ACCUNIA FONDSMÆGLERSELSKAB A/S

Store Regnegade 5, 1, 1110 Copenhagen K

Business Registration Number 31 41 98 59

ANNUAL REPORT

1 JANUARY – 31 DECEMBER 2021

The Annual General Meeting adopted the annual report on / 2022

Chairman of the General Meeting

Contents

Company details

Company

Accunia Fondsmæglerselskab A/S

Store Regnegade 5, 1.

1110 Copenhagen K

Business Registration No. 31 41 98 59

Registered in: City of Copenhagen, Denmark

Phone: +45 33 32 70 70

Internet: www.accunia.com

E-mail: info@accunia.com

Board of Directors

Peter Aandahl (Chairman)

Jørgen Clausen

Carsten Krogh Gomard

Allan Gross-Nielsen

Niels-Ulrik Mousten

Henrik Hoffmann

Executive Board

Henrik Nordby Christensen (Chief Executive Officer)

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Accunia Fondsmæglerselskab A/S for the financial year 01.01.2021 to 31.12.2021.

The annual report is presented in accordance with the Danish Financial Business Act.

In our opinion, the financial statements provide a true and fair view of the Investment Company's financial position at 31.12.2021 and of its financial performance for the financial year 01.01.2021 to 31.12.2021.

In our opinion, the management commentary contains a fair review of developments in the Investment Company's operations and financial matters, as well as a description of material risks and uncertainties by which the Investment Company may be influenced.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 25 March 2022

Executive Board

Henrik Nordby Christensen
Chief Executive Officer

Board of Directors

Peter Aandahl (Chairman)	Jørgen Clausen	Carsten Krogh Gomard
Allan Gross-Nielsen	Niels-Ulrik Mousten	Henrik Hoffmann

Independent auditor's report

To the shareholder of Accunia Fondsmæglerselskab A/S

Opinion

We have audited the financial statements of Accunia Fondsmæglerselskab A/S for the financial year 01.01.2021 to 31.12.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including the summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2021 and of its financial performance for the financial year 01.01.2021 to 31.12.2021 in accordance with the Danish Financial Business 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 this auditor's 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in the preparation of 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 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 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 in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in the preparation of 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Business Act.

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

Copenhagen, 25 March 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Jens Ringbæk
State-Authorised Public Accountant
MNE-no. 27735

Lars Dalgaard Agersted
State-Authorised Public Accountant
MNE-no. 46258

Management commentary

Primary activities
The Company's focus is to provide asset management and investment services to high net worth individuals, mutual funds, companies and professional institutional investors as well as to serve as collateral manager for Accunia European CLO I DAC, Accunia Europe-an CLO II DAC, Accunia European CLO III DAC, Accunia European CLO IV DAC and future CLOs, it may engage in.

Focus is on opportunities in the credit space where we identify relative value and where the complexity premium is well-paid, and we have great experience investing in complex debt instruments such as Collateralized Loan Obligations, Asset Backed Securities, and Regulatory Capital.

Uncertainty relating to recognition and measurement
Please refer to note 2 of the financial statements for a description of accounting estimates. No recognition or measurement uncertainties are deemed to exist in relation to the presentation of the financial statements.

Unusual circumstances
No unusual circumstances have occurred during the year affecting recognition or measurement.

Development in activities and finances
Accunia Fondsmæglerselskab A/S' result after tax of was T.DKK 28,853 in 2021, compared to T.DKK 15,078 in 2020, which is considered a satisfactory result.

The year resulted in very positive client activity, and general stable positive credit markets. The average Accunia client credit portfolio gave a return of 8 pct. for the year wich is very satisfactory.

Accunia has now achieved broad fund platform with 6 specialized credit funds which will be the basis for.the growth in the coming years. Accunia Invest "High Yield" was the best performing European High Yield fund in Denmark in 2021 with a return of 7% for the year.

Sale and repurchase of own shares is described in note 20.

Events after the balance sheet date
There have been no events that materially affect the assessment of this Annual Report 2021 after the balance sheet date and up to today's date.

Expectations and other comments on the future
Accunia expect a result for 2022 in line with 2021 and expects the high activity to continue in 2022. Accunia plans to invest in accessing new institutional client segments. Furthermore, Accunia's investment funds are expected to experience more demand as an alternative to allocations in cash and mortgage bonds.

ESG Policy
Accunia has implemented an overall ESG-policy, which ensures that no direct investments are made in companies that pro-duce weapons, alcohol, tobacco, gambling or black energy, as well as in companies violating environmental, workers' and human rights policies. A screening process has been implemented for investments managed by third-party managers. This process will be improved an ongoing basis. Accunia is an UNPRI signatory.

Knowledge resources
Accunia Fondsmæglerselskab A/S has many employees holding specialist competencies in investment areas particularly, and continuous efforts are made to attract and retain staff with much experience and many professional skills. This is key in the Company's ability to continue to perform well and maintain its business foundation.

Once a year the Board of Directors evaluates the Investment Company's remuneration policy and, because of the Investment Company's size, it has decided not to appoint a remuneration committee. The remuneration policy is evident from the website www.accunia.com.

Specific risks
The primary risks are estimated to be related to the significance of financial market conditions to the Company's risk retention portfolio and returns for customers, which affect its earnings. Please refer to note 4 for further details on identified risks.

Branches
In 2021 Accunia Fondsmæglerselskab A/S established a branch in Helsinki, Finland. The branch consists of four full time employees serving clients in the Finnish market with Accunia's products. In 2021 revenue from the branch accounted for EUR 792.182 and a result before tax of EUR 303.268.

Management duties

Executive Board management duties

Henrik Nordby Christensen

Chairman of the Board:
Kapitalforeningen Accunia Invest

Member of the Board:
Core Bolig VI Investoraktieselskab Nr. 1
Core Bolig VI Kommanditaktieselskab
Ejendomsselskabet Ryesgade Kommanditaktieselskab

Executive in:
Accunia A/S
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S

Management duties – Board of Directors

Peter Aandahl

Chairman of the Board:
Accunia A/S
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S

Member of the Board:
Aandahl A/S
United Cargo Handling ApS
Letinvest ApS
Hansen Specialized Transportation ApS
17. December P/S

Executive in:
Aandahl A/S
United Cargo Handling ApS
Kamhusene ApS
Hansen Specialized Transportation ApS
PMHN AA ApS
Selecta Ejendomme ApS
PAA 001 IVS
Komplementarselskabet 17. december ApS

Jørgen Clausen

Chairman of the Board:
Buresø Invest ApS

Member of the Board:
Accunia A/S
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S
COOP Danmark A/S
COOP Holding A/S

Executive in:
Buresø Invest ApS

Management duties – Board of Directors (continued)

Carsten Krogh Gomard

Chairman of the Board:	*Executive in:*
Selma Diagnostics ApS	Carsten Gomard Holding ApS
IT-Universitetet	Carsten Gomard NewCo Holding 2 ApS

Member of the Board:
Accunia A/S
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S
ApS Komplementarselskabet Hillerød III
Brown Guy ApS
K/S Hillerød III
HØIBERG P/S
Høiberg Komplementar ApS
OmegaPoint AB
Grosser Emil Hjort og Hustru Therese Hjort, født Seidelins Legat

Niels-Ulrik Mousten

Chairman of the Board:	*Executive in:*
Investeringsforeningen Nykredit Invest	Netsuom ApS
Investeringsforeningen Nykredit Invest Engros	
Investeringsforeningen Nykredit Invest Balance	
Placeringsforeningen Nykredit Invest (Kapitalforeningen)	
Kapitalforeningen Nykredit Invest Engros	
Fondsmæglerselskabet CABA Capital A/S	
Sleipners ApS	
Sleipner Invest ApS	

Member of the Board:
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S
PFA Pension, Forsikringsselskab
PFA Holding A/S
Kapitalforeningen Carlsbergfondet
Advanced Cooling A/S
Advanced Cooling Investment A/S
AidanN ApS
Northern Horizon Capital A/S
Wide Invest ApS
Realdania
Missing Link ApS
Teal ApS

Management duties – Board of Directors (continued)

Henrik Hoffmann
Member of the Board:
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S
Sydbank A/S
Sirena A/S
Sirena Group A/S

Allan Gross-Nielsen
Chairman of the Board:
AS3 BtB A/S
MCE Holding A/S
MC Emballage A/S
MCE Ejendom A/S
Dansk Erhvervspsykologi A/S
GL21 I A/S
AS3 Norge
AS3 Finland

Executive in:
AS3 A/S
Ejendomsselskabet AAS A/S
Gross-Nielsen Holding A/S
Kysing A/S
Juni Invest 2020 ApS

Member of the Board:
Accunia A/S
Accunia Fondsmæglerselskab A/S
ACM Forvaltning A/S
AS3 A/S
Ejendomsselskabet AAS A/S
Kysing A/S
AS3 Sverige

The Board's proposed dividends
The Company propose pay tDKK 15.000 in dividend for the financial year 01.01.2021 to 31.12.2021.

Income statement and statement of comprehensive income for 2021

	Note	2021 DKK'000	2020 DKK'000
Financial income	7	14,581	14,502
Financial expenses	8	(4,212)	(4,441)
Net financial income		**10,369**	**10,061**
Fee and commission income		67,234	69,270
Fee and commission expenses		(447)	(576)
Net financial income, fee and commission income	**6**	**77,156**	**78,755**
Market value adjustments	9	(3,762)	(12,631)
Staff costs and administrative expenses	10	(34,883)	(45,455)
Depreciation and amortisation of tangible assets		(1,475)	(1,308)
Profit/loss before tax		**37,036**	**19,361**
Income tax	11	(8,183)	(4,283)
Profit for the year		**28,853**	**15,078**
Other comprehensive income		0	0
Comprehensive income for the year		**28,853**	**15,078**

Distribution of comprehensive income for the year

	2021	2020
Dividend for the financial year	15,000	0
Retained earnings	13,853	15,078

Balance sheet at 31.12.2021

	Note	2021 DKK'000	2020 DKK'000
Receivables from credit institutions and central banks	12	51,983	59,916
Bonds at fair value	13	56,123	54,272
Bonds at amortised cost	13	534,177	537,422
Intangible assets		37,209	37,209
Land and property	14	4,057	5,077
Other tangible assets	15	355	242
Deferred tax assets		24	9
Other assets	16	34,177	30,917
Prepayments		3,969	6,801
Total assets		**722,074**	**731,865**
Current tax liabilities		8,199	4,290
Other liabilities	17	445,218	488,182
Total liabilities		**453,417**	**492,472**
Share capital	18	12,980	12,980
Retained earnings		240,677	226,413
Proposed dividend		15,000	0
Equity		**268,657**	**239,393**
Total equity and liabilities		**722,074**	**731,865**
Other notes, including contingent liabilities	19-22		

Statement of changes in equity

2021	Share capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity at 01.01.2021	**12,980**	**226,413**	**0**	**239,393**
Profit/loss for the year	0	13,853	0	13,853
Proposed dividend	0	0	15,000	15,000
Other comprehensive income	0	0	0	0
Comprehensive income for the year	**0**	**13,853**	**15,000**	**28,853**
Paid dividend	0	0	0	0
Repurchase/sale of own shares	0	411	0	411
Capital increases or reductions	0	0	0	0
Equity at 31.12.2021	**12,980**	**240,677**	**15,000**	**268,657**

2020	Share capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity at 01.01.2020	**12,980**	**210,862**	**0**	**223,842**
Profit/loss for the year	0	15,079	0	15,079
Proposed dividend	0	0	0	0
Other comprehensive income	0	0	0	0
Comprehensive income for the year	**0**	**15,079**	**0**	**15,079**
Paid dividend	0	0	0	0
Repurchase/sale of own shares	0	472	0	472
Capital increases or reductions	0	0	0	0
Equity at 31.12.2020	**12,980**	**226,413**	**0**	**239,393**

Notes to the financial statements

Significant notes

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Notes

1. Accounting policies

The annual report is presented in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Credit Institutions and Asset Management Companies etc.

The financial statements have been presented in Danish kroner, rounded to the nearest thousand.

Changes to accounting policies

Applied accounting policies for 2021 have been changed due to the implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019. The regulation changes the methodology for calculating the capital base, capital requirement and capital ratios.

The changes will solely affect the Core Capital Ratio and the Capital Ratio.

The new methodology for calculating the key ratios:

$$Capital\ Ratio = \frac{Capital\ base}{Capital\ Requirement}$$

$$Core\ Capital\ Ratio = \frac{Core\ Capital}{Capital\ Requirement}$$

The methodology applied until 31.12.2020:

$$Capital\ Ratio = \frac{Capital\ base}{Total\ risk\ exposure}$$

$$Core\ Capital\ Ratio = \frac{Capital\ base}{Total\ risk\ exposure}$$

Comparative figures for previous periods have not been modified.

The capital requirement is calculated on the basis of K-factors which reflects risks the following three areas; risk associates with customer activity, risk associated with markets activities and counterparty risks.

Except the above, the financial statements have been presented applying the accounting policies consistently with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Investment Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Investment Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Investment Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at market value. However, intangible and tangible assets are measured at cost on initial recognition. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

The purchase and sale of financial instruments are recognised on the trading day, and such recognition ceases when the right to have cash inflow and outflow from the financial asset or liability has expired, or if such right has been transferred, and the Investment Company has transferred substantially all risks and rewards of ownership. The Investment Company does not apply the rules of classification of certain financial assets from fair value to amortised cost.

Translation of foreign currency

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement and statement of comprehensive income

Financial income, fees and commissions

Interest income and expenses are recognised in the income statement for the period in which they arise. Commissions and fees on services rendered over a period, e.g. fee on asset management, are accrued over the period. Fees for carrying out a certain transaction, e.g. commissions and custodian fees, are recognised as income/expenses, when the transaction is completed.

Staff costs and administrative expenses

Staff costs comprise salaries and wages as well as social security costs etc for the Investment Company's staff. Costs for services and benefits to the employees are recognised when achieved by the employee entitling them to the services and goods.

Depreciation and amortisation of tangible assets

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Fixtures and furnitures 3-5 years

Other tangible assets are impairment tested when there is evidence of losses, and the asset is written down to its recoverable amount which is the higher of net selling price and value in use.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a nature secondary to the Investment Company's activities.

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

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

When computing the current tax for the year, the tax rates and tax rules in effect at the balance sheet date are used.
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net assets.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets. At every balance sheet date, it is assessed whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

Balance sheet

Bonds at fair value
Bonds and mortgage bonds traded on active markets are measured at fair value. The fair value is calculated on the basis of the closing price on the market in question at the balance sheet date. Bonds redeemed are measured at present value.

If the market for one or more bonds or mortgage deeds is illiquid or if there is no publicly recognised price, the Investment Company will determine the fair value by using recognised valuation techniques. These techniques include the use of reference to similar new transactions among independent parties, reference to other similar instruments, analyses of discounted cash flows as well as other models based on observable market data.

Bonds that are obtained as a result of issuance of CLOs, where the agreement states that these are limited for trade, must be recognised and measured in accordance with IFRS 9. If these are possessed with the intention of enforcing the contractual conditions, and the resulting cash flows do not solely consist of principal instalments and interests, then they are measured through the income statement. The fair value is computed by discounting the future cash flows.

Bonds at amortised cost
Bonds with fixed maturity that the Investment Company intends, and is obliged as a collateral manager, to hold to maturity are classified as held-to-maturity bonds, if they fulfil the criterias of possession for enforcement of contractual conditions and that the cash flows solely consist of principal instalments and interests. Bonds classified as held-to-maturity are measured at amortised cost. Amortisation premiums or allowances are recognised in profit or loss under the effective interest method.

Receivables from credit institutions and central banks
Receivables from credit institutions and central banks include receivables from other credit institutions and time deposits with central banks. Receivables are measured at current value. Payables are measured at amortised cost.

Land and property
At first recognition, the lease asset concerning properties is measured at the present value of the lease liability, with addition of costs and prepayments. The rented property is subsequently measured at cost price less accumulated depreciation and amortization. Linear depreciation is charged over the expected rental period.
Depreciations are linear and based on the following expected rental period:

Leased properties	5 years

Leases for properties are assessed for impairment when there are indications of depreciation and is written down to the recoverable amount, which is highest of the net selling price and value in use.

Other tangible assets
On initial recognition tangible assets are measured at cost. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation.

Other assets
Other assets comprise other assets not belonging under other assets. Other assets include revenue not due until after the reporting period, retaining receivable financial income and dividends. On initial recognition, other assets are measured at cost, and subsequently at amortised cost.

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

Provisions
Liabilities, guarantees and other liabilities, which are uncertain in terms of amount or time of settlement, are recognised as provisions when it is probable that the liability will lead to an outflow of the Investment Company's financial resources, and the liability can be measured reliably. The liability is stated at present value of the costs that are necessary to meet the obligation. Liabilities due more than 12 months after the vesting period are discounted.

Other financial liabilities
Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Equity
Treasury shares
Acquisition and selling prices as well as dividend on treasury shares are recognised directly in retained earnings in equity.

Financial highlights
Financial highlights are compiled in accordance to the requirements of the Danish Executive Order on Financial Reports for Credit Institutions ans Investment Companies etc., as well as in accordance with the Recommendations & Ratios of CFA Society Denmark.

2. Significant judgements and estimates, assumptions and uncertainties

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

<u>CLO bonds at fair value</u>

As Collateral Manager, Accunia Fondsmæglerselskab A/S, is required to hold minium 5 pct. of the CLOs under management (hereafter "risk retention"). The aim of risk retention portfolios in securitisations is to impose on the CLO manager a share of risk in the structure. Risk retention exposures must not be hedged. The Collateral Manager has considerable risk retention exposures, for which reason the financial statements of the Collateral Manager may be expected to be heavily affected should generally serious adverse credit changes take place in the underlying assets of the structures. Determining credit impairment and calculating individual and collective impairment losses regarding the underlying loans in the CLO structure are subject to significant judgement and estimation in connection with the quantification of the risk of debtors' inability to honour their future obligations in whole or in part, as a result of which the bond series will sustain losses. Whether or not the ability to pay related to underlying loans is likely to deteriorate is subject to uncertainty and highly relies on judgement and estimation. According to IFRS 9 an assessment of each tranche in the CLO must be made to determine whether it shall be measured at fair value or amortised cost. The assessment is based on the credit risk of the underlying loan. The portfolio of CLO tranches measured at fair value has been recognised at T.DKK 38,952 (2020: T.DKK 37,899).

<u>CLO bonds at amortised cost</u>

CLO bonds measured at amortised cost according to IFRS 9 involves estimation of amortisation premiums or allowances.
The portfolio of CLO bonds measured at amortised cost has been recognised at T.DKK 534,177 (2020: T.DKK 537,422) in the financial statements.

<u>Bonds at fair value</u>

The Company has a position of investments in bonds including treasury bonds, CLO bonds etc, which are measured at fair value. The portfolio of bonds at fair value (excluding the CLO risk retention) has been recognised at T.DKK 17,170 (2020: T.DKK 16,366).

<u>Loans and repurchase agreements</u>

The Company has entered into three repurchase or loan agreements with an agreed repurchase or redemption price. The difference is recognised in the income statement throughout the expected lifetime of the agreements. The lifetime is not fixed and depends on the lifetime of the associated CLO. Accrued costs related to repurchase agreements as of 31.12.2021 is T.DKK 1,791 (2020: 4,397).

<u>Performance fee receivable</u>

The Company has receivables from agreements on performance fee not yet charged, but where the service has been provided. Fees are taken to income when the service has been provided and the income can be measured reliably. Performance fees which have not yet been charged, but where the fees can be measured reliable have been recognised at T.DKK 1,099 in the financial statements (2020: T.DKK 1,139).

Determination of fair value

Fair value is the amount at which an asset could be exchanged, or a liability be settled, between knowledgeable, willing paties in an arm's length transaction under normal conditions.

The fair value of financial instruments for which an active market exists is determined using the price obtained from a sale at the balance sheet date or, if no such price exists, another published price which may be assumed to be the best equivalent thereto. For financial instruments, for which an active market does not exist, the fair value is determined using generally accepted valuation methods based on observable current market data.

Bonds that are gained as a result of issuance of CLOs, where the agreement states that these are limited for trade, must be recognised and measured in accordance with IFRS 9. If these are possessed with the intention of enforcing the contractual conditions, and the resulting cash flows do not solely consist of principal instalments and interests, then they are measured through the income statement. The fair value is computed by discounting the future cash flows.

	2021	**2020**
3. Capital and solvency	DKK'000	DKK'000
Composition of capital		
Equity	268,657	239,393
Proposed dividend	(15,000)	0
Goodwill	(37,209)	(37,209)
Deferred tax assets	(24)	(9)
Core capital	**216,424**	**202,175**
Key ratios*		
Common equity tier 1 capital ratio	399.2	18.6
Core capital ratio	399.2	18.6
Capital ratio	399.2	18.6

**The accounting policies applied for 2021 have changed as a result of the implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 . The Regulation entails changes to the Investment companies' calculation of capital percentages. See note 1 for further information of the change.*

4. Financial risks, policies and targets for managing financial risks

The Company is exposed to different types of risks. The objective of the Company's risk management policies is to minimise the losses which might occur due to unpredictable changes in, for example, the financial markets.

General
The Company continuously develops its tools to identify and manage the risks affecting it on a daily basis. The Board of Directors lays down the overall framework and principles for risk and capital management and receives regular reporting on developments in risks and use of the defined risk framework. The daily risk management is conducted by the Executive Board.

Credit risks
The Company is exposed to credit risk from its risk retention portfolio with Accunia European CLO I DAC, Accunia European CLO II DAC, Accunia European CLO III DAC and Accunia European CLO IV DAC as well as future CLOs for which it serves as risk retention holder. The aim of risk retention portfolios in securitisations is to impose on the CLO manager a share of risk in the structure. Risk retention exposures account for at least 5% of all CLO notes issued. The exposures must not be hedged, and the entire risk retention concept is governed by Regulation 575/2013 (the CRR Regulation).

The Company has considerable risk retention exposures, and it may therefore be expected to be adversely affected should generally serious adverse credit changes take place in the underlying assets of the structures.

Market risks

The Investment Company is exposed to two main market risks: The first one being indirectly by the share of customers' asset management fee that is performance-based, and the other one being directly by its investments in interest-bearing claims. With respect to the latter, it should be mentioned that the Company considers this risk to be marginal compared to its credit risk exposure.

Liquidity risks

The Company's cash resources are secured by maintaining adequate cash and cash equivalents in the form of bank deposits and liquid bonds. The Company issues invoices on a quarterly basis and, in doing so, has cash inflows throughout the year. The same applies to interest payments from its own investments that are distributed on many interest rate forward contracts.

Operational risks

With a view to reducing losses from operational risks, the Company has developed a number of policies, business procedures and control procedures. Key elements are the policies and busines procedures dealing with the employees' use of the Company's two central portfolio management systems, IT in general, customer data and other sensitive information and emergency plans.

Settlement risks

Being an investment company, the Company is not an account-holding or portfolio-managing institution. Both when investing own funds and when carrying out customer deals, the term of "payment against delivery" is always applied. In connection with particular (unlisted) investments, attorneys are generally used where the funds are deposited on client accounts.

5. Five-year summary

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Profit and loss					
Net financial income, fees and commission	77,156	78,775	82,898	70,651	71,016
Market value adjustments	(3,762)	(12,631)	(33)	(23)	(42)
Staff costs and administrative expenses	(34,883)	(45,455)	(47,957)	(48,378)	(45,456)
Profit after tax	28,853	15,078	27,164	20,847	18,868
Balance sheet					
Equity	268,657	239,393	223,841	210,447	204,597
Total assets	722,074	731,865	599,042	526,335	408,698
Key ratios					
Capital relative to the minimum capital	2.5	2.7	2.9	3.3	3.3
Capital ratio (%)*	399.2	18.6	20.2	21.2	29.1
Core capital ratio (%)*	399.2	18.6	20.2	21.2	29.1
Return on equity before tax (%)	14.6	8.6	17.2	10.6	19.3
Return on equity after tax (%)	11.4	6.7	13.3	10.1	14.9
Profit per unit of costs	2.0	1.4	1.7	1.5	1.5
Return on Investment (%)	4.0	2.5	4.5	4.0	4.6

**The accounting policies applied for 2021 have changed as a result of the implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 . The Regulation entails changes to the Investment companies' calculation of capital percentages. See note 1 for further information of the change.*

Accunia Fondsmæglerselskab A/S has no investments in associates or subsidiaries, for which reason this ratio is not disclosed.

6. Net financial income, fee income and commission by geographical markets

	2021 DKK'000	2020 DKK'000
Denmark	8,000	68,236
Europe	69,156	10,519
Total net financial income, fee income and commission	**77,156**	**78,755**

Market value adjustments by geographical markets

Denmark	0	0
Europe	(3,762)	(12,631)
Total market value adjustments	**(3,762)**	**(12,631)**

Notes

7. Financial income	2021 DKK'000	2020 DKK'000
Receivables from credit institutions and central banks	6	12
Bonds	14,475	14,490
Total financial income	**14,581**	**14,502**

8. Financial expenses		
Credit institutions and central banks	(350)	(294)
Other financial expenses	(3,862)	(4,147)
Total financial expenses	**(4,212)**	**(4,441)**

9. Market value adjustments		
Bonds	(1,234)	(10,895)
Repo	(2,128)	(549)
Loan	(119)	(20)
Currency	(281)	(1,167)
Total market value adjustments	**(3,762)**	**(12,631)**

10. Staff costs and administrative expenses		
Staff costs	(27,187)	(35,757)
Other administrative expenses	(7,696)	(9,698)
Total staff costs and administrative expenses	**(34,883)**	**(45,455)**

Staff costs		
Salaries	(22,337)	(28,687)
Pension	(494)	0
Other social security costs	(267)	(1,027)
Charges calculated on the basis of number of staff in the payroll	(3,550)	(4,892)
Share-based remuneration	(539)	(1,151)
Total staff costs	**(27,187)**	**(35,757)**
Average number of employees converted to full-time employees	21	27

Notes

10. Staff costs and administrative expenses (continued)

Remuneration of the Executive Board, Board of Directors and staff with significant influence on the risk profile

	Risk takers	Executive Board and Board of Directors
2021	DKK'000	DKK'000
Contractual remuneration	(1,085)	(4,285)
Pension contribution	0	0
Total contractual remuneration	(1,085)	(4,285)
Variable cash remuneration	(87)	(300)
Variable share-based remuneration	0	(154)
Total variable remuneration	(87)	(454)
Total remuneration	**(1,172)**	**(4,739)**
Number of members/employees	3	7

No special incentive programmes exist for the Board of Directors.

	Risk takers	Executive Board and Board of Directors
2020	DKK'000	DKK'000
Contractual remuneration	(3,997)	(4,141)
Pension contribution	0	0
Total contractual remuneration	(3,997)	(4,141)
Variable cash remuneration	(122)	0
Variable share-based remuneration	0	(637)
Total variable remuneration	(122)	(637)
Total remuneration	**(4,119)**	**(4,778)**
Number of members/employees	4	7

No special incentive programmes exist for the Board of Directors.

For detailed information on remuneration to employees with impact on the risk profile, executive board and the board of direcoters, see remuneration report on www.accunia.com.

A bonus agreement has been set up with the Chief Executive Officer, under which any bonus earned may be granted through share options, deferred shares and shares. The termination benefit amounts to 18 months' salary should the Executive Board be terminated by the Board of Directors. In the event of termination of the employment, the term of notice on the part of the Investment Company is 18 months and it is 12 months on the part of the Chief Executive Officer.

Notes

10. Staff costs and administrative expenses (continued)

Audit fee	2021 DKK'000	2020 DKK'000
Statutory audit of the financial statements	179	175
Other assurance engagements	47	47
Tax advisory	5	5
Other non-audit services	197	61
Total fee to the audit firm elected by the Annual Generel Meeting to carry out the statutory audit	**428**	**288**

All fees are ex VAT.

11. Income tax

Current tax	(8,198)	(4,290)
Change in deferred tax	15	7
Adjustments for previous years	0	0
Tax on profit/loss for the year	**(8,183)**	**(4,283)**

The current income tax for the financial year is computed on the basis of a tax rate of 22% for Danish enterprises (2020: 22%).

Effektive tax rate (%)	**22.1**	**22.1**

12. Receivables from credit institutions and central banks according to maturity

Request		
Up to and including 3 months	51,983	59,916
Total	**51,983**	**59,916**

13. Bonds

Treasury bonds	0	1,121
Collateral Loan Obligations	16,212	15,245
Risk Retention – CLO	38,952	37,899
Other bonds	959	7
Total bonds at fair value	**56,123**	**54,272**
Bonds at amortised cost	534,177	537,504
Total bonds at amortised cost	**534,177**	**537,504**
Fair value of bonds at amortised cost	533,530	535,517

Notes

14. Land and property	2021 DKK'000	2020 DKK'000
Cost at beginning of the year	6,356	0
Additions	322	6,356
Disposals	0	0
Cost end of year	**6,678**	**6,356**
Depreciation and impairment losses beginning of the year	(1,279)	0
Depreciation for the year	(1,342)	(1,279)
Reversals relating to disposals	0	0
Depreciation and impairment losses end of the year	**(2,621)**	**(1,279)**
Carrying amount end of the year	**4,057**	**5,077**

15. Other tangible assets		
Cost at beginning of the year	270	0
Additions	247	270
Disposals	0	0
Cost end of year	**517**	**270**
Depreciation and impairment losses beginning of the year	(28)	0
Depreciation for the year	(134)	(28)
Reversals relating to disposals	0	0
Depreciation and impairment losses end of the year	**(162)**	**(28)**
Carrying amount end of the year	**355**	**242**

16. Other assets		
Trade receivables	16,017	23,636
Receivables from subsidiaries	14,434	3,851
Interest receivable	2,833	2,637
Security deposit	724	706
Other receivables	169	87
Total	**34,177**	**30,917**

Notes

17. Other liabilities	2021 DKK'000	2020 DKK'000
Debt to related companies	3,329	2,599
Repo CLO I *)	140,301	143,493
Retention loan CLO II **)	69,824	99,512
Repo CLO III ***)	108,757	108,823
Repo CLO IV ****)	107,493	107,967
Provisions for staff costs	8,284	12,229
Creditors	1,360	2,230
Other liabilities	5,870	11,329
Total other liabilities	**445,218**	**488,182**

*) The loan will be repaid no later than 15 July 2030
**) The loan will be repaid no later than 15 October 2030
***) The loan will be repaid no later than 20 January 2031
****) The loan will be repaid no later than 10 March 2027

18. Share capital

Number of shares, 1,000 in denominations of DKK 1	12,980	12,980

The shares have not been divided into classes.

The share capital consists of 8,000,000 shares at DKK 1 each or multiples thereof.

The shares have not been divided into classes.

Share capital on formation, 06.05.2008	5,000	5,000
Issue of bonus shares, 21.12.2011	3,000	3,000
Merger with Accunia Credit Management Fondsmæglerselskab A/S 27.02.2017	4,980	4,980
Share capital at 31.12.2021	**12,980**	**12,980**

Notes

18. Share capital (continued)

	No. of shares	Nominal Value	Share (%)
Own shares 01.01.2020	8,440	8,440	0.58%
Purchase	0	0	0.00%
Sale	(1,814)	(1,814)	0.12%
Own shares 31.12.2020	**6,626**	**6,626**	**0.45%**
Purchase	0	0	0.00%
Sale	(2,242)	(2,242)	0.15%
Own shares 31.12.2021	**4,384**	**4,384**	**0.30%**
Purchase price of shares			175,8-250,0
Sales price of shares			175,8-240,0

Sale and repurchase of shares relates to share-based remuneration to employees.

19. Contigent liabilities

Warranty to the Danish Deposit Guarantee Fund	483	490
The Investment Company has entered into a lease on office premises which includes an obligation of refurbishment in the event of termination and vacation	1,024	1,006

As part of raising the loan to partially fund the risk retention exposure related to Accunia European CLO II B.V., the Company has made a negative pledge to the creditors to not put up the following as collateral elsewhere:

- Class A Notes (EUR 11,200,000 nominal)
- Class B-1 Note s (EUR 2,000,000 nominal)
- Class B-2 Notes (EUR 200,000 nominal)

For Accunia European CLO I B.V., Accunia European CLO III DAC and Accunia European CLO IV DAC, the Company has made a negative pledge to the creditors on the entirety of the risk retention to not put up this as collateral elsewhere.

Subsidiary

The Invement Company participates in a Danish joint taxation arrangement with Accunia A/S serving as the administration company and that company's other subsidiaries. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income. Each company in the joint taxation arrangement is liable for the portion of

Notes

19. Contingent Liabilities (continued)

income taxes, tax prepayments and residual taxes, including surcharges and interest, related to the portion of income allocated to the company. When using losses sustained by group companies, the administration company is obliged to pay the tax-based value of the loss to the company having sustained such loss. The group companies using the losses are obliged to pay the administration company an amount equivalent to the tax-based value of the loss used. When receiving payment for the losses used, liability will fall to the administration company.

Accunia Fondsmæglerselskab A/S and its parent company Accunia A/S are jointly registered for VAT. The jointly registered entities are jointly and severally liable for payment of taxes for the respective tax years in which they have been subject to joint registration.

Apart from this, the Company has no assets charged, collateral or similar obligations.

20. Related parties

All related party transactions have been conducted on an arm's length basis or a cost recovery basis. Accunia Fondsmæglerselskab A/S handles portfolio management, securities trading and related administration for Accunia OY (affiliated company) and administrative services for ACM Forvaltning A/S (affiliated company).

Related parties with controlling influence on the Company:

The Investment Company is 100% owned by Accunia A/S, Store Regnegade 5, 1., 1110 Copenhagen K.

Transactions with related parties during the year

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

Name	Basis of influence	Nature and scope of transactions
Peter Aandahl	Chairman of the Board	Asset management fee
Jørgen Clausen	Member of the Board	Asset management fee
Carsten K. Gomard	Member of the Board	Asset management fee
Allan Gross-Nielsen	Member of the Board	Asset management fee
Accunia OY	Affiliated company	Portfolio management fee etc.
ACM Forvaltning A/S	Affiliated company	Allocation of staff and admin costs

In addition, the Parent Company Accunia A/S has transactions in the form of taxation (joint taxation) and purchase and sale of bonds. All related party transactions have been conducted on an arm's length basis.

Notes

21. Shareholder relations

The Investment Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

- Accunia A/S, Store Regnegade 5, 1., 1110 Copenhagen K, owns all shares.

22. Consolidation

The Investment Company is included in the consolidated financial statements of Accunia A/S, which is the largest and the smallest group for which consolidated financial statements are prepared.

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Peter Aandahl
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Henrik Nordby Christensen
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2022-03-25 12:57:44 UTC
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Jens Ringbæk
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IP: 104.28.xxx.xxx
2022-03-25 14:05:05 UTC
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Jørgen Clausen
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Serial number: PID:9208-2002-2-393685182870
IP: 87.60.xxx.xxx
2022-03-26 07:09:43 UTC
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Serial number: PID:9208-2002-2-926797744317
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2022-03-26 15:35:32 UTC
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Carsten Krogh Gomard
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IP: 80.162.xxx.xxx
2022-03-26 18:04:16 UTC
NEM ID

Henrik Hoffmann
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IP: 80.197.xxx.xxx
2022-03-27 09:22:48 UTC

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