

**Accunia Fondsmæglerselskab A/S**  
**Business Registration No. 31 41 98 59**

**Annual report 2017** (10th financial year)

**(01.01.2017 to 31.12.2017)**

The Annual General Meeting adopted the annual report on 12.04.2018

**Chairman of the General Meeting**

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## 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](http://www.accunia.com)

E-mail: [info@accunia.com](mailto:info@accunia.com)

### Board of Directors

Peter Aandahl (Chairman)

Jørgen Clausen

Carsten Krogh Gomard

### 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 01.01.2017 to 31.12.2017.

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 31.12.2017 and of its financial performance for the financial year 01.01.2017 to 31.12.2017.

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, 22.03.2018

### Executive Board

Henrik Nordby Christensen  
Chief Executive Officer

### Board of Directors

Peter Aandahl  
(Chairman)

Jørgen Clausen

Carsten Krogh Gomard

## 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 01.01.2017 to 31.12.2017, 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 31.12.2017 and of its financial performance for the financial year 01.01.2017 to 31.12.2017 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 IESBA Code of Ethics for Professional Accountants and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, 22.03.2018

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Business Registration No. 33 96 35 56

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

Jakob Lindberg  
State-Authorised Public Accountant  
MNE-no. 40824

## Management commentary

### Primary activities

The Investment Company's focus is to provide asset management and investment services to high net worth individuals, companies and professional institutional investors as well as to serve as collateral manager for Accunia European CLO I BV, Accunia European CLO II BV and future CLOs, it may engage in.

The Investment Company has established two alternative investment funds (AIF) in the second half of 2017.

### Uncertainty relating to recognition and measurement

Please refer to note 2 to 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.

### Knowledge resources

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

### Unusual circumstances

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

### Development in activities and finances

On 27 February 2017, Accunia Fondsmæglerselskab A/S merged with Accunia Credit Management Fondsmæglerselskab A/S, with Accunia Fondsmæglerselskab A/S as the surviving entity. The merger has taken place retroactively from 1 January 2017.

The Accunia Group's focus on sharpening its strategic profile to secure the future of the business model has had a positive effect in 2017.

A net profit of DKK 18.9m was realised for the year (2016: a net loss of DKK 2.5m), and Management considers this satisfactory. A number of market-oriented activities were launched during the year, among them the launch of two new listed investment funds (Accunia European Investment Grade CLO and Accunia European Opportunity CLO) and Accunia's other CLO. These launches have contributed positively to financial performance, and high returns for the customers have resulted in an increase in performance-based income.

The average rate of return for customers with discretionary agreements was 11.2% in 2017. The rate of return in the period 2008 to 2017 was 157.2%.

The Investment Company has DKK 12.3bn in assets under management.

DKK 204.6m in equity at 31 December 2017 covers the Investment Company's needs and statutory requirements.

**Events after the balance sheet date**

There have been no events that materially affect the assessment of this Annual Report 2017 after the balance sheet date and up to today.

**Expectations and other comments on the future**

It is expected that Accunia's third CLO, Accunia European CLO III DAC, will be issued in August 2018.

The Investment Company expects a profit for 2018.

**Specific risks**

The primary risks are estimated to be related to the significance of financial market conditions to the Investment Company's risk retention portfolio and returns for customers, which affect its earnings.

## Management duties

### Executive Board management duties

#### **Henrik Nordby Christensen**

*Chairman of the Board:*

Kapitalforeningen Accunia Invest

*Executive in:*

Accunia A/S

*Member of the Board:*

Air-Invest Holding A/S

Core Bolig VI Investoraktieselskab Nr. 1

Core Bolig VI Kommanditaktieselskab

Ejendomsselskabet Ryesgade Kommanditaktieselskab

### Management duties – Board of Directors

#### **Peter Aandahl**

*Chairman of the Board:*

Accunia A/S

*Executive in:*

Aandahl A/S

Franck & Tobiesen (UK) Ltd., England

Franck & Tobiesen (UK) Holdings Ltd., England

Hansen Shipping Agency Inc, USA

Hansen Shipping (UK) Ltd., England

Hansen Specialized Transportation ApS

Hegnsholt Holding ApS

PAA 001 IVS

PMHN AA ApS

Siljan Properties ApS

Selecta Ejendomme ApS

Tre 2012 ApS

United Cargo Handling ApS

*Member of the Board:*

Aandahl A/S

Frederiksborg Ejendomme ApS

Gallerierne Hillerød A/S

Hansen Specialized Transportation ApS

Letinvest ApS

#### **Jørgen Clausen**

*Chairman of the Board:*

Buresø Invest ApS

*Executive in:*

Buresø Invest ApS

Guldbjergdal P/S

Kollensøvej 4 ApS

*Member of the Board:*

Accunia A/S

COOP Danmark A/S

COOP Holding A/S

Kollensøvej 4 ApS

## Mangement duties (continued)

### **Carsten Krogh Gomard**

*Chairman of the Board:*

Netcompany A/S

Netcompany IT and Business Consulting A/S

Selma Diagnostics ApS

*Executive in:*

Carsten Gomard Holding ApS

Netcompany Holding ApS

*Member of the Board:*

Accunia A/S

Netcompany Holding ApS

K/S Hillerød III

ApS Komplementarselskabet Hillerød III

NC NewCo A/S

NC TopCo A/S

Brown Guy ApS

### **The Board's proposed dividends**

The Investment Company will not distribute dividend for the financial year 2017.

## Income statement and statement of comprehensive income for 2017

	Note	2017 DKK'000	2016 DKK'000
<b>Income statement</b>			
Financial income	6	6,804	3,003
Financial expenses	7	(3,957)	(985)
<b>Net financial income</b>		<b>2,847</b>	<b>2,018</b>
Fee and commission income		67,332	34,868
Fee and commission expenses		(180)	(144)
<b>Net financial income, fee and commission income</b>	<b>9</b>	<b>69,999</b>	<b>36,742</b>
Market value adjustments	8	(42)	821
Staff costs and administrative expenses	10	(45,456)	(40,765)
<b>Profit/loss before tax</b>		<b>24,501</b>	<b>(3,202)</b>
Income tax	11	(5,633)	671
<b>Profit/loss for the year</b>		<b>18,868</b>	<b>(2,531)</b>
Other comprehensive income		0	0
<b>Other comprehensive income after tax</b>		<b>0</b>	<b>0</b>
<b>Comprehensive income for the year</b>		<b>18,868</b>	<b>(2,531)</b>
<b>Distribution of comprehensive income for the year</b>			
Dividend for the financial year		0	0
Retained earnings		18,868	(2,531)

**Balance sheet at 31.12.2017**

	Note	2017 DKK'000	2016 DKK'000
Receivables from credit institutions and central banks	12	29,105	26,534
Bonds at fair value	13	5,287	3,914
Bonds at amortised cost	13	298,507	0
Current asset investments		1,995	0
Intangible assets		37,209	0
Current tax assets		0	62
Deferred tax assets		676	617
Other assets	14	32,728	27,863
Prepayments		3,191	1,288
<b>Total assets</b>		<b>408,698</b>	<b>60,278</b>
Debt to credit institutions and central banks	15	4	0
Other liabilities	16	204,097	10,993
<b>Total liabilities</b>		<b>204,101</b>	<b>10,993</b>
Share capital	17	12,980	8,000
Retained earnings		191,617	41,285
Proposed dividend		0	0
<b>Equity</b>		<b>204,597</b>	<b>49,285</b>
<b>Total equity and liabilities</b>		<b>408,698</b>	<b>60,278</b>

Other notes, including contingent liabilities

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## Statement of changes in equity for 2017

	Share capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
<b>Equity at 01.01.2017</b>	<b>8,000</b>	<b>41,285</b>	<b>0</b>	<b>49,285</b>
Effect of merger with Accunia Credit Management	4,980	131,464	0	136,444
<b>Equity at 01.01.2017 after merger</b>	<b>12,980</b>	<b>172,749</b>	<b>0</b>	<b>185,729</b>
Profit/loss for the year	0	18,868	0	18,868
Other comprehensive income	0	0	0	0
<b>Comprehensive income for the year</b>	<b>0</b>	<b>18,868</b>	<b>0</b>	<b>18,868</b>
Paid dividend	0	0	0	0
Capital increases or reductions	0	0	0	0
<b>Equity at 31.12.2017</b>	<b>12,980</b>	<b>191,617</b>	<b>0</b>	<b>204,597</b>

	Share capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
<b>Equity at 01.01.2016</b>	<b>8,000</b>	<b>43,816</b>	<b>10,000</b>	<b>61,816</b>
Profit/loss for the year	0	(2,531)	0	(2,531)
Other comprehensive income	0	0	0	0
<b>Comprehensive income for the year</b>	<b>0</b>	<b>(2,531)</b>	<b>0</b>	<b>(2,531)</b>
Paid dividend	0	0	(10,000)	(10,000)
Capital increases or reductions	0	0	0	0
<b>Equity at 31.12.2016</b>	<b>8,000</b>	<b>41,285</b>	<b>0</b>	<b>49,285</b>

## Notes to the financial statements

### Significant notes

1. Significant accounting policies and changes to accounting policies
2. Significant judgements and estimates, assumptions and uncertainties
3. Capital and solvency
4. Financial risks, policies and targets for managing financial risks
5. Five-year summary

### Income statement and statement of comprehensive income

6. Financial income
7. Financial expenses
8. Market value adjustments
9. Net financial and fee income and market value adjustments by geographical markets
10. Staff costs and administrative expenses
11. Income tax

### Balance sheet

12. Receivables from credit institutions and central banks according to maturity
13. Bonds
14. Other tangible assets
15. Debt to credit institutions and central banks according to maturity
16. Other liabilities
17. Share capital
18. Contingent liabilities

### Other notes

19. Related parties
20. Shareholder relations
21. Consolidation
22. Other accounting policies

## Notes

### **1. Significant accounting policies and changes to accounting policies**

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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 applying the accounting policies consistently with last year.

The annual report is presented in Danish kroner. and rounded to the nearest thousand.

Accounting policies of particular significance to the presentation of financial statements of Accunia Fondsmæglerselskab A/S are presented in note 1. Other accounting policies are presented in note 22.

### **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.

### **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 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. 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.

## Notes

### 2. Significant judgements and estimates, assumptions and uncertainties

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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.

- Bonds involving estimation of fair values. The Investment Company's bond portfolio has been recognised at DKK 5,287k in the financial statements (2016: DKK 3,914k). Management considers the book values consistent with fair values at 31.12.2017.
- Bonds at amortised cost involving estimation of amortisation premiums or allowances. The Investment Company's bond portfolio has been recognised at DKK 298,507k in the financial statements. Determining credit impairment and individual and calculating collective impairment losses regarding the loans underlying the bonds issued 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. 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 Investment Company has considerable risk retention exposures, for which reason the financial statements of the Investment Company may be expected to be heavily affected should generally serious adverse credit changes take place in the underlying assets of the structures.
- Future fees are taken to income when the service has been provided and the income can be measured reliably. Future fees have been recognised at DKK 17,352k in the financial statements (31.12.2016: DKK 17,810k).

#### Determination of fair value

Fair value is the amount at which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties 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

## Notes

	2017	2016
	DKK'000	DKK'000
<b>3. Capital and solvency</b>		
<b>Composition of capital</b>		
Equity	204,597	49,285
Goodwill	(37,209)	0
Deferred tax assets	(676)	(62)
<b>Core capital and capital</b>	<b>166,712</b>	<b>49,223</b>
<b>Credit exposure</b>		
Credit risk	443,038	26,352
Market risk	31,812	6,952
Operational risk	97,103	120,494
<b>Total</b>	<b>571,953</b>	<b>153,798</b>
<b>Key ratios</b>		
Common equity tier 1 capital ratio	29.1	32.0
Core capital ratio	29.1	32.0
Capital ratio	29.1	32.0

## Notes

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

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The Investment Company is exposed to different types of risks. The objective of the Investment 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 Investment 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 Investment Company is exposed to credit risk from its risk retention portfolio with Accunia European CLO I BV and Accunia European CLO II BV 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 Investment Company has considerable risk retention exposures, and it may therefore be expected to be heavily 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 Investment Company considers this risk to be marginal compared to its credit risk exposure.

#### Liquidity risks

The Investment Company's cash resources are secured by maintaining adequate cash and cash equivalents in the form of bank deposits and liquid bonds. The Investment 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 Investment Company has developed a number of policies, business procedures and control procedures.

Key elements are the policies and business procedures dealing with the employees' use of the Investment 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.

## Notes

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>5. Five-year summary</b>					
<b>Financial highlights</b>					
<b>Profit and loss</b>					
Net financial income, fees and commission	69,999	36,742	46,898	64,188	73,149
Market value adjustments	(42)	821	900	2,232	5,423
Staff costs and administrative expenses	(45,456)	(40,765)	(36,448)	(42,626)	(34,402)
Profit after tax	18,868	(2,531)	8,644	17,882	33,092
<b>Balance sheet</b>					
Equity	204,597	49,285	61,814	73,170	80,288
Total assets	408,698	60,278	98,235	99,143	92,675
<b>Key ratios</b>					
Capital relative to the minimum capital	3.3	15.1	13.9	13.4	13.4
Capital ratio (%)	29.1	32.0	21.8	18.7	18.8
Core capital ratio (%)	29.1	32.0	21.8	18.7	18.8
Return on equity before tax (%)	19.3	(5.8)	16.8	31.0	64.2
Return on equity after tax (%)	14.9	(4.6)	12.8	23.3	48.1
Profit per unit of costs	1.5	0.9	1.3	1.6	2.3

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

	2017	2016
	DKK'000	DKK'000
<b>6. Financial income</b>		
Receivables from credit institutions and central banks	35	0
Bonds	6,759	2,646
Other financial income	10	357
<b>Total financial income</b>	<b>6,804</b>	<b>3,003</b>

## 7. Financial expenses

Credit institutions and central banks	(205)	(230)
Other financial expenses	(3,752)	(755)
<b>Total financial expenses</b>	<b>(3,957)</b>	<b>(985)</b>

## Notes

	2017	2016
	DKK'000	DKK'000
<b>8. Market value adjustments</b>		
Bonds	62	739
Currency	(104)	82
<b>Total market value adjustments</b>	<b>(42)</b>	<b>821</b>

### 9. Net financial income, fee income and market value adjustments by geographical markets

The Investment Company has not broken down net interest and fee income by activity and geographical market. No material differences are considered to exist between the Investment Company's activities and geographical areas, for which reason no segment information is provided.

### 10. Staff costs and administrative expenses

Staff costs	(36,865)	(32,646)
Other administrative expenses	(8,591)	(8,119)
<b>Total staff costs and administrative expenses</b>	<b>(45,456)</b>	<b>(40,765)</b>

#### Staff costs

Salaries	(32,011)	(29,317)
Other social security costs	216	(853)
Charges calculated on the basis of number of staff in the payroll	(3,681)	(2,476)
Share-based remuneration	(1,389)	0
<b>Total staff costs</b>	<b>(36,865)</b>	<b>(32,646)</b>

Average number of employees converted to full-time employees	25	23
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## Notes

<b>Remuneration of the Executive Board, Board of Directors and staff with significant influence on the risk profile – 2017</b>	<b>Employees</b>	<b>Executive Board</b>	<b>Board of Directors</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contractual remuneration	(4,773)	(2,603)	0
Pension contributions	0	0	0
<b>Total contractual remuneration</b>	<b>(4,773)</b>	<b>(2,603)</b>	<b>0</b>
Variable cash remuneration	(250)	0	0
Variable share-based remuneration	0	(68)	
<b>Total variable remuneration</b>	<b>(250)</b>	<b>(2,671)</b>	<b>0</b>
<b>Total remuneration</b>	<b>(5,023)</b>	<b>(2,671)</b>	<b>0</b>
Number of members/employees	4	1	3

No special incentive programmes exist for the Board of Directors.

<b>Remuneration of the Executive Board, Board of Directors and staff with significant influence on the risk profile – 2016</b>	<b>Executive Board</b>	<b>Board of Directors</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Contractual remuneration	(3,234)	(500)
Pension contributions	0	0
<b>Total contractual remuneration</b>	<b>(3,234)</b>	<b>(500)</b>
Variable cash remuneration	0	0
<b>Total remuneration</b>	<b>(3,234)</b>	<b>(500)</b>
Number of members/employees	1	4

No special incentive programmes exist for the Board of Directors.

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](http://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 12 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 12 months and it is 6 months on the part of the Chief Executive Officer.

## Notes

	2017	2016
	DKK'000	DKK'000
<b>Audit fee</b>		
Statutory audit of the financial statements	200	175
Other assurance engagements	64	34
Tax advisory	24	0
Other costs	44	0
<b>Total fee to the audit firm elected by the Annual General Meeting to carry out the statutory audit</b>	<b>332</b>	<b>209</b>

### 11. Income tax

Current tax	(5,472)	617
Change in deferred tax	6	55
Adjustments for previous years	(167)	(1)
<b>Tax on profit/loss for the year</b>	<b>(5,633)</b>	<b>671</b>

The current income tax for the financial year is computed on the basis of a tax rate of 22% for Danish enterprises (2016: 22%).

<b>Effektive tax rate (%)</b>	<b>23.0</b>	<b>20.9</b>
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### 12. Receivables from credit institutions and central banks according to maturity

#### Request

Up to and including 3 months	29,105	26,534
<b>Total</b>	<b>29,105</b>	<b>26,534</b>

### 13. Bonds

Bonds at fair value	5,287	3,914
<b>Total bonds at fair value</b>	<b>5,287</b>	<b>3,914</b>

Bonds at amortised cost	298,507	0
<b>Total cost</b>	<b>298,507</b>	<b>0</b>
Impairment losses on bonds at amortised cost (year-end)	0	0
<b>Total bonds at amortised cost</b>	<b>298,507</b>	<b>0</b>

Of which, subordinated notes (equity tranche)	34,610	0
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## Notes

	2017	2016
	DKK'000	DKK'000
<b>14. Other assets</b>		
Trade receivables	32,074	27,139
Receivables from subsidiaries	0	86
Security deposit	654	638
<b>Total</b>	<b>32,728</b>	<b>27,863</b>

## 15. Debt to credit institutions and central banks according to maturity

<b>Request</b>		
Up to and including 3 months	4	0
<b>Total</b>	<b>4</b>	<b>0</b>

## 16. Other liabilities

Debt to associates	106	0
Retention loan CLO I *)	87,647	0
Retention loan CLO II **)	99,453	0
Provisions for staff costs	14,414	8,983
Creditors	1,668	1,195
Other liabilities	809	815
<b>Total other liabilities</b>	<b>204,097</b>	<b>10,993</b>

\*) The loan will be repaid no later than 15 July 2029

\*\*\*) The loan will be repaid no later than 15 October 2030

## 17. Share capital

Number of shares, 1,000 in denominations of DKK 1	12,980	8,000
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	-
<b>Share capital at 31.12.</b>	<b>12,980</b>	<b>8,000</b>

## Notes

	2017	2016
<b>18. Contingent liabilities</b>	<b>DKK'000</b>	<b>DKK'000</b>
Warranty to the Danish Deposit Guarantee Fund	315	344
The Investment Company has entered into a lease on office premises which includes an obligation of refurbishment in the event of termination and vacation	300	300

As part of raising the loan to partially fund the risk retention exposure related to Accunia European CLO I B.V., the Investment Company has provided its risk retention portfolio of Accunia European CLO I Class A Notes (EUR 11,888,000 nominal) and portions of the portfolio of Accunia European CLO I Class B Notes (EUR 262,000 nominal) as security for the loan.

As part of raising the loan to partially fund the risk retention exposure related to Accunia European CLO II B.V., the Investment Company has provided its risk retention portfolio of Accunia European CLO II Class A Notes (EUR 11,200,000 nominal), its portfolio of Accunia European CLO II Class B-1 Notes (EUR 2,000,000 nominal) and portions of the portfolio of Accunia European CLO II Class B-2 Notes (EUR 200,000 nominal) as security for the loan.

### Subsidiary

The Investment Company participates in a Danish joint taxation arrangement with Accunia A/S 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 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. There are no income taxes payable by the joint taxation unit at 31.12.2017.

Accunia 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. As part of the merger with Accunia Credit Management Fondsmæglerselskab A/S, this company is subject to joint taxation from 27.02.2017.

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

## Notes

### 19. 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).

#### Related parties with controlling influence on the Investment 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	2017 DKK'000	2016 DKK'000
Peter Aandahl	Chairman of the Board	Payment of asset management fee	246	162
Jørgen Clausen	Member of the Board	Payment of asset management fee	378	371
Carsten K. Gomard	Member of the Board	Payment of asset management fee	834	na.
Accunia OY	Affiliated company	Fee for portfolio management etc	2,798	590

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.

### 20. 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 company stock.

### 21. 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.

## Notes

### 22. Other accounting policies

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Other accounting policies in addition to those described in note 1 are outlined below.

#### 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

##### 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.

## Notes

### 22. Other accounting policies (continued)

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#### 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

##### 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.

##### 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.

## Notes

### 22. Other accounting policies (continued)

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#### 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 and Investment Companies etc., as well as in accordance with the Recommendations & Ratios of CFA Society Denmark.