



**intertrust**  
GROUP

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

c/o Accura Advokatpartnerselskab  
Tuborg Boulevard 1, DK-2900 Hellerup  
CVR no. 38 96 88 15

### **Annual report for 2020**

Adopted at the annual general meeting  
on 15 April 2021

---

Kasper Midtgaard  
chairman

## Table of contents

	Page
<b>Statements</b>	
Statement by management on the annual report	1
Independent auditor's report	2
<b>Management's review</b>	
Company details	5
Financial highlights	6
Management's review	7
<b>Financial statements</b>	
Income statement 1 January - 31 December	21
Balance sheet 31 December	22
Statement of changes in equity	24
Notes to the annual report	25
Accounting policies	26

## Statement by management on the annual report

The General Partner has today discussed and approved the annual report of Den Sociale Kapitalfond Invest I K/S for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

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

Copenhagen, 30 March 2021

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

Simon Krogh  
Chairman

Gudmund Tyge Korsgaard

Sven Krogstrup

## Independent auditor's report

### *To the shareholders of Den Sociale Kapitalfond Invest I K/S*

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with 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 2020, which comprise income statement, balance sheet, 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, we conclude that 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 of management's review.

## Independent auditor's report

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 30 March 2021

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Niels Henrik B. Mikkelsen  
State Authorised Public Accountant  
MNE no. mne16675

## Company details

### The company

Den Sociale Kapitalfond Invest I K/S  
Tuborg Boulevard 1  
c/o Accura Advokatpartnerselskab  
DK-2900 Hellerup

CVR no.: 38 96 88 15

Reporting period: 1 January - 31 December 2020

Domicile: Copenhagen

### On behalf of the General

#### Partner:

**Komplementarselskabet for Den  
Sociale Kapitalfond Invest I ApS**

Simon Krogh  
Gudmund Tyge Korsgaard  
Sven Krogstrup

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

For more information about Den Sociale Kapitalfond Invest and the activities performed, please visit:  
[www.socialkapitalfond.dk](http://www.socialkapitalfond.dk).

## Financial highlights

Seen over a 3-year period, the development of the company may be described by means of the following financial highlights:

	2020	2019	2018
	TDKK	TDKK	TDKK
<b>Key figures</b>			
Gross profit/loss	-9.487	-8.629	-10.724
Profit/loss for the year	-9.165	-3.719	-10.748
<b>Balance sheet</b>			
Balance sheet total	59.431	27.150	12.143
Investment in fixed assets	59.070	27.150	12.050
Equity	58.993	26.687	11.695
<b>Financial ratios</b>			
Solvency ratio	99,3%	98,3%	96,3%
<b>Financial resources</b>			
Cash	298	0	-3
Remaining commitment	206.226	245.113	263.824
Total financial resources	206.226	245.113	263.824



## Management's review

### **Business activities**

Den Sociale Kapitalfond Invest I K/S 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 marginalized persons.

Den Sociale Kapitalfond Invest I K/S was established as a Limited Partnership in 2017, with the purpose 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 specialized, 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 marginalized groups in society.

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

## Management's review

### 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 realize them.

In addition, SMEs are key contributors to the positive realization of the UN Sustainable Development Goals through their products and services, and many are socially run companies with positive local social impact: more than a third of all Danish SMEs employ marginalized persons – and approx. 10% of all SMEs have at least 10 % or minimum 5 persons as marginalized employees.

Having products and services contributing 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 be competitive advantages in markets 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.

Den Sociale Kapitalfond Invest assists the social SMEs in realizing their full potential for growth, impact and high value by contributing with equity capital as a minority or majority investor, for 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.

The Fund's management provide 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, organizational development, and branding & marketing, as well as market positioning and the attraction of the next generation of investors. The Fund's management also make active use of its strong network of competencies and contacts for the benefit of the portfolio companies. Special focus is also given to the development of the Fund's social impact model, ensuring that it is optimally aligned and mutually reinforcing with its business model, and the ESG-performance in general.

## Management's review

### 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. Specifically, the Fund focuses on empowering marginalized persons and persons in marginalized areas through the creation of jobs, training positions, education and enabling services and products.

The Fund's management 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 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 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 in order to anticipate early exit scenarios.
- In case of significant new information, change in the business environment beyond the control of the company 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 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 summarized to in a Social Impact Multiple ("SIM") per company.
- For the total portfolio, each portfolio company SIM is weighted by invested capital per company and summarized in a "Portfolio SIM", representing the overall ratio of fulfilment of social impact goals on a portfolio level.

Each portfolio company makes an annual, audited report on its social impact according to these guidelines. Together, these annual impact reports form the basis of a consolidated, audited portfolio impact report 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. Please see below.

According to the adopted practice of Den Sociale Kapitalfond Invest I K/S, whereby further information on the actual social impact targets and performance of the portfolio in this respect will be released



## Management's review

when the Fund has owned at least three portfolio companies for 12 months or more, the Fund will make a publicly available report on the status and progress of the Fund's social impact in a separate format during 2021.

### **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 in the best possible way 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 optimize the potential for positive social impact through the portfolio companies for the Fund and to integrate environmental, social and economic sustainability (ESG) risks and potentials in general in its work and comply with international goals and guidelines.

The Fund's management screens for Environment, Social and Governance ("ESG") issues and where relevant works for improvement of ESG policies in portfolio companies, alongside the ongoing development of their social impact models. Among others, the companies' compliance with the UN Global Compact Initiative are assessed, and portfolio companies are required to comply with the 10 principles of the UN Global Compact.

Furthermore, the UN Sustainable Development Goals – SDGs – are important landmarks for the Fund, and the management accordingly works actively with the SDGs in the investment process and portfolio management. The positive and negative contributions of an investment opportunity to the fulfilment of the SDGs are included as a parameter in the managements initial investment screening and is a separate point of focus in the due diligence processes for the Fund. 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 and also continuously assesses the development in environmental and governance factors as well as potential sustainability risks.

A negative list is used to ensure that the Fund avoids financing activities that are assessed to be unsustainable in the long term. Furthermore, the Fund follows and complies with several international sets of norms and conventions in its work, including:

- UN Principles for Responsible Investment (PRI)
- UN Global Compact
- UN Declaration of Human Rights
- UN Global Goals for Sustainable Development.

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

## Management's review

For further information please see [www.socialkapitalfond.dk](http://www.socialkapitalfond.dk).

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 Danmarks (formerly DVCA). Please see [www.socialkapitalfond.dk](http://www.socialkapitalfond.dk) for a compliance overview. The Fund has started the implementation of the EU regulation on Sustainable Finance Disclosure in order to comply with the reporting requirements coming into effect in 2021 and in 2022.

### Organization and Governance of Den Sociale Kapitalfond Invest

Den Sociale Kapitalfond Invest Management ApS is the management company for Den Sociale Kapitalfond Invest I K/S.

Den Sociale Kapitalfond Invest Management ApS 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 Birgitte Frost Mathiesen from Den Sociale Kapitalfond Accelerator ApS), 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.

For a presentation of the management team, please see [www.socialkapitalfond.dk](http://www.socialkapitalfond.dk).

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), etc. The company is only to a limited extent subject to the AIFM Act and has thus not been affiliated with a depository.

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

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

An Investor Advisory Board with representatives from the 7 largest investors among others validate the social impact targets of the fund's portfolio investments.

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

## Management's review

### 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 realization 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 allocated or paid as of 31 December 2020.

### Reporting

The reporting on fund activities is, among others, governed by the Limited Partnership Agreement. The fund among others ensures quarterly and annual reporting on financial and social impact performance 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 Partner meetings are held as well as quarterly Investor Advisory Board meetings. For social impact reporting, please see above.

### Development in activities and financial position

In 2020, COVID-19 periodically and especially in the first and second quarter of the year affected the market for social impact investments. Despite the challenges, focus has been on continued strengthening of the deal flow network and company contacts and on completing attractive social impact investments in line with the Fund's strategy.

In 2020, the Fund closed new investments in Refurb A/S and Danpal A/S, signed an agreement to invest in ProfilService A/S, and agreed to make a follow-on investment in HITSA A/S.

The COVID-19 pandemic has also presented challenges to the Fund's portfolio companies to varying degrees. However, the portfolio companies have shown better results than expected in 2020 given the pandemic. Please see below.

### Profit/loss for the year

The company's income statement for the year ended 31 December 2020 shows a loss of TDKK 9.165, and the balance sheet at 31 December 2020 shows equity of TDKK 58.993. The result for the year reflects the number of investments made at this stage of the Fund.



## Management's review

### **Valuations 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 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

However, several of the company's portfolio companies have been negatively affected by the COVID-19 pandemic, cf. the comments under the portfolio company status section below.

### **Significant events occurring after the end of the financial year**

In January 2021 the Fund closed the investment in Profilservice A/S, a company offering cleaning services with a high social impact potential.

## Management's review

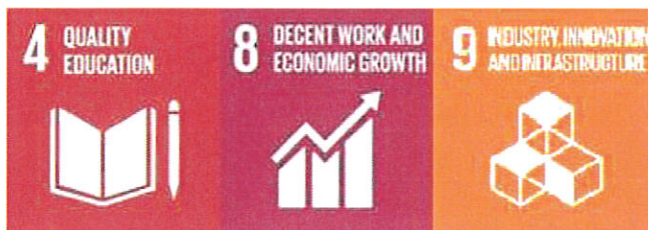
### Portfolio company status

#### HITSA A/S

Sector: Industry. Urban furniture that promotes (urban) quality of life.

Social impact model: Socially run company with focus on hiring and training people from the margins of the labor market

SDG impact: Positive contribution to SDG 4 (Education of marginalized young people), 8 (Economic growth and jobs – including for marginalized persons) and 9 (Products for sustainable urban infrastructure).



Number of employees: 126

Location: HQ in Kolding, Denmark, sales office in Malmö, Sweden, production site in Latvia

Fund ownership: Approx. 40% of HITSA, which owns 100% of HITSA International A/S (formerly VEKSØ A/S) and 100% of Lampas A/S

Investment year: 2018

Responsible partner: Torben Agerup (board representative)

Website: [www.hitsa.dk](http://www.hitsa.dk)

#### About the company

HITSA A/S and its subsidiary HITSA International A/S (formerly VEKSØ A/S) and Lampas A/S are among the Nordic region's leading manufacturers of urban space solutions, with particularly focus on urban space furniture, bicycle products and solutions for public transport. Customers include municipalities, landscape gardeners, housing associations and contractors. The company has its main location in Denmark, Kolding, and subsidiaries in Latvia (production company) and Sweden (sales office). HITSA is a very socially responsible company, where management and employees take special care of each other. Among others, the company educates vulnerable young people and employs people from the margins of the labor market.

## Management's review

### Developments in 2020

Commercially and financially, HITSA performed below the expected in 2020, however with a minor positive EBT despite a year with challenges and transformation. Thus, 2020 was characterized by insufficient project and production management during the year, following a large moving process from two sites to one in 2019. A part of this was challenges in handling two brands, which led to a decision in 2nd half of the year to close down the VEKSØ brand.

The social impact efforts and results have been at an acceptable level, however with some social KPI's performing below the 2019-level. There has still been a very good relationship with the municipality of Kolding, where marginalized people have begun in the company for different job trials, even if the number decreased a bit in the last quarter of 2020. HITSA had at the end of 2020 in total 14 employees from the margins of the labor market out of a total of 126 employees (including Latvia).

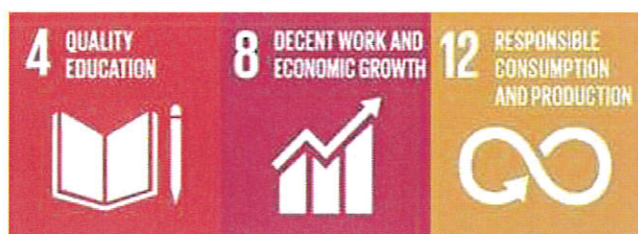
## Management's review

### KOATEK A/S

Sector: Industry. Specialized mechanical workshop for instrument and tech manufacturers

Social impact model: Socially run company with focus on hiring and training people from the margins of the labor market

SDG impact: Positive contribution to SDG 4 (Education of marginalized young people), 8 (Economic growth and jobs – including for marginalized persons) and 12 (Sustainable consumption and production).



Number of employees: 82

Location: Jægerspris, Denmark

Fund ownership: Approx. 45% of Metallum Holding, which owns 100% of Koatek A/S and 100% of Koatek Ejendomme ApS.

Investment year: 2019

Responsible partner: Mads Aaen (board representative)

Website: [www.koatek.dk](http://www.koatek.dk)

### About the company

Koatek A/S is a specialized 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, aluminum, 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 responsible run company, among others educating vulnerable young people and employs people from the margins of the labor market.

## Management's review

### Developments in 2020

COVID-19 has impacted Koatek in 2020 and the commercial targets for the year have not been met. Order volume from several customers has been lower than originally anticipated, and the company has had to take unusual measures to protect employees and efficient operations. In light of the challenges, commercial and financial performance has been satisfactory. Despite the uncertainty, Koatek has maintained focus on the long-term positive development of the business and has completed several important investments and system upgrades during the year. Commercially, focus has been on retaining satisfied customers and to comply with delivery agreements and extending sales to existing customers.

In terms of social impact, Koatek performed approximately in-line with the main social KPI targets for 2020 comprising targets for inclusiveness, job opportunities and education for marginalized persons. As per December 2020, Koatek had 8 marginalized employees. A good relationship has been built with the Frederikssund municipality as basis for future social impact.



## Management's review

### Refurb A/S

Sector: IT asset disposal, refurbishment and sales

Social Impact model: Socially run company with a focus on hiring and training people from the margins of the labor market

SDG impact: Positive contribution to SDG 8 (Economic growth and jobs – including for marginalized persons), 12 (Ensure sustainable consumption and production patterns), 13 (Take urgent action to combat climate change and its impacts), and to some extent 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development).



Number of employees: 40

Location: Hornslet, Denmark

Fund ownership: 48% through the fund's wholly owned holding company SKFI Clean Holding ApS.

Investment year: 2020

Website: [www.refurb.eu](http://www.refurb.eu)

Responsible Partners: Lars Jannick Johansen and Torben Agerup (board representatives)

### About the company

Refurb buys, refurbishes and sells recycled computers, tablets and smartphones. The company collaborates with a large number of large public and private organizations and companies to purchase used IT. With highly automated processes, Refurb then refurbishes the used IT and sells to brokers on the growing global market and to end-users in Denmark and the Nordics. About 80% of the CO2 emissions related to IT products such as computers, tablets and smartphones come from the actual production of the equipment. By buying, refurbishing and selling used IT equipment, Refurb helps to save large amounts of CO2. Also, Refurb is run with great social responsibility and employs, among others, several specialists with autism, and provides training opportunities for young persons with Autism Spectrum Disorders in cooperation with special education institution ASPIT.



## Management's review

### Developments in 2020

The Fund invested in Refurb in January 2020. Thereafter, the COVID-19 pandemic affected the Company especially in the first half of the year. Due to restrictions on the supply of used IT from the supply chain, revenues and profits in 2020 were below budget. Also, COVID-19 affected the management and operations of the company. Management successfully focused on realigning workflows and keeping all employees engaged including in development initiatives on increasing the company's capacity, in part to enhance the efficiency of operating processes, and in part to support the activities associated with still more and larger orders from suppliers and customers. As part of this work, the Company became ISO 27001 certified in 2020 and, thus, has certified management systems in the areas of environment, quality and information security (ISO 9001, ISO 14001 and ISO 27001). The Company was able to adjust to and execute new measures to a satisfactory extent, thus maintaining positive results.

Following these developments in 2020, Refurb performed slightly below its social impact KPI targets for the year, particularly in terms of meeting ambitions for the number of training positions for marginalized persons. However, overall performance was considered satisfactory, and Refurb had 10 employees from the margins of the labor market in December 2020.

## Management's review

### Dan-pal A/S

Sector: Pallets production and recycling

Social Impact model: Focus on hiring and training people from the margins of the labor market

SDG impact: Positive contribution to SDG 8 (Economic growth and jobs – including for marginalized persons), 12 (Ensure sustainable consumption and production patterns) and to some extent 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development).



Number of employees: 31

Location: HQ in Karlslunde, and sites in Vamdrup and Faxe, Denmark

Fund ownership: 40% of SKFI Pal Holding ApS which owns 100% of Danpal A/S.

Investment year: 2020

Website: [www.dan-pal.dk](http://www.dan-pal.dk)

Responsible Partners: Torben Agerup and Lars Jannick Johansen (board representatives)

### About the company

Danpal manufactures new customized wood pallets and repair and recycle used pallets. Danpal sells approx. 2 million pallets per year. The company employs 31 people on three sites; a headquarter in Karlslunde (including with a sorting and repair facility), a production site in Faxe (of specialized wood pallets) and a sorting and repair facility site in Vamdrup. All sites are highly automated. Danpal has a strong focus environmental impact, which is why repair and recycling of wooden pallets is one of Danpal's core services. The company also has a strong tradition of taking responsibility for people from the margins of the labor market.

### Development in 2020

The Fund invested in Danpal in August 2020. The financial year 2019/20 ended 30 September 2020 with a performance slightly better than estimated during the due diligence process. For the period October – December Danpal has financially performed a little ahead of budgeted earnings. Also, on the social KPI's Danpal has so far performed ahead of scheduled goals, with 6 employees from the margins of the labor market.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
<b>Gross profit</b>		<b>-9.487</b>	<b>-8.629</b>
Fair value adjustments of investment assets		<u>0</u>	<u>4.912</u>
<b>Profit/loss before net financials</b>		<b>-9.487</b>	<b>-3.717</b>
Financial income		366	0
Financial expenses		<u>-44</u>	<u>-2</u>
<b>Profit/loss for the year</b>		<b><u>-9.165</u></b>	<b><u>-3.719</u></b>
 <b>Distribution of profit</b>			
Distributions		0	1.750
Retained earnings		<u>-9.165</u>	<u>-5.469</u>
		<b><u>-9.165</u></b>	<b><u>-3.719</u></b>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
<b>Assets</b>			
Investments in subsidiaries		29.470	0
Investments in associates		29.600	27.150
<b>Fixed asset investments</b>		<u>59.070</u>	<u>27.150</u>
<b>Total non-current assets</b>		<u>59.070</u>	<u>27.150</u>
Prepayments		63	0
<b>Receivables</b>		<u>63</u>	<u>0</u>
Cash at bank and in hand		298	0
<b>Total current assets</b>		<u>361</u>	<u>0</u>
<b>Total assets</b>		<u><u>59.431</u></u>	<u><u>27.150</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
<b>Equity and liabilities</b>			
Share capital		84.804	45.917
Reserve for fair value of investment assets		7.496	0
Retained earnings		<u>-33.307</u>	<u>-19.230</u>
<b>Equity</b>	<b>2</b>	<b><u>58.993</u></b>	<b><u>26.687</u></b>
Trade payables		438	363
Payables to associates		<u>0</u>	<u>100</u>
<b>Total current liabilities</b>		<b><u>438</u></b>	<b><u>463</u></b>
<b>Total liabilities</b>		<b><u>438</u></b>	<b><u>463</u></b>
<b>Total equity and liabilities</b>		<b><u><u>59.431</u></u></b>	<b><u><u>27.150</u></u></b>
Staff expenses	1		

Statement of changes in equity

	Share capital	Reserve for fair value of invest- ment assets	Retained earnings	Total
Equity at 1 January 2020	45.917	4.912	-24.142	26.687
Cash capital increase	38.887	0	0	38.887
Net profit/loss for the year	0	2.584	-9.165	-6.581
<b>Equity at 31 December 2020</b>	<b>84.804</b>	<b>7.496</b>	<b>-33.307</b>	<b>58.993</b>



## Notes

	<u>2020</u>	<u>2019</u>
<b>1 Staff expenses</b>		
Average number of employees	<u>0</u>	<u>0</u>

## 2 Equity

Limited Partners' and Special Limited Partners' total committed capital is MDKK 289 of which MDKK 206 is not yet called at 31 December 2020.

The Limited Partner's in Den Sociale Kapitalfond Invest I K/S consists of app. 38 pct. international investors and app. 62 pct. Danish investors. More specifically, the investors are divided around 31 pct. Danish funds and family offices, 29 pct. other Danish investors, 1 pct. Management and Senior Advisors and 38 pct. other international investors.

## Accounting policies

The annual report of Den Sociale Kapitalfond Invest I K/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in TDKK.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other external expenses.

#### **Other external expenses**

Other external expenses include expenses related to administration etc.

## Accounting policies

### **Financial income and expenses**

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

### **Balance sheet**

#### **Investments**

Investments comprise investments in portfolio companies and are measured at fair value on the balance sheet date.

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 in accordance with the Danish Financial Statement Act §37 and §41.

Investments in portfolio companies of which listed market prices exist are measured on the basis of the last market price. 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.

#### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

#### **Liabilities**

Liabilities, which include trade payables and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date.

## Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

# PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

## Gudmund Tyge Korsgaard

### Direktionsmedlem

På vegne af: Den Sociale Kapitalfond Invest I K/S

Serienummer: PID:9208-2002-2-513343591516

IP: 87.49.xxx.xxx

2021-03-30 09:53:46Z

NEM ID 

## Sven Krogstrup

### Direktionsmedlem

På vegne af: Den Sociale Kapitalfond Invest I K/S

Serienummer: PID:9208-2002-2-843946367573

IP: 80.197.xxx.xxx

2021-03-30 10:45:51Z

NEM ID 

## Simon Krogh

### Direktionsmedlem

På vegne af: Den Sociale Kapitalfond Invest I K/S

Serienummer: PID:9208-2002-2-394930322321

IP: 194.182.xxx.xxx

2021-03-30 16:49:26Z

NEM ID 

## Niels Henrik B. Mikkelsen

### Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers

Serienummer: CVR:33771231-RID:54907958

IP: 83.136.xxx.xxx

2021-03-30 16:57:04Z

NEM ID 

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>