

2024 ANNUAL REPORT

CPH CAPITAL

Fondsmæglerselskab A/S

CVR nr: 34 60 65 44

The Annual General Meeting adopted the Annual Report on April 2025.

Chairman of the Annual General Meeting

CPH CAPITAL Fondsmæglerselskab A/S

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CPH CAPITAL Fondsmæglerselskab A/S

FACTS ABOUT CPH CAPITAL

FULL NAME AND ADDRESS

CPH Capital Fondsmæglerselskab A/S (the "Company")

Lautrupsgade 7, 6

2100 Copenhagen Ø, Denmark

Phone: +45 69 14 81 99

FOUNDATION AND RESIDENCE

The Company was founded on 2 July 2012 and the Company's municipality of residence is Copenhagen, district of Østerbro.

OBJECTIVE

The Company's objective is to serve as an investment manager and to provide investment related services in accordance with the Danish Investment Firms and Investment Services and Activities Act and the licence obtained from the Danish FSA.

FINANCIAL YEAR

The Company's financial year is 1 January to 31 December.

BOARD OF DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing of the financial statements are as follows:

Silvio Cruz, Chairman

Nicholas Santino Naclerio

Jessica Lynne Samuels (*appointed 16 February 2024*)

Christopher Edward George Hogbin (*resigned 16 February 2024*)

BOARD OF MANAGEMENT

Ian Christian Foster, Chief Executive Officer

Kyle Di Gangi

CPH CAPITAL Fondsmæglerselskab A/S

FACTS ABOUT CPH CAPITAL (continued)

AUDITORS

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup, Denmark

Benny Voss, State Authorised Public Accountant
Michael E. Jacobsen, State Authorised Public Accountant

SUPERVISORY AUTHORITY

The following public authority supervises Danish financial businesses:

Danish Financial Supervisory Authority

Strandgade 29
1401 København K, Denmark

REGISTRATION NUMBERS

Central Business Registration Number: 34 60 65 44
Registration number with the FSA: 8310

CPH CAPITAL Fondsmæglerselskab A/S

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT


The Board of Directors and the Board of Management present the Company's 2024 Annual Report in accordance with the Danish Investment Firms and Investment Services and Activities Act, the Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, as well as guidelines issued by the Danish FSA.

In the Boards' opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of its operations for the financial year 2024.

It is the Boards' view that the Management Commentary contains a fair review of the developments in the Company's activities and finances, profit for the period and of its financial position as well as a description of the principal risks and uncertainties facing the Company. We recommend that the Annual Report is approved at the Annual General Meeting.

Copenhagen, 26 March 2025

Board of Management

DocuSigned by:

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Ian Christian Foster
CEO


DocuSigned by:

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Kyle Di Gangi

Board of Directors

Signed by:

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Silvio Cruz
Chairman

Signed by:

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Jessica Lynne Samuels

Signed by:

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Nicholas Santino Naclerio

CPH CAPITAL Fondsmæglerselskab A/S

INDEPENDENT AUDITOR'S REPORT

To the shareholders of CPH Capital Fondsmæglerselskab A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Investment Firms and Investment Services and Activities Act.

We have audited the Financial Statements of CPH Capital Fondsmæglerselskab A/S for the financial year 1 January - 31 December 2024, which comprise income statement and other comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (the "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 Company 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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Investment Firms and Investment Services and Activities Act. 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 financial statements that give a true and fair view in accordance with the Danish Investment Firms and Investment Services and Activities 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

CPH CAPITAL Fondsmæglerselskab A/S

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 on the basis of 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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, **26 March 2025**

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Benny Voss
State Authorised Public Accountant
mne15009

Michael E. Jacobsen
State Authorised Public Accountant
mne16655

CPH CAPITAL Fondsmæglerselskab A/S

MANAGEMENT COMMENTARY

PRINCIPAL ACTIVITIES

The Company's primary activity is to provide investment management services for Global Active Core Equity shares. CPH manages a Luxembourg SICAV sponsored by the AllianceBernstein Group.

BUSINESS REVIEW

The Company recorded a profit on ordinary activities before taxation for the financial year of t.DKK 89,734k (2023: t.DKK 83,037). The Company's fee income increased by 12% to t.DKK 215,037 (2023: t.DKK 191,163). Staff costs and administrative expenses increased by 26% to t.DKK 131,412 (2023: t.DKK 114,279).

BALANCE SHEET TOTAL and EQUITY

At 31 December 2024, the Company's balance sheet total is t.DKK 295,288 (2023: t.254,393). This is comprised of deposits with Danish and Irish banks totalling t.DKK 218,871, property, plant and equipment of t.DKK 1,252, tax receivables of t.DKK 23,270, and other assets and prepayments of t.DKK 51,895. The Company's equity totals t.DKK 166,536 at 31 December 2024 (2023: t.DKK 147,920).

KEY PERFORMANCE INDICATORS (KPIs) and RISKS

Assets under management ("AUM") amounted to DKK 81.4bn (2023: DKK 103.6bn). The Company's financial results and long-term business are influenced by the team's ability to produce additional returns as compared to the world share index. In the short run, results will be affected by general share price fluctuations.

CAPITAL ADEQUACY and SOLVENCY REQUIREMENTS

The Company is subject to capital and solvency requirements of the Danish Investment Firms and Investment Services and Activities Act ("Fondsmæglerloven") transposing the Investment Firm Directive ("IFD") and Investment Firm Regulation ("IFR") into Danish national law. The Company is sufficiently capitalized with the "Own funds capital ratio" of 366.9% at 31 December 2024 (2023: 340.7%).

MANAGEMENT and OWNERSHIP

The Board of Management consists of Ian Foster and Kyle Di Gangi. The Company's A shares and B shares are 100% owned by AllianceBernstein Preferred Limited ("ABPL").

FUTURE DEVELOPMENTS and OUTLOOKS

Following the year ended 31 December 2024, the Company's immediate parent, ABPL, will sell its shareholding in the Company to another entity within the AllianceBernstein group, AllianceBernstein (Europe) Limited, subject to receipt of regulatory approval from the Danish Financial Services Authority. The Company and AllianceBernstein (Europe) Limited will merge by absorption, with the business of the Company continuing within a new Danish branch of AllianceBernstein (Europe) Limited, which will be established subject to receipt of regulatory approval from the Central Bank of Ireland.

CPH CAPITAL Fondsmæglerselskab A/S

MANAGEMENT COMMENTARY (CONTINUED)

FUTURE DEVELOPMENTS and OUTLOOKS (CONTINUED)

The intention for 2025 is to maintain a stable business platform, grow AUM and seek to maximize client returns at minimum risk levels in the current market. To achieve this, the Company will continue developing its knowledge resources, specifically its people. The Company will keep fostering a strong culture by incorporating diversity and inclusion, encouraging innovation, developing and retaining high quality talent. The Company implements a disciplined framework for developing all of its investment professionals. The aim is to build collective intelligence from well-trained research analysts and portfolio managers working collaboratively to implement disciplined decision-making processes.

RESEARCH AND DEVELOPMENT ACTIVITIES BRANCHES ABROAD

None. The Company's knowledge resources are all based in Copenhagen, Denmark.

OTHER DIRECTORSHIPS HELD BY MEMBERS OF BOARD OF DIRECTORS

Silvio Cruz is also a Member of the Board of Directors of:

AB Commercial Real Estate Debt Investor S.A	AB SICAV I
AllianceBernstein (Luxembourg) S.à r.l.	AB SICAV III
W.P. Stewart Holdings Fund	AllianceBernstein (Europe) Limited

Nicholas Santino Naclerio is also a Member of the Board of Directors of:

AllianceBernstein International LLC	AC (Mauritius) Pvt. Ltd.
AllianceBernstein Investments, Inc	AB Holdings (Cayman) Ltd.
AllianceBernstein Investor Services, Inc.	AB Private Credit Investors LLC
SCB Global Holdings LLC	AllianceBernstein Oceanic Corporation
AllianceBernstein Preferred Limited	AB Germany GMBH
AB ECRED Co-Investment Limited	AB Custom Alternatives Solutions LLC
AB ECRED Management Limited	AB Real Estate Investments LLC
WPS Advisors, LLC	AllianceBernstein Corporation of Delaware

Jessica Lynne Samuels does not hold any other directorships.

UNDERREPRESENTED GENDER

	As at December 31,	
	2024	2023
Total number of board managers	2	2
% of the underrepresented gender	0%	0%
Total number of board directors	3	3
% of the underrepresented gender	33%	0%

CPH CAPITAL Fondsmæglerselskab A/S

INCOME STATEMENT & STATEMENT OF COMPREHENSIVE INCOME

	note	Years Ended December 31,	
		2024	2023
		(in thousands DKK)	
Interest income	3	6,747	6,313
Interest expense	4	(12)	(18)
Net interest income / (expense)		6,735	6,295
Fee and commission income	5	215,037	191,163
Net interest and fee income		221,772	197,458
Value adjustment	6	126	530
Staff cost and administrative expenses	7	(131,412)	(114,279)
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment		(752)	(672)
Profit before tax		89,734	83,037
Tax	8	(36,118)	(29,658)
Profit for the year		53,616	53,379
Proposed distribution of profit:			
Extraordinary dividend		35,000	80,000
Retained earnings		18,616	(26,621)
		53,616	53,379
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the year		53,616	53,379
Total comprehensive income		53,616	53,379

Notes 1 to 15 form an integral part of the Financial Statements.

CPH CAPITAL Fondsmæglerselskab A/S

BALANCE SHEET

	note	As at December 31,	
		2024	2023
		(in thousands DKK)	
ASSETS			
Receivable from credit institutions	9	218,871	206,508
Other property, plant and equipment	10	1,252	1,580
Deferred tax assets	11	23,270	18,758
Other assets		50,799	27,277
Prepayments		1,096	270
TOTAL ASSETS		295,288	254,393
LIABILITIES and EQUITY			
Liabilities			
Current tax liabilities		25,455	17,619
Other liabilities		103,297	88,854
		128,752	106,473
Equity			
Share capital		5,500	5,500
Share premium account		12,000	12,000
Retained earnings		149,036	130,420
		166,536	147,920
TOTAL LIABILITIES and EQUITY		295,288	254,393
OFF BALANCE SHEET ITEMS			
Guarantee:			
Danish Guarantee Fund for Depositors and Investors		183	221

Notes 1 to 15 form an integral part of the Financial Statements.

CPH CAPITAL Fondsmæglerselskab A/S

STATEMENTS OF CHANGES IN EQUITY

	Year Ended December 31, 2024			
	(in thousands DKK)			
	Share capital	Share premium	Retained earnings	Total
Equity at January 1, 2024	5,500	12,000	130,420	147,920
Profit for the year	-	-	53,616	53,616
Extraordinary dividends distributed	-	-	(35,000)	(35,000)
Equity at December 31, 2024	5,500	12,000	149,036	166,536

	Year Ended December 31, 2023			
	(in thousands DKK)			
	Share capital	Share premium	Retained earnings	Total
Equity at January 1, 2023	5,500	12,000	157,041	174,541
Profit for the year	-	-	53,379	53,379
Extraordinary dividends distributed	-	-	(80,000)	(80,000)
Equity at December 31, 2023	5,500	12,000	130,420	147,920

The share capital consists of 4,125,000 A shares at DKK 1 and 1,375,000 B shares at DKK 1.

CPH CAPITAL Fondsmæglerselskab A/S

LIST OF NOTES TO THE FINANCIAL STATEMENTS

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5	Fee and commission income
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7	Staff cost and administrative expenses
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14	Consolidation
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CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Danish Investment Firms and Investment Services and Activities Act, the Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, as well as guidelines issued by the Danish FSA. The financial statements are presented in Danish Kroner, rounded to the nearest thousand.

Summary of significant accounting policies

Recognition and measurement

Income is recognised in the income statement when earned, including recognition of value adjustments of financial assets and liabilities. All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value. However, intangible assets and property, plant and equipment are measured at cost at the time of the initial recognition. Subsequently, assets and liabilities are measured as described for each financial statement item below.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. At 31 December, receivables, payables and other monetary items are translated at the exchange rates at the balance sheet date.

All exchange gains and losses are recognised in the income statement under value adjustments.

Income statement & statement of comprehensive income

Interest, fees and commission

Interest, fees and commission are accounted for on an accruals basis with the financial reporting period.

Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to profit or loss for the year and in other comprehensive income recognised directly in equity by the portion attributable to entries directly in other comprehensive income and equity.

Provisions for deferred tax are measured in accordance with the balance-sheet liability method including all temporary differences between the carrying amount and tax-based value of assets and liabilities.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Balance Sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs of provisions for bad debts.

Other property, plant and equipment

Property, plant and equipment are measured at cost less straight-line depreciation calculated on the estimated useful lives of the assets.

Leasehold improvements	6 years
Fixtures and fittings etc	3-5 years

The company has applied the update to 'IFRS 16 Leases' that requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments.

Other assets

Other assets include assets that have not been included in other asset items.

Prepayments/deferred income

Prepayments/deferred income include income/expenses for subsequent financial reporting periods.

Current tax and deferred tax

Current tax payable or receivable is recognised in the balance sheet as tax computed on this year's taxable income, adjusted for prior years' taxable income and prepaid tax.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to crystallise as current tax. For this period, the tax rate applied is 26%. Deferred tax is computed on all temporary differences between the carrying amount and tax-based value of assets and based on a 26% tax rate applicable for 2024 and onwards.

Deferred tax assets are recognised at their estimated utilisable value, either as elimination against tax on future earnings or as set-off against deferred tax liabilities.

Provisions

Provisions are recognised when the Company has a constructive obligation as a result of an event occurring on the balance sheet date at the latest, and it is probable that future economic benefits will flow out of the Company to meet this obligation. Provisions for deferred tax are specified in the section dealing with tax payable and deferred tax.

Liabilities other than provisions

Liabilities other than provisions which comprise amounts payable to creditors etc. are measured at amortised costs, usually equaling nominal value.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Dividend

Dividend, if proposed, is recognised as a liability at the time of adoption at the general meeting. If a Dividend is proposed and paid in the financial year it is disclosed as a separate item in equity.

Financial highlights

The financial highlights are defined in accordance with the requirements of the Danish Executive Order on the Presentation of Financial Statements and with the recommendations issued by the Danish Society of Financial Analysts. The new Stockbroking Act has modified the calculation of the capital ratios from 2021 as follows: "Own funds capital ratio": Own funds / own funds requirement (must exceed 100%), "Tier 1 capital ratio": Tier 1 capital / own funds requirement (must exceed 75%), and "Common equity ratio": Common equity capital / own funds requirement (must exceed 56%). The own funds requirement is the highest of (i) the permanent minimum capital, (ii) 25% of fixed costs, and (iii) the K-factor requirement.

2. FINANCIAL HIGHLIGHTS

	Years Ended December 31,				
	2024	2023	2022	2021	2020
	(in thousands DKK)				
Income statement					
Net interest and fee income	221,772	197,458	187,552	282,363	155,031
Value adjustments	126	530	516	(195)	337
Staff costs and admin. expenses	(131,412)	(114,279)	(103,981)	(150,160)	(89,530)
Profit for the period	53,616	53,379	69,522	102,753	52,622
Balance sheet					
Equity	166,536	147,920	174,541	165,019	112,266
Total assets	295,288	254,393	309,652	367,122	167,298
Key ratios					
Own funds capital ratio (>100%)	366.9%	340.7%	265.1%	158.6%	189.4 %
Tier 1 capital ratio (>75%)	366.9%	340.7%	265.1%	158.6%	n.a.
Common equity ratio (>56%)	366.9%	340.7%	265.1%	158.6%	n.a.
Return on equity before tax	57.1%	51.5%	49.1%	94.8%	64.6%
Return on equity after tax	34.1%	33.1%	48.5%	74.1%	52.1%
Rate of profit return on total assets	18.2%	21.0%	22.5%	28.0%	31.5%
Income/cost ratio	1.7	1.7	1.8	1.9	1.7

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. INTEREST INCOME

	2024	2023
	(in thousands DKK)	
Interest on demand deposits with credit institutions & central banks	6,747	6,313
Total interest income	6,747	6,313

4. INTEREST EXPENSE

	2024	2023
	(in thousands DKK)	
Interest expense	12	18
Total interest expense	12	18

5. FEE AND COMMISSION INCOME

The Company has not broken down fee income and commission income by activity. No material differences have been considered to exist between the Company's activities and geographical areas, for which reason no segment information is provided.

6. VALUE ADJUSTMENT

The value adjustment relates to the effects of changes in foreign exchange rates. In 2024 the Company incurred a foreign exchange gain of t.DKK 126 (2023: t.DKK 530). The Company did not have any other types of value adjustment.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. STAFF COST AND ADMINISTRATIVE EXPENSES

	2024	2023
	(in thousands DKK)	
Salaries to the staff	94,938	76,539
Social security costs	236	215
Levies calculated on the basis of the number of employees on payroll	12,377	12,735
Other administrative expenses	23,861	24,790
Total staff costs and administrative expenses	131,412	114,279
Average number of employees	10	11
Number of Directors	3	3

No Director received fixed or variable remuneration from the Company during 2024. And no pension obligations have been undertaken for Management or other staff. This disclosure pursuant to Section 77d(3) of the Danish Financial Business Act: Total remuneration earned in their capacity as member of the Group' Executive Board or Board of Directors, paid during the financial year.

	Board of Management	Board of Directors	Employees
Number of risk takers in the group	2	3	3
Total remuneration for Year Ended December 31, 2024 (in thousands DKK)			
Fixed salary for the group	-	-	27,500
Variable salary for the group	-	-	26,424
Pension for the group	-	-	-

Audit fees

The statutory audit is performed by PricewaterhouseCoopers (the "PWC") appointed by the Company's shareholders in the annual general meeting.

	2024	2023
	(in thousands DKK)	
Statutory audit	197	191
Total fees to auditors	197	191

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TAX

	2024	2023
	(in thousands DKK)	
Estimated tax on income for the year	37,200	29,133
Change in deferred tax	(4,479)	2,095
Adjustment of tax estimated for previous years	3,430	(30)
Adjustment of deferred tax for previous years	(33)	(1,359)
Change in tax rate	-	(181)
Total tax	36,118	29,658

	2024	2023
EFFECTIVE TAX RATES:		
Current tax rate	26.00%	25.20%
Adjustment of tax estimated for previous years	3.82%	-0.04%
Adjustment of deferred tax for previous years	-0.04%	-1.64%
Tax rate for permanent differences	10.46%	12.41%
Change in tax rate	0.00%	-0.22%
Effective tax rate	40.24%	35.72%

On 1 January 2024, amendments to the Danish Corporation Tax Act and the Danish Tax Assessment Act entered into force in which the corporate tax rate applicable to financial companies increased from 25.2 percent to 26 percent as at 1 January 2024. Therefore, the 26 percent tax rate used for the provision of the deferred tax assets.

Pillar Two Disclosure

The Company belongs to a group within the scope of the EU/OECD Pillar Two model rules. Pillar Two legislation has been enacted in Denmark, the jurisdiction in which the company was incorporated, and is effective for the accounting year ending 31 December 2024.

Under the legislation, the group is liable to pay a top-up tax in Denmark for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. In addition, top-up taxes are payable locally where qualifying domestic minimum top-up taxes have been legislated and are in effect.

The Company performed an impact assessment of the OECD transactional safe harbour rules and the full Pillar Two rules. The Company concluded that it should not be subject to top-up tax for the current year as it meets a transition safe harbour.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. RECEIVABLE FROM CREDIT INSTITUTIONS

	2024	2023
	(in thousands DKK)	
Demand deposits with credit institutions	138,499	206,508
Short-term deposits with credit institutions	80,000	-
Interest receivable on short-term deposits	372	-
Receivable from credit institutions	218,871	206,508

10. OTHER PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	(in thousands DKK)	
MACHINERY, FIXTURES AND FITTINGS		
Cost, at January 1	1,562	1,358
Additions for the year	339	204
Cost, at December 31	1,901	1,562
Depreciation, at January 1	(1,220)	(1,167)
Depreciation for the year	(105)	(53)
Depreciation of assets held, at December 31	(1,325)	(1,220)
Carrying amount, at December 31	576	342
PROPERTY AND LEASEHOLD IMPROVEMENTS		
Cost, at January 1	4,906	4,906
Additions for the year	85	-
Cost, at December 31	4,991	4,906
Depreciation, at January 1	(3,668)	(3,049)
Depreciation for the year	(647)	(619)
Depreciation of assets held, at December 31	(4,315)	(3,668)
Carrying amount, at December 31	676	1,238
TOTAL PROPERTY, PLANT AND EQUIPMENT, at December 31	1,252	1,580

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. DEFERRED TAX ASSETS

	2024	2023
	(in thousands DKK)	
The basis underlying deferred tax calculation:		
Fixed assets	56	(7)
RSU distribution	576	576
Deferred cash award	(6,141)	-
Short-term debt	94,895	71,528
Finance lease	(1,185)	(1,238)
Mortgage amortisation	1,298	1,287
Total provisions for deferred tax	89,499	72,146
Tax value thereof 26%	23,270	18,758

In 2024, companies liable to tax in Denmark were limited to deduct salary expenses at DKK 7.7 million per person in a year. This is based on a legislation introduced in 1 January 2023. The limit applies per employee in an income year. The salary expense of employees exceeding the threshold was written off in 2023 from deferred tax as it is no longer deductible for corporate tax purposes.

12. OWNERSHIP AND RELATED PARTIES

Name	Basis of influence
ABPL	Principal Shareholder with Controlling Interest
Ian Foster	CEO, Executive Board Member
Kyle Di Gangi	Executive Board Member
Nicholas Naclerio	Member of the Board of Directors
Jessica Samuels	Member of the Board of Directors
Silvio Cruz	Member of the Board of Directors

The Company's ultimate parent is AllianceBernstein L.P. (the "ABLP"), Delaware limited partnership, from which the Company also receives an allocation of the investment management residual profits, reported in the Financial Statements hereto as 'fee income'. The Company is further related to AllianceBernstein Limited (the "ABL"), an ultimate subsidiary of ABPL. ABL provides the Company with investment management services, like trading or portfolio implementation and corporate and fiduciary services, for example, human resources, finance functions, legal and compliance services and information technology services.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CAPITAL STRUCTURE AND SOLVENCY

	2024	2023
	(in thousands DKK)	
CAPITAL STRUCTURE		
Equity	166,536	147,920
<i>less</i> Deferred tax assets	(23,270)	(18,758)
Common Equity Tier	143,266	129,162
Core capital	143,266	129,162
Capital base	143,266	129,162
RISK EXPOSURE		
Credit risk	16,560	15,400
Market risk	7,820	7,300
Threshold due to fixed costs	305,464	271,844
RATIOS		
Common Equity Tier %	29.3%	27.9%
Core Capital %	29.3%	27.9%
Capital Base %	29.3%	27.9%

14. CONSOLIDATION

The Company's immediate parent is ABPL, a company registered in England and Wales, however the Company's results are included into the consolidated financial statements of ABLP (the "Consolidated Financial Statements"). The Consolidated Financial Statements can be obtained from AllianceBernstein. L.P. 501 Commerce Street, Nashville, TN 37 203, USA. Equitable Holdings ,Inc., a financial services company based in New York, N.Y., USA, is the ultimate holding company of ABLP.

CPH CAPITAL Fondsmæglerselskab A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. FINANCIAL RISKS AND RISK MANAGEMENT

The Company is primarily exposed to operational, credit, market and concentration risks. The overall risk management objectives and framework are established by the Board of Directors. The Board of Management is in charge of day-to-day compliance therewith and regularly reports on compliance to the Board of Directors.

Operational risk refers to the risk of unforeseen losses resulting from internal procedure and control weaknesses. Operational risk is inherent in an investment company. Asset management, provision of advisory services and administration by the Company is dependent on well-working IT systems, competent staff and a strong control environment, among other elements, for which reason the Company focuses on monitoring and control and has established procedures for crisis management.

Credit risk refers to the risk of loss resulting from counterparties not meeting their payment obligations to the Company, either in whole or in part. The Company is mostly exposed to Danish credit institutions, other group companies and collective investment schemes. The Company considers such risk to be low since no loss has been recorded for those counterparties.

Market risk refers to the risk of the market value of a financial liability increasing or decreasing due to fluctuations in share prices, interest rates and exchange rates. The Company is only exposed to market risk if invoices are settled in foreign currency.

Concentration risk refers to the risk of a considerable share of the Company's earnings centring on a single product, investor or a distributor. The Company's earnings are very sensitive and will be affected if the product is discontinued, or a major investor cashes in their investment.

Particular risks

Excess liquidity is held as cash, for which reason the Company's financial exposure is limited. The Company's principal business risk relates to the development of assets managed, the development in customer intake as well as portfolio returns and the concentration risk exposure to customers, distributors and products.

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Benny Erik Voss

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