

CAPITAL FOUR

Capital Four CLO Management II K/S

Per Henrik Lings Allé 2, 8th floor
2100 Copenhagen Ø
CVR no. 42 87 12 65

Annual Report 2025
1 January 2025 – 31 December 2025

This annual report has been adopted
at the company's annual general
meeting on, the / 2026

Chairman of the meeting:
Berit Birkemose Schnack

Capital Four CLO Management II K/S

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Capital Four CLO Management II K/S

Limited partnership details

Capital Four CLO Management II K/S
Per Henrik Lings Allé 2, 8th floor
2100 Copenhagen Ø
CVR no.: 42 87 12 65
Financial year: 1 January- 31 December
Incorporated: 24 November 2021
Domicile: Copenhagen

Phone: 35 25 61 00
Internet: www.capital-four.com
E-mail: financials@capital-four.com

Auditors
EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Banks
Jyske Bank A/S

Capital Four CLO Management II K/S

Statement by the Board of Directors and the Board of Management

The Board of Directors and Board of Management have today discussed and approved the Annual Report for the financial year 1 January 2025 – 31 December 2025 for Capital Four CLO Management II K/S.

The Annual Report has been prepared in accordance with the Danish Financial Statement Act.

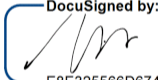
The financial statements give a true and fair view of the Limited Partnership's assets, liabilities, limited partnership capital and financial position as at 31 December 2025 and of the results of operations and cash flows for the financial year 1 January 2025 – 31 December 2025.

The Management's review gives a fair view of the development in the Company's operations and financial matters as well as a description of the most material risks and elements of uncertainty that may affect the Limited Partnership.

We recommend that the Annual Report is approved at the Annual General Meeting.

Copenhagen, 22 January 2026

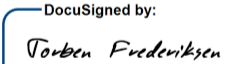
Board of Management

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Sandro Naef

DocuSigned by:

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Torben Maagaard Skødeberg

Board of Directors


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Torben Frederiksen
Chairman of the Board
of Directors


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Heine Hebbelstrup
Debel

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Henrik Østergaard

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Carlo Ciabuschi

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Oliver James Heaton

Capital Four CLO Management II K/S

Independent Auditor's Report

To the limited partners of Capital Four CLO Management II K/S

Opinion

We have audited the financial statements of Capital Four CLO Management II K/S for the financial year 1 January 2025 – 31 December 2025, which comprise income statement, balance sheet, statement of changes in limited partners' capital, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations and cash flows for the financial year 1 January 2025 – 31 December 2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Capital Four CLO Management II K/S

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statement Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 January 2026

EY Godkendt Revisionspartnerselskab

CVR-nr. 30 70 02 28

Signed by:


Thomas H. Petersen

State Authorised Public Accountant
mne33748

Management's review

Business activities

The Limited Partnership's object is to make and hold investment in collateral loan obligations necessary in order for the Limited Partnership to comply with the European regulation on risk retention applicable at all times and perform portfolio management services.

Financial risks

The Company is exposed to a range of risks arising from its operating activities and the external environment in which it operates. The overall risk profile is assessed to be moderate and in line with the nature and scale of the Company's activities. The identified risks are considered manageable and do not, individually or collectively, threaten the Company's continued operations or ability to meet its financial obligations.

Management continuously monitors the Company's risk profile and adapts policies, processes, and controls as necessary to ensure appropriate risk mitigation.

Development in activities and financial matters

The Limited Partnership was incorporated and established on 23rd November 2021 with a base capital of 1 EUR.

2025 saw the successful pricing of CLO IX, CLO X and CLO XI, bringing the total number of outstanding CLOs supported by the partnership's commitment to eight.

This year's profit from investment activities amounts to 184,283k DKK compared to 146,988k DKK last year. Profit for the period amounts to 141,897k DKK compared to 110,712k DKK last year. The result for 2025 is found satisfactory.

The CLOs recorded three defaults within their underlying collateral pools. However, all maintain healthy OC cushions and are not expected to halt equity dividends due to OC breaches in the near term.

Outlook 2026

European credit spreads tightened, and the past two years have been characterized by weak European growth. ECB growth forecasts have revised upward, easing monetary conditions, and expected infrastructure and defense spending supporting earnings visibility. Payment defaults rate was below 1% in 2025. Repricing and extension dynamics in the underlying loan market continued to feed CLO supply needs. Driven by exceptionally strong new issue activity and a robust pipeline of resets, the European market is seeing strong momentum on the back of record numbers in 2024. The 2026 deal flow is still in its early stages, we anticipate a steady stream of new issuance at record levels, underpinned by the broader economic recovery and a more favorable interest rate environment.

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The Limited Partnership expects a result at 140mDKK for 2026 in level with the result for 2025.

Significant events occurring after end of reporting period
No subsequent event has occurred after end of the reporting period.

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Management's review

Financial highlights

DKKm	2025	2024	2023	2022/21
Key figures				
Income from investment activities	184,283	146,990	125,025	51,482
Profit/loss before net financials	141,697	110,394	104,480	47,305
Profit/loss from net financials	201	318	430	-
Profit/loss for the year	141,897	110,710	104,910	47,305
Balance sheet total				
Total assets	1,663,578	920,821	687,835	368,981
Limited partners capital	1,335,215	886,692	674,669	366,115
Cash flows				
Cash flows from operating activities	141,697	110,391	104,480	47,305
Cash flows from investing activities	-525,582	-203,781	-316,946	-288,394
Cash flows from financing activities	306,627	101,313	203,644	319,117
Total cash flows	6,566	4,195	920	522
Financial ratios				
Gross margin	129,9%	132,8%	119,2%	108,8%
Equity ratio	80,3%	96,3%	98,1%	99,2%
Return on equity	12,8%	12,5%	15,5%	12,9%
Average number of full-time employees				
	1	1	1	1

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin	Profit/loss for the year / Revenue
Equity ratio	Equity / Total assets
Return on equity	Profit/loss for the year/ avg. Equity

Capital Four CLO Management II K/S

Income statement 1 January – 31 December

Notes	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Amounts in DKK'000		
	<hr/>	
	184,283	146,988
3	-42,587	-36,594
	<hr/>	
	141,696	110,394
	201	318
	<hr/>	
	141,897	110,712
Proposed appropriation account		
	141,897	110,712
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	141,897	110,712
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Capital Four CLO Management II K/S

Balance sheet at 31 December

Assets		31.12.2025	31.12.2024
Notes	Amounts in DKK'000		
4	Bonds	1,615,363	809,120
	Fixed asset investments	1,615,363	809,120
	Total non-current assets	1,615,363	809,120
5	Prepaid expenses	81	75
	Other receivables	36,238	106,292
	Total receivables	36,319	106,369
	Cash	11,896	5,330
	Total current assets	48,215	111,699
	Total assets	1,663,578	920,820

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Balance sheet at 31 December

Liabilities & equity		31.12.2025	31.12.2024
Notes	Amounts in DKK'000		
	Limited partners' capital		
	Paid capital from limited partners ⁷	930,395	623,768
	Retained earnings	404,820	262,923
	Total limited partners' capital	1,335,215	886,691
	Other liabilities	47,703	34,129
6	Other financial liabilities	280,660	-
	Total current liabilities	328,363	34,129
	Total liabilities	328,363	34,129
	Total equity and liabilities	1,663,578	920,820

1 Accounting policies

2 Significant judgements and estimates, assumptions and uncertainties

7 Contingent liabilities

8 Charges and security

9 Related parties

10 Distribution of profit/loss

11 Subsequent events

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Limited partners' capital at 31 December 2025

Amounts in DKK'000	Paid capital from limited Partners	Retained earnings	Total
Equity at 01.01.25	623,768	262,923	886,691
Capital call	306,627	-	306,627
Net profit for the year	-	141,897	141,897
Equity at 31.12.25	930,395	404,820	1,335,215

The limited partnership's capital is divided into limited partnership interest of EUR 1 or any multiple thereof, subscribed for by the limited partners.

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Cash flow statement 1 January – 31 December

Note	DKK'000	2025	2024
	Gross profit/loss	141,897	110,712
	Changes in working capital	83,623	-4,046
	Cash generated from operations (operating activities) before financial income and expenses	225,320	106,344
	Interest income and similar income	201	318
	Cash flows from operating activities	225,521	106,662
	Acquisition of CLOs	-525,582	-203,781
	Cash flows from investing activities	-525,582	-203,781
	Capital calls	306,627	101,313
	Cash flows from financing activities	306,627	102,468
	Cash flows for the year	6,566	4,195
	Cash and cash equivalents, beginning of year	5,330	1,135
	Cash and cash equivalents, year end	11,896	5,330

The cash flow statement cannot be directly derived from the other components of the financial statements.

Notes

1 Accounting policies

GENERAL

The annual report of Capital Four CLO Management II K/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for medium-sized reporting C entities. The presentation of the financial statements is adjusted to the limited partnership's special activities.

The annual report has previously been prepared in accordance with reporting class B. The change in reporting class has not caused any changes to recognition and measurement.

Basis of recognition and measurement

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of the payment are recognised in the income statement as financial income or financial expenses.

Income is recognised as earned, including value adjustments of financial assets and liabilities. In the income statement, all expenses, including depreciation, amortisation, impairment losses and write-downs, are recognised as well.

Assets are recognised when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet, when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

REPORTING CURRENCY

The Annual Report is presented in Danish kroner (DKK).

Capital Four CLO Management II K/S

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

Profit/loss on investment activities

Profit/loss on investment comprise realized and unrealized capital gains and losses on securities, interest income, administration fees and expenses on securities. Income and expenses are recognized in the income statement at the amounts relating to the financial year.

Staff costs

Staff costs comprise salaries and wages as well as social security costs etc.

Other external expenses

Other external expenses comprise costs incurred during the year for fund management.

Financial income and expenses

Interest income and interest expenses include interests etc. not related to investment activities.

BALANCE SHEET

Bonds at fair value

The basis of the closing price on the market in question at the balance sheet date. Bonds redeemed are measured at present value. CLO bonds are initially recognized when the CLOs are issued in the market. The initial measurement of the CLO bonds is at cost. After recognition, the CLO bonds are measured at fair value through profit and loss.

If the market for one or more bonds or mortgage deeds is illiquid or if there is no publicly recognised price, the Company will determine the fair value by using recognised valuation techniques. These techniques include the use of reference to similar new transactions

Capital Four CLO Management II K/S

among independent parties, reference to other similar instruments, analyses of discounted cash flows as well as other models based on observable market data.

Securities that have been sold as part of repurchase agreements are retained on the balance sheet under bonds, while the received amount is recognized as debt. Repurchase agreements are recognized and measured at fair value, and the return is recognized in the income statement under income from investment activities and expenses from investment activities.

Other receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivables if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current liabilities

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the prices of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognized valuation methods on the basis of observable market information

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Level 3: Value based on recognized valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital, interest received and paid regarding operations as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Transactions with no cash flow effect

Transactions with no cash flow effect, such as e.g. the entering into finance leases, are not included in the cash flow statement. Significant transactions with no cash flow effect are disclosed in the notes.

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Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

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2 Significant judgements and estimates, assumptions and uncertainties

The financial statements are prepared based on specific assumptions which involve the use of judgements and estimates. These judgements and estimates are made by the company's Management in accordance with the accounting policies and based on historical experience as well as assumptions which management considers reasonable and realistic. The areas involving a higher level of judgement or complexity or areas in which assumptions and estimates are material to the financial statements, are disclosed below.

CLO bonds at fair value

As Collateral Manager, Capital Four CLO Management II K/S, is required to hold minimum 5 pct. of the CLOs under management (hereafter "risk retention"). The aim of risk retention portfolios in securitizations is to impose on the CLO manager a share of risk in the structure. Risk retention exposures must not be hedged. The Collateral Manager has considerable risk retention exposures, for which reason the financial statements of the Collateral Managers may be expected to be heavily affected should generally serious adverse credit changes take place in the underlying assets of the structures. Determining credit impairment and calculating individual and collective impairment losses regarding the underlying loans in the CLO structure are subject to significant judgement and estimation in connection with the quantification of the risk of debtors inability to honour their future obligations in whole or in part, as a result of which the bond series will sustain losses. Whether or not the ability to pay related to underlying loans is likely to deteriorate is subject to uncertainty and highly relies on judgement and estimation.

Amounts in DKK'000	2025	2024
3 Staff costs		
Board of directors	200	200
Salaries	926	829
Pensions	-	69
Total	1,126	1,098
The average number of employees during the period	1	1

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4 Bonds	2025	2024
Cost at 1 January	876,357	579,210
Additions during the year	838,196	306,146
Cost at 31 December	1,714,553	876,356
Value adjustments at 1 January	-67,236	35,129
Value adjustments during the year	-31,954	-102,365
Value adjustments at 31 December	-99,190	67,236
Carrying amount at 31 December 2025	1,615,363	809,120

5 Prepaid expenses		
Other	2	-
Prepaid salary	79	75
Total	81	75

6 Other financial liabilities		
Repurchase agreements at amortized costs	280,660	-
Total	280,660	-

7 Contingent liabilities

The Limited Partnership is obligated to hold the entire risk retention as security of Capital Four CLO IV DAC, Capital Four CLO V DAC, Capital Four CLO VI DAC, Capital Four CLO VII DAC, Capital Four CLO VIII DAC, Capital Four CLO IX DAC, Capital Four CLO X DAC and Capital Four CLO XI DAC.

8 Charges and security

The company has not provided any security over assets.

9 Related parties

All related party transactions are carried out on arm-length basis.

10 Distribution of profit/loss		
Retained earnings	141,897	110,712
Total	141,897	110,712

11 Subsequent events

No subsequent event has occurred after end of the reporting period.