Annual Report

2023

The Export and Investment Fund of Denmark · Haifagade 3 · DK-2150 Nordhavn · CVR no.: 43 47 82 06

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Foreword from our Chairs

A year in changing times

2023 was a year of changes for EIFO, both internally and externally. As with 2022, it was also a year of wars and crises. This refers to both the ongoing war in Ukraine and the continued political and economic uncertainty around the world.

Nevertheless, markets were more stable compared with the previous year. And in EIFO's first annual report, we are delighted to present a satisfactory result of just over 1 billion Danish kroner.

This result also indicates that the merger of EKF Denmark's Export Credit Agency, Vaekstfonden and the Danish Green Investment Fund in order to create the Export and Investment Fund of Denmark (EIFO) is now a reality and a success from the outset.

We have drawn up strategies for the three major business areas – Large Corporates, SME and Investment – and the implementation of these strategies is in full swing. We have also implemented our new visual identity.

Foreword from our Chairs, continued

Continued strong activity levels

Overall, EIFO achieved a high level of activity in 2023 in line with some of our best previous years. That said, in 2023 there were considerable disparities between the various business areas.

The overall result shows that, despite difficult conditions, Danish companies are active and continue to perform well amid global competition. It also reflects the key role that EIFO plays both with regard to financing and hedging of risks within energy and the green transition and with regard to supporting small and medium-sized Danish enterprises throughout the growth journey. Stepping in with a commercial focus when the market is hesitating to provide financing and hedging is one of EIFO's core tasks.

In 2023, EIFO made a significant effort to complete the merger between the original three funds while remaining clear on our ambition to simultaneously maintain our customer focus and societal contribution through the businesses.

In 2023, EIFO's activities secured a turnover of just under DKK 45 billion for Danish companies, thus creating or retaining 19,200 jobs. Our societal impact is highly satisfactory, with a tax contribution of just under DKK 7.5 billion and a contribution to GDP of DKK 20.5 billion. In addition, EIFO's financing has helped to displace 102 million tonnes of CO2.

Coherent new business strategies were created in 2023 for all areas and we also established a single point of access for small and medium-sized enterprises – an important aim of the merger.

The level of activity for loans and guarantees was solid and satisfactory for large transactions, while the level of activity for the SME segment was considerably lower than expected.

The Danish venture market is largely back on track, and we are pleased that EIFO is part of this. EIFO's investment effort in 2023 was characterised by more activity than 2022's unprecedented low level, but also by continuing challenges and a slightly lower level of activity than anticipated in general. EIFO's investment area focused in particular on the growth segment, where EIFO joined with prominent Danish and international investors to make investments. In addition to growth, the new investment strategy identifies the commercialisation of research and deep tech, including quantum technology, the green transition and defence/security as particular focus areas.

Another area in which EIFO has achieved good results is contributing to fulfilment of the Paris Agreement for the reduction of CO2 emissions. One of EIFO's guiding principles is to help further the national and global green transition in a broad sense.

New tasks for EIFO

In the course of the year, the government has assigned us new tasks, such the Ukraine initiative and the Quantum Fund, and has designated the area of defence and security as a new focus area. EIFO is able to handle these matters thanks to its size and agility. We expect the scope of these tasks to grow significantly in future years.

Torben Möger Pedersen
Chair of the Board of Directors

Bo Foged
Deputy Chair

Dorrit Vanglo
Deputy Chair

The past year

Three financing entities have now merged

In June 2022 the decision was made to merge three financing entities, when a majority in the Danish Parliament agreed to merge EKF Denmark's Export Credit Agency, Vaekstfonden and the Danish Green Investment Fund in order to create the Export and Investment Fund of Denmark (EIFO). The three entities were legally merged in April 2023, and in September we moved together to our new home, Orienthuset in Nordhavn, Copenhagen.

The business

2023 was an eventful year for the business, with Danish companies acquitting themselves well in difficult conditions. EIFO's three business areas have felt this in different ways.

Large Corporates

Large Corporates had a good year in 2023 with generally high levels of activity in terms of volume, number of transactions, number of exporters and earnings.

As in the previous year, transactions within the wind sector continue to make up a significant share, but in 2023 Large Corporates regained momentum in the industry segment more generally.

In the wind sector, there is still strong interest in and demand for the financing solutions and opportunities that EIFO can offer Danish exporters and their foreign customers. In global terms, both onshore and offshore wind continue to be growth markets, but a combination of rising equipment and transport prices, rising interest rates, complex and slow approval processes and complicated tender design as well as outdated offtake regimes have created challenges for some projects in certain markets such as the USA within offshore wind.

Despite these conditions, demand for financing of wind projects shows no signs of slowing down. In 2023, EIFO joined with a wide range of international banks and financial institutions to finance the first offshore wind farm in Poland. The wind farm will be 1.14 GW, making it one of the biggest in the world. The wind farm enables Poland to take a huge leap forward in the green transition, while also providing a more reliable energy supply in the region around the Baltic Sea.

On the German market, EIFO helped to finance large offshore wind projects with energy companies Energie Baden-Württemberg (EnBW) and RWE. EIFO also financed a 300 MW onshore wind farm in Illinois in 2023. This first wind transaction in the USA will help to establish EIFO in the US market.

In the more general industry segment, EIFO has provided a guarantee in connection with Danish Crown's biggest UK investment to date. The guarantee helps to ensure the establishment of a new processing factory. This factory means that Danish Crown gains control of the entire value chain from the Danish farmer to British supermarkets, and the facility helps to reduce CO_2 emissions by 764 tonnes per year. Another example is EIFO's contribution to the financing of a modern hospital in the northern part of Senegal. The hospital is an important part of Senegal's national health programme, and needs to be built to ensure a high standard of health in the area. Both transactions help to secure export orders for Danish exporters in the SME segment, meaning that the financing is in line with EIFO's strategy.

In 2023, EIFO experienced the deterioration of a major offshore wind project in Taiwan. The project has been hit by delays due to issues including COVID-19 and technical challenges. As a result of the deterioration, EIFO has established a large loss allowance for the transaction. It is the first time that EIFO has established a large loss allowance for an offshore wind project.

During 2023, EIFO worked closely with the owners and other participants in the consortium to establish a financing solution that would allow for the completion of the project. The project subsequently followed a revised construction plan for 2023, and with the provision of new funding it is expected that the project can be completed before the winter 2024/25 season.

Investment

In 2023, the Danish venture market showed some progress internally, but performed a little more sluggishly in global terms. In a year that included a merger and the creation of EIFO, we have established that EIFO's investment area in 2023 performed on par with the surrounding world, but slightly below expectation.

The venture market in 2022 presented a major correction and slowdown after long years of uninterrupted prosperity. EIFO's activity in 2023 represented an improvement compared with the unprecedented low of 2022, but also involved negative value adjustments in EIFO's portfolio. In terms of volume, EIFO's indirect venture activity increased by 75 percent and direct investment activity by 26 percent compared with 2022.

As with the market in general, our activity in the life science segment increased substantially, involving funding commitments worth DKK 166 million and direct investments worth DKK 276 million.

In 2023, we also focused on creating progress in investment activity directed towards both the green transition and deep tech segments. Both of these are focus areas in our new strategy, and we expect further growth in future years.

Mature Danish startups increasingly demand larger amounts of capital for value creation and internationalisation (known as growth capital), and this is an important element of our new strategy. In 2023 we executed multiple direct growth rounds, in close cooperation with private operators, while also investing in various European growth funds.

A large number of our direct and indirect portfolio companies have experienced challenges involving both costs and turnover. Difficult macroeconomic conditions including rising inflation and interest rates have contributed to this. In that situation, it is particularly important for EIFO to maintain close links with the management of the companies in which we have invested directly, so that we can continuously contribute to the adaptation and value creation of the companies.

Unlike the years 2020–2022, when companies were valued at extremely high levels in connection with funding rounds, throughout 2023 we have found that valuations have settled at a more normal level. This is likely to facilitate the capital raising process and create a more viable market in the coming years.

The end of 2023 saw a thawing of the frozen exit market, and we expect 2024 to show an increase in exit activity.

SME

The activities of EIFO's SME area declined significantly in 2023 compared with the previous year. This was due, among other things, to the fact that the market has undertaken a large proportion of the activity itself, thus requiring less of EIFO.

In 2023, the SME area invested significant internal resources in a new business strategy and made concrete proactive efforts to focus on growth, the green and sustainable transition as well as exports and internationalisation. An important milestone in that work was the establishment of a “single point of access”, making it easy for companies and business partners to get in touch and learn about the wide range of solutions that EIFO can offer SMEs locally and globally.

In 2023, we also focused on unlocking many of the synergies that the establishment of EIFO has made possible. Key efforts have been made to create global business opportunities for Danish SMEs by giving them an opportunity to participate as subcontractors in major global projects in which EIFO is involved as a financing partner. This work has been done in collaboration by EIFO's SME and Large Corporates business areas.

Our strategic work in 2023 has created an excellent foundation for proactive initiatives targeted at the SME segment in 2024, during which EIFO will launch new green financing options for agriculture in order to support a sustainable green future for Danish food production.

Focusing more strongly and more coherently on the SME segment was one of the key reasons for the amalgamation of the previous entities, and on that basis it is gratifying that EIFO's first customer satisfaction survey shows that SME customers were extremely satisfied in EIFO's first year of existence.

New tasks

In the past year, EIFO has been assigned a number of important new tasks which offer excellent prospects for both EIFO and Denmark. Some key tasks include:

- A facility in Ukraine which will support opportunities for Danish companies to contribute to the reconstruction of Ukraine
- Establishment of a new European Quantum Fund based in Denmark
- A green investment support scheme for wind and electrolyser production facilities.

These tasks not only relate to specific transactions: they also help to solve some of the major structural challenges facing Denmark and Europe. We assist Ukraine with reconstruction while the war is still going on, while also opening the doors to the massive business opportunities that will be available to Danish companies as soon as the war ends. A Quantum Fund means the creation of future growth and jobs, but also contributes to Denmark's security. And with the green investment support scheme, we not only create jobs, but also help to ensure European independence when it comes to the green technologies of the future while maintaining Denmark's extremely strong position in this area.

EIFO's Ukraine initiative

In mid-March 2023, the Danish Parliament agreed by a broad majority to establish an Ukraine Fund, the purpose of which was threefold: military support, humanitarian support and support for business initiatives.

The business-oriented support consisted primarily of a new government loan and guarantee scheme of DKK 1 billion as part of EIFO, for the provision of long-term loans and guarantees in Ukraine. EIFO began working on the initial projects just months after the political agreement was reached. The first transaction was entered into in November 2023, and more have followed since then.

There has been huge demand for EIFO's loans and guarantees in Ukraine, and we are now working on a large number of projects at different stages in areas such as agriculture, energy, water supply, construction and industrial production.

Establishment of Quantum Fund

As part of the government's September 2023 strategy for quantum technology, a European Quantum Fund based in Denmark is to be established. The fund is to be established as part of EIFO with a view to creating a combined fund worth billions of kroner together with private institutional investors.

The fund is a good example of an area where EIFO can do something special. Quantum technology offers massive potential, but it requires investors willing to take risks and be patient. EIFO also has extensive experience of creating funds together with private operators. The work is well underway and we believe it will be a great success.

Green investment scheme

Towards the very end of last year, the government launched a new major business policy initiative: a green investment support scheme providing direct subsidies for investments in wind and electrolyser production facilities in Denmark. The scheme is responding to the fact that China, the USA and a number of EU countries are now using state support to attract future green production, which is currently a clear Danish position of strength.

Overall, support worth DKK 1 billion can be provided under the scheme, and the task of administering it fell to EIFO. We opened to applications just over a month after the scheme launched, and look forward to awarding support to the first round of projects shortly.

EIFO is well on its way

EIFO has undertaken a huge variety of work in a year primarily characterised by the merger and transformation. We have also delivered great results in a difficult market. We look forward to an exciting year of focusing on our customers and the business in 2024, all while making the world Denmark's business.

Financial highlights and ratios* for the EIFO group

Amounts in DKK million	2023[1]
Financial highlights:	
Result of participations in funds	29
Result of equity investments	-173
Result of export credits and working capital guarantees	578
Result of lending activities	1,021
Administrative expenses, net	654
Net financials	221
Net profit/loss for the year	**1,022**
Balance sheet total	73,160
Equity	25,663
Off-balance sheet items	53,997
Transaction amount	162,443
Rate of return	0.8%
Return on equity	4.1%
Capital ratio	20.2%
Expense ratio	0.4%
Participations in funds:	
New transactions	1,895
Transaction amount	14,011
Rate of return	0.3%
Carry percentage (carry relative to transaction amount)	2.5%
Equity investments:	
New transactions	747
Transaction amount	3,222
Rate of return	-5.6%
Carry percentage (carry relative to transaction amount)	0.4%
Export credit and working capital guarantee activity:	
New transactions	18,726
Transaction amount	96,804
Rate of return	1.1%
Impairment rate	0.7%
Lending activity:	
New transactions	7,005
Transaction amount	48,405
Rate of return	2.8%
Impairment rate	1.0%

[1]Group founded in 2023.

*For definitions of financial highlights and ratios, see note 33.

What is EIFO?

Making the world Denmark's business

EIFO is Denmark's bridge to a changing world. With risk financing, we pave the way for Danish entrepreneurs and enterprises who dare to think bigger, and follow them into the international arena.

About EIFO: Purpose

EIFO is an independent public company owned and guaranteed by the Danish state. It is both Denmark's official export credit agency and Denmark's national promotional bank. The terms ECA (Export Credit Agency) and NPB (National Promotional Bank) are used in an international setting.

As a state actor, EIFO is regulated by law. The law sets out EIFO's purpose, target group and activities. This means that EIFO's mandate, and thus business areas, are decided by policy and transposed into law through acts, executive orders, and so on.

The objects of Denmark's Export and Investment Fund are to create the maximum possible social return by:

1. Promoting growth and innovation in Danish trade and industry
2. Promoting Danish trade and industry's export and internationalisation opportunities, participation in the global value chain and cultivation of new markets
3. Contributing to a sustainable and green transition.

The Danish Parliament – via the Act on the Export and Investment Fund of Denmark – sets out the political direction and determines the extent to which EIFO is used as a strategic instrument to assist in national interests. This may involve:

- Export promotion
- Development of new technologies
- Special measures in times of crisis.

National financing and export financing

Most countries have both ECAs and NPBs, but few have them within the same organisation. However, many countries are considering how to bolster the supply of government risk financing, including where they may benefit from closer cooperation between disparate government schemes.

Combining both types in one organisation makes EIFO unique, in that the broader and more cohesive product offering can help to provide an initiative that enables Danish companies to compete internationally. By incorporating both types of organisation, EIFO has a greater spread in its activities and can help Danish companies at every stage of development from start-up to export.

EIFO and the private market

EIFO can therefore afford to take greater risks than private companies, and EIFO steps in when the private market is unwilling to undertake a particular activity, thereby complementing the private market. EIFO should not, and must not, compete with the private market.

Focus areas:

EIFO has four focus areas:

- The green transition
- Global growth and internationalisation
- Transformative technologies
- Defence and security

The green transition

How can EIFO contribute to the green transition?

Denmark can and should take advantage of the green transition to create growth and jobs. The green transition is capital-intensive, and therefore EIFO can play a major role by offering risk capital, for example in order to mature new, green technologies, support the ongoing success of front-runners and accelerate the transition of larger companies and their value chains.

Global growth and internationalisation

How can EIFO help Danish companies take advantage of global growth?

The Middle East, Africa and South Asia drive the majority of growth in emerging markets. Internationalisation is a key factor in the growth of Danish companies. EIFO can accelerate the internationalisation of Danish companies by securing access to export-promoting financing solutions, expanding Danish growth platforms in attractive new markets and contributing to the internationalisation of SMEs. In a time of upheaval and with ever-changing markets, it has never been more important to position Denmark strongly. EIFO creates value for Denmark by making the world Denmark's business.

Transformative technologies

How can EIFO support the European agenda of maintaining technological leadership over transformative technology?

The international battle for access to new technologies is intensifying. It is imperative for Denmark to shore up our positions of strength.

Non-European investors dominate the growth capital market in Europe. The high proportion of foreign growth capital challenges technological leadership over transformative technology in both Denmark and Europe.

EIFO can accelerate the presence of growth capital in Denmark and Europe by setting up a Danish-based growth fund and by targeting risk capital to Danish growth platforms, for example quantum and deep tech.

Defence and security

What role can EIFO play in the development of the Danish security and defence industry?

Business policy has become security policy in a number of areas, and the new geopolitical situation requires Danish businesses to be extremely adaptable and innovative.

There are good opportunities for EIFO to assist in scaling existing security and defence operators while also financing new Danish defence companies and projects. The concept of security should be interpreted broadly here and includes the development and export of critical technology to allies and increased security of supply.

Products

EIFO supports the market via financial products. EIFO's financial report is therefore structured around the main areas of "Export credit financing" and "Financing of growth, entrepreneurship and the green transition in Denmark". The underlying finance offerings consist of:

Participations in funds – long-term investments in funds focusing on unlisted companies with potential for growth and scaling

Through long-term partnerships with – and investments in – Danish and foreign funds with an investment focus on unlisted small and medium-sized enterprises with the potential to grow and scale, EIFO works to increase Danish companies' access to capital, skills and networks.

The fund investments will be in both local, Danish-based venture funds and international venture funds. In addition to providing capital to primarily Danish companies – both local and international funds complement and supplement the Danish innovation economy to provide knowledge, skills and networks that benefit Danish startups.

Equity investments – long-term and patient investments in young, innovative companies with ambitions to scale up

Each year, EIFO invests in 5–10 new companies across industries, typically investing amounts in the range of DKK 5–200 million. These are predominantly companies that have achieved a position in a defined market with a fully developed product, or which are in the final phase of product development and are ready to launch the product on the market.

EIFO takes a long-term, patient approach. As an active investor with extensive experience across industries, collaboration on investment may involve capital, sparring and a solid network within the relevant sector.

Investments are made in unlisted companies, but many of the companies in which EIFO invested have eventually become listed companies.

Export credits and working capital guarantees – underlying guarantees for customers and banks providing direct financing to end customers

EIFO provides guarantees for loans and working capital guarantees for loans to companies. Typically, this involves a Danish bank or an international bank providing a loan to a Danish or foreign customer, which EIFO guarantees fully or partly in regard to the bank. With a guarantee solution from EIFO, the customer is protected from various forms of risk and uncertainty.

In terms of amounts, the majority of EIFO's activities involve guarantees provided for loans to foreign customers in connection with export transactions (export credit), while the largest number of transactions involves guarantees provided for Danish companies.

For export credit financing, EIFO provides guarantees in many different currencies. Substantial reinsurance is undertaken in order to reduce credit risk and maintain the capacity for a high level of activity. Reinsurance is primarily via the EIFO group's treaty agreements, which effectively hedge 40 percent of larger guarantees. There is also Denmark's Green Future Fund, and certain transactions are reinsured with private insurance companies, other export credit agencies and the European Investment Fund (EIF).

Loans – to foreign buyers of Danish exports, to Danish startups with a short track record and to mature companies with investment plans

In addition to providing export credits and working capital guarantees, EIFO can offer loans to foreign buyers of Danish exports and to domestic startups in the early phase of their development, to mature companies with plans to invest in operations, development or change of ownership and to companies about to scale up and export.

The loans are typically granted in collaboration with banks, financing institutions and other operators both in Denmark and abroad. EIFO is typically equal to other financing partners in export credit transactions, while EIFO is usually subordinated in the case of domestic loans, where the interest rate is set individually and is higher than, say, bank interest, since the loan covers a higher risk.

For export credit transactions, EIFO offers loans in leading currencies and hedges interest and currency risks through extensive use of interest and currency swaps. EIFO obtains reinsurance on these loans in the same way as it does for export credit guarantees.

Loss allowances for loans to domestic companies are limited as a result of loss allowances received from the Danish Ministry of Industry, Business and Financial Affairs as well as agreements with the European Investment Fund (EIF).

The loans are financed by drawing on on-lending schemes that EIFO has entered into with the state via Danmarks Nationalbank.

EIFO's significance to Denmark in 2023

Contribution to turnover in Danish companies in DKK million

44,800

Jobs retained/created
Number of jobs

19,200

Tax contribution
DKK million

7,500

Contribution to GDP
DKK million

20,500

EIFO is a good business – both for Danish companies and for Denmark.

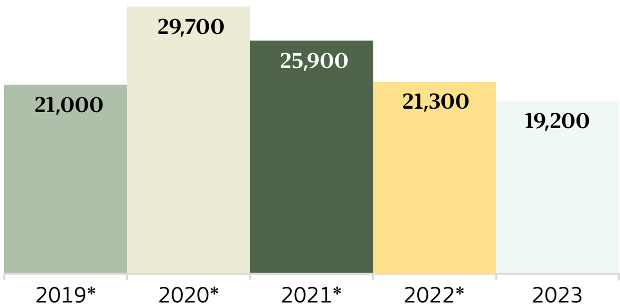
Like the earlier merged funds, EIFO has a direct impact on the Danish treasury with contributions in the form of dividends. EIFO will pay out the maximum dividend of DKK 350 million for 2023. Since the adoption of the North Sea Agreement in March 2017, the three funds have collectively contributed DKK 2.4 billion to the state in the form of dividend payments.

EIFO also contributes indirectly via job creation and retention, as well as contributions to GDP and tax. The previous funds calculated these figures according to different methods, which has been harmonised after the merger. Changes over time must therefore be seen as trends.

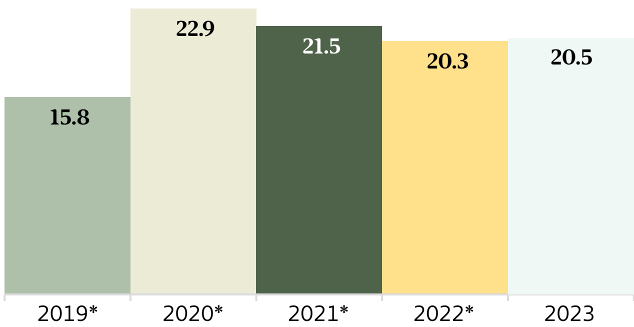
The falling trend in job creation and retention must be seen in the context of massive efforts by the previous funds to support Danish companies during COVID-19 in 2020 and 2021. These efforts had an extraordinary impact on job retention in smaller Danish companies, which tend to have a lot of employees relative to their turnover.

Despite the high level of activity in 2023, there is a downward trend in the number of jobs created or retained. This is an expression of the merged activity in 2023, in which the SME proportion was lower than was previously the case. Unlike major project transactions, the SME segment tends to support employment-heavy industries.

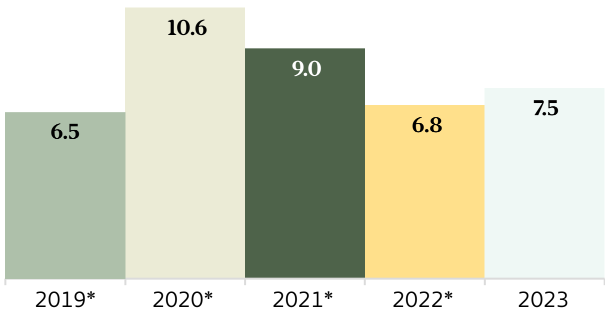
Number of jobs created or retained



Contribution to GDP (DKK billion)



Tax contribution (DKK billion)



Case study: Enorm

Larvae produce animal protein at Enorm

Circular production creates a sustainable method of producing animal protein for chicken and fish feed

In 2023, EIFO financed Enorm BioFactory in Flemming near Hedensted. The factory produces alternatives to protein production for poultry and fish farmers, who now have a greener and more sustainable feed alternative to traditional protein sources.

The basic idea behind Enorm BioFactory is to sustainably produce animal protein. The larvae in the facility consume leftover feed from food production. When the larvae from the flies are "killed", the protein is extracted. It is used in chicken and fish feed, and the waste product from larval production is used as organic fertiliser. A circular production process.

EIFO visited the factory when it opened in December 2023 together with colleagues from EIFO's SME Agriculture & Food division.

At the launch event, Carsten Lind Pedersen, co-founder and CEO of Enorm Biofactory, made an announcement:

"Today we celebrate several years of hard and purposeful work, in which skilled colleagues and countless partners have made the project possible. Now the next phase starts: we need to get production up and running and keep scaling up to full operation."

EIFO helped to finance the factory together with Nykredit, and with DLG as an investor. The factory is now complete, and in 2024 is poised to begin operating Northern Europe's biggest commercial production of insects for animal feed.

The factory will be able to breed 100 tonnes of larvae every day, which can be converted into approximately 10,000 tonnes of insect protein, 2,500 tonnes of insect oil and 15,000 tonnes of insect fertiliser per year.

Case study: Monta

Monta set to expand global charging infrastructure

Danish charging platform Monta has closed a new investment round with the help of both new and previous investors. New investors include GreenPoint Partners, Quantum Light and EIFO.

In just three years, Monta has raised DKK 975 million and has gone from being one startup among many to being the market's leading charging platform, streamlining charging infrastructure for operators, companies and electric vehicle drivers.

In 2023, Monta increased its annual turnover by 600 percent, opened two new offices in Barcelona and Paris and doubled the number of employees; they now employ 220 people in nine countries. Monta's growth comes in the wake of successful partnerships with established companies such as Norlys, Siemens and Uno-X, who use Monta's platform to manage their charging stations as well as fleet, home and outdoor charging needs.

Monta will use this capital injection to focus on its successful ecosystem strategy by investing in product R&D, expanding its partner network in all markets as well as working closely with industry to create a sustainable charging infrastructure that gives operators and electric vehicle drivers more control over their energy consumption. Monta's extensive partner network will continue to play a crucial role in accelerating the green transformation in society, and Monta plans to double the number of employees to over 400 people, who will be located across Europe and in the USA.

“Electric cars, charging stations and the entire infrastructure play a crucial role in the green transition,” says Casper Rasmussen, co-founder and CEO of Monta. “Monta's platform is built to support this transition on a global level by creating value for the entire value chain. Everything from the power grid and charging stand manufacturers to companies and electric vehicle drivers benefits from our platform, which streamlines the charging experience and creates an ecosystem that makes charging simple. This makes us unique in a market filled with many smaller platforms.”

EIFO ensures that Danish growth companies remain in Denmark

EIFO has joined the Series B round as a co-investor with Green Point Partners to ensure that Monta maintains its relationship with Denmark and that the Danish ecosystem benefits from the technological know-how of one of the world's leading EV hotspots.

“The Nordics and the USA are the leading EV markets, and Monta is attracting a lot of attention with its high-functioning platform and highly scalable business model, including from US investors,” says Sara Sande, Partner and Head of the Green Transition Team at EIFO. “Monta is now at a stage where a Danish growth company would typically move abroad, because in Denmark we don't have adequate financing options for that segment. At EIFO, we want to change that, so we're leaning further into the company's financing journey.”

She joins Monta's board of directors as a representative of both EIFO and Green Point Partners.

With the new investment, Casper Rasmussen and the rest of the Monta team now aim to expand the global business.
He has his sights set on new markets in Italy and the Benelux countries, which the company will now focus on. But there is also still a lot of potential business in Germany, Switzerland and Austria, where Monta already has a presence.

Monta was founded in December 2020 by Casper Rasmussen and Anders Pedersen.

Case study: Polish wind farm in the Baltic Sea

DKK 7.5 billion for a Polish wind farm in the Baltic Sea – one of the biggest in the world

EIFO's financing of the first offshore windfarm in Poland resulted in huge contracts for Danish firms

Much of Poland's energy consumption derives from coal. It took a financing commitment of DKK 7.5 billion from EIFO to change this, enabling Poland's green transition to take a big leap forward, meaning less dependence on coal and a more secure energy supply in the region around the Baltic Sea. It also provided good support for the Danish wind energy sector.

Together with a selection of international banks, EIFO has closed an agreement on the financing of "Baltic Power", a 1,140 MW wind farm located in Polish waters not far from the Danish island of Bornholm.

This provides local jobs for a large number of Danish exporters. And that is an important parameter for EIFO's financing, according to Peter Boeskov, CCO of EIFO.

"It is Poland's first offshore wind farm, and a very large one at that, and it's in Denmark's neighbourhood," says Peter Boeskov. "It's important for EIFO that we can help create growth for the many Danish suppliers to the wind farm, and create jobs in Denmark while also helping one of our neighbouring countries to be greener."

Cutting-edge giant turbines

The project is the first in a series of wind projects in the area and will provide 1,140 MW via 76 wind turbines with a capacity of 15 MW each. The V236-15.0 MW turbine is the newest and one of the largest offshore wind turbines produced by Vestas. It is based on proven technology, and one turbine can produce enough energy to power up to 20,000 European homes.

The wind farm is owned and developed by Canadian business Northland Power in a joint venture with Polish company PKN Orlen. Northland Power has experience of offshore wind with around 1.2 GW in operation. PKN Orlen is one of Poland's biggest companies.

There is extensive Danish financial interest in the project. In addition to Vestas (and many of the company's 1,800 sub-suppliers in Denmark), there are export contracts for operators such as Bladt Industries, Semco Maritime and Cadeler.

EIFO has been in discussions with the project for several years and has thus played a role in the financial structuring of the project from an early stage. EIFO is participating in the financing together with a number of well-known international banks, other ECAs and IFIs, including the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

As is our policy, EIFO has significantly reduced the risk associated with the activity via reinsurance.

The project covers an area of approximately 114 square kilometres, about the same size as the Danish island of Samsø. It will also involve export cables, onshore cables (approximately 7 kilometres), a substation, around 6 kilometres of work roads and a 400 kV transmission line to connect the project's substation with the power grid.

The project is located 22.5 kilometres off the Polish coast near the towns of Łeba and Choczewo, and is expected to be completed in the second quarter of 2026.

Corporate social responsibility, policies, business and climate

Report on corporate social responsibility, policies, business and climate

Corporate social responsibility report

According to the Act on the Export and Investment Fund of Denmark (EIFO), EIFO's purpose goes beyond generating financial returns for the state and society in Denmark. We must also create societal benefits by contributing to job creation, growth, exports and internationalisation and by helping to effect a sustainable green transition across society. Our opportunity to influence society is greatest through the projects, companies and foundations we finance, relative to the impact of operating EIFO as a company. Through our financing activity, we aim to play an active part in the sustainable transformation of society both in Denmark and around the world. We do this by financing new solutions and rolling out existing technologies that support the sustainable development of society, but also by helping the sectors that Denmark will need in the future to transform.

EIFO is a new organisation which as of 2023 combines the businesses from EKF Denmark's Export Credit Agency, Vækstfonden and the Danish Green Investment Fund. Read more about EIFO's business model in the section about EIFO here. The merger and the new Act provided an opportunity to define a new combined ESG profile with common goals and frameworks for working with sustainability and responsible corporate conduct. We have used the wealth of experience and initiatives from the previous funds to help us set strategic focus areas and common principles for EIFO's ESG due diligence. In 2023 we also began implementing the EU's new Corporate Sustainability Reporting Directive (CSRD), according to which EIFO will need to report as of the 2025 financial year.

Focus on promoting environmental and climate sustainability

EIFO focuses on advancing environmental and climate sustainability across all business areas. Our aim is to make a significant contribution to the realisation of the Paris Agreement and the Danish government's climate objectives through our transactions by making a major national and international contribution to CO_2e reduction. EIFO is committed to the goal of being net zero by 2045 for the organisation as a whole, including the portfolio. In 2023 EIFO helped launch the new Net-Zero Export Credit Agencies Alliance at COP28. The Alliance is the first of its kind for public financing agencies in global terms. It will help to bring export credit agencies together on a commitment to net zero and ensure transparency and alignment as export credit agencies work to transition their portfolios. The Alliance is also a professional community in which export credit agencies can work together to establish methodologies and tools to support the work of transitioning their portfolios. In 2024, we will begin work on setting partial reduction targets for selected parts of the portfolio. Read more about EIFO's climate-related work in the separate chapter of this report on the climate.

Denmark's Green Future Fund

Via the separate political mandate for Denmark's Green Future Fund, EIFO finances projects and companies with a green profile. The mandate is intended to advance the national and global green transition, including new technology development and diffusion, conversion of energy systems to renewable energy, storage and efficient use of energy and the promotion of global exports of green technology.

In order for a project or a company to be financed under Denmark's Green Future Fund, it must be classified as green. The assessment of when a project, company or fund is considered sufficiently green is based on the EU's taxonomy for sustainable financing. Financing can qualify as sustainable either according to the taxonomy or according to a number of assessment criteria. The assessment criteria have been drawn up based on the principles behind the taxonomy in terms of being able to provide funding in places where funding cannot be assessed against the taxonomy. The stricter requirements are intended to ensure that companies contribute positively to the green transition and to ensure compliance with the so-called minimum safeguards for responsible business conduct. Read about the requirements for funding under Denmark's Green Future Fund here: DGFF-POLICY.

Denmark's Green Future Fund was created in 2020 by the Danish Government and the parties behind the national budget. EIFO currently administers DKK 34 billion under the mandate, of which DKK 18.5 billion has been distributed. In 2023 EIFO granted loans, invested or gave fund commitments worth a total of DKK 1.1 billion as part of Denmark's Green Future Fund, and reinsured transactions for DKK 4.0 billion.

Green Accelerator

To support Danish companies in addressing the barriers they encounter when trying to access new markets, the government established the Green Accelerator initiative in 2020 with total funding of DKK 85 million. The programme will advance export sales of green solutions by providing financial support for activities and initiatives that are necessary for the preparation or fulfilment of export solutions aimed at a foreign market. In 2023, 14 projects were approved under the programme at a value of DKK 12.1 million, and by the end of the year EIFO had approved DKK 43.7 million for projects under the programme.

New green investment scheme

In 2024, EIFO will administer a new temporary green investment scheme, to which companies that produce wind turbines, components for wind turbines and technology for P2X can apply for support for the establishment of new manufacturing facilities or expansion of existing ones in Denmark. The scheme is worth DKK 1 billion and will support green manufacturing workplaces in Denmark.

Initiatives to increase diversity

EIFO regards diversity as an important foundation stone for a strong, competent business. With the desire to help make trade and industry more equal and inclusive, EIFO seeks to promote diversity and multiplicity in the transactions and partnerships in which EIFO is involved.

EIFO focuses in particular on helping to promote diversity within Danish entrepreneurship. Increasing diversity among Danish entrepreneurs could unlock untapped potential in Danish trade and industry. EIFO is part of Diversity Commitment, a partnership between a number of investors who have committed to common goals for gender diversity in their own organisations and portfolios. As part of this, we have undertaken to disclose figures for our direct equity investments and report on progress against the common goals in Diversity Commitment's annual report. In 2023, EIFO hosted a founders' meeting attended by the Minister for Industry, Business and Financial Affairs and representatives from financial institutions and industry associations, female entrepreneurs and investors to discuss Danish female entrepreneurs' access to capital. In 2024, based partly on the proposals put forward during that discussion, EIFO will continue to work on specific ways to actively contribute to the promotion of diversity in Danish entrepreneurship.

Policy sets the framework for ESG

The framework for EIFO's responsible conduct in regard to financing activities, as well as organisation and workplace, is established in our ESG and Sustainability Policy as well as in supplementary policies and guidelines for climate, diversity, tax, anti-corruption, and so on.

EIFO's ESG work – both in relation to EIFO's transactions and our own organisation – rests on internationally recognised standards for responsible business conduct. We thus undertake to respect internationally recognised human rights and to comply with the UN Guiding Principles on Business and Human Rights (UNGP) and to implement a management system in accordance with the guidelines.

EIFO's approach to responsible business conduct is also based on the OECD's Guidelines for Multinational Enterprises. For EIFO's export credit transactions, the OECD Common Approaches set out the framework for EIFO's ESG practices.

You can find our ESG and Sustainability Policy, Climate Policy and Diversity Policy on our website: Policies and rules of procedure.

ESG practices in EIFO's financing activities

EIFO's transactions cover both projects beyond Denmark's borders and financing of and investment in Danish SMEs on the Danish market. EIFO's transactions span a wide range of industries and geographical areas, meaning that potential ESG risks vary across the area of ESG. As the ESG risks and opportunities associated with our financing vary across our business areas, our practices for handling ESG risks are differentiated accordingly.

In 2023, we focused on establishing common frameworks and principles for EIFO's ESG practices, and in 2024 we will continue the work of further consolidating and strengthening our ESG practices and processes across business areas.

Our work on ESG and sustainability must provide value for our customers, society as a whole and EIFO. We therefore exercise active ownership in connection with our transactions and endeavour to engage in dialogue with business partners to ensure compliance with EIFO's policies in the area. We work to ensure that any potential negative ESG-related risks posed to customer transactions are prevented and managed. Nevertheless, we may refrain from financing projects or activities for which the nature or extent of potential ESG risks are such that there is no way to adequately mitigate negative impacts.

ESG due diligence in EIFO's export credit transactions

As an export credit agency, EIFO is subject to the guidelines set out in the OECD's Common Approaches (OECD CA). EIFO is also signed up to the Equator Principles (EP) and has thus adopted common guidelines for ESG due diligence. Both sets of guidelines point to the IFC Performance Standards as the overarching international framework with which projects should comply in practice in order to ensure adequate identification, management and mitigation of environmental and social risks.

In 2023, we participated in working groups under the auspices of both the OECD and the EP aimed at updating the current guidelines and helping to strengthen the framework for our ESG due diligence. This work will continue in 2024.

The following eight focus areas comprise full due diligence in accordance with the IFC Performance Standards:

1. Environment and social risk management system

- Identify project-related environmental and social risks.
- Adopt a mitigation hierarchy: anticipate, avoid, mitigate, compensate.
- Improve the project's environmental and social performance through implementation of environmental and social management systems (ESMS).
- Ensure that affected communities and other stakeholders are involved throughout the project cycle – including by establishing a grievance mechanism.

2. Labour rights and working conditions

- Fair treatment, non-discrimination, equal opportunities.
- Good relationship between management and employees.
- Compliance with national employment and labour laws.
- Protect workers, including vulnerable categories of workers.
- Promote safety and health.
- Avoid forced labour and child labour.

3. Resource efficiency and pollution prevention

- Avoid or minimise project-related pollution.
- More sustainable use of energy and water resources.
- Reduce project-related greenhouse gas emissions.

4. Community health, safety and security

- Anticipate and avoid adverse impacts on the health and safety of the local community.
- Ensure the safeguarding of personnel and property in accordance with relevant human rights.

5. Land acquisition and involuntary resettlement

- Avoid or minimise negative social and economic consequences for local people relating to involuntary resettlement or restrictions on access to land and water.
- Implement alternative project designs.
- Avoid forced eviction.
- Improve or restore standards of living of affected/displaced persons.

6. Biodiversity conservation and sustainable management of natural resources

- Protection of biodiversity.
- Conservation of benefits from ecosystem services.
- Promotion of sustainable management of natural resources.
- Integration of conservation needs and development priorities.

7. Indigenous peoples

- Avoid or minimise adverse impacts on indigenous peoples.
- Ensure full respect for the human rights, culture, knowledge and practices of indigenous peoples.
- Ensure that indigenous peoples are able to give free, prior and informed consent (FPIC).

8. Cultural heritage

- Protection and preservation of cultural heritage
- Promote equitable sharing of benefits from cultural heritage.

Due to EIFO's obligations in regard to the OECD CA and EP, we screen and classify projects and transactions in terms of their ESG risks and potential negative impacts on people and the environment. On relevant projects, we carry out a Human Rights screening based on regional and industry-specific challenges relating to human rights. The results of the screening determine whether a full Human Rights Impact Assessment is needed in addition to the due diligence process.

Where potential significant ESG risks are identified, the relevant transaction is classified as either OECD Category A (high risk) or OECD Category B (medium risk). For these Category A and B transactions, EIFO engages in early dialogue with our customers and other project stakeholders to work together ensuring a thorough due diligence process, thereby maximising the value for the project, the financial parties involved, local people and the surrounding environment. In the case of OECD Category A transactions, the due diligence process typically also requires site visits to the specific project locations.

Should our due diligence process identify deficiencies in a project's ESG due diligence, EIFO requires further analyses and improvements. These ESG-related requirements are entered in what is known as an Environmental and Social Action Plan (ESAP), which forms a key element of the project agreement. This ensures that EIFO always has the legal instruments in place to enforce the ESG-related requirements if necessary. Internally within EIFO, the environmental and social conditions of a transaction are defined via a specific ESG recommendation, which is managed and approved by EIFO's Credit Committee.

Once an agreement is signed for Category A and Category B transactions, EIFO monitors the implementation of the agreed ESAP and the project's ongoing compliance with the international standards. This monitoring process may last for the duration of the transaction, and therefore typically covers both the project's design and operational phases. During this period, should the project fail to meet its ESG obligations as per the agreement, EIFO may choose to withhold financial means, or ultimately cancel the loan agreement.

For transactions that are classified as OECD category C, ESG impacts and risks are limited and the depth of the due diligence process therefore reflects this. In cases of this kind, the most significant environmental and social aspects of the transaction are assessed, and the assessment is approved by EIFO's head of ESG Transactions. Cases involving less than DKK 25 million with a term of less than two years are screened for sector-specific risks, and if the screening does not flag any significant risks, the Danish exporter signs a declaration regarding compliance with EIFO's ESG requirements.

ESG due diligence for other EIFO transactions

Our process for assessing ESG issues in other EIFO transactions also reflects our risk-based approach. All new financing is subject to initial ESG screening, which determines whether the financing needs to undergo an actual ESG assessment or whether our business-independent team of ESG experts require an extended ESG assessment. The depth of ESG assessment depends on the size of the agreement, whether the financing takes place directly via EIFO or through one of our partners such as a bank, credit institution or private investor, and the activity that is financed.

We assess both the companies' ESG risks and the companies' maturity and willingness to work on ESG issues and move in a more sustainable direction. In 2023, we worked to strengthen the ESG assessment process for EIFO's SME transactions. This work will continue in 2024.

When EIFO invests in funds, and thus transfers the responsibility for managing EIFO's funds to an external fund manager, our ESG Transactions team always carries out an independent ESG assessment prior to investment. This assessment covers typical potential ESG risks associated with the fund's investment focus and whether the fund has a management system for identifying and mitigating these risks. It also looks at the fund's policies and the fund manager, and considers whether the fund management team has adequate ESG competence. Any additional requirements concerning ESG matters – in addition to those in agreement documents – are incorporated into a side letter.

EIFO's expectations of business partners

We expect our business associates to act responsibly in relation to environmental issues, human rights, corporate social responsibility and good business ethics in accordance with internationally recognised standards in this area. This also applies to responsible tax conduct. EIFO does not tolerate tax evasion and distances itself from aggressive tax planning. Our approach to responsible tax is set out in a separate tax policy, and we have also signed up to the common Tax Code of Conduct developed by ATP, PFA, PensionDanmark and Industriens Pension.

We take responsibility for preventing EIFO from being misused for economic crime and the financing of terrorism through our businesses and have established frameworks in separate policies and business procedures for the prevention of money laundering and terrorist financing, violation of sanctions and corruption. EIFO is covered by the rules on bribery in the Danish criminal code as well as the obligations set out in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the OECD Anti-Bribery Convention), which Denmark has signed up to. EIFO has also implemented the obligations resulting from OECD's Recommendation of the Council on Bribery and Officially Supported Export Credits. Based on these rules, we set requirements for our business partners to prevent bribery in the transactions in which EIFO is involved, and work to ensure a high degree of transparency. In order to best support this work, EIFO regularly sends key employees in the area of anti-corruption on courses to equip them with the tools necessary for dealing with this task and advising colleagues in the various business areas. This area is expected to be reviewed in the coming year with a view to ensuring that EIFO's procedures remain effective and suitable for preventing corruption in the transactions in which EIFO is involved.

To help us focus on responsibility in regard to our procurement, we have established a policy for procurement and outsourcing as well as a supplementary supplier code of conduct that sets requirements for compliance with international guidelines on human rights and the environment as well as good corporate governance at suppliers in connection with EU tenders for contracts and framework agreements.

Climate disclosure report (TCFD)

EIFO's Board of Directors adopted a climate policy at the end of 2023 which sets the framework for EIFO's climate efforts and work on achieving our target of net zero emissions by 2045. This goal was announced at COP28, where EIFO helped launch the new Net-Zero Export Credit Agencies Alliance (NZECA). By joining the Alliance, EIFO undertakes to introduce concrete measures to ensure that we remain on track for net zero.

In its climate policy, EIFO has undertaken to report in accordance with the recommendations developed by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD recommendations are a widely recognised framework for climate risk disclosure in the international financial sector. The framework is organised around four core pillars:

1.	Governance	(Klimaledelse)
2.	Strategy	(Klimastrategi)
3.	Risk Management	(Klimarisikostyring)
4.	Metrics and Targets	(Klimamål og -parametre)

This is EIFO's first TCFD report. It contains a description of measures and targets that have already been implemented and the climate-related work that lies ahead for us. In 2023 we developed a method of calculating EIFO's total CO_2e impact and set an emissions baseline for the entire portfolio (see the section on Metrics and Targets). This was a vital first step. As our management of climate risks matures, we expect our TCFD report to contain additional details.

Governance

EIFO's Board of Directors bears overall responsibility for guiding climate strategy and sets the framework for EIFO's work in EIFO's climate policy. EIFO's Chief Executive Officer bears overall responsibility for implementing and delivering on commitments in strategy and policy.

Responsibility for climate-specific work areas is delegated to the members of EIFO's top management group. The organisation's ESG Strategy and Reporting team reports to EIFO's Chief Operations Officer. The department is responsible for formulating EIFO's strategy, policies and reports in the area of sustainability, including calculating our CO_2e impact and contribution to CO_2e displacement. The department will drive the upcoming net zero work with a view to EIFO setting emissions-based and sector-based sub-targets and supporting EIFO's business areas in the preparation of action plans.

At transaction level, EIFO's Chief Credit Officer bears overall responsibility for identifying and clarifying climate risks for Management and the Board of Directors before making a decision on financing or investment. Identifying and managing ESG risks, including climate risks, is an integral part of EIFO's credit approval and investment processes.

The day-to-day work of clarifying these transaction-specific ESG and climate risks is handled by EIFO's ESG Transactions department for EIFO's three business areas.

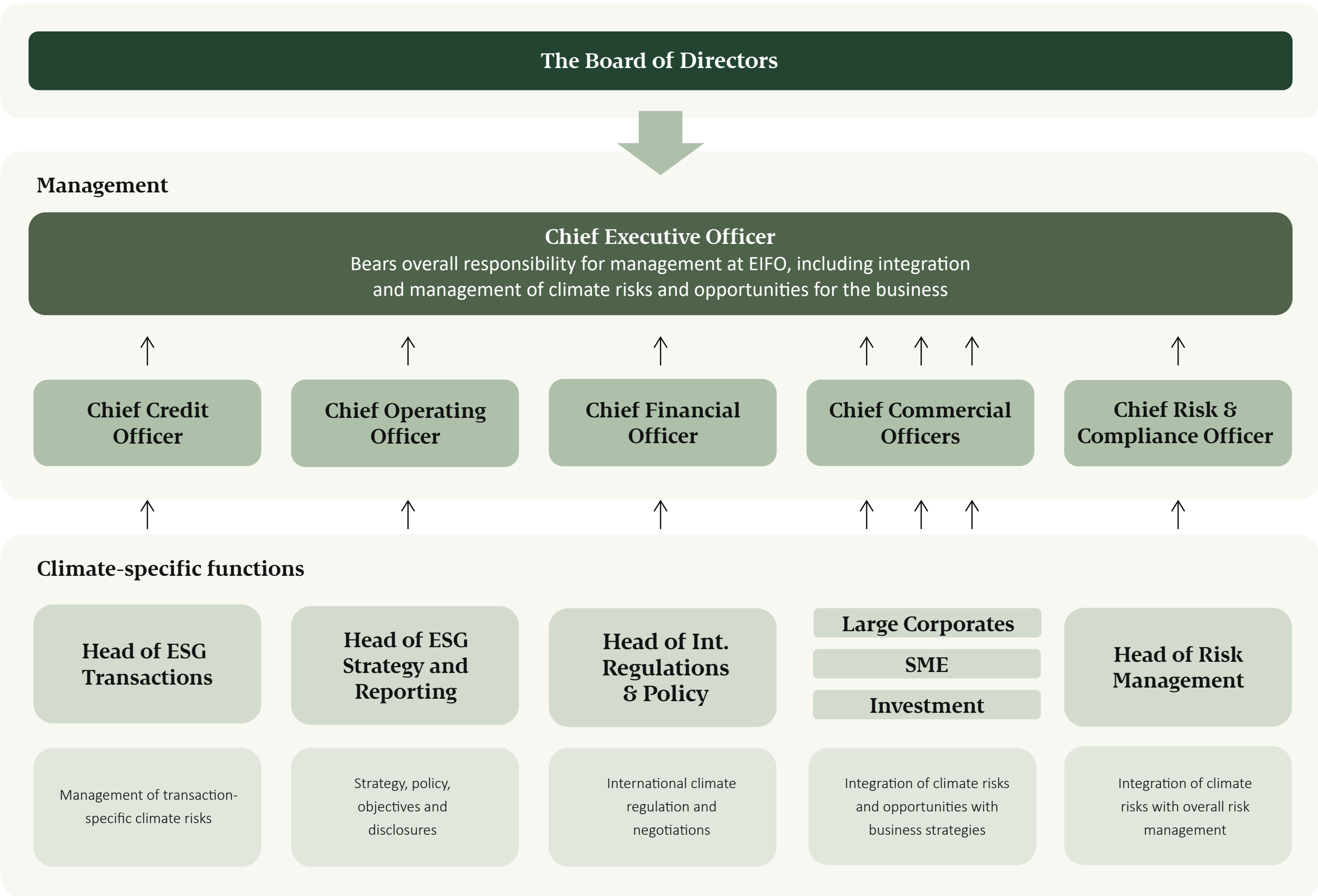
EIFO's International Regulations & Policy department reports to EIFO's Chief Financial Officer. The department looks after Denmark's and EIFO's interests in international forums by working towards common international export financing frameworks that advance the global green transition. It also helps to interpret EIFO's national and international climate-related obligations.

EIFO's three business areas, Large Corporates, SME and Investment, integrate climate-related risks and opportunities into EIFO's business strategies. The ESG Strategy and Reporting department supports the integration of concrete climate-related initiatives into the three business areas (see the Strategy section for more information on strategic focus areas).

Responsibility for integrating climate risks into the organisation's risk management at portfolio level lies with EIFO's Chief Risk & Compliance Officer. This work is not yet underway, but we are about to tackle it in 2024.

As EIFO is still a new organisation, the governance structure for climate-related work is still evolving. EIFO will formalise and strengthen its work on climate-related efforts throughout the organisation in 2024. This will help with robust implementation and enable regular updates for the Board of Directors and Management.

Governance at EIFO



*An organisational change was made after the end of the financial year.
The figure and accompanying description of governance at EIFO reflect the organisational structure as it appeared in the 2023 financial year

Strategy

Under the Act on the Export and Investment Fund of Denmark, EIFO must contribute to a sustainable and green transition. The climate agenda and the transition to a low-carbon society are therefore key aspects of EIFO's business strategy. In 2023, the Board of Directors established a climate policy outlining a framework for climate-related work aimed at achieving the goal of net zero by 2045. The following specific initiatives will create a framework for work relating to the climate:

1. Calculate emissions and set milestones for the pathway to net zero

EIFO calculates and discloses the organisation's total greenhouse gas emissions (see the section on Metrics and Targets). As this area evolves, EIFO will work to improve the quality and transparency of our calculations. Among other things, this means EIFO will work to ensure that its portfolio companies are able to report on their scope 1, 2 and 3 emissions.

In order to achieve net zero greenhouse gas emissions by 2045, EIFO will set, disclose and monitor science-based milestones for this area. In 2024, EIFO will set sector-based emission sub-goals consistent with scientifically recognised net zero pathways for the most CO_2e-intensive sectors in the portfolio. EIFO's eventual aim is to expand this work to the rest of the business.

2. Facilitate the green transition in CO_2e-intensive sectors

To advance the green transition of Danish trade and industry and to achieve our own net-zero objective, we will engage with partners and customers in CO_2e-intensive and difficult-to-decarbonise sectors to help them transition. We will work to develop financial incentives, within EIFO's framework where possible[1], as well as non-financial services that can support the transition, and we will prioritise our efforts where EIFO can have the greatest impact.

[1]In regard to export credits, EIFO operates within OECD rules and at a national level according to the EU's state aid rules.

3. Fossil fuel exclusion in the energy sector

EIFO is bound by the Danish policy freeze on public financing and export incentive services for projects outside of Denmark relating to fossil fuels in the energy sector. EIFO has chosen to extend this freeze to all EIFO transactions, both in Denmark and abroad. This means that EIFO does not finance fossil-fired power plants and supporting activities such as extraction, drilling, refining and related infrastructure and logistics. The freeze entails certain exemptions for gas until 2025, cf. fact sheet[2].

[2]Fact sheet: An end to public financing and export incentive services for projects outside of Denmark relating to fossil fuels in the energy sector (kefm.dk)

4.

Green leadership in setting common international rules and green national partnerships

EIFO participates in a number of international forums, where we work to create a common ambitious framework for climate-related export credit financing. EIFO also aims to play a prominent role in both national and international forums and negotiations going forward. In 2023, EIFO helped to create the UN-led Net-Zero Export Credit Agencies Alliance (NZECA), in which we work towards an ambitious, coherent approach to the net zero work of export credit agencies. On a national scale, EIFO seeks to enter into business partnerships that can help to target and accelerate financing for the green transition.

5.

Consolidate our position within wind energy and renewable energy

EIFO has extensive experience of and expertise in financing renewable energy. This puts us in a strong position to support and finance the green transition in the energy sector going forward. EIFO aims to maintain its position of strength within wind energy financing and expand this to include more activities across the Danish ecosystem working with the green transition in the energy sector.

6.

Act as a facilitator for the green transition and maturation of new green technologies

The climate crisis demands new green technology solutions. By continuing to look to the future and taking risks on new and less mature green technologies, EIFO can advance the development, demonstration and scaling of new business models and technologies that can accelerate the green transition. EIFO has identified Power-to-X (P2X) and Carbon Capture Utilisation and Storage (CCUS) as two strategically important areas to focus on. By 2025 EIFO will have received DKK 1.7 billion earmarked for exports of large-scale green demonstration projects such as P2X and CCUS.

EIFO also aims to help decarbonise the international supply chains of Danish enterprises, for example by financing emission-reduction technologies in international suppliers to Danish companies. This will both advance the green transition globally and help to reduce CO_2e in Danish companies' emission accounts. At national level, EIFO focuses on the green transition in the Danish agricultural sector, through approaches such as financing alternative protein types, vertical farming and AgriTech as well as the development of financial incentives that help more conventional farms make their production as light on emissions as possible.

In 2024, EIFO will set targets for the total allocation of financial resources for the green transition.

Risk management

Identification of climate risks and opportunities in EIFO's business

SClimate-related opportunities for EIFO's business are a key element in the design of our three business strategies, and EIFO will work on selected strategic focus areas in the coming years (see above).

Climate change also represents a risk. EIFO and our customers are exposed to both physical and transition-related climate risks. Transition-related risks include technological, market-related and regulatory changes in Denmark and in the international community. There is also the issue of reputational risk. Physical risks concern acute damage to assets arising from more frequent extreme weather events, but also risks associated with more gradual changes such as rising temperatures and sea levels. These climate-related changes entail various financial impacts for EIFO (see table on the following page).

Our overall exposure to climate-related risks depends on the composition of our portfolio at any given time – but external factors such as the precise manifestation of climate changes, or the pace at which the market or regulatory environment evolves, also affect EIFO's overall risk exposure. EIFO is working on integrating these factors into our existing risk management processes to help us base our climate strategy choices on specific figures and projections going forward.

Risk management at portfolio level

EIFO is still learning how best to quantify climate risks and integrate these with risk models. We eventually hope to integrate climate-related stress testing and scenario analyses with our risk management, so that we can identify and mitigate relevant climate risks and calculate our financial exposure in regard to these. The currently available methods of economic valuation of climate risk are at a relatively early stage of development, but we will work on being able to calculate these as methodologies and data are developed.

Risk management at business level

EIFO has extensive experience of managing climate risks at engagement level, where the organisation's ESG Transactions department identifies and manages environmental and climate risk in accordance with the applicable international guidelines in this area. For all export financing commitments with expected project-specific scope 1 and 2 emissions in excess of 100,000 tonnes of CO_2e per year, it is a requirement that transitional climate risks for the project are assessed and the opportunities for implementing less CO_2e-intensive alternatives are analysed. These climate risk assessments are typically performed by a technical consultant attached to the specific projects. Physical climate risk assessments are also supported by technical consultants attached to individual projects. EIFO's international wind turbine projects, for example, incorporate risk analyses regarding rising sea levels and current and future wind and weather conditions.

Examples of climate-related risks and potential impact on EIFO and our customers

	Climate-related risk	Potential financial impact
Transitional risks	**Political and legal risks**	
	› Higher taxes for CO_2e emissions › Regulation of existing products and services	› Higher costs and/or less demand for specific products and services from sectors in EIFO's portfolio › Depreciation, loss allowance or competitive exclusion of EIFO customer assets as a result of regulatory changes
	Technological risks	
	› Replacement of existing products and services with low-emission alternatives › Financial exposure to new, unsuccessful technologies › Costs associated with transition to low-emission technology	› Reduced demand for products and services as a result of new technologies becoming popular › Costs associated with adopting new practices and processes › Depreciation of assets that are outcompeted by new technology
	Market-related risks	
	› Higher prices of natural resources › Uncertain market signals	› Higher production costs relating to a rise in input prices › New asset valuation
	Reputational risks	
	› Specific sectors being stigmatised	› Falling revenues as a result of lower demand for products › Less capital availability in the individual company › Companies may have difficulty attracting new talent

	Climate-related risk	Potential financial impact
Physical risks	**Acute** › More frequent extreme weather occurrences such as hurricanes, typhoons, floods and drought **Chronic** › Extreme variation in weather patterns › Rising temperatures and sea levels	› Higher costs associated with damage to assets › Risk of reduced opportunities to insure assets in high-risk areas › Higher operating costs as a result of issues such as inadequate water supply › Falling revenues as a result of reduced production capacity › Lower revenues or higher costs as a result of negative impact on workforce (e.g. health and safety)

Metrics and Targets

EIFO prepares three different emission-related calculations: 1) Calculation of CO_2e emissions related to our financial portfolio activities. 2) Calculation of CO_2e emissions related to our internal consumption of resources. 3) Calculation of total expected CO_2e displacement from new renewable energy projects.

EIFO's portfolio emissions

In 2023, EIFO calculated its emissions baseline based on the merged organisations' methodologies and experience. EIFO's portfolio emissions impact, part of EIFO's scope 3 emissions, makes up by far the largest part (99.95%) of EIFO's total emissions. It is crucial for our organisation to gain an overview of and understanding of those CO_2e emissions linked to EIFO's portfolio in order to develop a strategy to ensure that we achieve our goal of being net zero by 2045.

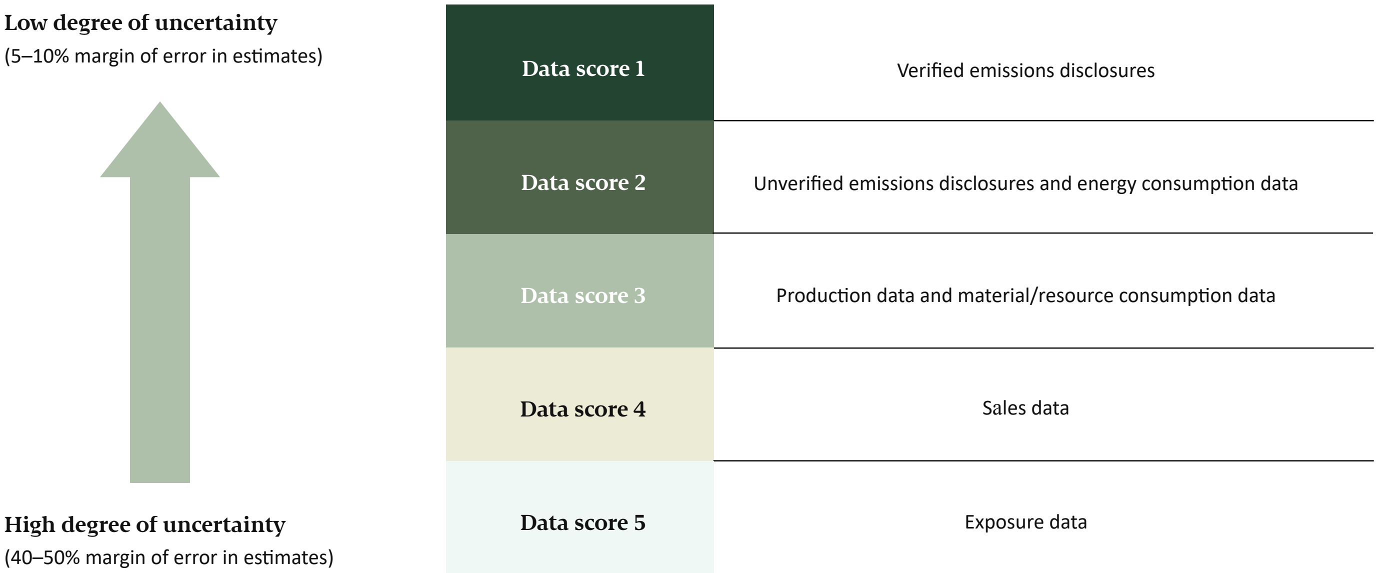
Methodology

In order to estimate our portfolio's total emissions impact, EIFO worked with external consultant Compassi to develop a method based on the internationally recognised *Global Greenhouse Gas Accounting and Reporting Standard for the Financial Industry,* developed by the Partnership for Carbon Accounting Financials (PCAF). Under the PCAF standard, emissions are attributed to a financial institution using an attribution factor calculated on the basis of the ratio between the financial institution's underlying exposure in any given company and the company's total value. This attribution factor is then applied to the financed company's total CO_2e emissions to estimate the financial institution's share of the emissions.

The calculation of EIFO's portfolio emissions includes our counterparties' scope 1, 2 and 3 emissions. The emissions calculation covers EIFO's entire portfolio and thus includes a wide range of asset classes and financial products, including lending, investments and guarantees. Under PCAF, emissions specifically related to guarantees must only be attributed to EIFO if a counterparty defaults, thus activating the guarantee. EIFO and a number of other guarantee issuers regard this approach as inadequate, since it only includes emissions from a very small proportion of guarantees issued and thus does not provide an accurate picture of the total emission-generating activities of guarantee issuers. EIFO's guarantees facilitate economic activity that emits CO_2e – regardless of whether or not EIFO's guarantee is activated. In consultation with our consultant, we have therefore opted for an approach to guarantee products whereby emissions are attributed to EIFO on the basis of our financial commitment in line with our lending and investment businesses. This emissions calculation does not cover administered schemes for which EIFO does not bear the financial risk, such as for example COVID-19 loans and guarantees.

In line with the PCAF standard, EIFO estimates its financed emissions on the basis of three general data types: Emissions calculations disclosed by counterparties, physical activity data and economic activity data. These three data types are divided into a five-step hierarchy, in which verified emissions disclosures from companies/projects are of the highest quality (data score 1), while emission estimates calculated using only exposure data are of the lowest quality (data score 5). The figure below illustrates a breakdown of the PCAF data hierarchy.

PCAF data hierarchy



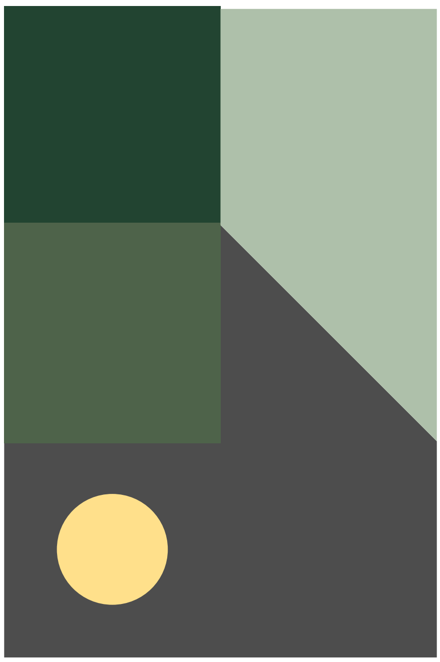
The total CO_2e impact of EIFO's portfolio is driven by a small number of high-emission commitments which account for a large proportion of the total emissions. EIFO's approach to data collection therefore means that calculated emissions disclosures and physical activity data are obtained directly where possible from the portfolio companies and projects that are heaviest and most intensive in terms of CO_2e. For the remaining part of the portfolio, emissions are estimated on the basis of economic data combined with PCAF's region and sector-specific emission factor database, which is based on the input-output Exiobase database.

EIFO's calculation of portfolio emissions for 2023 is calculated for EIFO's portfolio and exposure as at 31 December 2023. However, due to a time discrepancy between EIFO's customers and other counterparties being able to supply updated emission-related and financial data and the timing of EIFO's external reporting, in certain cases, EIFO is forced to use data that either relates to earlier years or only covers parts of 2023. At the same time, the sector and region-specific emission factors in PCAF's database are based on a number of general assumptions as well as data that is typically around five years old, meaning that emissions calculations based on these emission factors must largely be viewed as estimates.

Non-streamlined reporting practices and fluctuating data quality have a major impact on portfolio emission calculations of financial institutions. Reporting of scope 3 downstream emissions (emissions from the use of products) is a good example of this. In principle, companies should include scope 3 downstream emissions in their emissions calculations, but this is not yet standard practice, and even PCAF's emission factor database does not incorporate scope 3 downstream emissions in their emission factors.

These non-streamlined reporting practices mean that two comparable companies can report very different emissions figures. In practice, EIFO's emissions calculation is also affected by this factor. We expect reporting practices to be harmonised as data quality improves and the field matures. This will probably have a positive effect on the precision of our portfolio emission estimates.

That said, PCAF's standards for calculating emissions are continuously being developed and clarified. EIFO joined PCAF in 2023 and is following the development of standards closely. We will be transparent about any forward-looking methodological and data changes that may affect the comparability of our emissions statements across different years and will recalculate our emissions baseline if necessary.



Results

EIFO's total portfolio emissions for 2023 are estimated at 3.8 million tonnes of CO_2e, divided into 1.4 million tonnes for scope 1 + 2 and 2.5 million tonnes for scope 3. EIFO's portfolio emissions vary across asset classes, with guarantees accounting for 55% of total emissions, while loans and investments account for 41% and 4% respectively. This distribution of emissions is partly attributable to EIFO's exposure in the respective asset classes, but is also an expression of the fact that EIFO's export transactions (which may involve both guarantees and loans) typically relate to major energy, infrastructure and industrial projects with relatively high levels of emissions, whereas EIFO's investment transactions and loans to national operators are typically in sectors with lower levels of emissions, including the IT sector.

Since EIFO reinsures approximately half of the total portfolio commitment (see section the section on reducing EIFO's credit risk on page 39 for further details), EIFO reports on the total portfolio emissions both before and after reinsurance. After reinsurance, the total portfolio emissions fall by approximately 1 million tonnes from 3.8 to 2.8 million tonnes. This decrease is primarily driven by reinsurance of wind and infrastructure projects, for which the relevant emissions primarily relate to scope 3.

The emission results before reinsurance will in future be used as a guiding principle for EIFO's pathway to net zero emissions by 2045.

Portfolio emissions for 2023 by asset class (before reinsurance)

Asset class	Exposure (DKK billion)*	Scope 1–2 emissions (thousand tCO_2e)	Scope 3 emissions (thousand tCO_2e)	Scope 1–2–3 emissions (thousand tCO_2e)	Share of portfolio emissions (%)	Emission intensity (tCO_2e/ DKK million)
Guarantees	93	646	1,471	2,118	55	23
Loans	42	677	900	1,577	41	38
Investments	12	39	96	134	4	11
Total portfolio	**147**	**1,362**	**2,468**	**3,829**	**100**	**26**

* Reported exposure amounts do not fully match the financial statements. This is due to the exclusion of certain large transactions for which there has been no emissions activity in 2023. These are omitted from the calculation basis so as not to distort the emission intensities.

Portfolio emissions for 2023 by asset class (after reinsurance)

Asset class	Exposure (DKK billion)*	Scope 1–2 emissions (thousand tCO_2e)	Scope 3 emissions (thousand tCO_2e)	Scope 1–2–3 emissions (thousand tCO_2e)	Share of portfolio emissions (%)	Emission intensity (tCO_2e/ DKK million)
Guarantees	45	452	1,072	1,524	54	34
Loans	19	653	525	1,178	42	62
Investments	12	39	96	134	5	11
Total portfolio	**76**	**1,143**	**1,693**	**2,836**	**100**	**37**

* Reported exposure amounts do not fully match the financial statements. This is due to the exclusion of certain large transactions for which there has been no emissions activity in 2023. These are omitted from the calculation basis so as not to distort the emission intensities.

Since the emission results for portfolio exposure before reinsurance form the guiding principle for EIFO's further net zero work, the sections and tables below are based on the results before reinsurance.

Renewable energy production, cement and agriculture and food production are the three sectors that contribute the most to EIFO's portfolio emissions. In total they account for 57% of EIFO's portfolio emissions in 2023. Emissions from renewable energy production make up 28% of EIFO's total portfolio emissions and primarily relate to EIFO's exposure to wind and solar farms in the construction phase. When these renewable energy projects are completed and operational, their emissions will drop to close to zero.

The total emission intensity for EIFO's exposure to sustainable energy production is 11 tonnes of CO_2e/DKK million. This level is relatively low, due to the fact that approximately two thirds of EIFO's exposure in the renewable energy sector relates to projects in the operational phase.

On the other hand, emissions from the cement sector and agriculture and food production primarily relate to the operational phase and are associated with relatively high emission intensities (490 and 135 tonnes of CO_2e/DKK million). For the portfolio as a whole, EIFO's 2023 emission intensity is 26 tonnes of CO_2e/DKK million, which is explained by EIFO's high exposure to renewable energy production as well as significant exposure in the IT sector, which has a low emission intensity.

The *Other* sector category also contributes significantly to EIFO's total portfolio emissions (18%). It should be noted here that two-thirds of the emissions for this sector category relate to a single company that includes scope 3 downstream emissions in its emissions disclosures, meaning that this company alone accounts for 11% of EIFO's total portfolio emissions (see the section on methodologies for a description of the varying reporting practices for scope 3 downstream emissions).

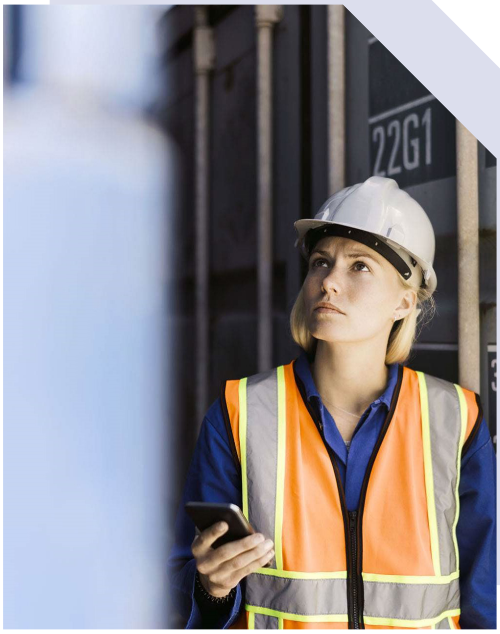
Portfolio emissions for 2023 by sector (before reinsurance)

Asset class	Exposure (DKK billion)*	Scope 1–2 emissions (thousand tCO_2e)	Scope 3 emissions (thousand tCO_2e)	Scope 1–2–3 emissions (thousand tCO_2e)	Share of portfolio emissions (%)	Emission intensity (tCO_2e/DKK million)
Renewable energy production	99	90	962	1,052	28	11
Cement	1	496	143	638	17	490
Agriculture and food production	4	262	233	495	13	135
Transport	15	59	273	332	9	22
Mining	1	122	63	185	5	192
Energy transmission and distribution	3	124	43	167	4	58
Chemical production	1	59	78	138	4	171
Fossil fuel energy production	1	56	13	68	2	146
Metal products	1	15	36	52	1	81
IT service	6	2	7	9	0.2	1
Other	16	77	616	693	18	45
Total portfolio	**147**	**1,362**	**2,468**	**3,829**	**100**	**26**

* Reported exposure amounts do not fully match the financial statements. This is due to the exclusion of certain large transactions for which there has been no emissions activity in 2023. These are omitted from the calculation basis so as not to distort the emission intensities.

Data quality

In general, data quality relating to emissions urgently needs to be improved. Emission factor databases such as PCAF's are based on historical sector and region-specific emission averages and therefore do not capture company-specific emission changes from year to year. In order to measure our portfolio's actual progress towards net zero, we will therefore look to increase the amount of company and project-specific data and prioritise improving data quality for the most CO2-heavy/intensive sectors.



In order to monitor changes in data quality from year to year, EIFO reports on three different metrics in terms of data quality: i) percentage of total exposure where company-specific data has been used to calculate emissions; ii) percentage of total exposure where reported emissions from EIFO counterparties have been used to calculate emissions; iii) PCAF data quality score weighted in relation to exposure (see the section on methodologies for a breakdown of the PCAF data quality score).

Across the portfolio, in 2023 EIFO managed to obtain company-specific data for 85% of total exposure. However, only 10% of the portfolio exposure is covered by reported emissions from EIFO's counterparties, which are defined by PCAF as being of the highest data quality. This indicates that a large part of the portfolio is calculated on the basis of either sales data or physical activity data. Overall, the average weighted data quality score for EIFO's portfolio is 3.3. This is strongly influenced by the fact that, for renewable energy projects (which make up around two thirds of EIFO's total exposure), EIFO calculates emissions based on project-specific capacity data (data score 3).

The data quality for investment is generally lower than for guarantees and loans. This is a result of EIFO's approach to data collection, in which we put most of our effort into the commitments likely to be associated with the largest emission contributions. These commitments most often relate to major energy, infrastructure and industrial projects financed by loans or guarantees.

Data quality by asset class (before reinsurance)

Asset class	Company-specific data (%)*	Reported emissions (%) **	PCAF data quality score (1–5)
Guarantees	92	9	3.0
Loans	87	14	3.3
Investments	21	8	4.7
Total portfolio	**85**	**10**	**3.3**

* Company-specific data refers to reported emissions, physical activity data and financial sales data (data score 1–4 in the PCAF data hierarchy)
** Reported emissions refer to verified and unverified emissions calculations obtained from counterparties (data score 1–2 in the PCAF data hierarchy)

Data quality by sector (before reinsurance)

Asset class	Company-specific data (%)*	Reported emissions (%) **	PCAF data quality score (1–5)
Renewable energy production	99	0	3.0
Cement	88	23	3.0
Agriculture and food production	35	16	4.1
Transport	91	55	2.3
Mining	31	31	4.1
Energy transmission and distribution	52	46	3.7
Chemical production	54	0	4.4
Fossil fuel energy production	83	83	2.5
Metal products	13	0	4.8
IT service	16	1	4.8
Other	36	21	4.2
Total portfolio	**85**	**10**	**3.3**

* Company-specific data refers to reported emissions, physical activity data and financial sales data (data score 1–4 in the PCAF data hierarchy)
** Reported emissions refer to verified and unverified emissions calculations obtained from counterparties (data score 1–2 in the PCAF data hierarchy)

Pathway to net zero by 2045

EIFO's portfolio will evolve towards the net zero goal in 2045 – in terms of both size and sector composition. The portfolio emissions attributed to EIFO are affected by this, meaning that the pathway to net zero cannot be expected to be linear.

Increased financing in areas such as renewable energy projects in the coming years means that EIFO's emissions impact could potentially increase before it drops again, as the construction of these projects entails a significant emissions impact.

EIFO's internal resource consumption and related CO_2e emissions

EIFO's remaining emissions relate to EIFO's internal consumption of resources and are primarily divided into energy consumption and transport. Although the emissions associated with EIFO's internal consumption of resources make up a smaller part of EIFO's total CO_2e impact, the calculation and reduction of these is a vital part of EIFO's pathway to net zero if we are to be a trustworthy partner in the green transition.

EIFO's internal climate impact

	Unit	2023
Scope 1	tCO_2e	0
Scope 2 Location-based	tCO_2e	34
Scope 2 Market-based	tCO_2e	57
Purchased energy consumption (electricity & heating)	GJ	2,315
Scope 3	tCO_2e	1,860
Total (location-based)	**tCO_2e**	**1,894**
Emissions per employee	**tCO_2e**	**4**

EIFO reports CO_2e emissions in accordance with guidelines from the Greenhouse Gas Protocol, meaning that direct emissions from fossil fuels are calculated under scope 1. Since EIFO neither owns nor leases any means of transport, there are no emissions under scope 1.

Scope 2 covers indirect emissions originating from the purchase of energy. For EIFO, this includes electricity and heat consumption at EIFO's offices and office spaces around the country. 2023 was a year of integration in which EIFO merged and moved into new headquarters. The majority of EIFO's total electricity and heat consumption relates to the head offices in Hellerup (for what used to be Vækstfonden) and Nordhavn (for what used to be EKF) as well as EIFO's new head office at Orientkaj, which EIFO took over on 1 June 2023.

Scope 3 (excluding the portfolio) in 2023 covers transport, procurement of office supplies and IT equipment. The categories were selected on the basis of the following criteria: relevance, data quality and data availability. 2023 was dominated by the integration of the data landscapes and so on of the three merged funds, which had an impact on the availability of specific data. For 2024, EIFO aims to include several categories in relation to scope 3, including climate impact from the use of consultants and canteen consumption.

[1] Source: Climate – Statistics Denmark (figures include biomass combustion)

Calculation data for scope 3 is extracted from internal systems, calculations from IT suppliers and calculation of CO_2e emissions from EIFO's travel agent that employees use for business trips. Data in relation to commuting to and from work has been obtained via an internal questionnaire surveying all EIFO employees.

CO_2e emissions per employee are calculated on the basis of EIFO's total CO_2e emissions (excluding the portfolio), in which the number of employees is calculated as the number of full-time employees at the end of 2023.

EIFO's contribution to CO_2e displacement

EIFO finances renewable energy projects both in Denmark and around the world which generate CO_2e reductions by displacing more polluting energy sources from the energy grids of the relevant countries. An example of this is the 2023 financing of the Baltic Power offshore wind farm in Poland. A large proportion of Poland's energy supply currently derives from coal, and the energy from the wind farm will thus help to replace fossil fuel energy with renewable energy.

In 2023, EIFO co-financed four new wind turbine projects, four new solar farms and a new biogas plant, which are expected to generate total CO_2e displacement of 102.0 million tonnes over their useful lives. EIFO's financing share of these nine projects means that EIFO will help to displace the equivalent of 23.1 million tonnes of CO_2e over the useful lives of these wind farms, solar farms and biogas plants. The useful life of a project varies depending on the technology, but with an average project useful life of 25 years, EIFO's financing contribution equates to an average annual displacement of just under 1 million tonnes. For comparison, Denmark's total CO_2e emissions in 2022 added up to 64 million tonnes[1].

Expected CO_2e displacement from new projects financed by EIFO in 2023

Total displacement
102 million tonnes of CO_2

EIFO's share
23 million tonnes of CO_2

*To maximise the reliability of our CO_2e displacement figures, these have been included in an opinion authored by Deloitte. See the independent auditors' opinion regarding CO_2e data at the end of the report.

How we quantify CO_2e displacement

The independent economic consultancy Copenhagen Economics has developed a model capable of estimating the CO_2e displacement value of the renewable energy projects involved in EIFO's financing. The CO_2e displacement is calculated as the reduction in emissions from the power grid for the relevant country that the renewable energy project can be expected to entail throughout the project's useful life by displacing more polluting energy sources. This means that the CO_2e displacement depends on the volume of energy supplied by the given energy technology and the project country's/region's power generation mix and demand – both now and in the future.

To calculate the reduction in emissions, we compare the expected supply and demand for electricity in the project country, based on capacity and production data obtained from the International Energy Agency (IEA).

The marginally considered most cost-intensive energy technology is assumed to be displaced by the introduction of increased capacity from new renewable energy sources. In this context, the merit order[2] is also assumed to remain constant throughout the project's useful life, and it is assumed that the same merit order applies globally in all project countries.

Since electricity generation from wind and solar is variable over any year and 24-hour period, the most accurate figure is obtained from an estimated hourly capacity at country level in the wind and solar model. The forecast demand is then determined correspondingly per hour per country. In any country, wind, solar and other renewable energy sources will thus displace CO_2e at differing intensities per MWh supplied.

The calculations are based on the projects' predicted capacity in MWh, the projects' useful life (25 years for a wind farm, 30 years for a solar farm, 20 years for biogas plants) and geographical siting. The results show how many tonnes of CO_2e these projects will avoid during their useful life.

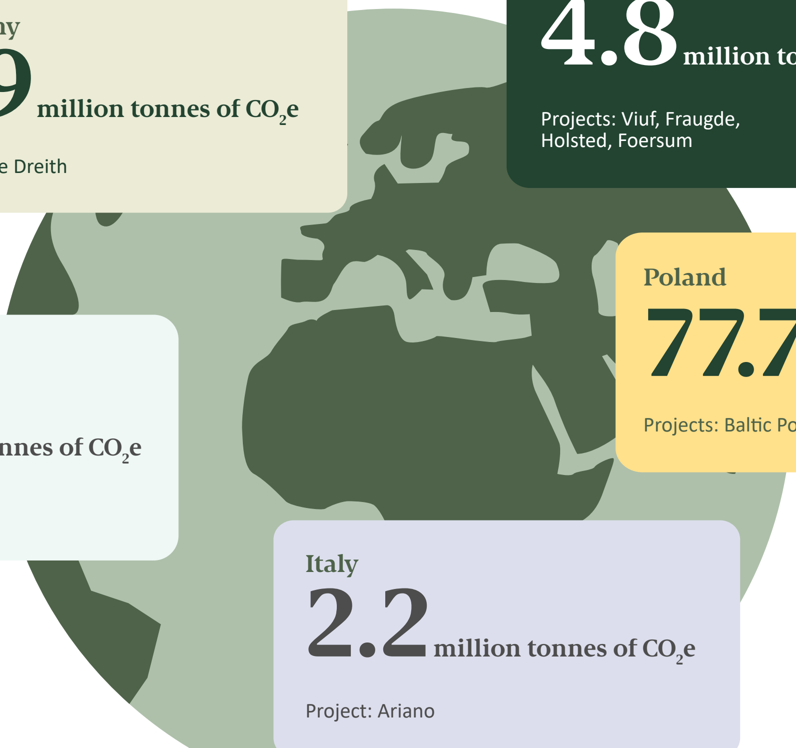
[2] The merit order ranks electricity sources based on marginal costs, in which the marginally most expensive source is added to the electricity network last.

EIFO's renewable energy projects displace CO_2e

Projects co-financed by EIFO in 2023 are expected to achieve displacement of

102 million tonnes of CO_2e

over the projects' projected useful life. Of this, EIFO's share is equivalent to 23.1 million tonnes.



Germany
9.9 million tonnes of CO_2e
Project: He Dreith

Denmark
4.8 million tonnes of CO_2e
Projects: Viuf, Fraugde, Holsted, Foersum

Poland
77.7 million tonnes of CO_2e
Projects: Baltic Power, Wagrowiec

USA
7.5 million tonnes of CO_2e
Project: Apex

Italy
2.2 million tonnes of CO_2e
Project: Ariano

*To maximise the reliability of our CO_2e displacement figures, these have been included in an opinion authored by Deloitte. See the independent auditors' opinion regarding CO_2e data at the end of the report.

Report on organisational corporate social responsibility

The Danish state ownership policy and the Export and Investment Fund of Denmark

EIFO is an Independent Public Company and applies the Danish state ownership policy as its corporate governance code. The state ownership policy establishes a number of specific recommendations for and expectations of the Danish state's exercise of ownership and the conduct of state-owned companies. EIFO aims to comply with all recommendations of the state ownership policy. The state ownership policy is available on the Danish Ministry of Finance website.

Corporate governance

EIFO's Board of Directors undertakes the overall and strategic management of EIFO and the supervision of Management. The general tasks and responsibilities of the Board of Directors are laid down in its rules of procedure. The executive management is in charge of the day-to-day management of EIFO and must thus comply with the policies, guidelines and instructions provided by the Board of Directors.

The Board of Directors consists of 11 members appointed by the Minister for Industry, Business and Financial Affairs. Three members are also elected by the employees. The Board of Directors has been appointed until 30 June 2024.

In accordance with Danish state ownership policy and the corporate governance recommendations, as a rule, EIFO conducts an annual self-assessment of the Board of Directors. This year's assessment of the Board of Directors was carried out in the autumn using the digital evaluation tool from Danish Boardmeter, which hosts some of the country's leading experts in corporate governance. The tool comprises a number of key themes, including fulfilment of any statutory responsibilities and compliance with recommendations for good governance as well as the Board's composition and competencies.

According to EIFO's articles of association, board meetings must be held at least four times a year. There were eight board meetings in 2023, of which six were ordinary and two extraordinary. There were also six written consultations. One board meeting doubled as a board seminar. The Board of Directors has four sub-committees: the Audit, Risk and Compliance Committee, the Remuneration and Nomination Committee, the Investment Committee and the Credit Committee. In accordance with the Danish state ownership policy, the members of the committees and the committees' terms of reference can be seen on the EIFO website, www.eifo.dk. The Audit, Risk and Compliance Committee held seven meeting, while the Remuneration and Nomination Committee had three meetings, the Investment Committee eight and the Credit Committee seven. The chairs hold quarterly meetings with the Ministry of Industry, Business and Financial Affairs, at which they report on the organisation's strategic relations, follow-up on EIFO's operating results, and so on.

For more information on remuneration and fees, see note 7 in the income statement and for other duties of the Board of Directors, see the section on Executive functions.

Diversity and gender diversity targets within EIFO

Diversity paves the way for a multiplicity of viewpoints, fewer blind spots and a better bottom line. EIFO regards diversity and equality as fundamental to our ability as a competent organisation to conduct an efficient and innovative business.

We operate with a broad definition of diversity that includes, but is not limited to, skills, experience, training, age, gender, ethnicity, religion and sexual orientation. We believe that diversity, equality, gender diversity and an inclusive culture are strengths that serve to give EIFO access to the best talent and enable EIFO to develop in a positive direction based on diverse skills, experience and viewpoints.

EIFO is committed to promoting cultural diversity within the organisation and in business partnerships, and to supporting interactions characterised by mutual transparency and respect, both within EIFO and externally in respect of EIFO's customers, business partners and stakeholders.

EIFO's recruitment procedures and working conditions should also support equal opportunities for all staff as regards appointments and promotions to new positions.

Read more on this in EIFO's Diversity Policy.

Gender diversity targets within EIFO

EIFO's diversity agenda focuses specifically on gender diversity in day-to-day management. However, we always operate on the principle that executive positions are to be filled on the basis of the candidate's skills, motivation and personality rather than on the basis of gender alone.

As far as EIFO's Board of Directors is concerned, the directors are appointed by the Minister for Industry, Business and Financial Affairs, meaning that ultimately the latter is responsible for whether the gender diversity target for the Board of Directors is met. No target figures are therefore set for the supreme governing body. At other management levels, EIFO's Board of Directors and management are responsible for creating a gender balance.

In other management levels, EIFO's target is equal gender representation. When a one gender is represented by at least 40%, it is no longer regarded as underrepresented. We have therefore set a target figure of 40/60, which we aim to achieve by 2026 at the latest.

Corporate social responsibility within the organisation

EIFO's biggest risks and impacts in connection with corporate social responsibility are found in the portfolio and are managed via ESG due diligence. But corporate social responsibility also plays an important role in EIFO's own business conduct and is based on international principles and conventions aimed at respecting human rights, labour rights, the environment and anti-corruption principles. In Denmark, basic human rights and labour rights are governed through continuous regulation, and EIFO also focuses in internal policies and guidelines on safeguarding staff conditions that set the framework for a good work life, health and wellbeing, equal opportunities and anti-discrimination. Responsibility for staff conditions is anchored in EIFO's executive management and is implemented via EIFO's HR department.

2023 has been an eventful year for the organisation. The amalgamation of the three previous funds into a single organisation has required a great deal of effort from everyone at EIFO – and in connection with this we have focused extensively on employee wellbeing and our new shared organisational culture. EIFO has therefore executed two "pulse" surveys with follow-up discussions in the departments. The management of EIFO has worked actively on specific culture-building initiatives to create trust, community and collaboration across the organisation. Another major milestone was reached on 1 September 2023 when EIFO moved into new headquarters in the Nordhavn area of Copenhagen.

In addition, EIFO has negotiated a joint collective agreement with the Danish Confederation of Professional Associations (AC) and HK Privat, which takes effect on 1 April 2024. The collective agreement process has been characterised by good cooperation between the management and the employee representatives. In 2024 our work will include implementing the new collective agreement and establishing EIFO's Cooperation Committee.

To ensure health and safety in the workplace, EIFO offers its employees ergonomically designed workstations, good insurance conditions, staff benefits with an emphasis on health, seniority schemes, the option of working from home and family leave days. Our aim is for our offers to ensure that employees have working conditions to suit their current stage of life.

Diversity and wellbeing are also included in the developmental discussions between managers and employees. Discrimination can furthermore be reported via HR and via EIFO's whistleblower portal, which also allows employees to report physical violence, discrimination and sexual harassment. There were no reports to the whistleblower scheme in 2023.

	2023 Supreme governing body	**2023 Other management levels**
Total number of members	14	48
Underrepresented gender as a percentage	35.7	33.33%
Target as a percentage	N/A	40%
Year when target must be met	N/A	2026

Overview of EIFO's current gender distribution at other management levels and the target for the underrepresented gender at other management levels.

Impartiality and trading in financial instruments at EIFO

To safeguard EIFO's integrity and ethics as well as employees' compliance with relevant legislation, EIFO has internal rules and procedures for impartiality, management of inside information and trading in financial instruments.

The internal rules on impartiality outline how EIFO's employees identify and handle conflicts of interest that may constitute disqualification. The rules are intended to ensure that case processing is not influenced by extraneous considerations and to minimise reputational risk for EIFO. Frameworks have also been established in regard to employees' trading in financial instruments as well as a procedure for managing inside information.

EIFO updated various internal rules on these topics in 2023. We have focused on ensuring that employees have a high level of knowledge about the content of the rules, including through ongoing training of employees, as well as continuously updating the internal rules where relevant.

Prevention of bribery at EIFO

To protect employees from compromising business integrity, EIFO has various internal rules and procedures in place to deal with anti-corruption and bribery.

EIFO is involved with a wide range of diverse partners both in Denmark and abroad, and there are both cultural and commercial reasons to protect employees from any incidence of corruption or bribery. Employees of EIFO must therefore not receive or give any gifts or services that could be perceived as a bribe. Hospitality and small symbolic gifts may be part of normal business conduct. If there is therefore a clear professional justification for participating in a social event, EIFO defrays expenses associated with this, such as expenses for travel, accommodation and attendance fees.

Read more here: Position paper on the prevention of bribery

Data Ethics policy

EIFO takes work involving data and its use extremely seriously. For this reason, a Data Ethics policy will be available in 2024. The policy is managed and approved by the Board of Directors, and outlines the data ethics principles that should be applied in connection with the use of new technology or in the development of new products; the policy allows for the preparation of a data ethics assessment to combat any negative consequences.

This data ethics assessment will look at how data is used, and the potential consequences of data processing. It will also look at whether data is retrieved securely and whether only necessary data is retrieved. It will also assess whether any negative data ethics consequences can be avoided or mitigated.

The principles will be particularly relevant should EIFO begin using artificial intelligence, machine learning or similar technologies in future. In connection with this, the Compliance function will be responsible for enforcing compliance with the policy and preparation of the necessary data ethics assessments according to the rules.

Risk, capital and liquidity management

EIFO assumes risks in order to fulfil its objective of creating the maximum possible societal return. Risk management is a crucial and integral part of our business model. A number of requirements and internal frameworks help to ensure that the actual risk profile does not exceed EIFO's capacity and appetite for risk.

EIFO's activities entail that we are primarily exposed to credit, market, liquidity and operational risks, including, for example, compliance risks. EIFO's overall risk profile must be commensurate with EIFO's capital strength to ensure that EIFO has the ongoing capacity to support the success stories that make the world Denmark's business. EIFO operates within the EU's state aid rules and its financial activities entail climate, environmental, societal and governance issues. We maintain capital adequacy to counteract credit, market and operational risks, and continuously maintain an appropriate cash balance to manage liquidity risk.

The organisation is set up to follow the fundamental risk management principles. The Board of Directors determines the risk appetite and the main principles to be applied to risk management in a number of policies. The policies are supplemented by an instruction that specifies the Management's decision-making mandate. Management is responsible for implementing the framework in the business, and the business functions act as risk owners with responsibility for ongoing risk management. EIFO's risk management and compliance units monitor EIFO's aggregate risk profile.

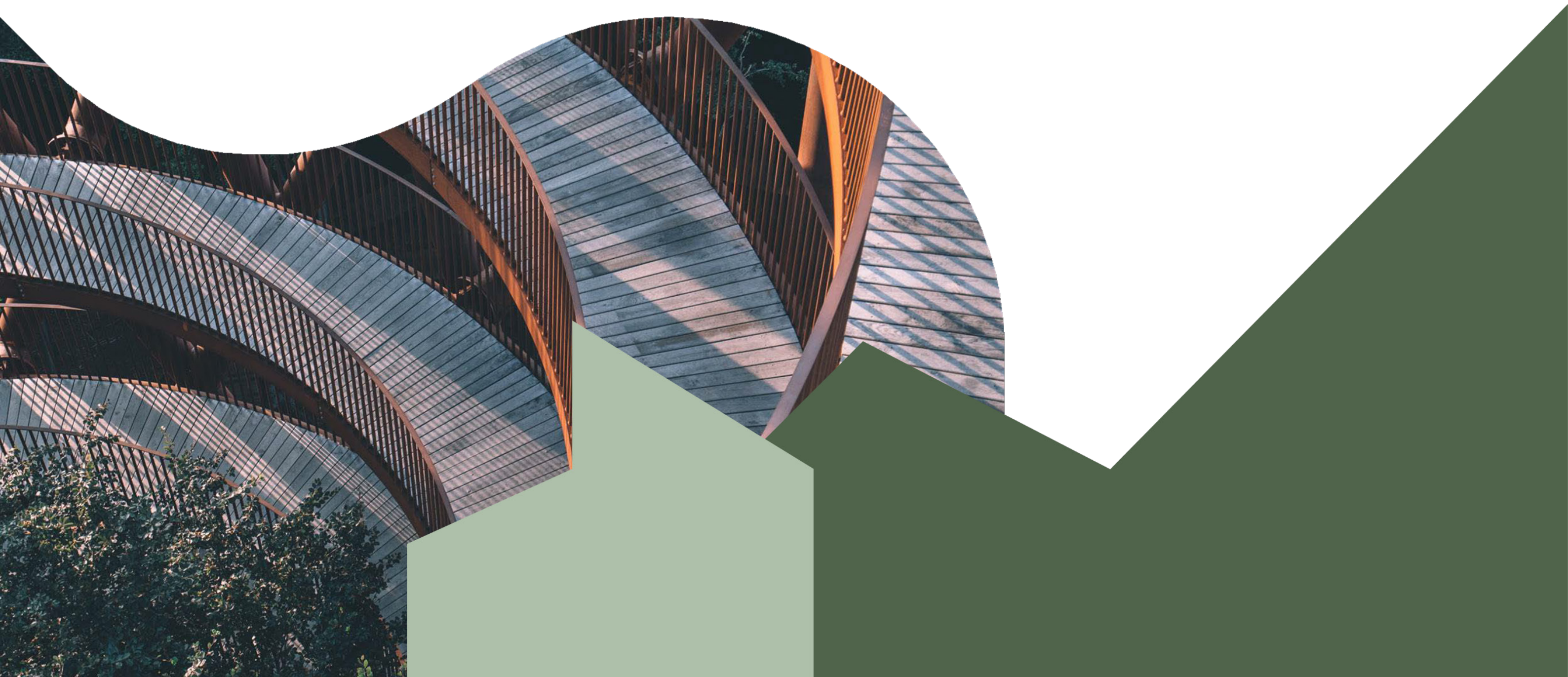
Credit risk

Credit risk reflects the risk of losses as a result of EIFO's customers and counterparties defaulting on their payment obligations. Counterparties comprise commercial companies, banks, sovereign states and reinsurance companies. EIFO provides loans as well as granting working capital guarantees and export credits to Danish companies in most industries and at all stages of development. Loans may be provided directly by EIFO, or EIFO can grant a working capital guarantee or credit to enable the company to, for example, get a bank loan. When Danish exporters sell their goods abroad, EIFO offers to guarantee and provide loans to the buyers of Danish exports, which may be both existing foreign companies and in the form of international project financing.

The initial contact is generally via EIFO's customer centre, after which customers are assigned advisers from one of EIFO's nine offices in Denmark. EIFO also has offices in New York and Singapore.

All transactions are credit-approved by means of procedures that address the relevant credit risks and any product-specific acceptance criteria. EIFO's customers and counterparties are subject to a credit analysis and potentially also a due diligence process, depending on the complexity and scale of the transaction. All transactions involving high complexity and scale must be approved by the Credit Committee prior to being granted by the Board of Directors.

EIFO uses internally developed and internationally recognised tools for credit assessment. To assessment of Danish SME counterparties, EIFO uses either a model developed by Moody's or a proprietary model. For foreign debtors and projects as well as larger Danish counterparties, we base our approach to risk classification on ratings from recognised rating agencies or a model developed by S&P. For states, banks and reinsurance companies, the starting point is ratings from Moody's, Fitch and S&P, supplemented with a number of internal tools.



For all foreign counterparties, the OECD classifications for country risks are also applied as a basis for determining premiums. The country classification indicates the risk that a country – and debtors in that country – will not have the opportunity, willingness and ability to meet their payment obligations. EIFO is obliged to use OECD country classifications, as government export credits are regulated by an OECD agreement. Exposure to banks arises as a result of bank deposits or the bank's role as borrower, guarantor for a foreign buyer or as counterparty in financial derivative agreements. Derivative financial instruments are generally entered into under netting agreements with collateral.

EIFO continuously monitors the credit portfolio, the aggregate commitment for each counterparty and each country. EIFO's credit risk is reduced if the agreements are covered by loss mandates, and the risk can be actively reduced for larger transactions via reinsurance. This is described in the section below.

Reduction of EIFO's credit risk

EIFO reduces credit risk by insuring loans and reinsuring guarantees through private and public companies and schemes. Reinsurance is used actively to reduce risk concentrations in respect of individual debtors and countries.

Based on EIFO's status as a national promotional bank, EIFO is covered for a share of losses on selected loans via loss mandates with the European Investment Fund (EIF) or the Danish state. The degree of coverage depends on the mandate, but is typically around 40 percent for the individual commitment. EIFO's existing loan portfolio is currently covered by a number of historic EIF mandates, but EIFO has also applied for and obtained funds from EIF under the new InvestEU programme via the Sustainability, Cultural and Creative Sectors, SME Competitiveness and Innovation, and Digitalisation mandates for forward-looking loan activities for Danish SMEs. The mandates obtained under the InvestEU programme give EIFO an opportunity to build a partially loss-covered loan portfolio of around DKK 2.2 billion over the next three years.

EIFO buys reinsurance from the private market, either as a framework agreement or to reinsure individual transactions. Reinsurance via framework agreement – also known as a treaty agreement – made up more than half of the total reinsurance portfolio at the end of 2023. Via the treaty agreement, larger transactions that meet agreed criteria are automatically reinsured within a set framework with a panel of reinsurers. EIFO's treaty agreement for 2024 has a panel of 13 reinsurers that ensure 40 percent coverage of transactions with a term of up to 20 years.

Reinsurance on individual transactions – also known as facultative reinsurance – is flexible in terms of cover and other terms and accounted for 8 percent of the total reinsurance portfolio excluding loss cover at the end of 2023. Private reinsurers must meet EIFO's minimum requirements for an external rating from an internationally recognised credit rating agency corresponding to A- on S&P's rating scale.

EIFO may sign reinsurance agreements with other export agencies in transactions that include exports from multiple countries. This is known as ECA reinsurance. The reinsurance share may vary as needed, including the share of exports between different countries. ECA reinsurance follows a standard agreement concluded between the export agencies.

EIFO obtains state reinsurance via the Denmark's Green Future Fund (DGFF) mandate. The reinsurance applies to green transactions that are already covered by private reinsurance and reflects terms in the private business-to-business agreements. The reinsurance share under DGFF is 20 percent for transactions of less than DKK 2 billion and 30 percent for transactions of more than DKK 2 billion. The share is never larger than that for private reinsurance.

Provisions and loss allowance to cover expected losses

EIFO assesses the quality of the portfolio continuously, and any deterioration in credit will result in higher provisions and loss allowances. The largest provisions and loss allowances are assessed in the annual commitment review with the Board of Directors. Furthermore, EIFO uses internal models to perform statistical calculations of the need for loss allowance on loans and premiums receivable in the quarterly financial statements in accordance with the IFRS 9 International Financial Reporting Standard.

Market risk

Market risk is a natural consequence of EIFO's activity. It is the risk of deterioration in the value of EIFO's portfolio as a result of rate and price changes in the financial markets. Note 31 describes EIFO's use of derivative financial instruments to hedge market risk.

Share price risk is the risk of deterioration in the value of EIFO's portfolio as a result of changes in share prices. EIFO invests in equity and equity-like instruments via funds and both unlisted and listed companies. In addition to achieving a financial return, the investments should help to maintain, strengthen or develop the Danish innovation economy. The return is affected by issues such as changes in economic cycles, local and global political conditions and company-specific risks. The companies' business model may, for example, be conditional on ground-breaking new technology that may not prove to have adequate business potential.

All investments are subject to initial screening to determine if the company or fund meets EIFO's selection criteria. The investment process depends on the complexity, risk and scale of the business activity. Dedicated teams review potential investments and perform due diligence. Depending on the nature and scale of the commitment, the investment is approved by the Chief Investment Officer, the Investment Committee or the Board of Directors. The share price risk is not hedged via derivative financial instruments. A spread of risk is ensured through limits on invested capital. The Board of Directors is informed of all new investments at the ordinary board meetings.

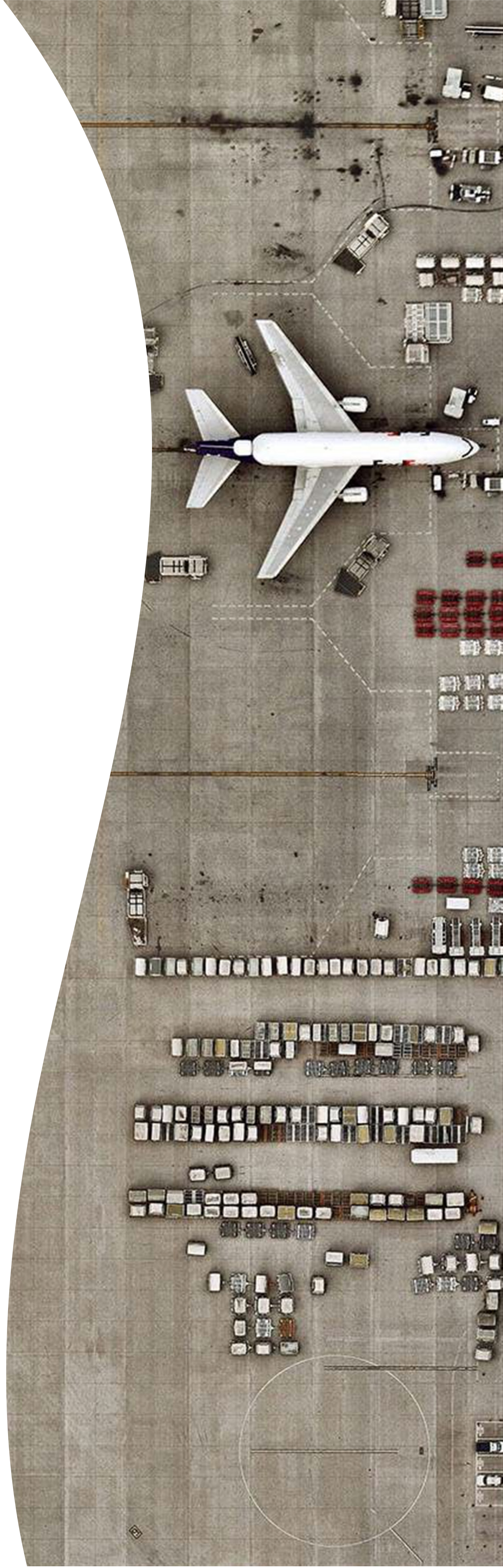
Interest rate risk is the risk of deterioration in the value of EIFO's portfolio as a result of changes in market interest rates. EIFO's interest rate risk is incurred as part of funding, lending and investment of surplus liquidity. Hedging is effected using interest rate swaps and cross-currency swaps under netting agreements. EIFO sets limits for the total interest rate risk due to parallel interest rate changes, interest rate risk in currency and interest rate risk due to non-parallel interest rate changes. The interest rate risk measured as the loss from a single percentage point change in interest rate level was DKK 27 million at the end of 2023.

Interest spread risk is the risk of deterioration in the value of EIFO's portfolio as a result of different interest rate curves in the same currency moving in relation to each other. Interest spread risk is not actively hedged, but is calculated on an ongoing basis. The most significant interest rate spreads to which EIFO is exposed are:

- Credit spread for financing via on-lending, which can be viewed as the difference between government and swap rate curves.
- Credit spread for bonds.

The interest spread risk measured as the loss at 1 basis point (0.01 percentage point) parallel change in the credit spreads was DKK 15 million at the end of 2023.

Exchange rate risk is the risk of deterioration in the value of EIFO's portfolio as a result of changes in exchange rates. Exchange rate risk arises as a natural consequence of EIFO's foreign transactions. EIFO hedges currency risk. Note 29 describes EIFO's exchange rate exposure and risk.



Concentrations

EIFO's concentration risk is lower than the separate concentration risks of EKF, Vækstfonden and the Danish Green Investment Fund. Each fund had its own areas of strength, which combine to spread the risk in EIFO. The 20 largest exposures accounted for around 99 percent of equity at the end of 2023.

EIFO's role as Denmark's export credit agency entails large transactions, challenging markets and a higher concentration of sectors in which Denmark is in a strong position. Large Corporates is extensively concentrated in the wind energy sector, since wind energy projects – particularly offshore wind farms – are getting bigger and bigger. Wind energy projects base their production in local markets and are primarily exposed to local risk factors such as the amount of wind, political issues, maturity of local infrastructure, and so on. Having a high concentration of wind energy projects is thus not necessarily a problem for EIFO, but a high concentration of wind energy projects in individual countries could be problematic. The biggest exposures for Large Corporates are in regard to the UK and Taiwan. Internal frameworks limit country concentration risk, and the capital requirement also reflects this risk in the Large Corporates segment.

EIFO's role as a national promotional bank entails smaller exposures, often within developed markets with a bias towards smaller companies earlier in the development phase that employ new technology. The largest industry for the SME and investment segment is information and communication technology. The SME segment is primarily directed at Danish companies, but investment is also possible in foreign companies and funds.

Operational risks

Operational risk is the risk of loss resulting from flawed or deficient internal procedures, human error, system error or external events. EIFO accepts that the operation of the organisation is associated with operational risk, but we try not to suffer economic losses or reputational damage as a result of operational risk in excess of the anticipated cost of alleviating the specific risk.

In 2023, EIFO focused particularly on establishing new common policies for EIFO and a common approach to reporting incidents which supports systematic recording, categorisation and assessment of operational incidents. We encourage all employees to report operational incidents so that we can learn from our mistakes.

In the new organisation, we have also continued the concept of risk and compliance ambassadors in some departments to anchor an understanding of operational risk within the organisation.

EIFO aims to comply with relevant external regulation and, in regard to compliance, performs continuous risk assessment, thereby identifying areas to be monitored in the coming year. We address identified compliance risks and the ensuing follow up on an ongoing basis, and we assess and monitor whether any new risks are being properly addressed.

Liquidity risk

Liquidity risk means the risk that

a) EIFO's costs associated with raising liquidity increase disproportionately

b) lack of funding prevents EIFO from maintaining its current business model

c) EIFO is ultimately unable to meet its payment obligations due to lack of funding.

EIFO's liquidity risk arises primarily as a result of a temporary mismatch between EIFO's assets (loans and investments) and liabilities. EIFO also has payment obligations in the form of losses, investment commitments and collateral for the derivative portfolio as well as loan defaults. This results in fluctuations in the liquidity requirement over time.

The risk of running out of liquidity is mitigated by calculating the expected liquidity requirement on a daily basis, regular stress tests, maintaining a liquidity buffer and access to liquidity even under difficult market conditions. EIFO's business is financed by equity and on-lending from the Danish state. In case of on-lending, EIFO takes out loans directly from the state. The loan is disbursed from the state's account, and the resulting financing requirement is covered by ongoing issues in the state's on-the-run issues. EIFO's liquidity buffer was DKK 17.8 billion at the end of 2023.

EIFO has a solid financial foundation

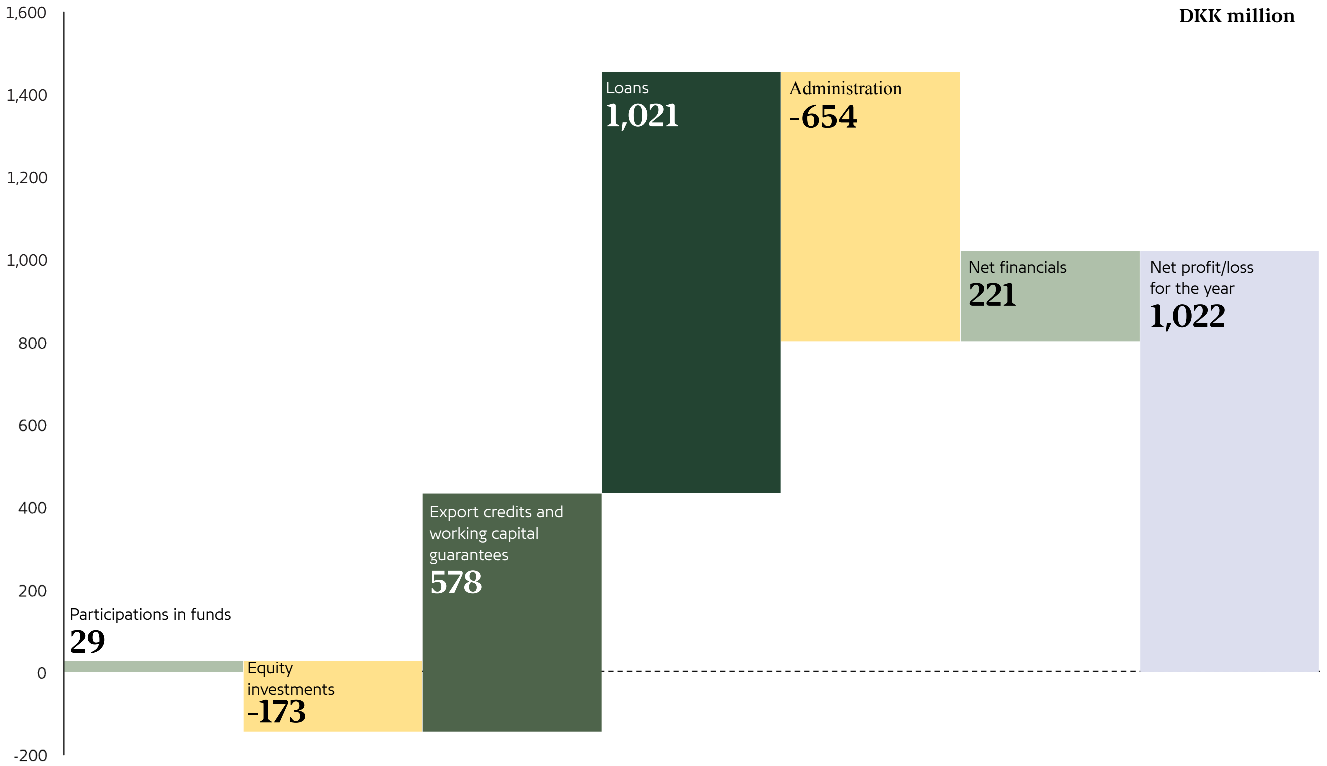
According to our articles of association, EIFO's equity, along with provisions, must always be of sufficient size to provide a sound basis for the company's liabilities and activities. The non-restricted equity (meaning equity less reserves related to hedge accounting and any proposed dividend) must at all times correspond at a minimum to the loss measured over a 12-month horizon that the Export and Investment Fund of Denmark could experience once in a century on a consolidated basis. This is calculated on the basis of a proprietary capital requirement model that covers the company's most significant risks. At the end of 2023, the non-restricted equity in excess of the capital requirement was DKK 8,022 million.

Financial statements

Financial highlights

EIFO's net profit for 2023 was DKK 1,022 million. The is regarded as satisfactory, particularly in light of the general economic and geopolitical unrest, which contributed to negative developments in investments as well as increasing loss allowances for financing of growth, entrepreneurship and the green transition. There is also a large loss allowance for one specific project. Conversely, increased activity and rising market interest rates have contributed to increased interest income from lending.

Below is a summary of the net profit/loss for 2023:



Income statement

Result of participations in funds

The year's result was DKK 29 million before administrative expenses. For the EIFO group's participations in funds, the year in general was characterised by significant fluctuations within the portfolio, with both listed and unlisted companies adding positive and negative value adjustments. Danish unlisted companies in particular contributed positive unrealised value adjustments. The result is also affected by negative exchange rate adjustments.

Result of equity investments

The result of equity investments affected the overall profit/loss by DKK -173 million before administrative expenses. This was primarily driven by unrealised negative value adjustments for unlisted companies. On the other hand, there were positive value adjustments for listed Danish companies, where the sale of shares in Zealand Pharma in particular – in which the EIFO group made its first investment at the beginning of 2007 through the portfolio fund Sunstone – produced a gain of a larger nine-digit amount.

Result of export credits and working capital guarantees

EIFO's export credits and working capital guarantees contributed a profit of DKK 578 million before administrative expenses in 2023. The activity primarily relates to the financing of exports, which contributed stable premium income. The result was negatively affected by increased loss allowances for a major commitment, but loss allowances were otherwise low.

An update to the EIFO group's updated impairment model for calculating the accounting estimate for loss allowances for export credits and working capital guarantees entailed a reduction of loss allowances by DKK 59 million.

Result of lending activities

Lending, which mainly consists of export credit financing and loans to Danish SMEs, resulted in a profit of DKK 1,021 million before administrative expenses.

The total result for export credit financing was DKK 470 million. Net interest income benefited from an increase in activity and income from impaired transactions. There were no new major loss allowances in 2023.

The portfolio of financing for growth, entrepreneurship and the green transition achieved a profit of DKK 551 million. Rising market interest rates contributed to higher net income. However, 2023 was affected by tight financing conditions and economic slowdown, which led to an increase in overall loss allowances for the portfolio.

In light of the economic and geopolitical turmoil, the EIFO group has, as in previous years, supplemented the impairment models – for export credits, working capital guarantees and loans – with management allowances to cover risks and conditions that have not yet been incorporated into the models. The management allowances, which cover export credits, working capital guarantees and loans, totalled DKK 259 for the year. At the end of 2023, the management estimates totalled DKK 391 million.

Administrative expenses

Administrative expenses after reimbursements totalled DKK 654 million in 2023. This amount includes expenses relating to the establishment of the EIFO group, including items such as consultancy and moving out of two headquarters as well as moving into new headquarters.

Net financials

Net financials totalled DKK 221 million. This is mainly due to interest rates and positive value adjustments from the EIFO group's bond holdings, but partially offset by negative value adjustments for on-lending and swaps, which the EIFO group uses in connection with hedging the interest rate risk for on-lending as well as exchange rate adjustments for assets and liabilities.

To minimise the effects of interest rate and exchange rate fluctuations, the EIFO group uses a high degree of hedging. For this purpose, hedge accounting for loans is applied, resulting in cash flow hedges of variable-interest lending and fair value hedges of fixed-interest lending. On-lending and associated swap hedging are not covered by the EIFO group's hedge accounting, and hence exchange rate and value adjustments for these are recorded as profit.

Opening balance

The opening balance as at 1 January 2023 after the merger was:

Amounts in DKK million	**1 January 2023**
Cash and demand deposits	10,225
Securities	9,151
Participations in funds	8,539
Equity investments	3,052
Loans	22,185
Other assets	8,453
Total assets	**61,605**
Equity	24,901
Total provisions	5,584
Payables to the Danish state, credit institutions and central banks	24,084
Other payables	7,036
Total equity and liabilities	**61,605**
Total off-balance sheet items (after reinsurance)	**52,765**

The EIFO group's balance sheet total as at 31 December 2023 was DKK 73 billion and DKK 43 billion in guarantees after reinsurance.

During 2023, the balance sheet total increased by more than DKK 11 billion, primarily due to loans, which increased by DKK 14 billion distributed between a few large export credit loans.

Loans totalled DKK 36 billion at the end of 2023, corresponding to 49 percent of the EIFO group's overall balance sheet total.

Equity

Equity totalled DKK 26 billion at the end of 2023, corresponding to 35 percent of the group's overall balance sheet total. In 2023, equity was primarily affected by:

- Deposits in connection with merging the three funds (DKK 24,910 million)
- Contributions from the state (DKK 2,165 million), primarily concerning acceleration capital, demonstration and scaling projects and the Ukraine Fund.
- Deposit repaid to the state (DKK 2,485 million) concerning the reboot fund
- Additions from net profit for the year (DKK 1,022 million).

Contingent liabilities

The EIFO group provides guarantees for loans in connection with export transactions and working capital guarantees for loans to companies. Exposure is recorded, not in the balance sheet, but under contingent liabilities. The EIFO group also undertakes substantial reinsurance in order to reduce credit risk and maintain capacity to maintain a high level of activity.

Before reinsurance, the EIFO group's exposure to contingent liabilities totalled DKK 96,829 million. After reinsurance this amount was DKK 42,942 million.

Uncertainty in recognition and measurement

The calculation of a number of income statement and balance sheet items is associated with various uncertainty factors that affect some of the accounting assessments and estimates made by Management when presenting the accounts, cf. the detailed description in the section on "Management's significant accounting estimates and assessments" under "Significant accounting policies".

Those areas that involve assumptions and estimates of significance to the accounts include loss allowances for loans and guarantees and valuation of unlisted investments in companies and funds.

In particular, the long-term consequences of geopolitical unrest, inflation, interest rate changes and uncertainty in the venture market entail considerable uncertainty, particularly in regard to the valuation of the EIFO group's unlisted investments in companies and funds.

Result relative to expectations

The EIFO group's half-year report for 2023 estimated that net profit for the year would be in the region of DKK 600–1,000 million.

With a net profit of DKK 1,022 million, the financial year ended better than expected, with the result of lending activities in particular contributing positively to the outcome.

The net profit for the year means that the maximum dividend of DKK 350 million can be paid to the state for the 2023 financial year.

Outlook for 2024

In 2024, the EIFO group expects net profit to be in the region of DKK 1.3–1.6 billion.

Expectations for the year are based on the following assumptions:

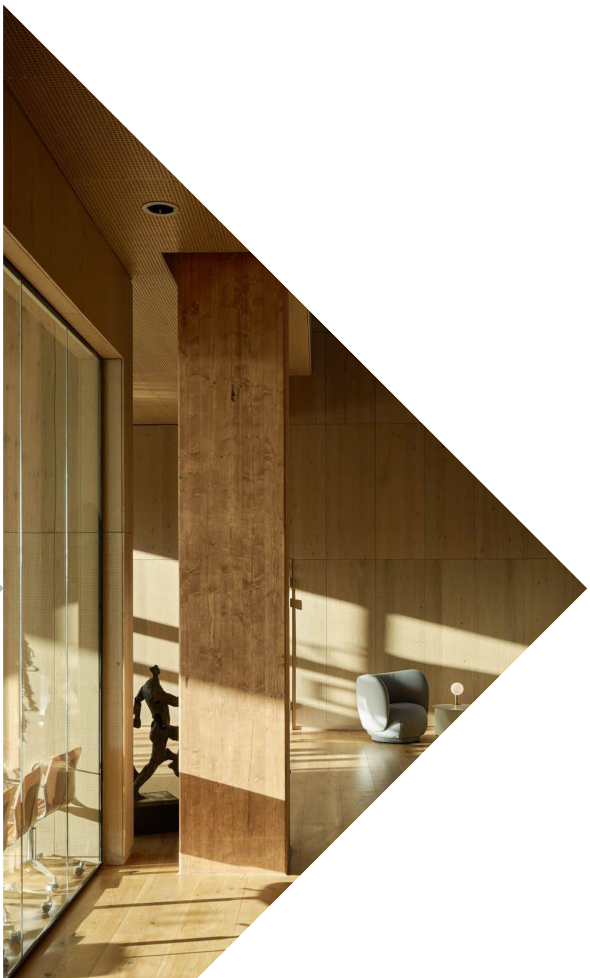
- The net profit from the primary production areas is expected to rise due to increasing transaction amounts and moderate growth in general.
- An expected increase in return on cash.
- Costs are expected to increase as a result of general wage and price increases.

The most significant uncertainty factors regarding the outlook for 2024 relate to geopolitical tensions, which give rise to considerable uncertainty, particularly in regard to the valuation of unlisted investments in companies and funds as well as loss allowances for guarantees and loans.

Post balance sheet events

After the end of the financial year, an organisational change was made, which also included management levels. This change has no impact on the group and the parent company's annual report for 2023.

In addition, no incidents occurred after the end of the financial year and up to the signing of the annual report which could have a material impact on the financial position of the group and the parent company.



Corporate information

Management
Peder Lundquist, Chief Executive Officer

Auditors
Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6 DK-
2300 Copenhagen S

Rigsrevisionen
Landgreven 4 DK-1301
Copenhagen K

Bank
Nordea Danmark,
Branch of Nordea Bank Abp, Finland
Grønjordsvej 10 DK-2300
Copenhagen S

Corporate information
The Export and Investment Fund of Denmark
Haifagade 3 DK-2150
Nordhavn

Website: www.eifo.dk

CVR no.: 43 47 82 06
Founded: 2022
Registered office: Copenhagen
Accounting period: 1 January to 31 December

Direction: Marie Louise Bank
Date of approval: 24 April 2024

Executive functions
Executive functions for Management and the Board of Directors are shown on the following page.

Board of Directors
Torben Möger Pedersen, chair
Bo Foged, deputy chair
Dorrit Vanglo, deputy chair
Anne Mette Toftegaard, board member
Camilla Ley Valentin, board member
Christian Frigast, board member
Esben Gadsbøll, board member
Jan Bisgaard Sørensen, board member
Jesper Buch, board member
Jørgen Høholt, board member
Martin Engell-Rossen, board member
Anna Marie Lunde Skov Owie, employee representative
Charlotte Christensen-Degn, employee representative
Christoffer Ring, employee representative

Audit, Risk and Compliance Committee
Jørgen Høholt, chair
Anne Mette Toftegaard, committee member
Bo Foged, committee member

Investment Committee
Torben Möger Pedersen, chair
Esben Gadsbøll, committee member
Martin Engell-Rossen, committee member

Credit Committee
Christian Frigast, chair
Camilla Ley Valentin, committee member
Dorrit Vanglo, committee member
Jørgen Høholt, committee member

Remuneration and Nomination Committee
Torben Möger Pedersen, chair
Bo Foged, committee member
Dorrit Vanglo, committee member

Executive functions

Members	Other executive functions	Function
Torben Möger Pedersen, chair	Copenhagen Business School	Chair
	CIP Foundation	Chair
	Danish Society for Education and Business (DSEB)	Chair
	Gefion Gymnasium	Chair
	Hedorf's Foundation	Chair
	Hedorf A/S	Member
	Akademiet Bocuse d'Or Denmark	Member
	The Danish Foreign Policy Society	Member
	Energi Danmark	Member
	UNPRI	Member
Bo Foged, deputy chair	CIP	CFO
	EET Group	Chair
	TV2	Deputy chair
Dorrit Vanglo, deputy chair	Det Danske Hedeselskab	Deputy Chair
	Bikuben Foundation	Member
Anne Mette Toftegaard	Alm. Brand A/S	Deputy CEO
Camilla Ley Valentin	Confederation of Danish Industry	Branch Chair
	Fairness Invest ApS	CEO
	Domanica 2020 ApS	Chair
	fourKant ApS	Chair
	CPH Fintech	Member
	D-mærket	Member
	Punktum.DK	Member
	Queue-it ApS	Member
	Queue-it Group ApS	Member
	Queue-it Holding ApS	Member
	Queue-it Inc (USA)	Member
	The Danish Council for Digital Security	Member

Christian Frigast	Frigast A/S	CEO
	AX IV HoldCo P/S	Chair
	Axcelfuture – Trade and Industry Think Tank	Chair
	Axcel Management A/S	Chair
	Industry Association for Active Owners in Denmark	Chair
	Board Leadership Society	Chair
	Danmarks Skibskredit Holding A/S	Chair
	Pandora A/S	Deputy Chair
	PostNord	Deputy Chair
	Axcel Fonden, member (including executive functions in 7 companies)	Deputy Chair
	AX V Nissens II ApS, member (including Board positions with two companies)	Member
	CBS Executive Fonden	Member
	Danmarks Skibskredit A/S	Member
	Frigast A/S	Member
	Nordsøfonden	Member
	Associate Professor at Copenhagen Business School	
Esben Gadsbøll	Reshopper ApS	Chair
	Nordic Makers Administration ApS	Chair
	ADES Holding ApS	Member
	Danish Tech Startups,	Member
	Nordic Makers Syndicate Vehicle K/S	Member
	Spire Holding ApS	Member
	Fond Talsinki 2015 IV A/S	Member
	Kids Group ApS	Member
	TechBBQ	Member
Jan Bisgaard Sørensen	Blue Invest Partners A/S	Chair
	JAC Flying A/S	Chair
	Lunderskov Stålindustri A/S	Chair
	Bila A/S	Member
	Bila Ejendomme A/S	Member
	Bila Group A/S	Member
	Bila Svendborg A/S	Member
	Dan Palletiser A/S	Member
	Ejendomsselskabet DP 2019 A/S	Member
	Global AGV A/S	Member
	Kilde A/S Automation	Member
	PJM 2021 Holding A/S	Member
	Poul Johansen Maskiner A/S	Member
	REO-PACK A/S	Member
	Teknikgruppen A/S	Member

Jesper Buch	Guerilla Capital ApS	CEO
	Jesper Buch Holding ApS	CEO
	Reboost ApS	CEO
	Gomore ApS	Member
	Kids Group ApS	Member
	Plecto ApS	Member
	REC Watches ApS	Member
	Reshopper ApS	Member
	Shaping New Tomorrow Holding ApS	Member
	SNT ApS	Member
	Treetops Holding ApS	Member
	Treetops Invest ApS	Member
	Treetops Trading A/S	Member
Jørgen Høholt	DKT Holding ApS	Deputy Chair
	DKT Finance ApS	Deputy Chair
	DKT Telekommunikation ApS	Deputy Chair
	Nykredit A/S (chair of audit committee, member of risk committee)	Member
	Nykredit Realkredit A/S	Member
	TDC Holding A/S	Member
	Kirk Kapital Advisory Board	Member
	ATP Ejendomme A/S	Member
	ATP Real Estate Partners I K/S	Member
	Norsad Finance Limited	Member
Martin Engell-Rossen	Pharma Equity Group, PEG	Deputy Chair
	Koncertvirksomhedens Fond (VEGA)	Member
	WiseHome	Member
Anna Marie Lunde Skov Owie	EKF Danmarks Eksportkredit	Chair
Charlotte Christensen-Degn	Translated By Us ApS	Chair
	EKF Danmarks Eksportkredit	Deputy Chair
Christoffer Ring	EKF Danmarks Eksportkredit	Member

Income statement

Amounts in DKK million	Note	The EIFO group* 2023	EIFO 2023	EIFO 2022
Result of participations in funds	3	29	29	-
Result of equity investments	4	-173	-173	-
Result of export credits and working capital guarantees	5	578	69	-
Result of lending activities	6	1,021	765	-
Result of participations in affiliates	16	-	541	-
Operating income		**1,454**	**1,231**	**0**
Administrative expenses, net	7	654	523	-9
Result before net financials		**801**	**708**	**-9**
Financial income	8	602	523	-
Financial expenses	8	381	708	-
Net profit/loss for the year		**1,022**	**1,022**	**-9**
Proposed distribution of profit	9			
Retained earnings			672	-9
Proposed dividend			350	-
Total			**1,022**	**-9**

* The EIFO group was established on 1 January 2023, so there are no comparative figures for 2022.

Balance sheet

Assets Amounts in DKK million	Note	The EIFO group 2023	EIFO 2023	EIFO 2022
Cash and demand deposits	10	1,750	1,411	1
Securities at fair value	11	14,015	14,015	-
Securities at amortised cost	11	439	439	-
Participations in funds	12	9,301	9,301	-
Equity investments	13	3,106	3,106	-
Loans at amortised cost	14	35,749	9,039	-
Loans at fair value	15	485	485	-
Participations in affiliates	16	0	1,041	-
Intangible, tangible and financial fixed assets	17	81	81	-
Other receivables	18	6,861	4,620	-
Other receivables, subsidiaries		0	24,114	-
Prepayments and accrued income	19	1,373	60	-
Total assets		**73,160**	**67,712**	**1**

Equity and liabilities Amounts in DKK million	Note	group 2023	EIFO 2023	EIFO 2022
Payables to the Danish state, credit institutions and central banks	20	34,290	34,290	-
Other payables	21	3,629	3,031	10
Accruals and deferred income	22	3,502	1,888	-
Total debt		**41,421**	**39,209**	**10**
Contributions from the state	23	2,323	2,323	-
Provisions, export credits and working capital guarantees	24	3,754	518	-
Total provisions		**6,076**	**2,840**	-
Share capital		14,589	14,589	-
Change in the cash flow hedges reserve		-28	-28	-
Retained earnings		10,752	9,712	-9
Reserve for net revaluation, participations according to net asset value		0	1,041	-
Proposed dividend		350	350	-
Total equity		**25,663**	**25,663**	**-9**
Total equity and liabilities		**73,160**	**67,712**	**1**
Off-balance sheet items	25			
Contingent liabilities		42,942	12,254	-
Other binding agreements		11,055	6,500	-
Total off-balance sheet items		**53,997**	**18,754**	-

Statement of changes in equity

Significant accounting policies

Equity

Equity is divided into share capital, a cash flow hedges reserve, retained earnings and proposed dividend.

Share capital

Share capital includes contributions from the state to support EIFO's activities and is recognised in the year in which the contribution is received, as well as repayment of contributions for concluded activities. Contributions from the state designated for the reimbursement of costs derived from the performance of the subsidised activity are recognised in the income statement under the subsidised activity in line with the performance of the subsidised activity.

Reserve for cash flow hedges

The cash flow hedges reserve comprises the effective hedging of future transactions at fair value estimation of derivative financial instruments.

Retained earnings

Retained earnings comprise the remaining reserve after calculation of the proposed dividend and the cash flow hedges reserve.

Proposed dividend

Proposed dividends to the state are calculated in accordance with section 22 of the Act on the Export and Investment Fund of Denmark, and are recognised as a liability at the time of approval of the proposed dividend by the Minister for Industry, Business and Financial Affairs.

Amounts in DKK million	**Share capital**	**Cash flow hedges reserve**	**Retained earnings**	**Proposed dividend**	**The EIFO group 2023**
Contribution from merger	14,909	-89	10,081	0	24,901
Contributions from the state	-320	0	0	0	-320
Change in exchange rate adjustment reserve	0	-61	0	0	61
Net profit/loss for the year	0	0	672	350	1,022
At 31 December 2023	**14,589**	**-28**	**10,752**	**350**	**25,663**

Statement of changes in equity – continued

Amounts in DKK million	Share capital	Cash flow hedges reserve	Retained earnings	Reserve for net revaluation, participations according to net asset value	Proposed dividend	EIFO 2023
At 1 January 2023	0	0	-9	0	0	-9
Contribution from merger	14,909	-89	9,590	500	0	24,910
Contributions from the state	-320	0	0	0	0	-320
Change in exchange rate adjustment reserve	0	61	0	0	0	61
Net profit/loss for the year	0	0	131	541	350	1,022
At 31 December 2023	**14,589**	**-28**	**9,712**	**1,041**	**350**	**25,663**

Amounts in DKK million	Share capital	Cash flow hedges reserve	Retained earnings	Reserve for net revaluation, participations according to net asset value	Proposed dividend	EIFO 2022
At 1 January 2022	0	0	0	0	0	0
Net profit/loss for the year	0	0	-9	0	0	-9
At 31 December 2022	**0**	**0**	**-9**	**0**	**0**	**-9**

Cash flow statement

Significant accounting policies

The cash flow statement shows cash flows for the year divided into operating activity, investment activity and financing activity, the year's change in liquid assets and the company's liquid assets at the beginning and end of the year.

Cash flows from operating activity

Cash flows from operating activities include payments relating to operations and administration, including cash flows from investments in intangible and tangible operating fixed assets.

This item also includes return on passive investments in bond assets, which are part of the fund's liquidity reserve.

It also includes cash flows from export credit and working capital guarantee activity consisting of premium payments, loss payments on impaired guarantees and any subsequent payments from realised collateral. Payments from the state in the form of cost reimbursements as well as loss cover regarding working capital guarantees, export credits and loans are also included. Cash flows in connection with loans consist of loan disbursements and payments of services for these lending activities.

Cash flows from investment activity

Cash flows from investment activities include cash flows from the purchase and sale of participations in funds and equity investments.

Cash flows from financing activity

Cash flows from financing activity cover payments from the state in the form of contributions relating to investment activities, dividends to the state regarding the North Sea Agreement and long-term loans taken out in relation to the financing of deposits in Dansk Vækstkapital.

In addition, on-lending is raised with Danmarks Nationalbank as well as short-term loans in relation to financing of lending activity in accordance with mandates. A guarantee premium of 0.15 percent is settled with the state for this arrangement.

Cash

Cash includes cash holdings and securities.

Cash flow statement – continued

Amounts in DKK million	The EIFO group 2023
Net profit/loss for the year	**1,022**
Adjustments	
Result of participations in funds	-29
Result of equity investments	173
Result of export credits and working capital guarantees	-578
Result of lending activities	-1,021
Loss allowance for loans and provisions for guarantees	-504
Depreciation and loss allowance for intangible and tangible fixed assets	14
Other adjustments	191
Total adjustments	**-731**
Income from premiums and fees received	1,412
Loans	-12,257
Interest income, commissions and other fees received	3,135
Interest and fee expenses paid	-2,963
Other receivables	-1,331
Payables to the Danish state, credit institutions and central banks	11,299
Other payables	-28
Net accruals and deferred income	-355
Purchase and sale of intangible and tangible fixed assets	-46
Total cash flows from operating activity	**-1,134**
Cash flows from investment activity	
Investments and distributions, participations in funds	-733
Investments and sales, equity investments	-166
Total cash flows from investment activity	**-898**
Cash flows from financing activity	
Contributions from the state, equity	-320
Contributions from the state, loss cover	521
Change in payables to reinsurance companies and pension funds	477
Total cash flows from financing activity	**677**
Total cash flows for the year	**-2,086**
Contribution from merger	**18,290**
Total cash flows for the year	-2,086
Cash at end of year	**16,204**
Cash at the end of the year comprises:	
Cash and demand deposits	1,750
Securities	14,454
Total cash	**16,204**

Overview of notes

Note 1: Significant accounting policies

General

The Annual Report was prepared in accordance with the Act on the Export and Investment Fund of Denmark (EIFO) and the provisions of the Danish Financial Statements Act for reporting class D, subject to the addition of recognition and measurement criteria in IFRS 9 as a basis for interpretation and necessary adjustments required as a consequence of EIFO's special nature as an independent public company, including:

In regard to section 11(2) of the Financial Statements Act on fair presentation, the format requirements of the Financial Statements Act have not been followed in full for all accounting items, since EIFO's activities are more fairly presented by way of different naming of accounting items.

The basic principle of universality in the Financial Statements Act has not been followed, as presenting the results broken down by product is considered fairest for EIFO's accounts. This is particularly evident in the operating items, where income and expenses are presented together, including recognition of various loss reimbursements.

EIFO's investments in unlisted companies are not included in the consolidated financial statements, as their inclusion is not considered likely to contribute further to the reader's understanding of EIFO's assets, liabilities and financial position as well as the result of EIFO's operations and cash flows. It follows from this that ownership interests in portfolio companies are recognised at fair value.

The financial statements present all amounts in whole DKK millions. Due to rounding, minor differences may arise between the totals stated and the sum of the underlying figures.

The notes to the financial statements show figures for the EIFO group and for EIFO including comparative figures for 2022. In cases where figures for the EIFO group and EIFO are identical, only figures for the EIFO group are shown. The financial statements do not include figures for the EIFO group as at 31 December 2022, since the group was only established on 1 January 2023, hence the figures will be identical to the figures for EIFO 2022.

Accounting policies during the establishment of EIFO

The Export and Investment Fund of Denmark was created by merging the three state funds, Vækstfonden, EKF Denmark's Export Credit Agency and Denmark's Green Investment Fund, which became subsidiaries of EIFO on 1 January 2023.

As of 1 April 2023 – and with accounting effect at 1 January 2023 – the activities of Vækstfonden and Denmark's Green Investment Fund had been merged into EIFO. As of 1 April 2023, EKF Denmark's Export Credit Agency was split, with part of the business moving to EIFO, and as of this date, new transactions are undertaken by EIFO. The assets from the remaining business will subsequently be transferred continuously from EKF Denmark's Export Credit Agency to EIFO.

The merger of the organisations was recognised according to the merger method, in which acquired assets and liabilities of the acquired company are merged with the assets and liabilities of the going concern at carrying value without adjustment and recognition of goodwill.

Recognition and measurement in general

Assets are recognised in the balance sheet when, as a result of previous events, it is probable that future economic benefits will flow to EIFO and the asset value can reliably be measured. Liabilities are recognised in the balance sheet when EIFO, as a result of a previous event, has a legal or actual commitment, it is probable that future economic benefits will flow from EIFO, and the value of the liability can reliably be measured.

Assets and liabilities are measured at cost on initial recognition. Subsequently, assets and liabilities are measured as described for each accounting item below. Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest rate over the maturity period. Amortised cost is determined as the original cost less any repayments plus addition/deduction of the accumulated amortisation of the difference between the cost and nominal amount.

During recognition and measurement, foreseeable gains, losses and risks arising before the presentation of the accounts are taken into account where these confirm or disprove matters existing on the balance sheet date.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, expenses incurred to achieve the earnings for the year are recognised, including depreciation, loss allowances and provisions as well as reversals as a result of changed accounting estimates of amounts that have previously been recognised in the income statement.

Currency conversion

On initial recognition, transactions in foreign exchange are measured at the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are converted at the exchange rates on the balance sheet date. Any differences between exchange rates on the transaction date and the payment date and balance sheet date respectively are recognised in the income statement under result of participations in funds, result of equity investments, result of export credits and working capital guarantees, result of lending activities and under other financial income and expenses.

Management and administration

Schemes managed by EIFO that are administered on behalf of the state are recognised as part of the overall accounts where EIFO bears full or partial risk, has access to borrowing and/or receives cash in the form of capital injection, subsidy or loss mandate. By agreement with the Ministry of Industry, Business and Financial Affairs, the green project and market maturation facility scheme is not included in EIFO's accounts.

Management's significant accounting estimates and assessments

Accounting estimates and assessments have been applied in connection with the preparation of the financial statements. These are undertaken by the EIFO group's management in accordance with accounting policies and on the basis of historical experience and assumptions which the management considers reasonable and realistic. Those areas which entail a high degree of complexity or where estimates and assessments are significant are as follows:

Participations in funds

The valuation of participations in funds, which is based on an assessment of the financial statements for these funds. This implies the same estimate as that mentioned below in regard to equity investments.

Equity investments, unlisted

The valuation of equity investments, where there are significant estimates associated with the measurement of fair value, including of the underlying portfolio companies that are invested in, whose values consist predominantly of intangible assets, and which require a continued injection of capital. When measuring the value of these investments, management has made estimates regarding the portfolio companies' stage of development and expected future development, continued financing needs and potential for commercialisation.

Equity investments, listed

Many of the EIFO group's portfolio companies are listed on Danish or foreign stock exchanges. The majority of these shares are traded on less liquid markets, meaning there is uncertainty as to whether the companies can be sold at the listed price. The majority of the EIFO group's total portfolio of listed companies are gathered in a few shares. Due to the position and the market activity of the shares, it would probably not be possible to dispose of the shares at short notice at the estimated fair value.

Export credits and working capital guarantees

Where significant estimates are associated with the calculation of the probability that the guarantees will be paid out and thus with the loss provision that has been made. With loss allowances, there are significant estimates associated with the quantification of the risk that payment will be made for the guarantee provided. In loss allowances for irrevocable credit commitments, estimates have been used for the size of the exposure in case of default. When measuring reinsurance agreements, estimates are used to calculate loss allowances.

Loans

Loans for which significant estimates are associated with the assessment of the risk that not all future payments will be received and thus with the loss allowance that has been made. Negative changes within sectors in which the EIFO group has significant exposure.

Rising interest rates will create uncertainty when measuring the value of exposure involving weak creditworthiness.

Loss allowances for loans and guarantees undertaken in accordance with accounting policies and based on a number of assumptions. If these assumptions change, the financial reporting may be affected and this impact could be significant. The probability of default is used to calculate the loss allowance for the unhedged part of the exposure. Management's determination of the probability of default is based on experience with loss history, etc. and associated with a significant estimate.

Note 2: Business areas

Significant accounting policies

The business areas reflect the group's organisation and internal reporting. Investment consists of indirect investments through funds and direct investments, primarily in unlisted companies. SME consists of loans, working capital guarantees and export credits for Danish companies. Large Corporates covers loans, working capital guarantees and export credits for Danish companies abroad as well as financing for foreign customers.

Income statement

Amounts in DKK million	Investment	SME	Large Corporates	The EIFO group 2023
Result of participations in funds	25	-	4	29
Result of equity investments	-177	4	-	-173
Result of export credits and working capital guarantees	-	64	514	578
Result of lending activities	-12	445	588	1,021
Operating income	**-164**	**513**	**1,106**	**1,454**

Balance sheet

Amounts in DKK million	Investment	SME	Large Corporates	The EIFO group 2023
Assets				
Participations in funds	9,270	-	31	9,301
Equity investments	3,065	41	-	3,106
Loans at amortised cost	-	7,777	27,972	35,749
Loans at fair value	485	-	-	485
Assets distributed by business area	**12,820**	**7,817**	**28,003**	**48,641**
Undistributed assets				24,519
Total assets	**12,820**	**7,817**	**28,003**	**73,160**
Off-balance sheet items				
Export credit and working capital guarantee exposures, before reinsurance	-	1,184	95,621	96,804
Export credit and working capital guarantee exposures, reinsurance	-	-	-53,887	-53,887
Commitments	4,809	686	5,560	11,055
Off-balance sheet items distributed by business area				**53,972**
Undistributed off-balance sheet items				24
Total off-balance sheet items				**53,997**

Note 3: Result of participations in funds

Significant accounting policies

The proportionate share of the profit for the year from portfolio funds is recognised in the income statement, including realised and unrealised profit and loss on fund investments and costs associated with administration of portfolio companies.

Amounts in DKK million	The EIFO group 2023	EIFO 2023	EIFO 2022
Value adjustments, Danish funds*	380	380	-
Value adjustments, foreign funds*	-4	-4	-
Costs, carry etc.	-347	-347	-
Result of participations in funds, total	**29**	**29**	-

* Includes value adjustments of the respective funds' investments in both Danish and foreign companies.

Note 4:
Result of equity investments

Significant accounting policies

The value adjustments to investments in unlisted and listed companies are recognised in the income statement. When calculating the result of EIFO's direct investment activity, costs associated with the incentive programmes for equity investments entered into for each fund (carry agreements) are set off.

The carry agreements are structured with individual minimum requirements for return (hurdle rate) on invested capital and costs.
The agreements also include a specific distribution key for the return that exceeds the minimum interest rate, albeit with a predefined maximum amount.

Amounts in DKK million	The EIFO group 2023	EIFO 2023	EIFO 2022
Unlisted companies	-277	-277	-
Listed companies	92	92	-
Carry	12	12	-
Result of equity investments, total	**-173**	**-173**	-

The part of the return that does not accrue to EIFO is expensed under the financial result.

Note 5: Result of export credits and working capital guarantees

Significant accounting policies
Earnings from export credits and working capital guarantees are recognised in the income statement.

Premium income comprises premiums on export credit and working capital guarantees. Premiums are recognised when cover under the guarantee commences, when the policy is issued or at the time of payment.

Reinsurance premiums paid, etc. and fees are the share of the premium income and fees for the year ceded to other insurance companies due to reinsurance cover.

Commission to and from reinsurance companies is the administration fee that EIFO receives or pays in connection with reinsurance agreements.

For provisions for losses on guarantees, see the detailed discussion in the sections on provisions, export credits and working capital guarantees and on off-balance sheet items.

Amounts in DKK million	**The EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Income from premiums and fees	1,317	308	-
Reinsurance premiums and fees paid	-551	-24	-
Commission from reinsurance	95	4	-
Change in impairment (stages 1–3)	-270	-205	-
Realised loss/incurred on previously written-off receivables	-20	-20	-
Loss reimbursements	6	6	-
Result of export credits and working capital guarantees, total	**578**	**69**	-

Note 6: Result of lending activities

Significant accounting policies

Result of lending activities

The income statement includes the annual interest income and front-end fees from loans, reinsurance premiums and fees paid and derivative financial instruments, loss allowance and changes for loans and loss reimbursements.

Interest income is recognised in the income statement and includes both due and accrued interest up to the balance sheet date on loans. The amount includes interest both from lending and from derivative financial instruments used to hedge this.

Interest and fee expenses comprise interest expenses for the year for on-lending and derivative financial instruments. The item also includes fees to Danmarks Nationalbank calculated based on the nominal value of on-lending. The amount includes interest both from on-lending and from derivative financial instruments used to hedge this.

Loss allowances, including reinsurance and loss reimbursements which correspond to the expected future losses are based on continuous updating of existing methods and models. For more information, see the section on loans.

Amounts in DKK million	**The EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Export credit finance, loans	205	232	-
Export credit finance, claims	265	-17	-
Financing of growth, entrepreneurship and the green transition in Denmark	572	572	-
Loans at fair value	-20	-20	-
Result of loans, total	**1,021**	**765**	-

A breakdown of the individual items follows below.

Export credit finance:	**The EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Interest income	2,411	2,060	-
Commission and other fees	52	32	-
Interest and fee expenses	-2,107	-1,856	-
Reinsurance interest and fees paid	-159	-4	-
Commission from reinsurance	29	1	-
Change in impairment (stages 1–3)	-20	-1	-
Realised loss/incurred on previously written-off receivables	0	0	-
Result of export credit finance, total	**205**	**232**	-

Claims:	**The EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Interest income	270	0	-
Change in impairment (stages 1–3)	103	66	-
Realised loss/incurred on previously written-off receivables	-109	-83	-
Result of claims, total	**265**	**-17**	-

Note 6: Result of lending activities – continued

Financing of growth, entrepreneurship and the green transition in Denmark:	The EIFO group 2023	EIFO 2023	EIFO 2022
Interest income	1,073	1,073	-
Commission and other fees	25	25	-
Interest and fee expenses	-103	-103	-
Change in impairment (stages 1–3)	-64	-64	-
Realised loss/incurred on previously written-off receivables*	-497	-497	-
Loss reimbursements from the Ministry of Industry, Business and Financial Affairs	270	270	-
Impact of COVID-19 loans	-132	-132	-
Result of financing of growth, entrepreneurship and the green transition in Denmark, total	**572**	**572**	-

*The amount includes realised loss for the year on written-off receivables. Reversal loss allowances for previous years on these loans is included under change in impairment (stages 1–3),

Loans at fair value	The EIFO group 2023	EIFO 2023	EIFO 2022
Interest income	35	35	-
Change in impairment (stages 1–3)	-57	-57	-
Realised loss/incurred on previously written-off receivables	-1	-1	-
Loss reimbursements from the Ministry of Industry, Business and Financial Affairs and the European Investment Fund	3	3	-
Result of loans at fair value, total	**-20**	**-20**	-

Note 7:
Administrative expenses, net

Significant accounting policies

Administrative costs include costs relating to the administrative functions of the funds, including salaries and various bonus programmes, costs for external consultants, office staff costs and other costs that are used both in day-to-day operations and for schemes administered by EIFO on behalf of ministries or external funds.

Administrative costs are reduced by the fees that EIFO receives for administering schemes for ministries as well as management fees in relation to the management of external funds, including, among others, COVID-19 schemes, Dansk Vækstkapital, Dansk Landbrugskapital and DenmarkBridge. The income is accrued up to the balance sheet date.

Amounts in DKK million	The EIFO group 2023	EIFO 2023	EIFO 2022
Remuneration, including Board of Directors and Management*	399	363	0
Pensions	44	38	0
Other social security expenses	2	2	0
Other administrative expenses	263	234	-9
Total administrative expenses	**708**	**636**	**-9**
Reimbursements and fees	54	112	0
Total administrative expenses, net	**654**	**523**	**-9**
Number of employees			
The average number of employees in the financial year converted to full-time equivalents	464	464	0
Salary and remuneration of the Board of Directors			
Salary and pension	5	4	-
Variable remuneration	0	0	-
Total salary and remuneration of the Board of Directors	**5**	**4**	-
***Salary and remuneration of Management**			
Salary and pension	6	5	-
Variable remuneration	1	0	-
Total salary and remuneration of Management	**7**	**6**	-

*The amount includes pay for the executive management of Vækstfonden, which was combined with EIFO on 31 March 2023 but with retroactive effect as of 1 January 2023.

Auditors' fee			
Statutory audit of the financial statements	1	1	-
Other assurance tasks	0	0	-
Tax advice	0	0	-
Other services*	9	9	-
Total auditors' fees	**11**	**10**	-

*Other services include advice, including consultancy in connection with the merger.

Note 8: Financial income and expenses

Significant accounting policies
This item, which includes income and expenses on bonds, repo transactions, borrowing, bank deposits and financial instruments, is divided into:

Interest received and paid in connection with bonds, repo transactions, loans and bank deposits.
Transactions are recorded on an accrual basis.

Positive and negative value adjustments for bonds and derivative financial instruments.
Exchange rate adjustments for covered products in foreign currency.

Amounts in DKK million	The EIFO group 2023	EIFO 2023	EIFO 2022
Financial income:			
Interest, receivables from credit institutions and central banks	38	34	0
Interest, securities	237	234	0
Value adjustments to securities	217	215	0
Other interest income	0	2	0
Derivative financial instruments	110	52	0
Total financial income	**602**	**538**	**0**
Financial expenses:			
Interest and other payables	17	17	0
Other interest expenses and fees	2	2	0
Fair value hedge accounting, loans and swaps	25	25	
Value adjustment, loans and related financial instruments	21	52	0
Value adjustment, on-lending and related financial instruments	176	68	0
Exchange rate adjustment of assets and liabilities	140	60	0
Total financial expenses	**381**	**223**	**0**
Total net financials	**221**	**314**	**0**

Note 9: Distribution of profit

Amounts in DKK million	The EIFO group 2023	EIFO 2023	EIFO 2022
Proposed dividend	350	350	-
Reserve for net revaluation according to net asset method	0	541	-
Retained earnings	672	131	-
Total distribution of profit	**1,022**	**1,022**	-

Note 10: Cash and demand deposits

Significant accounting policies

Cash and demand deposits comprise bank deposits and balance with the Danish state where this is part of EIFO's liquidity invested with the state.

Cash and demand deposits are measured at amortised cost.

Amounts in DKK million	The EIFO group 2023	EIFO 2023	EIFO 2022
Receivables from the state	116	116	0
Receivables from credit institutions	1,634	1,296	1
Total cash and demand deposits	**1,750**	**1,411**	**1**

Note 11: Securities

Significant accounting policies
Securities consist of Danish government and mortgage bonds, which are divided into a trading portfolio and a held-to-maturity portfolio.

The purpose of the trading portfolio is buying and selling with a shorter timeframe. Initial recognition takes place at cost less transaction costs, and subsequently at fair value with a value adjustment in regard to the income statement.

Bonds that are drawn immediately after the end of the financial year are raised at par.

Securities are classified as "held-to-maturity" assets for long-term investments and recognised on acquisition at cost. The securities are subsequently measured at amortised cost plus interest receivable. Premium and discount are reported as accruals over the maturity period and recognised under financial income and expenses.

At fair value

Amounts in DKK million	The EIFO group 2023	EIFO 2022
Mortgage bonds	7,180	-
Government bonds	6,835	-
Total securities	**14,015**	-

Securities at fair value distributed by maturity	The EIFO group 2023	EIFO 2022
Up to 3 months	994	-
Over 3 months up to and including 1 year	5,987	-
Over 1 year up to and including 5 years	7,033	-
Over 5 years	-	-
Loans distributed by maturity, total	**14,015**	-

At amortised cost

Amounts in DKK million	The EIFO group 2023	EIFO 2022
Mortgage bonds	439	-
Government bonds	-	-
Total securities	**439**	-

Securities at amortised cost distributed by maturity	The EIFO group 2023	EIFO 2022
Up to 3 months	-	-
Over 3 months up to and including 1 year	244	-
Over 1 year up to and including 5 years	196	-
Over 5 years	-	-
Loans distributed by maturity, total	**439**	-

Note 12: Participations in funds

Significant accounting policies

Participations in funds, consisting of indirect investments in unlisted portfolio funds, are measured at EIFO's share of the fair value of the funds.

When investments in Alternative Investment Funds (AIFs) are measured at fair value, the valuation is based on the fair value of the assets and liabilities included in the individual fund which appear in the individual funds' audited annual reports, most recent quarterly reporting or following discussion with the fund manager. The fair values in these funds are calculated according to recognised valuation methods, including the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, essentially equivalent to the recognition and measurement provisions in IFRS 13. The calculated fair value thus corresponds to the ownership of the calculated capital account. As a result of the investment taking place via other alternative investment funds, it is not possible to provide further information about the multiples used, return requirements, and so on in the valuation.

Since the valuation in the funds is dependent on assumptions about matters such as future earnings in underlying companies owned by the funds and the development in market multiples, the valuation is naturally associated with a certain amount of uncertainty. This uncertainty will intrinsically be greater in periods of fluctuations in the financial markets, where market multiples, and thus the valuation, will be affected by matters such as developments in illiquidity premiums and the possibility of selling underlying companies in the funds.

Information about exchange rates, etc. which appears after the financial statements have been closed will only be incorporated if essential for the assessment of the annual accounts.

Amounts in DKK million	The EIFO group 2023	EIFO 2022
Contribution from merger	11,878	-
Additions	1,120	-
Purchase price at end of year	**12,998**	-
Contribution from merger	-9,508	-
Distributions for the year	-387	-
Return at end of year	**-9,895**	-
Contribution from merger	6,169	-
Value adjustments for year	29	-
Value adjustment at end of year	**6,198**	-
Participations in funds, total	**9,301**	-
Value index ((book value + return)/purchase price)	**1.48**	-

Note 12: Participations in funds – continued

Participations in funds with an ownership stake of more than 20 percent (most recent financial statements)	Currency	Equity (DKK million)	Result (DKK million)	Stake (%)	Reg. office
2xN Venture Fund I, SCSp	EUR	7	-1	26%	Luxembourg
Accelerace Invest II K/S	DKK	11	-2	43%	Denmark
Accelerace Invest K/S	DKK	6	-7	67%	Denmark
Antler Europe Fund I AB	USD	15	-3	21%	Luxembourg
Antler Nordic Fund II AB	EUR	N/A	n/a	30%	Sweden
Climentum Capital Fund I K/S	EUR	4	-1	26%	Denmark
Dansk Landbrugskapital K/S	DKK	369	2	50%	Denmark
Dansk Landbrugskapital Komplementar ApS	DKK	0	0	100%	Denmark
Dansk Vækstkapital II K/S	DKK	2,300	-36	55%	Denmark
Dansk Vækstkapital II Komplementar ApS	DKK	0	0	100%	Denmark
Dansk Vækstkapital III K/S	DKK	709	-12	32%	Denmark
Dansk Vækstkapital III GP ApS	DKK	0	0	100%	Denmark
Dansk Vækstkapital K/S	DKK	2,250	13	75%	Denmark
Dansk Vækstkapital Komplementar ApS	DKK	0	0	100%	Denmark
Den Sociale Kapitalfond Effekt I K/S	DKK	12	-4	26%	Denmark
European Angels Fund S.C.A. SICAR – Denmark	DKK	115	14	50%	Denmark
Heartcore Capital Fund I K/S	DKK	816	-206	42%	Denmark
Heartcore Capital Fund II K/S	DKK	1,224	292	21%	Denmark
Heartcore Capital Progression Fund Alpha K/S	DKK	377	60	43%	Denmark
Innovation Investment II K/S	USD	12	-0	100%	Denmark
Innovation Investment K/S	USD	92	26	100%	Denmark
Innovation Investment Komplementar ApS	DKK	0	-0	100%	Denmark
IVS Fund II K/S	DKK	82	-82	62%	Denmark
Kost Capital Fund I K/S	EUR	N/A	N/A	44%	Denmark
NB FP Investment II K/S	EUR	8	-0	76%	Denmark
NB FP Investment K/S	EUR	8	-1	77%	Denmark
NCP-IVS Fund III K/S	DKK	162	-218	29%	Denmark
Nordic Alpha Partners Fund I K/S	DKK	987	-79	32%	Denmark
PreSeed Ventures Tech Fund I K/S	DKK	160	49	24%	Denmark
Project Sprout K/S	USD	99	-6	53%	Denmark
Project Sprout Management ApS	DKK	0	-0	100%	Denmark
Rockstart AgriFood	EUR	14	-1	29%	Netherlands
Rockstart Agrifood II Coöperatief U.A	EUR	N/A	N/A	46%	Netherlands
Rockstart Emerging Technologies Fund Europe I Coöper	EUR	N/A	N/A	35%	Netherlands
SEED Capital Denmark II K/S	DKK	501	-665	33%	Denmark
Sunstone Life Science Ventures Fund II K/S	DKK	22	-38	44%	Denmark
Sunstone Life Science Ventures Fund III K/S	DKK	114	-9	23%	Denmark
Sunstone Life Science Ventures Fund IV K/S	DKK	327	-42	25%	Denmark
Sunstone Technology Ventures Fund I K/S	DKK	45	-48	100%	Denmark
Upfin Fund I K/S	DKK	22	-6	33%	Denmark
UV Fund I K/S	DKK	23	-3	38%	Denmark
Vækstfonden Growth	DKK	473	-126	50%	Denmark
Vækstfonden Growth General Partner ApS	DKK	0	0	100%	Denmark
Vækst-Invest Nordjylland A/S	DKK	67	28	37%	Denmark

According to the particulars of the agreement, EIFO does not gain a decisive influence over funds. EIFO has a decisive influence over all wholly owned complementary companies.

Note 13: Equity investments

Significant accounting policies

Equity investments primarily consist of participations in unlisted companies. EIKO invests broadly across industries and maturity levels. In the case of initial investment, the equity investments are recognised at cost, including the amounts paid in for the capital subscription. When converting a loan, the cost price is calculated at the value of the converted claim at the time of conversion. Subsequently, capital shares in unlisted companies are measured on the balance sheet date at fair value calculated according to IPEV's principles and recognised at fair value on the balance sheet date.

For unlisted companies, the fair value of the investments is measured based on the most recent external share subscription or, if this is not available, based on the cost price. If, after a closer assessment, the company does not track certain milestones, a loss allowance is established at the estimated fair value. The fair value for individual unlisted companies with a track record and turnover is calculated as a starting point in a multiple-step calculation.

All investments are assessed at least twice a year, and in case of any significant events. The valuation is associated with a certain amount of uncertainty, as it is the fair value of instruments in an inactive market. The fair value is determined based on performance and capital raising conditions as well as particular conditions in the individual industries.

Equity investments in listed shares are measured and recognised at fair value, corresponding to the stock market price on the balance sheet date.

Value adjustments for the year are recognised in the income statement. EIFO does not have a decisive influence over the companies that EIFO co-owns, and thus does not exercise sole influence over their financial and operational decisions. Specific ownership stakes in unlisted companies are not disclosed for business reasons.

Amounts in DKK million	Unlisted	Listed	The EIFO group 2023	EIFO 2022
Contribution from merger	1,999	961	2,961	-
Additions	644	20	665	-
Additions, converted from lending	65	4	69	-
Disposals	-193	-375	-568	-
Purchase price at end of year	**2,515**	**611**	**3,125**	-
Contribution from merger	359	-265	94	-
Value adjustments for the year excluding earn-out	19	-44	-25	-
Disposals	-88	0	-88	-
Value adjustment at end of year	**290**	**-310**	**-19**	-
Equity investments at end of year	**2,806**	**301**	**3,106**	-

Note 14: Loans at amortised cost

Loans at amortised cost

Lending includes disbursements for export credit finance, receivables (disbursement under a non-performing guarantee) and financing of growth, entrepreneurship and the green transition in Denmark. Loss allowances for loans are subject to the addition of recognition and measurement criteria in IFRS 9 as a basis for interpretation. Initial recognition takes place at fair value with the addition of transaction costs that are directly linked to the establishment.

EIFO uses proprietary models to calculate the expected credit loss according to IFRS 9 as a basis for interpretation. The impairment models, which are based on an assessment of the likelihood that the counterparty will no longer be able to meet its contractual commitments, imply that a financial asset is written down at the time of initial recognition by an amount corresponding to the expected credit loss for 12 months (stage 1). In the event of a subsequent considerable increase in credit risk relative to the time of initial recognition, the asset is further written down by an amount corresponding to the expected credit loss during the remaining term of the asset (stage 2). If the asset is found to be impaired, the loss allowance is based on an increased probability of loss (stage 3).

The placement in the various stages is important for the calculation method used and is determined, among other things, based on the change in probability of loss (PD) over the asset's expected remaining time to maturity.

- The expected credit losses (ECL) are calculated on the basis of:
- Probability of default (PD)
- Exposure at default (EAD)
- Loss given default (LGD).

The formula for loss allowances is: PD x LGD x EAD. The above parameters are based on EIFO's experience with issues such as loss history.

The principles in the impairment models are described under the section on export credit finance, the section on financing growth, entrepreneurship and the green transition in Denmark, the section on claims and the section on convertible loans.

Export credit finance

Loans

Loans are measured at amortised cost using the effective interest method. The difference between the value on first recognition and the redemption value is amortised over the remaining time to maturity and recognised under “Result of lending activities”.

To estimate PD, EIFO uses well-known methods such as rating tools from Standard & Poor's and Moody's to determine ratings. Ratings are translated into PD based on Moody's statistics for one-year default rates.

Criteria and calculation methods for the three stages are as follows:

- On initial recognition, the asset is placed in stage 1, where a probability-weighted loss expected within the next 12 months is written down (PD12 months x LGD x EAD).
- In the event of a significant change in credit risk, the asset moves to stage 2, where it is written down by the expected loss over the remaining time to maturity (PD time to maturity x LGD x EAD). A significant change in credit risk is:
    - For 12-month PDs on first recognition below 1 percent: an increase in the 12-month PD of 0.5 percentage points or more and a doubling of the PD for the asset's expected remaining time to maturity.
    - For 12-month PDs on first recognition of 1 percent or more: an increase in the 12-month PD of 2.0 percentage points or more or a doubling of the PD for the asset's expected remaining time to maturity.
- If the asset is deemed to be credit-impaired (and thus stage 3), the asset is written down by an amount corresponding to the expected credit loss during the remaining term of the asset. Loans for which EIFO has observable data on events indicating that the asset is credit-impaired are written down individually. The assessments are based on the customer's ability and willingness to comply with payment obligations as well as any arrears. EIFO applies individual loss allowance based on a trade-off between three scenarios: a best-case scenario, a base-case scenario and a worst-case scenario.
- Loss allowances may be supplemented with management allowances in matters that the models do not take into account.

Note 14:
Loans at amortised cost – continued

To hedge the interest rate risk on loans for export credit finance measured at amortised cost, EIFO uses financial instruments (interest rate swaps).

For the accounting treatment of derivative financial instruments, see separate section under "Other assets".

Claims
Claims consist of receivables from previous payments under export credit guarantees where the guarantee amount has been paid to the guarantee recipient.

Where an agreement exists with the counterparty, claims are recognised at cost and subsequently assessed so that the value of the claim corresponds to the expected repayment. Where no agreement exists with the counterparty, which is the general rule, the value of claims is assessed taking into account the customers' ability and willingness to pay.

Gross claims comprise indemnification payments with addition of the recognised capitalised interest less recovered amounts, adjusted at the exchange rate on the balance sheet date. Net claims are reduced by loss allowances to offset losses.

Loans to finance growth, entrepreneurship and the green transition in Denmark

Loans are recognised at amortised cost less recorded losses and allowances to offset losses. Irrevocable credit commitments are also written down. Recorded losses occur when information is available that reliably indicates that an exposure is assessed as irrecoverable and there is no prospect of repayment or dividends.

Criteria and calculation methods for the three stages are as follows:

- On initial recognition, the asset is placed in stage 1, where a probability-weighted loss expected within the next 12 months is written down (PD12 months x LGD x EAD).
- In the event of a significant change in credit risk, the asset moves to stage 2, where it is written down by the expected loss over the remaining time to maturity (PD time to maturity x LGD x EAD). A significant change in credit risk is an increase in 12-month PD of 5 percentage points if it triggers at least two moves in rating classes or overdue amounts of more than 30 days.
- Stage 3 exposures are based on individual assessments made by EIFO's credit function. The assessments are based on the customer's ability and willingness to comply with payment obligations, any arrears and/or changes in the initial prerequisites for the customer relationship or an overdue payment of more than 90 days. Assets in Stage 3 are written down by the expected loss over the remaining time to maturity (PD time to maturity x LGD x EAD).
- Loss allowances may be supplemented with management estimates in matters that the models do not take into account.

The Ministry of Industry, Business and Financial Affairs has set aside a loss grant for EIFO to offset losses on Growth Loans for entrepreneurs, Green Growth Loans, startups in the early phase and COVID-19 loans. The loss allowances are included in the accounting item "Other payables" and are reduced in line with the expected drawdown.

EIFO has also entered into agreements with the European Investment Fund (EIF) on partial loss cover for particularly risky lending. For loss allowances regarding these loans, a receivable corresponding to the loss allowance is recognised until the loan is (if necessary) written off and the loss cover is invoked with EIF. The receivable is included under "Other assets".

Fixed-interest loans, which are effectively hedged with derivative financial instruments, are calculated at nominal value less recorded losses and loss allowance to offset losses according to the same principles as described above, as well as value adjustment of the associated derivative instrument, which reflects the value of the current interest level relative to the lending rate.

Note 14:
Loans at amortised cost – continued

Amounts in DKK million	**The EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Export credit finance, loans	26,402	1,365	-
Export credit finance, claims	1,749	77	-
Financing of growth, entrepreneurship and the green transition in Denmark	7,598	7,598	-
Loans at amortised cost, total*	**35,749**	**9,039**	-

*A breakdown of the individual items follows below.

Note 14:
Loans at amortised cost – continued

Export credit finance: **Amounts in DKK million**	**Loans**	**Claims**	**The EIFO group 2023**
Loans before loss allowance	27,152	3,033	30,185
Loss allowance, after reinsurance*	-750	-1,284	-2,035
Total loans	**26,402**	**1,749**	**28,151**

* Loss allowances for loans and receivables are reduced by the value of reinsurance.

Loans (before loss allowance) broken down by stage:			
Stage 1	24,194	0	24,194
Stage 2	2,234	0	2,234
Stage 3	724	3,033	3,757
Loans (before loss allowance), total	**27,152**	**3,033**	**30,185**

Loans (before loss allowance) broken down by redemption:*			
Up to 1 year	3,491	n/a	n/a
Over 1 year up to and including 5 years	12,624	n/a	n/a
Over 5 years	11,037	n/a	n/a
Loans broken down by redemption, total	**27,152**		

* Since receivables are based on individual agreements that are continuously adjusted depending on the customer's current circumstances, they are not broken down by term to maturity.

Loans (before loss allowance) broken down by rating classification:*			
A+	29	0	29
B	3,021	0	3,021
B-	1,206	0	1,206
B+	1,300	0	1,300
BB	1,099	0	1,099
BB-	1,482	0	1,482
BB+	383	0	383
BBB	8,173	0	8,173
BBB+	9,569	0	9,569
CCC-	166	0	166
D	724	3,033	3,757
Loans distributed by rating classification, total	**27,152**	**3,033**	**30,185**

* Ratings calculated by Moody's are used.

Loans as a percentage by sector:			
Financial sector	1%	0%	2%
Agriculture	0%	11%	3%
Aviation	0%	2%	1%
Commerce	9%	25%	34%
Shipping	0%	31%	10%
Green energy	85%	27%	0%
Other industry	6%	5%	50%
Loans by sector, total	**100%**	**100%**	**100%**

Note 14:
Loans at amortised cost – continued

Export credit finance: Amounts in DKK million	Loans	Claims	EIFO 2023
Loans before loss allowance	1,410	396	1,806
Loss allowance, after reinsurance*	-45	-320	1,806
Total loans	**1,365**	**77**	**1,441**

* Loss allowances for loans and receivables are reduced by the value of reinsurance.

Loans (before loss allowance) broken down by stage:			
Stage 1	483	0	483
Stage 2	926	0	926
Stage 3	0	396	396
Loans (before loss allowance), total	**1,410**	**396**	**1,806**

Loans (before loss allowance) broken down by redemption:*			
Up to 1 year	226	N/A	N/A
Over 1 year up to and including 5 years	396	N/A	N/A
Over 5 years	787	N/A	N/A
Loans broken down by redemption, total	**1,410**		

* Since receivables are based on individual agreements that are continuously adjusted depending on the customer's current circumstances, they are not broken down by term to maturity.

Loans (before loss allowance) broken down by rating classification:*			
B-	891	0	891
B+	486	0	486
BB+	2	0	2
BBB	30	0	30
D	0	396	396
Loans distributed by rating classification, total	**1,410**	**396**	**1,806**

* Ratings calculated by Moody's are used.

Loans as a percentage by sector:			
Agriculture	0%	20%	4%
Commerce	0%	27%	6%
Shipping	0%	4%	1%
Green energy	49%	19%	44%
Other industry	51%	30%	45%
Loans by sector, total	**100%**	**100%**	**100%**

Note 14:
Loans at amortised cost – continued

Impairment – export credit finance

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Loss allowance, beginning of year	0	0	-
Contribution from merger	1,845	316	-
New loss allowance as a result of additions and changes in credit risk	218	48	-
Discharge a result of redemption and changes in credit risk	-21	-3	-
Loss allowance for established loss	-34	0	-
Other adjustments	25	4	-
Loss allowance, end of year	**2,034**	**365**	-

Note 14:
Loans at amortised cost – continued

Financing of growth, entrepreneurship and the green transition in Denmark	EIFO group 2023
Loans before loss allowance	11,371
Loss allowance, before loss reimbursement**	-3,773
Total loans	**7,598**
** Loss allowances do not include the value of loss mandates. This amount is included under "Other assets".	
Loans (before loss allowance) broken down by stage:	
Stage 1	8,773
Stage 2	1,414
Stage 3	1,184
Loans (before loss allowance), total	**11,371**
Loans (before loss allowance) broken down by redemption:	
Up to 3 months	265
Over 3 months up to and including 1 year	258
Over 1 year up to and including 5 years	6,794
Over 5 years	4,055
Loans broken down by redemption, total	**11,371**
Loans (before loss allowance) broken down by rating classification:*	
A1	54
A2	840
A3	1,813
B1	855
B2	1,191
B3	1,761
B4	842
B5	1,876
C1	1,004
C2	613
D	523
Loans distributed by rating classification, total	**11,371**
* A1–A3: Repayment capacity is assessed as relatively strong to very strong. B1–B5: Repayment capacity is assessed as less acceptable to satisfactory.	
C1–C2: Repayment capacity is assessed as not satisfactory to unsatisfactory. D: Repayment capacity is assessed as non-existent.	
Loans as a percentage by sector:	
Agriculture/Hunting/Forestry/Fishing	8%
Industry/Resource extraction	11%
Energy supply	8%
Building and construction	3%
Commerce	9%
Transport/Hospitality	2%
Information/Communication	22%
Financing/Insurance	16%
Real estate	2%
Other industry	20%
Loans by sector, total	**100%**

Note 14:
Loans at amortised cost – continued

Financing of growth, entrepreneurship and the green transition in Denmark	**EIFO 2023**
Loans before loss allowance	11,371
Loss allowance, before loss reimbursement**	-3,773
Total loans	**7,598**

** Loss allowances do not include the value of loss mandates. This amount is included under "Other receivables".

Loans (before loss allowance) broken down by stage:	
Stage 1	8,773
Stage 2	1,414
Stage 3	1,184
Loans (before loss allowance), total	**11,371**

Loans (before loss allowance) broken down by redemption:	
Up to 3 months	265
Over 3 months up to and including 1 year	258
Over 1 year up to and including 5 years	6,794
Over 5 years	4,055
Loans broken down by redemption, total	**11,371**

Loans (before loss allowance) broken down by rating classification:	
A1	54
A2	840
A3	1,813
B1	855
B2	1,191
B3	1,761
B4	842
B5	1,876
C1	1,004
C2	613
D	523
Loans distributed by rating classification, total	**11,371**

* A1–A3: Repayment capacity is assessed as relatively strong to very strong. B1–B5: Repayment capacity is assessed as less acceptable to satisfactory.

C1–C2: Repayment capacity is assessed as not satisfactory to unsatisfactory. D: Repayment capacity is assessed as non-existent.

Loans as a percentage by sector:	
Agriculture/Hunting/Forestry/Fishing	8%
Industry/Resource extraction	11%
Energy supply	8%
Building and construction	3%
Commerce	9%
Transport/Hospitality	2%
Information/Communication	22%
Financing/Insurance	16%
Real estate	2%
Other industry	20%
Loans by sector, total	**100%**

Note 14:
Loans at amortised cost – continued

Loss allowance – Financing of growth, entrepreneurship and the green transition in Denmark **Amounts in DKK million**	**EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Contribution from merger	-3,702	-3,702	0
New loss allowance as a result of additions and changes in credit risk	-717	-717	0
Discharge a result of redemption and changes in credit risk	-	-	0
Loss allowance for established loss	496	496	0
Other adjustments	150	150	0
Loss allowance, end of year	**-3,773**	**-3,773**	-

Note 15: Loans at fair value

Loans at fair value comprise convertible loans.

Convertible loans are recognised at fair value in regard to the income statement less recorded losses and loss allowance to offset loss. Indications of impairment are assessed quarterly, and individual loss establishment is established when, in EIFO's assessment, there is an indication of impairment of a loan at fair value. The impairment assessment is performed in connection with determining the value of the total investment in the company, of which equity contributions make up the most significant part (see equity investments).

The valuation is made at cost (including interest) less any loss allowance.

Loans at fair value	**EIFO group 2023**	**EIFO 2022**
Loans before loss allowance	617	0
Loss allowance, before loss reimbursement	-132	0
Total loans	**485**	**0**

Note 16: Participations in affiliates

Significant accounting policies
Participations in affiliates include the wholly owned subsidiary EKF.

The company is recognised and measured according to net asset method. EKF's result is recognised in the parent company's income statement. The total net revaluation of participations in affiliates is allocated via the allocation of profits to "Statutory reserves" under equity.

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Contribution from merger	-	7,520	-
Additions	-	-	-
Transferred to other accounting items in connection with merger	-	-7,020	-
Purchase price at end of year	-	**500**	-
Contribution from merger	-	-	-
Value adjustments for year	-	541	-
Disposals	-	-	-
Value adjustment at end of year	-	**541**	-
Participations in affiliates at end of year	-	**1,041**	-

Note 17: Intangible, tangible and financial fixed assets

Significant accounting policies

Intangible fixed assets

Intangible fixed assets, which consist of software, are measured at cost less accumulated amortisation. Cost includes expenses directly linked to acquisition and implementation, up to the date when the asset can be commissioned. The asset is written down to the recoverable amount if this is lower than the carrying amount. Amortisation is carried out on a straight-line basis over the expected useful life, which is 3–5 years.

Development projects in progress relate to software acquisitions that are clearly defined and identifiable. Development expenses are determined as direct expenses incurred.

An impairment test is carried out for acquired intangible fixed assets if there are indications of impairment. Impairment tests are also performed annually on active development projects. The impairment test is carried out for each asset. The assets are written down to the higher of the asset's value in use and recoverable amount, if this is lower than the carrying amount.

Tangible fixed assets

Tangible fixed assets comprise hardware, fixtures and fittings and refurbishing of leased premises, which are measured at cost less accumulated depreciation. Cost includes the purchase price and expenses directly related to the acquisition.

Amortisation is carried out on a straight-line basis over the expected useful life, which is estimated to as follows:

- IT hardware, 3–5 years
- Other plant, operating equipment and fixtures, 3–5 years
- Refurbishing of leased premises, 3–10 years
- Art, no depreciation.

An impairment test is carried out for tangible fixed assets if there are indications of impairment. The assets are written down to the recoverable amount if this is lower than the carrying amount.

New acquisitions valued at less than DKK 100,000 including VAT are recognised in full in the year of acquisition under administrative costs in the income statement.

Financial fixed assets

Financial fixed assets comprise deposits for leased premises. Deposits are recognised at cost with subsequent indexation.

Amounts in DKK million	**EIFO group 2023**	**EIFO 2022**
Intangible fixed assets	31	-
Tangible fixed assets	34	-
Financial fixed assets	17	-
Total fixed assets	**81**	-

Note 18: Other receivables

Significant accounting policies

Other receivables

Other receivables consist of interest and premiums receivable, reinsurance shares, derivative financial instruments and other assets.

Interest and premiums receivable

Interest receivable recognised under assets includes accrued interest that is attributed in subsequent financial years, while premiums receivable are measured at the present value of the receivable at the time of recognition.

Reinsurance share

Reinsurance share of accumulated loss allowance for guarantees comprises the reinsurers' share of EIFO's loss allowance. The share is adjusted for EIFO's counterparty risk on the reinsurance companies.

Receivables, loss cover

Receivables relating to loss cover are measured at amortised cost, which usually corresponds to nominal value, minus loss allowance to offset expected losses.

Derivative financial instruments

Derivative financial instruments are recognised from the trading date and measured in the balance sheet at fair value. Positive and negative values are set off only when the company is entitled and intends to settle several derivative financial instruments, net. Fair values of derivative financial instruments are determined on the basis of current market data and recognised valuation methods.

The changes in the fair value of derivative financial instruments which are classified as and meet the conditions for fair value hedging of a recognised asset or a recognised liability (fair value hedges) are recognised in the income statement together with changes to the value of the hedged asset and the hedged liability. For existing loans where the hedge accounting was first started after the hedge contracts were signed, the fair value of the hedge contract is transferred linearly to the income statement over the term of the hedge instrument via a switch to hedge accounting.

Changes to the fair value of derivative financial instruments classified as and meeting the conditions for effective hedging of future transactions are recognised directly in equity (cash flow hedges). The ineffective part is recognised directly in the income statement. When the hedged transactions are performed, the accumulated changes are recognised as part of the cost price for the respective transactions.

Changes in the fair value of cross-currency basis spread on the hedge instruments are recognised directly in equity and are recognised as an expense via the income statement in connection with the settlement of cross-currency basis spread via the ongoing payments on swaps (costs for cash flow hedges). The value of cross-currency basis spread when switching to hedge accounting is amortised linearly to the income statement across the term of the hedge instrument.

Other assets

Other assets primarily comprise receivables relating to loss cover. Receivables relating to loss cover are measured at amortised cost, which usually corresponds to nominal value, minus loss allowance to offset expected losses.

Amounts in DKK million	**EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Receivables for interest and premiums, loans and guarantees	590	511	-
Receivables for interest, securities	67	67	-
Reinsurance share	2,121	62	-
Receivables, loss cover	2,458	2,458	-
Positive value of derivative financial instruments*	765	765	-
Other assets	859	756	-
Other receivables, total	**6,861**	**4,620**	-

* See notes 30 and 32 for additional information.

Note 19: Accruals and deferred income

Significant accounting policies

Prepayments and accrued income recognised under assets comprise costs incurred relating to subsequent financial years as well as interest costs consisting of prepayments to reinsurers. The prepayments cover contracts with reinsurance of the credit risk on loans, and are expensed as a financial cost under the result of lending activities in line with the repayment profile of the loan.

Prepayments and accrued income are measured at cost.

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Prepaid expenses	29	15	-
Prepaid interest and premium costs, guarantees	725	12	-
Prepaid interest and premium costs, lending	619	33	-
Total prepayments and accrued income	**1,373**	**60**	-

Note 20: Payables to the Danish state, credit institutions and central banks

Significant accounting policies

Payables to the Danish state (on-lending) via Danmarks Nationalbank are initially recognised at the proceeds received. In subsequent periods, on-lending is measured at fair value with additional recognition and measurement criteria in IFRS 9 as a basis for interpretation. The fair value is calculated as the exchange rate on discounting to net present value of future cash flows at the relevant discount rates determined on the basis of current market data.

In addition, on-lending is raised with Danmarks Nationalbank. A guarantee premium of 0.15 percent is settled with the state for this arrangement.

Amounts in DKK million	**EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Payables to the Danish state	34,290	34,290	-
Total payables to the Danish state, credit institutions and central banks	**34,290**	**34,290**	-

Note 21: Other payables

Significant accounting policies

Other payables

Other liabilities consist of payables to reinsurance companies, payables to pension funds, derivative financial instruments and other liabilities.

Payables to reinsurance companies

Payables to reinsurance companies are recognised at the present value on the date of recognition. Subsequently, current recalculation of present values is performed on the balance sheet date. Payables with a maturity of more than one year are discounted by a CIRR rate in the currency in which the receivable concerned was raised. Payables to reinsurers are written down according to the same principles as premiums receivable. See the section on premiums receivable under "Other assets".

Payables to pension funds

Payables to pension funds (fixed-interest loans) are recognised when the loan is taken out for the proceeds received. No transaction costs are incurred in connection with taking out the loan. In subsequent periods, the loans are measured at amortised cost, which essentially corresponds to nominal value.

Derivative financial instruments

Derivative financial instruments are recognised from the trading date and measured in the balance sheet at fair value. Positive and negative values are set off only when the company is entitled and intends to settle several derivative financial instruments, net. Fair values of derivative financial instruments are determined on the basis of current market data and recognised valuation methods.

The changes in the fair value of derivative financial instruments which are classified as and meet the conditions for fair value hedging of a recognised asset or a recognised liability (fair value hedges) are recognised in the income statement together with changes to the value of the hedged asset and the hedged liability. For existing loans where the hedge accounting was first started after the hedge contracts were signed, the fair value of the hedge contract is transferred to the income statement over the term of the hedge instrument via an add-on to the discount curve. Changes to the fair value of derivative financial instruments classified as and meeting the conditions for effective hedging of future transactions are recognised directly in equity (cash flow hedges). The ineffective part is recognised directly in the income statement. When the hedged transactions are performed, the accumulated changes are recognised as part of the cost price for the respective transactions.

Changes in the fair value of cross-currency basis spread on the hedge instruments are recognised directly in equity and are recognised as an expense via the income statement in connection with the settlement of cross-currency basis spread via the ongoing payments on swaps (costs for cash flow hedges). The value of cross-currency basis spread when switching to hedge accounting is amortised linearly to the income statement across the term of the hedge instrument.

Other liabilities

Other liabilities include wages and holiday pay owed, provision for possible future payment, cf. incentive programmes for direct equity investments (carry agreements), as well as debt to creditors. Other payables are measured at amortised cost.

Amounts in DKK million	**EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Payables to reinsurance companies	566	-19	0
Payables to pension funds	839	839	0
Interest and commission payable	63	63	0
Payables, loss cover	240	240	0
Negative value of derivative financial instruments*	1,436	1,436	0
Other liabilities	485	473	10
Total other payables	**3,629**	**3,031**	**10**

* See notes 30 and 32 for additional information.

Note 22: Accruals and deferred income

Significant accounting policies

Accruals and deferred income recognised under liabilities include prepayments received, which primarily relate to interest income on loans, commission paid and premiums covering the following financial year, and prepaid loss cover from the state.

Prepayments and accrued income are measured at cost.

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Prepaid interest and premium income, etc.	2,831	1,217	-
Prepaid commission and premiums	11	11	-
Prepaid loss cover, Danish state	660	660	-
Total accruals and deferred income	**3,502**	**1,888**	-

Note 23: Contributions from the state

Significant accounting policies

Subsidies from the state to support export and investment activities which have been made conditional are recognised as provisions until the conditions are met. The amount is then recognised under payables to the Danish state.

Amounts in DKK million	EIFO group 2023	EIFO 2022
Contribution from merger	2,285	-
Used during the year	-233	-
Contributions during the year	270	-
Contributions from the state, total	**2,323**	-

Note 24:
Provisions, export credits and working capital guarantees

Significant accounting policies
Provisions include expected costs for working capital guarantee, loss and export credit exposure, advance payments received and provisions for guarantees. Expected costs for guarantee exposure are calculated according to the same principle as described in the section on "Result of export credits and working capital guarantees".

Other provisions are recognised and measured as the best estimate of the costs necessary to settle the obligations on the balance sheet date. Provisions which are expected to mature more than one year after the balance sheet date are measured at discounted value.

Accumulated provisions for guarantees are in accordance with additional recognition and measurement criteria in IFRS 9 as a basis for interpretation. EIFO uses a proprietary model to calculate the expected credit loss. Please refer to the description under "Lending" in note 14, where the same principles apply.

Amounts in DKK million	**EIFO group 2023**	**EIFO 2023**	**EIFO 2022**
Loss allowance, beginning of year	0	0	-
Contribution from merger	2,156	440	-
New loss allowance as a result of additions and changes in credit risk	497	140	-
Discharge a result of redemption and changes in credit risk	-329	-40	-
Loss allowance for established loss	-27	-24	-
Other adjustments	1,456	2	-
Loss allowance, end of year	**3,754**	**517**	-

Note 25: Off-balance sheet items

Significant accounting policies

Contingent liabilities

This item primarily covers export credits and working capital guarantees as well as tenancy commitments.

Guarantee exposure comprises the largest possible exposure less reinsurance in cases that include both commercial and political exposure. The guarantee exposure is regularly written down during the guarantee period on the basis of the repayment profile defined when the guarantee is issued. Read about loss allowance under the section on loans.

Conditional offers comprise the largest possible exposure in cases that include both commercial and political exposure. Conditional offers are either converted to a guarantee or the transaction is settled on the expiry date.

Other binding agreements

Commitments are recorded off the balance sheet under other binding agreements. The item is measured at face value.

Tax

EIFO is exempt from tax liability.

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Contingent liabilities:			
Export credit and working capital guarantee exposures, before reinsurance	96,804	22,645	-
Export credit and working capital guarantee exposures, reinsurance	-53,887	-10,416	-
Other contingent liabilities	24	24	-
Contingent liabilities, total	**42,942**	**12,254**	-
Other binding agreements:			
Commitments, participations in funds	4,710	4,710	-
Commitments, equity investments	115	115	-
Commitments, lending	6,230	1,675	-
Other binding agreements, total	**11,055**	**6,500**	-
Total off-balance sheet items	**53,997**	**18,754**	-

Note 25: Off-balance sheet items – continued

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Export credits and working capital guarantees (before loss allowance) broken down by stage:			
Stage 1	83,593	20,911	-
Stage 2	9,203	1,342	-
Stage 3	4,008	393	-
Export credits and working capital guarantees (before loss allowance), total	**96,804**	**22,645**	-
Export credits and working capital guarantees (before loss allowance) broken down by rating classification:*			
A, A-, A+	3,820	3,678	-
AA, AA+, AA-	80	80	-
B, B-, B+	26,512	2,717	-
BB, BB-, BB+	39,565	13,292	-
BBB, BBB+	20,938	1,696	-
C, C-, C+	5	2	-
CCC, CCC-, CCC+	1,874	786	-
D	4,010	396	-
Export credits and working capital guarantees broken down by rating classification, total	**96,804**	**22,645**	-

* Ratings calculated by Moody's are used.

Amounts in DKK million	EIFO group 2023	EIFO 2023	EIFO 2022
Export credits and working capital guarantees as a percentage broken down by sector:			
Financial sector	6%	2%	-
Agriculture	1%	1%	-
Aviation	0%	1%	-
Commerce	19%	19%	-
Shipping	0%	0%	-
Green energy	69%	58%	-
Other industry	5%	20%	-
Export credits and working capital guarantees broken down by sector, total	**100%**	**100%**	-

Note 26: Related parties

The Danish state is considered a related party with decisive influence, since under the Act on the Export and Investment Fund of Denmark, the Ministry for Industry, Business and Financial Affairs lays down detailed provisions for the fund's activities and appoints the Board of Directors. The Act also states that EIFO can be discontinued by law, after which the Danish treasury takes over the fund's assets and otherwise assumes the fund's rights and obligations.

EIFO's related parties also include the subsidiary EKF Eksportkredit as well as funds and companies, including Dansk Vækstkapital (I, II and III) K/S, Dansk Landbrugskapital K/S, European Angels Fond S.C.A. SICAR, Dansk Landbrugskapital Komplementar ApS. Dansk Vækstkapital Komplementar (I, II and III) ApS, Innovation Investment (I and II) K/S, Innovation Investment Komplementar ApS, Project Sprout K/S, Projekt Sprout Management ApS, Vækstfonden Growth K/S and Vækstfonden Growth Komplementar ApS, where EIFO exerts a decisive or significant influence by virtue of its ownership stake.

Finally, the funds, companies and managed schemes with which EIFO has entered into a secretariat agreement are regarded as related parties, including the Danish Trade Fund, the CIRR scheme, Eksport Kredit Finansiering A/S and Denmark Bridge.

All transactions are effected on market terms.

In 2023, EIFO received various grants, loss cover and capital contributions from the Danish state, to which it also paid dividends and guarantee commission.

- Capital contributions and dividend payments appear in the equity statement.
- Grants and loss cover appear in the balance sheet.
- Remuneration of the Board of Directors and Management is shown in note 7.

There are also the following transactions:

Amounts in DKK million	Transactions with other related parties 2023	Transactions with subsidiaries 2023
Income statement:		
Guarantee commission	-31	-11
Administrative services (fees for secretariat services)	54	59
Balance sheet items:		
Cash and demand deposits	116	-
Other receivables	2,458	24,114
Payables to the Danish state, credit institutions and central banks	34,290	-
Other payables	240	

Note 27: Post balance sheet events

After the end of the financial year, an organisational change was made, which also included management levels. This change has no impact on the group and the parent company's annual report for 2023.

In addition, no incidents occurred after the end of the financial year and up to the signing of the annual report which could have a material impact on the financial position of the group and the parent company.

Note 28: Information on fair value

Significant accounting policies

Financial instruments are recognised in the balance sheet at fair value. In applying fair value, the EIFO group uses a predefined hierarchy consisting of three levels.

Level 1 – quoted prices

The market price for the financial instrument is used when there is an active market. The market price may be in the form of a quoted price or price listing.

Level 2 – observable inputs

If a financial instrument is listed in a market that is not active, valuations are based on the latest transaction price.
Adjustments are made for subsequent changes in market conditions. Some of the financial assets and liabilities have no defined market. The valuation of these is an estimated value using recent transactions in similar instruments. For derivative financial instruments, extensive use is made of valuation techniques based on market conditions, such as interest rate curves and exchange rates.

Level 3 – unobservable inputs

Valuation of certain financial assets and liabilities is largely influenced by unobservable inputs. For a significant proportion of the group's participations, equity investments and loans, valuation is based on unobservable inputs.

				Fair value calculated on the basis of		
The EIFO group 2023 **Amounts in DKK million**	**Book value**	**Fair value**	**Differential value**	**Quoted prices (level 1)**	**Observable inputs (level 2)**	**Unobservable inputs (level 3)**
Assets:						
Securities	14,454	14,499	45	14,499	-	-
Participations in funds	9,301	9,301	-	293	-	9,008
Equity investments	3,106	3,106	-	301	-	2,805
Loans, amortised cost*	35,749	31,929	-3,820	-	-	31,929
Loans, fair value	485	485	-	-	-	485
Derivative financial instruments	765	765	-	-	765	-
Total financial assets	**63,860**	**60,085**	**-3,775**	**15,093**	**765**	**44,227**
Liabilities:						
Derivative financial instruments	1,436	1,436	-	-	1,436	-
Total liabilities	**1,436**	**1,436**	-	-	**1,436**	-

				Fair value calculated on the basis of		
EIFO 2023 **Amounts in DKK million**	**Book value**	**Fair value**	**Differential value**	**Quoted prices (level 1)**	**Observable inputs (level 2)**	**Unobservable inputs (level 3)**
Assets:						
Securities	14,454	14,499	45	14,499	-	-
Participations in funds	9,301	9,301	-	293	-	9,008
Equity investments	3,106	3,106	-	301	-	2,805
Loans, amortised cost*	9,039	9,268	36	-	-	9,268
Loans, fair value	485	485	265	-	-	485
Derivative financial instruments	765	765	-	-	765	-
Total financial assets	**37,151**	**37,424**	**273**	**15,093**	**765**	**21,566**
Liabilities:						
Derivative financial instruments	1,436	1,436	-	-	1,436	-
Total liabilities	**1,436**	**1,436**	-	-	**1,436**	-

* Fair value of loans for financing growth, entrepreneurship and the green transition in Denmark is calculated as book value after loss allowance plus accrued interest.

Note 29: Exchange rate exposure

Significant accounting policies

EIFO's exchange rate risk is the risk that EIFO will sustain an economic loss or incur additional expenses due to changes in exchange rates. Exchange rate risk arises for EIFO as a result of lending, guarantees, provisions and loss allowance, participations in funds, equity investments, derivatives and placement of liquidity in a currency other than Danish kroner. EIFO hedges currency risk at cash flow and balance sheet level. The hedging required for the balance position is calculated as the overall net position for each currency that exceeds the approved limits of 2 billion for EUR and DKK 50 million for all other currencies.

Amounts in DKK million	The EIFO group 2023	EIFO 2022
Currency breakdown for main currencies, net:		
EUR	-535	-
USD	-41	-
GBP	-24	-
CHF	-14	-
Currency distribution, total	**-614**	-

	Effect	
Amounts in DKK million	**The EIFO group 2023**	**EIFO 2022**
Exchange rate rise of 10 percent (EUR)	-53	-
Exchange rate rise of 10 percent (USD)	-4	-
Exchange rate rise of 10 percent (GBP)	-2	-
Exchange rate rise of 10 percent (CHF)	-1	-

Note 30: Derivative financial instruments

Significant accounting policies

As a result of its business model, EIFO is exposed to a number of market risks. These are primarily risks for which derivatives are used to reduce risk in respect of interest and exchange rate risk.

The group uses various derivative financial instruments, such as interest rate swaps and forward exchange contracts, as part of the group's risk management and hedging and investment strategy. Derivative financial instruments make it possible to increase or decrease exposure to market exchange rate and interest rate risks. The most commonly used derivative financial instruments are swaps.

EIFO's risk management strategy is discussed in detail in note 30 and in the section on EIFO's risk, capital and liquidity management on page 39.

Fair value hedges

The group enters into fair-value hedges to secure export credit financing against fair-value changes resulting from fluctuations in exchange rates and interest rates. There is a financial link between the export credit financing and the swap, since both instruments are exposed to the same underlying risk and have the same qualitative characteristics in terms of principle, currency and interest rate. The fair value adjustments of these instruments will therefore move in opposite directions.

	Market value, net			Market value, gross		
The EIFO group 2023 **Amounts in DKK million**	**Up to 1 year**	**Between 1 and 5 years**	**Over 5 years**	**Positive market value**	**Negative market value**	**Net market value**
Interest-rate contracts:						
Swaps	-408	-506	-164	87	-1155	-1068
Exchange rate contracts:						
Swaps	63	112	165	678	-281	397
Total derivative financial instruments	**-345**	**-394**	**2**	**765**	**-1436**	**-671**

Hedge accounting: **Amounts in DKK million**	**Nominal**	**Carrying amount**	**Carrying fair value adjustment**
Assets:			
Loans at amortised cost	12149	12427	291
Derivative financial liabilities:			
Swaps, loans at amortised cost	12279	260	-5
Gain/loss on hedging instruments for the year			51
Gain/loss on hedged items for the year			-71
Net profit/loss (ineffectiveness for the year)		-	**25**

Note 31:
Credit, market and liquidity risks

Significant accounting policies
EIFO's business activities and placement of cash and demand deposits entail that we are exposed to credit, market, liquidity and business risks.

Credit and market risks are hedged by maintaining adequate capital, while liquidity risk is hedged by maintaining an appropriate cash balance.

Credit risk

Credit risk reflects the risk of losses as a result of EIFO's customers and counterparties defaulting on their payment obligations. Counterparties comprise commercial companies, banks, sovereign states and reinsurance companies. EIFO provides loans, working capital guarantees and export credits to Danish companies in most industries and at all stages of development. Loans may be provided directly by EIFO, or EIFO can grant a working capital guarantee or credit to enable the company to, for example, get a bank loan.

EIFO continuously monitors the credit portfolio, the aggregate commitment for each counterparty and each country. EIFO's credit risk is reduced if the agreements are covered by loss mandates, and the risk can be actively reduced for larger transactions via reinsurance. Credit risk is managed in accordance with the credit policy, which is managed and approved by the Board of Directors.

Market risk

Market risk is the risk of loss due to changes in the present value of assets and liabilities attributable to developments in the financial markets. EIFO is primarily exposed to interest rate and exchange rate risks. The Policy for Market Risk sets limits for EIFO's risk appetite and management. EIFO is cautious in taking on market risks and limits the amount of interest rate and exchange rate exposure. All significant exchange rate and interest rate risks are hedged continuously to comply with risk targets.

EIFO's interest rate risk is the risk that EIFO will sustain an economic loss or incur additional expenses due to changes in market rates. Interest rate risk arises in connection with lending, funding, derivatives and placement of liquidity in fixed-interest instruments. EIFO continuously hedges interest rate risks.

EIFO's exchange rate risk is the risk that EIFO will sustain an economic loss or incur additional expenses due to changes in exchange rates. Exchange rate risk arises for EIFO as a result of lending, guarantees, provisions and loss allowance, equity investments, derivatives and placement of liquidity in a currency other than Danish kroner. EIFO hedges currency risk at cash flow and balance sheet level. The hedging required for the balance position is calculated as the overall net position for each currency that exceeds the approved limits of 2 billion for EUR and DKK 50 million for all other currencies.

Interest rate changes will have an effect on the economic value of loans, on-lending, derivative heading and cash investments. The effect was calculated by raising the underlying variable interest rate by 1 percent.

There may also be an effect on the result of lending activities due to an increase in interest rates. This effect is attributable to the fact that, despite full financial hedging of the interest rate risk, EIFO may experience fluctuations in the result due to an accounting mismatch between loans, which are measured at amortised cost, and interest-rate hedging, which is measured at fair value. These fluctuations are collected in the exchange rate adjustment reserve under equity. Hedge accounting removes most of this effect. The fluctuations will be eliminated over the period until maturity and ultimately reach zero. Since this is purely a technical accounting effect without real financial meaning, these effects are not incorporated into the analyses.

Liquidity risk

Liquidity risk is the risk that EIFO will sustain a loss or incur additional expenses from cash flow problems. Liquidity risk is divided into liquidity risk for funding, which is the risk of rising funding costs, and market liquidity risk, which is the risk of EIFO incurring losses when liquidity is retrieved from the liquidity reserve. In terms of liquidity, EIFO as an agency has low liquidity risk partly due to the support from the Danish state, which supports access to funding even in difficult market conditions. In general, EIFO aims to minimise both funding and market liquidity risk. A liquidity reserve that is inherently sufficient in a stress scenario and access to funding even in difficult market conditions help to minimise short-term and long-term funding liquidity risk, while placement of liquidity in liquid instruments that are high quality in liquidity terms reduces market liquidity risk.

Note 32: Set-off

Significant accounting policies

Positive and negative fair values for financial instruments are included in separate balance-sheet items. Financial assets and liabilities are offset and presented as a net amount when the group and the counterparty have the legal right to offset the recognised amounts and have also agreed to discharge the liability with net settlement or realisation of the asset.

EIFO has concluded derivative financial contracts with a number of financial counterparties. All financial counterparties all have a rating ranging from BBB to AA-.

Group 2023

Amounts in DKK million	Carrying amount	Set-off	Carrying amount	Right of set-off	Collateral	Net value
Assets	765	0	765	-765	0	0
Liabilities	1,436	0	1,436	-765	-647	24
Net	**-671**	**0**	**-671**	**0**	**647**	**-24**

Note 33: Definitions of financial highlights and ratios

Significant accounting policies
Selected indicators that the EIFO group uses in the 2023 annual report are defined below.

Rate of return	Profit for the year divided by assets at the end of the year and guarantee obligations.
Return on equity	Profit for the year divided by equity at the start of the year (including contribution from merger).
Capital ratio	Equity at end of year divided by balance sheet total at end of year and contingent liabilities.
Expense ratio	Administrative expenses, net divided by transaction amount.
Transaction amount	Includes participations in funds, equity investments, loans before loss allowance, export credit and working capital guarantee limits (before reinsurance, loss cover and remaining commitments to funds, e.g. equity investments and loans.
Carry percentage	Carry cost divided by transaction amount for the product.
Impairment rate	Accumulated loss allowance for the year divided by export credit and working capital guarantee exposures after reinsurance.
Impairment rate	Accumulated loss allowance for the year divided by loans.

Management statement

Today the Board of Directors and Management have considered and approved the Annual Report for the period 1 January – 31 December 2023 for the Export and Investment Fund of Denmark and for the Export and Investment Fund of Denmark group.

The consolidated and company financial statements have been prepared in accordance with the Danish Financial Statements Act, subject to the necessary exemptions and adjustments required as a consequence of the Export and Investment Fund of Denmark group's special nature as an independent public company, cf. the Act on the Export and Investment Fund of Denmark.

We consider that the consolidated and company financial statements give a true and fair view of the assets, liabilities and financial position of the group and the parent company as at 31 December 2023 and of the results of the activities and cash flows of the group and parent company for the period 1 January – 31 December 2023.

We also consider that the transactions covered by the presentation of the financial statements are in compliance with the funding granted, legislation and other regulations, as well as with agreements made and customary practice. Finally, we consider that the necessary financial considerations have been made in the administration of the funds and operation of the activity covered by the financial statements, and that in connection with this, we have established systems and processes to support the principles of economy, productivity and efficiency.

We consider that the management's review gives a true and fair account of the development of the operations and financial circumstances, net profit/loss for the year and financial position of the group and parent company.

The Annual Report is recommended for approval at the company meeting on 24 April 2024.

Copenhagen, 4 April 2024

Management

Peder Lundquist
Chief Executive Officer

Board of Directors

Torben Möger Pedersen
Chair

Bo Foged
Deputy Chair

Dorrit Vanglo
Deputy Chair

Anne Mette Toftegaard
Board Member

Camilla Ley Valentin
Board Member

Christian Frigast
Board Member

Esben Gadsbøll
Board Member

Jan Bisgaard Sørensen
Board Member

Jesper Buch
Board Member

Jørgen Høholt
Board Member

Martin Engell-Rossen
Board Member

Anna Marie Lunde Skov Owie
Employee Representative

Charlotte Christensen-Degn
Employee Representative

Christoffer Ring
Employee Representative

To the Minister for Industry, Business and Financial Affairs

The independent auditors' report

Opinion

We have audited the consolidated and company financial statements for the Export and Investment Fund of Denmark for the financial year 01/01/2023 to 31/12/2023 which comprise the income statement, balance sheet, statement of changes in equity and notes, including significant accounting policies and the group's cash flow statement. The consolidated and company financial statements are prepared in accordance with the provisions of the Act on the Export and Investment Fund of Denmark, subject to the necessary adjustments.

In our opinion, the consolidated and company financial statements give a true and fair view of the assets, liabilities and financial position of the group and of the company as at 31/12/2023 and of the results of the activities of the group and the company and the group's cash flows for the financial year 01/01/2023 to 31/12/2023 in accordance with the Act on the Export and Investment Fund of Denmark pursuant to the provisions of the Danish Financial Statements Act, subject to the necessary adjustments.

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing and the additional requirements applying in Denmark and in accordance with good public auditing practice, given that the audit is conducted on the basis of the provisions of the Act on the Export and Investment Fund of Denmark. Our responsibility according to these standards and requirements is described in more detail in the section "Auditors' responsibilities for the audit of the consolidated financial statements and annual report".

The Auditor General is independent of the Export and Investment Fund of Denmark in accordance with section 1(6) of the Act on Audit of the State Accounts, and the approved auditor is independent of the group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have both complied with our other ethical obligations under these requirements and the IESBA Code.

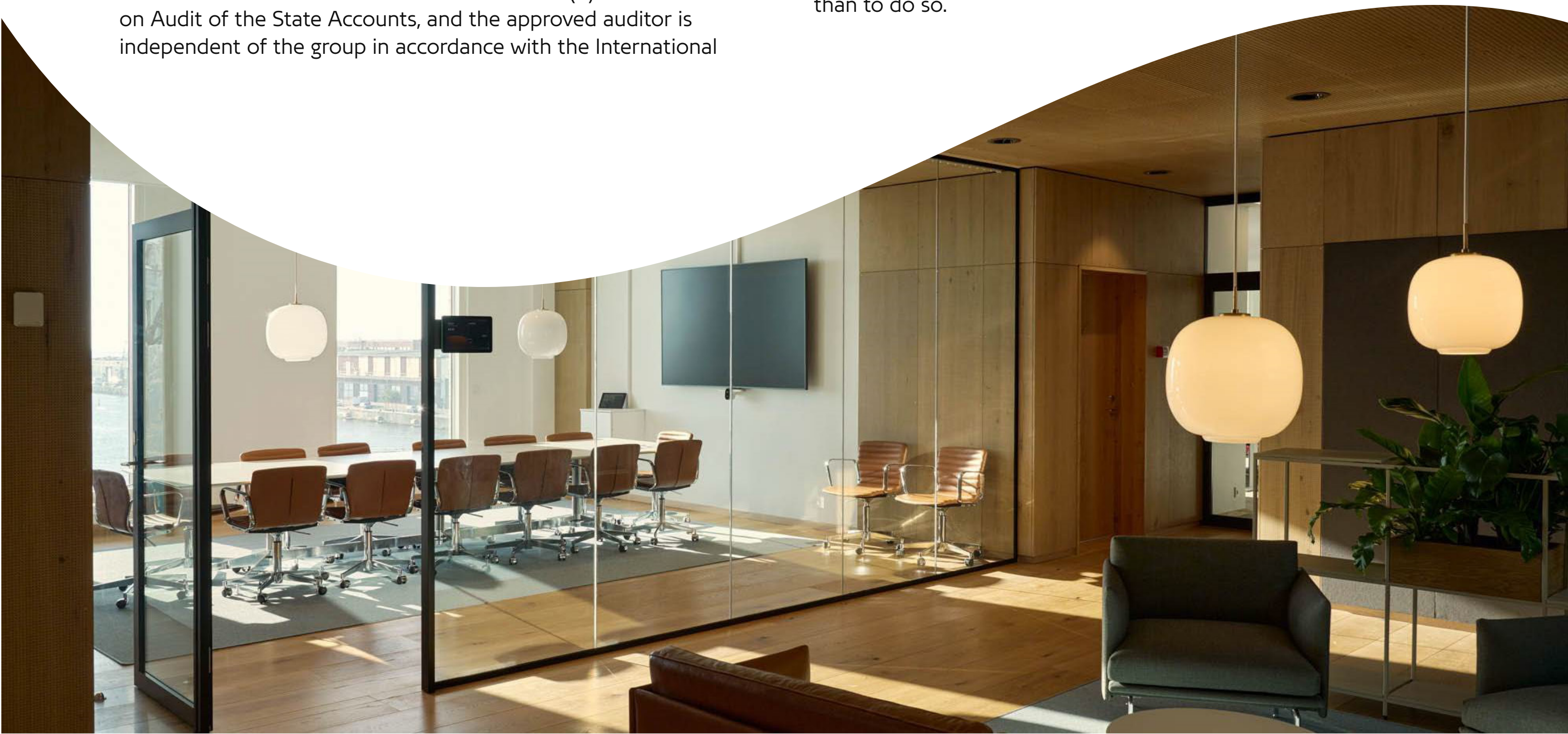
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the consolidated and company financial statements

Management is responsible for the preparation and fair presentation of consolidated and company financial statements in accordance with the Act on the Export and Investment Fund of Denmark pursuant to the provisions of the Financial Statements Act with the necessary adjustments.

This responsibility includes implementing such internal controls that Management determines are necessary for the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated and company financial statements, Management is responsible for assessing the group's ability to continue as a going concern, for providing information about going concern issues where this is relevant and for preparing the consolidated and company financial statements on the basis of the going concern accounting principle, unless Management plans either to liquidate the Export and Investment Fund of Denmark or to discontinue operations or has no other realistic alternative than to do so.



Auditors' responsibility for audit of the consolidated and company financial statements

Our objective is to obtain a high degree of certainty that the overall consolidated and company financial statements are free from material misstatement, whether due to fraud or error, and to present an auditors' report with an opinion. A high degree of certainty is a high level of certainty, but is not a guarantee that an audit performed in accordance with International Standards on Auditing and the additional requirements applying in Denmark and in accordance with good public auditing practice will always disclose material misstatements, if any. Misstatements may occur as a result of fraud or error and can be deemed to be material if it can reasonably be expected that they will, individually or jointly, have an impact on the financial decisions made by users on the basis of the consolidated financial statements and the company financial statements.

As part of an audit performed in accordance with International Standards on Auditing and the additional requirements applying in Denmark and in accordance with good public auditing practice, we perform professional assessments and exercise professional scepticism during the audit. In addition:

- We identify and assess the risk of material misstatement in the consolidated and company financial statements, whether due to fraud or error, plan and perform audit activities in response to such risk and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not discovering material misstatements is higher for material misstatements resulting from fraud than for material misstatements resulting from error as fraud may include conspiracy, forgery, wilful omissions, misrepresentation or non-observance of internal controls.
- We gain insight into the internal controls of relevance to the audit in order to design audit activities that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Export and Investment Fund of Denmark's internal controls.
- We consider whether the significant accounting policies applied by Management are appropriate and whether the accounting estimates made and related information prepared by Management are reasonable.
- We express an opinion as to whether the preparation of the consolidated and company financial statements by Management on the basis of the going concern accounting principle is appropriate and whether, on the basis of the audit evidence obtained, there is material uncertainty linked to events or circumstances that may cause substantial doubt as to the Export and Investment Fund of Denmark's ability to continue as a going concern. If we reach the conclusion that there is material uncertainty, we must in our auditors' report draw attention to information about this in the consolidated and company financial statements or, if such information is not sufficient, qualify our opinion. Our opinions are based on the audit evidence obtained until the date of our auditors' report. However, future events or circumstances could mean that the Export and Investment Fund of Denmark is no longer able to continue as a going concern.
- We consider the overall presentation, structure and content of the consolidated and company financial statements, including information in the notes, and whether the consolidated and company financial statements reflect the underlying transactions and events in such a way that they provide a true and fair view thereof.
- We obtain sufficient and appropriate audit evidence for the financial data for the companies or business activities in the group in order to express an opinion on the consolidated financial statements. We are responsible for leading, examining and carrying out the audit of the group. We are solely responsible for our audit opinion.

We communicate with the top management on, inter alia, the planned scope and timing of the audit, as well as material audit observations, including any material shortcomings in the internal controls identified by us during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated and company financial statements does not include the Management's review, and we do not express any opinion with certainty about the Management's review.

In connection with our audit of the consolidated and company financial statements, it is our responsibility to read the Management's review and in connection with that to consider whether the Management's review is materially inconsistent with the consolidated and company financial statements or with the knowledge we have gained during the audit or otherwise seems to contain any material misstatement.

In addition, it is our responsibility to consider whether the Management's review includes the information required under the relevant legislation.

In our opinion and based on the work performed, the Management's review is in accordance with the consolidated and company financial statements and has been prepared in accordance with the requirements in the relevant legislation. We have not found any material misstatements in the Management's review.

Statement according to other legislation and regulation

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions that are covered by the presentation of the financial statements are in compliance with the funding granted, legislation and other regulations, as well as with agreements made and customary practice, and that the necessary financial considerations have been made in the administration of the funds and operation of the activity covered by the consolidated and company financial statements. In connection with this, Management is responsible for establishing systems and procedures to support the principles of economy, productivity and efficiency.

In connection with our audit of the consolidated and company financial statements, it is our responsibility to select relevant issues for both compliance audit and performance audit in accordance with good public auditing practice. In our compliance audit, we control with a high degree of certainty in terms of the issues selected whether the examined transactions that are covered by the presentation of financial statements are in compliance with relevant provisions in funding granted, legislation and other regulations, as well as with agreements made and customary practice. In our performance audit, we assess with a high degree of certainty whether the systems, processes or transactions examined support the necessary financial considerations in the administration of the funds and operation of the activity covered by the consolidated and company financial statements.

If, based on the work performed, we reach the conclusion that there is cause for material critical remarks, we must report that in this statement.

We have no material critical remarks to report in connection with this.

Copenhagen, 4 April 2024

Deloitte statsautoriseret revisionspartnerselskab
CVR no. 33 96 35 56

Kasper Bruhn Udam
State-authorised public accountant
MNE no.: 29421

Jakob Lindberg
State-authorised public accountant
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Yvan Pedersen
Head of Department

Marie Katrine Bisgaard Lindeløv
Director

The independent auditors' opinion regarding CO_2e displacement

To stakeholders of the Export and Investment Fund of Denmark

The Export and Investment Fund of Denmark (EIFO) has engaged us to provide an opinion regarding CO_2e displacement from renewable energy projects for 2023, as presented in the figure, "Expected CO_2e displacement from new projects financed by EIFO in 2023" on page 34 of EIFO's 2023 Annual Report (the report).

Data concern an estimate of the overall CO_2e displacement over the standard useful life from the renewable energy projects financed by EIFO (102.0 million tonnes of CO_2e) and EIFO's share of the total (23.1 million tonnes of CO_2e) from 1 January to 31 December 2023.

The opinion has two parts: we express an opinion with a high degree of assurance as to whether the calculation was prepared on the basis of the assumptions described in the report and in accordance with the calculation model outlined in the report, and we express an opinion with limited assurance as to whether the assumptions used in the calculation model provide a reasonable basis for the calculation.

A "reasonable basis for the calculation" in this assurance engagement is understood to mean that the assumptions used in the model are relevant, documented and not unrealistic in the context of the purpose of the calculation. The purpose of the calculation is to reflect the estimated CO_2e displacement from those projects co-financed by EIFO in 2023. The most important assumptions, the model and methodology are described on page 35 of the report. The actual results are likely to deviate from expected results, since planned events often do not occur as predicted. These deviations may be significant.

Beyond the scope of our engagement as described above, we have not performed work regarding other data included in the report on "corporate social responsibility, policies, business and climate", hence we do not express any opinion in this regard.

Management's responsibility

EIFO's management is responsible for organising, implementing and maintaining internal controls over information that is relevant in the preparation of the reporting of CO_2e displacement, and for ensuring that these are free from material misstatement, whether due to fraud or error. Management is responsible for the calculation on the basis of the assumptions in the calculation model on which the calculation is based. Management is also responsible for ensuring that the assumptions in the model provide a reasonable basis for the calculation.

Auditors' responsibility

Our responsibility is based on our undertaking to express an opinion with a high degree of assurance as to whether the calculation is produced on the basis of the assumptions stated in the calculation model and in accordance with the described method.

Our responsibility also to express an opinion with limited assurance based on our undertaking as to whether the assumptions stated in the calculation model provide a reasonable basis for the calculation.

We have organised and performed our undertaking in compliance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements ensuing from Danish auditing legislation.

Deloitte Statsautoriseret Revisionspartnerselskab applies the International Standard on Quality Management (ISQM) 1, which requires us to design, implement and operate a quality assurance system, including policies and procedures pertaining to compliance with ethical requirements, professional standards and applicable requirements in law and other legislation.

We have complied with the requirements for impartiality and other ethical requirements in the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (IESBA Code), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct, as well as ethical requirements applicable in Denmark.

The scope of the actions we performed in our review of the assumptions stated is less than an opinion with a high degree of assurance would require. As a result of this, the level of assurance we have obtained for our opinion on the assumptions used is considerably lower than the assurance that would be obtained if an assurance engagement with a high degree of assurance had been performed.

Work undertaken

As part of our undertaking, we have obtained all information and every explanation necessary to support our opinion. We have examined whether the assumptions applied provide a reasonable basis for the calculation, and we have recalculated the CO_2e displacement. As part of this, we

- Reviewed the basic assumptions, procedures, calculations and input data used in the calculation model;
- Randomly examined documentation regarding ownership share, energy emission factors, capacity factors, production data, energy requirements and capacity data;
- Recalculated CO_2e displacement at randomly selected points;
- Randomly reviewed data regarding demand and supply of electricity per country from source data;
- Conducted interviews and reviewed documentation for selected project data pertinent to the calculations, such as the projects' MW, dates for credit facility drawdown and credit facility amount and the country in which the project is sited;
- Assessed the evidence obtained.

Opinion

This opinion must be viewed in the context of the purpose of the calculation, as reported in the preamble to this opinion, and on the basis of the understanding of the term "reasonable basis for the calculation", which is also outlined in the preamble to this opinion.

We believe that, in all material respects, the CO_2e displacement from renewable energy projects for 2023 has been calculated on the basis of the assumptions stated in the calculation model and in accordance with the method outlined on page 35 of the report.

On the basis of our undertaking and the proof obtained, we have been given no reason to believe that the assumptions do not provide a reasonable basis for the calculation.

Copenhagen, 4 April 2024

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