



Danish Climate Investment Fund I K/S

Fredericiagade 27
1310 Copenhagen K
CVR No. 35636706

Annual report 2024

The Annual General Meeting adopted the
annual report on 30.04.2025

Frederik Bjørn
Chairman of the General Meeting

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Fund details

Fund

Danish Climate Investment Fund I K/S

Fredericiagade 27

1310 Copenhagen K

Business Registration No.: 35636706

Date of foundation: 13.01.2014

Registered office: Copenhagen

Financial period: 01.01.2024 – 31.12.2024

General Partner

DCIF GP P/S

Board of Directors in DCIF GP P/S

Frederik Bjørn

Søren Peter Andreasen

Niels Gravgaard Laursen

Fund Manager

IFU – Investment Fund for Developing Countries

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Denmark

Statement by the Management on the annual report

The Management have today considered and approved the annual report of Danish Climate Investment Fund I K/S for the financial period 01.01.2024 31.12.2024

The annual report has been prepared in accordance with information required by relevant law and regulations.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2024 and of the results of its operations and the cash flows for the financial period 01.01.2024 31.12.2024

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 Annual General Meeting.

Copenhagen, 31.03.2025

On behalf of DCIF I GP P/S

Frederik Bjørn

Søren Peter Andreasen

Niels Gravgaard Laursen

Management commentary

Primary activity

In January 2014, the Danish Climate Investment I Fund K/S (DCIF) was established as a public private partnership. Including a subsequent second close in July 2014, total capital committed to DCIF reached DKK 1,290 million. Five institutional investors committed DKK 775 million and the Danish Government and IFU committed DKK 515 million.

The purpose of DCIF is to undertake investments with a positive climate impact in developing countries in order to reduce the emission of greenhouse gasses. Such investments will include commercially viable private sector projects within sustainable energy production, energy efficiency and production of related components, as well as in other areas such as transport and other activities with a substantial positive climate impact. Furthermore, DCIF can invest in adaption projects, i.e. projects that are primarily aimed at responding to the adverse consequences of climate change. Projects co-financed by DCIF must be commercially viable and offer an attractive return to its investors.

DCIF is managed by IFU. DCIF's investment period ended early 2018. The fund can continue to make follow-up investments in projects in the active portfolio.

Development in activities and finances

This year's gross profit for DCIF I K/S amounts to DKK 14,400 thousand compared to DKK 5,287 thousand last year.

This year's net profit for DCIF I K/S amounts to DKK 16,373 thousand compared to DKK 6,363 thousand last year.

A positive result was expected for 2024.

Uncertainty relating to recognition and measurement

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

Events after the balance sheet date

No events have occurred after the balance sheet date, which have materially affected DCIF's financial position.

Independent auditor's report

To the shareholders of Danish Climate Investment Fund I K/S

Opinion

We have audited the financial statements of Danish Climate Investment Fund I K/S for the financial period 01.01.2024 -31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2024 and of the results of its operations for the financial period 01.01.2024- 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as the General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Fund'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 financial statements unless the Management either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the Management's commentary.

Our opinion on the financial statements does not cover the Management's commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's commentary and, in doing so, consider whether the Management's commentary is materially inconsistent with the 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's commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the Management commentary.

Copenhagen, 31.03.2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jens Ringbæk

State Authorised Public Accountant

Identification No (MNE) mne27735

Lars Hillebrand

State Authorised Public Accountant

Identification No (MNE) mne26712

Income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Interest income		48,331	42,996
Realised gains/(losses) from financial assets at fair value	2	126,910	22,616
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value	2	(159,042)	(52,056)
Operating income/(loss)		16,199	13,556
Other operating expenses		(1,367)	(8,203)
Operating expenses		(1,367)	(8,203)
Operating profit/(loss) (EBIT)		14,832	5,353
Financial income		1,543	1,016
Financial expenses		(3)	(4)
Increase / (decrease) in net assets attributable to Limited Partners		16,372	6,365
Net Profit/loss for the year		16,372	6,365

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

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Equity investments	3	152,082	262,336
Loans to portfolio companies		158,493	201,046
Investments		310,575	463,382
Non-current assets		310,575	463,382
Other receivables	4	8,792	19,831
Prepayments		4,177	1,960
Cash and cash equivalents		17,492	35,900
Current assets		30,461	57,691
Total assets		341,036	521,073

Net assets and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Limited partnership capital		861,882	857,772
Retained earnings		(76,571)	(92,943)
Distributions		(444,373)	(244,397)
Net assets attributable to Limited Partners		340,938	520,432
Other payables	5	98	641
Current liabilities		98	641
Total liabilities		98	641
Total liabilities and net assets attributable to Limited Partners		341,036	521,073

Statement of changes in net assets attributable to the Limited Partners

	Limited partnership capital DKK'000	Retained earnings DKK'000	Distributions DKK'000	Total DKK'000
Net assets 01.01.2024	857,772	(92,943)	(244,397)	520,432
Contributions from Limited Partners	4,110	0	0	4,110
Distributions to Limited Partners	0	0	(199,976)	(199,976)
Profit/(loss) for the period	0	16,372	0	16,372
Net assets 31.12.2024	861,882	(76,571)	(444,373)	340,938

	Limited partnership capital DKK'000	Retained earnings DKK'000	Distributions DKK'000	Total DKK'000
Net assets 01.01.2023	857,772	(99,306)	(244,397)	514,069
Profit/(loss) for the period	0	6,363	0	6,363
Net assets 31.12.2023	857,772	(92,943)	(244,397)	520,432

At 31 December 2024, the investors had paid in DKK 862 million corresponding to 67% of the capital commitment of DKK 500 million. Thus, the remaining commitment is DKK 428 million.

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Notes to the financial statements

1 Accounting policies

Reporting class

The annual report of Danish Climate Investment Fund K/S (DCIF) for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The financial statements have been prepared in accordance with the same accounting policies as last year, except that 'Undisbursed commitments' have been removed from the balance sheet, both from assets and liabilities. These commitments are now presented in the notes to provide a more accurate representation of the Fund's financial obligations. Additionally, reclassifications have been made in the income statement and balance sheet to enhance the clarity of the items presented. These reclassifications do not have any impact on profit/loss for the year and total equity.

The financial statements are presented on the basis of going concern.

The financial statements are presented on the basis of historical cost, except for the investments and receivables from investments, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts in the financial statements are presented in ~~thousands~~ **DKK**. Every figure is rounded off separately and, for that reason, minor differences between the stated totals and the sum of underlying figures may occur.

Significant accounting judgment and estimates

As part of the preparation of the financial statements, the Fund Manager and the General Partner made judgements and estimates which affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. None of these are considered significant.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when DCIF 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 DCIF, and the value of the liability can be measured reliably.

On initial recognition, financial assets and liabilities are measured at fair value, which is generally equivalent to cost. Adjustment subsequent to initial recognition is affected as described below for each item.

In accordance with Section 37 (5) in the Danish Financial Statements Act, IIP applies the International Financial Reporting Standards (IFRS) as regards measurement of financial assets and financial liabilities (IFRS 9), related disclosures (IFRS 7) and fair value measurement disclosures (IFRS 13).

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

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

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

Foreign currency translation

The functional currency reflects the currency in which the Limited Partners have committed themselves to the Fund as well as the currency in which the Fund pays the Fund Manager for carrying out investment related services. Investments and loans are carried out in different currencies and hence considered less relevant in terms of influencing the choice of functional currency. The financial statements of the Fund are presented in the currency unit DKK, which is the Fund's functional and presentation currency.

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 rate in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Operating income

Operating income from receivables and investments consists of un- and realised fair value adjustments, dividends, accrued interest, net foreign exchange gains or losses related to receivables and investments and profit or loss from the disposal of portfolio investments or receivables.

Income realised from the disposal of investments is calculated as the difference between net selling price and the fair value at the beginning of the financial period.

Administrative expenses and other operating expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

Administrative expenses and other operating expenses comprise expenses incurred during the reporting period not directly related to the Fund's investment activities. The Fund pays the Fund Manager an annual fee for carrying out investment related activities and administration. The fee is calculated in accordance with the criteria set out in the Limited Partnership Agreement.

Administrative expenses and other operating expenses which can be directly allocated to specific investments are recognised in the underlying project companies when the investment structure is formally in place.

Administrative expenses and other operating expenses that do not relate to the Fund's investment activities or is investment specific are recognised as expense by the Fund. Such costs comprise among others financial, legal and tax advisory, audit, bookkeeping, travel costs and General Partner fee.

Financial income and expenses

Financial income and expenses comprise interest income and various expenses, and net exchange rate adjustments on transactions in foreign currencies.

Interest income and interest expenses are recognised on an accrual basis.

Taxation

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partners' taxable income.

Balance sheet

Investments and receivables from investments

Financial assets and liabilities are recognised at fair value through profit or loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date when the Fund purchases or sells an investment under a contract whose terms require delivery of the investment within the time frame established by the market.

On initial recognition, investments and receivables from investments are measured at fair value and subsequently measured at fair value with recognition of fair value adjustments through profit or loss.

Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Investments consist of equity investments and receivables from investments consist of loans. Furthermore, investments consist of capitalised development costs, which increase the fair value of the investments. Capitalised development costs consist of expenses related to early-stage design and development of infrastructure investments and primarily relates to advisory services provided to fund projects such as project structuring, contracting and de-risking etc. On initial recognition the investments are measured at fair value, and subsequently measured at fair value with recognition of fair value adjustments through profit or loss. Receivables from investments are measured at fair value through profit or loss under IFRS 9, Financial Instruments.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, IPEV Valuation Guidelines and generally accepted valuation techniques, including benchmarking, multiple, DCF or other relevant methods, which are considered to provide the best estimate of the fair value.

For further information about the measurement of fair values, please refer to note 3.

Investments in and loans to portfolio companies

Financial assets and liabilities are recognised at fair value through profit or loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date when the Fund purchases or sells an investment under a contract whose terms require delivery of the investment within the time frame established by the market.

On initial recognition, investments and receivables from investments are measured at fair value.

Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Investments consist of equity investments and receivables from investments consist of loans. Furthermore, investments consist of capitalised development costs, which increase the fair value of the investments. Capitalised development costs consist of expenses related to early-stage design and development of infrastructure investments and primarily relates to advisory services provided to fund projects such as project structuring, contracting and de-risking etc. On initial recognition, both types of investment are measured at fair value, and subsequently measured at fair value with recognition of fair value adjustments through profit or loss. Receivables from investments are measured at fair value through profit or loss under IFRS 9, Financial Instruments.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, IPEV Valuation Guidelines and generally accepted valuation techniques, including benchmarking, DCF or other relevant methods, which are considered to provide the best estimate of the fair value.

For further information about the measurement of fair values, please refer to note .

Other receivables

Other receivables relate to the Fund's ordinary business activities.

Other receivables are measured at amortised cost, usually equaling nominal value.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial periods. Prepayments are measured at cost.

Cash and cash equivalents

Cash comprises cash in bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

2 Fair value adjustments

	2024 DKK'000	2023 DKK'000
Net increase/(decrease) in realised gains/(losses)	126,478	21,974
Net realised foreign currency gains/(losses)	432	642
Net increase/(decrease) in unrealised gains/(losses)	(159,042)	(52,056)
Fair value adjustment	(32,132)	(29,440)

3 Investments

	Equity investments 2024 DKK'000	Equity investments 2023 DKK'000
Cost at beginning of period	222,162	245,553
Divestments	(32,348)	(23,391)
Cost at end of period	189,814	222,162
Fair value adjustments at beginning of period	2,442	36,901
Fair value adjustments	(40,174)	3,273
Fair value at end of period	(37,732)	40,174
Carrying amount at end of period	152,082	262,336

Investments	Corporate form	Registered in	Equity interest %	Profit/(loss) DKK'000	Equity DKK'000
Nordic Power Partners	P/S	Denmark	49.00	(4,864)	3,215
Sainshand Salkhin Park LL	GmbH	Germany	59.27	(43,393)	118,333
Roserve Enviro India	Ltd	India	48.27	1,455	41,552
NPP Coremas I-III	K/S	Denmark	49.00	(25,148)	(154,929)
NPP Coremas I-III	K/S	Denmark	49.00	(25,148)	(154,922)

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to the best estimate of fair value. This means that the proportionate share of operating profit or loss for the Companies is not recognised in profit or loss of the Fund, but rather a fair value adjustment of the investment.

The methods applied by the Fund to measure investments are evident from Note 8 to the financial statements.

4 Other receivables

	2024	2023
	DKK'000	DKK'000
Other receivables	8,792	19,831
	8,792	19,831

The carrying amount of receivables relates to disbursements on behalf of investments, draw down receivables and receivables from Parallel funds.

5 Other payables

	2024	2023
	DKK'000	DKK'000
Payable to Fund Manager	0	87
Other liabilities	98	554
Other payables	98	641

The carrying amount of payables relates to legal fees, auditor's fees, travel costs etc. The amount recognised is equal to the fair value of the liabilities.

Other payables fall due for payment within 12 months.

6 Financial instruments

Categories of financial instruments:

	2024 DKK'000	2023 DKK'000
Equity investments	152,082	262,336
Loans to portfolio companies	158,493	201,046
Financial assets measured at fair value through profit or loss	310,575	463,382
Other receivables	8,792	19,831
Receivables measured at amortised cost	8,792	19,831
Other payables	98	641
Financial liabilities measured at amortised cost	98	641

All financial liabilities are due for payment within 12 months.

7 Financial risk management

Though investments, DAF is exposed to financial risks such as equity and credit risk on investments, currency risk and liquidity risk.

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

Key financial risk factors and exposure regarding the financial statements ~~2024~~ can be categorised as follows:

Financial risk factors

Liquidity risks

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	2,828	0	0	2,828
Other receivables	8,792	0	0	8,792
Project loans	573	0	0	573
31.12.2024	12,193	0	0	12,193

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	640	0	0	640
Other receivables	19,831	0	0	19,831
Project loans	13,044	0	0	13,044
31.12.2023	33,515	0	0	33,515

The Fund manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. In addition, the Fund is able to draw on uncalled commitments from its investors to meet its obligations if needed. In addition, no indication of the Limited Partners' inability to contribute the remaining fund commitment exists as well as future income from investments is expected to settle the outstanding amount.

Credit risks

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The credit risks of the Fund are considered limited.

The Fund's credit risk primarily arises from:

- Cash at banks
- Other receivables
- Contingent liabilities or guarantees

The majority of the Fund's receivable is receivables from investments which are measured at fair value and therefore no provision for expected credit loss (ECL) is recognised. Historically, no losses on other receivables have been realised, hence no provisions for expected credit loss have been recognised in the income statement. Any such provision would be considered insignificant as the credit risks of the Fund are considered limited.

Management manages its credit risk exposure by transacting the majority of the Fund's contractual commitment activities with well-established banks, regulated exchanges and business partners which the Management consider to be reputable.

Investments are progressing as planned and following the outlined budget. Furthermore, the Fund provides a guarantee to the underlying projects if needed indicating that obligations will be met. Also, the Fund invests in infrastructure projects in a combination of loan and equity. Infrastructure projects are characterised by a stable and solid income when the project reaches FID. There is no indication towards that projects are in a state where they will not be able to meet the obligation against the Fund.

The Fund is not exposed to any significant credit risk from a single counterparty at 31.12.2024. The portfolio of the Fund consists of a number of counterparties and infrastructure projects. The Fund Manager regularly assesses the risk related to single exposures taking into account current market developments, inflation, performance of investments, interest rate, price movements etc.

Currency risk

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

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

Currency exposure and sensitivity

In 2024, there is no currency risk besides share capital investments.

8 Financial instruments measured at fair value

The fair values of the individual investments are calculated on the basis of methods that best reflect individual investment risks, life cycle, and industry conditions. Generally applicable, the fair value is calculated in accordance with IPEV valuation guidelines and accepted valuation methods, including multiple analysis/benchmarking or other relevant methods

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistently over time and across investments.

Methods applied in and assumptions underlying the determination of fair values of investments

The fair value of each investment and receivables from investments has been estimated by applying methods that best reflect the risks and the stage of each investment, e.g., assumptions related to power prices, inflation rates, technical availability and discount rate.

In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, including DCF models, benchmarking or other relevant methods. However, for projects which are before financial close, cost, including capitalised development costs, is considered the best estimate for fair value. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows, discount rates and yield curves assumptions.

The valuation of equity investments and receivables from investments is based on the same methods, as equity investments and receivables from investments are exposed to the same risks, regardless of the funding method.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- Quoted prices in active markets for identical instruments (Level 1)

- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (Level 2)
- Valuation techniques under which any material inputs are not based on observable market data (Level 3)

All investments are classified as Level 3 investments and there have not been any transfers between the levels during the financial year.

Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable input. Material unobservable inputs mean in this context that the valuation is dependent on a return requirement that contains a number of components that cannot be observed on trading markets, for example project-specific risks and illiquidity prices.

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2024				
Investments in portfolio companies	0	0	152,082	152,082
Loans to portfolio companies	0	0	158,493	158,493
Financial assets measured at fair value through profit or loss	0	0	310,575	310,575

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2023				
Investments in portfolio companies	0	0	262,336	262,336
Loans to portfolio companies	0	0	201,046	201,046
Financial assets measured at fair value through profit or loss	0	0	463,382	463,382

Material unobservable inputs

Fair value of the assets is determined based on both forward-looking information, current market and geopolitical conditions, actuals e.g., contributions and distributions etc. as well as status on the specific assets. Valuations are conducted by an inhouse valuation expert team and approved quarterly in the Valuation Committee and subsequently by the Board of Directors as part of the quarterly report. A number of material unobservable input is applied in the valuation and is ongoingly assessed on a Fund specific level. An elaboration of the assessed material unobservable inputs is outlined below.

Sensitivity analysis

The fair value of the Fund's investments is affected by developments in the applied discount rate and future earnings expectations for these investments. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the valuation of the investments. Due to the nature of the investments, the effects are subject to some uncertainty as other factors can in some scenarios have a reverse effect. It is the assessment that any reverse effect will be immaterial. The approximately impact on Fund NAV is calculated by altering one input at a time and rerun the model. No sensitivity analysis has been made for investments where Management has assessed the cost price as the best estimate of fair value.

The table below presents the effect of changing the assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions for those investments whose fair values are recognized in whole or in part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument.

In the below table only equity investments are included because these are the only investments calculated with a valuation technique. For development projects before FID and receivables from investments cost price is considered best estimate of the fair value.

Asset type	Fair value at 31.12.2024	Valuation Technique	Unobservable Input	Weighted average input	Change in Valuation +/-
Investments	0	Cost			
	25,652	Binding offers/ transaktion/exit terms			
	126,267	Discounted cash flow	WACC	+10%	(12,867)
			Growth in terminal value	-20%	0

The inputs above are considered the most material unobservable input due to the nature of the investments.

9 Related parties

Related parties with a controlling interest

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

- Pension Danmark
- PKA
- PFA
- IFU

Other related parties:

- DCIF I GP P/S
- DCIF I GP Komplementar ApS

10 Contingent liabilities

The Fund has the following third-party contingent liabilities or guarantees as of 31.12.2024 :

- Undisbursed contracted commitments for 2024 is 73,873,000 DKK

DCIF has signed a management agreement with IFU, whereby IFU performs administration, monitoring and investment advice for DCIF. The management agreement cannot be cancelled. For 2024, the payment amounts to DKK 926 thousand incl. VAT.

There are no other guarantees or contingent liabilities of the Fund.

No provisions for expected credit loss have been recognised. Please refer to note 10 for further.

11 Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

12 Authorisation of the annual report for issue

At the meeting held on 31.03.2025 the General Partner authorised this annual report for issue on 31.03.2025.

The annual report will be presented to the limited partners of the Fund for approval at the Annual General Meeting on 30.04.2025.