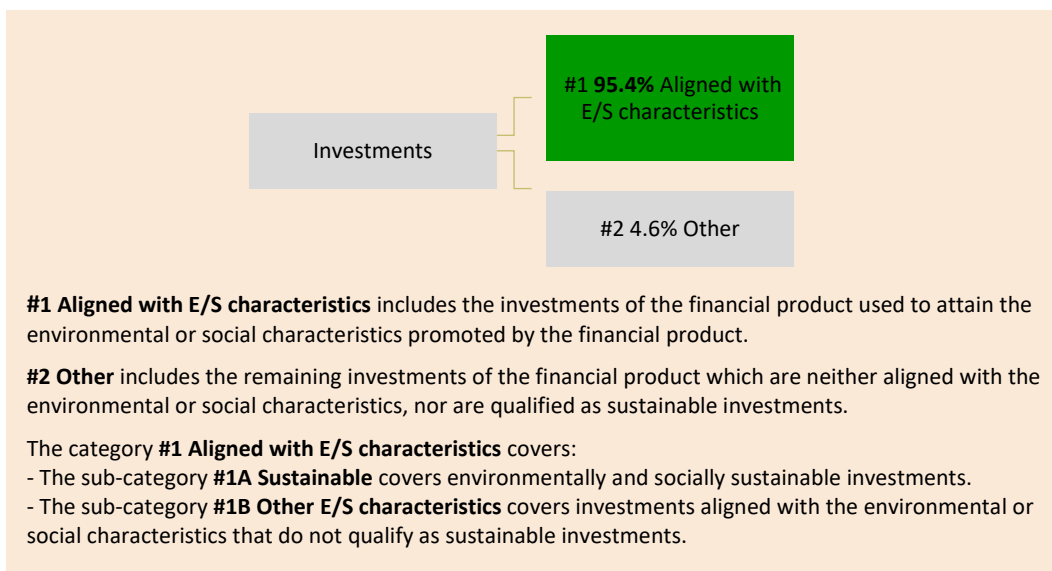
What was the proportion of sustainability-related investments?

● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

The fund promoted environmental and/or social characteristics through restrictions on investments with activities included in its restriction list. The figure below shows the fund's asset allocation during the reporting period. This minimum allocation represented the portion of the fund's assets that was screened to promote their environmental and/or social characteristics.

The 4.6% under "Other" represented cash and one minority investment, i.e., the non-screened investment. The minimum allocation is calculated relative to the total market value of assets and reflects the minimum allocation as an average during the relevant reporting period



● In which economic sectors were the investments made?

Investments were made in sectors such as:

- Gaming/ad-tech: 16%
- Energy Services: 10%
- Health & Beauty: 8%

- Affiliate marketing: 7%
- Industrial components: 6%
- E-commerce: 5%
- EdTech: 5%
- Industrial products: 4%
- Industrial portfolio: 4%
- Food & Beverage: 4%
- Consulting: 4%
- Restaurants: 4%
- Digital Communication: 3%
- Fitness chains: 3%
- Taxi services: 3%

The remaining 14% is in various sectors with an individual concentration below 2% and liquid assets



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund is not obligated to make sustainable investments.

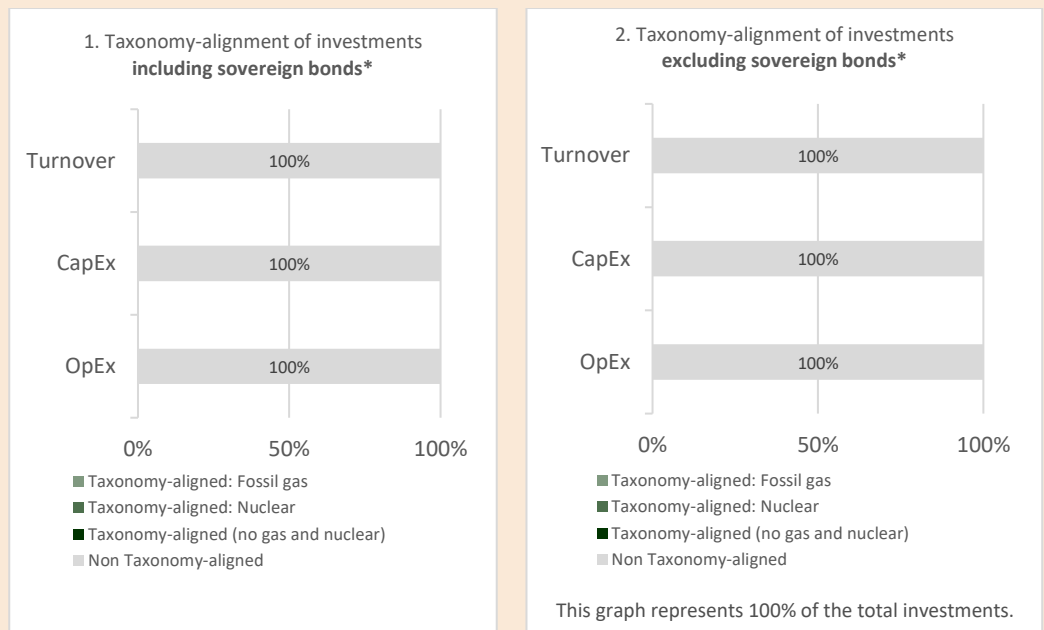
● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

In fossil gas In nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

The fund is not obligated to invest in sustainable investments, and screenings are not conducted to determine whether investments comply with the EU taxonomy. The minimum share of investments in transitional activities was 0%, and likewise, the minimum share of investments in enabling activities was also 0%.

There was no available data on transitional or enabling activities, making it impossible to report on them.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Since the fund did not consider the EU taxonomy in 2023, the percentage was 0%, and similarly, in 2024, the percentage was also 0%.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund is not obligated to make sustainable investments.



What was the share of socially sustainable investments?

The fund is not obligated to make sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The fund's category of “Other investments” (#2) includes cash, minority investments, and direct loans. No investments were made during the period where the fund conducted screening but lacked sufficient data to conduct a thorough assessment of the environmental and/or social characteristics.

These “Other investments” consisted of investments made to ensure adequate liquidity and portfolio risk hedging. Due to the nature of the exposure achieved through these investments, the fund does not apply environmental or social minimum safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The measures taken by the fund to fulfill the environmental and/or social characteristics were the analysis of investments, followed by ongoing monitoring. The investment strategy focused on limiting the negative externalities of the fund's investments and integrating norm-based screening and the restriction list.

The norm-based screening and the restriction list focused on excluding investments in issuers with socially harmful activities, significant negative environmental impacts, unethical and/or controversial activities, such as issuers that employed child labor, were involved in oil or coal extraction, produced controversial

weapons, did not practice freedom of religion and/or gender equality, held racist views, or operated companies that did not comply with laws and regulations or meet ethical and moral standards.

Furthermore, the restriction list in the current period was expanded to include companies whose parent company is registered in Russia and conducts all activities directly from Russia. This change was made to ensure the effective implementation of sanctions against these companies, but it went beyond that, as non-sanctioned Russian companies were also excluded. This decision was based on the fact that during the period, it was not possible to do business in Russia without being linked to Russian politics, which conflicted with the environmental and/or social characteristics, as it posed sustainability risks such as human rights violations.

The fund invested in European corporate bonds.

For direct investments, such as corporate bonds, the fund conducted a fundamental analysis of the investment prior to the investment decision, which served as the basis for the final decision.

The fundamental analysis covered, among other things, activities related to the investment and could therefore identify any exposure of the investment to the fund's restriction list. The fundamental analysis also assessed whether the investment sufficiently adhered to good governance practices, including whether the company had solid management structures, reasonable labor conditions, including wage practices, and whether the company complied with tax regulations.

At least once during the reporting period, the fund reviewed the portfolio to ensure compliance with the restriction list. Additionally, the fund continuously checked for any changes in the documentation of the investments, such as by searching for stock exchange announcements at least annually. For direct investments, the fund checked the asset for any exposure to the restriction list. If the activities related to an investment were contradictory to the restriction list, the fund sold the investment.



How did this financial product perform compared to the reference benchmark?

This is not relevant, as the fund does not have an ESG reference benchmark.

- **How does the reference benchmark differ from a broad market index?**

This is not relevant, as the fund does not have an ESG reference benchmark.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

This is not relevant, as the fund does not have an ESG reference benchmark.

- **How did this financial product perform compared with the reference benchmark?**

This is not relevant, as the fund does not have an ESG reference benchmark.

- **How did this financial product perform compared with the broad market index?**

This is not relevant, as the fund does not have an ESG reference benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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Søren Jørgensen

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