Heimdal Credit Fund K/S

Østbanegade 123
2100 København Ø

Annual Report

14 September 2023 - 31 December 2024

Business registration no. 44 30 73 67
1st financial year

The Annual Report was presented and adopted at the
Annual General Meeting of the Company on 4th July 2025

Chair of the General Meeting: Lydia Birch Lastein

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COMPANY INFORMATION

Company information

The Company	Heimdal Credit Fund K/S Østbanegade 123 2100 København Ø
Business registration no.	44 30 73 67
Date of foundation	14 september 2023
Financial year	1st financial year
Accounting period	14 September 2023 - 31 December 2024
Municipality	København
Board of Directors (General partner)	Jan-Erik Wölke, Chair Peter Rune Lilja Mads Larsen
Executive Board (General partner)	Lydia Birch Lastein
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR nr.: 33 77 12 31
Alternative Investment Fund Manager (AIFM)	Fokus Fund Management A/S Østbanegade 123 2100 København Ø
General partner	Heimdal Credit Fund GP ApS Østbanegade 123 2100 København Ø 44 30 16 36
Risk Management	Fokus Fund Management A/S Østbanegade 123 2100 København Ø
Depositary	Nordic Compliance Services A/S c/o DLA Piper Danmark Advokatpartnerselskab Oslo Plads 2 2100 København Ø
Fund Manager	Fokus Fund Management A/S Østbanegade 123 2100 København Ø
Termination date	8 years after Final Close 31-07-2034 Maximum extented period 31-07-2036

STATEMENTS

Statement by management on the annual report

The executive board has today discussed and approved the Annual Report of Heimdal Credit Fund K/S for the financial year 14 September 2023 - 31 December 2024.

The Annual Report has been prepared in accordance with the IFRS Accounting standards, as adopted by the EU and further disclosure requirements in the Danish Financial Statements Act and disclosure requirements in accordance with the Danish Alternative Investment Fund Managers Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2024 and of the results of the Company operations and cash flows for the financial year 14 September 2023 - 31 December 2024.

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

Management recommends that the annual report should be approved at the annual general meeting.

København, 4th July 2025

On behalf of the General Partner

Executive board

Lydia Birch Lastein

Director

Board of Directors

Jan-Erik Wölke Chair	Peter Rune Lilja	Mads Larsen

STATEMENTS

Independent Auditor's Report

To the shareholders of Heimdal Credit Fund K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations and cash flows for the financial year 14 September 2023 - 31 December 2024 in accordance with the IFRS Accounting standards as adopted by the EU and further requirements in the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act.

We have audited the Financial Statements of Heimdal Credit Fund K/S for the financial year 14 September 2023 - 31 December 2024, which comprise statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity, and notes, including material accounting policy information ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in 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.

Independent Auditor's Report (continued)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 4th July 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Business registration no. 33 77 12 31

Claus Christensen
State Authorised Public Accountant
mne33687

Jesper Otto Edelbo
State Authorised Public Accountant
mne10901

Management's review

Key activities
The Company's purpose is to generate returns on the limited partnership's share capital by making investments and carry out any business activities that, in the general partner's discretion, are related thereto.

Development in the year
The Company´s income statement of the financial year 14 September 2023 - 31 December 2024 shows a result of tDKK 18,034 and the balance sheet at 31 December 2024 shows a total of tDKK 617,577 and the equity of tDKK 615,609.

The Company has committed five investments for at total of tDKK 1,018,500. Four of the investmenst have been partly or fully drawn. The result for the year from ordinary activities are as expected and is considered satisfactory. For 2025, the Company expects to perform better than for 2024 and generate a result of between tDKK 40,000 to tDKK 45,000.

Uncertainty regarding recognition and measurement
In preparing the annual report, an assessment is made in connection with the recognition and measurement of loans, which involves estimates that are subject to a certain degree of uncertatinty.

Subsequent events
After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Investment guidelines
Investment strategy of the fund is to make investments in private debt within real estate construction and investments with the target of building a well-diversified portfolio across senior debt, junior debt, and project financing, while seeking stable risk-adjusted returns for the benefit of the Limited Partners.

The strategy is subject to the investment guidelines concerning limits for investment types, property types and location. Further, no investments may be made which have an implied rating below investment grade.

Investments and activities planned for 2025
Focus for the coming year will be on committing investments for the remaining uncalled capital as well as fundraising.

Unusual circumstances affecting recognition and measurement
The annual report is not affected by unusual circumstances as the investments (assets) are recognized at amortised cost value.

Information in relation to the Alternative Investment Fund Managers Act
Alternative investment funds must make several disclosures in connection with their financial statements, according to the Alternative Investment Fund Managers Directive Article 22.

Since the establishment of the Company there have been no changes in the matters below during the reporting period:
- The fund's investment strategy
- The total committed capital
- Arrangements for managing the fund's liquidity
- The fund's risk profile and risk management systems

Management's review (continued)

Supplementary report - Periodic disclosure for Article 8 Financial products
Heimdal Credit Fund K/S is an article 8 fund under the Sustainable Finance Disclosure regulation (EU)2019/2088 ("SFDR").

The fund does not make sustainable investments as defined in article 9 of the SFDR. The fund has defined its own environmental and social key performance indicators ("KPI's"). Alignment with the KPI's and sustainability performance is reported in the periodic reporting referred to in the SFDR, which is attached to the annual report.

Corporate social responsibility
In line with the LPA the manager has established policies, procedures, and systems to ensure the integrity of its operations which the fund adheres to. The manager is committed to mitigating risks in all compliance areas such as anti-money laundering, terrorism financing, antibribery and corruption. Know your customer procedures are an integral part of the investment process for the assets/investments as well as for the investors.

Statutory report cf. section 99a of the Danish Financial Statements Act:
For the funds statutory statement on ESG in accordance with section 99a in the Danish Financial Statements Act, please refer to its manager Fokus Fund Management's ESG report published on the website (https://fokusnordic.com/sustainability/#report).

Statutory report cf. section 99d of the Danish Financial Statements Act:
The Fund Manager has established the relevant GDPR and IT Security policies.

The Fund is required to undertake a KYC clearance of all borrowers as part of the investment process. The Fund Manager has delegated the KYC process to a third party, with whom the Fund Manager has entered into a separate agreement regarding data processing of such relevant data.

MANAGEMENT'S REVIEW

Financial highlights

The Company's key figures are as follows:
Key figures are presented in tDKK.*

	14.09.2023 - 31.12.2024
Income statement	
Revenue	25,256
Gross profit	24,227
Profit/loss before net financials	17,788
Net financials	246
Profit/loss for the year	18,034
Balance	
Balance sheet total	617,577
Investments	607,612
Equity	615,609
Cashflows	
Operating activities	-591,603
Financing activities	597,575
Key figures	
Gross profit (%)	95.92
Profit margin (%)	71.40
Operating margin (%)	70.43
Return on assets (%)	2.88
Equity ratio (%)	99.68
Return on equity (ROE) (%)	5.86

FINANCIAL STATEMENTS

Statement of comprehensive income 14 September 2023 - 31 December 2024

tDKK	Note	14.09.2023 - 31.12.2024
Interst income using the effective interest method	1	25,256
Fee income	1	45
Management fee	1	-1,074
Gross profit		**24,227**
Other external expenses	3	-6,439
Profit/loss before net financials		**17,788**
Financial income	4	251
Financial expenses	5	-5
PROFIT/LOSS FOR THE YEAR		**18,034**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**18,034**

FINANCIAL STATEMENTS

Balance sheet at 31 december

tDKK

	Note	2024
ASSETS		
Non-current portion of loans and advances to investees measured at amortised cost	10, 11	543,987
Non-current financial assets in total		**543,987**
NON-CURRENT ASSETS IN TOTAL		**543,987**
Current portion of loans and advances to investees measured at amortised cost	10, 11	63,625
Trade receivables		2,949
Other receivables		1,044
Receivables in total		**67,618**
Cash and cash equivalents		5,972
CURRENT ASSETS IN TOTAL		**73,590**
ASSETS IN TOTAL		**617,577**

FINANCIAL STATEMENTS

Balance sheet at 31 december

tDKK

	Note	2024
EQUITY AND LIABILITIES		
Capital contributions from limited partners	8	597,575
Retained earnings		18,034
EQUITY IN TOTAL		**615,609**
Trade payables		185
Other payables		153
Deferred income liability		1,631
Current liabilities in total		**1,968**
TOTAL LIABILITIES		**1,968**
EQUITY AND LIABILITIES IN TOTAL		**617,577**

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FINANCIAL STATEMENTS

Statement of changes in equity at 31 december

tDKK	Contributed capital	Retained earnings	Total
Contributed portion of the committed capital	730,575	0	730,575
Repaid contributed capital to PenSam:	-133,000	0	-133,000
Net profit/loss for the year	0	18,034	18,034
Total comprehensive income for the year	**0**	**18,034**	**18,034**
Equity at 31 December 2024	**597,575**	**18,034**	**615,609**

FINANCIAL STATEMENTS

Statement of cash flows

tDKK	Note	14.09.2023 - 31.12.2024
Operating activities		
Profit/loss before net financials		17,788
Disbursement of loans to investees		-596,686
Change in net working capital	9	-12,951
Cash flow from operations before financial items		**-591,849**
Financial income received		251
Financial income paid		-5
Cash flow from operating activities		**-591,603**
Financing activities		
Receipt of contributed capital from limited partners		730,575
Distributions paid to limited partners		-133,000
Net increase in cash and cash equivalents		**597,575**
Change in cash and cash equivalents		**5,972**
Cash and cash equivalents at 14 September 2023		0
Cash and cash equivalents at 31 December		**5,972**

FINANCIAL STATEMENTS

Notes

tDKK

1. Gross profit

Interest income under the effective interest rate method	25,256
Of which:	
Transaction fee	*2,148*
Commitment fee	*85*
Debt administration	45
Management fee	-1,074
Total revenue	**24,227**

Transaction fee is paid on the first disbursement day of the loan. The fee covers the due diligence, the investment decision process and the preparation of loan and security documentation.

Commitment fee is paid as a percentage on the undrawn commitment towards borrowers. The fee is typically charged in arrears on a quarterly basis.

Transaction fees and commitment fees that are originating from disbursement of the loans are amortised via the effective interest. This includes fees payable by the borrowers and the management fee paid by the fund which arises on disbursement of the loan.

2. Personnel expenses

The company has no employees in the financial year. The General Partner was remunerated with DKKt 23 from the Company which among other things covers the executive board and board of directors in the General Partner.

With regard to information on remuneration to the Executive Management and to employees with a material impact on risk-taking (material risk takers), reference is made to the Annual Report of Fokus Fund Management A/S, Business Registration No. 26564743.

The adopted remuneration policy has been made publicly available (https://fokusnordic.com/fund-management/) and has been prepared in accordance with applicable regulations, including the Danish Executive Order on remuneration policy and disclosure requirements for managers of alternative investment funds, etc. The policy is intended to ensure transparency and to promote sound and effective risk management.

No carried interest has been paid out by Heimdal Credit Fund K/S during the relevant financial period.

3. Other external expenses

Management fee	-1,531
Administration costs	-4,908
Total other external expenses	**-6,439**

Management fee calculated as a percentage of the committed capital is not included in the effective interest rate. This is recognised as incurred as external expenses. The total management fee paid amounts to DKKt 6,277.

Fees paid to auditors appoined at the annual general meeting	
Statutory audit services	-40
Audit fees in total	**-40**

Notes (continued)

tDKK

4. Financial income

Other financial income	251
Financial income in total	**251**

5. Financial expenses

Other financial expenses	-5
Financial expenses in total	**-5**

6. Related parties

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5 of the share capital:

PenSam Pension forsikringsaktieselskab, CVR-nr. 14638903

Subsequent event

On 1 January 2025, a Finnish pension fund became an investor in Heimdal Credit Fund. This event is considered a non-adjusting event after the reporting period.

Transaction with related parties:

During the year, the company has had the following transactions with related parties

PenSam Pension forsikringsaktieselskab, CVR-nr. 14638903	
Drawn contributed capital:	730,575
Repaid contributed capital to PenSam:	-133,000
Heimdal Credit Fund GP ApS, CVR-nr. 44301636	
Transactions with the General Partner:	-23
Total transaction with related parties	**597,552**

7. Contingent assets, liabilities and other financial obligations

The company has not undertaken any securities, guarantee, rental and leasing obligations or other obligations beyond what is stated in the accounts.

8. Committed capital

The company has a partnership agreement with PenSam Pension forsikringsaktieselskab with a Total commited capital of DKK 2.0 billion. As of December 31, the company has drawn DKK 606 million of which DKK 8 million has been repaid to PenSam.

Total committed capital	2,000,000
Not drawn committed capital	1,402,425
Total drawn committed capital	**597,575**

FINANCIAL STATEMENTS

Notes (continued)

tDKK

9. Statement of cash flow - Change in net working capital

Trade receivables	-2,949
Other receivables	-1,044
Trade payables	185
Other payables	153
Deferred income liability	1,632
Capitalised interest	-10,927
Total change in net net working capital	**-12,951**

10. Loans and advances to investees measured at amortised cost

Long term: Maturing after more than 5 years	0
Medium term: Maturing between 1 and 5 years	543,987
Long term total	**543,987**
Short term: Maturing within 12 months after the reporting date	63,625
Total investment	**607,612**

Loan type	**Outstading excl. Cap. Interst**	**Capitalised Interst**	**Incl. Cap. Interest**	**Interest recieved**
Senior loan	533,298	7,716	541,013	12,096
Construction loan	63,388	3,211	66,599	0
Total loan segmentation	**596,686**	**10,927**	**607,612**	**12,096**
Property category				
Logistic	179,923	5,229	185,151	3,736
Office	416,763	5,698	422,461	8,361
Total property category segmentation	**596,686**	**10,927**	**607,612**	**12,096**
Geographic				
Copenhagen	536,139	7,850	543,987	12,096
Other	60,548	3,077	63,625	0
Total geographic segmentation	**596,686**	**10,927**	**607,612**	**12,096**

All investments are based on a floating reference rate such as CIBOR 3m. They all have a bullet repayment with a maturity raising from 1 to 3 years. The fair value of the investments as per 31 December 2024 was DKK 597.3 million. This is classified as a level 3 instrument, as there are no market data available for calculation of the fair value.

For valuation purposes a DCF approach is used. The valuation method is based on an estimation of the present value of the expected future cash flows generated by the loans. Present value is found by discounting the expected cash flow, using a relevant market-based rate of return, which represents the average investor's required rate of return for investing in a comparable asset with a comparable risk profile.

Notes (continued)

tDKK

11. Amortised cost

The loans are classified and measured at amortized cost. This is on the basis that the company holds these loans in a held-to-collect business model, with the intention of holding the loans to maturity, and the contractual payments on the loans are deemed to constitute solely payments of principal and interest.

Per the terms of the loan agreements with the borrowers, an upfront fee was charged to the borrowers upon disbursement of the loans. These fees are considered to be earned in relation to the recognition of the loans and consequently an integral part of the effective yield. As such, they will be recognised as income over the term of the loan as an adjustment to the effective interest rate in accordance with IFRS 9.

The terms of the agreements also entitle the Fund to a commitment fee based on the undrawn amount of the facility. Where it is probable that the loan commitment will be utilised, these fees are deemed integral to the effective interest rate of the resulting loan, and therefore recognised over its expected life using the effective interest rate method. Where this is the case, amounts received from prospective borrowers are initially recognised as deferred income on receipt, before being transferred to the carrying amount of the resulting loan on draw-down and recognition of the loan asset.

Likewise, per the terms of the Fund's agreement with the Fund Manager, an upfront payment was incurred to the Fund Manager upon disbursement of the loans. This is incurred to compensate the Fund Manager for its services in arranging and negotiating the loans. This cost is considered an incremental cost, directly attributable to the origination of the loans, that would not have been incurred if the loan had not been originated. These transaction costs are added to the initial measurement of the loans and subsequently expensed to the P&L via the effective interest method.

12. Financial risk

The General Partner is ultimately responsible for the overall risk management for the Company but has delegated the responsibility to the Fund Manager.

The Company invests according to the investment guidelines which is an integral part of the Limited Partnership Agreement (“LPA”).

The Fund Manager has defined several risk limits / adopted a risk management framework for the Company. The risks are identified and will be measured, reported, and mitigated to minimize their potential adverse impact on the Company’s performance.

The Company is exposed to the following financial risks, highlighted below:

Interest risks

All investments are based on a floating rate. All changes in the reference interest rate feed through the charged interest on the loans. Therefore, the interest risk is assessed as low. However, an increase in reference rates would negatively impact the borrowers' Interest Coverage Ratio (ICR) and possibly their ability to fulfill the ICR covenants.

Credit risks

The Fund is exposed to credit risk related to bankruptcy of a financial institution in which the fund has its placed securities such as pledged accounts and own funds. The risk is mitigated by the condition that pledged accounts with a balance more than DKK 25m must be placed in a SIFI bank. Further, the Company distributes any excess liquidity to the investors on a quarterly basis. The maximum exposure to credit loss in relation to the Company's financial assets is DKKt 617,577.

In addition, the nature of the fund's investments entails accepting a certain level of credit risk. The risk is mitigated by extensive investment guidelines and portfolio management requirements. The investment guidelines only allow investments with investment grade, and as a result the portfolio rating is between A- and BBB (Standard & Poor’s).

Notes (continued)

tDKK

A reassessment of the rating has been made on each loan in connection with the annual report. There are no significant changes in the rating and the creditworthiness of the borrowers is therefore not considered to have changed significantly in relation to the date of disbursement. As a result, none of the loans are judged to have experienced a significant increase in credit risk. At present, there are no other factors that have given rise to uncertainty about credit quality.

The fund also issues loans with a security structure that minimizes the risk as best as possible. The standard security package includes the following collaterals: mortgage pledge in the real estate, pledge of the shares in the borrower, pledge of rent accounts and other relevant accounts, assignment of insurance, lease agreements and construction contracts (for construction loans) applies to all the investments. Some of the investments also have guarantees. The investment guidelines accept a maximum LTV of 75%, and the fund manager has incorporated satisfied covenants in all investments, making the manager able to act at an early stage in case of a potential breach of covenants.

Against this background and with the established security structures, expected credit losses have been evaluated to materially nil, and as such no write-downs or provisions have been made.

Liquidity risks
The Company is exposed to liquidity risk resulting from borrowers electing to draw down on loan commitments provided by the Company. Total undrawn loan commitments provided by the Company as at 31 December 2024 amounted to tDKK 418,000. [Borrowers must provide the Company with 10 business days' notice for additional draw downs]. The Company is able fund any such draw downs by calling additional capital from its investors. Investors must provide called capital within a 10 business days' period. Total uncalled committed capital as at 31 December 2024 amounted to tDKK 1,402,425, significantly in excess of the Company's undrawn loan commitments. Since the investor is an institutional investor, the risk of the investor not being able to honour its pledged capital is deemed insignificant. Further, a liquidity buffer of DKK 1m is maintained to fulfill the running operation of the fund. As such, liquidity risk is assessed as low.

13. Subsequent events
After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

FINANCIAL STATEMENTS

Accounting policies

Reporting class

The annual report of Heimdal Credit Fund K/S for 2024 has been prepared in accordance with the provisions of the IFRS Accounting Standards which are adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act governing reporting class C (large) enterprises and disclosure requirements in accordance with the Danish Alternative Investment Fund Managers Act.

No comparative figures have been presented, as this is the company's first financial year. The fund was established on 14 September 2023 and elected to have a reporting date on 31 December 2024, subsequent annual reports will follow the calendar year.

The annual report for 2024 is presented in tDKK. DKK is the functional currency of the fund.

In general

Significant accouning judgments and estimates.
Expected credit losses being materially 0, please see Credit risk in note 12 for further explanation.

Basis of recognition and measurement
The financial statements are prepared on a historical cost basis.

Income statement

Revenue
The item includes interest income on the company's investments as well as various fees and commissions related to the company's primary activity, much of which is accounted for via the effective interest rate.

Other external expenses
Other external expenses include legal costs related to establishment of fund, compliance costs, and costs incurred to the fund manager that are not incremental and directly attributable to the origination of the Company's loan investments.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on liabilities.

Tax on profit/loss for the year
The company is not an independent taxpayer, and the annual report does not include tax on the company's operating profit.

Accounting policies (continued)

Balance sheet

Investments

The loans include lending for the purchase, refinancing, and/or development of investment properties.

The loans are recognized on the disbursement date at fair value. Subsequently, the loans are measured at amortized cost.

Receivables

Receivables are measured at amortized cost. It corresponds to nominal value, reduced by write-downs and provisions to counter expected credit losses. However, no write-downs have occurred, and expected credit loss provisions are determined to be 0.

Cash and cash equivalents

Cash includes bank balance and is measured is at amortised cost which is equal to nominal value. Expected credit losses on the cash at bank are determined to be 0, since the cash is placed at a well-capitalised, regulated bank.

Equity

Capital committed from the investors is recognized as Capital/Contributed capital.

The contributed capital entitles the investors to a pro rata share of the fund's net assets in the event of liquidation. There is no carried interest arrangement in respect of the general partner.

The fund is considered to be a limited life entity as a result of the terms and conditions included in the Limited Partnership Agreement. Liquidation is therefore considered to be predetermined.

There is only a single class of contibuted capital, which caries an identical obligation to deliver a pro rata share of the fund's net assets on liquidation. Moreover, the fund does not have any other financial instrument or contract that has either total cash flows based substantially on (i) profit or loss, the change in recognised net assets or the change in the fair value of the net assets of the fund, nor (ii) the effect of substantially restricting or fixing the residual return to the unity/share holders.

As such, despite the predetermined liquidation, the contributed capital is deemed to qualify for equity classification by exception in accordance with IAS 32.16C'.

Statement of cash flows

The cash flow statement of the Company is presented using the indirect method and show cash flows from operating, investing and financing activities as well as the Company's equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and payment of distributions to Limited Partners.

Cash at bank and in hand comprise cash at hand and bank accruals.

Accounting policies (continued)

Financial highlights

Gross profit =	$\dfrac{\text{Gross profit}}{\text{Revenue}}$	x 100
Profit margin =	$\dfrac{\text{Profit/loss for the year}}{\text{Revenue}}$	x 100
Operating margin =	$\dfrac{\text{Profit/loss before net financials}}{\text{Revenue}}$	x 100
Return on assets =	$\dfrac{\text{Profit/loss before net financials}}{\text{Balance sheet total}}$	x 100
Equity ratio =	$\dfrac{\text{Equity}}{\text{Balance sheet total}}$	x 100
Return on equity (ROE) =	$\dfrac{\text{Profit/loss for the year}}{\text{Average equity}}$	x 100

ANNIX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Heimdal Credit Fund K/S
Legal entity identifier: 984500BDF5783EEFA130

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ **It promoted Environmental/Social (E/S) characteristics and** while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ With a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

	Asset types	Characteristics	KPI	Criterion	Threshold value (%)	Target achievement (%)
Sociale	All assets	Tax policy and justice	Collective agreement-like terms, or better.	Collective agreement-like terms, or better.	100	100
			No aggressive tax planning	No aggressive tax planning	100	100
Envirmental	All assets	Climate change resilience	Climate risk assessment	Evaluation of data sources	100	100
	Construction of new assets	Sustainable design and construction	Certification	Recognized building certification	28	47
			Life cycle assessment performed and documented	Completed LCA 6,9 kg co2-eq/m2/year 9,96 kg co2-eq/m2/year	47	35
			Life cycle costs examined and documented	Completed LCC	28	35
			Avoid toxic materials	Within the threshold values for volatile organic compounds	28	35
	Standing assets	Energy efficiency	Energy Performance certificate/improvement of Energy Performance certificate	Energy label of D or higher after implementing cost-effective savings measures. Alternatively, a plan to improve the existing level by 2 steps.	37	41
			Greenhouse gas emissions	Calculated CO2 emissions	37	41
			Actual energy consumption	The borrower can provide data on this	37	53
			Renewable energy consumption	The building does not use oil for energy, unless a phase-out plan exists.	37	41

<u>Tax policy and justice</u>

All borrowers with approved loans meet the requirements concerning:

- to comply with Danish legislation and ensure that their employees receive wages, working hours, and other employment conditions that are no less favorable than those applicable to similar work under a collective agreement concluded by the most representative labour market parties within the relevant sector in Denmark, and which applies across the entire Danish territory.

- not to engage in aggressive tax planning, and all borrowers are subject to taxation in Denmark.

Thus, 100% of the Assets Under Management (AuM) fulfil this characteristic.

<u>Climate change resilience</u>

Sustainability due diligence has been conducted for all approved investments in 2024. The due diligence covers the identified sustainability risks: i) climate change, ii) environmental pollution, and iii) social risks. 100% of the AuM meet these characteristics.

<u>Sustainable design and construction</u>

The financed new construction projects are certified, and thus 100% of the AuM for new construction (corresponding to 47% of total AuM) meet this KPI.

Documentation has been received for LCA and LCC calculations as well as the use of harmful materials for 73% of the AuM for new construction (corresponding to 35% of total AuM). The remaining 27% of AuM are required to submit the requested documentation no later than at the time of drawdown on the construction loan.
Thus, 100% of the AuM for new construction (corresponding to 47% of total AuM) meet the characteristics for sustainable design and construction.

Energy efficiency

It has been assessed and documented whether the financed properties have an energy label and what their specific label is. 78% of the AuM for financed properties (corresponding to 41% of total AuM) meet the requirement of an energy label of D or better.

Greenhouse gas emissions have been calculated for the financed properties based on their energy labels. 78% of the AuM for financed properties (corresponding to 41% of total AuM) meet the requirement for calculated greenhouse gas emissions.

Data on actual energy consumption for the financed properties has been collected based on a "whole-building" approach. 100% of the AuM for financed properties (corresponding to 53% of total AuM) have provided actual energy consumption data.

Data on the use of renewable energy by the financed properties has also been collected. 78% of the AuM for financed properties (corresponding to 41% of total AuM) have submitted data on renewable energy consumption.

How did the sustainability indicators perform?

Climate change resilience

The sustainability due diligence conducted for each individual investment identified a minor climate-related flood risk in one case. In collaboration with the borrower, the necessary measures were implemented, allowing construction to commence with only a slight delay.

Energy efficiency

78% of the AuM for financed properties have an energy label of C, while the remaining 22% do not have an energy label.

For the financed properties without an energy label, the plan is to deconstruct the existing buildings and construct residential housing. The preliminary plans for the new housing developments include DGNB certification.

Greenhouse gas emissions have been calculated based on the energy labels. These emission levels will be used in the future to help establish a benchmark.

100% of the AuM for financed properties have provided data on actual energy consumption. The objective of raising awareness of actual energy consumption through dialogue and a requirement to submit data has led to positive and constructive discussions. Borrowers who initially believed they could not provide the requested data have done so, nonetheless. The energy consumption levels will contribute to the forward-looking development of a benchmark.

All financed properties use district heating and do not utilise other sources of renewable energy. This KPI has not proven to contribute significantly to the selected characteristic and will be revised for the investment criteria in 2025.

Sustainable design and construction

100% of the AuM for the financed construction projects will be certified with either DGNB Gold or BREEAM Very Good.

The received documentation for the LCA calculations shows a climate impact ranging from 6.9 kg CO_2-eq per m² per year to 9.96 kg $CO_{2\text{-eq}}$ per m² per year, which is below the current threshold value of 12 kg CO_2-eq per m² per year for new buildings, according to BR18.

The received documentation for the LCC calculations, which reflect the total economic cost assessment, ranges from DKK 29,411 to DKK 32,062 per m². These cost levels will contribute to the development of a forward-looking benchmark.

Documentation on the use of harmful materials in the construction projects has not yet been received, as this is only measured upon project completion. Since the ongoing construction projects are being certified, the fund expects that no harmful materials are used, as this is a requirement for certification.

Tax policy and justice

The two KPIs under this characteristic are fulfilled through the commitments accepted by the borrower upon signing the Committed Term Sheet and later the loan agreement. 87% of the AuM are committed via a signed loan agreement, while 13% of the AuM are committed via a Committed Term Sheet.

87% of the AuM have confirmed these commitments in the compliance certificate as of 31 December 2024.

The remaining 13% of the AuM have accepted these commitments through the Committed Term Sheet. The conditions will be incorporated into the loan documentation

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

…and compared to previous periods?

Not relevant, as this is the first report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Not relevant

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not relevant

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

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

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

Not relevant

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Loan 1	***Office***	***41***	***DK***
Loan 2	***Office(construction)***	***25***	***DK***
Loan 3	***Logistics(Construction)***	***13***	***DK***
Loan 4	***Logistics***	***11.5***	***DK***
Loan 5	***Logistics(construction)***	***9.5***	***DK***

To comply with the EU Taxonomy, the criteria for **fossil gas** include limits on emissions and a requirement to transition to fully renewable energy or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management requirements.

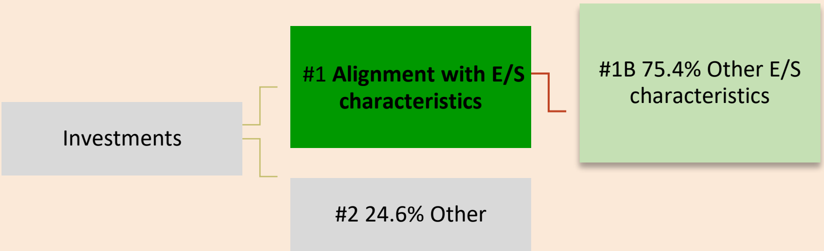
Enabling activities directly allow other activities to make a substantial contribution to an environmental objective.

Transitional activities are those for which low-emission alternatives are not yet available and which, among other things, have greenhouse gas emission levels that correspond to the best performance in the sector.

What was the proportion of sustainability-related investments?

Not relevant

What was the asset allocation?



#1B Other M/S characteristics include the investments within the financial product that are used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments within the financial product that are neither aligned with the environmental or social characteristics nor qualify as sustainable investments.

In which economic sectors were the investments made?

All investments have been made in the real estate sector.

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

Not relevant.

Did the financial product invest in activities related to fossil gas and/or nuclear energy that are aligned with the EU Taxonomy[1]?

☐ Yes:

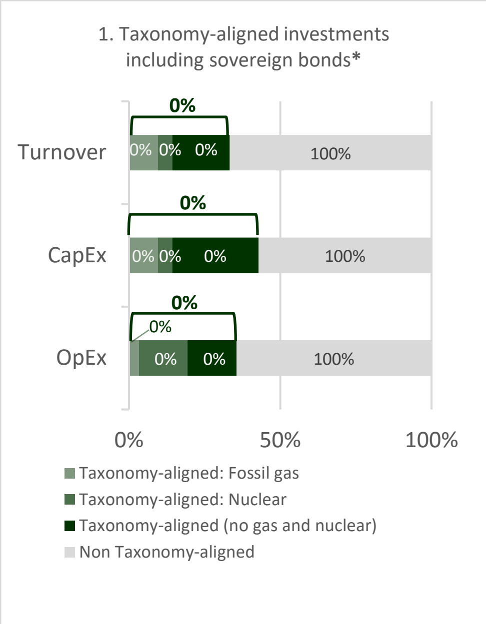
☐ In fossil gas ☐ In nuclear energy

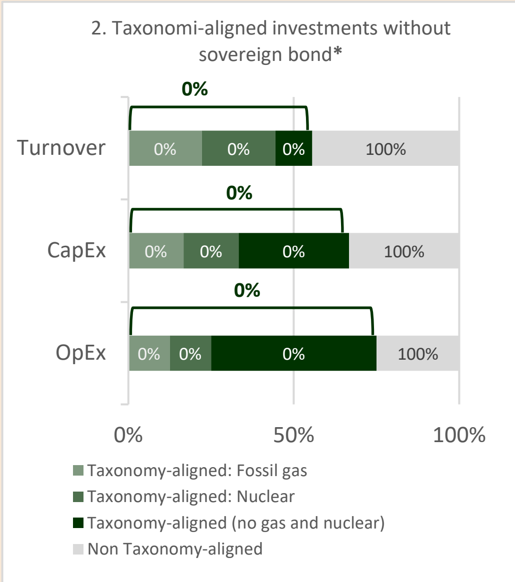
☒ No

[1] Activities related to fossil gas and/or nuclear energy will only be aligned with the EU Taxonomy where they contribute to climate change mitigation and do not significantly harm any other EU Taxonomy objective — see explanatory note in the left margin. The full criteria for economic activities related to fossil gas and nuclear energy that are aligned with the EU Taxonomy are set out in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show, in green, the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate method for determining the taxonomy alignment of sovereign bonds, the first graph shows the taxonomy alignment relative to all investments in the financial product, including sovereign bonds, while the second graph shows the taxonomy alignment relative only to investments in the financial product excluding sovereign bonds.*





This graph represents 100% of the total investments.

* *For the purpose of these graphs, "sovereign bonds" include all government-related exposures*

The fund has not screened the approved investments for alignment with the EU Taxonomy, as it is not the fund's ambition to make taxonomy-aligned investments.

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

Not relevant

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

Not relevant

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

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

Not relevant

What was the share of socially sustainable investments?

Not relevant

Which investments were included under "other," what was their purpose, and were there any minimum environmental or social protection measures ?

Investments classified as “other” are those that only partially meet the defined characteristics. All investments comply with the requirements related to tax policy, justice, and climate change resilience.

However, certain characteristics, although it is the fund’s general ambition to invest in assets that promote sustainable characteristics, cannot be sufficiently documented to categorize the investment as promoting the fund’s characteristics.

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

Not relevant

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

Not relevant

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
- ***How did this financial product perform compared with the reference benchmark?***
- ***How did this financial product perform compared with the broad market index?***

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Peter Rune Lilja
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Bestyrelsesmedlem
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Jan-Erik Wölke
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