

Annual Report 2024



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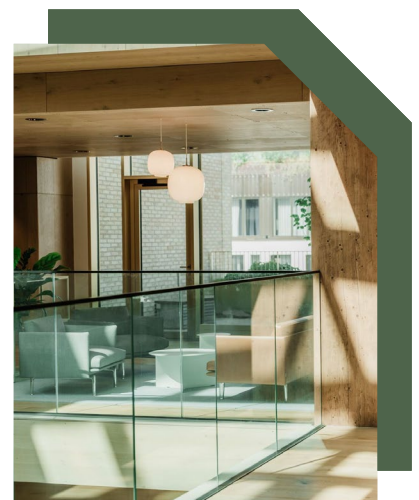
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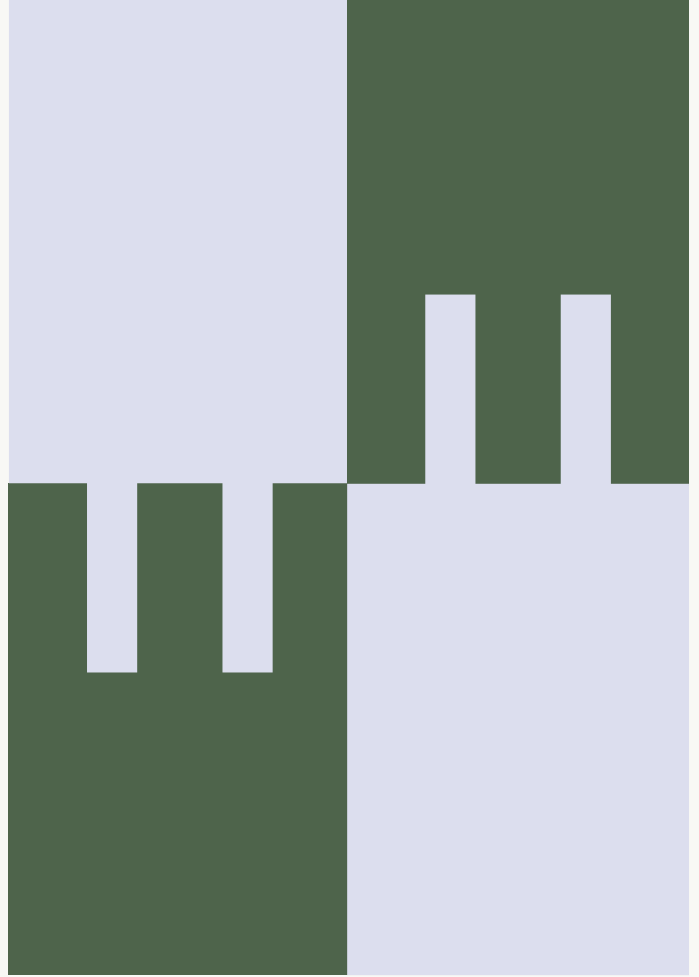
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Introduction

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Introduction by our Chairs

A new global landscape

In 2024, it became evident that we are facing a new global landscape. The long-standing era of geopolitical stability, which enabled European countries to separate economic matters from security and political risks, has come to an end. Europe's security has been significantly impacted by Russia's aggression towards Ukraine, and the escalating rivalry among superpowers is causing uncertainties, regionally and globally. Furthermore, Europe is struggling with lagging behind the USA and China in terms of investments, productivity, and innovation capacity.

Danish businesses are currently navigating a volatile and challenging period marked by rising protectionism, unstable supply chains, and intensified global competition for attracting investments. This situation places severe demands on the adaptability and innovation capabilities of Danish businesses, along with the framework conditions that support their efforts to ensure that Denmark is well-positioned.

Denmark's gateway to a changing world

At EIFO, our mission is to boost the competitiveness of Danish businesses operating both within Denmark and on a global scale. We partner with a wide range of businesses while undertaking various specialised tasks of both commercial and societal significance.

In 2024, the collaboration on Ukraine's reconstruction was further strengthened. During a visit to Ukraine by a Danish business delegation in November, Ukraine's Minister of Economic Affairs, Yulia Svyrydenko, described EIFO as a 'benchmark' in international financial cooperation. EIFO is proud to contribute to Ukraine's rebuilding efforts.

A key aspect of our role as Denmark's risk-taking investment bank is investing in new businesses and technologies. EIFO is Denmark's largest venture investor and, in 2024, invested in 78 companies and 16 funds, including the significant investment in the AI supercomputer Gefion. Other investments, such as Orbis Medicines and Atom Computing, demonstrate EIFO's commitment to commercialising the world-class research found in Denmark.

Another fundamental aspect of EIFO's mission is the green transition, which encountered significant difficulties in 2024, with several disappointing developments. The cost of green projects has increased, and financing expenses have soared to the point where many projects have either been cancelled or delayed.

However, we do not expect the green development to stop, but the pace is expected to slow down for a period. In 2024, EIFO saw a sustained high demand for export credit in the offshore wind sector, with the business volume and the pipeline being substantial. The offshore wind sector experienced a shift towards generally larger projects, alongside a deteriorating political risk landscape.

As a small, open economy, Denmark heavily relies on international trading. Consequently, a key responsibility for EIFO is to assist in maintaining the accessibility of global markets for the many Danish SMEs with the potential for international expansion and growth. Several new financing options for SMEs were introduced in 2024, and with the Innovation Package, significant EIFO programs targeting SMEs were expanded and made permanent.

A solid performance

A profit of DKK 1.9 billion, nearly twice as much as in 2023, is satisfactory. This performance also indicates that, despite constant changes, Danish businesses are active players and continue to succeed in the competitive landscape, both locally and globally.

Key factors driving the results include export credits and working capital guarantees, as well as lending activities. Several areas have been significantly and positively influenced by individual circumstances, for instance, after more than eight years of effort, EIFO succeeded in recovering DKK 500 million from a previously abandoned project in Mongolia. Add to this a positive effect from reversed write-downs of export credits as well as positive developments in financial items.

The satisfactory performance allows EIFO to pay a maximum dividend of DKK 350 million to the government, while the remaining profit is transferred to EIFO's balance sheet and reinvested.

We must be proactive and open-minded

During 2024, our activities reached a wide array of businesses across Denmark. From supercomputers to investments in new start-ups, immediate and sustainable benefits for Danish farmers, the expansion of one of the world's largest wind farms in Australia, and export financing for a Danish healthcare project in Africa.

The activities in 2024 demonstrate that Denmark has a highly specialized business environment, encompassing both large, globally leading companies and an emerging scene of innovators. The objective of EIFO is to be a driving force behind and promoter of the renewal and growth of Danish businesses, facilitate international business opportunities, and lead the transition towards a greener and more sustainable future. This requires close collaboration with businesses, investors, and other partners.

The geopolitical tensions and unrest require EIFO to adopt a more active role. This is relevant for overcoming the financing difficulties encountered by Danish businesses, along with the new strategic opportunities that emerge. EIFO must focus on strategically important areas where Denmark and Danish businesses can make a difference. Consequently, steps are being taken to update EIFO's strategy, aiming to create a clear roadmap for EIFO and to position it where our impact is most profound.

Our efforts will focus on making EIFO more inviting to the outside world. We need to ensure that more businesses, especially small and medium-sized enterprises, can benefit from our financial solutions, while also improving our customer relations. In 2024, a leading Danish newspaper article referred to EIFO as the best-kept secret in Denmark. That is fair enough, especially for a newly established merger organisation. Nevertheless, our goal is to ensure that by 2025, we can erase that label from our CV.



Michael Dithmer
Chair of the Board



Dorrit Vanglo
Deputy Chair

The year in retrospect

The year 2024 proved eventful for EIFO, with Danish businesses thriving even in challenging environments. EIFO's three business lines have felt this in different ways.

Large Corporates

The year 2024 proved to be favorable for Large Corporates, much like 2023, with generally high levels of activity and earnings.

Like last year, activities within the wind sector still make up a significant share. This sector shows a strong interest in and a demand for the financing solutions and opportunities that EIFO can offer Danish exporters and their foreign customers.

Beyond the wind sector, EIFO has supported the financing of e-methanol-powered ships, offshore installation vessels, and a seismic survey vessel that is currently under construction at the Esbjerg Shipyard. Additionally, EIFO has participated in the financing of the e-methanol plant in Kassø, where methanol will be produced by electrolysis of water. During the year, EIFO also became a shareholder in Stiesdal, an innovative cleantech company.

For 2025, Large Corporates expects an increase in business volume, particularly in export credits rather than loans.

Investment

Throughout 2024, Investment demonstrated an activity level on par with 2023, in a market still influenced by geopolitical challenges.

The green sector has generally encountered various obstacles, impacting both activities and results in the sector. EIFO continues to prioritize the green sector and will keep working diligently to speed up the green transition.

Through its activities during the year, Investment has also supported the agenda of advancing innovative technologies by investing in a wide range of innovative companies, with a particular focus on deep tech solutions in the life science segment.

For 2025, Investment expects an increasing business volume and rising returns.

SME

The activity levels within the SME sector have been declining over the past few years. The decline is due to a general decrease in investment appetite among businesses. A trend that is also observed among Danish banks. An increase in interest rates has resulted in lower credit growth for Danish banks. Since these banks are EIFO's key partners, the reduced lending is likely to have a ripple effect on the SME activities, provided that other conditions stay the same. Uncertainty about future commercial outlet and framework conditions has led smaller businesses to hesitate in making significant investments and pursuing export ventures.

One of the main objectives for the SME sector has been to simplify and strengthen access to EIFO's financing solutions for smaller businesses. In this context, it is encouraging to see that the customer satisfaction survey conducted by EIFO for 2024 indicates that SME customers remain highly satisfied, particularly emphasizing EIFO's strong credibility as a partner.

The prevailing macroeconomic environment and the possibility of tariffs and trade barriers imposed by the United States are also expected to put the SME segment under pressure in 2025.

Key activities in 2024

Over the past year, EIFO has been assigned a number of new important responsibilities, which hold great potential for both EIFO and Denmark.

These responsibilities are not only linked to certain business activities but also significantly contribute to addressing some of the specific challenges that Denmark and Europe are currently facing. While the war persists, we are helping Ukraine with its reconstruction and simultaneously paving the way for Danish businesses to access vast business opportunities once the war ends. We not only foster future growth and employment, but also contribute to the security of Denmark. At the same time, we contribute to ensuring European independence regarding future green technologies while upholding Denmark's prominent position in this area.

Among these activities in 2024 were:

One of the world's most powerful AI computers

To boost research and innovation in health, life sciences, and the green transition, thereby supporting the development of innovative solutions to address some of the world's major health issues impacting people and the planet, Denmark has begun collaborating with NVIDIA, an American technology company well-known for its graphics processing units.

Researchers from both the public and private sectors in Denmark will be able to gain access to an advanced NVIDIA computer optimized for large AI projects, as well as NVIDIA's world-leading software platforms, training, and expertise. Collaborating with NVIDIA and establishing a national AI innovation Center can help elevate Denmark's talented researchers and innovators to the next level, enhance Denmark's competitive advantage on the global stage, and thereby also affect the Danish economy and society in a broader sense.

In Denmark, the partnership is led by the Novo Nordisk Foundation and EIFO, with contributions of DKK 600 million and DKK 100 million, respectively.

EIFO's Ukraine initiative

In 2023, the Danish Parliament agreed by a broad majority to establish the Ukraine Fund, the purpose of which was threefold: military support, humanitarian support, and support for business initiatives. The business-oriented support, which primarily consisted of a new government loan and guarantee scheme of DKK 1 billion under EIFO, was quickly allocated to specific projects aimed at providing long-term loans and guarantees in Ukraine.

In the second half of 2024, the government allocated an additional DKK 800 million to the Ukraine Fund, enhancing commercial support for Ukraine and its vital rebuilding efforts, alongside new investment and export possibilities for many Danish businesses aiming to reach Ukrainian customers.

Export financing for wind projects

Although 2024 was a challenging year for green projects, it wasn't a year of standstill. Among other things, an export loan of DKK 1.3 billion from EIFO contributed to further expanding one of the world's largest wind farms, i.e., the second phase of the Golden Plains wind farm in Victoria, Australia, where Vestas is once again supplying wind turbines. And towards the end of the year, EIFO participated in the financing of Ørsted's latest offshore wind project in Taiwan, Greater Changhua 4. The project, with a capacity of 583 MW, marks another significant step in Ørsted's commitment to Taiwan, where they have already completed projects such as Greater Changhua 1 and 2a.

Loan to African health project

With an export loan of DKK 1.3 billion, EIFO, in collaboration with several international investors, is helping to expand a clinic project to improve the healthcare infrastructure in the Ivory Coast. The expansion will provide access to critical healthcare across the Ivory Coast, including rural areas.

The funding is intended for the Ivorian government, which is intensifying its focus on health sector investments. At the same time, the export loan secures several orders for a wide range of Danish SMEs and larger companies, primarily within healthcare equipment and project management/project logistics.

Vessels intended for the installation of the largest offshore wind turbines

The Danish company, Cadeler A/S, intends to invest heavily in expanding its fleet over the next few years in response to the current and expected rise in demand for capacity to install giant offshore wind turbines.

In light of this, EIFO has increased its financial commitment to this company, supported by a buyer credit guarantee of more than DKK 1 billion, as its growth ambitions can contribute to the green transition worldwide and create jobs in Denmark.

Impact-based financing for green and sustainable transition

To promote the green and sustainable transition in Danish agriculture and food production, EIFO has started offering more favorable terms on loans for investments in solutions, technology, or concepts that advance the transition in this sector. The new initiative is targeted at all businesses involved in primary agricultural production that want to invest in new technologies.

Following the launch of sustainability-linked finance for Danish dairy farmers in the spring, the new initiative potentially offers a discount of as much as 30% on the interest margin.

New Nordic deep tech venture fund

With PSV Hafnium, Denmark introduces its first deep tech fund, aiming to meet the specific needs of early-stage businesses seeking patient and long-term working capital.

The new independent Nordic venture fund will, with investments from, among others, the European Investment Fund (EIF) and EIFO totaling DKK 385 million, invest in early-stage science and technology-based start-ups, focusing on ground-breaking innovation and society-changing technologies.

Having a close partnership with the Technical University of Denmark (DTU), PSV Hafnium plays a vital role in bridging the gap between academic and venture environments.

Investment program for green industrial production

To protect and strengthen Denmark's environmental pillars, the government has launched a new targeted, temporary, green investment program, specifically tailored to support businesses (and subcontractors) looking to start new or expand existing production in wind and electrolysis technologies. The introduction of the new program allows for the possibility of offering investment support through direct grants, loans, or guarantees, provided that certain conditions are met.

The program, managed by EIFO, has been established following the EU's temporary state aid approval for 2024-2025 for investments in production facilities within selected green technologies, and it allows Denmark to protect and strengthen its position as a frontrunner in the green transition.

By the end of 2024, EIFO was set to invest more than DKK 600 million.

Withdrawal from management duties pertaining to Dansk Vækstkapital

A decision from the European Commission has meant that EIFO is not allowed to continue making investments in buyout funds. Buyouts constitute the main part of the funds under Dansk Vækstkapital (DVK). As a result, EIFO has transferred its management duties of the three DVK funds to Danske Bank, effective from January 2025. With Danske Bank taking over management, it has become possible to establish new DVK funds, thereby enabling DVK to keep supporting businesses, investors, and Danish society.

Since the establishment of DVK in 2011, more than 800 companies have received funding from the three funds, involving 74 separate investors. The purpose of the funds has been to provide risk capital for start-ups and growth companies, thereby creating growth and jobs in Denmark, as well as attractive return opportunities for investors.

EIFO remains a major shareholder in the three existing funds and will positively consider participation in any new DVK funds.

New Board of Directors

A new board of directors was appointed in the second half of August. Former Chair, Torben Möger Pedersen, decided to step down in April. Dorrit Vanglo temporarily served as Chair until former Permanent Secretary of the Ministry of Industry, Business and Financial Affairs, Michael Dithmer, was appointed as Chair. Dorrit Vanglo continues as Deputy Chair of the new Board of Directors. At the same time, André Rogaczewski, Barbara Taudorf Andersen, and Jakob Ellemann-Jensen were appointed as new board members.

Organizational change and adaptation

In an effort to serve customers even better and to navigate the evolving landscape, organizational changes were made twice in the first half of 2024.

The first change reduced the number of business areas and members of Group Management to ensure more efficient operations.

Next, a decline in activities, particularly in the SME segment, forced EIFO to lay off around 50 employees across the organisation. The slowdown in activity is partially influenced by increased interest rates and the fact that some markets are taking on a greater share of the responsibilities themselves, thereby reducing the need for EIFO's solutions.

Financial highlights and ratios* of the EIFO Group

Amounts in DKK million	2024	2023 ¹
Financial highlights:		
Income from investments, excl. carry	417	191
Carry	-125	-335
Income from investments	292	-144
Income from export credits, working capital guarantees, and lending activities, excl. write-downs	2,033	2,387
Write-downs	-328	-655
Earnings impact of COVID-19 loans	2	-132
Income from export credits, working capital guarantees, and lending activities	1,707	1,600
Net administrative expenses	651	654
Net financials	577	221
Net profit/loss for the year	1,925	1,022
Balance sheet total	73,400	73,160
Equity	27,428	25,663
Off-balance sheet items	50,001	53,997
Business volume	171,779	162,443
Rate of return	1.6%	0.8%
Return on equity	7.5%	4.1%
Solvency ratio	22.2%	20.2%
Rate of cost	0.4%	0.4%
Investments in funds:		
New activities	1,634	1,895
Business volume	15,084	14,011
Rate of return	1.2%	0.2%
Carry percentage (carry relative to business volume)	0.8%	2.5%
Equity investments:		
New activities	835	747
Business volume	3,939	3,222
Rate of return	2.8%	-5.6%
Export credits and working capital guarantees:		
New activities	21,988	18,726
Business volume	103,351	96,804
Rate of return	1.2%	0.6%
Write-downs of export credits and working capital guarantees, incl. loss reimbursement	383	-284
Impairment ratio	-1.0%	0.7%
Lending activities:		
New activities	4,093	7,005
Business volume	49,406	48,405
Rate of return	1.2%	2.4%
Write-downs of loans, incl. loss reimbursement	-710	-371
Impairment ratio	1.9%	1.0%

¹The Group was founded in 2023 for which reason financial highlights are available for two years only.

*Please refer to note 33 for a definition of ratios.

EIFO's significance to Denmark

Jobs retained/created
Number of jobs

19,800

Tax contribution
DKKkm

8,200

Contribution to revenue in Danish companies
DKKkm

61,600



Contribution to GDP
DKKkm

24,300

Investments in funds

Equity investments

Export credits and working capital guarantees

Loans

Growth

Vision

Innovator

Making the world Denmark's business

Mature

Agendas

Paving the way for
global business

Pushing for the
green transition

Promoting
innovative
technologies

Contributing to the
security in Denmark

Creating growth
and innovation
across Denmark

EIFO is beneficial to Danish businesses and Denmark

EIFO has a direct impact on the Danish Treasury through dividend contributions. Following its articles of association, EIFO will provide a maximum dividend of DKK 350 million for 2024. Since adopting the North Sea Agreement in March 2017, the three former funds, which merged into EIFO in 2022, have collectively contributed DKK 2.4 billion to the government through dividend payments.

EIFO indirectly influences the economy by helping to create or keep jobs in the businesses it funds, and by contributing to GDP and tax payments through increased activity in these businesses. The previous funds calculated these figures using different methods, but after the merger, the method has been standardized. Additionally, the treatment of indirect investments was adjusted in the model in 2024. Consequently, development over time should be viewed as a trend.

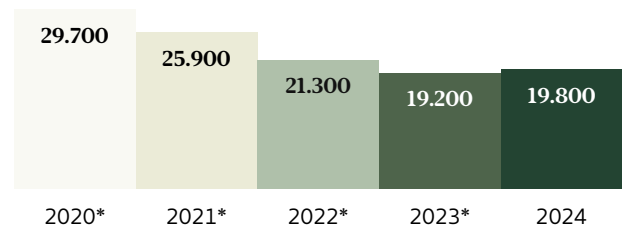
The declining trend in job creation and retention should be seen in the context of the significant efforts made by the previous funds to support Danish businesses during COVID-19 in 2020 and 2021. The outcomes of these efforts had a huge impact on job retention in smaller businesses across Denmark, known for their high employment levels.

The significant progress in contributions to revenue and GDP is partly driven by a larger share of activities in the Large Corporates segment, with direct financing to Danish export companies rather than project financing abroad. This has led to a significantly higher percentage of Danish products being represented in EIFO's total export activities.

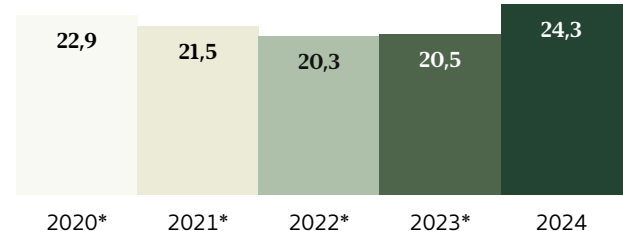
* Estimated based on calculations from EKF Denmark's Export Credit Agency, Vaekstfonden, and the Danish Green Investment Fund. The calculations of the socio-economic effects in 2023 and 2024 are based on EIFO's new socio-economic impact model.

** EKF Denmark's Export Credit Agency, Vaekstfonden, and the Danish Green Investment Fund have historically not reported revenue contributions in connection with calculations of the socio-economic effects. Consequently, the historical effects for revenue contributions in Danish businesses only date back to 2023, when EIFO began to publish the effects.

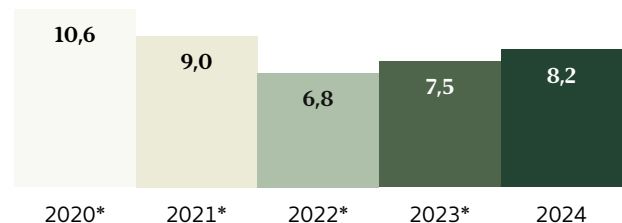
Number of jobs created or retained



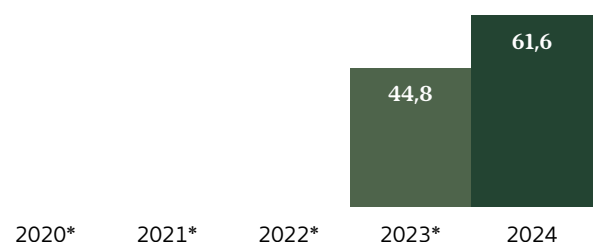
Contribution to GNP (DKKbn)



Tax contribution (DKKbn)



Contribution to revenue (DKKbn)**



Purpose

The Export and Investment Fund of Denmark (EIFO) is an independent state-controlled entity, owned and guaranteed by the Danish government. It acts as official export credit agency and national promotional bank in Denmark. The terms ECA (Export Credit Agency) and NPB (National Promotional Bank) are used internationally.

As a national operator, EIFO is regulated by law. The law defines the purpose, target group, and framework for activities. This means that EIFO's mandate, and thus its business areas, are politically decided and implemented by law through legislative acts, executive orders, etc.

EIFO aims to create the greatest possible social return by:

1. Promoting growth and innovation in the Danish business sector;
2. Promoting opportunities for Danish businesses to export and internationalize, participate in the global value chain, and cultivate new markets; and
3. Contributing to a sustainable and green transition.

Through the Act on the Export and Investment Fund of Denmark, the Danish Parliament defines the political direction and determines the extent to which EIFO is used as a strategic instrument to support 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 ECAs and NPBs, but only a few have them within the same organisation. However, many countries are considering how they can strengthen the availability of venture-oriented government funding, including where advantages can be gained through closer cooperation between different government programs.

Combining the two types makes EIFO a unique organisation, as the broad and more cohesive product offering can help enable Danish companies to compete internationally. By offering both types, EIFO can diversify its activities and support Danish businesses throughout all stages of their development, from start-up to export.

EIFO and the private market

This means that EIFO can afford to take greater risks than privately-owned businesses, and that EIFO steps in when the private market is unwilling to undertake a certain activity, thereby complementing the private market.

Agendas

EIFO has five key agendas:

- Paving the way for global business
- Pushing for the green transition
- Promoting innovative technologies
- Contributing to the security of Denmark
- Creating growth and innovation across Denmark

Paving the way for global business

Emerging markets contribute greatly to worldwide economic growth, with regions such as the Middle East and South Asia playing a significant role in anticipated future growth.

By pursuing export opportunities and investments, Danish businesses can leverage these markets, and especially SMEs can play a role as subcontractors in large foreign projects.

By offering export loans and export credits, EIFO plays a vital role in promoting exports and helping SMEs expand their global presence.

Pushing for the green transition

For more than 30 years, EIFO has been a key player in raising risk capital for the green transition. Our provision of export credits has enabled Danish businesses to tap into the global market, and our investments in green businesses have been crucial in cementing the influential role that Danish sustainable businesses today hold.

The worldwide capital requirements are significant, and the private sector alone is unable to satisfy these financing requirements. If Danish businesses succeed in capturing global market shares, Denmark can leverage the green transition to create growth and jobs.

It requires a targeted national effort, where EIFO plays a crucial role in securing risk capital.

Promoting innovative technologies

More than half of the growth capital in European technology investments comes from foreign investors, mainly from the United States. This poses a challenge to Europe's ability to stand alone technologically.

EIFO can contribute by accelerating the availability of growth capital in Denmark and ensuring a more resilient Danish infrastructure for technological innovation, such as establishing Danish growth funds or quantum funds.

Contributing to the security in Denmark

The war in Ukraine has reminded us that our security can no longer be taken for granted. In light of the new geopolitical landscape, Denmark and Europe must be ready to take greater responsibility for their own security. Such responsibility requires significantly enhancing our military strength and building a strong defense industry in Denmark. EIFO is set to play a crucial role in this matter, prompting the launch of a focused initiative within the defence industry.

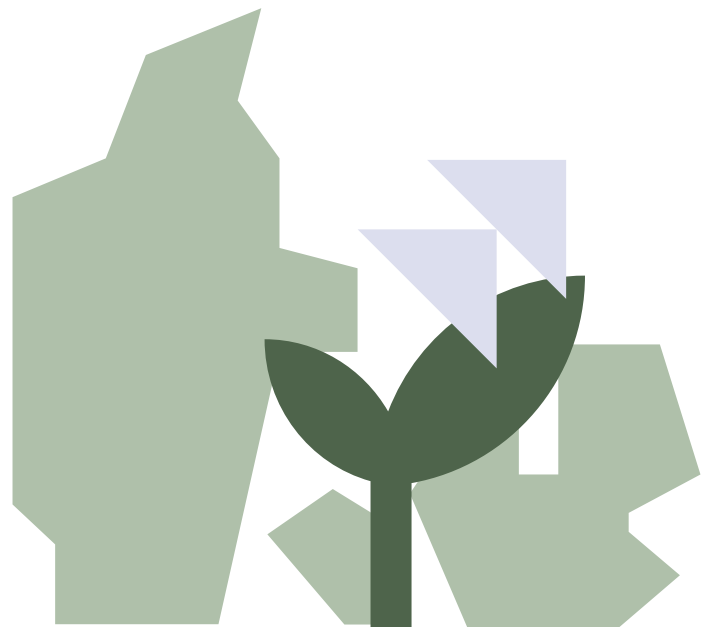
In the short term, an increase in defence production is required to satisfy pressing demands, while in the long term, committing resources to innovative solutions will be key. EIFO possesses the expertise to foster the growth of the Danish defence industry by supporting its surrounding ecosystem and providing customized financing to businesses within the sector.

EIFO can consolidate the ecosystem in this field, bringing together various players and perspectives. Additionally, EIFO's management of the Ukraine Fund has already been instrumental in rebuilding Ukraine.

Creating growth and innovation across Denmark

Growth and innovation are the fifth priority on EIFO's agenda. Growth and innovation are embedded in the Act on the Export and Investment Fund of Denmark and thus form part of our core mission.

By adding growth and innovation as a fifth agenda priority alongside the other four, we aim to make it part of our collective DNA, not just something related to the SME sector.



Products

EIFO supports the market by financial products. Consequently, EIFO's financial reporting is structured around the key areas of "export credit financing" and "financing of growth, innovation, and the green transition in Denmark". The basic financial solutions include:

Investments in funds - long-term investments in funds focusing on unlisted companies with growth and scaling potential

Through long-term partnerships with and investments in Danish and foreign funds, focusing on unlisted SMEs with growth and scaling potential, EIFO works to increase Danish businesses' access to capital, expertise, and networks.

Fund investments will be made in both local, Danish-rooted venture funds and international venture funds. In addition to providing capital to Danish businesses, the common denominator for these funds is that they complement and enhance the Danish innovation economy with knowledge, expertise, and networks to benefit Danish start-ups.

Equity investments - long-term and patient investments in new, innovative businesses with scaling ambitions

EIFO invests in new businesses across industries every year. Primarily, these businesses have secured a foothold in a defined market with a fully developed product or are in the final stages of product development and ready to launch the product on the market.

EIFO adopts a long-term and patient approach. As an active investor with extensive cross-industry experience, an investment partnership may involve capital, guidance, and a strong network within the relevant industry.

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 loan guarantees and acts as a guarantor for loans to businesses. In practice, this typically occurs when a Danish or international bank provides a loan to a Danish business or foreign customer who wishes to purchase products or services from a Danish business. EIFO guarantees the loan fully or partially to the bank. With a guarantee solution from EIFO, the customer is protected against various types of risks and uncertainties.

In terms of monetary value, most of EIFO's activities involve guarantees provided for loans to foreign customers in connection with export transactions (export credit). However, the largest number of guarantees are provided to Danish businesses.

EIFO provides guarantees for export credit financing in many different currencies. Substantial reinsurance is undertaken to mitigate credit risk and maintain the capacity for a high level of activity. The EIFO Group mainly engages in reinsurance through its treaty agreements, effectively covering 40% of extensive guarantees. Denmark's Green Future Fund is also available for reinsurance just as certain transactions are reinsured with private insurance companies, other export credit agencies, or the European Investment Fund (EIF).

Lending activities - loans to foreign buyers of Danish exports, Danish start-ups with a limited track record, and 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, domestic start-ups in the early stages of their development, mature companies planning to invest in operations, development, or transfer of ownership, and companies facing expansion and export.


The loans are typically granted in collaboration with banks, financing institutions, and other players in Denmark and abroad. In export credit transactions, EIFO is typically on par with other financing partners, whereas for domestic loans, EIFO is usually subordinated, resulting in individually set interest rates that are higher than, for example, bank rates, due to the higher risk covered by the loan.

In export credit transactions, EIFO offers loans in standard currencies and hedges interest and currency risks through extensive use of interest rate and currency swaps. EIFO obtains reinsurance on these loans in the same manner as for export credit guarantees. Write-downs of loans to domestic businesses are limited for some of the loans due to loss allowances received from the Danish Ministry of Industry, Business and Financial Affairs as well as agreements made with the European Investment Fund (EIF).

The loans are financed by drawing on relending facilities that EIFO has established with the government through Danmarks Nationalbank.

Special government programs

Across the above-mentioned financial products, EIFO continuously manages a range of special government programs. Common to all of them is that EIFO, through the special programs, can adapt to the current market needs. Consequently, the programmes are often temporary and limited in their funding.



Corporate responsibility, climate, policies, and business

- Corporate responsibility report
- Climate disclosure report (TCFD)
 - Governance
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 - Risk management
 - Metrics and targets
 - EIFO's implementation of net zero targets
- Report on organisational social responsibility
- Risk, capital, and liquidity management

Corporate responsibility report

EIFO has been established with a purpose that goes beyond generating economic returns for the government and Danish society. We must also create societal returns by contributing to job creation, growth, export, and internationalization, as well as by supporting a sustainable green transition of society. Our ability to impact society is greatest through the projects, businesses, and funds we finance, combined with the footprint from EIFO's own organisation and operation. Through our financing activities, we aim to play an active role in the sustainable transition of society. We do this by financing new solutions, implementing existing technologies that promote a sustainable development of society, and supporting the transformation of sectors that will remain crucial for Denmark's future.

In 2024, EIFO focused on implementing the new EU Corporate Sustainability Reporting Directive (CSRD), under which EIFO will be required to report starting from the financial year 2025.

Focus on promoting environmental and climate sustainability

EIFO focuses on promoting environmental and climate sustainability across all business areas. Our ambition is to significantly contribute to realizing the Paris Agreement and the government's climate goals by delivering substantial CO₂e reductions nationally and internationally through our business activities.

EIFO is committed to a net zero target by 2045 for the entire organisation, including its portfolio. At the end of 2023, in connection with COP28, EIFO co-launched a new global net zero alliance for export credit agencies; the [Net-Zero Export Credit Agencies Alliance \(NZECA\)](#). In 2024, EIFO worked within the alliance to formulate its first [target-setting protocol](#), which was launched in November at COP29. Simultaneously, in 2024, EIFO focused on developing and establishing its first short-term and sector-specific net zero targets, and this year we are able to present targets for our cement and energy production portfolios.

In the spring of 2024, EIFO launched its first sustainability-linked finance pilot project. This initiative targets dairy farmers within EIFO's agricultural portfolio, allowing them to reduce the interest rate margin on their EIFO financing based on a validated standard industry model, [Dairy Farming Climate Check \(Farm Ahead\)](#), which is available to all Danish dairy farmers. To qualify for the reduction, the dairy farmer must have made investments or taken measures related to climate, sustainability, and biodiversity that exceed the average score for Danish dairy farmers. In 2024, 85 dairy farmers, with a total EIFO commitment of DKK 325 million, participated in EIFO's pilot project and achieved an average interest rate margin reduction of 15%. In 2025, EIFO will aim to extend the initiative to more dairy farmers within its agricultural portfolio. In the long term, the initiative is expected to be expanded to other types of production within EIFO's agricultural portfolio.

Read more about EIFO's climate and net zero initiatives in the separate [Climate section](#) of this report.

Denmark's Green Future Fund

EIFO finances projects and businesses with a green profile through the distinct political mandate of Denmark's Green Future Fund. The mandate is intended to advance national and global green transitions, including developing and disseminating new technologies, converting energy systems to renewable energy, storing and efficiently using energy, and promoting global green technology exports.

For a project or business to be financed under Denmark's Green Future Fund, it must be classified as green. The assessment of when a project, business, or fund is considered sufficiently green is based on the EU taxonomy for sustainable financing. Financing can qualify as sustainable either according to the taxonomy or based on several assessment criteria. The assessment criteria have been developed based on the principles of the taxonomy to enable financing in areas where it cannot be directly evaluated against the taxonomy. The tightened requirements aim to ensure companies' positive contribution to the green transition and compliance with the so-called minimum standards for responsible business conduct. Read about the requirements for funding under Denmark's Green Future Fund [here](#).

Denmark's Green Future Fund was established in 2020 by the Danish government and the parties supporting the Finance Act. EIFO currently manages DKK 34 billion under the mandate, with DKK 23.7 billion already allocated. In 2024, under Denmark's Green Future Fund, EIFO provided loans, made investments, or provided fund commitments totalling DKK 1.1 billion, and reinsured businesses for DKK 4.6 billion.

Green Accelerator

To help Danish businesses overcome the obstacles they face when entering new markets, the government established the Green Accelerator initiative in 2020, with a total budget of DKK 85 million. The programme aims to boost the export sales of green solutions by providing financial support for activities and initiatives necessary to prepare or finalize export solutions targeted at foreign markets. In 2024, 14 projects were approved under the programme, valued at DKK 16.4 million, and by the end of 2024, EIFO had approved projects totalling DKK 54.2 million under the programme.

Investment programme for green industrial production

In 2024, EIFO managed a new temporary green investment programme, allowing businesses that manufacture wind turbines, wind turbine components, and Power-to-X technologies to seek funding to establish new production facilities or expand existing ones in Denmark. The programme seeks to enhance green manufacturing environments in Denmark, with plans for a new round of applications in 2025. In 2024, five projects received funding commitments amounting to DKK 634 million, contributing to realising investments exceeding DKK 4.2 billion.

Initiatives to increase diversity

EIFO views diversity as a vital cornerstone for building a competent and strong business. With the aim of contributing to a more equitable and inclusive business environment, EIFO will strive to promote diversity and inclusion in the businesses and partnerships it engages in.

EIFO is particularly focused on promoting diversity within Danish innovation. Increasing diversity among Danish innovators could unlock untapped potential in the Danish business community. Since 2021, EIFO has been part of the Diversity Commitment, a partnership of various investors committed to shared goals for gender diversity within their organisations and portfolios. As part of this partnership, we are committed to disclosing figures for our direct equity investments and reporting on progress towards the shared goals in the annual Diversity Commitment report.

The latest report, covering developments in 2023, shows that EIFO has achieved the goal of having no more than 80% of new investments supporting teams composed entirely of men as this types of team accounted for 63% of new investments. Similarly, the target of having no more than 80% of total invested funds allocated to all-male teams has also been achieved, with these teams representing 78%. The latest report and the methodology used are available on the Diversity Commitment [website](#).

In 2024, EIFO maintained its focus on hosting diversity-focused events, supporting the recruitment of leadership and board talents to increase diversity, and encouraging the development of diversity and inclusion strategies. This focus will continue in 2025.

Policy sets the framework for ESG

The framework for how EIFO should act responsibly in relation to our financing activities, as well as within our organisation and workplace, is outlined in our '[Policy for ESG and sustainability](#)' along with supplementary policies and guidelines on climate, diversity, tax, anti-corruption, and more.

EIFO's work with ESG, both in relation to our business activities and organisation, is based on internationally recognized standards for responsible business conduct. EIFO's approach to responsible business conduct is based on the OECD Guidelines for Multinational Enterprises and for the export credit activities, the OECD Common Approaches particularly define the framework for EIFO's ESG practices.

Focus on strengthening human rights

EIFO is committed to respecting internationally recognized human rights and adhering to the UN Guiding Principles on Business and Human Rights (UNGP). Additionally, EIFO is dedicated to implementing a management system that follows these guidelines. As outlined by the UNGP, EIFO implemented a publicly accessible complaint system in 2024, in addition to our anonymous whistleblower protection system. The complaint system is designed for issues not covered by the whistleblower protection system and is accessible to various internal and external stakeholders, including local communities, customers, employees, and others who may be affected by our business activities. In 2024, no alerts were reported through the whistleblower channels, and only four complaints were submitted through the complaint system.

Additionally, in 2024, EIFO has worked on strengthening the human rights elements within the framework of the OECD Common Approaches. Similar efforts of strengthening the framework of the Equator Principles is expected to take place in 2025.

ESG practices in EIFO's financing activities

EIFO's activities involve projects abroad and the financing and investment in Danish SMEs within the domestic market. EIFO's business activities span various industries and geographical areas, exposing the organisation to a wide range of ESG risks. Environmental issues may include climate impact, pollution, and biodiversity loss. Social issues may include violations of labour rights and working conditions, lack of equality and inclusivity, and human rights issues such as child and forced labour, discrimination, and impacts on local communities. As the ESG risks and opportunities associated with our financing activities vary across our business areas, our approach to managing ESG risks is tailored accordingly and handled through a structured and comprehensive ESG due diligence process; see the following pages.

Our work with ESG and sustainability aims to create value for our customers, society, and EIFO. Thus, we exercise active ownership in our business activities and strive to engage in dialogue with business partners to ensure compliance with EIFO's policies in this area. We work to prevent and manage ESG-related risks that might negatively impact our customers' businesses. At the same time, we may, however, refrain from financing projects or activities where potential ESG risks are adverse and a lack of adequate mitigation options for negative impacts are found.

In 2024, we focused on further consolidating and strengthening our ESG practices and processes across business areas. Simultaneously, as part of the CSRD initiative, we focused on identifying the most significant ESG-related risks that EIFO encounters. This effort will continue in 2025.

ESG due diligence in EIFO's export credit activities

As an export credit agency, EIFO is subject to the standard guidelines outlined in the OECD Common Approaches (OECD CA). Additionally, EIFO is a member of the Equator Principles (EP) and has committed to the standard guidelines for ESG due diligence. Both sets of guidelines refer to the IFC Performance Standards as the overarching international framework that projects and business activities must comply with to ensure that environmental and social risks are adequately identified, managed, and mitigated.

In 2024, we joined working groups within the OECD and EP frameworks to update the current guidelines, thereby contributing to strengthen the framework for our ESG initiatives. This work will continue in 2025.

The following eight focus areas constitute a complete due diligence process in accordance with the IFC Performance Standards:

1. Environmental 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.
- 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.

8. Cultural heritage

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

EIFO's obligations under OECD CA and EP require us to screen and classify projects and business activities based on their ESG risks and potential negative impacts on people and the environment. For relevant projects, we conduct a human rights screening that addresses regional and industry-specific human rights challenges. 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 business activity is classified as either OECD category A (high risk) or OECD category B (medium risk). For these category A and B activities, EIFO engages in early dialogue with our customers and other project stakeholders to collaboratively ensure a thorough due diligence process, thereby maximizing the value for the project, the financial parties involved, the local community, and the surrounding environment. The due diligence process for activities in OECD category A typically requires site visits to the specific project locations.

If our due diligence process identifies deficiencies in the management of a project's ESG aspects, additional analyses and improvements are required. These ESG-related requirements are outlined in an Environmental and Social Action Plan (ESAP), which becomes 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. Within EIFO, the environmental and social aspects of a business activity are presented in a separate ESG report, which is reviewed and approved by EIFO's internal credit committee.

Once an agreement is signed for category A and B activities, EIFO monitors the implementation of the agreed ESAP and ensures the project's ongoing compliance with international standards. This monitoring process may last for the entire activity period, typically covering both the constructional and operational phases of the project. If the project fails to meet the ESG obligations outlined in the agreement, EIFO may choose to withhold financial means or, ultimately, cancel the loan agreement during this period.

For activities classified as category C under OECD CA, ESG impacts and risks are limited, and the due diligence process is adjusted accordingly.

ESG due diligence in other EIFO business activities

Our process for assessing ESG aspects in other EIFO business activities (outside export operations) similarly reflects our risk-based approach. All new financing is subject to an initial ESG screening to determine whether an extended ESG assessment by our independent team of ESG experts is necessary. The depth of ESG assessment depends on the size of the agreement, whether the financing is provided directly by EIFO or through one of our partners, such as a bank, credit institution, or private investor, and the activity being financed.

EIFO's ESG initiatives in the SME segment focus on helping businesses identify and manage environmental and social risks. The process involves a systematic due diligence, in which businesses are evaluated based on their maturity and ability to establish ESG management systems. EIFO supports businesses in integrating sustainability into their business processes, with a focus on risk management, customer dialogue, and follow-up. Additionally, we collaborate with businesses to design action plans that are incorporated into their agreement framework.

When EIFO invests in funds, transferring the responsibility for managing EIFO's funding to an external fund manager, our ESG team always carries out an independent ESG assessment before the investment. This assessment involves typical potential ESG risks associated with the fund's investment focus and whether the fund has a management system to identify and mitigate these risks. It also looks at the fund's policies and the fund manager and considers whether the fund management team has adequate ESG expertise. Any additional ESG requirements, in addition to those already included in the agreement, are incorporated into a side letter.

EIFO's expectations of business partners

EIFO is committed to preventing financial crime, including money laundering, terrorist financing, corruption, and bribery. In December 2024, EIFO implemented a new comprehensive policy for the entire Financial Crime Prevention (FCP) area as part of its efforts to prevent financial crime. The policy underpins our business procedures and working methods, ensuring that all employees are well-equipped to handle the challenges and risks associated with this area.

The new policy provides a clear framework for EIFO's anti-corruption and bribery efforts. In doing so, we emphasise our commitment to adhering to the ten principles of the UN Global Compact and the OECD recommendations on preventing corruption and bribery. To achieve these goals, EIFO is enhancing its internal controls and prioritizing close dialogue within the organisation about risks, enabling us to tackle challenges proactively and responsibly.

Key employees regularly participate in targeted training programmes to ensure compliance with our policy, applicable laws, and OECD guidelines. This ensures that they possess the necessary skills and tools to effectively fulfil their responsibilities. Furthermore, EIFO is actively involved in international collaborations, such as OECD initiatives and partnerships with Nordic colleagues, which contribute to maintaining high standards and addressing changing requirements in the field.

In 2024, EIFO specialists played an active role in advising and consulting with colleagues on specific cases. This involved discussions and recommendations to avoid collaboration with partners whose integrity or behavior is considered incompatible with EIFO's standards. This responsible approach is essential to our efforts to protect EIFO from risks and ensure that we act in alignment with our values and policies.

In the coming year, EIFO will continue its focused efforts to prevent financial crime, including corruption and bribery, in our business activities. With a proactive approach and a strong focus on integrity, we will maintain our high standards for business partners and strive to ensure that all relationships and activities meet EIFO's standards for responsibility and transparency. A consistent and transparent approach supports EIFO's vision of establishing a strong framework for preventing financial crime. We are committed to ensuring high integrity and responsibility in all aspects of our work.

EIFO does not tolerate tax evasion and aggressive tax planning. Our commitment to responsible tax behavior is outlined in a separate tax policy, which adheres to the standard Tax Code of Conduct developed by ATP, PFA, PensionDanmark, and Industriens Pension. To ensure our tax policy aligns with the latest requirements and our ongoing commitment to responsible taxation, we intend to update the policy in spring 2025. This initiative is a crucial part of our efforts to promote responsible and transparent tax practices.

Additionally, EIFO has established a procurement and outsourcing policy and a supplementary supplier code of conduct to promote responsibility in our procurement processes, requiring suppliers to adhere to international guidelines on human rights, environmental standards, and good corporate governance in connection with EU tenders for contracts and framework agreements.



Climate disclosure reporting (TCFD)

EIFO's Board of Directors adopted a climate policy at the end of 2023. This climate policy provided the framework for EIFO's climate initiatives in 2024, with a strong focus on implementing EIFO's overall net zero target and developing sector-specific short-term targets (see the [EIFO's implementation of net zero targets](#) section).

EIFO has decided to report in line with the recommendations established by the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD recommendations are a widely recognized framework for climate risk reporting in the international financial sector. The framework is based on four main pillars:

1. Governance
2. Strategy
3. Risk management
4. Metrics and targets

As of 2025, the TCFD reporting is expected to become an integrated part of EIFO's CSRD reporting. CSRD includes a separate climate reporting standard, and its reporting guidelines are based on the same fundamental pillar structure as TCFD, facilitating a seamless transition from TCFD to CSRD within the climate area.



Governance

The EIFO Board of Directors is overall responsible for defining the strategic climate approach and establishing the framework for EIFO's climate policy efforts. The CEO at EIFO is ultimately accountable for the realization and execution of climate commitments within the established strategy and policy framework.

The Chief Policy & Regulatory Officer at EIFO is responsible for implementing and coordinating EIFO's climate policy efforts and for reporting to the group management team. The Chief Policy & Regulatory Officer leads the Strategy & Regulation division, which includes the departments of Analysis & Strategy, International Regulation, Financial Risk & Models, and Compliance.

The International Regulation department is responsible for coordinating and monitoring EIFO's climate policy efforts. The work is coordinated closely with the relevant departments at EIFO, especially within EIFO's climate working group, which continually delegates responsibility for implementing climate-specific initiatives.

The International Regulation department represents Denmark's and EIFO's interests in climate matters in international forums. The International Regulation department works to promote standard international frameworks for export financing to support the global green transition. Furthermore, the department is responsible for interpreting and evaluating EIFO's climate-related commitments, nationally and internationally.

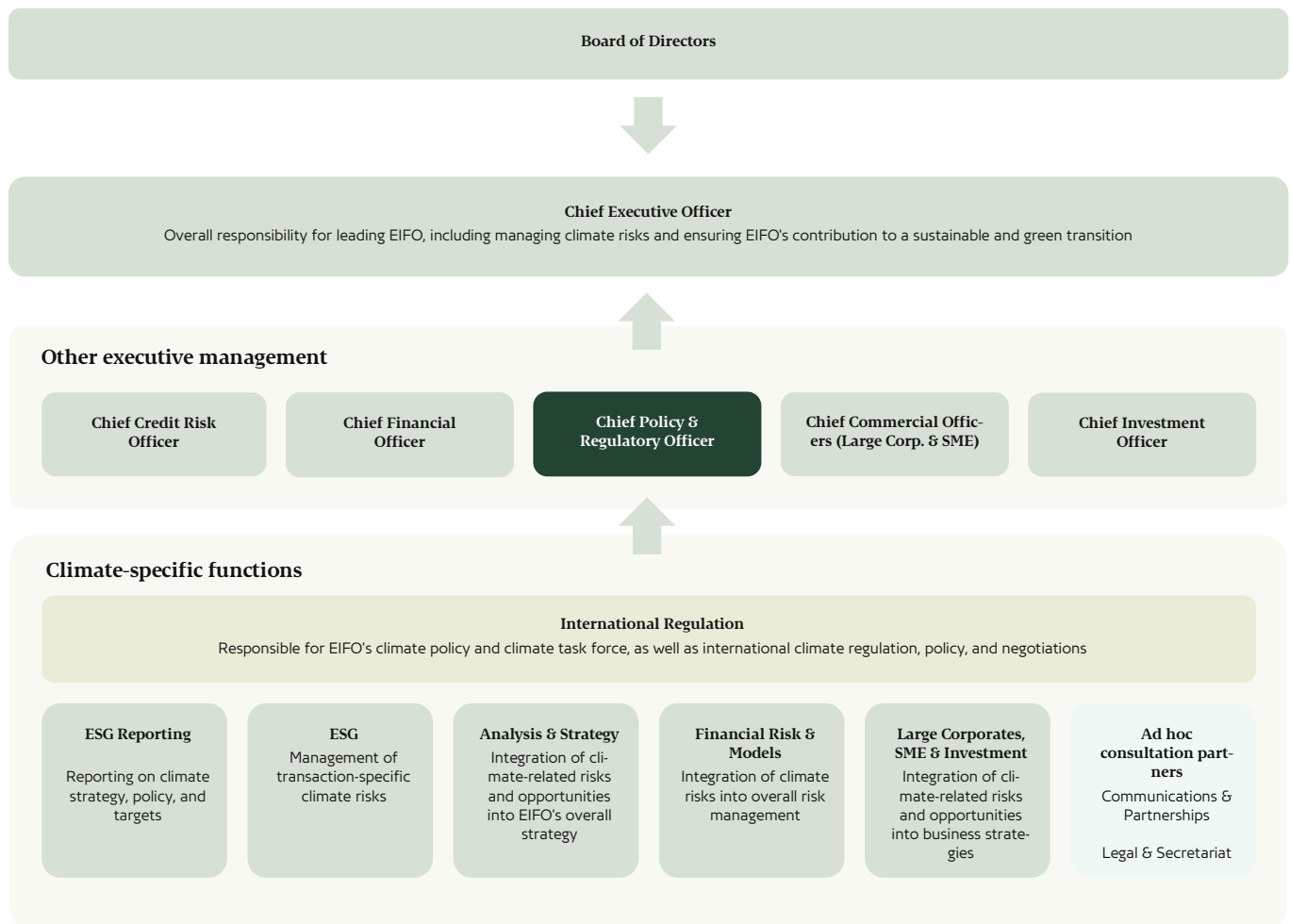
At the transaction level, the Chief Credit Risk Officer at EIFO is overall responsible for identifying and clarifying climate risks for Management and the Board of Directors before any financing or investment decisions are made. Identifying and addressing transaction-specific ESG risks, including climate risks, are integrated into EIFO's credit approval and investment processes and are handled by the ESG department.

The integration of climate-related risks and opportunities is implemented across EIFO's three business areas: Large Corporates, SME, and Investment. The Analysis & Strategy department supports integrating specific climate-related initiatives into EIFO's business strategies and overall strategic direction.

The responsibility for integrating climate risks into the organization's risk management at the portfolio level is embedded in EIFO's risk management function (within the Financial Risk & Models department). EIFO is committed to integrating climate risks into risk management in compliance with current regulations and obligations.

EIFO governance

In 2025, EIFO will continue integrating and strengthening climate initiatives across the entire organisation.



Strategy

1.

Calculate emissions and set milestones for the pathway to net zero

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

To achieve net zero greenhouse gas emissions by 2045, EIFO sets and discloses science-based short-term targets for this area and monitors its progress towards these targets. In 2024, EIFO established sector-based targets for its cement and energy production portfolios (see the [EIFO's implementation of net zero targets](#) section). Going forward, EIFO will work to expand this initiative, ensuring that a larger portion of EIFO's portfolio is encompassed by net zero sector-specific targets.

2.

Facilitate the green transition in CO₂e-intensive sectors

To advance the green transition of Danish businesses and to achieve our own net-zero targets, we will engage with partners and customers in CO₂e-intensive and difficult-to-decarbonise sectors to help them transition. We continuously work on developing financial incentives, within EIFO's framework where possible¹, and prioritises our efforts where EIFO can have the greatest impact.

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

3.

Fossil fuel exclusion in the energy sector

EIFO is bound by the Danish policy halt on public financing and export incentive services for projects outside of Denmark relating to fossil fuels in the energy sector. EIFO has decided to extend this halt to similar EIFO activities in Denmark as well. This means that EIFO does not finance fossil-fired power plants and supporting activities such as extraction, drilling, refining, and related infrastructure and logistics.





4.

Green leadership in setting common international rules

EIFO participates in several international forums, where we work to create a common ambitious framework for climate-related export credit financing. EIFO aims to further contribute to both national and international discussions and advancements in climate and sustainability agendas.

At the same time, EIFO seeks to enter into business partnerships that can help target and accelerate financing for the green transition.

6.

Act as a facilitator for the green transition and the 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), Carbon Capture Utilisation and Storage (CCUS), and biogas as key areas to focus on.

EIFO also aims to help decarbonise the international supply chains of Danish businesses, for example, by financing emission-reducing technologies at international suppliers to Danish businesses. This will advance the green transition globally and help reduce CO₂e in the emissions accounts of Danish businesses.

5.

Consolidate our position within wind and renewable energy

EIFO has extensive experience 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 strong position within wind energy financing and expand its activities across the Danish ecosystem, which supports the green transition in the energy sector.



Risk management

Identification of climate risks and opportunities in EIFO operations

Climate-related opportunities in EIFO's operations have been emphasized as a key element in shaping our three business strategies. In the coming years, EIFO will focus on the selected strategic initiatives mentioned above.

Climate change also represents a risk. EIFO and our customers are exposed to both physical and transition-related climate risks. The transition-related risks include technological, market-related, and regulatory changes in Denmark and internationally. In addition, reputational risks must also be considered. The physical risks involve acute asset damage resulting from the increasing frequency of extreme weather and risks associated with gradual changes such as rising temperatures and sea levels. These climate-related changes involve a range of financial impacts on EIFO.

Our overall exposure to climate-related risks depends on the composition of our portfolio at any given time. However, external factors, such as the precise manifestation of climate change or the pace at which the market or regulatory environment evolves, also affect EIFO's overall risk exposure. EIFO strives to incorporate these factors into our existing risk management processes, enabling us to base our future climate-related strategic decisions on solid data and projections.

Risk management at the portfolio level

EIFO aims to integrate climate-related stress testing and scenario analyses into our risk management, allowing us to identify and mitigate relevant climate risks and quantify our financial exposure to them. The existing methods for financially valuing climate risks are still in a relatively early stage. However, we will work on quantifying these risks as methods and data improve, ensuring we are ready to comply with CSRD requirements when they become applicable to EIFO. Initial work in this area began in 2024 and will continue through 2025.

Risk management at the business level

EIFO has substantial experience in managing climate risks at the engagement level, with the organisation's ESG department identifying and addressing environmental and climate risks in accordance with international guidelines. For all export financing engagements with anticipated project-specific scope 1 and 2 emissions exceeding 100,000 tonnes of CO₂e annually, it is required to assess the transitional climate risks of the project and analyse the potential for implementing less CO₂e-intensive alternatives. These climate risk assessments are typically performed by a technical consultant attached to the specific projects. The physical climate risk assessments are similarly supported by technical consultants assigned to the individual projects. For instance, EIFO's international wind turbine projects include risk analyses for rising sea levels as well as current and future wind and weather conditions.

Metrics and targets

EIFO calculates three different emission-related metrics: 1) calculation of the total expected CO₂e displacement from new renewable energy projects; 2) calculation of CO₂e emissions related to our internal operations and resource consumption; and 3) calculation of CO₂e emissions related to our financial portfolio activities.

In 2024, EIFO established its first short-term net zero targets for our cement and energy production portfolio and developed sector plans for how EIFO can contribute to emission reductions in these sectors.

EIFO's contribution to CO₂e displacement

EIFO funds renewable energy projects in Denmark and world-wide, achieving CO₂e reductions by displacing more polluting energy sources from the energy grids of the relevant countries. One such example is the financing of two solar farms in Poland in 2024. A large part of the energy supply in Poland currently comes from coal, and the energy generated by the solar farms will help replace fossil fuels with renewable energy.

In 2024, EIFO co-financed three new wind farm projects and four new solar farms, which are projected to achieve a total CO₂e displacement of 65.7 million tonnes throughout their useful lives. EIFO's share of financing in the seven projects corresponds to a contribution of 14.1 million tonnes of CO₂e displacement throughout the useful lives of the relevant wind and solar farms. 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 corresponds to an average annual displacement of 0.6 million tonnes. By comparison, CO₂e emissions totalled 40 million tonnes in Denmark in 2023.¹

The extent of CO₂e displacement is less in 2024 than in 2023, when EIFO co-financed nine projects expected to generate a total CO₂e displacement of 102.0 million tonnes throughout their useful lives. The decrease is mainly attributed to fewer projects, since the project size and EIFO's share of financing remain nearly the same in 2024 as in 2023.

¹ Source: [Klima - Danmarks Statistik](#) (figures exclude biomass burning)



How we quantify CO₂e displacement

Copenhagen Economics, an independent economic consultancy, has developed a model capable of estimating the CO₂e displacement resulting from renewable energy projects financed by EIFO. CO₂e displacement is calculated as the reduction in emissions from the power grid of the relevant country, which the renewable energy project is expected to achieve throughout the entire useful life of the project by displacing more polluting energy sources from the grid. This means that CO₂e displacement depends on the amount of energy delivered by the specific energy technology, as well as the power generation mix and demand in the relevant country/region, now and in the future.

To estimate the reduction in emissions, the expected supply and demand for electricity in the relevant country are compared 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 order² is also assumed to remain constant throughout the projects' useful lives, and it is believed that the same merit order applies globally in all relevant countries.

Since electricity generation from wind and solar varies throughout any year and 24-hour period, the most accurate figures are obtained by estimating hourly capacity at the country level in the wind and solar model. Similarly, the expected demand is determined on an hourly basis for each country. Consequently, in each country, wind, solar and other renewable energy sources will displace CO₂e with different intensities per MWh supplied.

The calculations are based on the projects' expected capacity in MWh, their useful lives (25 years for wind farms, 30 years for solar farms, 20 years for biogas plants), and geographical location. The results indicate how many tonnes of CO₂e the projects will save throughout their useful lives.

2 Merit order is a ranking of electricity sources based on marginal costs, with the marginally most expensive source being added to the electricity grid last.

EIFO's renewable energy projects displace CO₂e*

Projects co-financed by EIFO in 2024 are expected to achieve a displacement of

65.7 million tCO₂e

over the projects' expected useful lives. EIFO's share of this displacement amounts to 14.1 million tonnes.

Poland

1.5 million tCO₂e

Project: Debница and Sulimierz

Denmark

2.1 million tCO₂e

Projects: Glejbjerg and Stouby

Australia

12.0 million tCO₂e

Project: Golden Plains Stage 2

Ukraine

14.7 million tCO₂e

Project: Tiligul Wind Farm

Taiwan

35.4 million tCO₂e

Project: Greater Changhua 4

* To maximise the reliability of our CO₂e displacement figures, they have been included in a report by Deloitte. See the independent auditor's report on CO₂e displacement at the end of this annual report.

EIFO's internal resource consumption and related CO₂e emissions

EIFO's emissions related to its internal resource consumption, i.e., emissions within EIFO excluding the portfolio, primarily concern transportation. Although the emissions associated with EIFO's internal resource consumption constitute a smaller part of EIFO's overall CO₂e footprint, accounting for and reducing these emissions is also a crucial step in EIFO's journey towards net zero, enabling us to be a credible financial partner in the green transition.

EIFO's internal climate footprint

		2024	2023
Scope 1	tCO ₂ e	0	0
Scope 2 Location-based	tCO ₂ e	49	34
Scope 3	tCO ₂ e	1,295	1,860
Total	tCO₂e	1,344	1,894
Emissions per FTE	tCO₂e	3	4

Scope 2		2024	2023
Location-based	tCO ₂ e	49	34
Market-based	tCO ₂ e	136	57
Purchased energy consumption (electricity & heating)	GJ	3,258	2,315

At EIFO, we report our CO₂e emissions following the Greenhouse Gas Protocol (GHG) guidelines, meaning that scope 1 emissions are recorded as direct emissions from fuel. Given that EIFO neither owns nor leases any vehicles, it generates no emissions within the scope 1 category.

Scope 2 includes indirect emissions resulting from the purchase of energy. Scope 2 emissions are calculated using the location-based and market-based methods. EIFO's energy consumption in gigajoules (GJ) increased by 41% from 2023 to 2024. However, due to varying office structures between the years, the figures are not entirely comparable. In 2024, scope 2 emissions included electricity and heat consumption at EIFO's offices in Copenhagen, Randers, and Vojens. 2023 was a year of integration, with EIFO's employees in Copenhagen initially located in the former offices of Vaekstfonden and EKF for the first part of the year, before relocating to new premises in the summer. 2024 marks the first full year that EIFO has operated from its headquarters at Orientkaj in Nordhavn.

In 2024, scope 3 emissions (excluding the portfolio) included commuting, business travel, procurement of various IT equipment, canteen consumption, coffee and tea usage, and the purchase of office supplies. The categories have been selected based on the following criteria: relevance, data availability, and quality.

As shown in the table on the left, EIFO's total internal climate footprint has been reduced by 29% in 2024 compared to 2023. This reduction is mainly due to significantly lower emissions from the procurement of IT equipment in 2024 compared to 2023. In 2023, EIFO relocated to shared office spaces at Orientkaj, which involved relatively high IT investments compared to 2024. Additionally, emissions from employee transportation (commuting and business travel by car) were significantly reduced in 2024 compared to 2023. This reduction is due to several factors, such as fewer employees, shorter distances between work and home, and a general decrease in driving petrol and diesel cars (counterbalanced by an increase in electric vehicle usage). Additionally, the emission equivalents have been updated to the most recent values, which are lower than those previously used, resulting in an overall lower emission per kilometre driven.

The method used for mapping employees commuting to and from work involved them completing a brief questionnaire. The collected data was then weighted to represent the entire population based on the number of employees at EIFO at the end of 2024. CO₂e emissions per employee were calculated based on EIFO's total CO₂e emissions (excluding the portfolio), with the number of employees calculated as the average number of full-time employees in 2024.

EIFO's portfolio emissions

EIFO's portfolio emissions footprint, part of EIFO's scope 3 emissions, makes up by far the largest part (99.9%) of EIFO's total emissions. Gaining an overview and understanding of the CO₂e emissions linked to EIFO's portfolio is crucial for us as an organisation to set the course that will enable us to meet our overall net zero target by 2045. 2024 marks the second year that EIFO is measuring its portfolio emissions, and overall, the development from the 2023 baseline assessment to this year shows a positive trend.

Methodology

EIFO's method for measuring portfolio emissions is based on the internationally recognized 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 based on the ratio between the financial institution's remaining involvement in a given company and the company's total value. This attribution factor is then applied to the financed company's total CO₂e emissions to estimate the financial institution's share of the emissions.

The accounting of EIFO's portfolio emissions includes the scope 1, 2, and 3 emissions of our counterparties. The carbon accounting covers EIFO's entire portfolio activities, thereby including a wide range of asset classes and financial products such as loans, investments, and guarantees. Under PCAF, emissions specifically related to guarantees should only be attributed to EIFO if a counterparty defaults, thus activating the guarantee. EIFO, along with other guarantee issuers, considers this approach insufficient because it only includes emissions from a tiny fraction of issued guarantees, thus failing to accurately represent the total emission-generating activities of guarantee issuers. EIFO's guarantees facilitate economic activities that emit CO₂e, whether or not the guarantee is activated. Consequently, we have adopted an approach to guarantee products where emissions are attributed to EIFO based on our outstanding amount, aligning with our approach to lending and investment activities.

Following the PCAF standard, EIFO estimates its financed emissions using three primary data types: emissions disclosures from counterparties, physical activity data, and economic activity data. These three data types are categorised into a five-step hierarchy, with verified reported emissions from businesses/projects being of the highest quality (data score 1), and emissions estimates calculated solely using outstanding amount and generic emission factor data being of the lowest quality (data score 5). The figure below illustrates a breakdown of the PCAF data hierarchy.

PCAF data hierarchy

Low degree of uncertainty
(5-10% margin error in estimates)



High degree of uncertainty
(40-50% margin error in estimates)

Data score 1	Verified emissions disclosures
Data score 2	Unverified emissions disclosures and energy consumption data
Data score 3	Production data and materials/resource consumption data
Data score 4	Revenue data
Data score 5	Outstanding amount data

The overall CO₂e footprint of EIFO's portfolio is mainly driven by a low number of high-emitting transactions, which make a large share of the total emissions. Consequently, EIFO adopts a data collection strategy that prioritises obtaining emissions disclosures and physical activity data directly from the most CO₂e-intensive businesses and projects in the portfolio. For the remaining part of the portfolio, emissions are estimated using economic data in conjunction with PCAF's emissions factor database, which predominantly relies on the input-output database Exiobase.

EIFO has calculated portfolio emissions for 2024, reflecting EIFO's portfolio and overall business volume as of 31 December 2024. However, as a result of timing differences in when EIFO's customers and other counterparties can supply updated emission-related and financial data, along with the timing of EIFO's external reporting, data obtained from counterparties predominantly relates to 2023. Furthermore, the sector- and region-specific emissions factors in the PCAF database rely on general assumptions and data that are often several years old. As a result, emissions calculations using these emissions factors should be viewed as the best possible estimates.

The lack of streamlined reporting practices and fluctuating data quality significantly impact the portfolio emissions calculations of financial institutions. A good example is the reporting of scope 3 downstream emissions (emissions from the use of products). In principle, businesses should include scope 3 downstream emissions in their emissions calculations. However, this is not yet common practice, and even the PCAF emissions factor database does not incorporate scope 3 downstream emissions in its emission factors.

The lack of streamlined reporting practices results in two comparable businesses potentially reporting vastly different emissions figures. In practice, this factor also impacts EIFO's emissions calculation. We expect emissions reporting practices to become more standardised as data quality improves and the field of carbon accounting matures. This standardisation is expected to positively impact the accuracy of our portfolio emissions estimates.

PCAF's standards for calculating emissions are continuously being developed and improved. As a member of PCAF, EIFO closely follows the development of these standards. We will maintain transparency regarding any future methodological and data changes that could significantly impact the comparability of our emissions calculations across years. If necessary, we will recalculate our emissions baseline.

Results

EIFO's total portfolio emissions for 2024 are estimated at 3.4 million tonnes of CO₂e, comprising 1 million tonnes for scope 1 and 2 and 2.4 million tonnes for scope 3. The total portfolio emissions have decreased by approximately 0.4 million tonnes, from 3.8 million tonnes in 2023. This reduction represents a positive development. However, it is worth noting that this reduction in EIFO's emissions is affected by changes in data quality, portfolio composition, and project status over the years. Particularly, the transition of wind farms from the construction phase to the operational phase can significantly impact EIFO's total portfolio emissions from year to year.

EIFO's portfolio emissions vary across asset classes, with guarantees accounting for 71% of the total emissions, loans contributing 25%, and investments making up 4%. This distribution of

emissions is partly due to the size of EIFO's exposure within the respective asset classes. It also reflects that EIFO's export activities (which may include both export credits and export loans) typically involve larger energy, infrastructure, and industrial projects with relatively high emissions. In contrast, EIFO's investment activities and loans to national operators are generally in sectors with lower emissions, such as the IT sector.

Since EIFO reinsures approximately 60% of its total portfolio exposure (see the [Reduction of EIFO's credit risk](#) section), EIFO reports on the total portfolio emissions before and after reinsurance. After reinsurance, the total portfolio emissions are reduced by approximately 1.1 million tonnes, from 3.4 to 2.3 million tonnes. This difference is mainly driven by the reinsurance of wind and infrastructure projects, where the associated emissions predominantly fall under scope 3.

Portfolio emissions by asset class (before reinsurance)

Asset class	2024						2023			
	Exposure* (DKKbn)	Scope 1+2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Scope 1+2+3 emissions (tCO ₂ e)	Share of portfolio emissions (%)	Emission in- tensity (tCO ₂ e/DKK m)	Exposure (DKKbn)	Scope 1+2+3 emissions (tCO ₂ e)	Share of portfolio emissions (%)	Emission in- tensity (tCO ₂ e/DKK m)
Guarantees	105,125	537,511	1,849,209	2,386,720	71%	23	93,443	2,117,653	55%	23
Loans	43,549	400,065	449,447	849,513	25%	20	41,553	1,576,974	41%	38
Investments	13,289	42,318	92,393	134,711	4%	10	11,875	134,456	4%	11
Total	161,963	979,894	2,391,050	3,370,944	100%	21	146,872	3,829,083	100%	26

Portfolio emissions by asset class (after reinsurance)

Asset class	2024						2023			
	Exposure* (DKK bn)	Scope 1+2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Scope 1+2+3 emissions (tCO ₂ e)	Share of portfolio emissions (%)	Emission in- tensity (tCO ₂ e/DKK m)	Exposure (DKKbn)	Scope 1+2+3 emissions (tCO ₂ e)	Share of portfolio emissions (%)	Emission in- tensity (tCO ₂ e/DKK m)
Guarantees	47,158	450,164	998,744	1,448,908	64%	31	44,825	1,523,678	54%	34
Loans	20,645	356,035	310,680	666,715	30%	32	19,055	1,178,021	42%	62
Investments	13,289	42,318	92,393	134,711	6%	10	11,875	134,456	5%	11
Total	81,091	848,516	1,401,818	2,250,334	100%	28	75,755	2,836,155	100%	37

* Reported exposure amounts do not entirely align with the business volume in the financial statements. This is mainly due to: 1) the exclusion of certain large transactions where there was no emission-related activity in 2023. These transactions have been omitted from the basis of calculation used in the emissions report to avoid distorting emissions intensities, and 2) the exclusion of commitments to funds that have not yet been invested in emission-generating activities.

Since the emissions results for portfolio exposure before reinsurance serve as the benchmark for EIFO's net zero initiatives, the sections and tables below will be based on the results before reinsurance.

Renewable energy production, agriculture and food production, transport, and cement are still the sectors that contribute the most to EIFO's portfolio emissions. Together, they account for 69% of EIFO's portfolio emissions in 2024. Renewable energy production, accounting for 26%, once again represents the largest share of EIFO's total portfolio emissions this year, primarily due to EIFO's relatively large exposure to wind and solar farms in the construction phase. When these renewable energy projects are completed and become operational, their emissions will drop to nearly zero.

The *Other* sector category also contributes substantially to EIFO's total portfolio emissions (20%). It should be noted that half of the emissions from this sector category are related to a single company, which includes scope 3 downstream emissions in its calculations. Consequently, this company alone accounts for 10% of EIFO's total portfolio emissions (see the [Methodology](#) section for details on varying reporting practices for scope 3 downstream emissions).

The overall emission intensity for EIFO's involvement in renewable energy production is 8 tonnes CO₂e per DKK million. This is generally considered a low level and is mainly because around two thirds of EIFO's exposure to the renewable energy sector relates to projects in the operational phase.

Unlike renewable energy production, the emission from the transport and cement sectors, as well as agriculture and food production, are mainly associated with the operational phase. The emission intensity of EIFO's transport portfolio is relatively low at 25 tonnes CO₂e per DKK million, while the cement sector and agriculture and food production have relatively high emission intensities of 570 and 154 tonnes CO₂e per DKK million, respectively. EIFO's overall portfolio emission intensity for 2024 is 21 tonnes CO₂e per DKK million, representing a slight reduction compared to 2023. The relatively low emission intensity of the overall portfolio is due to EIFO's high exposure to renewable energy production and its considerable involvement in the IT sector, which features an even lower emission intensity.

Portfolio emissions by sector (before reinsurance)

Sector	2024						2023			
	Exposure* (DKKbn)	Scope 1+2 emissions (tCO ₂ e)	Scope 3 emissions (tCO ₂ e)	Scope 1+2+3 emissions (tCO ₂ e)	Share of portfolio emissions (%)	Emission in- tensity (tCO ₂ e/DKK m)	Exposure (DKKbn)	Scope 1+2+3 emissions (tCO ₂ e)	Share of portfolio emissions (%)	Emission in- tensity (tCO ₂ e/DKK m)
Renewable energy production	108,566	78,154	805,088	883,242	26%	8	99,095	1,052,068	27%	11
Agriculture and food production	4,121	340,001	295,645	635,646	19%	154	3,653	494,980	13%	135
Transport	17,666	112,864	330,523	443,387	13%	25	15,334	332,153	9%	22
Cement	628	154,055	203,965	358,020	11%	570	1,302	638,232	17%	490
Chemical production	901	51,703	79,577	131,279	4%	146	803	137,582	4%	171
Metal products	625	51,876	36,569	88,445	3%	141	637	51,518	1%	81
Energy transmission and distribution	2,497	8,037	46,818	54,855	2%	22	2,874	167,275	4%	58
Fossil energy production	404	42,731	9,958	52,688	2%	130	468	68,410	2%	146
Mining	688	40,639	602	41,241	1%	60	962	184,759	5%	192
IT services	8,332	1,700	7,604	9,303	0.3%	1	6,207	8,854	0%	1
Other	17,534	98,136	574,702	672,838	20%	38	15,535	693,251	18%	45
Total across sec- tors	161,963	979,894	2,391,050	3,370,944	100%	21	146,872	3,829,083	100%	26

* Reported exposure amounts do not entirely align with the business volume in the financial statements. This is mainly due to: 1) the exclusion of certain large transactions where there was no emission-related activity in 2023. These transactions have been omitted from the basis of calculation used in the emissions report to avoid distorting emissions intensities, and 2) the exclusion of commitment to funds that have not yet been invested in emission-generating activities.

Data quality

Improving the quality of emission data is generally highly needed. Emission factor databases, like the one from PCAF, rely on historical sector- and region-specific emission averages and therefore do not reflect company-specific emission changes from year to year. To effectively measure the actual progress of our portfolio towards net zero, we focus on enhancing data quality in general, especially for the most CO₂-intensive sectors.

To track the development of data quality from year to year, EIFO reports on three different parameters regarding data quality: i) the percentage of total exposure where company-specific data has been used to calculate emissions; ii) the percentage of total exposure where reported emissions from EIFO counterparties have been used to calculate emissions; iii) the PCAF data quality score weighted by exposure (see the [Methodology](#) section for details on the PCAF data quality score).

Across the portfolio, EIFO managed to obtain company-specific data for 71% of the total exposure in 2024. However, only 7% of the portfolio exposure is covered by reported emissions from EIFO's counterparties, which PCAF defines as having the highest data quality. This indicates that a large part of the portfolio is calculated using either revenue data or physical activity data. Overall, EIFO's portfolio has an average weighted data quality score of 3.7. This is heavily influenced by the fact that EIFO calculates emissions for renewable energy projects, which comprise about two-thirds of EIFO's total exposure, based on project-specific MW capacity data (data score 3).

The data quality for investments is generally lower than for export credits and loans. This is a result of EIFO's data collection approach, where we focus most of our efforts on transactions likely to be associated with the highest emissions. These transactions are often related to large energy, infrastructure, and industrial projects financed by loans or export credit guarantees.

Data quality broken down by asset class (before reinsurance)

Asset class	2024			2023		
	Company-specific data (%)	Reported emissions (%)	PCAF data quality score (1-5)	Company-specific data (%)	Reported emissions (%)	PCAF data quality score (1-5)
Guarantees	76%	6%	3.6	92%	9%	3.0
Loans	76%	11%	3.6	87%	14%	3.3
Investments	22%	2%	4.7	21%	8%	4.7
Total across asset classes	71%	7%	3.7	85%	10%	3.3

Data quality broken down by sector

Sector	2024			2023		
	Company-specific data (%)	Reported emissions (%)	PCAF data quality score (1-5)	Company-specific data (%)	Reported emissions (%)	PCAF data quality score (1-5)
Renewable energy production	91%	0%	3.4	99%	0%	3.0
Agriculture and food production	23%	13%	4.4	35%	16%	4.1
Transport	54%	44%	3.4	91%	55%	2.3
Cement	87%	48%	2.5	88%	23%	3.0
Chemical production	49%	6%	4.3	54%	0%	4.4
Metal products	7%	5%	4.8	13%	0%	4.8
Energy transmission and distribution	5%	4%	4.9	52%	46%	3.7
Fossil energy production	90%	90%	2.3	83%	83%	2.5
Mining	89%	89%	3.2	31%	31%	4.1
IT services	14%	4%	4.8	16%	1%	4.8
Other	20%	9%	4.5	36%	21%	4.2
Total across sectors	71%	7%	3.7	85%	10%	3.3

EIFO's implementation of net zero target

EIFO's climate goals and initiatives

EIFO aims to generate the highest possible societal return by contributing to a sustainable and green transition under the Act on the Export and Investment Fund of Denmark. This entails that EIFO, through its financing and business activities, must contribute to meeting the temperature targets set by the Paris Agreement and assist Denmark in reaching its climate goals. Specifically, EIFO aims to reach the net zero target by 2045, which includes maintaining a climate-neutral portfolio.

EIFO's climate policy establishes the framework for the organisations efforts to reach the net zero target and aligns with national and international climate ambitions. This includes a halt on public financing of fossil fuels in the energy sector, applicable to all EIFO's business activities. Additionally, EIFO collaborates within the Net Zero Export Credit Agency Alliance (NZECA Alliance) to establish a global framework for climate neutrality among export credit agencies that actively work towards net zero emissions by 2050. EIFO was one of the founding members of the NZECA Alliance during COP28. This alliance comprises nine members, including Canada (EDC), Denmark, United Kingdom (UKEF), Finland (Finnvera), United Arab Emirates (ECI), Kazakhstan (KazakhExport), Sweden (EKN and SEK), and Spain (CESCE). The alliance is led by the United Nations Environment Programme Finance Initiative (UNEP FI), which guides members in implementing their climate strategies in alignment with the Paris Agreement. For EIFO it is important that the framework of the alliance aligns with the Danish government's climate ambitions and international climate commitments, which can support the transition towards sustainability and guarantee a level playing field for Danish businesses globally.

EIFO facilitates green transition through financing

The transition to a low-emission economy imposes demands on EIFO as a public financial institution. EIFO's extensive financing of wind energy represents a significant contribution on its own. Additionally, EIFO can contribute by financing innovative solutions that promote the transition and help Danish businesses shift to a low-emission economy. However, it should be emphasised that achieving EIFO's climate goals largely depends on Danish businesses reducing their emissions in production.

Description of net zero

Net zero refers to the point where emissions released into the atmosphere are balanced by the removal of emissions over a specified period. For EIFO, this means that the goal is to balance CO₂e-emissions from the portfolio with CO₂e-reductions within a given timeframe, such as a financial year. At EIFO, the implementation of net zero will primarily be achieved through our business activities.

EIFO contributes to decarbonising financing activities in alignment with global climate goals and will strive to balance its climate initiatives with its mandate to support activities that benefits the broader Danish society.

EIFO's path to net zero emissions

Establishing EIFO's path to net zero emissions involves multiple steps, with the primary focus on implementing these initiatives through EIFO's business and financing activities. As part of the process, EIFO calculates the organisation's own greenhouse gas emissions and the financed emissions associated with its entire portfolio.

EIFO will develop sector decarbonisation plans and set sector-based emission targets to monitor the progress of financed emissions. Initially, EIFO will establish sector targets for the most CO₂e-emitting sectors within the portfolio. These targets will be set in alignment with industry and climate science progress and will at the same time align with the Danish government's climate ambitions. EIFO aims to develop sector decarbonisation plans and targets for the entire portfolio by 2030.

Net zero target by 2045

2045

~68%

Share of financial exposure covered by 2030 targets

~37%

Share of EIFO's total nominal CO₂e emissions covered by targets

Implementing climate goals

In 2024, as a member of the NZECA Alliance, EIFO focused on standardising export credit agencies' approach to net zero implementation. The aim is to support members' climate ambitions and contribute to achieving the Paris Agreement targets. The alliance seeks to establish a unified and ambitious approach to setting sector-based emission targets that can support the transition of the real economy, and at the same time ensure consistent financing conditions for businesses across countries. At COP29 in Baku, the NZECA Alliance introduced a guide on how export credit agencies can strive to achieve the net zero target.

In the implementation of our climate goals EIFO will prioritise sectors with the highest climate impact, and sectors where EIFO can have the highest positive impact through collaboration with projects and customers on climate solutions and technologies. Based on this, EIFO will focus on energy production (renewable and fossil energy), cement, mining, agriculture and food production, accounting for 58% of portfolio emissions and over 70% of portfolio exposure at the end of 2024.

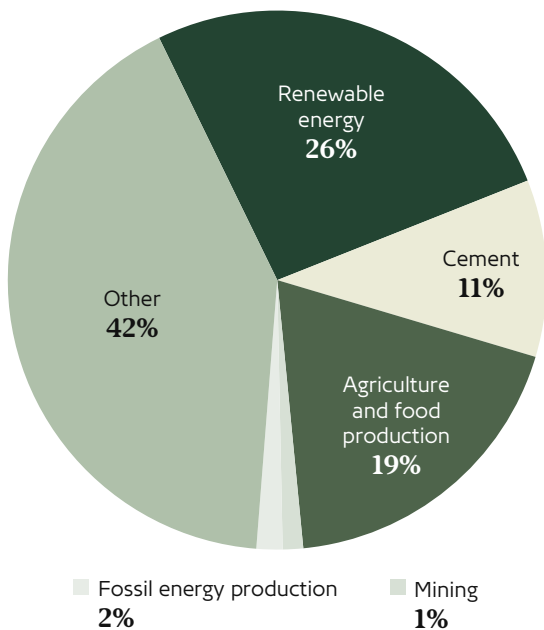
Targets and initiatives

According to the latest assessment report by the Intergovernmental Panel on Climate Change (IPCC), global emissions must be reduced by more than 40% between 2019 and 2030 to limit temperature increases to 1.5 degrees by the end of this century. Achieving this would require a consistent annual reduction in absolute emissions of about 4-5%.

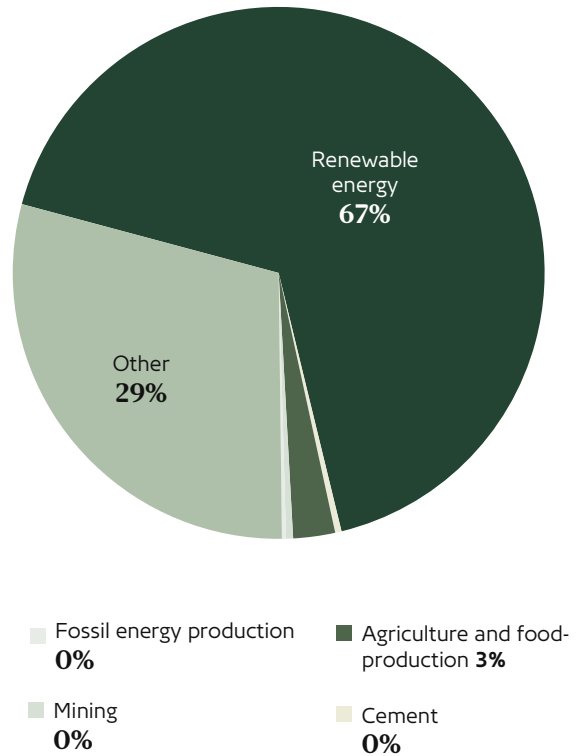
Given the intense focus on climate technology and innovation by Danish businesses, EIFO is well-equipped to help achieve global climate goals. The speed of reductions in the real economy will depend on numerous factors, and EIFO will adopt a sector-based approach to this work.

EIFO's portfolio 2024

Share of portfolio emissions (tCO₂e)



Portfolio exposure (DKKbn)



EIFO has developed sector-specific targets and decarbonisation plans for energy production and cement. The year 2023, when EIFO was founded, is the benchmark for future emissions reductions.

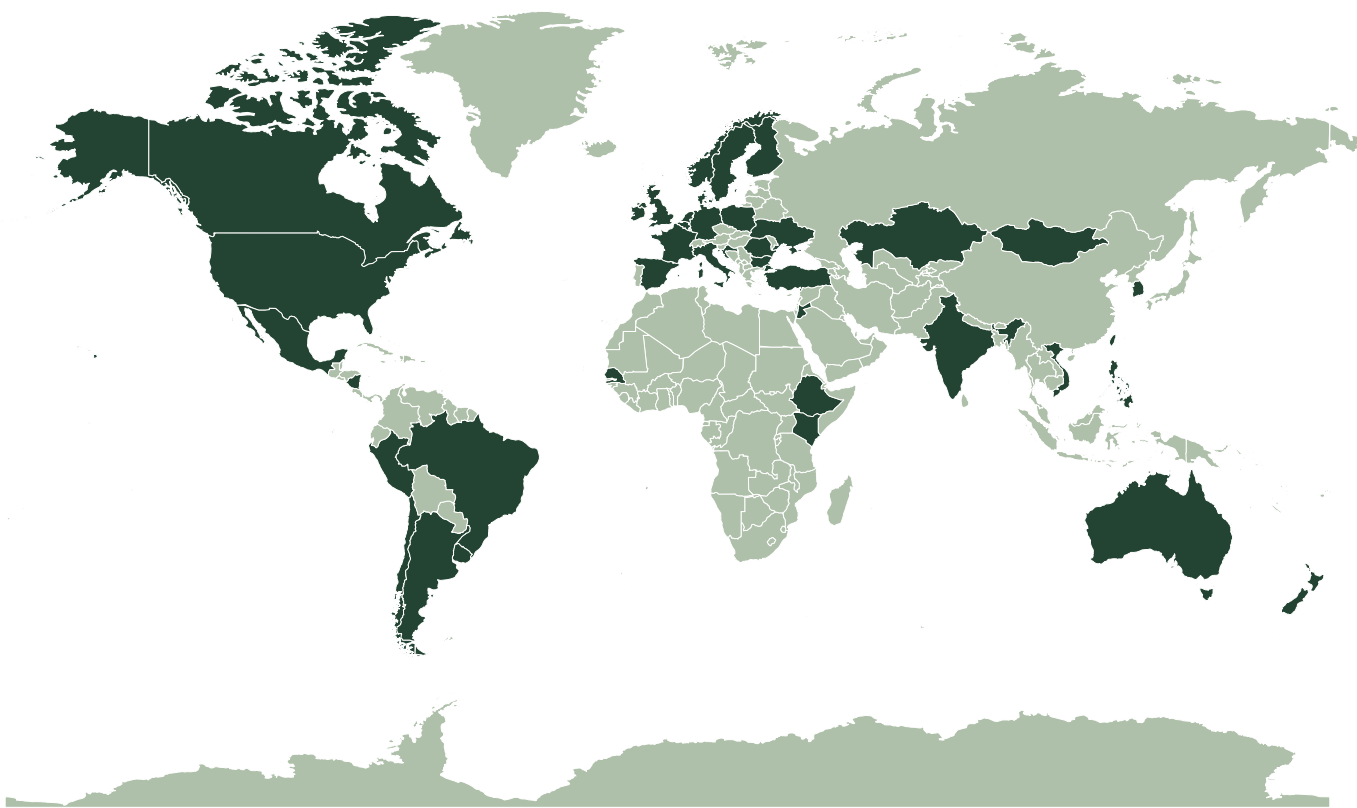
Energy production

Energy production accounts for nearly 70% of EIFO's financial exposure and almost 30% of our portfolio emissions, making it the largest sector for EIFO both in terms of exposure and nominal CO₂e-emissions.

EIFO has a long history in financing wind energy and has participated in the financing of more than 200 wind farms since 1998, collectively amounting to more than 40GW across 40 countries. EIFO's activities have been almost equally divided between on-shore and offshore wind capacity. EIFO has made a notable impact in offshore wind, co-financing about one-third of the total installed offshore wind capacity outside of China.

Emission intensity is here defined as CO₂e per kWh produced by the energy projects in EIFO's portfolio.

- Countries with wind energy project(s) financed by EIFO



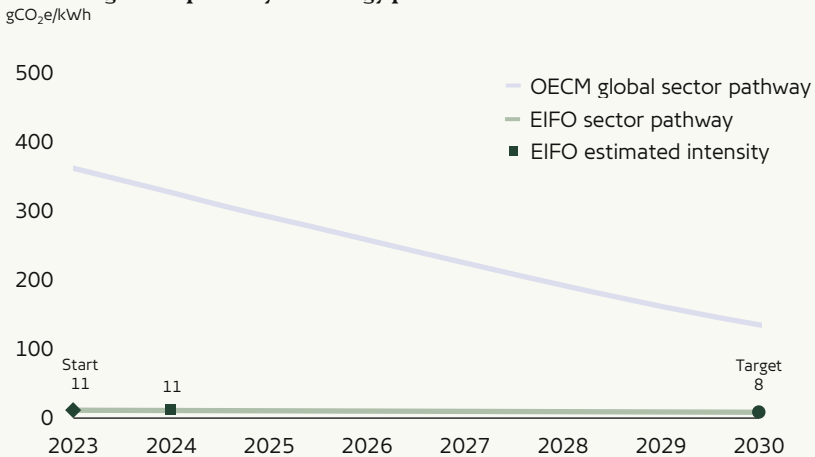
The emission intensity for energy production has remained almost unchanged between 2023 and 2024, standing at 11 gCO₂e/kWh.

Emission reductions are anticipated to be driven by a further decrease in the fossil fuel portfolio and improved wind turbine efficiency by 2030.

Since 1998 EIFO has co-financed

- > **40 GW onshore and offshore wind**
- > **200 wind farms worldwide**

Sector target and pathway for energy production



Exposure 2024
DKKbn

109

Share of portfolio exposure 2024

67%

Share of total emissions 2024

28%

CO₂e intensity 2024 (CO₂e/kWh)

11 g

2030 target compared to 2023

26% reduction

Cement

The cement sector accounts for approximately 7% of global CO₂e emissions. A large part of global construction depends on cement, with alternatives making up only a small fraction of the total solution. Cement production requires high temperatures and produces substantial CO₂e emissions during the chemical manufacturing processes, making the sector difficult to decarbonise ("hard to abate").

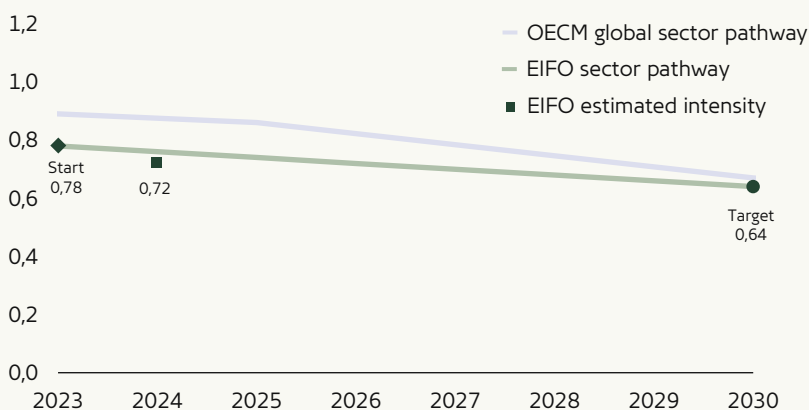
Cement accounts for 0.4% of EIFO's total portfolio exposure and 10.6% of portfolio emissions measured in tonnes of CO₂e. Cement is the sector with the highest CO₂e intensity in EIFO's portfolio (570 tCO₂/DKKm).

EIFO's emission target for our cement portfolio is to achieve an 18% reduction in emission intensity by 2030 compared to 2023

Emission intensity is here defined as tCO₂e per tonne of cement produced by the cement projects in EIFO's portfolio.

EIFO has taken the first step towards a more sustainable cement portfolio. This is demonstrated by EIFO's involvement with the CBI Ghana cement factory near Accra, the capital of Ghana. The factory has the potential to produce cement with a lower CO₂e footprint than conventional cement factories by substituting quarry tiles, usually imported to Ghana, with calcined clay. Calcined clay has a lower CO₂e footprint and can be sourced locally.

Milestones and sector plans for cement
tCO₂-eq. / t cement



Exposure 2024
DKKm

628

Share of portfolio exposure 2024

0.4%

Share of total emissions 2024

10.6%

CO₂e intensity 2024 (CO₂e/tonnes cement)

0.72 tonnes

2030 target compared to 2023

18% reduction

Sector focus in 2025

EIFO's overall goal is to have the entire portfolio encompassed by sector-specific reduction targets by 2030. The aim for 2025 is to expand the understanding of how to set meaningful reduction targets for agriculture and food production, as well as mining. As seen in the portfolio emission results (p. 32), both sectors have relatively high emission intensities (154 and 60 gCO₂e/DKKm, respectively) and are therefore central sectors for EIFO to work with to realize our climate ambition.

Both sectors share the trait of having relatively heterogeneous activities, meaning that emission reductions within each sector encompass a wide range of activities. As emission reduction models integrate these two sectors, it will help EIFO establish realistic reduction targets.

Agriculture and food production

EIFO is concentrating on reducing CO₂e emissions from its agricultural and food production financing activities. EIFO's portfolio is highly diverse, ranging from coffee production to slaughterhouses, and a science-based intensity sector pathway for the entire sector has yet to be identified. Consequently, EIFO has not yet been able to set reduction targets for the sector as a whole. Currently, efforts are focused on defining targets and activities that have the potential to contribute to emissions reductions within the sector.

In 2024, EIFO initiated projects that are anticipated to contribute to long-term emission reductions in the sector. This was accomplished through EIFO's Impact Finance and Sustainability-Linked Finance programmes, which promote the decarbonisation of activities in agriculture and food production through targeted financing.

- **The Impact Finance programme** focuses on providing loans for investments in solutions, technology, or concepts that facilitate the transition within the sector, such as conversion to organic farming, chemical and biological air purification, slurry acidification, pyrolysis, etc. The programme targets all types of agricultural businesses seeking to invest in green and sustainable technologies.
- **The Sustainability-Linked Finance programme** targets dairy farmers and evaluates the extent to which they incorporate climate considerations into their operations. The initiative was developed in collaboration with Arla and the Danish Agriculture & Food Council.

EIFO is dedicated to reducing sector emissions through targeted initiatives within our dairy production portfolio. This focus is expected to be strengthened by new Danish regulations for feed additives that will become effective on 1 January 2025. The feed additives aim to reduce methane emissions from cows' digestion. It remains uncertain how much methane reduction this will bring to EIFO's portfolio, but feed additives are believed to significantly lower methane emissions from each individual cow. EIFO will monitor the development and assess the potential to support agricultural customers' transition through financing.

Mining

The metal and mineral industry contributes nearly 8% of global emissions, making it an important sector to investigate for reduction opportunities. A wide range of minerals are crucial for industrial production, each with different emissions intensities measured per tonne of finished product.

In 2025, EIFO will investigate the potential for making science-based emission reduction plans for mining and specific minerals. However, the decarbonisation of mining must go hand in hand with technological advancements to ensure that the supply of minerals is not diminished without alternatives. Access to minerals is crucial for industry and a vital part of the green transition.

EIFO will investigate opportunities to diversify and increase the supply of minerals to benefit Danish and European industries and support the climate transition. The mining sector is inherently high-emitting, and financing activities within this sector could raise the nominal CO₂e emissions in EIFO's portfolio. In specific projects, EIFO will collaborate with exporters and customers to focus on ways to reduce emissions.

Report on organisational corporate social responsibility

Corporate governance

The EIFO Board of Directors is responsible for the overall and strategic management of EIFO and the supervision of the Executive Board. The duties and responsibilities of the Board of Directors are primarily defined in its rules of procedure. The Executive Board is responsible for the day-to-day management of EIFO and must comply with the guidelines and instructions provided by the Board of Directors.

The Board of Directors comprises up to 12 members appointed by the Minister for Industry, Business and Financial Affairs. In addition, three members are elected by the employees. As of 1 January 2025, 11 members appointed by the minister will serve until mid-August 2026.

Following Danish government ownership policy and corporate governance recommendations, EIFO conducts an annual self-evaluation of the Board of Directors. As the current board was appointed in the second half of August 2024, the next board evaluation will take place in 2025. The evaluation addresses several key themes, such as meeting statutory responsibilities, compliance with corporate governance recommendations, and the composition and competencies of the Board of Directors.

According to EIFO's articles of association, board meetings must be held at least four times a year. In 2024, 12 board meetings were held, including eight ordinary and four extraordinary meetings. Additionally, three written consultations were conducted. One board meeting also served as a seminar. The Board of Directors has three subcommittees: the Audit, Risk and Compliance Committee, the Remuneration and Nomination Committee, and the Funding Committee. In line with the Danish government ownership policy, the members of the committees and their terms of reference are listed on the EIFO website, www.eifo.dk. The Audit, Risk and Compliance Committee held seven meetings, while the Remuneration and Nomination Committee had two meetings, and the Funding Committee had 13, having been split into the Investment Committee and the Credit Committee before August 2024. The chairs have quarterly meetings with the Ministry of Industry, Business and Financial Affairs, during which they report on the organisation's strategic issues and follow up on EIFO's operational performance, etc.

For more information on remuneration and fees, see note 7, and for other positions of the Board of Directors, see the *Executive functions* section.

Government ownership policy and the Export and Investment Fund of Denmark

EIFO is an independent state-controlled entity and follows the Danish government's ownership policy as a guideline for good corporate governance. This policy outlines specific recommendations and expectations for the Danish government's exercise of ownership and the conduct of state-controlled entities. EIFO strives to fulfill all recommendations of the government ownership policy. The policy is available on the website of the Danish Ministry of Finance.



Diversity and gender diversity targets within EIFO

Diversity leads the way to more perspectives, reduces blind spots, and improves the bottom line. EIFO considers diversity and equality fundamental to building a competent organisation and running an efficient and innovative business.

We operate with a broad definition of diversity that includes, but is not limited to, skills, experience, education, age, gender, ethnicity, religion, and sexual orientation. We believe that diversity, equality, gender diversity, and an inclusive culture are strengths that help EIFO access the best talents and contribute to its positive development due to diverse skills, experiences, and perspectives.

EIFO is committed to promoting cultural diversity within the organisation and in business partnerships, and to supporting environments characterised by openness and mutual respect, both internally among EIFO staff and externally with our customers, business partners, and stakeholders. Consequently, EIFO's recruitment process and working conditions are designed to ensure equal opportunities for all employees in terms of employment and promotion.

For more information, please refer to 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 follow the principle that executive positions are filled based on the candidate's skills, motivation, and personality rather than gender alone.

As far as EIFO's Board of Directors is concerned (the supreme governing body), the directors are appointed by the Minister for Industry, Business and Financial Affairs, who is ultimately responsible for meeting the gender diversity target for the Board of Directors. At other management levels, EIFO's Board of Directors and Executive Board are responsible for achieving gender balance.

In other management levels, EIFO's goal is to achieve an equal distribution of gender. A gender is no longer considered underrepresented when it constitutes at least 40% of the representation. Hence, we have set a target of 40/60 representation, which we aim to achieve by 2026.

Corporate social responsibility within the organisation

EIFO's most significant risks and impacts concerning corporate social responsibility are within the portfolio and are addressed through ESG initiatives. However, corporate social responsibility is also integral to EIFO's business conduct, which is based on international principles and conventions focused on respecting human rights, labour rights, environmental sustainability, and anti-corruption. Basic human rights and labour rights are continuously regulated in Denmark, and EIFO has additional internal policies and guidelines focused on ensuring working conditions that promote a good work life, health and wellbeing, and equal opportunities. Responsibility for staff conditions is embedded in EIFO's executive management and carried out by the HR department.

Furthermore, as of 1 April 2024, EIFO has implemented a collective agreement negotiated in 2023 with the Danish Confederation of Professional Associations and HK Privat. The implementation is a crucial step towards ensuring equal conditions for all employees.

To promote health and safety in the workplace, EIFO offers its employees ergonomically designed workstations, favourable insurance conditions, health-focused benefits, senior programmes, remote work options, and family leave days. Our aim is for these benefits to ensure that employees have working conditions that align with their current stage of life.

Diversity and wellbeing are also included in the developmental discussions between managers and employees. Discrimination can be reported to HR and through EIFO's whistleblower portal, which also allows for reporting severe harassment, such as bullying, violence, and harassment due to race, political or religious affiliation, and sexual harassment. No reports were made to the whistleblower system in 2024.

	2024		2023	
	Supreme management body	Other management levels	Supreme management body	Other management levels
Total number of members	14	44	14	48
Underrepresented gender in %	42.9%	29.6%	35.7%	33.3%
Target in %	N/A	40%	N/A	40%
Year of achievement of target figures	N/A	2026	N/A	2026

Data ethics policy

EIFO takes the handling and utilisation of data extremely seriously. The data ethics policy was approved by the Board of Directors in February 2024. Data ethics is integral to digital responsibility, which involves responsibly collecting, storing, using, and sharing data. The policy outlines the data ethical principles to be applied when using new technologies or developing new products and recommends conducting a data ethics assessment to mitigate any potential negative impacts.

The data ethics assessment will examine how data is used and the potential consequences of data processing. It will also determine whether data is collected responsibly and ensure that only the necessary data is gathered. Additionally, the assessment will evaluate whether any negative data ethical impacts can be avoided or mitigated.

The principles will be particularly relevant if EIFO adopts artificial intelligence, machine learning, or similar technologies in the future. In this connection, the Compliance function will be responsible for enforcing compliance with the policy and ensuring that the required data ethics assessments are conducted according to the regulations.

Risk, capital, and liquidity management

EIFO assumes risks to achieve its goal of maximising societal returns. Effective risk management is a crucial and integrated part of our business model. Various requirements and internal frameworks help ensure that the actual risk profile remains within EIFO's risk capacity and appetite.

EIFO's activities primarily expose us to credit, market, liquidity, and operational risks, including compliance risks, etc. EIFO's overall risk profile must be appropriately aligned with its capital strength, ensuring that EIFO continuously has the capacity to support impactful business successes. EIFO operates in accordance with EU state aid regulations and integrates climate, environmental, social, and governance considerations into its financial activities. By maintaining capital adequacy, we mitigate credit, market, and operational risks, while liquidity risks are managed by continuously maintaining an appropriate cash balance.

The organisation is structured according to fundamental risk management principles. The Board of Directors determines the risk appetite and the overall risk management principles through various policies. The policies are supplemented by an instruction specifying the Executive Board's decision-making authority. The Executive Board is responsible for implementing the frameworks within the business, while the business functions act as risk owners with responsibility for ongoing risk management. EIFO's risk management and compliance functions monitor the organisation's aggregated risk profile.

Credit risk

Credit risk reflects the risk of loss due to EIFO's customers and counterparties failing to meet their payment obligations. Counterparties include commercial companies, banks, sovereign states, and reinsurance companies. EIFO provides loans, working capital guarantees, and export credits, particularly to small and medium-sized Danish enterprises across most industries and at all stages of their development. When Danish exporters sell their goods abroad, EIFO offers guarantees and loans to the buyers of Danish exports, which can be existing foreign companies and newly established foreign project companies.

All transactions are subject to credit approval processes addressing relevant credit risks and product-specific acceptance criteria, if any. EIFO's customers and counterparties must undergo a credit analysis and, if necessary, due diligence, depending on the complexity and size of the transaction. All transactions exceeding a certain limit must be approved by the Credit Committee before authorisation by the Board of Directors.

EIFO uses internally developed and internationally recognised tools for credit rating of counterparties, supplemented with external ratings when available.

The OECD country risk classifications are applied for all foreign counterparties as the basis for premium determination. The country classification indicates the risk of whether a country and its debtors have the capacity, willingness, and ability to fulfil their payment obligations. EIFO must apply OECD country classifications, as government export credits are regulated by an OECD agreement.

Exposure to banks arises from bank deposits or the bank's role as a borrower, guarantor for a foreign buyer, or counterparty in financial derivative agreements. Derivative financial instruments are typically executed under netting agreements with collateral.

EIFO continuously monitors the credit portfolio, including the aggregated exposure by counterparty and country. EIFO's credit risk is reduced if agreements are covered by loss mandates, and the risk on larger transactions can be actively reduced through reinsurance. This is explained in the section below.

Reduction of EIFO's credit risk

EIFO significantly reduces credit risk on export credits by reinsuring guarantees with private companies, other export credit agencies, and government programmes. This, in turn, enhances financial capacity for additional transactions. Reinsurance can also be actively used to reduce risk concentrations related to individual debtors and countries. By the end of 2024, nearly 60% of the export credit portfolio was reinsured.

Reinsurance in the private market is conducted either under a framework agreement, also known as a treaty agreement, or as reinsurance for individual transactions. At the end of 2024, reinsurance under a framework agreement accounted for more than 33% of the business volume within the export credit portfolio. Under the treaty agreement, larger transactions that meet specified criteria are automatically reinsured within a defined framework with a panel of reinsurers. EIFO's treaty agreement for 2025 features a panel of 13 reinsurers and provides automatic coverage of 40% for eligible transactions, lasting up to 20 years.

Facultative reinsurance, which applies to individual transactions, offers flexibility in coverage and other terms. At the end of 2024, it amounted to DKK 5.0 billion. Private reinsurers must meet EIFO's minimum requirements for external ratings from an internationally recognised credit rating agency, equivalent to A- on S&P's rating scale.

EIFO may sign reinsurance agreements with other export credit agencies for transactions involving exports from multiple countries, referred to as ECA reinsurance. The reinsurance share may vary as needed, including the share of exports between different countries.

EIFO obtains government reinsurance through the mandate of Denmark's Green Future Fund (DGFF). This reinsurance applies to green transactions already covered by private reinsurance and mirrors the terms of private business-to-business agreements.

The reinsurance share under DGFF is 20% for transactions under DKK 2 billion and 30% for transactions above DKK 2 billion, but never exceeds the share of private reinsurance. At the end of 2024, the Danish Parliament adopted a parliamentary resolution allowing EIFO, under certain conditions, to obtain DGFF reinsurance for green transactions not covered by private reinsurance. A new DGFF reinsurance agreement between the government and EIFO is currently being drafted.

Due to EIFO's status as a national promotional bank, a portion of losses on selected loans is covered through loss mandates by the European Investment Fund (EIF) or the Danish government. The coverage rate depends on the mandate but is typically around 50% for individual engagements. Several historical EIF mandates currently cover EIFO's existing loan portfolio, while the InvestEU programme covers future lending to Danish SMEs through the mandates Sustainability, Cultural and Creative Sectors, SME Competitiveness, and Innovation and Digitalisation. The mandates obtained under the InvestEU programme enable EIFO to expand the partially loss-covered loan portfolio by approximately DKK 2.7 billion.

Provisions and write-downs to cover expected loss

EIFO continuously evaluates the credit quality of the portfolio, and any credit impairment will result in higher provisions and write-downs. The largest provisions and write-downs are assessed by the Board of Directors during the annual engagement review. Using internal models, EIFO conducts statistical calculations to determine the write-down requirements for loans and the provision requirements for guarantees, as well as premiums receivable, in its internal quarterly financial statements based on the IFRS 9 accounting standard.



Market risk

Market risk is an inherent aspect of EIFO's activities. It represents the risk of impairment in the value of EIFO's portfolio due to changes in exchange rates and prices in the financial markets. EIFO actively limits certain types of market risk, as outlined in note 31, which explains EIFO's use of derivative financial instruments to hedge market risk. Other types of market risk are more difficult to hedge, such as equity and interest spread risks.

Share price exposure refers to the risk of loss resulting from write-downs of the unlisted portion of the portfolio and changes in the share price of the listed portion of the portfolio. EIFO invests in equity and equity-like instruments through funds, as well as unlisted and listed companies. In addition to generating financial returns, these investments aim to maintain, strengthen, or develop the Danish innovation economy. Returns are influenced by various factors, including changes in economic trends, political conditions, both locally and globally, and company-specific risks. The business models of these companies are often based on new technology, which may ultimately lack sufficient commercial potential.

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

EIFO's investment portfolio, including investment in funds and equity investments, totalled DKK 13.5 billion at the end of 2024.

Interest rate risk refers to the potential decline in the value of EIFO's portfolio resulting from fluctuations in market interest rates. EIFO's interest rate risk arises from funding activities, lending, and investment of surplus liquidity. Hedging is performed using interest rate swaps under netting agreements, which offset the mutual rights and obligations of the parties involved. Netting significantly reduces credit risk.

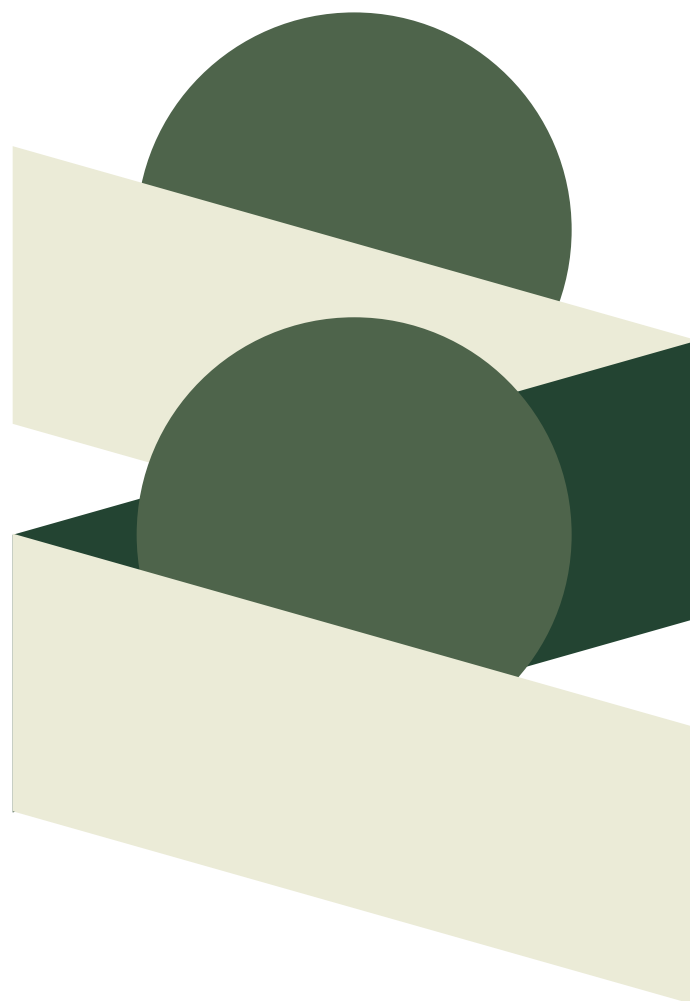
EIFO has limits for total interest rate risk due to parallel interest rate changes, interest rate risk in foreign currencies, and interest rate risk due to non-parallel interest rate changes. The interest rate risk, measured as the loss from a single percentage point change in interest rate levels, was DKK 32 million at the end of 2024.

Interest spread risk refers to the potential decline in the value of EIFO's portfolio caused by the movements of different yield curves in relation to one another. The interest spread risk is not actively hedged but is regularly assessed. The primary interest rate spreads that EIFO is exposed to include:

- Danish government credit spread on financing through relending, which can be viewed as the difference between the government yield curve and the swaps yield curve.
- Credit spread for bonds.

The interest spread risk, measured as the potential loss from a single percentage point change in credit spreads, was estimated to be around DKK 1.2 billion by the end of 2024.

Currency risk refers to the potential decline in the value of EIFO's portfolio resulting from fluctuations in exchange rates. Currency risk naturally occurs due to EIFO's business activities abroad. EIFO hedges currency risk. Note 29 outlines EIFO's currency exposure and risk.



Concentrations

EIFO has several strengths that collectively diversify the risk. At the end of 2024, the 20 largest exposures accounted for approximately 92% of equity.

EIFO's role as Denmark's export credit agency involves large transactions, challenging markets, and a higher concentration in sectors where Denmark excels. The Large Corporates segment is heavily concentrated on the wind sector, with wind projects, particularly offshore wind farms, continuing to grow in size. Wind projects sell their production in local markets and are primarily exposed to local risk factors such as wind availability, pricing, political conditions, and the maturity of local infrastructure, among others. While a high concentration of wind projects is not inherently problematic for EIFO, a high concentration of wind projects within individual countries can be. EIFO's most significant exposure is to wind projects in the United Kingdom and Taiwan. Internal frameworks reduce the concentration risk in individual countries, and the capital requirements also address this risk within the Large Corporates segment.

As a national promotional bank, EIFO has smaller exposures in Denmark to small businesses in the early stages of development, often employing new technology. The predominant sector of the SME and Investment segments is information and communication technology.

Operational risks

Operational risks refer to the risk of loss due to inappropriate or inadequate internal processes, human and system errors, or external events. EIFO recognises that operational risks are inherent in its business but strives to prevent financial losses or reputational damage arising from these risks.

In 2024, EIFO concentrated on implementing policies through standard business processes and improving the approach to reporting incidents in the systematic recording, categorisation, and assessment of operational events.

EIFO strives to adhere to relevant external regulations and continuously performs risk assessments regarding compliance, thus identifying the areas that require monitoring in the upcoming year. We address identified compliance risks and follow up on them while also assessing and monitoring whether appropriate measures are taken to address any new risks.

Liquidity risk

Liquidity risk refers to the risk that:

- a) EIFO's costs for obtaining liquidity increase disproportionately.
- b) Lack of financing prevents EIFO from maintaining its current business model.
- c) EIFO ultimately cannot meet its payment obligations due to a lack of liquidity.

EIFO's liquidity risk primarily arises from a maturity mismatch between its assets (loans and investments) and liabilities. Additionally, EIFO has payment obligations due to losses from export credit payouts, investment commitments, collateral for the derivative portfolio, and loan defaults. This causes fluctuations in liquidity requirements over time.

The risk of running out of liquidity is mitigated through daily assessments of expected liquidity needs, continuous stress testing, maintaining a liquidity buffer, and ensuring access to liquidity even under challenging market conditions. EIFO's business is financed by equity, relending, and supply of capital from the Danish government. In relending, designated for specific activities, EIFO borrows funds from the government, which finances these activities by issuing bonds. Consequently, EIFO's relending shares the same loan profile as the bonds issued by the government. EIFO's liquidity buffer was DKK 14.5 billion at the end of 2024.

EIFO has a solid financial foundation

According to the articles of association, EIFO's equity and provisions must always be sufficient to form a solid foundation for its liabilities and activities. The distributable equity (defined as equity after deducting reserves for hedge accounting and any proposed dividends) must always be substantial enough that EIFO only risks losing it once every 100 years. This constitutes EIFO's capital requirement, calculated using a proprietary capital requirement model covering EIFO's key risks.

EIFO's capital management includes not only capital requirements but also future obligations and a buffer to limit the risk of falling below the capital requirement during periods of credit and market stress. At the end of 2024, EIFO's equity, with a solid margin, was sufficient to cover capital requirements, obligations, and the stress buffer.



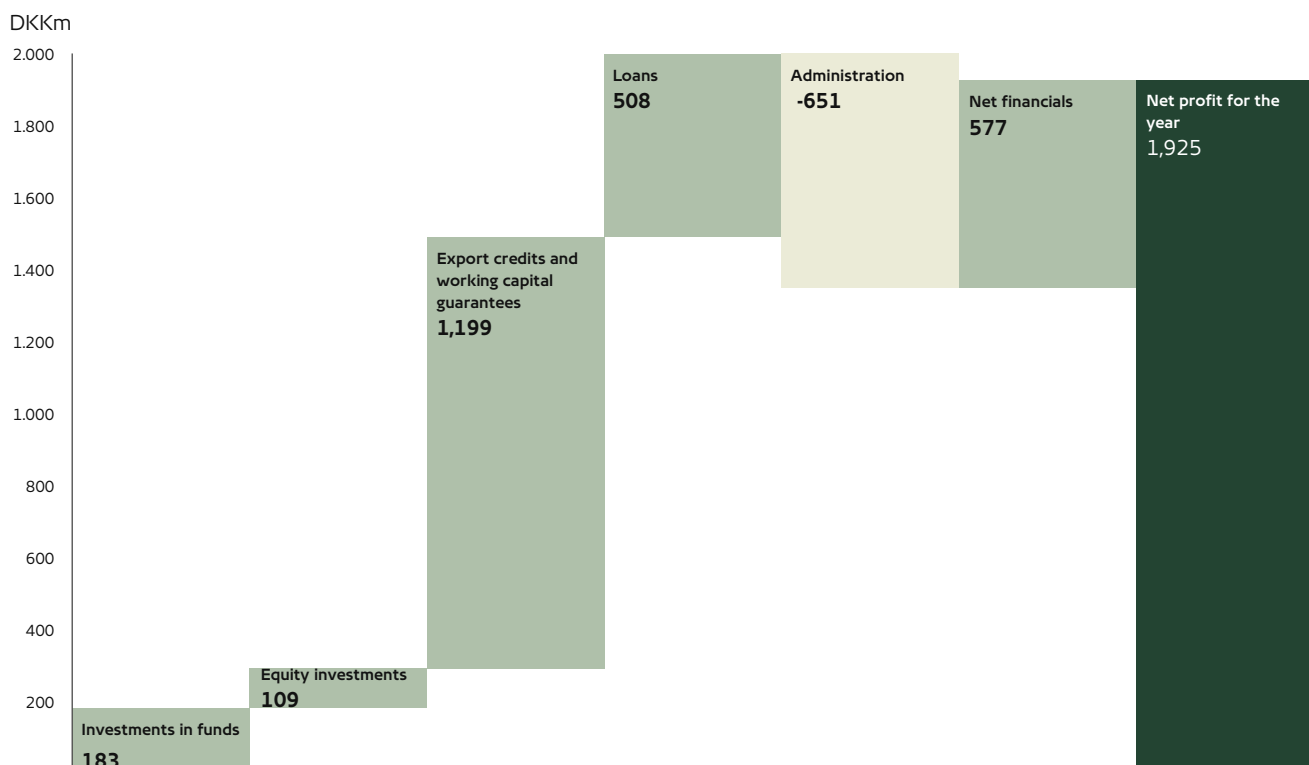
Performance and expectations

- The year in brief
- Corporate information
- Executive functions

The year in brief

In 2024, net profit amounted to DKK 1,925 million (2023: DKK 1,022 million). The results, which are considered satisfactory, are driven by positive outcomes across all four product lines, with export credits and working capital guarantees, as well as lending activities, being the primary contributors. The recovery of a significant amount from a previously written-off foreign project has positively contributed DKK 0.5 billion.

Breakdown of the results for 2024



Income statement

Income from investments in funds

The results for the year totalled DKK 183 million before administrative expenses (2023: DKK 29 million).

For the EIFO Group's investments in funds, the year was generally characterised by portfolio fluctuations, with both listed and unlisted companies contributing to positive and negative value adjustments. Among Danish listed companies, Trustpilot has notably contributed with positive value adjustments, partially offset by Green Hydrogen Systems. Both have been part of EIFO's portfolio since 2010 and 2019, respectively. Additionally, the performance has been influenced by positive exchange rate adjustments.

Income from equity investments

Income from equity investments affected the overall net profit for the year by DKK 109 million before administrative expenses (2023: DKK -173 million).

This year's results were primarily driven by unrealised positive value adjustments in both listed and unlisted companies, with considerable fluctuations across companies and sectors.

Income from export credits and working capital guarantees

EIFO's export credits and working capital guarantees contributed a profit of DKK 1,199 million before administrative expenses in 2024 (2023: DKK 578 million). These results primarily relate to the financing of exports, contributing to stable premium income. In addition, the performance was positively impacted by reversed write-downs of a major engagement, reversed margins included in Management's estimate of the claims provisions due to an improved country rating for Turkey, and generally low write-downs of the portfolio.

The annual total write-downs of export credits and working capital guarantees (income) are allocated as follows:

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Individual write-downs (stage 3)	72	-502
Modelbased write-downs (stage 1 & 2)	119	112
Management's estimate of the claims	191	106
Write-downs of export credits and working capital guarantees	383	-284

Income from lending activities

Lending, mainly consisting of export credit financing and loans to Danish SMEs, resulted in a profit of DKK 508 million before administrative expenses in 2024 (2023: DKK 1,021 million).

Total income from export credit financing was DKK 764 million (2023: DKK 470 million). An improved rating of a non-performing engagement led to decreased individual write-downs. The year was not affected by any new significant write-downs.

The total results for the financing portfolio focused on growth, innovation, and the green transition were DKK -284 million (2023: DKK 572 million). The year's outcome is mainly attributed to substantial individual write-downs of certain businesses and increased margins included in Management's estimate of the claims provisions.

The total annual write-downs of lending activities are allocated as follows:

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Individual write-downs (stage 3)	-780	-436
Modelbased write-downs (stage 1 & 2)	188	-87
Management's estimate of the claims	-100	153
Write-downs of lending activities	-692	-371

Considering the uncertainty surrounding macroeconomic forecasts, the EIFO Group has, as in previous years, supplemented the loan write-down models with margins included in Management's estimate of the claims provisions to hedge risks and factors not yet included in the models. The margins included in Management's estimate of the claims provisions have positively affected the profit for the year by DKK 91 million. At the end of 2024, the margins included in Management's estimate of the claims provisions totalled DKK 300 million.

Administrative expenses

In 2024, administrative expenses before reimbursements amounted to DKK 719 million (2023: DKK 708 million). The rise was mainly attributed to general salary increases. The organisational adjustments made in the first half of 2024 will be fully reflected in the annual report for 2025.

Net financials

Net financials totalled DKK 577 million (2023: DKK 221 million). This increase is primarily due to interest income and positive value adjustments from the EIFO Group's bond portfolio, which has risen compared to 2023, partly due to a revised liquidity policy incorporating more mortgage credit bonds into the portfolio. Additionally, positive value adjustments on relending, including related hedging, were partially offset by negative value adjustments, mainly concerning foreign currency hedging.

The EIFO Group uses hedging to minimise the effects of interest rate and exchange rate fluctuations. Furthermore, hedge accounting is applied to loans, with cash flow hedging of floating-rate loans and fair value hedging of fixed-rate loans. Relending and the associated swap hedging are not covered by the EIFO Group's hedge accounting, and hence, exchange rate and value adjustments on these are recognised in the income statement.

Balance sheet

As of 31 December 2024, the EIFO Group's balance sheet totalled DKK 73 billion (2023: DKK 73 billion) and DKK 39 billion (2023: DKK 43 billion) in export credits after reinsurance.

The balance sheet total remains unchanged compared to 2023, though slight variations exist within individual areas, such as a DKK 1 billion increase in total loans. As part of the merger, DKK 14 billion in loans were transferred from EKF to EIFO in 2024. This transfer does not affect the Group's balance sheet total.

At the end of 2024, the value of loans amounted to DKK 37 billion (2023: DKK 36 billion), corresponding to 51% (2023: 49%) of the EIFO Group's balance sheet total.

Equity

At the end of 2024, equity totalled DKK 27 billion (2023: DKK 26 billion), corresponding to 35% (2023: 35%) of the Group's balance sheet total. In 2024, equity was primarily affected by the following movements:

- Government capital contributions (DKK 1,414 million) related to special acceleration efforts, the quantum fund, and commercial large-scale green demonstration projects.
- Capital contributions of DKK 1,065 million reclassified to 'Provisions' (as 'Government contributions').
- Dividend payment for 2023 (DKK 350 million).
- Retained earnings (DKK 1,925 million).

Contingent liabilities

The EIFO Group provides guarantees for loans in connection with export transactions and working capital guarantees for loans to companies. These commitments are not recognised in the balance sheet but are recognised as contingent liabilities. Moreover, the EIFO Group extensively takes out reinsurance to reduce credit risks and maintain the capacity for continued high levels of activity.

Before reinsurance, the EIFO Group's contingent liabilities totalled DKK 99,363 million (2023: DKK 96,829 million). After reinsurance, this amount was DKK 39,101 million (2023: DKK 42,942 million).

Uncertainty relating to recognition and measurement

The calculation of several key income statement and balance sheet items involves various uncertainties that impact some of the accounting estimates and judgments made by Management during financial reporting, as explained under 'Significant accounting policies' in the *Management's significant accounting estimates and judgments* section.

Those areas involving assumptions and estimates of significance to the financial statements include write-downs of loans and export credits, as well as the valuation of unlisted investments in companies and funds.

The long-term effects of geopolitical unrest, inflation, interest rate fluctuations, and uncertainty in the venture market entail material uncertainty, particularly in measuring the EIFO Group's unlisted investments in companies and funds.

Results relative to expectations

The EIFO Group's half-year report for 2024 anticipated a net profit for the year in the region of DKK 2.2-2.6 billion.

With a net profit of DKK 1,925 million, the financial year ended slightly below expectations, mainly due to lower result on loans.

This year's results allow for a maximum dividend payment of DKK 350 million to the government for the financial year 2024.

Outlook for 2025

For 2025, the EIFO Group expects a net profit in the range of DKK 1.2-1.6 billion.

Expectations for the year are based on the following assumptions:

- Income from investments in funds and equity investments is expected to increase due to rising activity and business volume, along with a higher average return.
- Income from export credits and working capital guarantees, as well as lending activities, is expected to be lower than in 2024, which was impacted by reversed write-downs. Additionally, continued margin pressure in export financing and lower business volume in loans for financing growth, innovation, and the green transition in Denmark are expected.
- Expenses are expected to be on par with 2024.

The primary uncertainties affecting expectations for 2025 pertain to geopolitical tensions, leading to material uncertainty, especially in the valuation of unlisted investments in companies and funds, as well as write-downs of export credits and loans.

Events after the balance sheet date

No events have occurred between the end of the financial year and the signing of the annual report that significantly affect the financial position of the Group and the Parent.



Corporate Information

Executive Board

Peder Lundquist, Chief Executive Officer

Auditors

Deloitte

Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

The Auditor General of Denmark

Landgreven 4

1301 Copenhagen K

Bank

Nordea Danmark

Branch of Nordea Bank Abp, Finland

Grønjordsvej 10

2300 Copenhagen S

Fund details

The Export and Investment Fund of Denmark

Haifagade 3

2150 Nordhavn

Website: www.eifo.dk

CVR no.: 43 47 82 06

Founded: 2022

Registered office: Copenhagen

Financial year: 1 January to 31 December

Chair of the organisational meeting: Marie Louise Bank

Date of approval: April 2025

Executive functions

Executive functions for the Executive Board and the Board of Directors are listed on the following pages.

Remuneration of the Board of Directors

Please refer to EIFO's website for information on the remuneration of the Board of Directors.

Board of Directors

Michael Dithmer, Chair

Dorrit Vanglo, Deputy Chair

André Rogaczewski, board member

Anne Mette Toftegaard, board member

Barbara Taudorf Andersen, board member

Bo Foged, board member

Camilla Ley Valentin, board member

Esben Gadsbøll, board member

Jakob Ellemann-Jensen, board member

Jesper Buch, board member

Jørgen Høholt, 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

Dorrit Vanglo, committee member

Funding Committee

Michael Dithmer, Chair

Bo Foged, committee member

Camilla Ley Valentin, committee member

Esben Gadsbøll, committee member

Remuneration and Nomination Committee

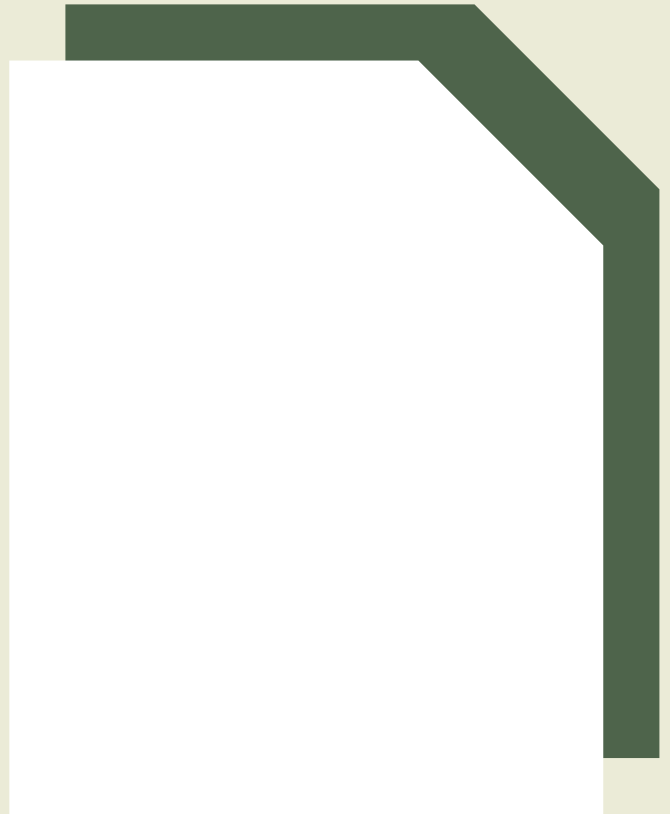
Michael Dithmer, Chair

Dorrit Vanglo, committee member

Executive functions

Members	Other executive functions	Function
Michael Dithmer, Chair	EKF Denmark's Export Credit Agency	Chair
Dorrit Vanglo, Deputy Chair	EKF Denmark's Export Credit Agency	Deputy Chair
	Det Danske Hedeselskab	Deputy Chair
	Bikuben Foundation	Member
André Rogaczewski	Netcompany Group A/S	CEO
	NC TopCo A/S	CEO
	André Rogaczewski Holding II ApS	Executive Officer
	André Rogaczewski Holding II 2022 ApS	Executive Officer
	AR Creative ApS	Executive Officer
	Aalborg University	Chair
	Netcompany A/S	Chair
	Netcompany-Intrasoft Scandinavia A/S	Chair
	Netcompany Norway AS	Chair
	Netcompany Poland sp. Zo.o.	Chair
	Netcompany Netherlands B.V.	Chair
	Netcompany UK Holding Ltd.	Chair
	Netcompany UK Ltd	Chair
	Netcompany - Intrasoft SA - Luxembourg	Chair
	Netcompany - Intrasoft SA - Belgium	Chair
	Intrasoft S.A.	Chair
	Netcompany-Intrasoft (Jordan) LLC	Chair
	Netcompany - Intrasoft Middle East FZC (UAE)	Chair
	Netcompany Intrasoft South Africa (Pty) Ltd.	Chair
	Netcompany - Intrasoft USA, Inc	Chair
	Digital Dogme	Chair
	DI Digital	Chair
	Universities Denmark	Deputy Chair
	Smarter Airports A/S	Deputy Chair
	DI Execútive Committee	Member
	DI Central Board	Member
	DI Industrial Policy Committee	Member
	Think Tank EUROPA	Member
Anne Mette Toftegaard	Alm. Brand A/S	Deputy CEO
	Børneulykkesfonden	Chair
	Codan Fonden	Chair
Barbara Taudorf Andersen	21st.bio	Executive Officer
	Hyme	Deputy Chair
	DI Biosolutions	Member
	Heartcore Capital	Member
	Bata ApS	Executive Officer
	Scalability CPH ApS	Executive Officer

Bo Foged	CIP	CFO
	EET Group	Chair
	TV2	Deputy Chair
Camilla Ley Valentin	Fairness Invest ApS	CEO
	Krop & Vision ApS	CEO
	Domanica 2020 ApS	Chair
	fourKant ApS	Chair
	Queue-it ApS	Member
	Queue-it Group ApS	Member
	Queue-it Holding ApS	Member
	Queue-it Inc (USA)	Member
Esben Gadsbøll	TechBBQ	Member
	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
Jakob Ellemann-Jensen	Kids Group ApS	Member
	TechBBQ	Member
	The Danish Ukraine Committee	Chair
	Investment Fund for Developing Countries	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
Jørgen Høholt	SNT ApS	Member
	DKT Holding ApS	Deputy Chair
	DKT Finance ApS	Deputy Chair
	DKT Telekommunikation ApS	Deputy Chair
	Nykredit A/S (Chair of the Audit Committee, member of the Risk Committee)	Member
	Nykredit Realkredit A/S	Member
	TDC Holding A/S	Member
	ATP Ejendomme A/S	Member
	ATP Real Estate Partners I K/S	Member
Anna Marie Lunde Skov Owie	Norsad Capital	
	EKF Denmark's Export Credit Agency	Member
Charlotte Christensen-Degn	Translated By Us ApS	Chair
Christoffer Ring	EKF Denmark's Export Credit Agency	Member



Financial statements

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- Balance sheet
- Statement of changes in equity
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- Independent auditor's report on CO₂e displacement

Income statement

Amounts in DKK million	Note	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Income from investments in funds	3	183	29	183	29
Income from equity investments	4	109	-173	109	-173
Income from export credits and working capital guarantees	5	1,199	578	375	69
Income from lending activities	6	508	1,021	103	765
Income from investments in group enterprises	16	0	-	1,190	541
Operating profit/loss		1,999	1,454	1,959	1,231
Net administrative expenses	7	651	654	609	523
Profit/loss before net financials		1,348	801	1,351	708
Financial income and expenses	8	577	221	575	315
Net profit/loss for the year		1,925	1,022	1,925	1,022
Proposed distribution of profit	9				
Retained earnings				1,575	672
Proposed dividend				350	350
Total				1,925	1,022

Balance sheet

Assets		EIFO Group	EIFO Group	EIFO	EIFO
Amounts in DKK million	Note	2024	2023	2024	2023
Cash and demand deposits	10	1,008	1,750	805	1,411
Bonds at fair value	11	13,833	14,015	13,833	14,015
Bonds at amortised cost	11	199	439	199	439
Investments in funds	12	9,754	9,301	9,754	9,301
Equity investments	13	3,775	3,106	3,775	3,106
Loans at amortised cost	14	36,728	35,749	23,619	9,039
Loans at fair value	15	538	485	538	485
Investments in group enterprises	16	0	0	2,230	1,041
Intangible and tangible assets and fixed asset investments	17	61	81	61	81
Other receivables	18	6,337	6,861	3,943	4,620
Other receivables, subsidiaries		0	0	9,451	24,114
Prepayments	19	1,167	1,373	99	60
Total assets		73,400	73,160	68,308	67,712
Equity and liabilities					
Amounts in DKK million	Note	2024	2023	2024	2023
Payables to government, credit institutions, and central banks	20	32,533	34,290	32,533	34,290
Other payables	21	3,608	3,629	2,756	3,031
Deferred income	22	3,152	3,502	1,991	1,888
Total liabilities		39,294	41,421	37,281	39,209
Contribution from government	23	3,165	2,323	3,165	2,323
Provisions for export credits and working capital guarantees	24	3,513	3,754	434	518
Total provisions		6,678	6,076	3,599	2,840
Contributed capital		14,937	14,589	14,937	14,589
Change in cash flow hedge reserve		-187	-28	-187	-28
Retained earnings		12,328	10,752	10,098	9,712
Reserve for net revaluation, investments at equity value		0	0	2,230	1,041
Proposed dividend		350	350	350	350
Total equity		27,428	25,663	27,428	25,663
Total equity and liabilities		73,400	73,160	68,308	67,712
Off-balance sheet items	25				
Contingent liabilities		39,101	42,942	8,439	12,254
Other binding agreements		10,900	11,055	9,456	6,500
Total off-balance sheet items		50,001	53,997	17,895	18,754

Statement of changes in equity

Significant accounting policies

Equity

Equity is divided into contributed capital, a cash flow hedge reserve, retained earnings, and proposed dividends.

Contributed capital

Contributed capital includes government contributions to support EIFO's activities and is recognised in the year the contribution is received, along with repayment of contributions for completed activities.

Reserve for cash flow hedges

The cash flow hedge reserve comprises the effective hedging of future transactions through the fair value measurement of derivative financial instruments.

Retained earnings

Retained earnings comprise the remaining reserve after calculating the proposed dividend and the cash flow hedge reserve.

Proposed dividends

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

Amounts in DKK million	Contributed capital	Cash flow hedge reserve	Retained earnings	Proposed dividend	EIFO Group 2024
At 1 January 2024	14,589	-28	10,752	350	25,663
Contribution from government	1,414	0	0	0	1,414
Transferred to provisions, contribution from government	-1,065	0	0	0	-1,065
Change in cash flow hedge	0	-159	0	0	-159
Dividend paid, 2023	0	0	0	-350	-350
Net profit/loss for the year	0	0	1,575	350	1,925
At 31 December 2024	14,937	-187	12,328	350	27,428

Amounts in DKK million	Contributed capital	Cash flow hedge reserve	Retained earnings	Proposed dividend	EIFO Group 2023
Contribution from merger	14,909	-89	10,081	0	24,901
Contribution from government	-320	0	0	0	-320
Change in cash flow hedge	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	Contributed capital	Cash flow hedge reserve	Retained earnings	Reserve for net revaluation, investm. at equity value	Proposed dividend	EIFO 2024
At 1 January 2024	14,589	-28	9,712	1,041	350	25,663
Contribution from government	1,414	0	0	0	0	1,414
Tranferred to provisions	-1,065	0	0	0	0	-1,065
Change in cash flow hedge	0	-159	0	0	0	-159
Dividend paid, 2023	0	0	0	0	-350	-350
Net profit/loss for the year	0	0	386	1,190	350	1,925
At 31 December 2024	14,937	-187	10,098	2,230	350	27,428

Amounts in DKK million	Contributed capital	Cash flow hedge reserve	Retained earnings	Reserve for net revaluation, investm. at equity 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
Contribution from government	-320	0	0	0	0	-320
Change in cash flow hedge	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

Cash flow statement

Significant accounting policies

The cash flow statement shows cash flows for the year by operating, investing, and financing activities, the year's changes in cash and cash equivalents, and EIFO's cash at the beginning and the end of the year.

Cash flows from operating activities

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

Additionally, the item includes returns from passive investments in the bond portfolio, which is part of EIFO's cash reserves.

Furthermore, cash flows from export credit and working capital guarantee activities consist of premium payments, loss payments on non-performing guarantees, and any subsequent payments from realised collateral. Government payments in the form of cost reimbursements and loss coverage related to working capital guarantees and loans are also included. Cash flows related to loans include loan disbursements and repayments from these lending activities.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and sale of investments in funds and equity investments.

Cash flows from financing activities

Cash flows from financing activities include government contributions related to investment activities, dividends to the government, and the raising of long-term loans to finance contributions to Dansk Vækstkapital.

Furthermore, relending from Danmarks National bank and short-term loans to finance lending activities under given mandates are also undertaken. A guarantee premium of 0.15% is paid to the government for this arrangement.

Cash

Cash and cash equivalents include cash and securities.

Cash flow statement - continued

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Net profit/loss for the year	1,925	1,022
Adjustments		
Income from investments in funds	-183	-29
Income from equity investments	-109	173
Income from export credits and working capital guarantees	-1,199	-578
Income from lending activities	-508	-1,021
Amortisation, depreciation, and write-downs of intangible and tangible assets	35	14
Other adjustments	94	191
Total adjustments	55	-229
Income from premiums and fees received	1,300	1,412
Premiums and fees ceded to reinsurance	-484	-551
Loans, net payments	-1,836	-12,759
Interest income, commissions, and other fees received	2,416	3,135
Interest expenses and fees paid	-1,524	-2,412
Other receivables	864	-1,331
Other payables	-31	-28
Prepayments and deferred income, net	-144	-355
Acquisition and sale of intangible and tangible assets	-15	-46
Total cash flows from operating activities	547	-12,935
Cash flow from investing activities		
Investments and distributions, investments in funds	-271	-733
Investments and sales, equity investments	-560	-166
Total cash flows from investing activities	-831	-899
Cash flows from financing activities		
Payables to government, credit institutions, and central banks	-1,757	11,299
Contribution from government, equity	1,414	-320
Contribution from government, loss coverage	-223	521
Payables to government, credit institutions, and central banks	-350	0
Change in payables to reinsurers and pension funds	-21	477
Total cash flows from financing activities	-936	11,977
Total cash flows for the year	-1,165	-2,086
Cash and cash equivalents at beginning of year/Contribution from merger	16,204	18,290
Total cash flows for the year	-1,165	-2,086
Cash and cash equivalents at year-end	15,040	16,204
Cash and cash equivalents at year-end include:		
Cash and demand deposits	1,008	1,750
Bonds	14,032	14,454
Total cash and cash equivalents	15,040	16,204

Notes

- | | |
|--|--|
| 1: Significant accounting policies | 20: Payables to government, credit institutions, and central banks |
| 2: Business areas | 21: Other payables |
| 3: Income from investments in funds | 22: Deferred income |
| 4: Income from equity investments | 23: Government contributions |
| 5: Income from export credits and working capital guarantees | 24: Provisions for export credits and working capital guarantees |
| 6: Income from lending activities | 25: Off-balance sheet items |
| 7: Net administrative expenses | 26: Related parties |
| 8: Financial income and expenses | 27: Events after the balance sheet date |
| 9: Distribution of profit | 28: Fair value information |
| 10: Cash and demand deposits | 29: Currency exposure |
| 11: Bonds at fair value | 30: Derivative financial instruments |
| 11: Bonds at amortised cost | 31: Credit, market, and liquidity risks |
| 12: Investments in funds | 32: Offsetting |
| 13: Equity investments | 33: Definitions of financial ratios |
| 14: Loans at amortised cost | |
| 15: Loans at fair value | |
| 16: Investments in group enterprises | |
| 17: Intangible and tangible assets and fixed asset investments | |
| 18: Other receivables | |
| 19: Prepayments | |

Note 1

Significant accounting policies

General information

The consolidated financial statements and the parent financial statements are presented in accordance with the Act on the Export and Investment Fund of Denmark (EIFO) and the provisions of the Danish Financial Statements Act governing reporting class D, with the addition of recognition and measurement criteria of IFRS 9 as the basis for interpretation and necessary adjustments required because of EIFO's unique nature as an independent state-owned institution, including:

- The format requirements of the Danish Financial Statements Act are not entirely adhered to for all items, as EIFO's activities are more fairly presented by different naming of the items following the Act on the Export and Investment Fund of Denmark.
- The basic gross principle of the Danish Financial Statements Act has not been applied, as it has been deemed most fair for EIFO's financial statements to present the results by type of product. This is especially reflected in the operating items, where income and expenses are jointly presented, including the recognition of various loss reimbursements.
- Section 37 of the Danish Financial Statements Act is not fully adhered to, as it is considered fairer to measure convertible loans and debt to the government (relending) at fair value, using the recognition and measurement criteria of IFRS 9 as the basis for interpretation.
- EIFO's investments in unlisted companies are not consolidated, as EIFO does not have control over these companies. Additionally, their inclusion is not deemed to improve the reader's understanding of EIFO's assets, liabilities, financial position, results of activities, and cash flows. Consequently, ownership interests in portfolio companies are recognised at fair value.

The accounting policies applied to these financial statements are consistent with those applied last year.

All amounts are presented in DKK million. Due to rounding, slight differences may occur between the disclosed totals and the sum of the underlying figures.

The notes to the financial statements show figures for the EIFO Group and EIFO, including comparative figures for 2023. In cases where figures for the EIFO Group and EIFO are identical, only the figures for the EIFO Group are presented.

Accounting policies for the establishment of EIFO

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

The activities of Vaekstfonden and the Danish Green Investment Fund were merged into EIFO on 1 April 2023, with accounting effect from 1 January 2023. Effective 1 April 2023, EKF Denmark's Export Credit Agency was demerged, transferring part of its business to EIFO, which will also handle new operations from that date.

The business combination is recognised using the uniting-of-interest method, in which assets and liabilities of the acquired company are combined with the corresponding assets and liabilities of the surviving company at carrying amounts without calculating and recognising goodwill.

Recognition and measurement

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

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as the original cost minus any repayments and plus or minus the accumulated amortisation of any difference between cost and the nominal amount.

Anticipated risks and losses that arise before the time of presentation of the financial statements and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, including recognition of value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Furthermore, costs incurred to generate earnings for the year are recognised in the

income statement, including depreciation/amortisation, write-downs, and provisions, as well as reversal of entries as a result of changed accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as income from investments in funds, income from equity investments, income from export credits and working capital changes, income from lending activities, as well as financial income or expenses.

Management and administration

Special programmes under EIFO, managed on behalf of the government, are recognised as part of the overall accounts when EIFO fully or partially bears the risk, utilises borrowings through relending or reinsurance by the government, and/or receives cash and cash equivalents such as capital contributions, loss allowances, grants, or subsidies.

When utilising borrowing or reinsurance, no funds are received. The items of these programmes are recognised in the relevant financial statement items based on the products used, thus affecting EIFO's financial results.

Capital contributions received are recognised in EIFO's contributed capital and cash. The income and expenses of the programmes are recognised in the relevant financial statement items based on the products used, thus affecting EIFO's overall financial results. Amounts treated as capital contributions share the characteristic that they do not need to be repaid when the respective programme ends, granting EIFO's management complete control over the contributions.

Loss allowances and grants received are recognised in 'Provisions' and 'Cash and demand deposits'. The income and expenses of the programmes are recognised in the relevant financial statement items based on the products used. The utilisation of the loss allowance is recognised as a separate line item for loss reimbursement in the note of the used product and as a reduction of the balance sheet item (either loss allowance or reserved loss allowance, depending on whether the loss is realised or expected).

Grants (for cost recovery) and subsidies received are recognised in 'Debt' and 'Cash and demand deposits'. Relevant items covered by the programmes reduce the corresponding liability.

The type of funds received is determined by the regulatory framework of the programme (e.g., executive orders, legislative acts, etc).

Programmes covered by the above adhere to the accounting policies specified for EIFO and are recognised to facilitate the preparation of separate statements. By the end of 2024, EIFO had nine programmes recognised as capital contributions and 15 programmes recognised as loss allowances, grants, or subsidies.

Other special programmes that do not meet the criteria mentioned above, or are managed by an agreement with the Ministry of Industry, Business and Financial Affairs, are handled in separate accounts and, therefore, are not included in EIFO's financial statements. EIFO had seven such programmes by the end of 2024.

Income taxes

EIFO is exempted from paying income taxes.

Management's significant accounting estimates and judgments

Accounting estimates and judgments have been applied to prepare the financial statements. These judgments and estimates are made by Management of the EIFO Group following the accounting policies and based on historical experience and assumptions that Management considers reasonable and realistic. The areas involving a high level of complexity or where estimates and judgments are material to the financial statements include the following:

Investments in funds

The measurement of investments in funds is based on the financial statements of these funds, in which their equity investments are measured at fair value. The most significant accounting estimates and judgments mainly pertain to the measurement of EIFO's investments in funds, where such measurement is based on unobservable inputs. In measuring these investments, Management has made estimates based on a valuation method that uses three share indexes, weighted according to the geographical distribution of EIFO's portfolio and a credit spread.

Unlisted equity investments

The valuation of equity investments involves significant estimates in measuring fair values, including those of the underlying portfolio companies invested in, whose values predominantly consist of intangible assets and require ongoing capital infusion. In measuring the value of these investments, Management has estimated the stage of development and expected future development of the portfolio companies, their ongoing capital requirements, and commercialisation prospects.

Listed equity investments

Numerous portfolio companies within the EIFO Group are listed on Danish or international stock exchanges. The majority of these shares are traded on less liquid markets, leading to uncertainty about whether the companies can be sold at their listed market prices. Most of the EIFO Group's portfolio of listed companies is concentrated in a few shares. The position and market activity of the shares indicate that they are unlikely to be sold at short notice at their estimated fair value.

Export credits and working capital guarantees

Where significant estimates are involved in determining the probability of guarantees being paid out and, thus, the corresponding provision for bad debts that has been made. When making provisions for bad debts, significant estimates are involved in quantifying the payment risk on the issued guarantee. When making provisions for irrevocable loan commitments, estimates are applied to assess the exposure amount in case of default. When measuring reinsurance agreements, estimates are applied to calculate the provisions. For further details, please refer to the *Loans* section below.

Loans

Loans where significant estimates are involved in assessing the risk that not all future payments will be received and, thus, the corresponding write-down that has been made. Negative trends in industries in which the EIFO Group has significant exposure.

Increasing interest rates will add uncertainty to the valuation of exposures with poor credit quality.

Write-downs of loans and export credits are made in line with the accounting policies applied and are based on numerous assumptions. If these assumptions change, the presentation of financial statements may be affected, and the effect could be material. The probability of default is used to calculate the write-down of the unhedged part of the exposure. Management's determination of the probability of default is based on experience with loss history, etc., and involves significant estimates.

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, export credits, and working capital guarantees for Danish businesses. Large Corporates includes export credits and working capital guarantees for Danish businesses abroad, as well as funding to foreign customers.

Unallocated assets mainly comprise cash, bonds, and other receivables.

Income statement

Amounts in DKK million	Investment	SME	Large Corporates	EIFO Group 2024
Income from investments in funds	168	0	15	183
Income from equity investments	122	0	-13	109
Income from export credits and working capital guarantees	0	211	989	1,199
Income from lending activities	15	-28	521	508
Operating profit/loss	305	182	1,512	1,999

Balance sheet

Amounts in DKK million	Investment	SME	Large Corporates	EIFO Group 2024
Assets				
Investments in funds	9,699	0	55	9,754
Equity investments	3,678	0	97	3,775
Loans at amortised cost	0	3,752	32,976	36,728
Loans at fair value	539	0	0	539
Assets distributed by business area	13,916	3,752	33,128	50,796
Undistributed assets				22,605
Total assets	13,916	3,752	33,128	73,401
Off-balance sheet items				
Export credit and working capital guarantee exposures, before reinsuranc	0	1,142	98,010	99,152
Export credit and working capital guarantee exposures, reinsurance	0	0	-60,263	-60,263
Commitments	5,370	422	5,109	10,901
Off-balance sheet items distributed by business area	5,370	1,564	42,856	49,789
Undistributed off-balance sheet items				212
Total off-balance sheet items				50,001

Note 2

Business areas - continued

Income statement

Amounts in DKK million	Investment	SME	Large Corporates	EIFO Group 2023
Income from investments in funds	25	-	4	29
Income from equity investments	-177	4	-	-173
Income from export credits and working capital guarantees	-	64	514	578
Income from lending activities	-12	445	588	1,021
Operating profit/loss	-164	513	1,106	1,454

Balance sheet

Amounts in DKK million	Investment	SME	Large Corporates	EIFO Group 2023
Assets				
Investments 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	7,818	28,003	48,641

Undistributed assets				24,519
Total assets	12,820	7,818	28,003	73,160

Off-balance sheet items

Export credit and working capital guarantee exposures, before reinsuranc	-	1,184	95,621	96,805
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	4,809	1,870	47,294	53,973

Undistributed off-balance sheet items				24
Total off-balance sheet items				53,997

Note 3

Income from investments in funds

Significant accounting policies

The income statement includes the proportional share of income for the year from portfolio funds, including realised and unrealised gains and losses on fund investments, as well as expenses related to managing the portfolio funds.

If the quarterly report for the latest quarter is not received within EIFO's financial reporting period, adjustments are made to account for significant changes in observable market inputs.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Value adjustments, Danish funds*	143	380
Value adjustments, foreign funds*	163	-4
Costs, carry, etc.	-123	-347
Total income from investments in funds	183	29

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

Note 4

Income from equity investments

Significant accounting policies

The income statement includes the value adjustments for the year of investments in unlisted and listed companies. When calculating the results of EIFO's direct investment activities, expenses related to the incentive programmes for equity investments (carry agreements) established for each fund are offset.

The carry agreements are structured with individual minimum return requirements (hurdle rates) for invested capital and associated costs. Additionally, the agreements include a specific allocation key for the returns exceeding the minimum return requirement, with a pre-defined maximum amount.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Unlisted companies	47	-277
Listed companies	64	92
Carry	-2	12
Total income from equity investments	109	-173

The portion of the returns that does not accrue to EIFO is expensed in the financial results.

Note 5

Income from export credits and working capital guarantees

Significant accounting policies

The income statement includes income from export credits and working capital guarantees.

Premium income comprises annual premiums on issued export credits and working capital guarantees. Premiums are recognised when coverage under the guarantee begins, the policy is issued, or at the time of payment.

Premiums and fees ceded to reinsurance represent the annual share of premiums and fees transferred to other insurance companies due to reinsurance coverage.

Commissions to and from reinsurance companies consist of the administration fee EIFO receives or pays regarding reinsurance agreements.

For detailed information about provisions for losses on guarantees, please refer to the *Provisions for export credits and working capital guarantees* and *Off-balance sheet items* sections.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Income from premiums and fees	1,210	1,317	342	308
Reinsurance premiums and fees paid	-484	-551	-28	-24
Commissions from reinsurance	90	95	9	4
Change in write-downs (stage 1-3)	379	-270	47	-204
Realised loss/received on claims previously written off	4	-20	4	-20
Loss reimbursements	0	6	0	6
Total income from export credits and working capital guarantees	1,199	578	375	69

Note 6

Income from lending activities

Significant accounting policies

Income from lending activities

The income statement includes the annual interest income and front-end fees from loans, interest expenses and fees for relending and derivative financial instruments, write-downs of and changes in lending, and loss reimbursements.

Interest income is recognised in the income statement and includes outstanding and accrued interest until the balance sheet date. The amount includes interest from loans and derivative financial instruments used for hedging purposes.

Interest expenses and fees comprise the year's interest expenses for relending and derivative financial instruments. Additionally, the item includes fees to Danmarks National bank, which are calculated based on the nominal value of relending. The amount includes interest from relending and derivative financial instruments used for hedging purposes.

Write-downs, including reinsurance and loss reimbursements corresponding to expected future losses, are based on continuous updates of existing methods and models. For more information, please refer to the *Loans* section.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Export credit financing, loans	771	205	385	232
Export credit financing, claims	-7	265	-27	-17
Financing of growth, innovation, and the green transition in Denmark	-284	572	-284	572
Loans at fair value	28	-20	28	-20
Total income from lending activities	508	1,021	103	765
A breakdown of the individual items follows below.				
Export credit financing:	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Interest income	1,453	1,003	1,347	652
Commissions and other fees	61	52	61	32
Interest expenses and fees	-1,000	-699	-1,000	-448
Reinsurance interest and fees paid	-272	-159	-74	-4
Commissions from reinsurance	34	29	15	1
Change in write-downs (stages 1-3)	495	-20	36	-1
Realised loss/received on claims previously written off	0	0	0	0
Total income from export credit financing	771	205	385	232
Claims:	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Interest income	100	270	0	0
Change in write-downs (stages 1-3)	177	103	122	66
Realised loss/received on claims previously written off	-283	-109	-149	-83
Total income from claims	-7	265	-27	-17

Note 6

Income from lending activities - continued

	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Financing of growth, innovation, and the green transition in Denmark:				
Interest income	1,006	1,073	1,006	1,073
Commissions and other fees	50	25	50	25
Interest expenses and fees	-262	-103	-262	-103
Change in write-downs (stages 1-3)	-892	-64	-892	-64
Realised loss/received on claims previously written off*	-360	-497	-360	-497
Loss reimbursements from the Ministry of Industry, Business and Financial Affairs	172	270	172	270
Earnings impact of COVID-19 loans	2	-132	2	-132
Total income from financing of growth, innovation, and the green transition in Denmark	-284	572	-284	572
*The amount includes the losses realised on claims written off during the year. The reversal of write-downs from previous years on these loans is included in the item 'Change in write-downs (stages 1-3)'.				
Loans at fair value:				
Interest income	47	35	47	35
Change in write-downs (stages 1-3)	-17	-57	-17	-57
Realised loss/received on claims previously written off	-8	-1	-8	-1
Loss reimbursements from the Ministry of Industry, Business and Financial Affairs and the European Investment Fund	5	3	5	3
Total income from loans at fair value	28	-20	28	-20

Note 7

Net administrative expenses

Significant accounting policies

Administrative expenses include costs related to the administrative functions within EIFO, such as wages and salaries (including variable remuneration), expenses for external consultants, stationery and office supplies, and other costs incurred in day-to-day operations and for programmes managed by EIFO on behalf of ministries or external funds.

Administrative expenses are reduced by the fees EIFO receives for managing programmes for ministries, as well as management fees related to the administration of external funds, including, among others, COVID-19 schemes, Dansk Vækstkapital, and Dansk Landbrugs-kapital. The income is accrued until the balance sheet date.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Wages and salaries, incl. remuneration for Board of Directors* and Executive Board**	421	399	421	363
Pension costs	56	44	56	38
Other social security costs	2	2	2	2
Other administrative expenses	239	263	236	234
Total administrative expenses	719	708	716	636
Reimbursements and fees	68	54	107	112
Total net administrative expenses	651	654	609	523
Number of employees				
The average number of employees during the financial year converted into full-time equivalents	466	464	466	464
*Salary and remuneration for the Board of Directors				
Salary and pension	5	5	4	4
Variable remuneration	0	0	0	0
Total salary and remuneration for the Board of Directors	5	5	4	4
**Salary and remuneration for the Executive Board				
Salary and pension	5	6	5	5
Variable remuneration	1	1	1	0
Total salary and remuneration for the Executive Board	6	7	6	6
Audit fees				
Statutory audit of the financial statements	3	1	2	1
Other assurance engagements	0	0	0	0
Tax services	0	0	0	0
Other services*	2	9	2	9
Total audit fees	5	11	4	10

*The amount includes salaries for the former executive board of Vækstfonden, which merged with EIFO on 31 March 2023, with retroactive effect from 1 January 2023.

*Other services include advisory services, including consultancy due to the merger.

Note 8

Financial income and expenses

Significant accounting policies

The item, which includes income and expenses from bonds, repo transactions, borrowings, bank deposits, and financial instruments, is divided into:

Interest received and paid on bonds, borrowings, and bank deposits. Transactions are recognised on an accrual basis.

Positive and negative value adjustments on bonds and derivative financial instruments.

Exchange rate adjustments of covered products in foreign currencies.

The presentation of financial income and expenses has been changed compared to last year. Comparative figures have been restated, but the overall result of net financials remains unchanged.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Financial income and expenses:				
Interest, receivables from credit institutions and central banks	47	38	34	34
Interest, bonds and related financial instruments	378	237	378	234
Value adjustments, bonds	298	217	298	215
Value adjustments, bond-related financial instruments	-123	-196	-123	-196
Fair value hedge accounting, loans and swaps	78	-25	78	-25
Value adjustments, relending	-564	-1,298	-564	-1,127
Value adjustments, relending-related financial instruments	664	1,318	664	1,255
Interest, other payables	-15	-17	-15	-17
Exchange rate adjustments of assets and liabilities	201	-140	211	-60
Derivative financial instruments	-381	89	-381	0
Other interest income	3	0	3	2
Other interest expenses and fees	-9	-2	-9	-2
Total financial income and expenses	577	221	575	315

Note 9

Distribution of profit

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Proposed dividend	350	350	350	350
Reserve for net revaluation according to the equity method	0	0	1,190	541
Retained earnings	1,575	672	386	131
Total distribution of profit	1,925	1,022	1,925	1,022

Note 10

Cash and demand deposits

Significant accounting policies

Cash and demand deposits include bank deposits and receivables from the government, representing part of EIFO's liquidity invested with the government.

Cash and demand deposits are measured at amortised cost.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Receivables from government	0	116	0	116
Receivables from credit institutions	1,008	1,634	805	1,296
Total cash and demand deposits	1,008	1,750	805	1,411

Note 11

Bonds

Significant accounting policies

Bonds consist of Danish government and mortgage credit bonds, divided into trading and held-to-maturity portfolios.

The trading portfolio is intended for buying and selling within a shorter time frame. Initial recognition is at cost less transaction costs, and subsequently at fair value with value adjustments recognised in the income statement.

Bonds redeemed immediately after the end of the financial year are recognised at par value.

Bonds are classified as held-to-maturity assets for long-term investments and are initially recognised at cost upon acquisition. Subsequently, these bonds are measured at amortised cost plus accrued interest. Premiums and discounts are accrued during the life of the bonds and are recognised as financial income and expenses.

At fair value

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Mortgage credit bonds	10,649	7,180
Government bonds	3,183	6,835
Total bonds	13,833	14,015
Bonds at fair value broken down by maturity	EIFO Group 2024	EIFO Group 2023
Up to three months	50	994
Over three months up to and including one year	3,230	5,987
Over one year up to and including five years	9,454	7,033
Over five years	1,098	-
Total bonds at fair value broken down by maturity	13,833	14,014

At amortised cost

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Mortgage credit bonds	199	439
Government bonds	-	-
Total bonds	199	439
Bonds at amortised cost broken down by maturity	EIFO Group 2024	EIFO Group 2023
Up to three months	-	-
Over three months up to and including one year	-	244
Over one year up to and including five years	199	196
Over five years	-	-
Total bonds at amortised cost broken down by maturity	199	439

Note 12

Investments in funds

Significant accounting policies

Investments in funds, consisting of indirect investments in unlisted portfolio funds, are measured at EIFO's proportionate share of the funds' fair value. When measuring the fair value of investments in alternative investment funds (AIFs), the valuation is based on the fair value of the assets and liabilities within each fund, as indicated by:

- The latest quarterly report, supplemented by EIFO's proprietary method, which estimates the value development of the fund portfolio based on observable market indexes (share price and financing costs) for funds where the quarterly report for the most recent quarter has not been received within EIFO's financial reporting period. Information on prices etc. that becomes available after the closing of the accounts will only be incorporated if it is deemed material to the evaluation of the financial statements.

EIFO's valuation of investments in funds is primarily estimated using a constructed benchmark that has historically reflected the portfolio's value development. The benchmark consists of three share indexes, weighted according to geographical distribution, and a credit index that illustrates the financing costs of small businesses. Due to delays in the value adjustments of funds, the development of the share indexes over the past four quarters and the credit spreads over the past eight quarters are included. The model has resulted in a margin included in Management's estimate of the claims provisions of DKK 130 million.

The life science portfolio, valued at approximately DKK 1 billion, has been excluded from the benchmark calculation due to significant deviations in historical returns. The portfolio is valued according to the latest quarterly report, adjusted for known transactions such as investments and distributions.

The fair values of these funds are calculated using recognised valuation methods, such as the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, substantially aligning with the recognition and measurement requirements of IFRS 13. Consequently, the calculated fair value corresponds to the ownership interest of the calculated capital account. Since the investment is made through other alternative investment funds, it is impossible to provide further details on the multiples applied, the required rate of return, and other information about the valuation.

Given that the valuation of the funds relies on assumptions about future earnings of the underlying companies owned by the funds and the development of market multiples, the valuation is inherently uncertain. This uncertainty will inevitably be greater during periods of financial market volatility, where market multiples, and thus valuations, will be affected by factors such as changes in illiquidity premiums and the ability to sell the underlying companies within the funds.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Cost beginning of year	12,998	0
Contribution from merger	0	11,878
Additions	1,261	1,120
Cost end of year	14,259	12,998
Distributions beginning of year	-9,895	0
Contribution from merger	0	-9,508
Distributions for the year	-991	-387
Distributions end of year	-10,885	-9,895
Value adjustments beginning of year	6,198	0
Contribution from merger	0	6,169
Value adjustments for the year	183	29
Value adjustment end of year	6,381	6,198
Total investments in funds	9,754	9,301
Value index ((book value+distribution)/cost)	1.45	1.48

Investments in funds - continued

Investments in funds with ownership exceeding 20% (latest annual report)	Currency	Equity (DKKm)	Results (DKKm)	Ownership (%)	Reg. office
2xN Venture Fund I, SCSp	EUR	89	-2	26%	Luxembourg
Accelerace Invest II K/S	DKK	21	-1	43%	Denmark
Accelerace Invest K/S	DKK	6	0	67%	Denmark
Antler Europe Fund I AB	USD	80	-35	21%	Luxembourg
Antler Nordic Fund II AB	EUR	29	-8	21%	Sweden
Climentum Capital Fund I K/S	EUR	137	-5	26%	Denmark
Dansk Landbrugskapital K/S	DKK	329	49	50%	Denmark
Dansk Landbrugskapital Komplementar ApS	DKK	0	0	100%	Denmark
Dansk Vækstkapital II K/S	DKK	2,604	76	55%	Denmark
Dansk Vækstkapital II Komplementar ApS	DKK	0	0	100%	Denmark
Dansk Vækstkapital III K/S	DKK	996	33	32%	Denmark
Dansk Vækstkapital III GP ApS	DKK	0	0	100%	Denmark
Dansk Vækstkapital K/S	DKK	2,199	119	75%	Denmark
Dansk Vækstkapital Komplementar ApS	DKK	0	0	100%	Denmark
Den Sociale Kapitalfond Effekt II K/S	DKK	N/A	N/A	25%	Denmark
Den Sociale Kapitalfond Effekt I K/S	DKK	25	-2	26%	Denmark
European Angels Fund S.C.A. SICAR - Denmark	DKK	238	5	50%	Denmark
Heartcore Capital Fund I K/S	DKK	903	86	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	116	-5	100%	Denmark
Innovation Investment K/S	USD	606	-54	100%	Denmark
Innovation Investment Komplementar ApS	DKK	0	0	100%	Denmark
IVS Fund II K/S	DKK	67	-15	62%	Denmark
Kost Capital Fund I K/S	EUR	0	0	26%	Denmark
NB FP Investment II K/S	EUR	1	0	76%	Denmark
NB FP Investment K/S	EUR	5	0	77%	Denmark
NCP-IVS Fund III K/S	DKK	145	30	29%	Denmark
Nordic Alpha Partners Fund I K/S	DKK	1172	151	32%	Denmark
Playground Ventures IV, L.P.	USD	N/A	N/A	23%	USA
PreSeed Ventures Tech Fund I K/S	DKK	216	-2	24%	Denmark
Project Sprout K/S	USD	686	-46	53%	Denmark
Project Sprout Management ApS	DKK	0	0	100%	Denmark
PSV Hafnium Fund I K/S	DKK	0	0	24%	Denmark
Rockstart Agrifood I Coöperatief U.A.	EUR	108	-8	29%	Netherlands
Rockstart Agrifood II Coöperatief U.A.	EUR	N/A	N/A	46%	Netherlands
Rockstart Emerging Technologies Fund Europe I Coöperatief U.A.	EUR	N/A	N/A	33%	Netherlands
SEED Capital Denmark II K/S	DKK	515	18	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	49	-1	33%	Denmark
UV Fund I K/S	DKK	26	-8	38%	Denmark
Vækstfonden Growth	DKK	634	-60	50%	Denmark
Vækstfonden Growth General Partner ApS	DKK	0	0	100%	Denmark
Vækst-Invest Nordjylland A/S	DKK	74	9	37%	Denmark

According to the contractual basis, EIFO does not obtain control over funds. However, EIFO has control over all wholly owned general partnerships.

Note 13

Equity investments

Significant accounting policies

Equity investments primarily consist of investments in unlisted companies. EIFO invests broadly across various industries and stages of maturity. At initial investment, equity investments are recognised at cost, including the amounts contributed at the time of capital subscription. Upon conversion of loans, cost is calculated by the value of the converted claim at the time of conversion. Subsequently, investments in unlisted companies are measured and recognised at fair value on the balance sheet date, calculated according to IPEV's principles.

For unlisted companies, the fair value of investments is measured based on the latest external share subscription or, if unavailable, based on cost. If, upon closer evaluation, the company does not meet certain milestones, a write-down is made to the estimated fair value. For some unlisted companies with a certain history and revenue, the fair value is, by default, calculated using a multiple valuation method.

All investments are assessed at least twice a year and upon any significant events. The valuation is subject to some uncertainty, as it involves the fair value of instruments in an inactive market. Determining fair value is based on performance and capital raising conditions, as well as special conditions within each industry.

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

Value adjustments for the year are recognised in the income statement. EIFO does not exercise control over the companies that EIFO co-owns and thus does not exercise sole influence over their financial and operational decisions. Specific ownership interests in unlisted companies are not disclosed due to business reasons.

Amounts in DKK million	EIFO Group 2024			EIFO Group 2023		
	Unlisted	Listed		Unlisted	Listed	
Cost beginning of year	2,514	611	3,125	0	0	0
Contribution from merger	0	0	0	1,999	961	2,960
Additions	838	7	845	644	20	664
Additions, converted from lending	59	0	59	65	4	69
Disposals	-238	-4	-242	-193	-375	-568
Cost end of year	3,173	614	3,787	2,515	610	3,125
Value adjustments beginning of year	290	-310	-19	0	0	0
Contribution from merger	0	0	0	359	-265	94
Value adjustments for the year, excl. earn-out	7	60	67	19	-44	-25
Disposals	-57	-2	-59	-88	0	-88
Value adjustments end of year	240	-251	-11	290	-309	-19
Equity investments end of year	3,413	363	3,775	2,805	301	3,106

Note 14

Loans at amortised cost

Loans at amortised cost

Loans include payments for export credit financing, claims (payments under a non-performing export credit), and financing of growth, innovation, and the green transition in Denmark. Loans subject to writing down follow the recognition and measurement criteria of IFRS 9 as the basis for interpretation. On initial recognition, loans are measured at fair value, including transaction costs directly associated with establishing the loan. Subsequently, loans are measured at amortised cost, applying the effective interest method, net of write-downs.

EIFO applies proprietary models to calculate the expected credit loss under IFRS 9 as the basis for interpretation. The impairment models, which are based on the likelihood that the counterparty will fail to meet its contractual obligations, imply that a financial asset is written down at the time of initial recognition by an amount equal to the expected credit loss over 12 months (stage 1). In the event of a subsequent significant increase in credit risk compared to the time of initial recognition, the asset is further written down by an amount equal to the expected credit loss over the remaining life of the asset (stage 2). If the asset is impaired, the write-down is based on an increased probability of loss (stage 3).

The classification into different stages affects the calculation method applied. It is determined, among other things, by the change in the probability of default (PD) over the expected remaining life of the asset.

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

The formula for writing down is $PD \times LGD \times EAD$. The above parameters are based on EIFO's experience, including loss history. The principles of the impairment models are specified below in the *Export credit financing* and *Loans to finance growth, innovation, and the green transition in Denmark* sections.

Export credit financing

Loans

Loans are measured at amortised cost applying the effective interest method. The difference between the value on initial recognition and the redemption value is amortised over the remaining time to maturity and recognised as income from lending activities. To estimate PD, EIFO uses well-known methods, such as Standard & Poor's and Moody's rating tools to determine ratings. Ratings are translated into PD based on Moody's statistics for one-year default rates.

The criteria and calculation method for the three stages are:

- On initial recognition, the asset is placed in stage 1, where a probability-weighted loss expected within the next 12 months is written down ($PD \times 12 \text{ months} \times LGD \times EAD$).
- In the event of a significant change in credit risk, the asset is transferred to stage 2, where it is written down by the expected loss over its remaining time to maturity ($PD \times \text{time to maturity} \times LGD \times EAD$). A significant change in credit risk is:
 - For 12-month PDs at initial recognition below 1%: an increase in the 12-month PD of 0.5 percentage points or more, and a doubling of the PD for the expected remaining life of the asset.
 - For 12-month PDs at initial recognition of 1% or more: an increase in the 12-month PD of 2.0 percentage points or more or a doubling of the PD for the expected remaining life of the asset.
- If the asset is deemed credit-impaired, and consequently stage 3, the asset is written down by an amount corresponding to the expected credit loss during the remaining life 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 meet their payment obligations and any outstanding amounts. EIFO makes individual write-downs based on considering three scenarios: a best-case scenario, a base-case scenario, and a worst-case scenario. A credit impairment, and consequently a non-performing asset, may be:
 - A confirmed default, such as an overdraft exceeding 30 days, the customer undergoing liquidation proceedings, the initiation of restructuring negotiations, or establishing an interest rate reset.

Note 14

Loans at amortised cost - continued

- Write-downs may be supplemented with margins included in Management's estimate of the claims provisions to account for factors not considered by the calculation models.

EIFO uses financial instruments like interest rate swaps to hedge the interest rate risk on loans for export credit financing, measured at amortised cost.

The total write-downs are reduced by the value of the reinsurance share.

Claims

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

Receivables for which an agreement has been reached with the counterparty are recognised at amortised cost, and subsequently evaluated to ensure their value matches the expected repayment. Where no agreement has been reached with the counterparty, which is typically the case, the value of claims is assessed based on the customers' ability and willingness to pay (stage 3).

Gross claims comprise compensations paid plus capitalised interest, minus instalments received, and adjusted to the exchange rate on the balance sheet date. Claims comprise gross claims, reduced by write-downs for bad debts.

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

Loans are recognised at amortised cost, net of realised losses and write-downs for bad debts. Irrevocable loan commitments are also written down. Realised losses arise when reliable information indicates that an exposure is considered uncollectible, with no prospects for repayment or dividends.

The criteria and calculation methods for the three stages are:

- Upon initial recognition, the asset is classified as stage 1, where a probability-weighted loss expected within the next 12 months is written down ($PD\ 12\ months \times LGD \times EAD$).
- In the event of a significant change in credit risk, the asset is transferred to stage 2, where it is written down by the expected loss over its remaining time to maturity ($PD\ time\ to\ maturity \times LGD \times EAD$). A significant change in credit risk is defined as an increase in the 12-month PD by five percentage points if triggering at least two rating class downgrades or an overdue payment 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 meet their payment obligations, any outstanding amounts, and/or changes in the initial conditions of the customer relationship, or an overdue payment of more than 90 days. Assets in stage 3 are written down by the expected loss over their remaining time to maturity ($PD\ time\ to\ maturity \times LGD \times EAD$).
- Write-downs may be supplemented with margins included in Management's estimate of the claims provisions to account for factors not considered by the calculation models.

The Ministry of Industry, Business and Financial Affairs has allocated loss allowances to EIFO to cover bad debts on growth loans for innovators, green growth loans, early-stage start-ups, and COVID-19 loans. Loss allowances are recognised as other payables and are reduced in line with the expected drawdown.

Additionally, EIFO has secured agreements with the European Investment Fund (EIF) to partially cover losses on particularly high-risk loans. For writing down these loans, a receivable matching the write-down is recognised until the loan is potentially written off and EIF calls the loss coverage. The receivable is recognised as other receivables.

Fixed-rate loans, effectively hedged with derivative financial instruments, are calculated at nominal value, less realised losses and write-downs for bad debts, following the principles outlined above. Furthermore, the value of the associated derivative financial instrument is adjusted to reflect the current interest-rate level relative to the lending rate.

Note 14

Loans at amortised cost - continued

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Export credit financing, loans	28,767	26,402	17,667	1,365
Export credit financing, claims	2,083	1,749	73	77
Financing of growth, innovation, and the green transition in Denmark	5,879	7,598	5,879	7,598
Total loans at amortised cost*	36,728	35,749	23,619	9,039

*A breakdown of the individual items follows below.

Note 14

Loans at amortised cost - continued

Export credit financing:

Amounts in DKK million	EIFO Group		
	Loans	Claims	2024
Loans before write-downs	29,042	3,737	32,779
Write-downs after reinsurance*	-275	-1,654	-1,929
Total loans	28,767	2,083	30,850
*Write-downs of loans and claims are reduced by the reinsurance value.			
Loans (before write-downs) broken down by stage:			
Stage 1	27,619	0	27,619
Stage 2	289	0	289
Stage 3	1,134	3,737	4,871
Total loans (before write-downs)	29,042	3,737	32,779
Loans (before write-downs) broken down by repayment:*			
Up to and including one year	3,332	n/a	n/a
Over one year up to and including five years	10,425	n/a	n/a
Over five years	15,286	n/a	n/a
Total loans broken down by repayment	29,042		
*No maturity breakdown is made as claims are based on individual agreements that are regularly adjusted according to the customer's current situation.			
Loans (before write-downs) broken down by rating*:			
A+	0	0	0
BBB+	3,558	0	3,558
BBB	13,102	0	13,102
BBB-	477	0	477
BB+	248	0	248
BB	986	0	986
BB-	6,971	0	6,971
B+	2,326	0	2,326
B	67	0	67
B-	0	0	0
CCC	171	0	171
D	1,134	3,737	4,871
Total loans broken down by rating	29,042	3,737	32,779
*A tool developed by Moody's is used to determine ratings.			
Loans broken down by sector (%):			
Financial sector	1%	0%	1%
Agriculture	0%	8%	1%
Aviation	0%	2%	0%
Commerce	10%	4%	10%
Shipping	0%	26%	3%
Green energy	81%	20%	74%
Other industry	8%	40%	12%
Total loans broken down by sector	100%	100%	100%

Note 14

Loans at amortised cost - continued

Export credit financing:		EIFO	
Amounts in DKK million	Loans	Claims	2024
Loans before write-downs	17,683	271	17,954
Write-downs after reinsurance*	-16	-198	-214
Total loans	17,667	73	17,740
*Write-downs of loans and claims are reduced by the reinsurance value.			
Loans (before write-downs) broken down by stage:			
Stage 1	17,729	0	17,729
Stage 2	-46	0	-46
Stage 3	0	271	271
Total loans (before write-downs)	17,683	271	17,954
Loans (before write-downs) broken down by repayment:*			
Up to and including one year	1,926	n/a	n/a
Over one year up to and including five years	6,400	n/a	n/a
Over five years	9,357	n/a	n/a
Total loans broken down by repayment	17,683		
*No maturity breakdown is made as claims are based on individual agreements that are regularly adjusted according to the customer's current situation.			
Loans (before write-downs) broken down by rating*:			
A+	0	0	0
BBB+	-4	0	-4
BBB	13,038	0	13,038
BBB-	477	0	477
BB+	0	0	0
BB	144	0	144
BB-	3,065	0	3,065
B+	929	0	929
B	67	0	67
B-	0	0	0
CCC	-32	0	-32
D	0	271	271
Total loans broken down by rating	17,683	271	17,954
*Ratings provided by Moody's are used.			
Loans broken down by sector (%):			
Agriculture	0%	29%	0%
Commerce	0%	32%	0%
Shipping	0%	6%	0%
Green energy	88%	27%	87%
Other industry	12%	5%	12%
Total loans broken down by sector	100%	100%	100%

Note 14

Loans at amortised cost - continued

Export credit financing:

Amounts in DKK million	Loans	Claims	EIFO Group 2023
Loans before write-downs	27,152	3,033	30,185
Write-downs after reinsurance*	-750	-1,284	-2,034
Total loans	26,402	1,749	28,151

*Write-downs of loans and claims are reduced by the reinsurance value.

Loans (before write-downs) 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
Total loans (before write-downs)	27,152	3,033	30,185

Loans (before write-downs) broken down by repayment:*

Up to and including one year	3,491	n/a	n/a
Over one year up to and including five years	12,624	n/a	n/a
Over five years	11,037	n/a	n/a
Total loans broken down by repayment	27,152		

*No maturity breakdown is made as claims are based on individual agreements that are regularly adjusted according to the customer's current situation.

Loans (before write-downs) broken down by rating*:

A+	29	0	29
BBB+	9,569	0	9,569
BBB	8,173	0	8,173
BBB-	0	0	0
BB+	383	0	383
BB	1,099	0	1,099
BB-	1,482	0	1,482
B+	1,300	0	1,300
B	3,021	0	3,021
B-	1,206	0	1,206
CCC	166	0	166
D	724	3,033	3,757
Total loans broken down by rating	27,152	3,033	30,185

*A tool developed by Moody's is used to determine ratings.

Loans broken down 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%
Total loans broken down by sector	100%	100%	100%

Note 14

Loans at amortised cost - continued

Export credit financing:			EIFO
Amounts in DKK million	Loans	Claims	2023
Loans before write-downs	1,410	396	1,806
Write-downs after reinsurance*	-45	-320	-365
Total loans	1,365	77	1,441

*Write-downs of loans and claims are reduced by the reinsurance value.

Loans (before write-downs) broken down by stage:

Stage 1	483	0	483
Stage 2	926	0	926
Stage 3	0	396	396
Total loans (before write-downs)	1,410	396	1,806

Loans (before write-downs) broken down by repayment:*

Up to and including one year	226	n/a	n/a
Over one year up to and including five years	396	n/a	n/a
Over five years	787	n/a	n/a
Total loans broken down by repayment	1,410		

*No maturity breakdown is made as claims are based on individual agreements that are regularly adjusted according to the customer's current situation.

Loans (before write-downs) broken down by rating*:

B-	891	0	891
B+	486	0	486
BB+	2	0	2
BBB	30	0	30
D	0	396	396
Total loans broken down by rating	1,410	396	1,806

*Ratings provided by Moody's are used.

Loans broken down by sector (%):

Agriculture	0%	20%	4%
Commerce	0%	27%	6%
Shipping	0%	4%	1%
Green energy	49%	19%	44%
Other industry	51%	30%	45%
Total loans broken down by sector	100%	100%	100%

Note 14

Loans at amortised cost - continued

Write-downs - export credit financing

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Write-downs beginning of year	-2,034	0	-365	0
Contribution from merger	0	-1,845	0	-316
Transferred from 'Provisions for export credits and working capital guarantees' to 'Claims'*	-263	0	0	0
New write-downs due to additions and change in credit risk	-384	0	-29	-21
Disposals due to repayment and change in credit risk	494	-20	38	3
Write-downs confirmed as lost	278	-6	0	0
Other adjustments, exchange rate adjustments	-20	-159	141	-31
Write-downs end of year	-1,929	-2,034	-215	-365

*The amount is net of reinsurance of DKK 119 million.

Write-downs broken down by stage:

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Stage 1	-23	-27	-16	-6
Stage 2	-16	-86	0	-40
Stage 3	-1,890	-1,921	-198	-319
Total write-downs broken down by stage	-1,929	-2,036	-214	-365

Note 14

Loans at amortised cost - continued

Financing of growth, innovation, and the green transition in Denmark:	EIFO Group	EIFO Group
	2024	2023
Loans before write-downs	10,544	11,371
Write-downs before loss reimbursement**	-4,665	-3,773
Total loans	5,879	7,598
**Write-downs do not include the value of loss allowances. The amount is included in 'Other assets'.		
Loans (before write-downs) broken down by stage:		
Stage 1	6,201	8,773
Stage 2	754	1,414
Stage 3	3,589	1,184
Total loans (before write-downs)	10,544	11,371
Loans (before write-downs) broken down by repayment:		
Up to and including three months	109	265
Over three months up to and including one year	998	258
Over one year up to and including five years	6,557	6,794
Over five years	2,880	4,055
Total loans broken down by repayment	10,544	11,371
Loans (before write-downs) broken down by rating*:		
A1	9	54
A2	328	840
A3	1,340	1,813
B1	432	855
B2	985	1,191
B3	1,604	1,761
B4	763	842
B5	1,552	1,876
C1	66	1,004
C2	2,642	613
D	824	523
Total loans broken down by rating	10,544	11,371
*A1-A3: Repayment ability is assessed as relatively strong to very strong. B1-B5: Repayment ability is assessed as less acceptable to satisfactory.		
C1-C2: Repayment ability is assessed as unsatisfactory to poor. D: Repayment ability is assessed as non-existent.		
Loans broken down by sector (%):		
Agriculture/Hunting/Forestry/Fishing	8%	8%
Industry/Resource extraction	11%	11%
Energy supply	7%	8%
Building and construction	2%	3%
Commerce	9%	9%
Transport/Hospitality	2%	2%
Information/Communications	23%	22%
Financing/Insurance	21%	16%
Real estate	1%	2%
Other industry*	17%	20%
Total loans broken down by sector	100%	100%

*Other industry includes 'Business services', 'Culture, leisure and other services', as well as 'Life Sciences'.

Note 14

Loans at amortised cost - continued

Write-downs - Financing of growth, innovation, and the green transition in Denmark
Amounts in DKK million

	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Write-downs beginning of year	-3,773	0	-3,773	0
Contribution from merger	0	-3,702	0	-3,702
New write-downs due to additions and change in credit risk	-1,486	-617	-1,486	-617
Disposals due to repayment and change in credit risk	204	-	204	0
Write-downs confirmed as lost	374	496	374	496
Other adjustments	17	50	17	50
Write-downs end of year	-4,665	-3,773	-4,665	-3,773

Write-downs broken down by stage:
Amounts in DKK million

	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Stage 1	-1,306	-1,743	-1,306	-1,743
Stage 2	-415	-892	-415	-892
Stage 3	-2,944	-1,138	-2,944	-1,138
Total write-downs broken down by stage	-4,665	-3,773	-4,665	-3,773

Note 15

Loans at fair value

Loans at fair value comprise convertible loans. Convertible loans are recognised at fair value in the income statement, less realised losses and write-downs for bad debts. A quarterly assessment is conducted to identify any indications of impairment. Impairment is assessed alongside the valuation of the total investment in the business, with equity contributions making up the most significant portion (refer to equity investments).

The valuation is made at cost (including interest), less write-downs, if any.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Loans before write-downs	687	617
Write-downs before loss reimbursement	-148	-132
Total loans	538	485

Note 16

Investments in group enterprises

Significant accounting policies

Investments in group enterprises include the wholly owned subsidiary EKF Denmark's Export Credit Agency (EKF).

The enterprise is recognised and measured in the parent company using the equity method. The total net revaluation of investments in group enterprises is transferred to 'Statutory reserves' under equity through profit distribution.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Cost beginning of year	-	-	500	-
Contribution from merger	-	-	-	7,520
Additions	-	-	-	0
Transferred to other items due to the merger	-	-	-	-7,020
Cost end of year	-	-	500	500
Value adjustments beginning of year	-	-	541	-
Contribution from merger	-	-	-	-
Value adjustments for the year	-	-	1,190	541
Disposals	-	-	-	-
Value adjustments end of year	-	-	1,730	541
Investments in group enterprises end of year	-	-	2,230	1,041

Note 17

Intangible and tangible assets and fixed asset investments

Significant accounting policies

Intangible assets

Intangible assets, consisting of software, are measured at cost less accumulated amortisation. Cost comprises costs directly attributable to the acquisition and implementation until the time when the asset is ready to be put into operation. Acquisitions of software exceeding DKK 5 million are capitalised. Amortisation is carried out on a straight-line basis over the expected useful lives of the assets, typically three to five years.

Tangible assets

Tangible assets comprising hardware, tools and equipment, etc., are measured at cost less accumulated depreciation. Cost comprises the acquisition price and costs directly attributable to the acquisition. Acquisitions of hardware, tools and equipment exceeding DKK 1 million are capitalised. The acquisition of computers, printers, and phones are considered individual assets and are not capitalised.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

- IT hardware, three to five years
- Other fixtures and fittings, tools and equipment, three to five years
- Leasehold improvements, three to ten years
- Artwork, no depreciation

New acquisitions that are not capitalised are fully expensed in the year of acquisition under administrative expenses in the income statement.

Fixed asset investments

Fixed asset investments comprise deposits for leased premises. Deposits are recognised at cost and subsequently indexed.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Intangible assets	21	31
Tangible assets	27	34
Fixed asset investments	13	17
Total fixed assets	61	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 accumulated interest that is added in subsequent financial years, while premiums receivable are measured at the present value of the receivable at the time of recognition.

Reinsurance share

The reinsurance share of accumulated write-downs of export credits represents the share of EIFO's write-downs attributable to the reinsurers. The share is adjusted for the counterparty risk that EIFO has with the reinsurance companies.

Receivables, loss coverage

Receivables related to loss coverage are measured at amortised cost, usually equalling nominal value, less write-downs for bad debts.

Derivative financial instruments

Derivative financial instruments are recognised from the trade date and measured at fair value in the balance sheet. Positive and negative values are offset only when the company has the right and the intention to settle multiple derivative financial instruments on a net basis. Fair values of derivative financial instruments are determined based on current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or liability (fair value hedging) are recognised in the income statement along with changes in the value of the hedged asset or liability. For existing loans where hedge accounting began only after the hedging contracts were signed, the fair value of the hedging contract is transferred on a straight-line basis to the income statement over the term of the hedging instrument upon transition to hedge accounting.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for effective hedging of future transactions are recognised directly in equity (cash flow hedge). The ineffective portion is recognised immediately in the income statement. When the hedged transactions are made, the accumulated changes are recognised as part of cost of the relevant transactions.

Changes in the fair value of cross-currency basis spread on hedging instruments are recognised directly in equity and expensed in the income statement in connection with the settlement of cross-currency basis spread by the ongoing payments on swaps (costs of cash flow hedge). The value of the cross-currency basis spread upon transitioning to hedge accounting is amortised on a straight-line basis in the income statement over the term of the hedging instrument.

Other assets

Other assets primarily include receivables from debtors. Other assets are measured at amortised cost.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Interest and premiums receivable, loans and export credits	651	590	571	511
Interest receivable, bonds	99	67	99	67
Reinsurance shares	2,368	2,121	114	62
Loss coverage receivable	2,380	2,458	2,380	2,458
Positive value of derivative financial instruments*	665	765	665	765
Other assets	174	859	114	756
Total other receivables	6,337	6,861	3,943	4,620

* Refer to notes 30 and 32 for additional information

Note 19

Prepayments

Significant accounting policies

Prepayments comprise incurred costs relating to subsequent financial years, as well as interest expenses consisting of prepayments to reinsurers. The prepayments cover contracts for credit risk reinsurance on loans and are expensed as a financial expense under income from lending activities according to the repayment profile of the loan.

Prepayments are measured at cost.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Prepaid expenses	14	29	14	15
Prepaid interest and premium expenses, export credits	638	725	66	12
Prepaid interest and premium expenses, loans	514	619	18	33
Total prepayments	1,167	1,373	99	60

Note 20

Payables to government, credit institutions, and central banks

Significant accounting policies

Payables to the government (relending) through Danmarks National bank are recognised at the proceeds received upon borrowing. Subsequently, relending is measured at fair value following the recognition and measurement criteria in IFRS 9 as the basis for interpretation. The fair value is calculated as the market value by discounting future cash flows, using the relevant discount rates determined based on current market data.

Additionally, relending is undertaken through Danmarks National bank. A guarantee premium of 0.15% is paid to the government for this arrangement.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Payables to government	32,533	34,290
Total payables to government, credit institutions, and central banks	32,533	34,290

Note 21

Other payables

Significant accounting policies

Other payables

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

Payables to reinsurers

Payables to reinsurers are recognised at present value at the time of recognition. Subsequently, the present value is continuously recalculated at each balance sheet date. Payables with a maturity exceeding one year are discounted using a CIRR rate in the currency in which the payable is denominated. Payables to reinsurers are written down following the same principles as premiums receivable. Please refer to the details on premiums receivable in the *Other assets* section.

Payables to pension funds

Payables to pension funds (fixed-rate loans) are recognised at the proceeds received upon borrowing. No transaction costs are incurred when taking out the loan. Subsequently, loans are measured at amortised cost, usually equalling nominal value.

Derivative financial instruments

Derivative financial instruments are recognised from the trade date and measured at fair value in the balance sheet. Positive and negative values are offset only when the company has the right and the intention to settle multiple derivative financial instruments on a net basis. Fair values of derivative financial instruments are determined based on current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or liability (fair value hedging) are recognised in the income statement along with changes in the value of the hedged asset or liability. For existing loans where hedge accounting began only after the hedging contracts were signed, the fair value of the hedging contract is transferred to the income statement over the term of the hedging instrument by adding to the discounting curve. Changes in the fair value of derivative financial instruments classified as and complying with the requirements for effective hedging of future transactions are recognised directly in equity (cash flow hedge). The ineffective portion is recognised immediately in the income statement. When the hedged transactions are made, the accumulated changes are recognised as part of cost of the relevant transactions.

Changes in the fair value of cross-currency basis spread on hedging instruments are recognised directly in equity and expensed in the income statement in connection with the settlement of cross-currency basis spread by the ongoing payments on swaps (costs of cash flow hedge). The value of the cross-currency basis spread upon transitioning to hedge accounting is amortised on a straight-line basis in the income statement over the term of the hedging instrument.

Other liabilities

Other liabilities include accrued wages and salaries and holiday pay, provisions for potential future payments under variable incentive programmes, and debts to creditors. Other payables are measured at amortised cost.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Payables to reinsurers	792	566	-8	-19
Payables to pension funds	784	839	784	839
Interest and commission payable	73	63	73	63
Loss coverage payable	17	240	17	240
Negative value of derivative financial instruments*	1,396	1,436	1,396	1,436
Other liabilities	546	485	494	473
Total other payables	3,608	3,629	2,756	3,031

* Refer to notes 30 and 32 for additional information

Note 22

Deferred income

Significant accounting policies

Deferred income includes prepayments received, primarily related to interest income on loans, commissions paid and premiums covering the following financial year, as well as prepaid loss coverage from the government.

Deferred income is measured at cost.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Prepaid interest and premium income, etc.	2,501	2,831	1,340	1,217
Prepaid commissions and premiums	9	11	9	11
Prepaid loss coverage, government	642	660	642	660
Total deferred income	3,152	3,502	1,991	1,888

Note 23

Government contributions

Significant accounting policies

Government grants to support export and investment activities, which are conditional, are recognised as provisions until the conditions are met. Afterwards, the amount is recognised as payables to the government.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Government contribution beginning of year	2,323	0
Contribution from merger	0	2,285
Transferred from equity (contributed capital)	1,065	0
Spent during the year	-253	-233
Contribution for the year	30	270
Total government contribution	3,165	2,323

Note 24

Provisions for export credits and working capital guarantees

Significant accounting policies

Provisions include anticipated costs of working capital guarantees, loss and export credit exposure, prepayments received, and provisions for guarantees. Expected costs of export credit exposure are calculated using the same principle outlined in the *Income from export credits and working capital guarantees* section.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the obligations at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Accumulated provisions for guarantees are made following the recognition and measurement criteria of IFRS 9 as the basis for interpretation. EIFO applies a proprietary model to calculate the expected credit loss. Please refer to the descriptions under 'Loans' in note 14, where the same principles apply, and 'Off-balance sheet items' in note 25.

	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Amounts in DKK million				
Provisions beginning of year	3,754	0	517	0
Contribution from merger	0	2,156	0	440
Transferred from 'Provisions for export credits and working capital guarantees' to 'Claims'**	-382	0	-7	0
New provisions due to additions and change in credit risk*	1,114	626	145	268
Disposals due to repayment and change in credit risk*	-937	-329	-205	-40
Provisions confirmed as lost*	70	-27	70	-24
Other adjustments	-105	1,327	-86	-126
Provisions end of year	3,513	3,754	433	518
*Operating effect before reinsurance, which amounts to	-625		-56	

**The amount is net of reinsurance of DKK 119 million.

Note 25

Off-balance sheet items

Significant accounting policies

Contingent liabilities

This item mainly consists of commitments relating to export credits and working capital guarantees.

Export credit exposure represents the maximum possible liability, less reinsurance. The export credit exposure is gradually reduced throughout the guarantee period based on the repayment profile established at the inception of the export credit. Read about provisions under 'Provisions for export credits and working capital guarantees' in note 24.

Other binding agreements

Commitments are recognised off the balance sheet as other binding agreements. The item is measured at nominal value.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Contingent liabilities:				
Export credit and working capital guarantee exposures, before reinsurance*	99,152	96,804	35,321	22,645
Export credit and working capital guarantee exposures, reinsurance	-60,263	-53,887	-27,094	-10,416
Other contingent liabilities	212	24	212	24
Total contingent liabilities	39,101	42,942	8,439	12,254
Other binding agreements:				
Commitments, investments in funds	5,330	4,710	5,330	4,710
Commitments, equity investments	164	115	164	115
Commitments, loans	5,407	6,230	3,963	1,675
Total other binding agreements	10,900	11,055	9,456	6,500
Total off-balance sheet items	50,001	53,997	17,895	18,754

*In addition to export credit and working capital guarantee exposures, EIFO has uncommitted obligations amounting to DKK 4.2 billion (2023: DKK 0 billion).

Note 25

Off-balance sheet items - continued

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023	EIFO 2024	EIFO 2023
Export credits and working capital guarantees (before provisions) broken down by stage:				
Stage 1	85,172	83,593	33,799	20,911
Stage 2	10,885	9,203	1,137	1,342
Stage 3	3,096	4,008	385	393
Total export credits and working capital guarantees (before provisions)	99,152	96,804	35,321	22,645
Export credits and working capital guarantees (before provisions) broken down by rating*:				
AA	0	3	0	3
AA-	74	77	74	77
A+	172	27	172	27
A	3,709	78	3,709	78
A-	105	3,715	81	3,572
BBB+	9,053	5,483	4,003	518
BBB	15,525	13,115	5,428	2,098
BBB-	7,394	3,523	3,513	263
BB+	7,779	5,700	1,584	832
BB	8,465	10,256	3,532	1,798
BB-	20,850	22,424	8,003	9,478
B+	12,058	9,038	969	1,718
B	3,779	11,931	3,359	464
B-	2,250	5,544	136	535
CCC+	3,638	747	219	744
CCC	643	41	58	8
CCC-	410	1,087	26	33
C	67	5	67	2
D	3,180	4,010	390	396
Total export credits and working capital guarantees (before provisions) broken down by rating	99,152	96,804	35,321	22,645
*Ratings provided by Moody's are used.				
Export credits and working capital guarantees (before provisions) broken down by sector:				
Financial sector	5%	6%	2%	2%
Agriculture	1%	1%	1%	1%
Aviation	0%	0%	0%	1%
Commerce	16%	19%	12%	19%
Shipping	0%	0%	0%	0%
Green energy	74%	69%	74%	58%
Other industry	4%	5%	11%	20%
Total export credits and working capital guarantees (before provisions) broken down by sector	100%	100%	100%	100%

Note 26

Related parties

The Danish government is considered a related party exercising control as the Minister for Industry, Business and Financial Affairs, following the Act on the Export and Investment Fund of Denmark, establishes detailed regulations for EIFO's activities and appoints the Board of Directors. Furthermore, the Act states that EIFO can be dissolved by law, after which the Treasury will take over EIFO's assets and otherwise assume its rights and obligations.

EIFO's related parties also include the subsidiary EKF Denmark's Export Credit Agency and the funds and companies, such as 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, in which EIFO exercises control or significant influence through its ownership interests.

Finally, the funds, companies, and managed schemes with which EIFO has established a secretariat agreement are considered related parties.

All transactions are conducted on an arm's length basis.

In 2024, EIFO received various grants, loss coverage, and capital contributions from the Danish government, to which it also paid dividends and guarantee commissions.

- Capital contributions and dividend payments are shown in the statement of changes in equity.
- Grants and loss coverage appear in the balance sheet.
- Remuneration of the Board of Directors and the Executive Board is disclosed in note 7.

Additionally, the following transactions are included:

	Transactions with other related parties	Transactions with other related parties	Transactions with subsidiary	Transactions with subsidiary
Amounts in DKK million	2024	2023	2024	2023
Income statement:				
Guarantee commission	-67	-31	0	-11
Administrative services (fee for secretarial services)	68	54	40	59
	Balances, other related parties	Balances, other related parties	Balances, subsidiary	Balances, subsidiary
Amounts in DKK million	2024	2023	2024	2023
Balance sheet items:				
Cash and demand deposits	0	116	0	0
Other receivables	0	2,458	9,451	24,114
Payables to government, credit institutions, and central banks	32,533	34,290	0	0
Other payables	225	240	0	0

Note 27

Events after the balance sheet date

No events have occurred after the balance sheet date to the signing of the annual report that significantly influenced the financial position of the Group and the Parent.

Note 28

Fair value information

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 of the financial instrument is applied when an active market exists. The market price may be a quoted price or a price listing.

Level 2 - observable inputs

If a financial instrument is listed in an inactive market, valuations are based on the latest transaction price. Adjustments are made for subsequent changes in market conditions. Certain financial assets and liabilities have no defined market. The valuation of these assets and liabilities is based on estimated value, using recent transactions in similar instruments. For derivative financial instruments, valuation techniques heavily rely on market conditions, such as yield curves and exchange rates.

Level 3 - unobservable inputs

The valuation of certain financial assets and liabilities is significantly affected by unobservable inputs. A significant portion of the Group's equity investments and loans are valued based on unobservable inputs.

				Fair value is calculated based on		
EIFO Group 2024				Quoted	Observer-	Unobserv-
Amounts in DKK million	Book value	Fair value	Value difference	prices (level 1)	able input (level 2)	able input (level 3)
Assets:						
Bonds	14,032	14,125	93	14,125	0	0
Investments in funds	9,754	9,754	0	235	0	9,519
Equity investments	3,775	3,775	0	363	0	3,413
Loans at fair value	538	538	0	0	0	538
Derivative financial instruments	665	665	0	0	665	0
Total financial assets	28,765	28,858	93	14,723	665	13,470
Liabilities:						
Derivative financial instruments	1,396	1,396	0	0	1,396	0
Total liabilities	1,396	1,396	0	0	1,396	0

				Fair value is calculated based on		
EIFO Group 2023				Quoted	Observer-	Unobserv-
Amounts in DKK million	Book value	Fair value	Value difference	prices (level 1)	able input (level 2)	able input (level 3)
Assets:						
Bonds	14,454	14,499	45	14,499	0	0
Investments in funds	9,301	9,301	0	293	0	9,008
Equity investments	3,106	3,106	0	301	0	2,805
Loans at fair value	485	485	0	0	0	485
Derivative financial instruments	765	765	0	0	765	0
Total financial assets	28,111	28,156	45	15,093	765	12,298
Liabilities:						
Derivative financial instruments	1,436	1,436	0	0	1,436	0
Total liabilities	1,436	1,436	0	0	1,436	0

Note 28

Fair value information - continued

				Fair value is calculated based on		
EIFO 2024				Quoted	Observer-	Unobserver-
Amounts in DKK million	Book value	Fair value	Value difference	prices (level 1)	able input (level 2)	able input (level 3)
Assets:						
Bonds	14,032	14,125	93	14,125	0	0
Investments in funds	9,754	9,754	0	235	0	9,519
Equity investments	3,775	3,775	0	363	0	3,413
Loans at fair value	538	538	0	0	0	538
Derivative financial instruments	765	665	0	0	0	665
Total financial assets	28,864	28,858	93	14,723	0	14,135
Liabilities:						
Derivative financial instruments	1,396	1,396	0	0	1,396	0
Total liabilities	1,396	1,396	0	0	1,396	0

				Fair value is calculated based on		
EIFO 2023				Quoted	Observer-	Unobserver-
Amounts in DKK million	Book value	Fair value	Value difference	prices (level 1)	able input (level 2)	able input (level 3)
Assets:						
Bonds	14,454	14,499	45	14,499	0	0
Investments in funds	9,301	9,301	0	293	0	9,008
Equity investments	3,106	3,106	0	301	0	2,805
Loans at fair value	485	485	265	0	0	485
Derivative financial instruments	765	765	0	0	765	0
Total financial assets	28,112	28,156	310	15,093	765	12,298
Liabilities:						
Derivative financial instruments	1,436	1,436	0	0	1,436	0
Total liabilities	1,436	1,436	0	0	1,436	0

Note 29

Currency exposure

Significant accounting policies

EIFO's currency risk is the risk of losing economic value or incurring additional costs due to fluctuations in exchange rates. In EIFO, currency risk arises due to loans, export credits, provisions and write-downs, investments in funds, equity investments, derivatives, and liquidity placements in a currency other than Danish kroner. EIFO hedges currency risk at cash flow and balance sheet levels. The hedging required for balance sheet positions is calculated as the total net position for each currency that exceeds the approved limits of 2 billion for euros and DKK 50 million for all other currencies.

Amounts in DKK million	EIFO Group 2024	EIFO Group 2023
Currency breakdown by major currencies, net:		
EUR	137	-535
USD	11	-41
GBP	3	-24
CHF	1	-14
TWD	-12	-0
AUD	-8	-5
Total currency breakdown	132	-619

Amounts in DKK million	Earnings impact	
	EIFO Group 2024	EIFO Group 2023
10% increase in currency (EUR)	14	-53
10% increase in currency (USD)	1	-4
10% increase in currency (GBP)	0	-2
10% increase in currency (CHF)	0	-1
10% increase in currency (TWD)	-1	-
10% increase in currency (AUD)	-1	-5

Note 30

Derivative financial instruments

Significant accounting policies

Due to its business model, EIFO is exposed to various market risks. The primary risks for which derivatives are used as instruments to mitigate them involve interest rate and currency risks.

The Group uses various derivative financial instruments, such as interest rate swaps and forward exchange contracts, as part of its risk management, hedging, and investment strategy. Derivative financial instruments enable increasing or decreasing exposure to market, currency, and interest rate risks. Swaps are the most commonly used derivative financial instruments.

EIFO's risk management strategy is further detailed in note 31 and in the *Risk, capital, and liquidity management* section on page 43.

Fair value hedging

The Group engages in fair value hedging to protect fixed-rate export credit financing against fair value changes due to currency and yield curve fluctuations. An economic relationship exists between export credit financing and swaps, as both instruments are exposed to the same underlying risks and possess similar qualitative characteristics regarding principal amount, currency, and interest rate. Consequently, the fair value adjustments of these instruments will move in opposite directions.

	Net market value			Gross market value		
EIFO Group 2024	Up to one year	Between one and five years	Over five years	Positive market value	Negative market value	Net market value
Amounts in DKK million						
Interest-rate contracts:						
Swaps	-115	-260	26	319	-668	-349
Currency contracts:						
Swaps	-242	-236	97	346	-728	-382
Total derivative financial instruments	-357	-496	123	665	-1,396	-730
Hedge accounting:						
Amounts in DKK million				Nominal	Carrying amount	Fair value adjustment
Assets:						
Loans at amortised cost				18,550	18,883	746
Derivative financial liabilities:						
Swaps, loans at amortised cost				20,836	-228	-488
Gain/loss on hedning instruments for the year						32
Gain/loss on hedged items for the year						-110
Net gain/loss (ineffectiveness for the year)						-78

Note 30

Derivative financial instruments - continued

	Net market value			Gross market value		
EIFO Group 2023	Up to one year	Between one and five years	Over five years	Positive market value	Negative market value	Net market value
Amounts in DKK million						
Interest-rate contracts:						
Swaps	-408	-506	-164	87	-1,155	-1,068
Currency contracts:						
Swaps	63	112	165	678	-281	397
Total derivative financial instruments	-345	-394	1	765	-1,436	-671
Hedge accounting:						
Amounts in DKK million				Nominal	Carrying amount	Fair value adjustment
Assets:						
Loans at amortised cost				12,149	12,427	291
Derivative financial liabilities:						
Swaps, loans at amortised cost				12,279	260	-5
Gain/loss on hedning instruments for the year						51
Gain/loss on hedged items for the year						-71
Net gain/loss (ineffectiveness for the year)						-25

Note 31

Credit, market, and liquidity risks

Significant accounting policies

EIFO's business activities and cash placement expose us to credit, market, and liquidity risks.

EIFO mitigates credit and market risks through the use of various instruments. The remaining risk is hedged by maintaining sufficient capital. Liquidity risk is mitigated by maintaining an adequate cash reserve.

Credit risk

Credit risk reflects the risk of loss due to EIFO's customers and counterparties failing to meet their payment obligations. Counterparties include commercial companies, banks, sovereign states, and reinsurance companies. EIFO offers loans and guarantees to Danish businesses across most industries and at all stages of their development. For example, the guarantees enable companies to obtain bank loans or receive prepayments from buyers.

EIFO continuously monitors its credit portfolio, including the aggregated exposure by counterparty and country. EIFO's credit risk is mitigated when agreements are covered by loss mandates and reinsurance, especially for larger transactions. Credit risk is managed in line with the credit policy approved by the Board of Directors.

Market risk

Market risk refers to the risk of loss arising from changes in the value of assets and liabilities, driven by developments in the companies EIFO has invested in and fluctuations in the financial markets. EIFO's equity investments (primarily unlisted) involve significant share price exposure. In addition to share price exposure, EIFO is cautious about assuming market risks and, after implementing mitigating measures, is mainly exposed to interest spread and currency risks, with minor exposure to interest rate risk. EIFO's risk appetite and management are defined in its 'Investment policy' and 'Market risk management policy', both of which are approved by the Board of Directors.

EIFO engages in direct equity investments in and offers equity-like loans to businesses. Additionally, EIFO makes indirect equity investments in funds. The investment activities are intended to maintain, strengthen, or develop the Danish innovation economy in the short or long term by supporting business development, new structures, and new initiatives. All investments are subject to EU state aid regulations. To ensure the investment portfolio consistently stays within EIFO's overall financial risk appetite, limits are defined regarding the concentration of sectors and countries.

EIFO's interest spread risk mainly arises from hedging the interest rate risk associated with EIFO's funding and bond portfolio. The main interest spreads EIFO is exposed to are:

- Spread between relending (government yield curve) and hedging (swap yield curve)
- Spread between various other interest rate indexes that influence the value of EIFO's portfolio
- Credit spread for bonds

The interest spread risk cannot be effectively hedged, making it impractical to set specific limits. The risk is managed through funding structures. EIFO assesses the interest spread risk on the above-mentioned interest spreads daily.

Interest rate risk mainly originates from lending activities, funding, derivatives, and the placement of liquidity in fixed-rate instruments. EIFO continuously hedges interest rate risks. Interest rate changes will impact the economic value of loans, relending, derivative hedging, and cash investments. The effect of parallel changes and twists in the yield curves is calculated. The impairment of EIFO's portfolio must not exceed DKK 75 million in the event of a parallel change of all yield curves by ± 1 percentage point. EIFO also imposes restrictions on interest rate risk for individual currencies, excluding DKK and EUR, as well as the overall impact of non-parallel changes in yield curves.

An increase in interest rates may also affect the results of lending activities. This effect arises because, despite a complete economic hedge of interest rate risk, EIFO may experience fluctuations in results due to an accounting mismatch between loans measured at amortised cost and interest-rate hedges measured at fair value. These fluctuations are accumulated in the exchange adjustment reserve under equity. Hedge accounting eliminates most of this effect. As maturity approaches, these fluctuations will even out and ultimately reach zero. As this is purely an accounting effect without any real economic impact, these effects are not included in the analyses.

In EIFO, currency risk arises due to loans, export credits, provisions and write-downs, equity investments, derivatives, and liquidity placements in a currency other than Danish kroner. EIFO hedges currency risk at cash flow and balance sheet levels. The hedging required for balance sheet positions is calculated as the total net position for each currency that exceeds the approved limits of 2 billion for euros and DKK 50 million for all other currencies. For equity investments, currency exposures are accounted for as a proportion of the book value of the investments.

Note 31

Credit, market, and liquidity risks - continued

Liquidity risk

Under the Act on the Export and Investment Fund of Denmark, EIFO cannot directly engage in borrowing in the private market. EIFO's cash requirements for loans and investments are met through targeted government capital contributions and relending. Insufficient liquidity could hinder EIFO's ability to expand or maintain its business operations and may ultimately lead to an inability to fulfil its payment obligations. EIFO generally aims to minimise liquidity risks. Consequently, cash resources are maintained, remaining sufficient even in stressed scenarios.

Note 32

Offsetting

Significant accounting policies

Positive and negative fair values of financial instruments are recognised as separate items in the balance sheet. 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, simultaneously, have agreed to settle on a net basis or realise the asset and repay the liability.

EIFO has established derivative financial contracts with several financial counterparties. All financial counterparties have a rating ranging from BBB to AA-.

EIFO Group 2024

Amounts in DKK million	Carrying amount	Offset	Carrying amount	Right of off	set-	Collateral	Net value
Assets	665	0	665	-665	0	0	0
Liabilities	1,396	0	1,396	-665	-611	119	
Net	-730	0	-730	0	611	-119	

EIFO Group 2023

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

Note 33

Definitions of financial ratios

Significant accounting policies

Below are definitions of selected financial ratios that the EIFO Group uses in the annual report for 2024.

Rate of return	Profit for the year divided by assets at year-end and off-balance sheet items.
Return on equity	Profit for the year divided by equity at the beginning of the year.
Solvency ratio	Equity at year-end divided by balance sheet total at year-end and off-balance sheet items.
Rate of cost	Net administrative expenses divided by business volume.
Business volume	Includes investments in funds, equity investments, loans before write-downs, export credit and working capital guarantee limits before reinsurance and loss coverage, remaining commitments to funds, equity investments, and loans.
Carry percentage	Carry cost divided by business volume of the product.
Impairment ratio, guarantees	Accumulated write-downs for the year divided by export credit and working capital guarantee exposures after reinsurance.
Impairment ratio, lending	Accumulated write-downs for the year divided by loans.

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of the Export and Investment Fund of Denmark and of the Export and Investment Fund of Denmark Group for the financial year 1 January to 31 December 2024.

The consolidated financial statements and the parent financial statements have been prepared in accordance with the Danish Financial Statements Act, with the exemptions and adjustments required as a result of the unique nature of the Export and Investment Fund of Denmark Group as an independent state-controlled entity, pursuant to the Act on the Export and Investment Fund of Denmark.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024, as well as of the results of their operations and their cash flows for the period 1 January to 31 December 2024.

We believe that the transactions comprised by the financial statements comply with the applicable appropriations, legislation, and other regulations, as well as with any contractual obligations and generally accepted practice. We also believe that due economic considerations have been taken in managing the funds and operating the activities comprised by the financial statements and that we have established systems and processes relevant to ensuring economy, efficiency, and effectiveness in the activities of EIFO.

The management commentary has been prepared in accordance with relevant law and regulations and accounting principles, and we believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the organisational meeting in April 2025.

Copenhagen, 28 February 2025

Executive Board

Peder Lundquist
Chief Executive Officer

Board of Directors

Michael Dithmer
Chair of the Board of Directors

Dorrit Vanglo
Deputy Chair

André Rogaczewski
Board member

Anne Mette Toftegaard
Board member

Barbara Taudorf Andersen
Board member

Bo Foged
Board member

Camilla Ley Valentin
Board member

Esben Gadsbøll
Board member

Jakob Ellemann-Jensen
Board member

Jesper Buch
Board member

Jørgen Høholt
Board member

Anna Marie Lunde Skov Owie
Employee representative

Charlotte Christensen-Degn
Employee representative

Christoffer Ring
Employee representative

Independent auditor's report

To the Minister for Industry, Business and Financial Affairs

Opinion

We have audited the consolidated financial statements and the parent financial statements of the Export and Investment Fund of Denmark (EIFO) for the financial year 1 January 2024 to 31 December 2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Act on the Export and Investment Fund of Denmark and the provisions of the Danish Financial Statements Act, with the necessary adjustments.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024 and of the results of their operations and the consolidated cash flows for the financial year 1 January 2024 to 31 December 2024 in accordance with the Act on the Export and Investment Fund of Denmark and the provisions of the Danish Financial Statements Act, with the necessary adjustments.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark, as well as the Danish Standards on Public-Sector Auditing (SOR), as the audit is conducted based on the provisions of the Act on the Export and Investment Fund of Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report.

The Auditor General is independent of EIFO in accordance with section 1(6) of the Danish Auditor General Act, and the approved auditor is independent of the Group in accordance with the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have both fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Managements responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Act on the Export and Investment Fund of Denmark and the provisions of the Danish Financial Statements Act, with the necessary adjustments, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, as well as the Danish Standards on Public-Sector Auditing (SOR), as the audit is conducted based on the provisions of the Act on the Export and Investment Fund of Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, as well as the Danish Standards on Public-Sector Auditing (SOR), as the audit is conducted based on the provisions of the Act on the Export and Investment Fund of Denmark, we exercise professional judgment and maintain an attitude of professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements or the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in relevant law and regulations. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for the transactions comprised by the financial statements complying with the applicable appropriations, legislation and other regulations, as well as with any contractual obligations and generally accepted practice. Management is also responsible for ensuring that sound financial management is exercised in the operation of EIFO and its activities and the administration of the funds comprised by the consolidated financial statements and the parent financial statements. As part of this, Management is responsible for establishing systems and processes relevant to ensuring economy, efficiency, and effectiveness in the activities of EIFO.

As part of our audit of the consolidated financial statements and the parent financial statements, it is our responsibility to conduct compliance and performance audits in accordance with the Danish Standards on Public-Sector Auditing (SOR). This implies that we assess the risk of material breaches of law in the transactions covered by the financial statements, or material performance deficiencies in the systems and processes established by Management. Based on our risk assessment, we determine the specific subject matters for which we will conduct our compliance audit or our performance audit.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report these in this statement.

In our compliance audit, we test to obtain reasonable assurance about whether the transactions covered by the selected subject matter comply with the relevant criteria established by applicable appropriations, legislation, other regulations, agreements or generally accepted practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions covered by the selected subject matter support the exercise of sound financial management in the operation of EIFO and its activities and the administration of the funds covered by the consolidated financial statements and the parent financial statements.

Our audit of each selected subject matter aims to obtain sufficient and appropriate audit evidence as a basis for issuing a reasonable assurance conclusion regarding the subject matter. In an audit, it is not possible to obtain absolute assurance in detecting all breaches of law or performance deficiencies.

As we have only conducted a compliance audit and a performance audit of the selected subject matters, we cannot state with certainty that there are no material breaches of law or material performance deficiencies in areas outside the selected subject matters. If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report these in this statement.

We have no material critical comments to report in this connection.

Copenhagen, 28 February 2025

Deloitte Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kasper Bruhn Udam
State-Authorised Public Accountant
MNE no. 29421

Jakob Lindberg
State-Authorised Public Accountant
MNE no. 40824

The Auditor General of Denmark
Business Registration No. 77 80 61 13

Marie Katrine Bisgaard Lindeløv
Head of Department

Hafida Lastat
Chief Consultant

Independent auditor's report on CO₂e displacement

To stakeholders of the Export and Investment Fund of Denmark

The Export and Investment Fund of Denmark (EIFO) has engaged us to issue a report on CO₂e displacement from renewable energy projects for 2024, as illustrated in the figure 'EIFO's renewable energy projects displace CO₂e' on page 27 of EIFO's annual report for 2024 (the Report).

The data represents an estimate of the total CO₂e displacement over the standard useful life of all renewable energy projects financed by EIFO (67.5 million tonnes of CO₂e) and EIFO's share of this displacement (14.1 million tonnes of CO₂e) for the period from 1 January to 31 December 2024.

Our conclusion is twofold: we express reasonable assurance as to whether the calculation has been prepared based on the assumptions described in the Report and following the calculation model outlined in the Report. Additionally, we express limited assurance as to whether the assumptions applied in the calculation model provide a reasonable basis for the calculation.

In this assurance engagement, a 'reasonable basis for the calculation' means that the assumptions applied in the calculation model are relevant, documented, and not unrealistic in light of the purpose of the calculation. The calculation is intended to illustrate the estimated CO₂e displacement from the projects co-financed by EIFO in 2024. The key assumptions, model, and methodology applied are detailed on page 27 of the Report. Actual results are likely to differ from those expected since planned events often do not occur as assumed. Such differences may be material.

Apart from the scope of our engagement as outlined above, we have not performed any work related to other data included in the 'Report on corporate social responsibility, climate, policies, and business', and therefore, we do not express any conclusion on these matters.

Management's responsibilities

EIFO's management is responsible for designing, implementing, and maintaining internal controls of information that is relevant to the preparation of the CO₂e displacement reporting and ensuring that this information is free from material misstatement caused by fraud or error. Management is responsible for the calculation, which is based on the assumptions outlined in the calculation model. Additionally, Management is responsible for ensuring that the assumptions in the model provide a reasonable basis for the calculation.

Auditor's responsibilities

Based on our procedures performed, our responsibility is to express reasonable assurance as to whether the calculation has been prepared based on the assumptions described in the calculation model and follows the specified methodology.

Additionally, based on our procedures performed, our responsibility is to express limited assurance as to whether the assumptions applied in the calculation model provide a reasonable basis for the calculation.

We conducted our work in accordance with International Standard on Assurance Engagements 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and additional requirements under Danish audit regulation.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management (ISQM) 1, which requires that we design, implement, and operate a quality management system, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

The procedures we performed while reviewing the assumptions applied are less in scope than those required for a reasonable assurance engagement. Consequently, the level of assurance obtained for our conclusion on the assumptions applied is significantly lower than the assurance we would have obtained in a reasonable assurance engagement.

Procedures performed

As part of our work, we have obtained all the information and explanations required to support our conclusion. We have verified whether the assumptions applied provide a reasonable basis for the calculation, and we have recalculated the CO₂e displacement. In this context, we:

- Reviewed the fundamental assumptions, procedures, calculations, and input data applied in the calculation model.
- Randomly reviewed documentation regarding ownership interest, energy emission factors, capacity factors, production data, energy requirements, and capacity data.
- Recalculated the CO₂e displacement on a sample basis.
- Randomly reviewed data on demand and supply of electricity by country from the source data.
- Conducted interviews and reviewed documentation of selected project data pertinent to the calculations, such as the projects' MW, dates for drawing on credit facilities and their amounts, and the country in which the project is located.
- Evaluated the evidence obtained.

Copenhagen, 28 February 2025

Deloitte Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Jakob Lindberg
State-Authorised Public Accountant
MNE no. 40824

Mads Stærdahl Rosenfeldt
ESG Partner

Conclusion

This conclusion should be read considering the purpose of the calculation as outlined in the introductory section of this report, as well as on the basis of the interpretation of the term 'a reasonable basis for the calculation', which is also explained in the introductory section of this report.

We believe that, in all material respects, the CO₂e displacement from renewable energy projects for 2024 has been calculated based on the assumptions specified in the calculation model and follows the methodology outlined on page 27 of the Report.

Based on the procedures performed and the evidence obtained, nothing has come to our attention which causes us to believe that the assumptions stated do not provide a reasonable basis for the calculation.