

Annual Report 1 January - 31 December 2021

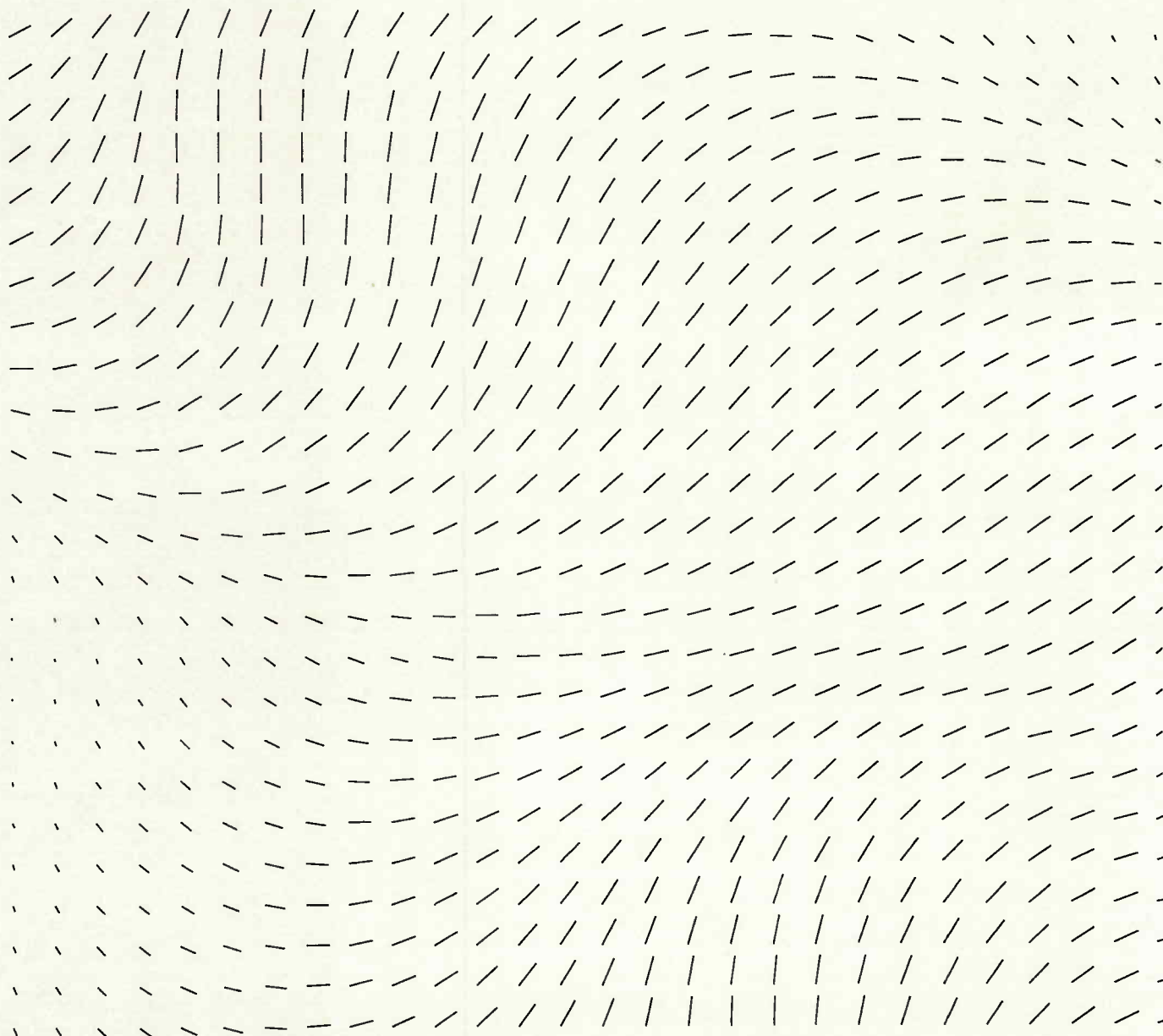


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Company details

Capital Four AIFM A/S
Per Henrik Lings Allé 2, 8th floor
2100 Copenhagen Ø
CVR-no.: 35 67 06 37
Domicile: Copenhagen

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

Board of Directors

Niels Henrik Roth, Chairman
Henrik Østergaard
Darius John Berendji

Board of Management

Sandro Näf
Torben Magaard Skødeberg

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Banks

Jyske Bank A/S
Ringkøbing Landbobank A/S

Group relationship


The Company is included in the consolidated financial statements of the parent company, Capital Four Holding A/S.

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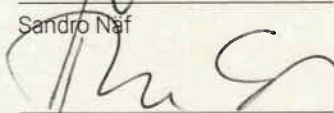
Statement by the Board of Directors and the Board of Management

Copenhagen, 16 March 2022

Board of Management




Sandro Naf

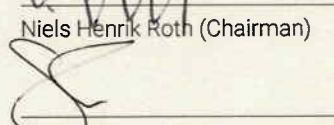


Torben Magaard Skødeberg


Board of Directors



Niels Henrik Roth (Chairman)



Henrik Østergaard



Darius John Berendji

The Board of Directors and Board of Management have today discussed and approved the Annual Report for the period 1 January – 31 December 2021 for Capital Four AIFM A/S.

The Annual Report has been prepared in accordance with recognition and measurement requirements in the Alternative Investment Fund Managers etc. Act.

The financial statements give a true and fair view of the Company's assets, liabilities, equity and financial position as at 31 December 2021 and of the results of operations for the financial year 1 January – 31 December 2021.

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 Company.

Copenhagen, 16 March 2022

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Independent auditor's report

To the shareholders of Capital Four Management Holding A/S**Opinion**

We have audited the financial statements of Capital Four AIFM A/S for the financial year 1 January – 31 December 2021, which comprise Income Statement, Statement of comprehensive income, Balance sheet, Statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Alternative Investment Fund Managers etc. Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Alternative Investment Fund Managers etc. 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' 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.

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 Alternative Investment Fund Managers etc. 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 judgment and maintain professional skepticism 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

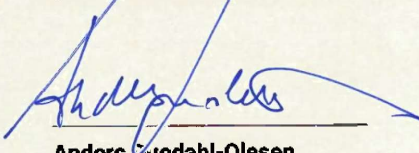
resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- 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.

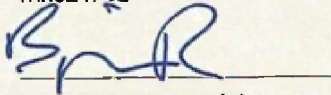
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 16 March 2022

EY GODKENDT
REVISIONSPARTNERSELSKAB
CVR nr. 30 70 02 78



Anders Suedahl-Olesen
State Authorised
Public Accountant
mne24732



Bjørn Würtz Rosendal
State Authorised
Public Accountant
mne40039

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 Alternative Investment Fund Managers etc. 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 Alternative Investment Fund Managers etc. Act. We did not identify any material misstatement of the Management's review.

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Management's review

Company's Background

Capital Four AIFM A/S is a manager of alternative investment funds.

Capital Four (representing Capital Four Holding A/S, Capital Four Management Fondsmæglerselskab A/S and Capital Four AIFM A/S) was founded on two strategic thrusts: (1) Attractive industry growth of credit markets; (2) Need for specialist Asset Management expertise to manage credit strategies. The growth of the Private Equity industry has been a powerful driver of the global leveraged finance markets. We are benefitting from this trend, as our investable universe is growing at a substantially higher rate than the overall GDP.

Capital Four was established in 2007 with the aim to provide top performing investment results in Leveraged Finance strategies to institutional investors. Over the years we have continuously grown our organization in number of people, investment know how and scope of our investment strategy offerings.

Management's Review

In order to offer our clients a broader set of opportunities to participate in the growth of our investment universe we have continuously evolved our offering of investment strategies, which now includes the following:

- High Yield
- Leveraged Loans (including CLO's)
- Multi-Asset Credit
- Private Debt
- Structured Credit

Within private debt we have seen significant interest in our two latest funds, Private Debt III and Private Debt IV, focusing on senior and flexible lending solutions respectively, aimed at Northern European lower mid-market companies. We have also seen increasing interest for multi-asset credit (in particular in segregated mandates) and structured credit. Within leveraged loans, the assets have been stable.

We continuously look to strengthen our organisation in order to navigate future adverse operating environments. Asset Management is a very competitive industry and to ensure long-term positive development, we need to constantly evolve. Throughout 2021 we continued to grow the talent base and increased the average number of employees from 77 to 85 at group level. We will continue to add new professionals from leading universities and successful companies to strengthen our organisation going forward.

Capital Four is committed to Responsible Investing considering ESG risks and opportunities to generate competitive financial returns and fulfill ours and our clients' criteria for sustainability risk. In 2021, we have established our firm's Sustainability report, which can be accessed on our home-page.

Management and Directorships

For details of the individual Board of Directors members' Management and Directorships see note 16 in the Annual Report. For remuneration details please refer to the [Company's policy](#).

Uncertainty with regard to recognition and measurement

No uncertainty with regard to the recognition and measurement exists apart from what is mentioned under accounting policies, just as no exceptional circumstances affecting the recognition and measurement occurred during the financial year.

Risk Exposure and Management

As a financial institution Capital Four accepts risks of a market related, credit related and operational nature. Management of these risks is a significant activity in the Company. Risks are controlled by the Company's business procedures, including IT technology and trading systems ensuring proper management of the Company.

Net Profit and Equity

Net result for the year shows a net profit of DKK 65,909 K compared to DKK 65,808 K in 2020. The net profit for the period is deemed to be satisfactory.

Distribution to owners in 2021 amounts to DKK 67,500 K.

After transfer of the net result for the period, the equity is DKK 49,290 K as per 31 December 2021.

Subsequent event

No events have occurred after the balance sheet date which significantly affects the Company's financial position as at 31 December 2021.

Outlook for 2022

During the last couple of years, Capital Four has been able to diversify its Assets Under Management, with an increasing share of assets in Leveraged Loan, Multi-Asset Credit, Private Debt and Structured Credit compared to High Yield. Going into 2022, both the current market environment with increasing pressure on interest rates (which could lead investors to look for lower duration credit) and our current pipeline of potential mandate and fund launches, suggest that this trend will continue in 2022.

Business continuity plan

The number one priority of the Company is the safety and well-being of its stakeholders and employees. The continuity plan put in place allows the Company to remain fully operational and to monitor its activities at all times. For example, as a result of the COVID related government lockdowns during 2021, we did not suffer any disruptions from an operational point of view and all of our employees were able to work from home as a result of all systems being accessible remotely.

Knowledge resources

Capital Four's core business is management of assets in high yield credit strategies. This requires a high level of knowledge and competences in the organisation. The employees are therefore characterised by being highly qualified and educated within the financial market.

Committed and motivated employees are crucial for the Company's continued operation and development. It is vital for the Company to retain and attract competent employees. Numerous efforts are being made to attract and retain employees with a high level of experience and professional competence, and we have a strong focus on development of employee skills. This is the prerequisite for continued positive results and expansion of the business base.

Through various initiatives, Capital Four seeks to offer an attractive workplace for employees and honour employees with competitive remuneration consisting of a fixed salary and bonus scheme, which is determined, inter alia, from the results achieved.

Board of Directors, proposed dividend

The Board of Directors propose a dividend of DKK 33,000 K at the company's annual general meeting.

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Income and comprehensive income statement

1 January - 31 December 2021

Notes	Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
3	Administration fees	197,078	171,959
4	Staff costs and administrative expenses	-112,090	-86,975
	Profit before financials	84,988	84,984
5	Financial income	-	66
6	Financial expenses	-25	-135
7	Value adjustment	-178	-327
	Profit before tax	84,785	84,588
8	Taxes	-18,876	-18,780
	Profit for the year	65,909	65,808
	Comprehensive income	-	-
	Total Comprehensive income	65,909	65,808
	Allocation of the result		
	Proposed dividend	33,000	33,500
	Paid, interim dividend	34,000	31,900
	Accumulated result	-1,091	408
	Total allocation	65,909	65,808

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Balance sheet at
31 December 2021**Assets**

Notes	Amounts in DKK'000	31.12.2021	31.12.2020
	Receivables:		
	Receivables from managing departments	55,303	42,416
	Other receivables	34	6,312
	Tax receivables	17,067	17,280
	Deferred tax	1,433	947
	Prepayments	1,487	30
	Total receivables	75,324	66,985
9	Cash	144	293
	Total assets	75,468	67,278

Liabilities & Equity

Notes	Amounts in DKK'000	31.12.2021	31.12.2020
10	Share capital	1,600	1,600
	Retained earnings	14,690	12,554
	Thereof proposed dividend	33,000	33,500
	Total equity	49,290	47,654
	Payable:		
	Other	26,178	19,624
	Total payables	26,178	19,624
	Total liabilities & equity	75,468	67,278
11	Contingent and contractual liabilities		
12	Security provided		
13	Related parties		
14	Capital adequacy requirements		
15	Risk management		
16	Management and Directorships		

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Statement of changes in Equity and Comprehensive income at 31 December 2021

Amounts in DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Formation as of 01.01.20	1,600	9,364	30,000	40,964
Comprehensive income for the period	-	408	65,400	65,808
Change in equity, for the period:				
Distribution to owners	-	-	-61,900	-61,900
Issue of restrictive stock awards	-	2,782	-	2,782
Equity at 31.12.20	1,600	12,554	33,500	47,654
Formation as of 01.01.21	1,600	12,554	33,500	47,654
Comprehensive income for the period	-	-1,091	67,000	65,909
Change in equity, for the period:				
Distribution to owners	-	-	-67,500	-67,500
Issue of restrictive stock awards	-	3,227	-	3,227
Equity at 31.12.21	1,600	14,690	33,000	49,290

The parent company has issued 19,459 warrants which gives the right to subscribe for ordinary shares in the company at a given time after the 1st of April 2022.

In 2016, 2017, 2018, 2019, 2020 and 2021 the parent company has issued stock awards which gives the right to ordinary shares in the company at a given time 4 years after the grant date.

The exercise price for the issued warrants and stock awards are equal to fair market value of the shares of the company on commencement date calculated on the basis of the enterprise value.

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Notes

1. Accounting policies**GENERAL**

The annual report of Capital Four AIFM A/S for 2021 has been prepared in accordance with Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

The accounting policies have been applied consistently with last year.

The company has received the Danish Financial Supervisory Authority's approval to present the annual report in the English language only.

Recognition and measurement in general

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

In the Balance Sheet, assets are recognised when the economic benefits are likely to be realised and when the asset value can be measured in a reliable manner. Liabilities are recognised when they are likely to be realised and when they can be measured in a reliable manner. On subsequent recognition, financial assets and liabilities are measured as described below for each specific entry.

REPORTING CURRENCY

The Annual Report is presented in Danish kroner.

Foreign currency translation

Transactions in foreign currency are translated into Danish kroner using the exchange rate ruling on the date of the transaction. Receivables and liabilities in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement under value adjustments.

INCOME STATEMENT**Administration fees**

Fee income includes income concerning discretionary capital management at the clients' expense, including administrative fees in particular.

Performance fees are recognised as income when the Company obtains definitive rights to the fee.

Value adjustments

Realised and unrealised capital gains and losses are recognised in the income statement, including any value adjustments of assets and liabilities measured at fair value.

Staff costs and administrative expenses

These include staff, management and administrative expenses, including expenses, related to office rental.

Employee share-based payment (warrants and stock awards) are recognised as an expense in the Income Statement at the grant date. Similarly, recognition is made by a corresponding increase in other reserves in equity. The share-based payments are measured at fair value at the grant date.

Tax

Tax for the year comprises current tax, joint taxation contribution and changes in deferred tax for the year. Tax relating to the profit/loss for the year is recognised in the income statement, and the tax relating to amounts directly recognised in equity is recognised directly in equity.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Impairment of assets**

The carrying amount of non-current assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If there are indications of impairment, an impairment test is conducted on individual assets or groups of assets. The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

Other assets

Receivables and receivables related to fees for portfolio management are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by provisions for bad debts.

Cash

On initial recognition, receivables from credit institutions and central banks are recognised at their fair values and subsequently at amortised cost.

Equity and dividend

The proposed dividend for the financial year is recognised as a special item under equity.

Premiums for warrants and stock awards and the redemption of warrants and stock awards on the company's shares are recognised as a change in equity in other reserves.

Current and deferred taxes

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for any tax paid on account.

Provisions for deferred tax are calculated of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor of the taxable income. In cases where the tax base can be made according to different tax rules, deferred tax is measured on basis of management's planned use of the asset or settlement of the liability.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set off against deferred tax liabilities.

Other liabilities

Other liabilities are measured at their net realisable values.

Expenses that are not due until the subsequent reporting year are recognised under other liabilities.

Financial highlights

The financial highlights have been prepared in accordance with the Danish Financial Supervisory Authority's executive order on financial reports of credit institutions and stockbroker companies.

2 Five-year summary (key figures and financial ratios)

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20	01.01.19- 31.12.19	01.01.18- 31.12.18	01.01.17- 31.12.17
Administration fees	197,078	171,959	163,718	140,879	104,543
Staff costs and administrative expenses	112,090	86,975	80,241	52,364	38,722
Profit before financials	84,988	84,984	83,466	88,503	65,805
Profit before tax	84,785	84,588	83,276	88,312	65,592
Profit for the year	65,909	65,808	64,852	68,747	51,078
	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Equity	49,290	47,654	40,964	46,367	33,272
Total assets	75,468	67,278	68,710	58,650	48,106
	31.12.21	31.12.20	31.12.19	31.12.18	31.12.17
Own funds in relation to minimum capital requirement	17.50	14.10	11.78	7.91	5.13
Solvency ratio	138.8%	137.6%	103.30%	153.06%	132.60%
Return on equity before tax	174.9%	190.9%	190.7%	221.8%	237.1%
Return on equity after tax	136.0%	148.5%	148.5%	172.6%	184.7%
Number of funds under administration	12	11	7	6	7
Number of departments under administration	17	16	13	9	9
Assets under administration	10,734,619	12,000,223	15,541,040	14,177,047	10,131,571

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
3 Administrative expenses		
Capital Four Invest	52,173	70,452
Strategic Lending Fund	4,521	6,093
Other (not subject to Alternative Investment Fund Act.)	140,384	95,414
Total	197,078	171,959
4 Staff costs and other administrative expenses		
Fees paid to Board of Directors	325	225
Board of Management, fixed salary	2,369	2,124
Salary risk-takers, fixed salary	2,537	1,730
Total	5,230	4,079
Salaries and remuneration to the Board of Management, the Board of Directors and employees with influence on risk		
Staff salaries	44,251	33,256
Staff pensions	3,161	2,327
Social security costs	464	244
Payroll tax	5,425	5,878
Total staff costs	58,531	45,784
Fee for custodian	31,644	23,120
Other administrative expenses	21,915	18,071
Total staff costs and administrative expenses	112,090	86,975

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
4 Staff costs and other administrative expenses		
Average number of employees in the period	85	77
Number of employees defined as risk-takers:		
Board of Management, fixed salary	3	3
Board of Management, variable salary	2	2
Salary risk-takers, fixed salary	4	4
Total	9	9

All employed both by Capital Four Management Fondsmæglerselskab A/S and Capital Four AIFM A/S.

Audit fee:

Fees for statutory audits of annual accounts	148	162
Fees for assurance engagements other than audit	31	57
Fees for tax advisory services	-	-
Fee for other services	-	-
Total	179	219

There are no pension commitments for the company because the company's pension plan is a defined contribution plan.

The company has no significant risk-takers beyond the company's Board of Directors, Board of Management, Head of Risk Management, Head of Legal, Head of Compliance and Chief Financial Officer. As the wages in respect of the Board of Directors, Board of Management, Head of Risk Management and Head of Legal, Head of Compliance and Chief Financial Officer are specified above, subsequently these are not included again under significant risk-takers.

Salaries are paid out by Capital Four Management Fondsmæglerselskab A/S and split between the two entities according to the Management Agreement.

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
5 Financial income		
Intercompany interests	-	66
Total	-	66
6 Financial expenses		
Interest from credit institutions and central banks	-25	-135
Total	-25	-135
7 Value adjustments		
Currency adjustments	-178	-327
Total	-178	-327
8 Taxes		
Calculated tax for the period	19,362	19,220
Deferred tax, adjustment for the year	-486	-440
Total taxes	18,876	18,780
Deferred tax asset 1 January 2021	947	507
Deferred tax, adjustment of the year	486	440
Deferred tax, adjustment prior year	-	-
Total deferred tax assets 31 December 2021	1,433	947
The reconciliation:		
Current tax rate	22.0%	22.0%
Non-deductible items	0.30%	0.2%
Average effective rate of tax	22.3%	22.2%

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
9 Cash		
Receivables from credit institutions on demand	144	293
Total	144	293

10 Equity

The company's share capital consists of A-shares, each of a nominal value of DKK 10.

The share capital consists of:	Nominal value
Share class A	1,600,000

The parent company has issued 19,459 warrants which gives the right to subscribe for ordinary shares in the parent company at a given time after the 1st of April 2022.

In 2016, 2017, 2018, 2019, 2020 and 2021 the parent company has issued stock awards which gives the right to ordinary shares in the parent company at a given time 4 years after the grant date.

The exercise price for the issued warrants and stock awards are equal to the fair market value of the shares of the company on commencement date calculated on the basis of the enterprise value.

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
11 Contingent and contractual liabilities		
Danish guarantee fund for depositors and investors	168	172
Total guaranties	168	172

The company is taxed with other group companies. The company is liable from 2014 with the other taxed companies for the total company tax. The total known tax liability for the jointly taxed companies amounts to DKK 0K at the balance sheet date.

The company is jointly registered with other group companies for VAT. The company is jointly liable with other group companies for the total VAT.

12 Securities provided

As at 31 December 2021 the company has not pledged or given any form of security.

13 Related parties

The company has not completed transactions, granted loans, granted mortgages, provided guarantees, for the Board of Directors, The Board of Management or principal shareholder or with companies outside of the group in which the parties have an interest. Any transactions with related parties are based on market conditions.

The Company has had the following significant transactions with related parties in the financial year:

Name	Basis of influence	Nature of transactions		
Capital Four Management Fondsmæglerselskab A/S	Affiliated company	Allocation of staff and admin costs	61,511	50,436
Capital Four Holding A/S	Affiliated company	Loan	-	6,313
Total			61,511	56,749

Ownership:

The following shareholders are registered in the company's register of shareholders as holding more than 5% of the share capital:

- Capital Four Holding A/S, Per Henrik Lings Allé 2, 8th floor, 2100 Copenhagen Ø

Capital Four AIFM A/S is included in the consolidated financial statements of the parent company, Capital Four Holding A/S.

Amounts in DKK'000	01.01.21- 31.12.21	01.01.20- 31.12.20
14 Capital adequacy requirements		
Capital adequacy requirements according to section 16 of the Alternative Investment Fund Managers etc. Act		
Capital requirement	11,738	10,283
Own Funds		
Equity	49,290	47,654
Proposed dividend	-33,000	-33,500
Own Funds	16,290	14,154

15 Risk management

The most significant operating risks for the company consist of:

- Loss of customers/Assets Under Management. This risk is minimised through: Contractually fixed minimum redemption periods and diversification of the customer base.
- Operational errors leading to losses. This risk is minimised through: Business procedures, including latest IT technology and trading systems and staff training.
- Loss of key staff in the investment team. A focus to reduce key-man risk is competitive compensation packages and continued increase and diversification of the staff.
- Financial risks (credit and market risks). Deemed to be limited for the company and thus insignificant.

As a financial institution, Capital Four AIFM A/S is exposed to market, credit and operational risks. Risk management constitutes a significant activity in the company. The risks are managed according to guidelines on investments in securities as laid down by the Board of Directors. The risks are limited and primarily relate to investments in mortgage credit bonds.

16 Management and Directorships

Management and Directorships held by the Board of Directors in companies as members of the Board of Management or Board of Directors (Chief Executive Officer (CEO), Chairman (CM), Board member (BM), Executive Director (ED)).

Sandro Näf, CEO (No Board of Directors remuneration has been paid by the company or other group companies for 2021.)

- C4 Investor ApS (CEO)
- Capital Four Holding A/S (CEO) + (BM)
- Capital Four Management Fondsmæglerselskab A/S (CEO)
- Capital Four CLO Management GP ApS (CEO)
- Capital Four CLO Management K/S (CEO)
- Capital Four CLO Management II GP ApS (CEO)
- Capital Four CLO Management II K/S (CEO)
- Capital Four US Inc. (President, Treasurer and Secretary)

Torben Maggaard Skødeberg, ED (No Board of Directors remuneration has been paid by the company or other group companies for 2021.)

- C4 Acquisition ApS (CEO)
- Capital Four Holding A/S (ED) + (BM)
- Capital Four Management Fondsmæglerselskab A/S (ED)
- Capital Four CLO Management GP ApS (ED)
- Capital Four CLO Management K/S (ED)
- Capital Four CLO Management II GP ApS (ED)
- Capital Four CLO Management II K/S (ED)

Niels Roth, Chairman of the Board

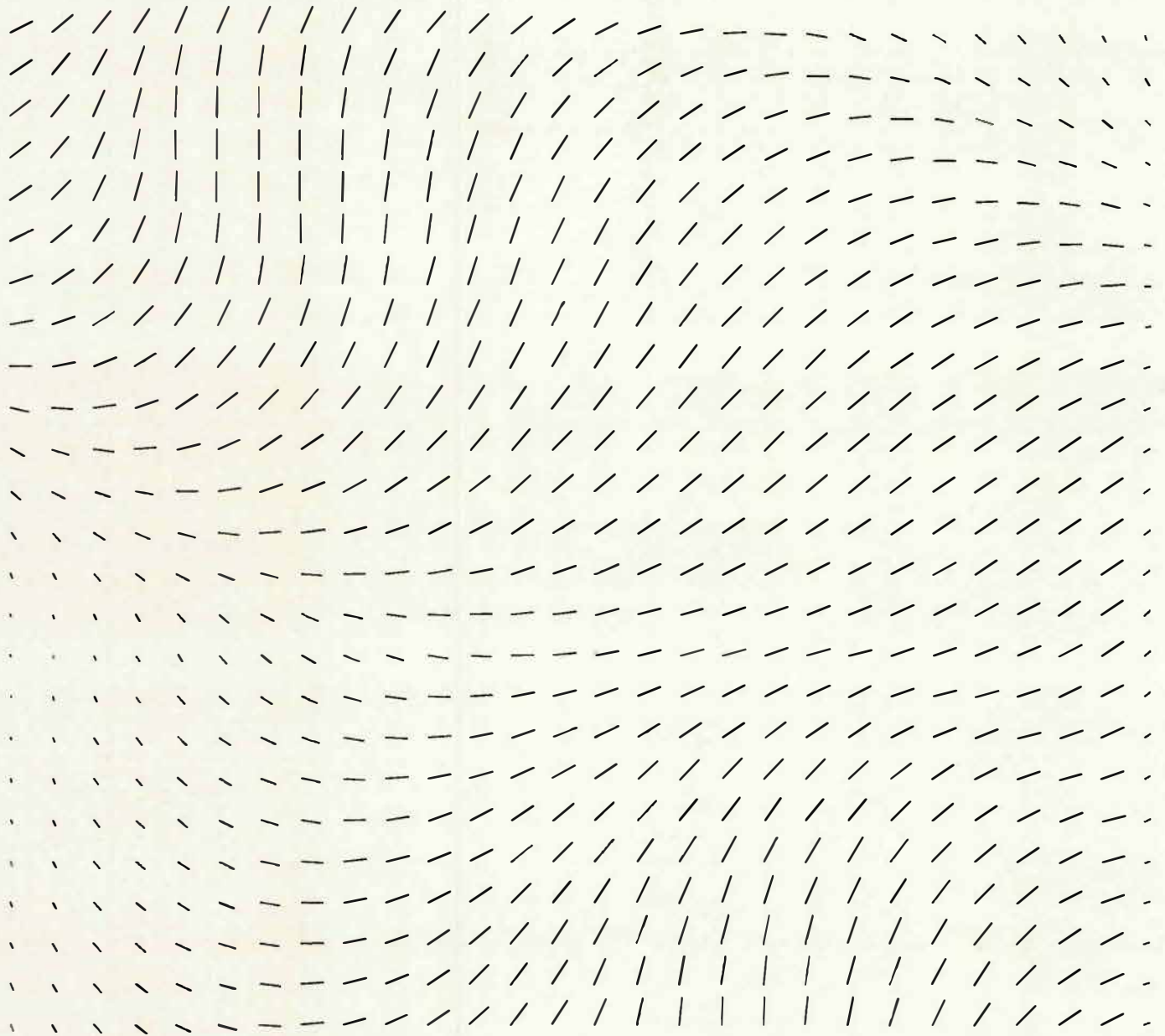
- Capital Four Holding A/S (BM)
- Capital Four Management Fondsmæglerselskab A/S (CM)
- Zira Invest II ApS (CEO+BM)
- Zira Invest III ApS (CEO+BM)
- Zira Invest IV ApS (CEO)
- Fast Ejendom Danmark A/S (CM)
- Friheden Invest A/S (CM)
- Friheden Invest Holding ApS (CM)
- Arvid Nilssons Fond (BM)
- JaJoPo Invest ApS (CEO)
- Brøndbyernes I.F. Fodbold A/S (BM)
- NOK Infrastructure Feeder GP ApS (CEO)
- Nordic Strong ApS (CM)

Henrik Østergaard, Board member

- C4 Alsønderup ApS (CEO)
- Capital Four Management Fondsmæglerselskab A/S (BM)
- Capital Four Holding A/S (BM)

Darius John Berendji, Board member (No Board of Directors remuneration has been paid by the company or by other group companies for 2021)

- Riverbridge Partners LLC (BM)
- Vantage Infrastructure (USA) Inc. (BM)
- Capital Four Holding A/S (BM)
- Capital Four Management Fondsmæglerselskab A/S (BM)
- Vantage Infrastructure (UK) Limited (BM)
- Capital Four US Inc. (Director)
- B-Flexion Advisors (UK) LLP (Manager)



CAPITAL FOUR

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