

# Danish Sustainable Development Goals Investment Fund K/S

c/o IFU

Fredericiagade 27 , 1310 Copenhagen K, Denmark

CVR no. 39 58 55 29

Annual report  
for the period 2020

Approved at the Company's annual general meeting on 29 April 2021

Chairman:

.....  
Nicolai Boserup

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## Statement by Management

The undersigned have today discussed and approved the annual report of Danish Sustainable Development Goals Investment Fund K/S for the financial year 1 January - 31 December 2020.

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

It is our opinion that the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

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 annual general meeting.

Copenhagen, 29 April 2021  
Management of DSDG GP Komplementar ApS

.....  
Nicolai Boserup  
Chairman

.....  
Torben Huss

.....  
Lars Krogsgaard

## Independent auditor's report

To the limited partners of Danish Sustainable Development Goals Investment Fund K/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Danish Sustainable Development Goals Investment Fund 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 accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 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 Group's and the Parent 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 Group or the Parent 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 29 April 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Lars Rhod Søndergaard  
State Authorised  
Public Accountant  
mne28632

Anne Tønsberg  
State Authorised  
Public Accountant  
mne32121

## Management's review

### Company details

Name	Danish Sustainable Development Goals Investment Fund K/S
Address, zip code, city	c/o IFU, Fredericiagade 27, 1310 Copenhagen K, Denmark
CVR no.	39 58 55 29
Established	18 May 2018
Registered office	Copenhagen
Financial year	1 January - 31 December
General partner	DSDG GP P/S
Manager of the Partnership	IFU - Investment Fund for Developing Countries
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Alle 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights

Seen over a three-year period, the development of the Company can be described by the following financial highlights.

### Key figures - Group

DKK'000	2020	2019	2018
<b>Profit/loss</b>			
Profit/loss before financial income and expenses	(79,765)	(67,580)	(41,556)
Net financials	(491)	(316)	(82)
<b>Profit/loss for the year</b>	<b>(80,256)</b>	<b>(67,896)</b>	<b>(41,638)</b>
<b>Balance sheet</b>			
Balance sheet total	4,644,052	4,741,881	4,826,824
Equity	4,636,663	4,740,456	4,815,063
<b>Cash flows</b>			
Cash flows from operating activities	(68,840)	(83,241)	(47,543)
Cash flows from investing activities	(536,792)	(195,996)	(37,246)
Cash flows from financing activities	597,944	283,773	85,411
<b>Change in the year</b>	<b>(7,688)</b>	<b>4,536</b>	<b>622</b>
<b>Financial ratios</b>			
Return on assets	(1.7)%	(1.4)%	(0.9)%
Solvency ratio	99.8 %	100.0 %	99.8 %
Return on equity	(1.7)%	(1.4)%	(1.7)%

### Key figures - Parent company

DKK'000	2020	2019	2018
<b>Profit/loss</b>			
Profit/loss before financial income and expenses	(78,939)	(67,580)	(41,556)
Net financials	(455)	(316)	(82)
<b>Profit/loss for the year</b>	<b>(79,394)</b>	<b>(67,896)</b>	<b>(41,638)</b>
<b>Balance sheet</b>			
Balance sheet total	4,644,914	4,741,881	4,826,824
Equity	4,637,525	4,740,456	4,815,063
<b>Cash flows</b>			
Cash flows from operating activities	(68,844)	(83,241)	(47,543)
Cash flows from investing activities	(540,131)	(195,996)	(37,246)
Cash flows from financing activities	597,944	283,773	85,411
<b>Change in the year</b>	<b>(11,031)</b>	<b>4,536</b>	<b>622</b>
<b>Financial ratios</b>			
Return on assets	(1.7)%	(1.4)%	(0.9)%
Solvency ratio	99.8 %	100.0 %	99.8 %
Return on equity	(1.7)%	(1.4)%	(1.7)%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see Note 1 Accounting policies.



## Management's review

### Operating review

The Annual Report of the Danish Sustainable Development Goals Investment Fund K/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

### Main activity

In June 2018, the Danish Sustainable Development Goals Investment Fund K/S was established as a public private partnership. Including a subsequent second close in December 2018, total capital committed to the Danish Sustainable Development Goals Investment Fund K/S reached DKK 4,858 million. Ten institutional and private investors committed DKK 2,915 million and IFU committed DKK 1,943 million.

The purpose of the Danish Sustainable Development Goals Investment Fund K/S is to undertake private sector investments in developing countries with a positive impact on the 17 UN Sustainable development Goals e.g. within renewable energy, agribusiness, industry and service, the financial sector and infrastructure including water and sanitation.

The Danish Sustainable Development Goals Investment Fund K/S is managed by IFU.

## Management's review

### Investments in 2020

In 2020, the Danish Sustainable Development Goals Investment Fund Group made nine investments at a total of DKK 1.2 billion.

Project name	Country	Fund/ facility	Contracted investments in DKKm			Expected direct employment
			Shares*	Loans**	Total	
<b>New projects</b>						
<b>Africa</b>						
1 Daystar Power Group	Nigeria	SDG	124.2		124.2	106
2 Eranove	Côte d'Ivoire	SDG	186.6		186.6	9,000
3 Humania North Africa	Egypt	SDG	291.2		291.2	6,600
<b>Subtotal Africa</b>			<b>602.0</b>		<b>602.0</b>	<b>15,706</b>
<b>Asia</b>						
4 DCDC Health Service	India	SDG	70.1		70.1	2,400
<b>Subtotal Asia</b>			<b>70.1</b>		<b>70.1</b>	<b>2,400</b>
<b>Europe</b>						
5 Radisson Telegraph Hotel	Georgia	SDG	139.8		139.8	400
<b>Subtotal Europe</b>			<b>139.8</b>		<b>139.8</b>	<b>400</b>
<b>Latin America</b>						
6 Bancosol	Bolivia	SDG	195.3		195.3	3,087
7 DC-Viaduto	Brazil	SDG	26.9		26.9	398
8 Vinte	Mexico	SDG	127.3		127.3	2,000
<b>Subtotal Latin America</b>			<b>349.5</b>		<b>349.5</b>	<b>5,485</b>
<b>Total new projects</b>			<b>1,161.4</b>		<b>1,161.4</b>	<b>23,991</b>
<b>Additional financing of ongoing projects</b>						
<b>Asia</b>						
9 Frontiir Myanmar	Myanmar	SDG	48.0		48.0	2,263
<b>Total additional financing</b>			<b>48.0</b>		<b>48.0</b>	<b>2,263</b>
8 Total new projects			1,161.4		1,161.4	23,991
1 Total additional financing			48.0		48.0	2,263
<b>9 Grand total DSDG Group</b>			<b>1,209.4</b>		<b>1,209.4</b>	<b>26,254</b>

\*) Including overrun commitments.

\*\*) Including guaranties.

At year-end 2020, the Danish Sustainable Development Goals Investment Fund Group had contracted investments of a total of DKK 1.8bn in 16 projects corresponding to 38 pct. of the total committed capital to the fund.

## Management's review

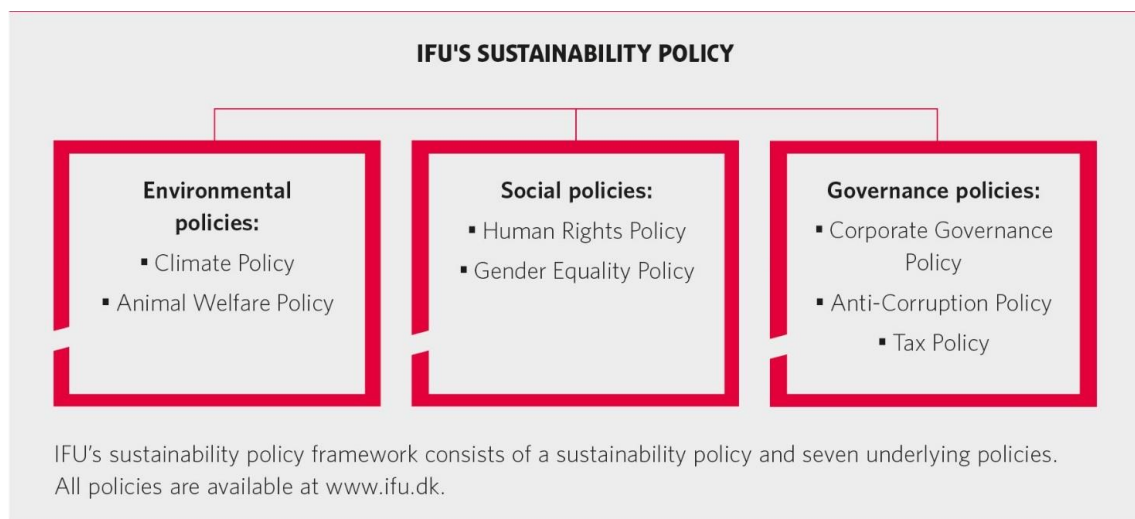
### Sustainability in IFU's Investment Process

The Danish Sustainable Development Goals Investment Fund K/S is applying IFU's sustainability policy and offering advice to project companies on how to implement it. IFU's sustainability policy can be found on IFU's website.

IFU has a comprehensive framework for managing sustainability risks and impacts as an integral part of the investment process for both direct investments and investments in funds and financial institutions. This ensures that the investments contribute to building a green, just and inclusive economy, and that environmental and social (E&S) risks and adverse impacts are mitigated.

### Sustainability policy framework

IFU's Sustainability Policy is the foundation that sets out IFU's commitment to invest in sustainable development and to contribute to the realisation of the Sustainable Development Goals (SDGs). The policy highlights sustainability issues that IFU considers particularly relevant in order for investments to contribute to the SDGs. Furthermore, the policy has annexes with specific sustainability requirements for IFU's direct investments in the form of equity and loans to project companies, as well as investments in private equity funds, financial institutions and other financial intermediaries. IFU's commitments in relation to major global sustainability issues are clarified in underlying policies, which further explain how IFU implements responsible business conduct measures.



### INTERNATIONAL COMMITMENTS

IFU's policies are based upon and aligned with the following internationally agreed UN, ILO and OECD conventions, declarations, agreements and principles for sustainable development:

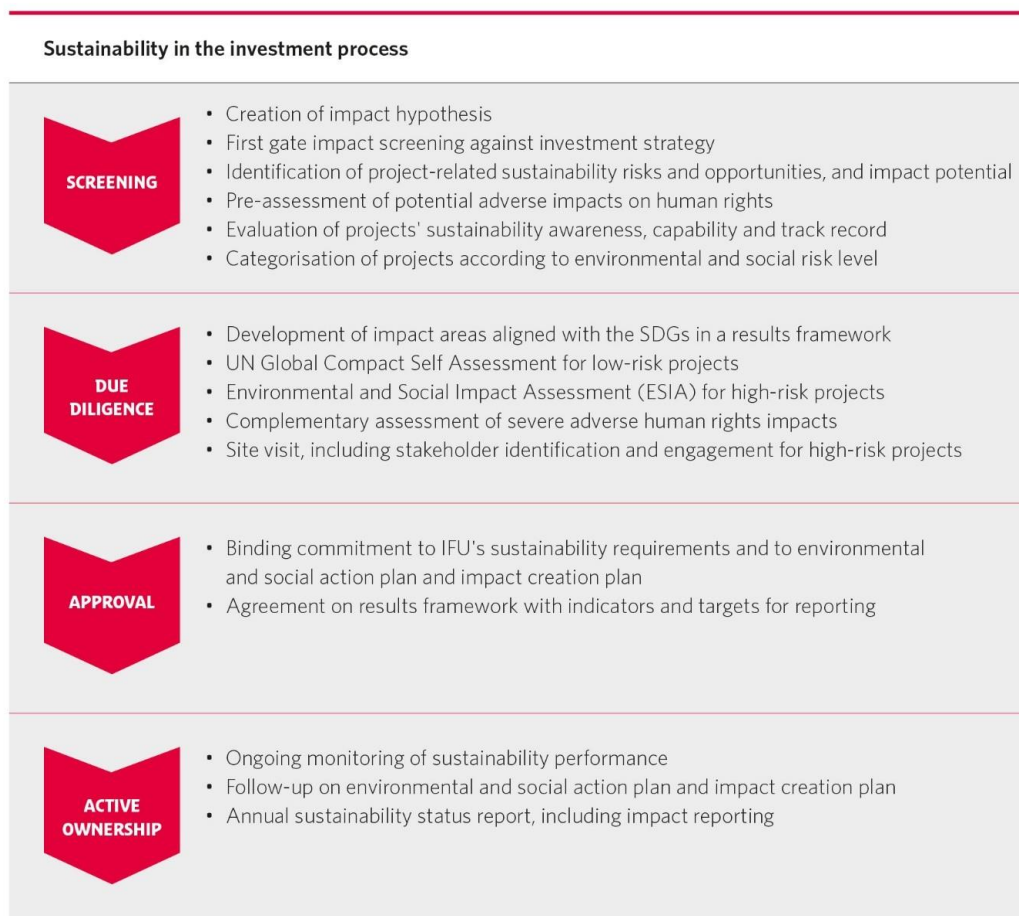
- UN Sustainable Development Goals
- UNFCCC Paris Declaration
- Addis Ababa Action Agenda on Finance for Development
- UN Global Compact
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises
- Rio Declaration on Environment and Development
- Paris Agreement on Climate Change
- UN Convention Against Corruption
- UN Principles for Responsible Investment (UNPRI)

## Management's review

### Investment process overview

IFU's investment process follows four main phases that are aligned with the standards adopted by the European Development Finance Institutions (EDFIs). The process will therefore be applied in a similar way when co-financing among EDFIs occurs.

During appraisal, IFU assesses and approves investments according to a gradually increased engagement level passing several approval stages from the initial screening phase, through a thorough due diligence phase to final approval.



### Danish Sustainable Development Goals Investment Fund K/S climate change contribution

IFU has established a methodology for assessing absolute and avoided GHG emissions from its investments based on internationally recognised methodologies, such as the GHG protocol.

Absolute emissions will be calculated for all investments above DKK 25 million with an expected significant emission level above 10,000 tonnes CO<sub>2</sub> equivalents per year (tCO<sub>2</sub>e/year). The calculation will be based on the GHG protocol scope 1 and 2 as a minimum and scope 3 where feasible.

The avoided emissions will be calculated based on the net GHG emission reductions resulting from an investment when compared to a baseline.

In 2020, the assessment of avoided emissions was made for one Danish Sustainable Development Goals Investment Fund K/S investment, which over its technical lifetime is expected to represent a GHG emission avoidance of approximately 1.5m tCO<sub>2</sub>e. Furthermore, one investment in an energy company included hydropower plants of a total capacity of 604 MW, which for 2020 was equivalent to nearly 1 million tCO<sub>2</sub>e avoided.

## Management's review

In 2020 IFU has used the UNEP DTU partnership as consultant to set up the methodology and to make the specific assessment of absolute and avoided GHG emissions for each investment.

### Development impact

The assessment of investment proposals under the Danish Sustainable Development Goals Investment Fund K/S follows IFU's procedures for ex-ante impact assessment. From January 2020 these include a project screening at first gate, including an identification of impact areas related to specific SDG targets, and a due diligence process analysing the potential impact on people and planet. For projects selected for funding, a project-specific results framework is prepared with indicators and targets for each potential impact area related to the SDGs. To the extent possible, standardised indicators (HIPSO indicators) agreed among Development Finance Institutions (DFIs) are used.

The new investments will impact twelve out of the 17 SDG goals. All investments contribute to goal 8, decent work and economic growth with SDG target 8.5, full and productive employment and decent work for all women and men, as the most prominent. Two investments in renewable energy production contribute to access to affordable and clean energy (goal 7), and climate action (goal 13). Furthermore, two investments in the health sector contribute to goal 3 by providing increased access to quality essential healthcare services. Investments contribute to an array of goals depending on the sector, including e.g. access to microfinance services (SDG target 1.4), industry, innovation and infrastructure (goal 9) and access to safe and affordable housing (SDG target 11.1).

Projects contracted by the fund are included in the impact reporting in IFU's Sustainability and Impact Report.

Expected direct employment in the new investments contracted in 2020 amounts to 23,991.

Local corporate tax from the fund's investments are collected annually and published on an aggregated level across IFU and IFU managed funds in IFU's Sustainability and Impact Report. New investments contracted during the reporting year are not included but will be accounted for the following year.

### Operational framework

Projects co-financed by the Danish Sustainable Development Goals Investment Fund K/S must be commercially viable and offer an attractive return to its investors. As a minority investor, the Danish Sustainable Development Goals Investment Fund K/S is prepared to participate with risk capital in the range of typically DKK 50 million to DKK 300 million in a single project.

The Danish Sustainable Development Goals Investment Fund K/S revenues will consist of interest, dividends and profit from sale of shares.

## Management's review

### Financial review 2020

Due to the establishment of a wholly owned subsidiary to the Danish Sustainable Development Goals Investment Fund K/S, this year accounts include both consolidated group accounts and accounts for the parent company. The following comments are given for the group accounts.

The Danish Sustainable Development Goals Investment Fund K/S recorded a net loss of DKK (80) million in 2020 compared to a net loss of DKK (68) million in 2019. The result is almost entirely made up of operating expenses in the form of management fees and other expenses, as most investments are still measured at acquisition cost as a basis for fair value. Implementation of a number of investments have been delayed as a result of the Covid-19 related lockdowns introduced in almost all geographies throughout most of the year.

### Capital position and capital resources

As at 31 December 2020, the investors had paid in DKK 999 million corresponding to 21 per cent of the capital commitment of DKK 4,858 million. The undisbursed commitment is DKK 3,859 million.

At year-end 2020, the Danish Sustainable Development Goals Investment Fund K/S equity was DKK 777 million, excluding the undisbursed commitment.

### Financial risks

The Danish Sustainable Development Goals Investment Fund K/S makes investments in developing countries, where political and economic conditions may be volatile, and the investments are often subject to high commercial risks. As a result, and as the Danish Sustainable Development Goals Investment Fund K/S measures its investments at fair market value or recoverable amount, the fund's future results may fluctuate considerably. The risk exposure of the Danish Sustainable Development Goals Investment Fund K/S is further elaborated in the notes to the financial statements.

### Uncertainty regarding recognition and measurement

In preparing the financial statements, Management makes a number of estimates and assumptions of future events that will affect the carrying amount of assets and liabilities. The area where estimates and assumptions are most critical to the financial statements is the fair value measurement of share capital investments and the assessment of the need for specific allowances for impairment on project loans. The notes to the financial statements provide more details.

### Events after the balance sheet date

No events have occurred after the balance sheet date, which have materially affected the Danish Sustainable Development Goals Investment Fund K/S' financial position.

The Danish Sustainable Development Goals Investment Fund K/S has an outstanding exposure towards Myanmar at end of 2020. No significant impairment for the Danish Sustainable Development Goals Investment Fund K/S as a consequence of the February 2021 military coup is seen at this stage, however IFU is monitoring the situation closely.

### Outlook for 2021

The Danish Sustainable Development Goals Investment Fund K/S will continue to make new investments in 2021. An improved result is expected in 2021 as more and more investments will move away from valuation at cost and start to contribute positively. The result remains subject to considerable uncertainty, not least related to the unknown effects of the Covid-19 outbreak, specifically the timing and scope of the lifting of restrictions as well as the risk of new waves and mutations materialising.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
	Contribution from investments	(1,986)	6,805	(1,986)	6,805
	Operating expenses, net	(77,779)	(74,385)	(76,953)	(74,385)
	<b>Gross profit/loss</b>	<b>(79,765)</b>	<b>(67,580)</b>	<b>(78,939)</b>	<b>(67,580)</b>
	Financial income, net	(491)	(316)	(455)	(316)
	<b>Profit/loss before tax</b>	<b>(80,256)</b>	<b>(67,896)</b>	<b>(79,394)</b>	<b>(67,896)</b>
	<b>Net profit/loss for the year</b>	<b>(80,256)</b>	<b>(67,896)</b>	<b>(79,394)</b>	<b>(67,896)</b>
	<b>Recommended appropriation of profit/loss</b>				
	Retained earnings	(80,256)	(67,896)	(79,394)	(67,896)
		<b>(80,256)</b>	<b>(67,896)</b>	<b>(79,394)</b>	<b>(67,896)</b>

The net loss for the year has been transferred to equity.

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
		<b>ASSETS</b>			
		<b>Non-current assets</b>			
4	Investments	700,121	192,324	638,460	192,324
	Loans	63,166	44,728	63,166	44,728
	Investments in subsidiaries	-	40	65,040	40
	<b>Total non-current assets</b>	<b>763,287</b>	<b>237,092</b>	<b>766,666</b>	<b>237,092</b>
		<b>Current assets</b>			
	Undisbursed commitments	3,859,325	4,480,806	3,859,325	4,480,806
	Prepayments	17,435	17,932	17,435	17,932
	Other receivables	654	893	1,480	893
	Cash	3,351	5,158	8	5,158
	<b>Total current assets</b>	<b>3,880,765</b>	<b>4,504,789</b>	<b>3,878,248</b>	<b>4,504,789</b>
	<b>TOTAL ASSETS</b>	<b>4,644,052</b>	<b>4,741,881</b>	<b>4,644,914</b>	<b>4,741,881</b>
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
	Paid-in capital	999,009	377,528	999,009	377,528
	Undisbursed commitments	3,859,325	4,480,806	3,859,325	4,480,806
	<b>Total commitment</b>	<b>4,858,334</b>	<b>4,858,334</b>	<b>4,858,334</b>	<b>4,858,334</b>
	Repaid capital	(30,061)	(6,519)	(30,061)	(6,519)
	Retained earnings	(191,610)	(111,359)	(190,748)	(111,359)
	<b>Total equity</b>	<b>4,636,663</b>	<b>4,740,456</b>	<b>4,637,525</b>	<b>4,740,456</b>
5	<b>Provisions for losses</b>				
	Guarantees and loan commitments	-	187	-	187
		<b>Current liabilities</b>			
	Drawn on bank credit facility	5,881	-	5,881	-
	Payables to group enterprises	1,246	1,113	1,246	1,113
	Other payables	262	125	262	125
	<b>Total current liabilities</b>	<b>7,389</b>	<b>1,238</b>	<b>7,389</b>	<b>1,238</b>
	<b>Total liabilities</b>	<b>7,389</b>	<b>1,238</b>	<b>7,389</b>	<b>1,238</b>
	<b>TOTAL EQUITY, PROVISIONS FOR LOSSES AND LIABILITIES</b>	<b>4,644,052</b>	<b>4,741,881</b>	<b>4,644,914</b>	<b>4,741,881</b>

- 1 Accounting policies
- 2 Contingent liabilities and other financial obligations
- 3 Related parties and ownership
- 8 Financial risk management
- 9 Equity and credit risks
- 10 Currency risk
- 11 Interest rate risk
- 12 Liquidity risk
- 13 Classification of financial instruments
- 14 Fair value measurement basis



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>Total equity</b>				
Paid-in capital beginning of year	377,528	87,043	377,528	87,043
Paid-in capital during the year	621,481	290,485	621,481	290,485
<b>Paid-in capital end of year</b>	<b>999,009</b>	<b>377,528</b>	<b>999,009</b>	<b>377,528</b>
Undisbursed commitments	3,859,325	4,480,806	3,859,325	4,480,806
<b>Total committed capital</b>	<b>4,858,334</b>	<b>4,858,334</b>	<b>4,858,334</b>	<b>4,858,334</b>
Repaid capital beginning of year	(6,519)	-	(6,519)	-
Repaid capital during the year	(23,542)	(6,519)	(23,542)	(6,519)
<b>Repaid capital end of year</b>	<b>(30,061)</b>	<b>(6,519)</b>	<b>(30,061)</b>	<b>(6,519)</b>
<b>Paid-in capital end of year, net</b>	<b>4,828,273</b>	<b>4,851,815</b>	<b>4,828,273</b>	<b>4,851,815</b>
Retained earnings beginning of year	(111,359)	(43,270)	(111,359)	(43,270)
Establishment expenses	5	(193)	5	(193)
Transferred from net income for the year	(80,256)	(67,896)	(79,394)	(67,896)
<b>Retained earnings end of year</b>	<b>(191,610)</b>	<b>(111,359)</b>	<b>(190,748)</b>	<b>(111,359)</b>
<b>Total equity end of year</b>	<b>4,636,663</b>	<b>4,740,456</b>	<b>4,637,525</b>	<b>4,740,456</b>

At 31 December 2020, the investors had paid in DKK 999 million, corresponding to 21% of the capital commitment of DKK 4,858 million. Thus, the remaining commitment is DKK 3,859 million.



## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies

The annual report of Danish Sustainable Development Goals Investment Fund Group K/S (DSDG) for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Group has prepared a consolidated financial statement in order to comply with the provisions of the Danish Financial Statements Act.

The financial statements have been prepared in accordance with the same accounting policies as last year.

#### Presentation and classification

To better reflect DSDG's activities, the presentation of the income statement and balance sheet as well as the order of the line items in the income statement deviate from the standard tables in the Danish Financial Statements Act. By presenting the primary statements on the basis of DSDG's special character as a limited partnership (long-term investments), the financial statements hereby provide the reader with the best possible clarity of DSDG's activities. The deviation is in accordance with section 23(4) of the Danish Financial Statements Act.

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company, DSDG K/S, and the subsidiary controlled by DSDG K/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

##### *Significant influence*

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiary's financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The subsidiary's financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies (continued)

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Share capital investments where DSDG has significant influence (typically 20-50 per cent of the voting rights) are associates and are accounted for as share capital investments.

#### Recognition and measurement

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

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

On initial recognition, assets and liabilities are measured at cost. Adjustment subsequent to initial recognition is affected as described below for each item.

DSDG applies the accounting principles described in the Danish Financial Statements Act Section 37 (5), on measurement of financial assets and liabilities in accordance with IFRS.

Information brought to DSDG's attention before the time of finalising the presentation of the annual report that evidence affairs and conditions existing at the balance sheet date is taken into consideration at recognition and measurement.

Income other than value adjustments is recognised in the income statement when earned, just as costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as value adjustments.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

#### Fair value measurement

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. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances.

For assets and liabilities that are measured at fair value on a recurring basis, DSDG identifies transfers to and from the three levels of the fair value hierarchy by re-assessing the categorisation, and deems transfers to have occurred at the beginning of each reporting period.

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies (continued)

##### Foreign currency adjustment

Foreign currency transactions are initially recognised in DKK using the exchange rate at the transaction date. Loans, receivables, payables and other monetary items denominated in foreign currencies which have not been settled at the balance sheet date are converted into DKK using the exchange rate at the balance sheet date. All exchange rate adjustments, including those that arise at the payment date, are recognised in the income statement as contribution from investments or financial income and financial expenses, depending on their nature.

##### Non-monetary items

Monetary balance sheet items are translated at the exchange rates prevailing at the balance sheet date, whereas non-monetary items are translated at transaction date rates.

##### Income statement

##### Contribution from investments

Contribution from investments consists of contribution from share capital investments, project loans and contribution from binding commitments on loans.

Contribution from share capital investments includes declared dividends (after tax), contributions from divested share capital investments and value adjustments in relation to the outstanding portfolio at year-end.

Contribution from loans includes interest, value adjustments, including provisions for impairment, exchange rate adjustments in relation to the portfolio, the effect of derivatives and other value adjustments, principally of interest receivables.

Contribution from binding commitments on loans includes provisions for losses.

##### Operating expenses, net

The Investment Fund for Developing Countries (IFU) manages the administration and accounting of the Company. Operating expenses, net, comprise fees to the Manager and external costs.

##### Financial income, net

Financial income, net, comprises interest income on cash, interest expenses, exchange rate adjustments on cash and bank charges.

##### Tax for the year

As a limited partnership, DSDG is not an independent entity liable to taxation, which is why no current or deferred tax has been recognised in the financial statements. DSDG's profit/loss is taxed at the partners of this limited partnership in accordance with applicable taxation rules.

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments

Investments consist of share capital investments.

Share capital investments are recognised when they are disbursed. Share capital investments are measured at fair value both at initial recognition and throughout the investment period with changes recognised through profit or loss as contribution from share capital investments.

Share capital investments where DSDG has significant influence (typically 20-50 per cent of the voting rights) are associates and are accounted for as share capital investments.

##### Project loans

Project loans are designated as loans and receivables, and are recognised when they are disbursed. Project loans are initially recognised at fair value and are subsequently measured at amortised cost less an allowance for impairment.

The allowance for impairment is measured in accordance with IFRS 9 by applying the simplified approach, whereby the expected loss in the remaining life of the loan is recognised irrespective of whether the loan is allocated to stage 3 (credit impaired), stage 2 (significant increase in credit risk) or stage 1 (all other loans).

The expected loss is measured loan by loan by applying an estimated loss percentage based on IFU's past experience, current expectations and internal rating of the individual project loans.

Provisions for losses on guarantees and loan commitments are calculated in the same way as the allowance for impairment of project loans.

Impaired project loans, together with the associated allowance amount, are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to IFU. If a previous write-off is later recovered, the recovery is credited to "Contribution from project loans and guarantees".

##### Investments in subsidiaries

Investments in subsidiaries are included in the balance sheet at cost less accumulated impairment losses.

##### Other receivables

Other receivables includes dividends and prepayments.

##### Current liabilities

Current liabilities are initially recognised at cost, which is fair value, and are subsequently measured at amortised cost.

Current liabilities primarily consist of payable management fees.

##### Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method and shows DSDG's cash flow from operating, investing and financing activities as well as DSDG's cash position at the beginning and end of the year.

Cash comprises cash at hand less short-term bank debt.

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies (continued)

##### Contingent liabilities

Undisbursed commitments to investments comprise undisbursed contractual commitments and binding commitments not yet contracted. The existence of such liabilities will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within DSDG's control.

##### Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

#### 2 Contingent liabilities and other financial obligations

DSDG has entered into the following commitments to investments:

	Group	
	2020	2019
DKK'000		
Undisbursed contracted commitments	934,927	352,224
Binding commitments	526,753	389,198
<b>Total undisbursed to investments</b>	<b>1,461,680</b>	<b>741,422</b>
	Parent company	
	2020	2019
DKK'000		
Undisbursed contracted commitments	921,811	352,224
Binding commitments	521,410	389,198
<b>Total undisbursed to investments</b>	<b>1,443,221</b>	<b>741,422</b>

DSDG has signed a management agreement with IFU, whereby IFU provides administration, monitoring and investment advice to DSDG. The management agreement cannot be cancelled. For 2020, the payment amounts to DKK 70,727 thousand incl. VAT.

## Financial statements 1 January - 31 December

### Notes

#### 3 Related parties and ownership

The following are recorded in DSDG's register of limited partners:

- ▶ Pensionskassen for Sygeplejersker og Lægesekretærer
- ▶ Pensionskassen for Sundhedsfaglige
- ▶ Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale
- ▶ Pensionskassen for Farmakonomer
- ▶ PensionDanmark Pensionsforsikringsaktieselskab
- ▶ PFA Pension, forsikringsaktieselskab
- ▶ Arbejdsmarkedets Tillægspension
- ▶ P+, Pensionskassen for Akademikere
- ▶ PenSam Liv forsikringsaktieselskab
- ▶ Jabami ApS
- ▶ Webco Invest ApS
- ▶ Futura Shipping og Invest ApS
- ▶ SEB Pension och Försäkring AB (FOP3)
- ▶ SEB Pension och Försäkring AB (FOP4)
- ▶ Secure SDG Fund K/S
- ▶ Chr. Augustinus Fabrikker Akts.
- ▶ IFU

#### Other related parties:

- ▶ DSDG GP P/S
- ▶ DSDG GP Komplementar ApS
- ▶ DSDG Holding ApS



## Financial statements 1 January - 31 December

### Notes

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>4 Investments</b>				
Cost at beginning of year	188,401	37,246	188,401	37,246
Additions for the year	517,269	155,710	455,608	155,710
Disposals	-	(4,555)	-	(4,555)
<b>Cost at 31 December</b>	<b>705,670</b>	<b>188,401</b>	<b>644,009</b>	<b>188,401</b>
Accumulated value adjustment at beginning of year	3,923	-	3,923	-
Value adjustments	(9,472)	3,923	(9,472)	3,923
<b>Accumulated value adjustment end of year</b>	<b>(5,549)</b>	<b>3,923</b>	<b>(5,549)</b>	<b>3,923</b>
<b>Carrying amount at 31 December</b>	<b>700,121</b>	<b>192,324</b>	<b>638,460</b>	<b>192,324</b>
<b>Hereof associated companies:</b>				
Share capital investment in projects end of year, at cost	194,746	37,286	133,085	37,286
Accumulated value adjustments end of year	5,972	(745)	5,972	(745)
	<b>200,718</b>	<b>36,541</b>	<b>139,057</b>	<b>36,541</b>

### Associated companies - Group:

Name:	Domicile:	Form of company:	DSDG Group's ownership interest (%)	Profit/loss	Equity
				According to the latest approved annual report	
Better Energy Energo P/S	Denmark	P/S	41.30%	17,680	101,681
JMC Power Europe B.V.	Netherlands	B.V.	24.50%	N/A	N/A
Danica Rentals Fundo de investimento em Participacoes - Empresas Emergentes	Brazil	FIP fund	39.10%	N/A	N/A
Beauty Noble Limited	Virgin Island (British)	Ltd.	21.17%	N/A	N/A

### Associated companies - Parent company:

Name:	Domicile:	Form of company:	DSDG K/S' ownership interest (%)	Profit/loss	Equity
				According to the latest approved annual report	
Better Energy Energo P/S	Denmark	P/S	41.30%	17,680	101,681
Danica Rentals Fundo de investimento em Participacoes - Empresas Emergentes	Brazil	FIP fund	39.10%	N/A	N/A
Beauty Noble Limited	Virgin Island (British)	Ltd.	21.17%	N/A	N/A

## Financial statements 1 January - 31 December

### Notes

#### 4 Investments (continued)

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>Loans</b>				
Cost at beginning of year	44,818	-	44,818	-
Additions for the year	34,456	44,800	34,456	44,800
Repayments	(14,933)	-	(14,933)	-
Exchange rate adjustments	(687)	18	(687)	18
<b>Cost at 31 December</b>	<b>63,654</b>	<b>44,818</b>	<b>63,654</b>	<b>44,818</b>
Accumulated value adjustments incl. allowance for impairment beginning of year	(90)	-	(90)	-
Value adjustment including allowance for impairment for the year	(398)	(90)	(398)	(90)
<b>Accumulated value adjustments incl. allowance for impairment end of year</b>	<b>(488)</b>	<b>(90)</b>	<b>(488)</b>	<b>(90)</b>
<b>Carrying amount at 31 December</b>	<b>63,166</b>	<b>44,728</b>	<b>63,166</b>	<b>44,728</b>

#### 5 Provisions for losses

Allowance for impairment on remaining commitments beginning of year	187	299	187	299
Allowance for impairment on remaining commitments on loans	(187)	(112)	(187)	(112)
<b>Allowance for impairment on remaining commitments end of year</b>	<b>-</b>	<b>187</b>	<b>-</b>	<b>187</b>

#### 6 Cash flow statement - adjustments

Value adjustments	10,371	(3,963)	10,371	(3,963)
	<b>10,371</b>	<b>(3,963)</b>	<b>10,371</b>	<b>(3,963)</b>

#### 7 Cash flow statement - changes in working capital

Change in current assets	720	(1,144)	720	(1,144)
Change in payables, etc.	325	(10,238)	(541)	(10,238)
	<b>1,045</b>	<b>(11,382)</b>	<b>179</b>	<b>(11,382)</b>

#### 8 Financial risk management

##### Introduction

Through investments, DSDG is exposed to financial risks such as equity and credit risk on investments, currency risk, interest rate risk and liquidity risk.

A number of limits have been established to avoid excessive concentration of risks, and through its investment policy and due diligence procedures, DSDG further seeks to identify and mitigate the equity and credit risk.

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risks

##### Equity risk

Equity risk arises from changes in the fair values of share capital investments in projects.

##### Credit risk

Credit risk is the risk that DSDG will incur a financial loss due to a counterparty not fulfilling its obligations. These credit exposures occur from project loans and other transactions.

##### Managing equity and credit risks

At the portfolio level, DSDG mitigates equity and credit risks by investing in a variety of countries and by limiting investments in a single project.

DSDG assesses the concentration of risk on the basis of total commitments to the Fund. Further, DSDG assesses, through the due diligence process, the specific risks for each share capital investment and seeks to mitigate associated equity risks.

For some of DSDG's share capital investments, DSDG has the opportunity to sell the shares through pre-agreed exit agreements. In this way, DSDG mitigates the risk of not being able to exit the investments.

See note 14 for fair value measurement basis.

On an ongoing basis, the credit quality of the projects is assessed based on among other things:

- ▶ Specific terms as agreed
- ▶ Current and expected operational results of the Company
- ▶ Expected sales value and pledges, if any
- ▶ Historical records of debt service

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

The table below shows the distribution of the cost of DSDG's investments by the OECD country risk classification.

This classification takes into account the political and economic environment of each country, including risk of force majeure such as war, etc. The classification of each country is updated twice a year.

Group 2020	Share capital investments		Project loans		Total		Commitments (off balance)	
	DKK'000	%	DKK'000	%	DKK'000	%	DKK'000	%
OECD								
3	122,614	17	4,140	7	126,754	16	249,892	17
4	-	-	59,514	93	59,514	8	-	-
5	209,264	30	-	-	209,264	27	512,421	35
6	106,374	15	-	-	106,374	14	437,059	30
7	61,661	9	-	-	61,661	8	18,459	1
Africa regional	71,060	10	-	-	71,060	9	94,781	6
DAC	134,697	19	-	-	134,697	18	27,916	2
Not rated	-	-	-	-	-	-	121,152	8
	<b>705,670</b>	<b>100</b>	<b>63,654</b>	<b>100</b>	<b>769,324</b>	<b>100</b>	<b>1,461,680</b>	<b>100</b>

Group 2019	Share capital investments		Project loans		Total		Commitments (off balance)	
	DKK'000	%	DKK'000	%	DKK'000	%	DKK'000	%
OECD								
2	-	-	-	-	-	-	93,600	12
3	-	-	44,818	100	44,818	19	29,879	4
5	-	-	-	-	-	-	243,253	33
6	25,336	13	-	-	25,336	11	140,057	19
7	32,691	17	-	-	32,691	14	87,668	12
Africa regional	35,375	19	-	-	35,375	15	74,348	10
DAC	94,999	51	-	-	94,999	41	72,617	10
	<b>188,401</b>	<b>100</b>	<b>44,818</b>	<b>100</b>	<b>233,219</b>	<b>100</b>	<b>741,422</b>	<b>100</b>

Parent company 2020	Share capital investments		Project loans		Total		Commitments (off balance)	
	DKK'000	%	DKK'000	%	DKK'000	%	DKK'000	%
OECD								
3	122,614	19	4,140	7	126,754	18	249,892	17
4	-	0	59,514	97	59,514	8	-	-
5	209,264	32	-	-	209,264	30	512,421	36
6	106,374	17	-	-	106,374	15	437,059	30
Africa regional	71,060	11	-	-	71,060	10	94,781	7
DAC	134,697	21	-	-	134,697	19	27,916	2
Not rated	-	-	-	-	-	-	121,152	8
	<b>644,009</b>	<b>100</b>	<b>63,654</b>	<b>100</b>	<b>707,663</b>	<b>100</b>	<b>1,443,221</b>	<b>100</b>

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

Parent company 2019 OECD	Share capital investments		Project loans		Total		Commitments (off balance)	
	DKK'000	%	DKK'000	%	DKK'000	%	DKK'000	%
2	-	-	-	-	-	-	93,600	12
3	-	-	44,818	100	44,818	19	29,879	4
5	-	-	-	-	-	-	243,253	33
6	25,336	13	-	-	25,336	11	140,057	19
7	32,691	17	-	-	32,691	14	87,668	12
Africa regional	35,375	19	-	-	35,375	15	74,348	10
DAC	94,999	51	-	-	94,999	41	72,617	10
	<b>188,401</b>	<b>100</b>	<b>44,818</b>	<b>100</b>	<b>233,219</b>	<b>100</b>	<b>741,422</b>	<b>100</b>

#### Credit quality/impairment

All outstanding project loans have been classified into three stages:

- ▶ Stage 1 includes project loans with no credit deterioration and no specific allowance for impairment. The allowance for impairment according to IFRS 9 are based on IFU's historical annual credit loss.
- ▶ Stage 2 includes project loans where payments are delayed with more than 30 days at the end of the year but without specific allowance for impairment.
- ▶ Stage 3 includes credit impaired project loans with a specific allowance for impairment.

#### Group

The table below shows the project loans at cost according to stages.

DKK'000	2020	2019
Project loans (stage 1)	63,654	44,818
	<b>63,654</b>	<b>44,818</b>

#### Parent company

The table below shows the project loans at cost according to stages.

DKK'000	2020	2019
Project loans (stage 1)	63,654	44,818
	<b>63,654</b>	<b>44,818</b>

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

##### Group

The table below illustrates the credit quality by OECD Country risk for project loans in stage 1.

DKK'000	2020	2019
OECD 3	4,140	-
OECD 4	59,514	44,818
	<b>63,654</b>	<b>44,818</b>

##### Parent company

The table below illustrates the credit quality by OECD Country risk for project loans in stage 1.

DKK'000	2020	2019
OECD 3	4,140	-
OECD 4	59,514	44,818
	<b>63,654</b>	<b>44,818</b>

##### Group

The table below shows the project loans according to stages.

2020	Allowance for impairment %	Project loans at cost	Accumulated allowance for impairment	Project loans carrying amount
DKK'000				
Project loans (stage 1)	(0.8)	63,654	(488)	63,166
		<b>63,654</b>	<b>(488)</b>	<b>63,166</b>
2019				
DKK'000			Accumulated value adjustments	Project loans carrying amount
Project loans (stage 1)	(0.2)	44,818	(90)	44,728
		<b>44,818</b>	<b>(90)</b>	<b>44,728</b>

##### Parent company

The table below shows the project loans according to stages.

2020	Allowance for impairment %	Project loans at cost	Accumulated allowance for impairment	Project loans carrying amount
DKK'000				
Project loans (stage 1)	(0.8)	63,654	(488)	63,166
		<b>63,654</b>	<b>(488)</b>	<b>63,166</b>
2019				
DKK'000			Accumulated allowance for impairment	Project loans carrying amount
Project loans (stage 1)	(0.2)	44,818	(90)	44,728
		<b>44,818</b>	<b>(90)</b>	<b>44,728</b>

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

##### Group

##### Project Loans at amortised cost before allowance for impairment

2020

DKK'000	Stage 1	Stage 2	Stage 3	Total
Project loans beginning of year at cost	44,818	-	-	44,818
Disbursements during the year	34,456	-	-	34,456
Repayments during the year	(14,919)	-	-	(14,919)
Exchange rate adjustments, project loans	(701)	-	-	(701)
<b>Project loans end of year at cost before change of stages</b>	<b>63,654</b>	<b>-</b>	<b>-</b>	<b>63,654</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Project loans end of year at cost</b>	<b>63,654</b>	<b>-</b>	<b>-</b>	<b>63,654</b>

##### Accumulated value adjustments including allowance for impairment

2020

DKK'000	Stage 1	Stage 2	Stage 3	Total
Accumulated value adjustments including allowance for impairment beginning of year	(90)	-	-	(90)
Value adjustments including allowance for impairment	(398)	-	-	(398)
<b>Accumulated value adjustments including allowance for impairment end of year before changes of stages</b>	<b>(488)</b>	<b>-</b>	<b>-</b>	<b>(488)</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Accumulated value adjustments including allowance for impairment end of year</b>	<b>(488)</b>	<b>-</b>	<b>-</b>	<b>(488)</b>

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

##### Group

##### Project Loans at amortised cost before allowance for impairment

2019 DKK'000	Stage 1	Stage 2	Stage 3	Total
Project loans beginning of year at cost	-	-	-	-
Disbursements during the year	44,800	-	-	44,800
Exchange rate adjustments, project loans	18	-	-	18
<b>Project loans end of year at cost before change of stages</b>	<b>44,818</b>	-	-	<b>44,818</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Project loans end of year at cost</b>	<b>44,818</b>	-	-	<b>44,818</b>

##### Accumulated value adjustments including allowance for impairment

2019 DKK'000	Stage 1	Stage 2	Stage 3	Total
Accumulated value adjustments including allowance for impairment beginning of year	-	-	-	-
Value adjustments including allowance for impairment	(90)	-	-	(90)
<b>Accumulated value adjustments including allowance for impairment end of year before changes of stages</b>	<b>(90)</b>	-	-	<b>(90)</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Accumulated value adjustments including allowance for impairment end of year</b>	<b>(90)</b>	-	-	<b>(90)</b>



## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

##### Parent company

##### Project Loans at amortised cost before allowance for impairment

2020

DKK'000	Stage 1	Stage 2	Stage 3	Total
Project loans beginning of year at cost	44,818	-	-	44,818
Disbursements during the year	34,456	-	-	34,456
Repayments during the year	(14,919)	-	-	(14,919)
Exchange rate adjustments, project loans	(701)	-	-	(701)
<b>Project loans end of year at cost before change of stages</b>	<b>63,654</b>	<b>-</b>	<b>-</b>	<b>63,654</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Project loans end of year at cost</b>	<b>63,654</b>	<b>-</b>	<b>-</b>	<b>63,654</b>

##### Accumulated value adjustments including allowance for impairment

2020

DKK'000	Stage 1	Stage 2	Stage 3	Total
Accumulated value adjustments including allowance for impairment beginning of year	(90)	-	-	(90)
Value adjustments including allowance for impairment	(398)	-	-	(398)
<b>Accumulated value adjustments including allowance for impairment end of year before changes of stages</b>	<b>(488)</b>	<b>-</b>	<b>-</b>	<b>(488)</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Accumulated value adjustments including allowance for impairment end of year</b>	<b>(488)</b>	<b>-</b>	<b>-</b>	<b>(488)</b>

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risk (continued)

##### Parent company

##### Project Loans at amortised cost before allowance for impairment

2019 DKK'000	Stage 1	Stage 2	Stage 3	Total
Project loans beginning of year at cost	-	-	-	-
Disbursements during the year	44,800	-	-	44,800
Exchange rate adjustments, project loans	18	-	-	18
<b>Project loans end of year at cost before change of stages</b>	<b>44,818</b>	-	-	<b>44,818</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Project loans end of year at cost</b>	<b>44,818</b>	-	-	<b>44,818</b>

##### Accumulated value adjustments including allowance for impairment

2019 DKK'000	Stage 1	Stage 2	Stage 3	Total
Accumulated value adjustments including allowance for impairment beginning of year	-	-	-	-
Value adjustments including allowance for impairment	(90)	-	-	(90)
<b>Accumulated value adjustments including allowance for impairment end of year before changes of stages</b>	<b>(90)</b>	-	-	<b>(90)</b>
Change in loan value from stage 1	-	-	-	-
Change in loan value from stage 2	-	-	-	-
Change in loan value from stage 3	-	-	-	-
<b>Accumulated value adjustments including allowance for impairment end of year</b>	<b>(90)</b>	-	-	<b>(90)</b>

## Financial statements 1 January - 31 December

### Notes

#### 9 Equity and credit risks (continued)

##### Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk for DSDG.

Group	2020		2019	
	Carrying amount	Maximum credit exposure (contractual cash flow)	Carrying amount	Maximum credit exposure (contractual cash flow)
DKK'000				
Project loans	63,166	63,654	44,728	44,818
Interest receivable related to projects	654	654	878	878
Other receivables	17,435	17,435	17,947	17,947
Cash	3,351	3,351	5,158	5,158
Commitments	-	136,378	-	123,478
	<b>84,606</b>	<b>221,472</b>	<b>68,711</b>	<b>192,279</b>

Parent company	2020		2019	
	Carrying amount	Maximum credit exposure (contractual cash flow)	Carrying amount	Maximum credit exposure (contractual cash flow)
DKK'000				
Project loans	63,166	63,654	44,728	44,818
Interest receivable related to projects	654	654	878	878
Other receivables	18,261	18,261	17,947	17,947
Cash	8	8	5,158	5,158
Commitments	-	131,035	-	123,478
	<b>82,089</b>	<b>213,612</b>	<b>68,711</b>	<b>192,279</b>

#### 10 Currency risk

Currency risk is the risk that the value of a financial instrument fluctuates due to changes in foreign exchange rates.

DSDG is exposed to currency risk through its investments that are denominated in currencies other than the functional currency (DKK). DSDG does not hedge currency exposure in share capital investments, as the timing of cash flow is uncertain, and investments are typically exposed to local currencies where hedging costs are normally very high. By way of operation, some investments may have a natural built-in hedge, e.g. export-oriented businesses. Normally, DSDG does not hedge commitments to disburse either, as timing and amounts are often difficult to foresee.

##### Currency exposure and sensitivity

The following table indicates the currencies to which DSDG had significant exposure as of 31 December on its financial assets and liabilities, excluding share capital investments. The analysis calculates the effect of a reasonably likely movement of the currency rate against DKK on profit or loss with all other variables held constant. There is no sensitivity effect on equity as DSDG has no assets classified as available-for-sale.

## Financial statements 1 January - 31 December

### Notes

#### 10 Currency risk (continued)

##### Group 2020

DKK'000	Project loans	Interest receivables	Other project related receivables	Other project related debt	Net exposure	Increase in foreign exchange rates	Effect on profit or loss
EUR	59,514	654	-	-	60,168	1%	602
DKK	-	-	-	204	204	N/A	-
Other	4,140	-	-	-	4,140	10%	414
	<u>63,654</u>	<u>654</u>	<u>-</u>	<u>204</u>	<u>64,512</u>		

##### 2019

DKK'000	Project loans	Interest receivables	Other project related receivables	Other project related debt	Net exposure	Increase in foreign exchange rates	Effect on profit or loss
EUR	44,818	878	-	-	45,696	1%	457
DKK	-	-	-	-	-	N/A	-
Other	-	-	-	-	-	10%	-
	<u>44,818</u>	<u>878</u>	<u>-</u>	<u>-</u>	<u>45,696</u>		

##### Parent company 2020

DKK'000	Project loans	Interest receivables	Other project related receivables	Other project related debt	Net exposure	Increase in foreign exchange rates	Effect on profit or loss
EUR	59,514	654	-	-	60,168	1%	602
DKK	-	-	-	204	204	N/A	-
Other	4,140	-	-	-	4,140	10%	414
	<u>63,654</u>	<u>654</u>	<u>-</u>	<u>204</u>	<u>64,512</u>		

##### 2019

DKK'000	Project loans	Interest receivables	Other project related receivables	Other project related debt	Net exposure	Increase in foreign exchange rates	Effect on profit or loss
EUR	44,818	878	-	-	45,696	1%	457
DKK	-	-	-	-	-	N/A	-
Other	-	-	-	-	-	10%	-
	<u>44,818</u>	<u>878</u>	<u>-</u>	<u>-</u>	<u>45,696</u>		

## Financial statements 1 January - 31 December

### Notes

#### 11 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

None of DSDG's investments in project loans carry variable interbank interest rates, thus changes in interest rates will not affect future cash flows and income.

#### Interest rate exposure and sensitivity

The annual effect of changes in the interest rate only affects the fair value of fixed rate loans.

The annual effect of an increase in the interest rate of 100 basis points is shown in the table above for fixed and variable interest rate loans.

#### 12 Liquidity risk

Liquidity risk is defined as the risk that DSDG will encounter difficulty in meeting financial obligations.

DSDG's primary exposure to liquidity risk arises from commitments to disburse share capital investments.

To meet these and other obligations, DSDG depends on its limited partners being able to honour their commitments to DSDG. A credit facility of DKK 100 million is in place to cover unexpected negative short-term fluctuations in cash flows. At year-end, DKK 94 million was available for drawing.

For information on commitments from the limited partners, see note 2.

#### Contractual maturities

The contractual maturities based on undiscounted contractual cash flows are shown below for financial assets, liabilities, guarantees and commitments.

#### Group 2020

DKK'000	Carrying amount	Contractual cash flows	On demand	0-1 year	1-5 years	Over 5 years	No fixed maturity
<b>Assets</b>							
Project loans	63,166	63,654	-	14,879	48,775	-	-
Interest receivable related to projects	654	654	654	-	-	-	-
Other receivables	17,435	17,435	-	17,435	-	-	-
Cash and cash equivalents	3,351	3,351	3,351	-	-	-	-
<b>Total assets</b>	<b>84,606</b>	<b>85,094</b>	<b>4,005</b>	<b>32,314</b>	<b>48,775</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>							
Other current liabilities	7,389	7,389	-	7,389	-	-	-
<b>Total liabilities</b>	<b>7,389</b>	<b>7,389</b>	<b>-</b>	<b>7,389</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance</b>							
Amounts payable on share capital and loan agreements	-	934,927	934,927	-	-	-	-
Binding commitments	-	526,753	-	526,753	-	-	-
<b>Total off-balance</b>	<b>-</b>	<b>1,461,680</b>	<b>934,927</b>	<b>526,753</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Financial statements for the period 1 January - 31 December

### Notes

#### 12 Liquidity risk (continued)

2019

DKK'000	Carrying amount	Contractual cash flows	On demand	0-1 year	1-5 years	Over 5 years	No fixed maturity
<b>Assets</b>							
Project loans	44,728	44,818	-	14,939	29,879	-	-
Interest receivable related to projects	878	878	878	-	-	-	-
Other receivables	17,947	17,947	-	17,947	-	-	-
Cash and cash equivalents	5,158	5,158	5,158	-	-	-	-
<b>Total assets</b>	<b>68,711</b>	<b>68,801</b>	<b>6,036</b>	<b>32,886</b>	<b>29,879</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>							
Other current liabilities	1,238	1,238	-	1,238	-	-	-
<b>Total liabilities</b>	<b>1,238</b>	<b>1,238</b>	<b>-</b>	<b>1,238</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance</b>							
Amounts payable on share capital and loan agreements	-	352,224	352,224	-	-	-	-
Binding commitments	-	389,198	-	389,198	-	-	-
<b>Total off-balance</b>	<b>-</b>	<b>741,422</b>	<b>352,224</b>	<b>389,198</b>	<b>-</b>	<b>-</b>	<b>-</b>

Parent company  
2020

DKK'000	Carrying amount	Contractual cash flows	On demand	0-1 year	1-5 years	Over 5 years	No fixed maturity
<b>Assets</b>							
Project loans	63,166	63,654	-	14,879	48,775	-	-
Interest receivable related to projects	654	654	654	-	-	-	-
Other receivables	18,261	18,261	-	18,261	-	-	-
Cash and cash equivalents	8	8	8	-	-	-	-
<b>Total assets</b>	<b>82,089</b>	<b>82,577</b>	<b>662</b>	<b>33,140</b>	<b>48,775</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>							
Other current liabilities	7,389	7,389	-	7,389	-	-	-
<b>Total liabilities</b>	<b>7,389</b>	<b>7,389</b>	<b>-</b>	<b>7,389</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance</b>							
Amounts payable on share capital and loan agreements	-	921,811	921,811	-	-	-	-
Binding commitments	-	521,410	-	521,410	-	-	-
<b>Total off-balance</b>	<b>-</b>	<b>1,443,221</b>	<b>921,811</b>	<b>521,410</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Financial statements for the period 1 January - 31 December

### Notes

#### 12 Liquidity risk (continued)

2019							
DKK'000	Carrying amount	Contractual cash flows	On demand	0-1 year	1-5 years	Over 5 years	No fixed maturity
<b>Assets</b>							
Project loans	44,728	44,818	-	14,939	29,879	-	-
Interest receivable related to projects	878	878	878	-	-	-	-
Other receivables	17,947	17,947	-	17,947	-	-	-
Cash and cash equivalents	5,158	5,158	5,158	-	-	-	-
<b>Total assets</b>	<b>68,711</b>	<b>68,801</b>	<b>6,036</b>	<b>32,886</b>	<b>29,879</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>							
Other current liabilities	1,238	1,238	-	1,238	-	-	-
<b>Total liabilities</b>	<b>1,238</b>	<b>1,238</b>	<b>-</b>	<b>1,238</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance</b>							
Amounts payable on share capital and loan agreements	-	352,224	352,224	-	-	-	-
Binding commitments	-	389,198	-	389,198	-	-	-
<b>Total off-balance</b>	<b>-</b>	<b>741,422</b>	<b>352,224</b>	<b>389,198</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 13 Classification of financial instruments

The following table provides a reconciliation between line items in the balance sheet and categories of financial instruments.

Group 2020				
DKK'000	Designated at fair value through profit and loss	Loans and receivables at amortised cost	Other liabilities at amortised cost	Total
<b>Financial assets</b>				
Share capital investment in projects	700,121	-	-	700,121
Project loans	-	63,166	-	63,166
Interest receivable related to projects	-	654	-	654
Other receivables	-	17,435	-	17,435
Cash and cash equivalents	-	3,351	-	3,351
<b>Total financial assets</b>	<b>700,121</b>	<b>84,606</b>	<b>-</b>	<b>784,727</b>
<b>Financial liabilities</b>				
Current liabilities:				
Other current liabilities	-	-	7,389	7,389
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,389</b>	<b>7,389</b>

## Financial statements for the period 1 January - 31 December

### Notes

#### 13 Classification of financial instruments (continued)

2019

DKK'000	Designated at fair value through profit and loss	Loans and receivables at amortised cost	Other liabilities at amortised cost	Total
<b>Financial assets</b>				
Share capital investment in projects	192,324	-	-	192,324
Project loans	-	44,728	-	44,728
Interest receivable related to projects	-	878	-	878
Other receivables	-	17,947	-	17,947
Cash and cash equivalents	-	5,158	-	5,158
<b>Total financial assets</b>	<b>192,324</b>	<b>68,711</b>	<b>-</b>	<b>261,035</b>
<b>Financial liabilities</b>				
Current liabilities:				
Other current liabilities	-	-	1,238	1,238
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,238</b>	<b>1,238</b>

The carrying amount of project loans with fixed interest terms amounts to DKK 4 million (2019: 0 million). The fair value of these project loans amount to DKK 4 million (2019: DKK 0 million) measured as the net present value of the future cash flow. The inputs used to measure the fair value for project loans are all level 2 inputs in the fair value hierarchy, for more information see disclosure on fair value measurement, note 14. For other loans and receivables and other liabilities, the carrying amount is measured at amortised cost.

Parent company  
2020

DKK'000	Designated at fair value through profit and loss	Loans and receivables at amortised cost	Other liabilities at amortised cost	Total
<b>Financial assets</b>				
Share capital investment in projects	638,460	-	-	638,460
Project loans	-	63,166	-	63,166
Interest receivable related to projects	-	654	-	654
Other receivables	-	18,261	-	18,261
Cash and cash equivalents	-	8	-	8
<b>Total financial assets</b>	<b>638,460</b>	<b>82,089</b>	<b>-</b>	<b>720,549</b>
<b>Financial liabilities</b>				
Current liabilities:				
Other current liabilities	-	-	7,389	7,389
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,389</b>	<b>7,389</b>



## Financial statements for the period 1 January - 31 December

### Notes

#### 13 Classification of financial instruments (continued)

2019

DKK'000	Designated at fair value through profit and loss	Loans and receivables at amortised cost	Other liabilities at amortised cost	Total
<b>Financial assets</b>				
Share capital investment in projects	192,324	-	-	192,324
Project loans	-	44,728	-	44,728
Interest receivable related to projects	-	878	-	878
Other receivables	-	17,947	-	17,947
Cash and cash equivalents	-	5,158	-	5,158
<b>Total financial assets</b>	<b>192,324</b>	<b>68,711</b>	<b>-</b>	<b>261,035</b>
<b>Financial liabilities</b>				
Current liabilities:				
Other current liabilities	-	-	1,238	1,238
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,238</b>	<b>1,238</b>

The carrying amount of project loans with fixed interest terms amounts to DKK 4 million (2019: 0 million). The fair value of these project loans amount to DKK 4 million (2019: DKK 0 million) measured as the net present value of the future cash flow. The inputs used to measure the fair value for project loans are all level 2 inputs in the fair value hierarchy, for more information see disclosure on fair value measurement, note 14. For other loans and receivables and other liabilities, the carrying amount is measured at amortised cost.

#### 14 Fair value measurement basis

The calculation of fair value is based on a fair value hierarchy that reflects the level of judgement associated with the inputs used to measure the fair value. The fair value hierarchy has the following levels:

- ▶ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date
- ▶ Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly
- ▶ Level 3 inputs are unobservable inputs that have been applied in valuing the respective assets or liabilities.

In the following sections, a short description of the overall principle for DSDG's calculation of fair value is provided. For all investments, the value determined by using the methods described below will be adjusted, if considered necessary and appropriate, by taking the following factors into account:

1. Current and expected operating results of the project company
2. Risk of remittance, if any
3. Specific circumstances relating to the partners, project, country, region and/or sector
4. Current market conditions
5. Tax issues

## Financial statements for the period 1 January - 31 December

### Notes

#### 14 Fair value measurement basis (continued)

##### Share capital investments

All of DSDG's fair value estimates are based on unobservable market data (level 3).

Investments are valued as follows:

- ▶ In the initial phase, all investments are valued at cost price less any impairment adjustment, as this is deemed to provide a good indication of fair value. Hereafter investments will be valued at either the Discounted Cash Flow method (DCF), by an earnings multiple if appropriate and reliable transaction/earnings multiples are available, or by the net assets methodology, if appropriate.
- ▶ If during the 12-month period prior to the reporting date DSDG has received a binding offer in writing from a third party or a significant transaction has taken place, the shares will normally be valued based on the offer or the recent transaction.

The following general assumptions are applied when performing DCF or earnings multiple calculations:

- ▶ For DCF calculations, budgets and forecasts for the investments form the basis for the valuation.
- ▶ A weighted average cost of capital based on the cost of equity and the cost of debt weighted by the targeted financial leverage from the industry. Growth in terminal period is based on the estimated long-term inflation rate of the country.
- ▶ An illiquidity discount is applied and other specific adjustments may be applied where relevant for both DCF and earnings multiple calculations.

Valuing private investments in developing countries at fair values involves a large inherent uncertainty. Due to these uncertainties, a degree of caution is applied when exercising judgements and making the necessary estimates.

Some share capital investments include a pre-agreed exit agreement. In these cases, the value of the exit agreements is taken into consideration as part of the fair value calculation. Investments valued according to exit agreements are disclosed in the table below together with investments valued based on a recent binding offer or transaction.

##### Fair value measurements and reconciliation

The following table shows financial instruments recognised at fair value by level in the fair value hierarchy and a reconciliation of all movements in the fair value of items categorised within level 3.

##### Group 2020

DKK'000	Level 1	Level 2	Level 3	Total
<b>Share capital investments</b>				
Opening balance	-	-	192,324	192,324
Total gains/ losses for the period included in profit or loss <sup>1</sup>	-	-	(9,472)	(9,472)
Paid-in share capital in projects	-	-	517,269	517,269
<b>Closing balance</b>	-	-	<b>700,121</b>	<b>700,121</b>
<b>Total recurring fair value measurements</b>	-	-	<b>700,121</b>	<b>700,121</b>

## Financial statements for the period 1 January - 31 December

### Notes

#### 14 Fair value measurement basis (continued) 2019

DKK'000	Level 1	Level 2	Level 3	Total
<b>Share capital investments</b>				
Opening balance	-	-	37,246	37,246
Total gains/ losses for the period included in profit or loss <sup>1</sup>	-	-	3,923	3,923
Paid-in share capital in projects	-	-	155,710	155,710
Disposal	-	-	(4,555)	(4,555)
<b>Closing balance</b>	-	-	<b>192,324</b>	<b>192,324</b>
<b>Total recurring fair value measurements</b>	-	-	<b>192,324</b>	<b>192,324</b>

<sup>1</sup> Recognised in Contribution from share capital investments. Hereof DKK (9) million (2019: DKK 4 million) is attributable to assets held at 31 December for level 3.

#### Parent Company 2020

DKK'000	Level 1	Level 2	Level 3	Total
<b>Share capital investments</b>				
Opening balance	-	-	192,324	192,324
Total gains/ losses for the period included in profit or loss <sup>1</sup>	-	-	(9,472)	(9,472)
Paid-in share capital in projects	-	-	455,608	455,608
<b>Closing balance</b>	-	-	<b>638,460</b>	<b>638,460</b>
<b>Total recurring fair value measurements</b>	-	-	<b>638,460</b>	<b>638,460</b>

#### 2019

DKK'000	Level 1	Level 2	Level 3	Total
<b>Share capital investments</b>				
Opening balance	-	-	37,246	37,246
Total gains/ losses for the period included in profit or loss <sup>1</sup>	-	-	3,923	3,923
Paid-in share capital in projects	-	-	155,710	155,710
Disposal	-	-	(4,555)	(4,555)
<b>Closing balance</b>	-	-	<b>192,324</b>	<b>192,324</b>
<b>Total recurring fair value measurements</b>	-	-	<b>192,324</b>	<b>192,324</b>

<sup>1</sup> Recognised in Contribution from share capital investments. Hereof DKK (9) million (2019: DKK 4 million) is attributable to assets held at 31 December for level 3.

## Financial statements for the period 1 January - 31 December

### Notes

#### 14 Fair value measurement basis (continued)

Valuation techniques and unobservable inputs used measuring fair value of level 3 fair value measurements.

#### Group 2020

Type of investment	Fair value at 31/12/2020	Valuation technique	Unobservable inputs	Reasonable possible shift in %	Change in fair value
<b>Investments</b>					
	372,032	Cost			
	252,065	Binding offers/ transactions/exit terms			
	76,024	Discounted cash flow	WACC	+10%	(15,109)
			Growth in terminal value	-20%	(2,707)
<b>Share capital investments</b>	<b>700,121</b>				

#### 2019

Type of investment	Fair value at 31/12/2019	Valuation technique	Unobservable inputs	Reasonable possible shift in %	Change in fair value
<b>Investments</b>					
	155,710	Cost			
	36,614	Binding offers/ transactions/exit terms			
	-	Discounted cash flow	WACC	+10%	-
			Growth in terminal value	-20%	-
<b>Share capital investments</b>	<b>192,324</b>				

## Financial statements for the period 1 January - 31 December

### Notes

#### 14 Fair value measurement basis (continued)

##### Parent company 2020

Type of investment	Fair value at 31/12/2020	Valuation technique	Unobservable inputs	Reasonable possible shift in %	Change in fair value
<b>Investments</b>					
	310,371	Cost			
	252,065	Binding offers/ transactions/exit terms			
	76,024	Discounted cash flow	WACC	+10%	(15,109)
			Growth in terminal value	-20%	(2,707)
<b>Share capital investments</b>	<b>638,460</b>				

##### 2019

Type of investment	Fair value at 31/12/2019	Valuation technique	Unobservable inputs	Reasonable possible shift in %	Change in fair value
<b>Investments</b>					
	155,710	Cost			
	36,614	Binding offers/ transactions/exit terms			
	-	Discounted cash flow	WACC	+10%	-
			Growth in terminal value	-20%	-
<b>Share capital investments</b>	<b>192,324</b>				

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## Tristan Nicolai Boserup

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## Tristan Nicolai Boserup

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## Torben Huss

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## Lars Krogsgaard

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## Anne J. N. Toensberg

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