

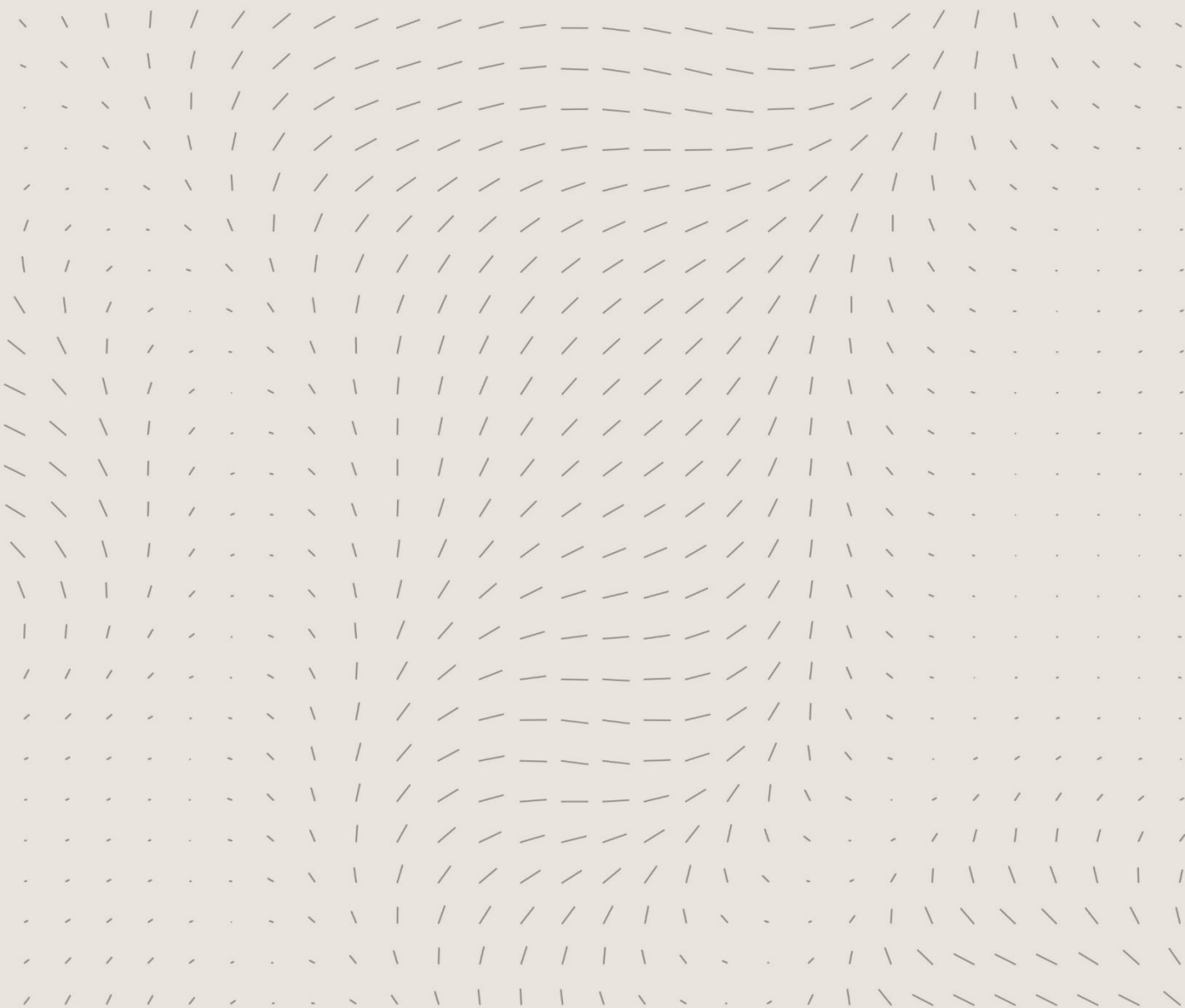
CAPITAL  
FOUR

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

This annual report has been adopted at the  
company's annual general meeting on April 26, 2024  
Chairman of the meeting:

*Lars B. Sørensen*

# Annual Report January 1 - December 31, 2023



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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: +45 35 25 61 00  
Internet: [www.capital-four.com](http://www.capital-four.com)  
E-mail: [financials@capital-four.com](mailto:financials@capital-four.com)

### Board of Directors

Niels Henrik Roth, Chairman  
Henrik Østergaard  
Dominic Fry

### 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, March 21, 2024

## Board of Management

DocuSigned by:

  
E8E325568D6745F

Sandro Näf

DocuSigned by:

  
7008FA759450488

Torben Magaard Skødeberg

The Board of Directors and Board of Management have today discussed and approved the Annual Report for the period January 1 – December 31, 2023 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 of December 31, 2023 and of the results of operations for the financial year January 1 – December 31, 2023.

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.

## Board of Directors

DocuSigned by:

  
D4F82375EDE3498

Niels Henrik Roth (Chairman)

DocuSigned by:

  
84A88D04A7B7408

Henrik Østergaard

DocuSigned by:

  
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Dominic Fry

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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 January 1 - December 31, 2023, 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 as of December 31, 2023 and of the results of the Company's operations for the financial year January 1 - December 31, 2023 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 judgement 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.

**Copenhagen, March 21, 2024**

EY Godkendt  
Revisionspartnerselskab  
CVR no. 30 70 02 28

DocuSigned by:

*Anders Duedahl-Olesen*

7173C6E6F428410...

**Anders Duedahl-Olesen**

State Authorized  
Public Accountant  
mne24732

DocuSigned by:

*Bjørn Würtz Rosendal*

C23B8912F693478...

**Bjørn Würtz Rosendal**

State Authorized  
Public Accountant  
mne40039

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 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

The broader European High Yield and Leveraged Loan markets produced solid positive returns in 2023. This was despite experiencing periods of volatility, primarily due to the global banking turmoil in the first quarter and persistently high inflation data that supported expectations that global interest rates would remain higher for longer.

At Capital Four our diversification efforts to cover a wider range of credit strategies protected us from declining revenues. In particular, our efforts to increase our exposure to long-term committed investment vehicles (CLOs, draw-down PD Funds and Mandates with Institutional Investors).

Today, Capital Four is more resilient than ever and has a broad and diversified exposure to:

- High Yield Bonds (Mutual Funds and Mandates)
- Multi Asset Credit (Mutual Funds and Mandates)
- Leveraged Loans (CLOs, Mandates and Institutional Funds)
- Structured Credit (Funds and sleeves of MAC portfolios)
- Private Debt (Draw down Funds and Mandates)

Despite our resilient revenue development during the year we did not manage to increase our profit margin as we have invested in ESG, Private Asset solutions and further digitalization of the investment process.

Although we are respectful of the negative developments of our profit margins, we believe we have a healthy cost structure, which allows us to continue to invest in the future of our business and benefit from opportunities in the current environment.

Key strategic highlights for the year were:

- Enhancing digitalization and process efficiency in our investment organization (implementation of refined scores and new Research Management system)
- Initiation of our first graduate program (new hires from Universities) with a highly diverse team of talented young professionals
- ESG

### **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 related to 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 84,363 K compared to DKK 71,147 K in 2022. The net profit for the period is deemed to be satisfactory.

Distribution to owners in 2023 amounts to DKK 30,000 K.

After transfer of the net result for the period, the equity is DKK 79,666 K as per December 31, 2023.

### **Subsequent Event**

No events have occurred after the balance sheet date which significantly affects the Company's financial position as of December 31, 2023.

### Outlook for 2024

Although we are respectful of the prevailing geopolitical uncertainties and likely continued high market volatility we believe we operate in a very attractive industry. The trend to diversify institutional and private wealth portfolios more into alternative asset classes (private equity, private debt, infrastructure etc.) provides a solid backdrop for continued strong support of the asset classes we manage.

We also believe, that attractive industry fundamentals cause increased competition going forward and require us to continue to invest in our platform to be well-prepared for the future. This requires further investments into technology, ESG and scaling the size of our organization to compete effectively in our markets. With the efforts and investments we have already made during the last years, we believe we have laid a solid foundation for a successful journey for the years to come.

### 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 perform its activities at all times. We are able to access the systems remotely and on-premise in a seamless way.

### Knowledge resources

Capital Four's core business is the management of assets in high yield credit strategies. This requires a high level of knowledge and competencies in the organisation. The employees are therefore characterized 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 reward employees with competitive remuneration consisting of a fixed salary and bonus scheme, which is determined, inter alia, from the results achieved.

### Social Gender diversity

Social Gender diversity on the Board of Directors (w/m%) 0% in 2023 (0% 2022).  
Gender diversity of Board of Management and persons reporting to BoD (w/m%) 25% in 2023 (25% 2022).  
Gender diversity in senior leadership positions (w/m%) 23% in 2023 (23% in 2022).

### Board of Directors, proposed dividend

The Board of Directors proposes a dividend of DKK 52,000 K at the company's annual general meeting.

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# Income and Comprehensive Income Statement

## January 1 - December 31, 2023

Notes	Amounts in DKK'000	1/1/23- 12/31/23	1/1/22- 12/31/22
3	Administration fees	281,441	221,961
4	Staff costs and administrative expenses	-168,845	-130,174
	<b>Profit before financials</b>	<b>112,596</b>	<b>91,787</b>
5	Financial income	577	-
6	Financial expenses	-84	-46
7	Value adjustment	-114	-173
	<b>Profit before tax</b>	<b>112,975</b>	<b>91,568</b>
8	Taxes	-28,612	-20,421
	<b>Profit for the year</b>	<b>84,363</b>	<b>71,147</b>
	Comprehensive income	-	-
	<b>Total comprehensive income</b>	<b>84,363</b>	<b>71,147</b>
	<b>Allocation of the result</b>		
	Proposed dividend	52,000	36,000
	Paid, interim dividend	30,000	31,000
	Accumulated result	2,363	4,147
	<b>Total allocation</b>	<b>84,363</b>	<b>71,147</b>

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# Balance Sheet as of December 31, 2023

## Assets

Notes	Amounts in DKK'000	1/1/23- 12/31/23	1/1/22- 12/31/22
	Receivables		
	Receivables from managing departments	88,810	58,866
	Other assets	126	306
	Tax assets	-	-
	Deferred tax	1,301	1,558
	Prepayments	2,832	3,111
	<b>Total receivables</b>	<b>93,069</b>	<b>63,841</b>
9	Cash	35,243	27,544
	<b>Total assets</b>	<b>128,312</b>	<b>91,385</b>

## Liabilities & Equity

Notes	Amounts in DKK'000	1/1/23- 12/31/23	1/1/23- 12/31/23
10	Share capital	1,600	1,600
	Retained earnings	26,066	21,435
	Thereof proposed dividend	52,000	36,000
	<b>Total equity</b>	<b>79,666</b>	<b>59,035</b>
	Payable:		
	Tax liabilities	3,059	5,696
	Other	45,587	26,654
	<b>Total payables</b>	<b>48,646</b>	<b>32,350</b>
	<b>Total liabilities &amp; equity</b>	<b>128,312</b>	<b>91,385</b>
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 as of December 31, 2023

Amounts in DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Formation as of 1/1/22	1,600	14,690	33,000	49,290
Comprehensive income for the period	-	4,147	67,000	71,147
Change in equity, for the period:				
Distribution to owners	-	-	-64,000	-64,000
Issue of restrictive stock awards	-	2,598	-	2,598
<b>Equity as of 12/31/22</b>	<b>1,600</b>	<b>21,435</b>	<b>36,000</b>	<b>59,035</b>
Formation as of 1/1/23	1,600	21,435	36,000	59,035
Comprehensive income for the period	-	2,363	82,000	84,363
Change in equity, for the period:				
Distribution to owners	-	-	-66,000	-66,000
Issue of restrictive stock awards	-	2,268	-	2,268
<b>Equity as of 12/31/23</b>	<b>1,600</b>	<b>26,066</b>	<b>52,000</b>	<b>79,666</b>

Since 2016 the parent company has issued yearly stock awards which gives the right to ordinary shares in the company at a given time 4 years after the grant date.

The stock awards are issued at 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 2023 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 recognized as earned, including value adjustments of financial assets and liabilities. In the Income Statement, all expenses, including depreciation and impairment losses, are recognized as well.

In the Balance Sheet, assets are recognized when the economic benefits are likely to be realized and when the asset value can be measured in a reliable manner. Liabilities are recognized when they are likely to be realized 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. Realized and unrealized exchange gains and losses are recognized 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 recognized as income when the Company obtains definitive rights to the fee.

**Value adjustments**

Realized and unrealized capital gains and losses are recognized 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 recognized 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 recognized in the income statement, and the tax relating to equity transactions are directly recognized 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/amortization.

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.

The higher of the net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the disposal of the asset or group of assets after the expiry of their useful lives.

**Other assets**

Receivables and receivables related to fees for portfolio management are measured at amortized 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 recognized at their fair values and subsequently at amortized cost.

**Equity and dividend**

The proposed dividend for the financial year is recognized 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 recognized as a change in equity in other reserves.

**Current and deferred taxes**

Current tax payable and receivable is recognized 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 on operations nor 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 recognized at the value at which they are expected to be utilized, 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 realizable values.

Expenses that are not due until the subsequent reporting year are recognized 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	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/21- 12/31/21	1/1/20- 12/31/20	1/1/19- 12/31/19
Administration fees	281,441	221,961	197,078	171,959	163,718
Staff costs and administrative expenses	168,845	130,174	112,090	86,975	80,241
Profit before financials:	112,596	91,787	84,988	84,984	83,466
Profit before tax	112,975	91,568	84,785	84,588	83,276
Profit for the year	84,363	71,147	65,909	65,808	64,852

	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
Equity	79,666	59,035	49,290	47,654	40,964
Total assets	128,312	91,385	75,468	67,278	68,710

Own funds in relation to minimum capital requirement	29.72	24.70	17.50	14.10	11.78
Solvency ratio	184.3%	146.4%	138.8%	137.6%	103.30%
Return on equity before tax	162.9%	169.1%	174.9%	190.9%	190.7%
Return on equity after tax	121.6%	131.4%	136.0%	148.5%	148.5%
Number of funds under administration	12	12	12	11	7
Number of departments under administration	23	17	17	16	13
Assets under administration	8,261,357	8,203,052	10,734,619	12,000,223	15,541,040

Amounts in DKK'000	1/1/23- 12/31/23	1/1/22- 12/31/22
<b>3 Administration fees</b>		
Capital Four Invest	40,471	46,606
Strategic Lending Fund	2,446	3,168
Other (not subject to Alternative Investment Fund Act.)	238,524	172,187
<b>Total</b>	<b>281,441</b>	<b>221,961</b>
<b>4 Staff costs and other administrative expenses</b>		
Fees paid to Board of Directors	385	350
Board of Management, fixed salary	3,441	4,105
Salary risk-takers, fixed salary	3,235	2,916
<b>Total</b>	<b>7,061</b>	<b>7,371</b>
Salaries and remuneration to the Board of Management, the Board of Directors and employees with influence on risk		
Staff salaries	64,988	46,400
Staff pension	5,067	4,614
Social security costs	1,653	1,129
Payroll tax	9,087	6,448
<b>Total staff costs</b>	<b>87,856</b>	<b>65,962</b>
Fee for custodian	43,311	34,212
Other administrative expenses	37,678	30,000
<b>Total staff costs and administrative expenses</b>	<b>168,845</b>	<b>130,174</b>

Amounts in DKK'000	1/1/23- 12/31/23	1/1/22- 12/31/22
Average number of employees in the period		
Number of employees defined as risk-taskers:		
Board of Directors	3	3
Board of Management	2	2
Risktakers	4	4
<b>Total</b>	<b>9</b>	<b>9</b>

#### Audit fee

Fees for statutory audits of annual accounts	236	154
Fees for assurance engagements other than audit	34	33
Fees for tax advisory services	-	-
Fee for other services	-	-
<b>Total Audit fee</b>	<b>270</b>	<b>187</b>

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

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.

Capital Four AIFM A/S has entered into a Management Agreement with Capital Four Management Fondsmæglerselskab A/S according to which Capital Four Management Fondsmæglerselskab A/S perform services for Capital Four AIFM A/S. Employees' salaries are paid out by Capital Four Management Fondsmæglerselskab A/S and split between the two entities according to the Management Agreement. Consequently, the number of employees is disclosed in the Annual Account for Capital Four Management Fondsmæglerselskab A/S only.

Amounts in DKK'000	1/1/23- 12/31/23	1/1/22- 12/31/22
<b>5 Financial income</b>		
Intercompany interests	577.00	-
<b>Total</b>	<b>577.00</b>	<b>-</b>
<b>6 Financial expenses</b>		
Interest from credit institutions and central banks	-84	-46
<b>Total</b>	<b>-84</b>	<b>-46</b>
<b>7 Value adjustments</b>		
Currency adjustments	-114	-173
<b>Total</b>	<b>-114</b>	<b>-173</b>
<b>8 Taxes</b>		
Calculated tax for the period	28,355	20,546
Deferred tax, adjustment for the year	257	-125
<b>Total taxes</b>	<b>28,612</b>	<b>20,421</b>
Deferred tax asset January 1	1,558	1,433
Deferred tax, adjustment of the year	-257	125
Deferred tax, adjustment prior year	-	-
<b>Total deferred tax assets December 31</b>	<b>1,301</b>	<b>1,558</b>
The reconciliation:		
Current tax rate	25.3%	22.0%
Non-deductible items	0.3%	0.3%
<b>Average effective rate of tax</b>	<b>25.6%</b>	<b>22.3%</b>

**9 Cash**

Receivables from credit institutions on demand	35243	27544
Cash total	35243	27544

**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	1/1/23- 12/31/23	1/1/22- 12/31/22
<b>11 Contingent and contractual liabilities</b>		
Danish guarantee fund for depositors and investors	168	168
<b>Total guaranties</b>	<b>168</b>	<b>168</b>

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 0 K 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 2023 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	1/1/23- 12/31/23	1/1/22- 12/31/22
Capital Four Management Fondsmæglerselskab A/S	Affiliated company	Allocation of staff and admin costs	101,177	61,165
Capital Four US Inc.	Affiliated company	Allocation of staff and admin costs	-238	430
Capital Four Holding A/S	Affiliated company	Allocation of staff and admin costs	-	-
<b>Total</b>			<b>100,939</b>	<b>61,595</b>

#### 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	1/1/23- 12/31/23	1/1/23- 12/31/23
<b>15 Capital adequacy requirements</b>		
Capital adequacy requirements according to section 16 of the Alternative Investment Fund Managers, etc. Act		
<b>Capital requirement</b>	15,012	15,730
<b>Own Funds</b>		
Equity	79,666	59,035
Proposed dividend	-52,000	-36,000
<b>Own Funds</b>	<b>27,666</b>	<b>23,035</b>

#### 16 Risk management

The most significant operating risks for the company consist of:

- Loss of customers/Assets Under Management. This risk is minimized through: Contractually fixed minimum redemption periods and diversification of the customer base.
- Operational errors leading to losses. This risk is minimized 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.

### 17 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 2023).

- 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. (BM)

Torben Maggaard Skødeberg, ED (No Board of Directors remuneration has been paid by the company or other group companies for 2023).

- 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

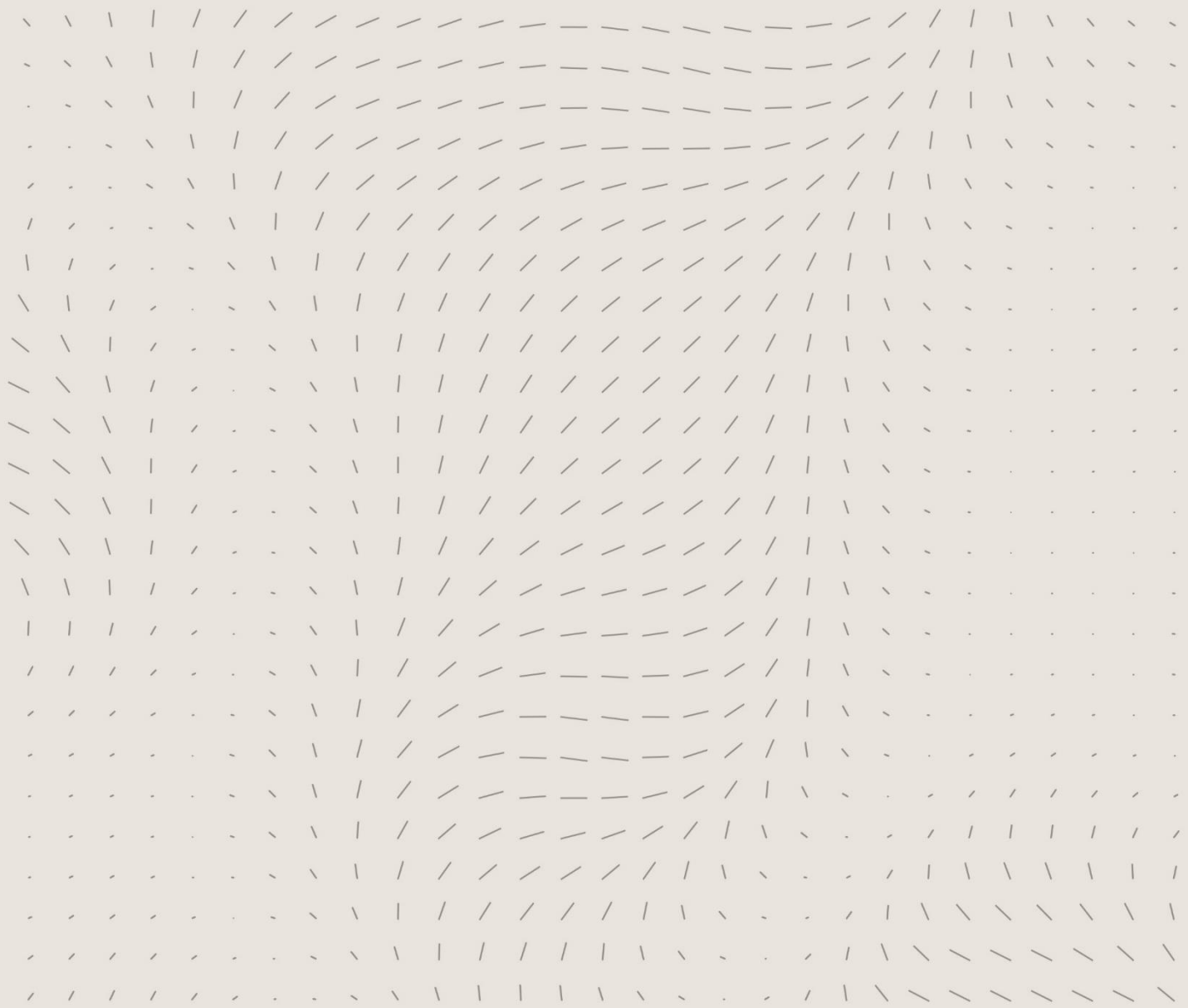
- Capital Four Holding A/S (BM)
- Capital Four Management Fondsmæglerselskab A/S (CM)
- Zira Invest II ApS (CEO+BM)
- Zira Invest III ApS (CEO+BM)
- Zira Invest IV ApS (CEO)
- Fast Ejendom Danmark A/S (CM)
- Friheden Invest A/S (CM)
- Friheden Invest Holding ApS (CM)
- Arvid Nilssons Fond (BM)
- JaJoPo 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)

Dominic Fry, Board member (No Board of Directors remuneration has been paid by the company or by other group companies for 2022).

- Riverbridge Partners LLC (BM)
- Vantage Infrastructure Holdings Limited (BM)
- Capital Four Holding A/S (BM)
- Capital Four Management Fondsmæglerselskab A/S (BM)
- Vantage Infrastructure (UK) Limited (BM)
- Capital Four US Inc. (Director)
- Capital Four CLO Management II K/S (BM)



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# CAPITAL FOUR

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