

# **Den Sociale Kapitalfond Invest I K/S**

*c/o Accura Advokatpartnerselskab  
Alexandriagade 8, 2150 Nordhavn*

**CVR no. 38 96 88 15**

**Annual Report 2023**

Chairman \_\_\_\_\_

Approved at the Company's general partner meeting on 24/4 - 2024

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## **MANAGEMENT'S STATEMENT**

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The Management has today discussed and approved the Annual Report of Den Sociale Kapitalfond Invest I K/S for the financial year 1 January 2023 - 31 December 2023.

The Annual Report has been prepared in accordance with the IFRS Accounting Standards, which is approved by EU and further Danish disclosure requirements according to the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations and cash flow for the financial year 1 January 2023 - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the Annual Report be approved at the General Partner meeting.

Copenhagen, 26 March 2024

On behalf of the General Partner:  
Komplementarselskabet for Den Sociale Kapitalfond Invest I ApS

Simon Krogh  
Chariman

Gudmund Tyge Korsgaard

Sven Krogstrup

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

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### To the Limited Partners of Den Sociale Kapitalfond Invest I K/S.

#### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Den Sociale Kapitalfond Invest I K/S for the financial year 1 January - 31 December 2023, which comprise statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the 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.

#### Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

#### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 26 March 2024  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen  
State Authorised Public Accountant  
mne16675

Martin Birch  
State Authorised Public Accountant  
mne42825

## COMPANY INFORMATION

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Company name	Den Sociale Kapitalfond Invest I K/S
CVR NO.	38 96 88 15
Address	c/o Accura Advokatpartnerselskab Alexandriagade 8 DK-2150 Nordhavn
Management	Komplementarselskabet for Den Sociale Kapitalfond Invest I ApS
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
General Partner (Authorised to sign for the Company)	Komplementarselskabet for Den Sociale Kapitalfond Invest I ApS c/o Accura Advokatpartnerselskab Alexandriagade 8 DK-2150 Nordhavn

## MANAGEMENT'S REVIEW

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### **Business activities**

Den Sociale Kapitalfond Invest I K/S (the “Fund”) is Denmark’s first social impact investment fund focusing on Small and Medium Sized Enterprises (“SMEs”) creating financial return on investment as well as new opportunities for marginalised persons.

Den Sociale Kapitalfond Invest I K/S was established as a Limited Partnership in 2017, with the purpose and objective to generate social impact and financial returns by investing in small and medium sized companies with economic growth potential and positive social impact on people and society, that are established and have headquarter in Denmark or Southern Sweden. The Limited Partnership had final closing on 12 October 2018 with a total commitment of DKK 289.3 million. The Fund is owned by Danish and international professional investors. The investors have entered into a limited partnership agreement.

Den Sociale Kapitalfond Invest I K/S is part of Den Sociale Kapitalfond group – a specialised, value-driven and professional investment group focused on developing and scaling impact investment products with the potential to combine financial returns and social impact for the benefit of marginalised groups in society.

Please visit the group homepage for a further introduction to the background and investment philosophy of Den Sociale Kapitalfond: [www.densocialekapitalfond.dk](http://www.densocialekapitalfond.dk)

Please visit the homepage of Den Sociale Kapitalfond Invest for a further introduction to the Fund: [www.skfinvest.dk](http://www.skfinvest.dk).

### **Investment Strategy**

Small and medium-sized enterprises account for the most significant share of value added and employment in the private sector in Denmark. Their growth potentials are often high, but they often lack equity investments, competences, and employee attractiveness to fully realise them.

In addition, SMEs are key contributors to the realisation of the UN Sustainable Development Goals through their products and services, and many are socially run companies with positive local social impact.

Having products and services contribute to solving social and societal problems, and being socially inclusive and value driven, all strengthen the culture, identity, and brand of a company – and can give a competitive advantage in a time where employer attractiveness, branding, and stakeholder support matter. Furthermore, following the growth in recent years of the ESG- and impact investment markets, well-positioned and well-performing impact companies are increasingly attractive for the growing number of ESG- and impact-seeking investors.

The Fund assists the social SMEs in realising their full potential for growth, impact, and high value by contributing with equity capital as a minority or majority investor, for typically 4-7 years, with the possibility of involving professional co-investors, and supplement with subordinated loans. The investments are based on a focused growth plan with clear incentives and solid follow-up on financial and social results.

Den Sociale Kapitalfond Invest Management ApS is the Fund’s management company (the “management company”) and provides continuous, qualified support to the portfolio companies’ management teams in implementing the growth plans via board participation and among others providing sparring on strategy, financial and operational management, organisational development, and branding & marketing, as well as the attraction of the next generation of investors. Special focus is given to the development of the companies’ social impact models, ensuring that they are optimally aligned and mutually reinforcing with their business models, and the ESG-performance in general. The management company also makes active use of its strong network of competencies and contacts for the benefit of the portfolio companies.

### **Social Impact**

A significant potential for creating positive social impact – and becoming a role model in this regard for other companies to follow – is a prerequisite for the investments of Den Sociale Kapitalfond Invest I K/S. Specifically, the Fund focuses on empowering marginalised persons and persons in

## MANAGEMENT'S REVIEW

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marginalised areas through the creation of jobs, training positions, education and enabling services and products.

The Fund's management company diligently assesses the past achievements as well as future potentials and targets of the social impact of all investments as part of its due diligence process. It measures the social impact of all portfolio companies, building on the approaches developed by Den Sociale Kapitalfond since 2011 and the social impact performance measurement methodology of the Social Impact Accelerator of the European Investment Fund. In brief, key steps in the methodology include:

- The Fund's management company initially assesses and performs a social impact due diligence based on an impact map for the company's social impact model, stakeholder interviews, and data assessments.
- The Fund's management company on this basis identifies 1-5 KPIs and 1 unique quantifiable target per KPI for social impact for each portfolio company and weigh these according to their relative importance, together with the company's owners and management.
- Initial targets are defined for the first three years of holding to anticipate early exit scenarios.
- In case of significant new information, change in the business environment beyond the control of the company's management, or a necessary change of strategy or business model, unique targets may be changed.
- The Fund's Investor Advisory Board validates the KPIs and targets – and potential changes.
- The Fund's management company continuously monitor and report on the impact of the portfolio companies – including the ratio of actual social impact / unique social target per KPI.
- These are weighted by importance if there are more than one KPI per portfolio company and summarised as a Social Impact Multiple ("SIM") per company.
- For the total portfolio, each portfolio company SIM is weighted by invested capital per company and summarised in a "Portfolio SIM", representing the overall ratio of fulfilment of social impact goals on a portfolio level.

Each portfolio company makes an annual, auditor reviewed report on its social impact according to these guidelines. Together, these annual impact reports form the basis of the Fund's consolidated, audited portfolio impact report which is made available to the Fund's Limited Partners.

The impact measurement and management model are integrated into the Fund's carry model, which has a dual hurdle rate with both financial and social impact thresholds, ensuring that the management team has real "skin in the game" regarding the pursuit of both financial and social goals.

The Fund uses its commercially best efforts to adhere to article 9 of the EU Sustainable Finance Disclosure Regulation ("SFDR"), by complying with the anticipated EU Social Taxonomy and currently available guidelines and recommendations from EU's Platform on Sustainable Finance as presented in the Final Report on Social Taxonomy. The Fund's annual disclosure in accordance with SFDR (Annex V) is included in this Annual Report and can be found below.

### **Other social, environmental and governance responsibility policies**

In addition to seeking to create attractive financial returns with a positive social effect, Den Sociale Kapitalfond Invest I K/S also seeks to strengthen positive effects as well as reduce any negative impacts on sustainability in general that the Fund's investments may have.

Accordingly, the investment policy seeks to optimise the potential for positive social impact through the Fund's portfolio companies and to integrate environmental, social, and governance sustainability (ESG) risks in its work, and by complying with international goals and guidelines. The management company has

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developed a rather comprehensive ESG policy based on research of international best practice in the Fund's asset class and size category.

A negative list is used to ensure that the Fund avoids financing activities that are assessed to be unsustainable in the long term. Also, the management company screens for environment, social and governance ("ESG") issues and where relevant works to improve ESG policies in portfolio companies, alongside the ongoing development of their social impact models.

Among others, the management company actively works with the UN Sustainable Development Goals – the SDGs – in the investment process and portfolio management as these are important landmarks for the Fund. The positive and negative contributions of an investment opportunity to the fulfilment of the SDGs are included as a parameter in the management company's initial investment screening and is a separate point of focus in the due diligence processes. In addition, once an investment is completed, the Fund as an active owner seeks to ensure that there is a positive development in the portfolio companies' contributions to the SDGs. Portfolio companies are also all in compliance with and required to become signatories to the UN Global Compact's 10 principles, and to commit to the Science Based Targets initiative during the investment phase in investment terms and agreements. In addition, the management company continuously assesses the development in environmental and governance factors as well as potential sustainability risks in the portfolio.

The management company has continued to develop its ESG impact management and measurement regime and "platform", to ensure the Fund's portfolio companies having a state-of-the-art approach to measure and manage ESG impact and, among others, reduce CO<sub>2</sub> emissions. Thus, all portfolio companies acquired before the end of 2023 and the management company for the Fund has published Impact Reports during 2023 (available online)

Den Sociale Kapitalfond as group is a signatory to UN PRI (Principles for Responsible Investment) and to UN Global Compact and thus follows and complies with the principles set out by these institutions, as well as the norms and conventions of the UN Declaration of Human Rights and UN Global Goals for Sustainable Development.

Den Sociale Kapitalfond Invest I K/S also follows the guidelines for responsible ownership and good corporate governance for private equity funds from Brancheforeningen for Aktive Ejere i Danmark.

In addition, the Fund follows policies and guidelines to act responsibly and with respect for relevant guidelines and good practice, which include policies on risk management and prevention of money laundering and terror financing, insider trading and ensuring proper handling of confidential material and data, policies for conflicts of interest management and for related party cooperation.

### **Organization and Governance of Den Sociale Kapitalfond Invest**

The Fund's management company is led by the three partners Lars Jannick Johansen (Managing Partner), Torben Agerup (Partner) and Mads Aaen (Partner), who also form the management company's Board of Directors (together with Michelle Rosendal from Den Sociale Kapitalfond group), as well as the Investment Committee, which recommends investments to the General Partner of the Fund. The remuneration of the three partners is displayed in the annual report of the management company.

Den Sociale Kapitalfond Invest Management ApS (CVR number 38428047) is registered with the Danish Financial Supervisory Authority as manager of alternative investment funds pursuant to §9 section 1, cf. §4 section 1, in the Act on managers of alternative investment funds (the AIFM Act). The management company is only to a limited extent subject to the AIFM Act and has thus not been affiliated with a depositary.

Den Sociale Kapitalfond Invest I K/S (CVR number 38968815) has as General Partner, Komplementarselskabet for Den Sociale Kapitalfond Invest I ApS (CVR number 38941585), which is led by a Board of Directors with Simon Krogh (chairman), Tyge Korsgaard (director) and Sven Krogstrup.

## MANAGEMENT'S REVIEW

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The General Partner and its Board of Directors are responsible for the decisions on any investments in the Fund, based on the recommendations from the Investment Committee.

An Investor Advisory Board with representatives from the 7 largest investors, among other things, validate the social impact targets of the Fund's portfolio investments.

The Fund is owned by several Danish and international professional investors holding a total stake of 98.9 %. The remaining stake is owned by the Partners of the management company, Den Sociale Kapitalfond Management ApS, and the Fund's Senior Advisors Jeppe Christiansen, Mads Øvlisen, Per Agger Nielsen and Peter Nørgaard.

### **Carried Interest**

Den Sociale Kapitalfond Invest I K/S has been established with a management fee structure that resembles the normal standards in the private equity industry, with a fixed management fee and a carried interest dependent on the performance of the Fund.

However, the Fund's carried interest is based on both financial and social performance with a "double hurdle" or threshold, including both a financial hurdle and a social hurdle for fulfilment of social impact goals as approved by the Fund's Investor Advisory Board. If social impact at the time of exit does not meet the hurdle for realisation of pre-approved social goals, carry is transferred to a charitable cause approved by the investors. Carried interest is paid on a fund-as-a-whole basis. Accordingly, no carried interest had been paid as of 31 December 2023.

### **Reporting**

The reporting on the Fund's activities is governed by the Limited Partnership Agreement. The Fund ensures that quarterly and annual reporting on financial and social impact performance are prepared and presented to its investors as the main reporting. The quarterly reports to investors are prepared in compliance with international best practice according to Invest Europe Investor Reporting Guidelines and the Limited Partnership Agreement. In addition, annual Limited Partners meetings are held as well as quarterly Investor Advisory Board meetings. Following the expiry of the investment period in October 2023, the Investor Advisory Board Borad will meet bi-annually or when the members deem it necessary.

### **Development in activities and financial position**

Focus in 2023 continued to be on strengthening the deal flow network and company contacts, on further developing the value creation for the portfolio, and on completing attractive social impact investments in line with the Fund's strategy. In 2023 the Fund closed an investment in Langebjerggaard ApS, and successfully divested Danpal A/S.

### **Profit/loss for the year**

The Fund's income statement for the year ended 31 December 2023 shows a profit of TDKK 20,931, and the balance sheet on 31 December 2023 shows an equity of TDKK 166,082. The result for the year reflects the number of investments made at this stage of the Fund.

### **Valuation principles**

The Fund's valuation principles are in accordance with the Europe Investor Valuation Guidelines.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the financial statements are not subject to any uncertainty.

## MANAGEMENT'S REVIEW

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### **Unusual matters**

The Fund's financial position on 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the Fund's financial position.

### **Financial risks**

Financial and other risks material to the financial statements is presented in section "Notes to the financial statements". Please refer to note 3. For information about the methods and assumptions used in determining fair value please refer to note 2 and 4.

### **Consolidated financial statement**

The Fund meets the conditions of being an investment entity and is exempt from preparing consolidated financial statements for 2023. For further explanation, please refer to the disclosures.

## MANAGEMENT'S REVIEW

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### **PORTFOLIO COMPANIES**

#### **One divestment made in 2023**

During 2023, the Fund divested Danpal A/S (wooden pallets). The buyer – a family office investor - saw the strategic market position and the significant social impact model and overall ESG performance as a clear strength of the company. The divestment resulted in very satisfactory financial returns and social impact to the Fund.

## MANAGEMENT'S REVIEW

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### **Koatek A/S**

Sector:	Specialised mechanical workshop for instrument and tech manufacturers
Social impact model:	Socially run company with a focus on hiring and training people from the margins of the labor market
SDG impact:	The SDG impact is described and elaborated on in the company's ESG report available on the company's website.
Number of employees:	101 FTE in 2023
Location:	Jægerspris, Denmark
Funds' ownership:	45%
Investment year:	2019
Website:	<a href="http://www.koatek.dk">www.koatek.dk</a>
Responsible partner(s):	Mads Aaen (board representative) and Torben Agerup

### **About the company**

Koatek A/S is a specialised mechanical manufacturer of high quality turned and milled components. The company is an order-producing manufacturer of components focusing on small series of high value – order sizes range from 150 to 15,000 units each year per order. Products are made in materials such as titanium, wolfram, aluminium, plastic and stainless steel. The company delivers to customers in various industries such as MedTech, energy, manufacturers of sensor technology, flow technology and instruments. Koatek is a socially run company, among others educating vulnerable young people and employs people from the margins of the labour market.

### **Developments in 2023**

The year was characterised by a positive market development and customer demand was solid in the first half of the year, but a weakening demand in the second half of the year. During the year, Koatek A/S maintained its focus on the long-term positive development of the business and finalised several important investments and system upgrades during the year. Commercially, focus was on retaining satisfied customers and to comply with delivery agreements with customers.

In terms of social impact, Koatek A/S' overall performed better than the main social KPI targets for 2023 comprising targets for inclusivity, job opportunities and education for marginalised persons. As per December 2023, Koatek A/S had 19 employees from the margins of the labour market.

## MANAGEMENT'S REVIEW

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### **ProfilService A/S**

Sector:	Cleaning services
Social Impact model:	Socially run company focused on creating new opportunities for marginalised groups on the labour market
SDG impact:	The SDG impact is described and elaborated on in the company's ESG report available on the company's website
Number of employees:	237 FTE in 2023
Location:	Brøndby, Denmark
Fund's ownership:	55% of SKFI Profil Holding ApS which owns 100% of ProfilService A/S.
Investment year:	2021
Website:	<a href="http://www.profilservice.dk">www.profilservice.dk</a>
Responsible partner(s):	Mads Aaen and Lars Jannick Johansen (board representatives)

### **About the company**

ProfilService A/S was established in 1992 and is considered one of the leading independent collective-covered cleaning providers in Zealand, employing approximately 220 FTEs (2022) of unionised service employees who serve the company's growing base of customers consisting of public institutions, large corporations and SMEs.

### **Development in 2023**

Commercially and financially, the results for 2023 were satisfactory. During the year ProfilService A/S had a good development in keeping existing and attracting new customers, both for jobs with contract-start during 2023 and the following year.

In terms of social impact, ProfilService A/S overall performed better than the social KPI targets for 2023 comprising targets for inclusivity and job opportunities for persons from the margins of the labour market. As per December 2023, ProfilService A/S had 93 employees from the margins of the labour market.

## MANAGEMENT'S REVIEW

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### **Auto Mobil ApS**

Sector:	Disability cars – construction, sale, buy and rental
Social Impact model:	Social business offering mobility solutions to people with mobility disabilities, and a socially run business
SDG impact:	The SDG impact is described and elaborated on in the company's ESG report available on the company's website.
Number of employees:	27 FTE in 2023
Location:	HQ in Greve with branches in Vorbasse and Viborg, Denmark
Fund's ownership:	38.8%
Investment year:	2021
Website:	<a href="http://www.auto-mobil.dk">www.auto-mobil.dk</a>
Responsible partner(s):	Torben Agerup (board representative) and Lars Jannick Johansen

### **About the company**

Auto Mobil ApS makes specialised vans and cars available for people with mobility-related disabilities – through a multi-platform offering combining sales and disability adaptations/interior design of both new and used cars supplemented with disability car rentals through various channels, including an online-platform.

### **Development in 2023**

Commercially and financially, Auto Mobil ApS continued a strong revenue growth in 2023, however, below (an aggressive) budget. This was primarily due to late effects of supply shortages of microchips and hence new vans into the European car market. Customer requests were strong and as expected in the year. In Q4 2023, Auto Mobil ApS established a new site in Odense.

The social impact efforts and results have been at a very good level in the year – where the total social KPI targets for the full year were outperformed. Even though marginalised employees in the organisation are not the main social impact goal, Auto Mobil ApS employs 7 people from the margins of the labour market.

## MANAGEMENT'S REVIEW

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### **WaterCare ApS**

Sector:	Consultancy, development and manufacturing of water handling systems
Social Impact model:	Socially run company focused on creating new opportunities for people from the margins of the labour market
SDG impact:	The SDG impact is described and elaborated on in the company's ESG report to be published during 2023 and available on the company's website
Number of employees:	39 FTE in 2023
Location:	Assens, Denmark
Fund's ownership:	43.3%
Investment year:	2022
Website:	<a href="http://www.watercare.dk">www.watercare.dk</a>
Responsible partner(s):	Torben Agerup (board representative) and Mads Aaen

### **About the company**

WaterCare ApS is a Danish production company that specialises in products for improving the water environment, water streams and other recipients.

### **Development in 2023**

WaterCare ApS developed well in 2023, where sales increased. Earnings curve declined due to upscaling of the organisation within sales, production and finance.

In terms of social impact, WaterCare's overall performance was better than the main social KPI targets for 2023 comprising targets for inclusivity, job training and employment for marginalised persons. As per December 2023, WaterCare had 8 employees from the margins of the labour market out of a total of 39 FTEs.

## MANAGEMENT'S REVIEW

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### **BM Silo ApS**

Sector:	Small modular silos used in the agricultural and industrial market
Social Impact model:	Socially run business creating new opportunities for persons from the margins of the labour market
SDG impact:	The SDG impact is described and elaborated on in the company's ESG report to be published during 2023 and available on the company's website.
Number of employees:	28 FTE in the financial year ending 30 September 2023
Location:	Holstebro, Denmark
Fund's ownership:	44.0%
Investment year:	2022
Website:	<a href="http://www.bmsilo.dk">www.bmsilo.dk</a>
Responsible partner(s):	Mads Aaen (board representative) and Lars Jannick Johansen

### **About the company**

BM Silo ApS is considered one of the leading manufactures of small square modular bolted silos for storage of agricultural and industrial products.

### **Development in 2023**

BM Silo ApS improved systems and competences to be prepared for continued growth. Weak markets, however, reduced the overall activity and losses on debtors contributed to a negative result for the year and financial targets were not met.

In light of the weak markets, headcount was reduced during the year. However, BM Silo ApS did on an overall level meet the social impact KPI targets for 2023, comprising targets for inclusivity and job opportunities for persons from the margins of the labour market. As per December 2023, BM Silo ApS had 10 employees from the margins of the labour market.

## MANAGEMENT'S REVIEW

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### **Tolstrup A/S**

Sector:	Landscaping services
Social Impact model:	Socially run company creating new opportunities for persons from the margins of the labour market
SDG impact:	The SDG impact is described and elaborated on in the company's ESG report to be published during 2023 and available on the company's website
Number of employees:	71 FTE in 2023
Location:	Fredericia
Fund's ownership:	58.0%
Investment year:	2022
Website:	<a href="http://www.tolstrupanlaeg.dk">www.tolstrupanlaeg.dk</a>
Responsible partner(s):	Mads Aaen and Lars Jannick Johansen (board representatives)

### **About the company**

Tolstrup A/S serves customers primarily in Jutland and on Funen with services within landscape maintenance, landscape construction and snow control. Customers are primarily municipalities and B2B companies.

### **Development in 2023**

Tolstrup A/S had a good development in 2023, with significant growth in the landscape maintenance contract portfolio and good activity in the snow control season. The company implemented systems to improve financial reporting, and the organisation has been strengthened with new hires within a number of areas.

Tolstrup set social impact KPIs and targets for inclusivity and job opportunities for persons from the margins of the labour market. The current year's targets cover the 12 months period ending August 2024. Due to the seasonality of the business, Tolstrup A/S was as per December 2023 still behind two of the three targets for the current period of measurement (with approx. 7 months remaining), but had 15 employees from the margins of the labour market (measured on an LTM basis).

## MANAGEMENT'S REVIEW

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### **Langebjerggaard ApS**

Sector:	Housing and education for vulnerable children & youths
Social Impact model:	Social Products and Services
SDG impact:	The company aims to contribute positively to the following SDGs: 3 (good health and well-being), 4 (quality education), 8 (decent work & economic growth), 10 (reduced inequalities).
Number of employees:	145 FTE in 2023
Location:	Vemmelev (Slagelse), Denmark
Fund's ownership:	45.0%
Investment year:	2023
Website:	<a href="http://www.tolstrupanlaeg.dk">www.tolstrupanlaeg.dk</a>
Responsible partner(s):	Torben Agerup and Maria Heickendorff (board representatives)

### **About the company**

Langebjerggaard is a growing, well-respected, and social impact-creating specialized social care service provider (BtP market), offering specialized education and training, assisted housing and housing support, and individual at-home and family support services.

### **Development in 2023**

The investment was closed 8 December 2023 and Langebjerggaard is establishing the groundwork for implementing the social impact and ESG management plan as well as working on executing on the commercial plan.



## MANAGEMENT'S REVIEW

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To what extent was the sustainable investment objective of this financial product met? [list the sustainable investment objective of this financial product, and describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, indicate to which environmental objectives set out in Article 9 of Regulation (EU) 2020/852 to the investment underlying the financial product contributed to. For the financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate how the objective of a reduction in carbon emissions was aligned with the Paris Agreement]

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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

The sustainable investment objective is to empower marginalised people and people in marginalised areas through the creation of jobs, training positions, education and enabling services and products via the Fund's investment portfolio.

The sustainable investment objective was met. The Fund's investments collectively employed 174 currently or previously marginalised people at the conclusion of the reference period (including divestments in the period). Investment companies reported that between 9% and 30% of their workforce was comprised of currently or previously marginalised individuals as determined by the labour market, social sector, or third party based on objectively verifiable factors. This indicates that all investment companies are successfully integrating currently and previously marginalised individuals into their workforce.

### ● How did the sustainability indicators perform?

A simple average of 21% of the workforce of portfolio companies (including divestments in the period) are currently or previously marginalised people, based on average of inclusion rates for the individual portfolio companies.

### ● ...and compared to previous periods? [include for financial products where at least one previous periodic report was provided]

The sustainability indicator performed slightly better in 2023 as compared to 2022 which reported an average of 20%. This is despite new investments made during the reference period (2023), and can be attributed to the work with social impact and good performances in the portfolio companies.

### ● How did the sustainable investments not cause significant harm to any sustainable investment objective? [include where the financial product includes sustainable investments]

All investments undergo a pre-investment screening and ESG due diligence to ensure that the Fund will contribute to social objectives and will "do no significant harm" to other sustainable investment objectives.

The investments are assessed regularly through an internally developed model that considers each investment's positive and negative impacts on all UN SDGs and the extent of that impact in conjunction with each investment's qualitative and quantitative reporting on principal adverse impact indicators. Based on this assessment, no investment is deemed to have a significant negative impact on sustainability factors.

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

The indicators for adverse impacts on sustainability factors are integrated into the internal due diligence process and annual review for assessing whether an investment caused significant harm.

The Fund does not report externally on principal adverse impact indicators.

MANAGEMENT’S REVIEW

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: Sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. All investments are required to report annually on their continued alignment and specific relevant governance practices, and this data is incorporated into the assessment model.



What were the top investments of this financial product?

The	Largest investments	Sector	% Assets*	Country	*
	Watercare ApS	Water collection, treatment and supply	>12%	Denmark	
	Tolstrup A/S	Landscape service activities	>12%	Denmark	
	ProfilService A/S	Cleaning activities	>12%	Denmark	
	Langebjerggaard ApS	Specialised social care services	>12%	Denmark	

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:  
**01/01/2022 – 31/12/2022**

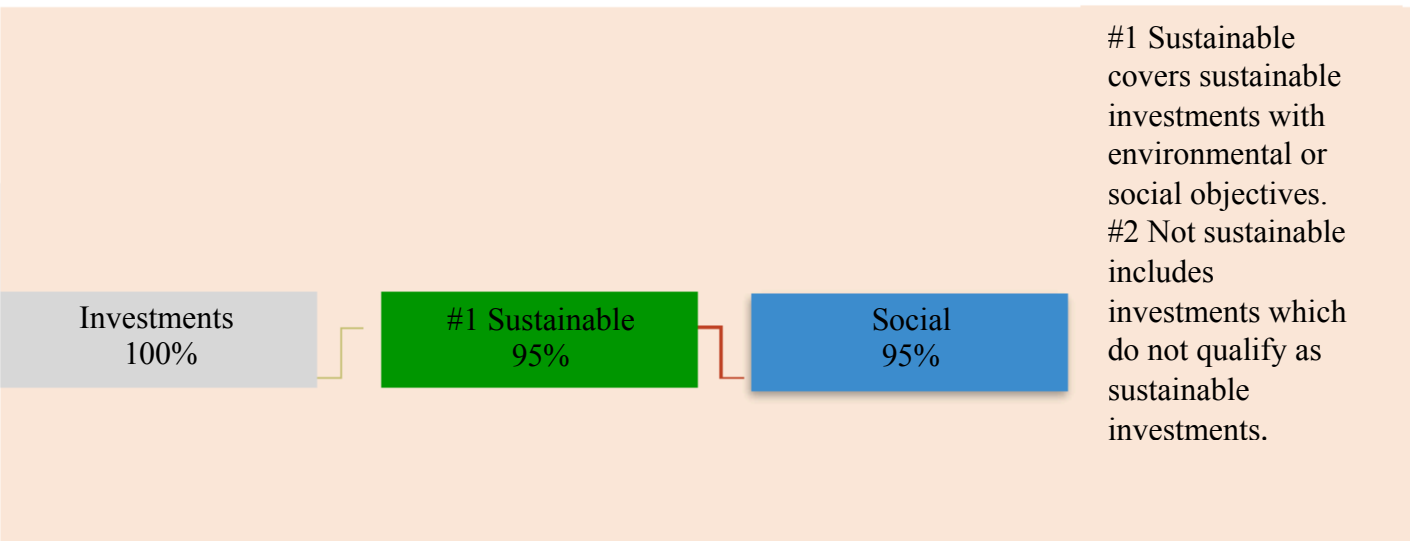
investments listed above are all above 12% and together represent more than 50% of the Fund’s investments at cost.



What was the proportion of sustainability-related investments?  
 What was the asset allocation?

100% of assets are sustainable investments with social objectives.

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives. #2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

Investments were made in water collection, treatment and supply; landscape service activities; cleaning activities;

## MANAGEMENT'S REVIEW

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manufacture of products of wood, cork, straw and plaiting materials; renting and leasing of motor vehicles; manufacture of other special-purpose machinery; warehousing and storage; manufacture of furniture; and wholesale of information and communication equipment; specialised social care services.



What was the share of socially sustainable investments? [include only where the financial product includes sustainable investments with a social objective]

95% of investments are socially sustainable.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The purpose of the remaining proportion of the investments of the Fund (2-5%) will be cash held for cash management purposes only.

What actions have been taken to attain the sustainable investment objective during the reference period? [list the actions taken within the period covered by the periodic report to attain the sustainable investment objective of the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the sustainable investment objective]



Den Sociale Kapitalfond Invest I K/S assesses all potential investments for alignment with the sustainable investment objective prior to investing; companies that do not align with the objective are excluded from investment consideration. The Fund is committed to an active ownership and has undertaken a range of engagement activities with portfolio companies to encourage them to improve practices related to the sustainable investment objective and promote a long-term approach to decision-making, including providing education and external expert guidance to attain this.

## FINANCIAL HIGHLIGHTS

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### Financial Highlights

The financial highlights for the Fund per December 31, 2023, were as follows (2020 and 2019 are presented according to the Danish Financial Statement Act):

	<u>2023</u> TDKK	<u>2022</u> TDKK	<u>2021</u> TDKK	<u>2020</u> TDKK	<u>2019</u> TDKK
Financial highlights					
Value adjustments of investments	20,024	52,595	69,642	2,584	4,912
Financial income/expense	7,950	-533	-18	322	-2
Net profit/loss for the year	20,931	42,578	59,680	-9,165	-3,719
Total non-current assets	164,813	172,508	155,911	50,070	27,150
Total assets	166,416	173,378	156,385	59,431	27,150
Equity	166,082	170,880	155,553	58,993	26,687

**STATEMENT OF COMPREHENSIVE INCOME**

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Realized gains and unrealized value adjustment of investments		20,024	52,595
Other external costs		-7,043	-9,484
Operating profit/(loss) (EBIT)		12,981	43,111
Financial income		8,000	0
Financial expenses		-50	-533
Profit/(loss) before tax		20,931	42,578
Tax on net profit/(loss) for the year		0	0
Net profit/(loss) for the year		20,931	42,578
Other comprehensive income		0	0
Comprehensive income		20,931	42,578

**BALANCE SHEET 31 DECEMBER**

	Note	2023 TDKK	2022 TDKK
<b>ASSETS</b>			
Investments in subsidiaries	4+5	48,028	45,428
Investments in associates	4+5	113,185	121,080
Other receivables		3,600	6,000
Total non-current assets		<u>164,813</u>	<u>172,508</u>
Other receivables		201	0
Prepayments		107	91
Total receivables		<u>308</u>	<u>91</u>
Cash and cash equivalents		<u>1,295</u>	<u>779</u>
Total cash and cash equivalents		<u>1,295</u>	<u>779</u>
Total assets		<u>166,416</u>	<u>173,378</u>
<b>EQUITY AND LIABILITIES</b>			
Contributed capital		68,692	94,433
Revaluation reserve		50,765	69,365
Retained earnings/(losses)		46,625	7,082
Total equity		<u>166,082</u>	<u>170,880</u>
Trade payables		334	2,496
Total short-term liabilities		<u>334</u>	<u>2,496</u>
Total liabilities		<u>334</u>	<u>2,496</u>
Total liabilities and equity		<u>166,416</u>	<u>173,378</u>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 2022 AND 2023**

	Contributed capital <u>TDKK</u>	Revaluation reserve <u>TDKK</u>	Retained earnings <u>TDKK</u>	Equity <u>TDKK</u>
Balance 1 January 2022	121,684	77,138	-43,269	155,553
Capital increase	65,694	0	0	65,694
Capital reduction	-92,945	0	0	-92,945
Result of the year	<u>0</u>	<u>-7,773</u>	<u>50,351</u>	<u>42,578</u>
Limited partners equity total 31 December 2022	<u>94,433</u>	<u>69,365</u>	<u>7,082</u>	<u>170,880</u>
	Contributed capital <u>TDKK</u>	Revaluation reserve <u>TDKK</u>	Retained earnings <u>TDKK</u>	Equity <u>TDKK</u>
Balance 1 January 2023	94,433	69,365	7,082	170,880
Capital increase	34,480	0	0	34,480
Capital reduction	-60,221	0	0	-60,221
Result of the year	<u>0</u>	<u>-18,600</u>	<u>39,543</u>	<u>20,943</u>
Limited partners equity total 31 December 2023	<u>68,692</u>	<u>50,765</u>	<u>46,625</u>	<u>166,082</u>

## CASH FLOW STATEMENT

	2023 TDKK	2022 TDKK
Operating profit/(loss) (EBIT)	12,981	43,111
Purchase of financial investments (portfolio companies)	-24,506	-57,312
Proceeds from financial investments	52,234	93,312
Reversal of value adjustment of investments (unrealized)	20,588	10,204
Reversal of realized gain/loss from financial investments	-40,611	-62,799
Change in working capital	-2,379	1,575
Financial income received	8,000	0
Financial expense paid	-50	-533
Cash flow from operating activities	<u>26,257</u>	<u>27,558</u>
Paid in contributed capital	34,480	65,694
Distributions paid to limited partners	-60,221	-92,945
Cash flow from financing activities	<u>-25,741</u>	<u>-27,251</u>
Net increase in cash and cash equivalents	<u>516</u>	<u>307</u>
Cash and cash equivalents at the beginning of the year	779	472
Cash and cash equivalents at the end of the year	<u>1,295</u>	<u>779</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Summary of significant accounting policies

#### General information

The Annual Report of the Company has been prepared in accordance with the provisions of the IFRS Accounting Standards which is approved by the EU and further disclosure requirements according to the Danish Financial Statements Act for Class B as well as selected rules applying to reporting class C.

The Annual Report is prepared in TDKK which is the functional currency of the Company.

The most significant elements of the accounting principles applied are described below.

#### **Implementation of new standards, amendments and interpretations**

The Company has assessed the effect of the new standards, amendments and interpretations. The Company has concluded that all standards, amendments and interpretations effective for financial years beginning on or after 1 January 2023 are either not relevant to the Company or have no significant effect on the Financial Statements of the Company.

#### Explanation on omitting consolidated financial statements

Den Sociale Kapitalfond Invest I K/S has multiple unrelated investors and holds multiple investments in both subsidiaries and in associates. The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- 1) The Company has obtained funds for the purpose of providing investors with professional investment management services,
- 2) the Company's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income and
- 3) the investments are measured and evaluated on a fair value basis.

As the Company meets the conditions above, it is exempt from consolidating its subsidiaries. Instead, it records its controlled investments as financial assets at fair value through profit or loss.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

## NOTES TO THE FINANCIAL STATEMENTS

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### Balance sheet

Investments in portfolio companies etc.

Investments in subsidiaries, associates, other securities and investments comprise investments in portfolio companies and are measured at fair value on the balance sheet date. Value adjustments are recognised in the income statement.

Investments in portfolio companies are measured according to the guidelines of the “International Private Equity and Venture Capital” (IPEV) “Valuation Guidelines” which is why investments are recognised at fair value at the balance sheet date.

Unlisted portfolio companies are valued either by way of a capital increase round or part sale based on the value of comparable companies as well as by applying traditional measurement methods.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value for unlisted equity securities are determined by the General Partner using valuation techniques. Such valuation techniques may include earnings multiples and discounted cash flows. The Partnership adjust the valuation model as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps.

In determining fair value, the General Partner in many instances relies on the financial data of investee portfolio companies and on estimates by the management of the investee portfolio companies as to the effect of future developments. Although the General Partner uses its best judgement, and cross-references results of primary valuation models against secondary models in estimating the fair value of investments, there are inherent limitations in any estimation techniques.

The fair value estimates presented herein are not necessarily indicative of an amount the Partnership could realise in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

Receivables

Receivables are measured at amortised cost. Write-downs for bad debt are based on individual assessment of receivables.

Equity

An amount corresponding to net positive unrealised value adjustments of investments in subsidiaries and associated companies is presented as “revaluation reserve” under the equity.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

## NOTES TO THE FINANCIAL STATEMENTS

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### Comprehensive income statement

#### Value adjustments of investments

The value adjustment of investments in portfolio companies comprises value adjustment realized from sale and value adjustments unrealized from any revaluation or impairment of investments in portfolio companies at fair value. Dividend received from investments are included in value adjustments.

#### Other external costs

Management fee comprises of management fee for the period calculated according to the Limited Partnership Agreement. Administrative expenses comprise expenses for establishing the Company and managing the operations of the company, including audit costs, legal advisors and other general expenses.

#### Financial items

Financial income and expense and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

#### Tax on profit/loss for the year

The Company is not independently liable to tax and consequently tax has not been recognized.

#### Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items. Working capital comprises movements related to investments, current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from financing activities comprise cash flows from payments/distributions and contributions to and from shareholders/limited partners.

Cash and cash equivalents comprise "Cash at bank and in hand" as well as balances in "Credit institutions". The cash flow statement cannot be immediately derived from the published financial records.

## NOTES TO THE FINANCIAL STATEMENTS

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### **2. Critical accounting estimates and judgments**

Den Sociale Kapitalfond Invest I K/S makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below. Please refer to note 4 for further details on critical accounts estimates and judgements.

#### Fair value of investments

The fair value of securities that are not quoted in an active market are determined by using valuation techniques described below. The Company's general partner seeks to adhere to Invest Europe's IPEV Valuation Guidelines.

The general partner has chosen to adopt different valuation techniques depending on the portfolio company. For holdings owned for 12 months or more with substantial and sustainable cash flow or earnings, the general partner has adopted a valuation technique using EBITDA. For holdings without significant profits or positive cash flow or owned for less than 12 months, the general partner has maintained cost or the price of a recent investment or the use of multiples based on revenues. Please refer to note 4 for further details on the valuation models and processes.

### **3. Financial risks and financial instruments**

The objective of the Partnership is to achieve medium to long-term positive impact and capital growth through investing in a selection of unlisted private companies operating mainly in the Danish market.

The Partnership's activities expose it to a variety of financial risks: operating risk, market risk, foreign exchange risk, interest rate risk and credit risk.

#### **Special operating risks, market risks and foreign exchange risks**

##### Operating risks

The object of the Company is to contribute venture capital to competitive enterprises. The most important risk factor is therefore changes in the value of the investments made in portfolio companies.

##### Market risks

The Partnership's Investment Advisor, Den Sociale Kapitalfond Invest Management ApS, provides the General Partner and Partnership with investment recommendations. The Investment Advisor's recommendations are reviewed and approved by the General Partner before the investment decisions are implemented. To manage the market price risk, the Investment Advisor, as engaged by the General Partner to do so, reviews the performance of the portfolio companies on a quarterly basis and is often in contact with the management of the portfolio companies for business and operational matters. Any relevant results of these reviews are communicated to the Partnership.

The portfolio of investments is well diversified among various industries. However, the majority of the investments are in Denmark and a negative event in the Danish capital market would most likely affect the financing and/or exit possibilities in general.

##### Foreign exchange risks

The Company has no significant risk to changes in the exchange rate since all portfolio investments are made in DKK corresponding to the Company's chosen currency.

## NOTES TO THE FINANCIAL STATEMENTS

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### Foreign exchange sensitivity

The Company is less sensitive to changes in the exchange rate since all portfolio investments are made in DKK corresponding to the Company's chosen currency.

### Interest rate risks

The Company is less sensitive to changes in the interest level. Cash carries current interest at fixed-term deposits.

### Credit risks

The Company has no significant receivables, why the credit risk is minimal.

### Capital risk management

The capital of the Partnership is represented by the net assets attributable to the partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Partnership. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitment from the limited partners or distribute funds to the limited partners.

## 4. Fair value estimation

### Methods and assumptions in determining fair value

#### The valuations process

The valuations are prepared by the relevant team of the Investment Advisor and are reviewed on a quarterly basis as well as per year end by the Investment Advisor who report and make recommendations to the general partner. The recommendations are reported on a quarterly basis, in line with the quarterly valuations that are provided to investors. The Investment Advisor considers the appropriateness of the valuation model itself, the significant and key inputs as well as the valuation results using various valuation methods and techniques generally recognized as standard within the industry. The fair value estimates are measured according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation Guidelines" which is why investments are recognized at fair value at the balance sheet date.

In determining the valuation recommended to the General Partner for Partnership's investments, the Investment Advisor utilizes comparable trading multiples in arriving at the valuation. In accordance with the Partnership's policy the Investment Advisor determines appropriate public companies based on industry, size, development stage, revenue generation and strategy. The Investment Advisor then calculate a trading multiple for each comparable company identified and the mean multiple of the peer group. The multiple is calculated by dividing the enterprise value (EV) with EBITDA or Sales. The valuation multiple for an investment is calculated by indexing the entry multiple to the development of the mean multiple of the peer group since entry.

In determining the continued appropriateness of the chosen valuation techniques, the valuation committee may perform back testing to consider the various models' actual results and how they have historically aligned with the market transactions.

#### Fair value hierarchy for financial instruments

IFRS Accounting Standards require Den Sociale Kapitalfond Invest I K/S to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

**NOTES TO THE FINANCIAL STATEMENTS**

Level 1: inputs are quoted (unadjusted) in active markets for identical assets or liabilities that Den Sociale Kapitalfond Invest I K/S can access at the measurement date;

Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the assets or the liability, either direct or indirect;

Level 3: inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

The determination of what constitutes “observable” requires significant judgement by Den Sociale Kapitalfond Invest I K/S. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are involved in the relevant market.

The following table shows the classification of the financial instruments, measured at fair value. The values is classified in respect of the fair value hierarchy.

	Level 1 MDKK	Level 2 MDKK	Level 3 MDKK	Total MDKK
<b>2023</b>				
Quoted investments (portfolio Companies)	0	0	0	0
Unquoted investments (portfolio Companies)	0	71	90	161
<b>Financial instruments, measured at fair value</b>	0	71	90	161
<b>2022</b>				
Quoted investments (portfolio Companies)	0	0	0	0
Unquoted investments (portfolio Companies)	0	46	127	173
<b>Financial instruments, measured at fair value</b>	0	46	127	173

## NOTES TO THE FINANCIAL STATEMENTS

Significant unobservable inputs at level 3

Investments classified within level 3, has been valued based on significant unobservable inputs, as they trade infrequently. As quoted market prices are not available for these investments, the general partner has used valuation techniques to determine fair value. In order to assess the valuation made for investments within level 3, the Investment Advisor reviews the performance of the portfolio companies. Furthermore, the Investment Advisor is regularly in contact with the management of the portfolio companies in order to make assessments of business and operational matter which are considered in the valuation process. Where appropriate the Investment Advisor also track peer group company multiples, recent transaction results and credit ratings for similar companies.

	<u>EV/EBITDA</u> Range used	<u>EV/EBITDA</u> Weighted average
Level of applied EBITDA multiples, 2023	5.4 – 8.5	5.66
Level of applied EBITDA multiples, 2022	5.1 – 5.4	5.27

For 2023 the change in valuations are mainly driven by the performance in investments.

Sensitivity analyse

The fair value of the Company's portfolio companies is affected by the development in applied multiples. A change in significant unobservable input will have an effect on the valuation of the portfolio companies, as well as the fair value will be affected of development in general macro – economic conditions.

A change of applied multiples of 10 % will have the following effect on the fair value.

Change in applied multiples of 10%, 2023 – MDKK 11.6

Change in applied multiples of 10%, 2022 – MDKK 14.1

### 5. Financial assets at fair value through profit or loss

Company Classification	<u>Geography</u>	<u>2023</u>		<u>2022</u>	
		<u>Cost of investment MDKK</u>	<u>Fair value MDKK</u>	<u>Cost of investment MDKK</u>	<u>Fair value MDKK</u>
SME	Denmark	<u>118.5</u>	<u>161.2</u>	<u>105.6</u>	<u>172.5</u>
Small and medium-sized enterprises		<u>118.5</u>	<u>161.2</u>	<u>105.6</u>	<u>172.5</u>

**NOTES TO THE FINANCIAL STATEMENTS**

## Category of investment

The holdings are small and medium-sized enterprises with revenue of less than EURm 50 at time of entry. All holdings contribute with social impact on one or more of the agendas being a) employing marginalized persons, b) empowering marginalized persons through products & services and/or c) creating local opportunities in socially deprived areas.

**Investments in subsidiaries**

Investment (2023)	Place of registered office	Currency	Share capital Local Currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
SKFI Profil Holding ApS	Copenhagen, Denmark	TDKK	150	55%	40,401	2,877
SKFI Grønt Holding ApS	Copenhagen, Denmark	TDKK	150	58%	36,621	1,746

Investment (2022)	Place of registered office	Currency	Share capital Local Currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
SKFI Profil Holding ApS	Copenhagen, Denmark	TDKK	150	55%	39,464	3,819
SKFI Grønt Holding ApS	Copenhagen, Denmark	TDKK	150	58%	N/A	N/A

**NOTES TO THE FINANCIAL STATEMENTS****Investments in associates**

Investment (2023)	Place of registered office	Currency	Share capital Local Currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
Auto Mobil ApS	Greve, Denmark	TDKK	86	39%	9,107	412
BM SKFI Holding ApS	Copenhagen, Denmark	TDKK	200	44%	19,520	-4,034
HESKOL Watercare Holding ApS	Copenhagen, Denmark	TDKK	51	40%	56,607	-4,768
Metallum Holding ApS	Copenhagen, Denmark	TDKK	150	45%	60,091	16,515
Langebjerggaard Holding ApS	Copenhagen, Denmark	TDKK	200	45%	N/A	N/A

Investment (2022)	Place of registered office	Currency	Share capital Local Currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
Auto Mobil ApS	Greve, Denmark	TDKK	86	39%	10,070	28
SKFI Pal Holding ApS	Copenhagen, Denmark	TDKK	500	40%	62,209	25,834
BM SKFI Holding ApS	Copenhagen, Denmark	TDKK	200	44%	23,554	-1,004
HESKOL Watercare Holding ApS	Copenhagen, Denmark	TDKK	50	40%	N/A	N/A
Metallum Holding ApS	Copenhagen, Denmark	TDKK	150	45%	60,091	16,515

## NOTES TO THE FINANCIAL STATEMENTS

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### 6. Limited partners equity

Limited Partners' and General Partner's total committed capital is MDKK 289 of which MDKK 148 is not yet called.

Capital reduction comprise of return of capital and distributions from investment companies.

### 7. Personnel expenses

The Company has no expenses to personnel,

Average number of employees 2023, 0.

Average number of employees 2022, 0.

### 8. Related party transactions

The following transactions has occurred with other related parties:

	<u>2023</u> TDKK	<u>2022</u> TDKK
Management fee	<u>5,850</u>	<u>7,954</u>
Total expenses	<u>5,850</u>	<u>7,954</u>

### 9. Subsequent events

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the Financial Statement.