

Den Sociale Kapitalfond Invest II K/S

*C/O Ferdinand
Rahbeks Alle 21, 1801 Frederiksberg C*

CVR no. 44 50 32 39

Annual Report 2023/2024

Chairman _____

Approved at the Company's general partner meeting on 24/4 - 2025

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MANAGEMENT'S STATEMENT

The Management has today discussed and approved the Annual Report of Den Sociale Kapitalfond Invest II K/S for the financial year 13 December 2023 - 31 December 2024.

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 2024 and of the results of the Company's operations and cash flow for the financial year 13 December 2023 - 31 December 2024.

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, 27 March 2025

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

Mads Aaen

Lars Jannick Johansen

Torben Agerup

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations and cash flows for the financial year 13 December 2023 - 31 December 2024 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 II K/S for the financial year 13 December 2023 - 31 December 2024, which comprise statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in net assets attributable to Limited Partners 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

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, 27 March 2025
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

Company name	Den Sociale Kapitalfond Invest II K/S
CVR NO.	44 50 32 39
Address	C/O Ferdinand Rahbeks Alle 21 1801 Frederiksberg
Management	Komplementarselskabet for Den Sociale Kapitalfond Invest II ApS
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
General Partner (Authorised to sign for the Company)	Komplementarselskabet for Den Sociale Kapitalfond Invest II ApS C/O Ferdinand Rahbeks Alle 21 1801 Frederiksberg C

COMPANY INFORMATION

Business activities

Den Sociale Kapitalfond Invest II K/S (the “Fund”) is a social impact investment fund focusing on Social SMEs and Small Midcaps creating financial return on investment as well as new opportunities for vulnerable persons.

Den Sociale Kapitalfond Invest II K/S was established as a Limited Partnership in December 2023, with the purpose and objective to generate social impact and financial returns by investing in Social SMEs and Small Midcaps with economic growth potential and positive social impact on people and society, that are established and have their headquarters in Denmark, Sweden or Norway. The Limited Partnership had its final closing on 19 December 2024 with a total commitment of DKK 670 million. The Fund is owned by Danish and international professional investors. The investors have entered into a limited partnership agreement.

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

Investment Strategy

Social SMEs and Small Midcaps account for a significant share of value added and employment in the private sector in Scandinavia. Their growth potentials are often high, but they often lack equity investments, competences, and employee attractiveness to fully realise them.

In addition, Social SMEs and Small Midcaps are key contributors to the realisation of the UN Sustainable Development Goals, many contribute to overcome challenges for people in vulnerable positions 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 impact investment markets, well-positioned and well-performing impact companies are increasingly attractive for the growing number of impact-seeking investors.

The Fund will assist the portfolio companies 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 will provide 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 portfolio 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

COMPANY INFORMATION

this regard for other companies to follow – is a prerequisite for the investments of Den Sociale Kapitalfond Invest II K/S. Specifically, the Fund focuses on empowering vulnerable persons and persons in vulnerable areas through the creation of jobs, training positions, education, improved mental and physical health and enabling services and products.

Each portfolio company will be required to make 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"), and makes disclosures in accordance with SFDR (Annex V which is included in this Annual Report and can be found below).

For more information about the Fund's investment strategy, policy and methodology, regulatory disclosures and ESG work please visit www.densocialekapitalfond.dk.

Organization and Governance of Den Sociale Kapitalfond Invest

The Fund's management company is led by the four partners Lars Jannick Johansen (Managing Partner), Torben Agerup (Partner), Mads Aaen (Partner) and Maria Heickendorff (Partner) who also make up the Fund's Investment Committee. The management company's Board of Directors consists of Torben Agerup (Chairperson) Lars Jannick Johansen, Mads Aaen and Michelle Rosendal (from Den Sociale Kapitalfond group). The remuneration of the 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 II K/S (CVR number 44503239) has as General Partner, Komplementarselskabet for Den Sociale Kapitalfond Invest II ApS (CVR number 44492172), which is led by a Board of Managers with Lars Jannick Johansen, Torben Agerup and Mads Aaen.

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

The Limited Partners Advisory Committee, with representatives from the largest investors, will among other things, validate the social impact targets of the Fund's portfolio companies.

The Fund is owned by several Danish and international professional and semi-professional investors holding a total stake of 98,66%. The remaining stake is owned by the Partners of the management company, Den Sociale Kapitalfond Management ApS, the Fund's Senior Advisors and employees in Den Sociale Kapitalfond Group.

Carried Interest

Den Sociale Kapitalfond Invest II 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.

COMPANY INFORMATION

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 Limited Partners Advisory Committee. 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 2024.

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 bi-annual Limited Partners Advisory Committee meetings.

Development in activities and financial position

This Annual Report covers the Fund's first financial year. Focus in 2024 was on establishing the Fund as well as building a pipeline and strengthening the deal-flow.

Profit/loss for the year

The Fund's income statement for the year ended 31 December 2024 shows a loss of TDKK 16,708, and the balance sheet on 31 December 2024 shows net assets attributable to Limited Partners of TDKK-3,954.

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.

Unusual matters

The Fund's financial position on 31 December 2024 and the results of its operations for the financial year ended 31 December 2024 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.

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PORTFOLIO COMPANIES

It is the Fund's first financial year, and no investments have been made as per 31 December 2024.

In February 2025 the Fund closed an investment in Hansens Is as its first investment.

COMPANY INFORMATION



Brussels, 6.4.2022
C(2022) 1931 final

ANNEX 5

ANNEX

to the

Commission Delegated Regulation (EU) .../....

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

MANAGEMENT’S REVIEW

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Den Sociale Kapitalfond Invest II K/S
Reference period: 13.12.2023 to 31.12.2024

Legal entity identifier: CVR 44503239

Sustainable investment objective

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It made sustainable investments with a social objective: 95%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

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

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



To what extent was the sustainable investment objective of this financial product met?

During the reporting period, the Fund remained committed to its sustainable investment objective, which is to contribute to a socially cohesive, inclusive, and sustainable society by empowering and creating new opportunities for vulnerable groups (or groups at risk of becoming vulnerable) through its investment portfolio. This objective is pursued by investing in companies that provide measurable positive social impact, in alignment

MANAGEMENT'S REVIEW

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01.01.2024 – 31.12.2024

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.

with the EU Social Taxonomy's social objectives, including Decent Work, Adequate Living Standards and Well-being, and Inclusive and Sustainable Communities and Societies.

As the Fund was only recently established and has not yet made any investments within the reporting period, there are no sustainable investment outcomes to report for this reporting.

● How did the sustainability indicators perform?

As the Fund was recently established and has not yet made any investments during the reporting period, there are no investment-related sustainability indicators to report on at this stage.

● ...and compared to previous periods?

Since no investments were made in the previous period, no comparative data is available. Future reports will provide insights into the performance of sustainability indicators as investments are deployed and monitored.

● How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Fund is committed to ensuring that its investments do not cause significant harm to environmental objectives in the pursuit of its social impact objectives. During the reporting period, the Fund did not make any investments. As a result, there were no investment activities that could have caused significant harm to any sustainable investment objectives.

— 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.

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: The Fund's Responsible Investment Policy is aligned with the 6 principles of the UN PRI of which Den Sociale Kapitalfond group is a signatory, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights set of guidelines (the "Guidelines"). The Fund's investments are thus expected to be in accordance herewith



What were the top investments of this financial product?

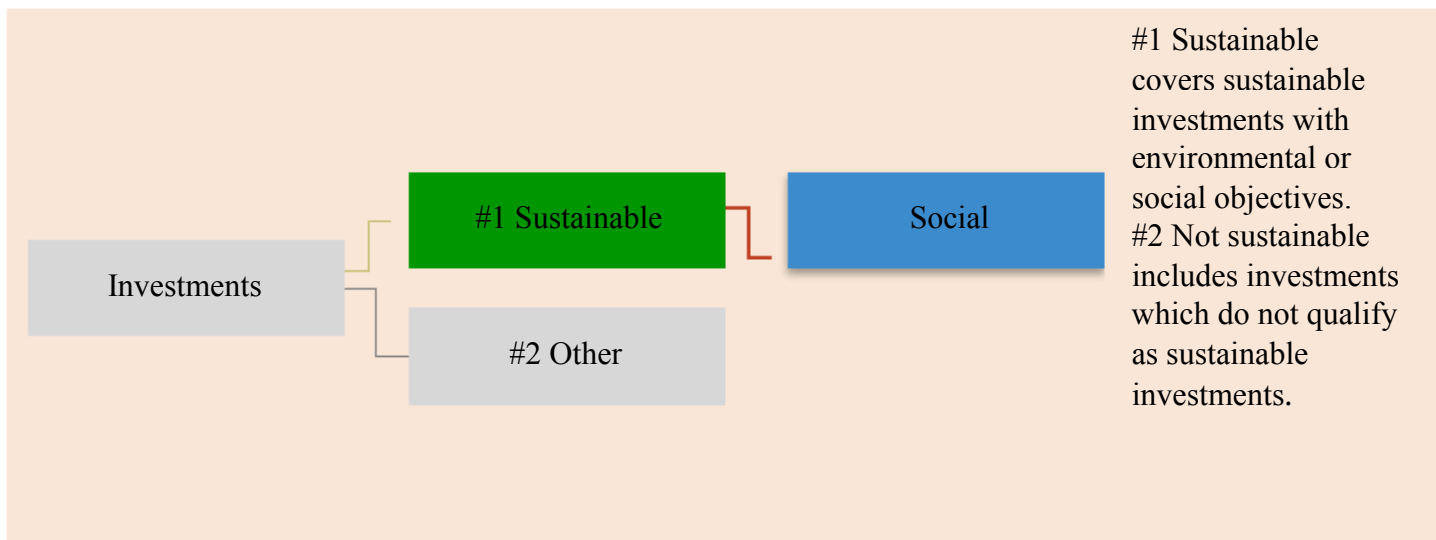
During the reporting period, the Fund did not make any investments. As a result, there are no top investments to disclose for this timeframe.

MANAGEMENT’S REVIEW



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

Asset allocation describes the share of investments in specific assets.



During the reporting period, the Fund did not make any

investments. As a result, there is nothing to disclose under sustainability-related investments.

In line with the Fund’s investment strategy, a minimum of 95% of future investments are expected to meet the sustainable investment objective, while the remaining 2-5% will be allocated to cash holdings for liquidity and cash management purposes. The proportion of sustainability-related investments will be disclosed in future reporting periods as capital is drawn down and invested.

● In which economic sectors were the investments made?

During the reporting period, the Fund did not make any investments. Therefore, no economic sectors can be disclosed.



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



● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- Yes
 - In fossil gas
 - In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

MANAGEMENT'S REVIEW

What was the share of socially sustainable investments?

During the reporting period, the Fund did not make any investments. As a result, there is nothing to disclose under socially sustainable investments.



What investments were included under “Other”, what was their purpose and were there any minimum environmental or social safeguards?

During the reporting period, the Fund did not make any investments. As a result, there is nothing to disclose under “Other.”



What actions have been taken to attain the sustainable investment objective during the reference period?

Den Sociale Kapitalfond Invest II 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

Financial Highlights

The financial highlights for the Fund per December 31, 2024, were as follows:

	<u>2023/2024</u> TDKK
Financial highlights	
Financial income/expense	0
Net profit/loss for the year	-16,708
Total non-current assets	84
Total assets	84
Net assets attributable to Limited Partners	-3,954

STATEMENT OF COMPREHENSIVE INCOME

	<u>Note</u>	<u>2023/2024</u> TDKK
Other external costs		-16,708
Operating profit/(loss) (EBIT)		-16,708
Profit/(loss) before tax		-16,708
Tax on net profit/(loss) for the year		0
Net profit/(loss) for the year		-16,708
Other comprehensive income		0
Comprehensive income		-16,708

STATEMENT OF FINANCIAL POSITION 31 DECEMBER

	<u>Note</u>	<u>2024</u> TDKK
ASSETS		
Cash and cash equivalents		<u>84</u>
Total cash and cash equivalents		<u>84</u>
Total assets		<u>84</u>
LIABILITIES		
Trade payables		<u>4,038</u>
Total short-term liabilities		<u>4,038</u>
Total liabilities		<u>4,038</u>
Net assets attributable to Limited Partners		<u>-3,954</u>
Total liabilities and net assets		<u>84</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS FOR 2024

	Contributed capital	Revaluation reserve	Retained earnings	Net assets attributable to Limited Partners
	TDKK	TDKK	TDKK	TDKK
Balance 13 December 2023	0	0	0	0
Capital increase	12,754	0	0	12,754
Capital reduction	0	0	0	0
Result of the year	0	0	-16,708	-16,708
Net assets attributable to limited partners at 31 December 2024	12,754	0	-16,708	-3,954

CASH FLOW STATEMENT

	<u>2024</u> TDKK
Operating profit/(loss) (EBIT)	-16,708
Change in working capital	4,038
Cash flow from operating activities	<u>-12,670</u>
Paid in contributed capital	12,754
Distributions paid to limited partners	<u>0</u>
Cash flow from financing activities	<u>12,754</u>
Net increase in cash and cash equivalents	<u>84</u>
Cash and cash equivalents at the beginning of the year	0
Cash and cash equivalents at the end of the year	<u>84</u>

NOTES TO THE FINANCIAL STATEMENTS

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 2024 are either not relevant to the Company or have no significant effect on the Financial Statements of the Company.

Investment entity status

Den Sociale Kapitalfond Invest II K/S 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.

Balance sheet

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand"

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

NOTES TO THE FINANCIAL STATEMENTS

Comprehensive income statement

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

2. 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.

NOTES TO THE FINANCIAL STATEMENTS

Foreign exchange sensitivity

The Company is less sensitive to changes in the exchange rate since no investments are yet.

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.

3. Net assets attributable to Limited Partners

Limited Partners' and General Partner's total committed capital is MDKK 670 of which MDKK 657 is not yet called.

4. Personnel expenses

The Company has no expenses to personnel,

Average number of employees 2023/2024, 0.

5. Related party transactions

The following transactions has occurred with other related parties:

	<u>2023/2024</u> TDKK
Management fee	<u>10,356</u>
Total expenses	<u>10,356</u>

NOTES TO THE FINANCIAL STATEMENTS

6. Carried interest

The carried interest to be paid in the future is calculated based on the fair value of the investments of the Company as measured at the reporting date. Carried interest is paid when conditions in the LPA are met.

In 2023/2024 TDKK 0 (2023: TDKK 0) has been paid in carried interest. At 31 December 2024 TDKK 0 is calculated as carried interest not yet distributed.

7. Subsequent events

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