



PKA Direct II K/S

Annual Report 2023

Approved at the company's general meeting, 29 April 2024

Secretary

Klaus Risager

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Fund Information

Fund

PKA Direct II K/S

Klareboderne 1

1115 Copenhagen

CVR-nr.: 41 31 54 31

Founded: 01.04.2020

Accounting period: 1 January - 31 December

Registered in: Copenhagen

General Partner

PKA Direct GP ApS

Executive Board of General Partner

Jannick Prehn Brøndum

Kasper Hansen

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

Management review

Key figures for the Group

All amounts in '000 GBP	2023	2022	2021	2020*
Gross gain/loss	- 2,688	- 418	-6,673	23,444
Financial income & expenses	26,863	19,056	29,735	9,462
Net result	24,247	- 76,948	- 2,339	39,507
Total Assets	317,198	300,475	428,317	824,094
Equity	316,411	299,633	426,237	821,321
Equity ratio	99.75%	99.72%	99.51%	99.66%
Return on equity	7.87%	-21.20%	-0.37%	4.81%

* 2020 is the first fiscal year for PKA Direct II K/S and only includes 9 months.

Key figures are calculated as follows:

$$\text{Equity ratio} = \frac{\text{Total equity} \times 100}{\text{Total Assets}}$$

$$\text{Return on equity} = \frac{\text{Net result} \times 100}{\text{Average equity}}$$

Primary activities

The principal activities of the Company in the period under review were to own shares of:

- PKA Burbo Extension Holding ApS (100%)
- PKA TeesRep Holding ApS (100%)
 - PKA TeesRep Holding (UK) limited (100%)
 - Chaptre Holdings limited (50%)
- PKA Walney Extension Holding ApS (100%)
 - PKA WLWF Holding (UK) limited (100%)
 - Anno 2017 Joint Holding (UK) limited (50%)

Development in activities and finances

The Company's Income Statement of the Financial year 1 January - 31 December 2023 shows a profit of GBP - 24,247k which is in line with the management's expectations. For 2023 the management expects a positive result between GBP 0 - 25,000k.

Uncertainty in recognition and measurement

It is assessed that there is no significant uncertainty in the recognition and measurement of financial figures.

Principal risks and uncertainties

Management does not see any special risks to the company in connection with the ownership of the shares in PKA TeesRep Holding (UK) limited or PKA WLWF Holding (UK) limited projects in addition to the commonly occurring risks within the companies' industry.

Management sees no special risk of affecting the external environment in connection with the ownership of the shares in the above companies and their projects.

Changes to accounting policies

There are no changes to accounting policies in 2023.

Subsequent Events

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

Corporate social responsibility/ESG

The company is managed by the fund manager AIP Management P/S. All matters related to Corporate Social Responsibility/ESG are governed by the policies of the fund manager. Please download the ESG report for further information about how AIP Management works with ESG across the investment portfolio. The report is available on the AIP Management website, www.aipmanagement.dk/sustainability-reports.

Policies governing environment and climate, social matters and staff-related matters, human rights and anti-corruption

The Limited Partnership is subject to several policies covering environment and climate, social matters and staff-related matters, human rights, and anti-corruption. The Responsible Investment Policy and the ESG policy define the principles, while the underlying procedures support the implementation.

Environmental, social and governance considerations are important for investment decision-making, both in terms of understanding and managing risks, and identifying opportunities for enhancement. We believe that a strong focus on responsible investing and ESG will create long-term value for our investors.

Consequently, we have integrated a range of ESG principles and valuations throughout all stages of our investment process; from initial screening and investment analysis, during due diligence, negotiation and closing of transaction, and thereafter in the asset management phase.

Below we have described the principles and our results for 2023 in more detail. In 2024, the Limited Partnership expects to continue to focus on its efforts within environment and climate, social and staff-related matters, human rights, and anti-corruption.

Environment and climate

The Limited Partnership maintains a responsible approach to environmental and climate issues, with a climate-friendly investment policy and a requirement to adopt good industry environmental practices.

Investments in renewable energy projects have significant climate benefits in terms of emissions avoided (see later SFDR section of this report).

The Limited Partnership adheres to the following environmental principles:

- Continue to invest in renewable energy
- Minimize environmental consequences related to construction and operation of infrastructure assets
- Minimize carbon footprint of investments
- Minimize carbon footprint of own operations
- Exclude investments in coal, oil and tar sands

In 2023 the Limited Partnership has maintained its positive contribution within Environmental and Climate impact.

Social matters and staff-related matters

For social matters and staff-related matters, the Limited Partnership promotes that the fundamental employees' rights shall be acknowledged and observed by the investment project.

The principal risks to the Limited Partnership's activities relate to non-adherence to its labor and health and safety standards. In addition to contractual standards, the Limited Partnership monitors performance on an ongoing basis and receives monthly reports about the status of Limited Partnership investments.

In 2023, the Limited Partnership has contributed to a safe and healthy work environment.

Human rights

In respect of human rights, the Limited Partnership promotes human rights principles and adopts a zero-tolerance approach to infringement of such rights.

The principal risks to the Limited Partnership's activities relate to potential non-adherence to its labour standards in the investments.

The Limited Partnership follows local regulations and expects investment to comply with international commitments related to human rights. The Limited Partnership is not aware of any breaches of human rights.

In 2023, the Limited Partnership is not aware of any breaches of human rights.

Anti-corruption

The Limited Partnership has a zero-tolerance policy when it comes to corruption and bribery. No corruption and/or bribery shall take place or be carried out directly or indirectly by any of the parties involved in an investment.

The Limited Partnership has taken measures to reduce the risk of corruption, by performing due diligence and monitoring of counterparties and requiring standards of business conduct in contractual agreements. Background checks are conducted using a risk-based approach.

In 2023, the Limited Partnership believes that it has not contributed to any form of corruption or bribery.

Risk assessment and risk mitigation

The main risks associated with the overall investment process of the Fund are:

- Market risks
- Credit risks
- Liquidity risks
- Counterparty risks
- Operational risks

To manage these risks, AIP Management, as the overall fund management company in the group, has established a risk management function. The key responsibilities of the function is to perform independent, and reliable:

- Risk identification
- Risk measurement
- Risk management
- Risk monitoring
- Stress tests/analysis

Individual departments within AIP Management have the overall responsibility to carry out the procedures implemented, whilst Risk Management has the responsibility of overseeing this work.

Gender diversity

Composition of the Executive Board of General Partner

	2023		2022		2021	
	Number	%	Number	%	Number	%
Male	2	100%	2	100%	2	100%
Female	-	0%	-	0%	-	0%
Total	2	100%	2	100%	2	100%

As per the Danish Financial Statement Act §99 b. 4 the company does not have targets for composition of male/female in the Executive Board of the General Partner. The company does not have employees.

Data ethics

The entity has not implemented a data ethics policy. There are no people employed in the entity and the entity has limited data. The data landscape of the entity is very simple and does not imply any data ethical risk.

Sustainable Finance Disclosure Regulation (SFDR)

The company fulfils the requirement for periodic publication of information on financial products, cf. Article 8, subsection 1, 2 and 2a, in Regulation (EU) 2019/2088 and Article 6, subsection 1, in Regulation (EU) 2020/852 by preparing a supplementary report in connection with this annual report.

Management's statement

The Executive Board have today considered and adopted the Annual Report of PKA Direct II K/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act and other relevant legislation.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and cash flows for 1 January - 31 December 2023.

In our opinion, the Management review includes a true and fair account of the matter addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 15 April 2024

Executive Board of General Partner:

Kasper Hansen

Jannick Prehn Brøndum

Independent Auditor's Report

To the Limited Partners of PKA Direct II K/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of PKA Direct II K/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act and other relevant legislation.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act and the information requirements in other relevant legislation. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent 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 about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 15 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Casper Larsen
State Authorised Public Accountant
mne45855

Income statement

All amounts in thousands of GBP

	Notes	2023 Group	2022 Group	2023 Parent	2022 Parent
Other external costs		- 2,688	- 418	- 2,518	- 937
Income from group companies		-	-	22,500	20,954
Income from associated companies		21,605	21,109	-	-
Impairment losses on financial assets		- 21,511	- 116,843	16,235	- 220,913
Result before financial items		- 2,594	- 96,151	36,217	- 200,895
Financial income	3	26,864	19,056	25,690	18,964
Financial expenses	4	- 1	-	-	-
Profit before income taxes		24,269	- 77,095	61,907	- 181,931
Income taxes	5	- 22	148	-	-
Net result		24,247	- 76,948	61,907	- 181,931
<u>Proposed distribution of profit:</u>					
Dividend		24,300	38,900	24,300	38,900
Retained earnings		- 53	- 115,848	37,607	- 220,831
		24,247	- 76,948	61,907	- 181,931

Balance sheet

At 31 December (in thousands GBP)

Assets	Notes	2023 Group	2022 Group	2023 Parent	2022 Parent
Non-current assets					
Financial assets					
Investments in group companies	6	-	-	250,539	216,088
Investments in associated companies	7	177,743	177,743	-	-
Receivables from group companies	8	-	-	138,351	118,172
Receivables from associated companies	9	135,846	117,541	-	-
Total financial assets		313,589	295,284	388,890	334,260
Total non-current assets		313,589	295,284	388,890	334,260
Current assets					
Short-term receivables					
Other receivables		139	452	360	-
Total short-term receivables		139	452	360	-
Cash and cash equivalents		3,470	4,739	568	1,046
Total current assets		3,609	5,191	928	1,046
Total assets		317,198	300,475	389,818	335,306

Balance sheet

At 31 December (in thousands GBP)

	Notes	2023 Group	2022 Group	2023 Parent	2022 Parent
Equity and liabilities					
Equity					
Share capital		955,978	930,959	955,978	939,492
Hedging reserves		-12,511	11,428	-	-
Retained earnings		-627,056	-642,754	-566,634	-604,242
Total equity		316,411	299,633	389,344	335,250
Current liabilities					
Other liabilities		787	842	474	56
Total current liabilities		787	842	474	56
Total equity and liabilities		317,198	300,475	389,818	335,306
Accounting policies	1				
Employees	2				
Fees to auditor appointed at the General Meeting	11				
Contingent liabilities	12				
Group and ownership relations	13				

Statement of Changes in Equity

At 31 December (in thousands GBP)

Change in equity – Group 2023	Share capital	Suggested dividend	Hedging reserves	Retained earnings	Total
Equity at 1 January	930,959	-	11,428	-642,754	299,633
Prior year reclassification	8,533	-	-	-8,533	-
Capital increase	16,486	-	-	-	16,486
Valuation changes	-	-	-23,939	24,284	345
Proposed distribution of profit	-	24,300	-	-53	24,247
Distributed capital	-	-24,300	-	-	-24,300
Equity at 31 December	955,978	-	-12,511	-627,056	316,411

Change in equity – Parent 2023	Share Capital	Suggested dividend	Hedging reserves	Retained earnings	Total
Equity at 1 January	939,492	-	-	-604,242	335,250
Capital increase	16,486	-	-	-	16,486
Proposed distribution of profit	-	24,300	-	37,607	61,907
Distributed capital	-	- 24,300	-	-	-24,300
Equity at 31 December	955,978	-	-	- 566,634	389,344

The fund's contributed capital is divided into classes with a nominal value of GBP 1.00, each of which gives the right to one vote, as a limited partner regardless of shareholding.

Cash flow statement

All amounts in thousands of GBP

	Notes	2023 Group	2022 Group
Net profit		24,247	- 76,948
Adjustments	10	-26,802	76,609
Changes in working capital		259	- 1,394
Cash flow from operating activities		- 2,296	- 1,733
Investments in financial assets		- 16,486	- 49,883
Interests received		3,722	14,010
Dividend received		21,605	21,109
Other financial income		-	33
Cash flow from investing activities		8,841	- 14,731
Capital injected		16,486	49,883
Dividend paid		- 24,300	- 38,900
Cash flow from financing activities		-7,814	10,983
Net cash flow for the period		- 1,269	- 5,481
Cash and cash equivalents at 1 January		4,739	10,220
Changes to liquid funds		- 1,269	- 5,481
Cash and cash equivalents at 31 December		3,470	4,739

Notes

Note 1

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to group are identical to the rules applied to the parent.

Consolidated financial statements

The consolidated financial statement comprises the parent and the group enterprises that are controlled by the parent. Control of a subsidiary is achieved by the parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way exercising controlling influence. Enterprises in which the group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of the parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income, expenses, accounts and dividends are eliminated. The financial statements used for consolidation have been prepared applying the group accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Changes to accounting policies

No changes to the accounting policies are applied in 2023.

Presentation currency

The reporting currency is Pound sterling. All amounts are in thousands of GBP. The exchange rate per 31 December 2023 of 857.59 (2022: 838.45) was used where translation from DKK to GBP was needed.

Recognition and measurement

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions, and reversals because of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured.

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

Recognition and measurements consider the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

The group accounts are consolidated based on the subsidiaries individual accounts adjusted for any intercompany transactions and equity interest.

Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognized in the income statement as a financial item.

Receivables, payables, and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

Income statement

Other external costs

Other external costs include costs for administration, etc.

Income from associated companies

Dividend income from associated companies is presented in the Income statement in the year of which it was declared.

Impairment losses on financial assets

Investments in subsidiaries and associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

Financial items

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt and transactions in foreign currencies.

Income taxes

Income taxes for the year, is recognized in the income statement with the part that can be attributed to the profit for the year.

Balance sheet

Investments in associated companies

Investments in subsidiaries and associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

Receivables from associated companies

Receivables are measured at amortized cost, which usually corresponds to nominal value, less write-downs for expected losses and including accrued interest.

Other receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value, less write-downs for expected losses.

Cash and cash equivalents

Cash comprises cash in bank deposits. Cash and cash equivalents comprise cash and bank balances net of bank overdrafts.

Equity

Dividend distributions proposed by the management for the financial year are shown as a separate item under equity.

Other liabilities

Expenses with reference to the fiscal year are accrued for.

Cash flow statement

Cash flow from operating activities includes all cash transactions other than cash flows arising from investments, received dividends, paid and received financial items and equity transactions.

Cash flow statement is calculated based on the indirect method where the cash flow is based on the difference between year start and year end with adjustments for non-cash items.

Note 2**Employees**

	2023 Group	2022 Group	2023 Parent	2022 Parent
Average number of employees	-	-	-	-

Note 3**Financial income**

Interest from loans to group companies	-	-	25,690	18,964
Interest from Joint Ventures	7,505	7,505	-	-
Other financial income	19,359	11,551	-	-
Total financial income	26,864	19,056	25,690	18,964

Financial income is derived from financial activities in United Kingdom.

Note 4**Financial expenses**

Other financial expenses	- 1	-	-	-
Total financial expenses	- 1	-	-	-

Note 5**Taxes**

Income taxes	- 22	148	-	-
Total income taxes	- 22	148	-	-

Note 6

Investments in group companies	2023 Group	2022 Group	2023 Parent	2022 Parent
Cost at 1 January	-	-	383,189	383,189
Additions in year	-	-	-	-
Disposals	-	-	-	-
Cost at 31 December	-	-	383,189	383,189
Impairment at 1 January	-	-	- 167,101	- 98,146
Impairment in year	-	-	34,451	- 68,955
Impairment at 31 December	-	-	- 132,650	- 167,101
Total investments in group companies	-	-	250,539	216,088

The company has investment in subsidiaries located in Denmark with 100% ownership:

- PKA Burbo Extension Holding ApS
- PKA TeesRep Holding ApS
- PKA Walney Extension Holding ApS

The detailed ownership structure is presented in the Primary activities section of the Management review.

Note 7

Investments in associated companies	2023 Group	2022 Group	2023 Parent	2022 Parent
Cost at 1 January	277,821	277,821	-	-
Additions in year	-	-	-	-
Disposals in year	-	-	-	-
Cost at 31 December	277,821	277,821	-	-
Impairment at 1 January	- 100,078	- 76,578	-	-
Impairment in year	-	- 23,500	-	-
Impairment at 31 December	- 100,078	- 100,078	-	-
Total investments in associated companies	177,743	177,743	-	-

Note 8

Receivables from group companies	2023 Group	2022 Group	2023 Parent	2022 Parent
Cost at 1 January	-	-	270,129	215,340
Additions in year	-	-	42,115	68,799
Repayments in year	-	-	- 3,722	- 14,010
Cost at 31 December	-	-	308,522	270,129
Impairment at 1 January	-	-	- 151,957	-
Impairment in year	-	-	- 18,214	- 151,957
Impairment at 31 December	-	-	- 170,171	- 151,957
Total receivable from group companies *	-	-	138,351	118,172

* The company expects repayments within the next year.

Note 9

Receivables from associated companies	2023 Group	2022 Group	2023 Parent	2022 Parent
Cost at 1 January	271,347	216,558	-	-
Additions in year	43,189	68,799	-	-
Repayments in year	- 3,722	- 14,010	-	-
Cost at 31 December	310,814	271,347	-	-
Impairment at 1 January	- 153,806	-	-	-
Impairment in year	- 21,162	- 153,806	-	-
Impairment at 31 December	- 174,968	- 153,806	-	-
Total receivable from associated companies *	135,846	117,541	-	-

* The company expects repayments within the next year.

Note 10

Cash flow statement - adjustments	2023 Group	2022 Group
Dividends received	- 21,605	- 21,109
Impairment on Investments incl. gain/loss from disposals	21,511	116,843
Financial expenses	1	- 47
Financial income	- 26,864	- 19,009
Other adjustments	155	- 69
Total adjustments	-26,802	76,609

Note 11**Fees to auditor appointed at the General Meeting**

	2023 Group	2022 Group	2023 Parent	2022 Parent
Statutory fee to PricewaterhouseCoopers	89	66	16	10
Other assurance engagement	2	2	2	2
Other services	2	2	-	-
Total fees	93	70	18	12

Note 12**Contingent liabilities**

The company has no contingent liabilities apart from the liabilities already recognized in the balance sheet.

Note 13**Group and ownership relations**

The fund is owned by:

- Pensionskassen for Sygeplejersker og Lægeseekretærer, Tuborg Boulevard 3, 2900 Hellerup, Owner 50%.
- Pensionskassen for Socialrådgivere, Socialpædagoger og kontorpersonale, Tuborg Boulevard 3, 2900 Hellerup, Owner 28%.
- Pensionskassen for Sundhedsfaglige, Tuborg Boulevard 3, 2900 Hellerup, Owner 22%.

Other related parties include:

- PKA Direct GP ApS, Klareboderne 1, 1115 København K, CVR 41 27 84 63

Besides the investment transactions shown in the financial statement and general partner fee, there are no transactions with related parties.

The Group is not part of any other consolidated financial statements.

Supplementary Report

ANNEX IV

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: PKA Direct II K/S (CVR-no. 41315431)

Legal entity identifier: 9845000B01E0D004EC91

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___%	<input checked="" 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 100% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective 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"/> with an environmental objective 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"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

PKA Direct II K/S ("PKA Direct II") is a close-ended fund which was established and held its final closing prior to the entry into force of Regulation (EU) 2019/2088 (the "Sustainable Finance Disclosure Regulation" or "SFDR"). The Fund's overall approach is to promote environmental characteristics by having invested in assets that contribute to reducing total CO₂e emissions.



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

The Fund promotes environmental characteristics by having invested in economic activities that contributes to one or more of the following sustainability indicators, increased renewable energy capacity (MW), reduction in greenhouse gas emissions and increased renewable energy generated (MWh).

This report discloses information pertaining to the sustainability and performance of investments in cases where the assets are actively producing electricity. Investments that are currently under construction and prospective investment opportunities, as they do not yet generate electricity, have not attained a stage allowing for reliable determination of sustainability indicators. Consequently, these investments are not considered in the assessment of the Fund's performance with respect to sustainability indicators. All investments of the Fund are in production.

● How did the sustainability indicators perform?

Sustainability indicators	Data 2023	Data 2022	Changes in %
Renewable energy capacity (MW)	659	659	-
Renewable energy generated (MWh)	2,598,815	2,654,026	(2,1%)
Greenhouse gas emissions avoided (tCO ₂ e)	530,418	512,758	3,4%

The operational portfolio of the Fund generated 2,598,815 MWh during 2023, which corresponds to 530,418 tCO₂e, GHG emissions avoided.

● ...and compared to previous periods?

The Fund increased its emissions avoided by 17.660 tCO₂e in 2023. This constitutes a increase of 3,4%.

● 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 did not commit to sustainable investments, however the Fund does have 100% Taxonomy-aligned investments hence sustainable investments. These support the Fund objectives to promote environmental characteristics.

● 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 did not commit to sustainable investments, however the Fund does have 100% Taxonomy-aligned investments hence sustainable investments. These support the Fund objectives to promote environmental characteristics.

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

These are continuously monitored during asset management.

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

100% of the investments that are aligned with the EU Taxonomy.



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

During the reference period, the principal adverse impact indicators (PAIs) were considered during the ESG due diligence process. For the portfolio as a whole the PAIs are presented in AIP's Article 4 - PAI Statement. The Fund assesses that none of the investments in the portfolio are causing significant harm to any environmental or social objectives.

During this reference period the Fund have committed and considered the following 2 environmental and 7 social additional voluntary PAIs on sustainability factors to its reporting (available in our Annex I - Principal Adverse Impact Statement):

Environmental:

- Investment in companies without carbon emission reduction initiatives
- Natural species and protected areas

Social:

- Investments in companies without workplace accident prevention policies
- Number of days lost to injuries, accident, fatalities, or illness
- Insufficient whistleblower protection
- Lack of human rights policy
- Operations and suppliers at significant risk of incidents of child labour
- Operations and suppliers at significant risk of incidents of forced or compulsory labour
- Number of identified cases of severe human rights issues and incident



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Walney Extension	Renewable Energy	93%	United Kingdom
TeesRep	Renewable Energy	7%	United Kingdom



What was the proportion of sustainability-related investments?

The proportion of sustainability-related investment was 100%. This is based on the current/market value of each asset which has been assessed as being aligned with the criteria in the EU Taxonomy.

● What was the asset allocation?

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?

During this reference period, the Fund made 0 investments. The Fund have two investments in renewable energy.



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

100% of investments in economic activities that qualify as environmentally sustainable were aligned with the EU Taxonomy.

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

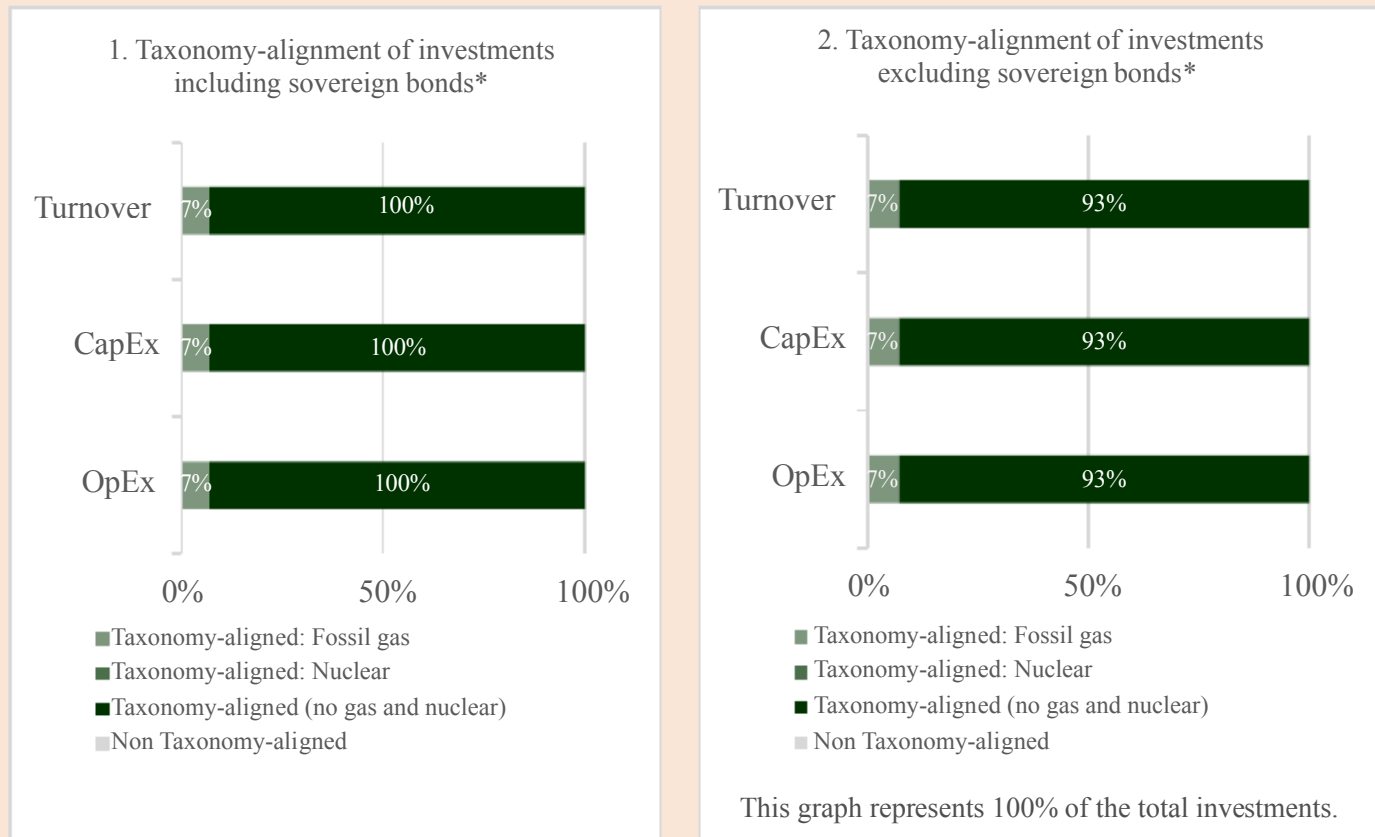
Yes:

In fossil gas In nuclear energy

No

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.

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.

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

0% of the assets classified as aligned with the EU Taxonomy was in transitional or enabling activities.

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

The Taxonomy-aligned investments remains at 100% Taxonomy-aligned investments for the Fund in this reference period.



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

All of the assets of the Fund is aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

The Fund did not commit to make socially sustainable investments.



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

100% of the fund AuM is in renewable energy assets. These investments were made as part of the Funds mandate.

The assets are screened annually against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as specified in AIP’s ESG Policy. During annual screenings no cases of non-compliance has been identified and all investments to be aligned with the OECD MNE and the UNGP.



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

All investments held by the Fund during the reference period were subject to the mechanisms and procedures described in the Fund’s Article 10 - Website Disclosure and were considered to be materially aligned with them.

The binding elements of the investment strategy used to attain the environmental and social characteristics promoted by this fund have been monitored and documented on an ongoing basis. Specific actions have been taken by implementing a new data collection tool in collaboration with third-party experts with the purpose of strengthening good governance around the ESG data collection process and more validated calculations of the principal adverse impact indicators. This will also act as a database going forward and let us to establish more specific GHG targets for the portfolio in the Fund.



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

A specific index is not designated to the Fund.

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

The Fund did not use a 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?

The Fund did not use a reference benchmark.

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

The Fund did not use a reference benchmark.

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

The Fund did not use a reference benchmark.