

Annual report **2022**

Excerpts

The full annual report for 2022 is available in Norwegian at Eksfin.no. This publication consists of translated excerpts.

Key figures, interim figure illustrations

New applications



Loans:	Guarantees:
BNOK 29,4 ↓	BNOK 22,1 ↑
77 loans ↓	147 guarantees ↑

New contracts and services



Signed loan contracts:	Guarantees:
BNOK 2,2 ↓	BNOK 13 ↓
8 loans ↓	200 guarantees ↓

New loan payments and issued guarantees



Loan disburseals:	Guarantees:
BNOK 3,6 ↓	BNOK 8,8 ↓
	126 guarantees ↓

Loan balance and guarantee liability



Loans:	Guarantees:
BNOK 35,1 ↓	BNOK 63,8 ↓
156 loans ↓	513 guarantees ↑

New customer dialogues about financing



486 ↑

Other Key Figures

Income and expenses



Income
1,885*
MNOK

Operational costs
296
MNOK

Distribution SMEs/Major customers



Loan disburseals:

SMEs: 23%

Major customers:
77%

Guarantee liability:

SMEs: 27%

Major customers:
73%

Employees



Number: 117

Women: 53%

Men: 47%

Offices: 3
Oslo, Ålesund
and Stavanger

Capacity



Total limit:
BNOK 185

General Guarantee
Scheme (AGO) limit:
BNOK 145

Utilisation of the
General Guarantee
Scheme (AGO):
57%

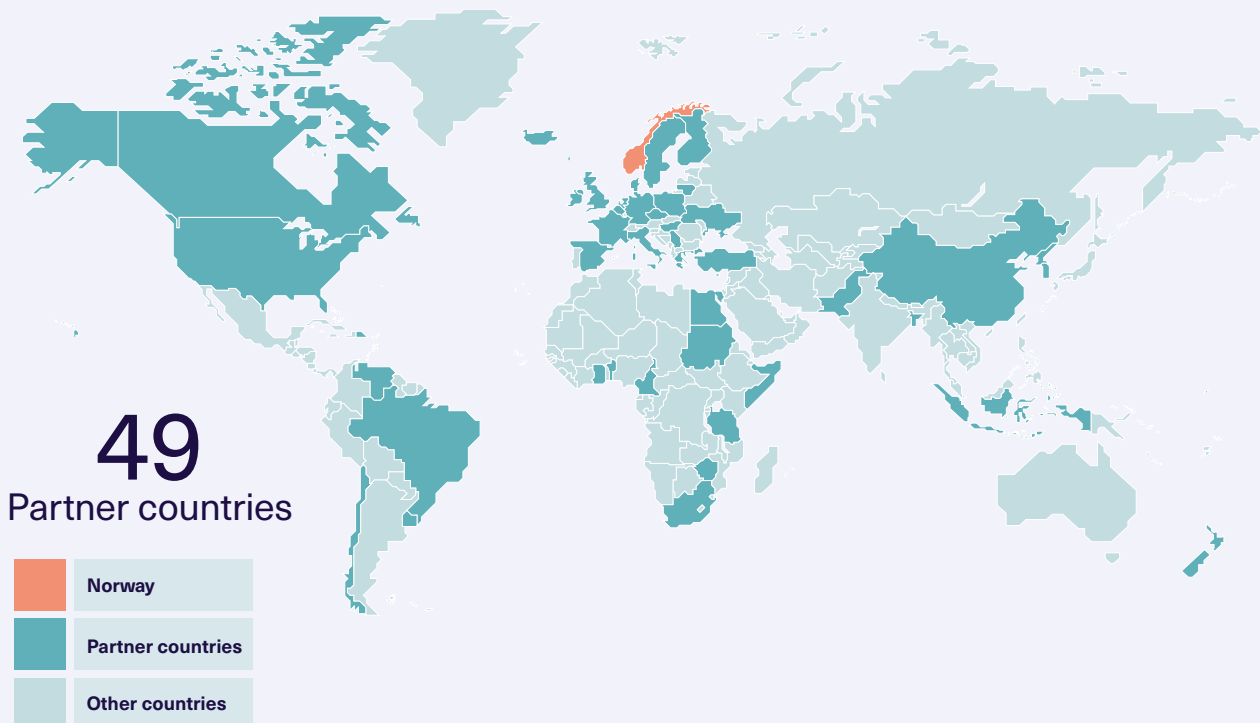
Breach and challenges



Losses-
provisions:
BNOK 5,9

Receivables:
BNOK 18,6

* Revenue does not include interest on receivables, premiums or guarantee programmes with a support element.



Countries with active customer relationships as of 31/12/22

At the end of the year, Eksfin had active commitments in 49 countries. Europe is the largest market with a total exposure of BNOK 94, including Norway, which on its own represents BNOK 54, followed by North America, Asia, South America, Oceania and Africa.

Pursuing green exports in a turbulent year

2022 has been a challenging year for most export industries: disruptions in supply chains on several continents, war and high energy costs, and rising interest rates and unrest globally. Our largest trading partners on both sides of the Atlantic are accelerating their strategic positions within eco-friendly value chains. For many Norwegian companies this means greater risk, new opportunities and higher capital requirements. In this situation, Eksfin shall be a predictable, proactive financing partner and risk-taker for all types of Norwegian exports.

Eksfin has a governmental risk limit of 185 billions Norwegian krone and the world's best credit rating (AAA). Equally important is the leading expertise of our employees and their many years of experience from large and small international projects, which in combination make Eksfin one of the Norwegian Government's strongest financial business tools. Through the schemes we manage, companies are ensured stable and predictable access to long-term financing and guarantees through business cycles. This provides continuity in exports during uncertain times, access to new markets and realisation of green strategic investments across the whole country.

Eksfin implemented a new organisation and strategy in the first quarter of 2022 based on the guidelines of the Ministry of Trade, Industry and Fisheries as well as the input of Norwegian companies, their international customer, and trade organisations. The financing of eco-friendly projects in areas like wind power, the green industry and green maritime, are now our top priority, mirroring the top priority in the Government's overarching export strategy. The share of oil and gas in our loan and guarantee portfolio is 28 per cent; a reduction from 80 per cent a few years ago. We expect this share to fall while other industries grow.

Our customers have reported a need for financing within renewable energy and the green industry amounting to more than BNOK 60 in the coming years. This pipeline indicates how comprehensive and capital-

demanding the green shift is for Norway, and we expect it to grow significantly going forward. Private capital is generally not sufficient to lift investments worth billions of Norwegian krone for renewable energy, batteries, hydrogen or carbon storage. To supplement private capital, public additional governmental capital is needed. Therefore Eksfin's financing solutions are an important part of the Government's framework conditions for venturing and investing in Norway. Access to renewable energy will largely be controlled by the green shift in Norway as in the rest of Europe.

Eksfin must continuously update its services in line with changing financial needs, and to ensure competitive export financial services. In 2022, we expanded our financial services to export-oriented investments, and introduced extra flexibility for eco-friendly projects. In parallel, we offer revolving financial frameworks in cooperation with banks, facilitating working capital for small and medium-sized businesses. Our regional presence grew in 2022 with the opening of a new office in Stavanger and a new position at our office in Ålesund. We are continually digitalising our application process, and plan to further develop and simplify our products in 2023.

Eksfin's services are part of a broad set of governmental financing instruments and advisory schemes through the likes of Innovation Norway, the Research Council of Norway, Siva, DOGA Design and Architecture Norway, Enova, the Norwegian Industrial Property Office and



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Nysnø Climate Investments. In 2022, Eksfin has worked closely with our partners in the public business ecosystem to develop an effective cooperation model and digital portal for the companies. The endeavour to offer Norway's businesses an even more user-friendly service will continue to the fullest in 2023.

In conclusion, I would like to thank new and existing customers, trade and industry associations, business clusters, business promotion actors, banks and other cooperation partners for the excellent cooperation during Eksfin's first exciting and challenging year. I am also grateful for the commitment, expertise and reliability of our employees. Finally, I would like to thank the Board of Directors and Ministry for close and excellent cooperation throughout the year.

I wish you pleasant reading!

Tone Lunde Bakker
Chief Executive Officer

1

Board of Directors' report

2022 was Eksfin first operational year following the merger between the Export Credit Guarantee Agency (GIEK) and Export Credit Norway, and it is the Board of Director's opinion that the organisation has established itself successfully. Norwegian businesses experienced a year with geopolitical unrest, high energy prices and high inflation. During difficult times, Eksfin has been highly active in the market to increase knowledge on its financing solutions.

In 2022, Eksfin expanded its regional presence with the opening of a new office in Stavanger, in addition to strengthening the office in Ålesund. Moreover, Eksfin expanded its range of products for financing eco-friendly projects. It is gratifying to register the considerable interest surrounding Eksfin's financing of green projects.

Through the year, Eksfin has worked diligently on restructuring distressed commitments with increased risk. The Board finds that Eksfin has worked constructively on restructuring cases to safeguard Norway's assets in close cooperation with customers and banks. The agency has conscientiously managed operational costs throughout the year, and the Board is content that Eksfin will deliver on the efficiency target of the merger between GIEK and Export Credit Norway.

The Board finds that Eksfin is a customer-oriented, relevant and efficient organisation that is well-positioned to contribute to value-creating exports and competitive exporters.

1.1 Goal achievement

Eksfin has been highly active in the market towards the Norwegian export industries and their international buyers to increase their awareness of Eksfin's financing solutions. Eksfin specifically contributes to value-creating exports and competitive exporters through transaction-based advice, guarantees and loans to customers in cooperation with Norwegian and international banks. It is the Board's opinion that Eksfin has achieved the goals and priorities in the award letter for 2022, cf. chapters 2 and 3.

1.2 Overall results and use of resources for the guarantee and loan schemes

In 2022, Eksfin received MNOK 879.4 in guarantee premiums and MNOK 176.7 in fee income under the ordinary guarantee schemes. The export credit scheme received MNOK 18.4 in revenue from fees and MNOK 810.6 from interest. This amounts to MNOK 1,885. Administration costs amounted to MNOK 296.

Lending activity

At the end of the year, the key figures for the export credit scheme were as follows:

	2022		2021	
	Quantity	BNOK	Quantity	BNOK
Lending portfolio	156	35.1	178	46.1
New loan agreements	8	2.2	19	8.2

Loans at Eksfin's own risk amounted to 72 per cent of the lending portfolio as of 31 December 2022, including loans issued by Export Credit Norway and guaranteed by GIEK before their merger. The remaining share of the portfolio is guaranteed by Norwegian banks (63 per cent) and foreign banks (37 per cent). Notably, around BNOK 9.8 is guaranteed by other financial institutions.

Guarantee activity

The key figures for the ordinary guarantee schemes with balance sheet requirements (general scheme, developing country scheme, building loan scheme, domestic ship-building scheme and power guarantee schemes) at the end of the year:

	2022		2021	
	Quantity	BNOK	Quantity	BNOK
Guarantee liability and account receivables	513	82.4	456	94.5
New guarantees	126	8.8	202	14.7

Eighty-nine per cent of Eksfin's total guarantee liability is under General Guarantee Schemes. The share of guarantees in USD is 26 per cent, EUR 43 per cent and 19 per cent in NOK at the end of 2022.

Balance of the guarantee schemes

Each of Eksfin's five ordinary guarantee schemes shall balance separately in the long-term. The balance sheet requirement includes government write-offs.

The main share of Eksfin's distressed exposure is linked to offshore oil and gas. It is expected that the market for offshore service and drilling vessels will improve contributing to higher credit quality in the exposed portfolio in the General Guarantee Scheme (AGO). Nonetheless, it is considered that liquidity borrowed from the Ministry of Trade, Industry and Fisheries will be needed in the next five to ten years. At the end of 2022, Eksfin's receivables amounted to BNOK 18.17 under the General Guarantee Scheme (AGO).

Extensive work has been carried out in recent years to recover loss-exposed receivables and reduce potential loss on guarantees. During the past year, the increased activity of the oil and gas supplier industry has significantly increased its cash flow and Eksfin has adjusted the loss assessments accordingly. Uncertainty will always be attached to the loss assessments. The Board believes that the company is on track to achieve the goal of balancing the accounts in the long-term.

Loss provisions, disbursements under guarantees and drawdown facility

The accounting principles in IFRS 9 are used as a basis when calculating loss provisions and write-downs for individual companies and groups of companies. The results for guarantee schemes are largely influenced by changes to the loss provisions for guarantee liability and write-downs for receivables.

The total loss provisions and write-downs at the end of 2022 were BNOK 5.9 compared to BNOK 15.0 at the end of 2021. Loss assessments and write-downs provide

the best estimate for the loss risk in the guarantee and receivables portfolio as of 31/12/2022. There is always a risk that events will impact the loss provisions over time, and the Board underlines the uncertainty attached to the calculations.

Eksfin disbursed BNOK 7.8 under guarantees in 2022 (BNOK 5.2 in 2021). This led to a need for liquidity, and Eksfin has the authority to borrow a total of BNOK 18 in new and old loans under the General Guarantee Scheme. At the end of 2022, BNOK 11.79 was taken out in loans (BNOK 7.95 in 2021). Eksfin still expects disbursements under guarantees in 2023, but in fewer cases and with lower amounts. The drawdown facility is therefore considered sufficient. Realised losses in 2022 amounted to BNOK 6.95.

Restructuring and recovery

As a secured creditor, Eksfin actively takes part in negotiations on the restructuring of debt linked to distressed commitments. Eksfin seeks restructuring solutions that as far as possible contribute to reducing the final loss.

To safeguard the Government's assets, Eksfin is authorised to become a temporary owner of shares or assets in an object or company. Eksfin manages its temporary ownership through its subsidiary Støperigata Holding AS. At the end of the restructuring process in Seadrill Ltd., Eksfin received in the first quarter of 2022 a holding of approx. 17.6 per cent, which was sold to and is managed by Støperigata Holding AS.

The Board considers that Eksfin has solid expertise in restructuring, and that the enterprise works constructively on restructuring cases to safeguard the Government's assets in close cooperation with customers and banks.

Temporary guarantee schemes with a support component

In 2022, Eksfin was tasked with establishing and managing two new temporary guarantee schemes on behalf of the Government: one scheme which lasted until the end of the year in connection with the war in Ukraine, and another in connection with high energy prices which was established towards the end of the year and lasting throughout the first quarter of 2023.

In addition, Eksfin follows up outstanding guarantees and defaulted loans in four temporary COVID-19 loan guarantee schemes for businesses (ended on 30 June 2022), for the aviation industry (ended on 30 June 2021), for re-insuring credit insurance (ended on 30 June 2021) and re-insurance scheme for guarantees provided for the Norwegian Travel Guarantee Fund (ended on 31 December 2021, but also covers sold journeys before the end of 2022).

A total commentary on the temporary guarantee schemes with the support component is provided in Chapter 6.3.

1. Board of Directors' report



From the opening of Eksfin's regional office in Stavanger. From left; Chief Commercial Officer SME and Midcorp of Eksfin Ivar Rekve, Minister of Trade and Industry Jan Christian Vestre, Mayor of Stavanger Kari Nessa Nordtun and CEO of Eksfin Tone Lunde Bakker.

1.3 Sustainability and responsible operations

Work on sustainability and social responsibility is an integral part of our operations. The Board considers that Eksfin contributes to a more responsible business community by setting requirements for customers and their suppliers, and at the same time providing them with advisory services. Eksfin assesses the risk to the environment and social conditions in accordance with relevant national and international laws and rules, as well as recognised international guidelines.

Risk in the export credit scheme and guarantee schemes is primarily attached to the handling of loan and guarantee commitments, and the handling of risk attached to corruption, money laundering, sanctions, environmental and social conditions, and loan and guarantee documentation.

Eksfin does not pollute the natural environment beyond the effect of normal office operations and travel for a nationwide and internationally aimed enterprise of this size and nature. Travel has been reduced compared to the pre-pandemic situation.

1.4 Corporate Governance

The operational risk for Eksfin's administration is that errors in operations may impact management of the loan and guarantee schemes. The Board believes that Eksfin's corporate governance and internal controls are sound, and that the enterprise has efficiently processed loans and guarantee cases, managed the portfolio and marketed its services. The administration's use of resources is

well adapted to tasks and challenges. The administration costs for the year were MNOK 296 compared to a granted budget of MNOK 348.3.

At the end of 2022, Eksfin had 117 permanent employees compared to 141 at the time of the merger on 1 July 2021. In addition, Eksfin had four vacant positions at the end of the year. At the beginning of 2023, two of the positions had been filled and recruitment for the two remaining positions was ongoing. Access to competent candidates is good. Eksfin has three apprenticeship positions within IT operations and digitalisation. Two of these positions were vacant at the turn of the year, as it has been difficult to recruit apprentices during the pandemic. Emphasis has been placed on recruiting for work placements in 2023.

The Board perceives Eksfin as an equal and diverse workplace with 16 per cent of the employees having a foreign background and the gender distribution being 53 per cent women and 47 per cent men. The management group consists of four women and five men. The Board consists of four women and five men.

The Board considers that a considerable amount of work was diligently carried out in the first full year, and in total from starting up on 1 July 2021, to satisfy the objective of effective management of financing schemes for value-creating exports. At the same time, the organisation has handled additional tasks, temporary guarantee schemes and established a new regional office in Stavanger. Eksfin is operated from Oslo with local offices in Ålesund and Stavanger.

1.5 Prospects

The future development of the global economy is highly uncertain. With increasing interest rates and the war in Ukraine, the IMF expects global growth to decrease from 3.4 per cent in 2022 to 2.9 per cent in 2023. Higher costs connected to energy costs and raw materials in Europe may entail reduced production and economic decline. In developing countries this increases the risk of food shortages and debt crises. Lower economic activity among our trading partners means that new projects require more time to complete between initial proposal to the final decision. At the same time, subsidy and investment programmes in large export markets may reduce Norwegian exporters' market access and increase the competition for investment capital globally. It is important that Eksfin, through competitive and predictable financing, ensures the best possible access to global markets, and makes Norway an attractive investment destination.

Activity is strong in the Norwegian economy, the labour market is tight, prices are rising sharply and interest rates have risen throughout 2022. A weaker Norwegian krone has had a positive effect on exports, but at the same time, the import of intermediate goods is more expensive. Weaker market prospects internationally and the expectation of lower domestic demand reduces the prospects for industrial companies, but a high demand from the energy sector may have a counter effect on the decline and contribute to growth.

Statistics Norway (SSB) has temporarily estimated that the growth in GDP in 2022 for mainland Norway will be 3.8 per cent. Norway's Central Bank estimates that the growth in GDP in 2023 will be 3.4 per cent followed by increased investments, including in climate-friendly projects, leading to higher growth in the future. Eksfin sees opportunities for growth, particularly in seafood, renewable energy and the green transition in both mainland and maritime operations, and shall help the whole of Norway to export.

Through continuous marketing, product and competence development, Eksfin shall ensure that Norwegian trade and industry has access to targeted, effective and export-inducing loans and guarantees. The administrative budget allocation for 2023 is tight, demanding careful consideration of the Administration's priorities and tasks to reach budget targets. Eksfin will continue to make the financing of Norwegian exports more readily available to buyers, and an easier instrument for small and medium-sized companies. Eksfin will continue its proactive work on increasing Norwegian exports and the green shift.

Events post balance sheet date

In 2023 Eksfin will launch a new working capital product, a domestic financing tool to help Norwegian companies in the growth and scale-up phases.

On 9 March 2023 the subsidiary Støperigata Holding AS completed a sale of approximately 4.8 million shares in Seadrill Limited for 1.98 BNOK. Eksfin's remaining shares constitute approximately 8 per cent of all shares in that company.

Oslo, 9 March 2023



Morten Støver
Chair



Ingelise Arntsen
Board Member



Karin Bing Orgland
Board Member



Siri Hatlen
Board Member



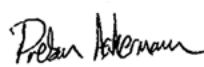
John G. Bernander
Board Member



Lars Erik Grødal
Board Member



Leiv Kallestad
Board Member



Preben Aakermann
Board Member



Maria Risberg
Board Member



Tone Lunde Bakker
Chief Executive Officer

2

Introduction to the enterprise

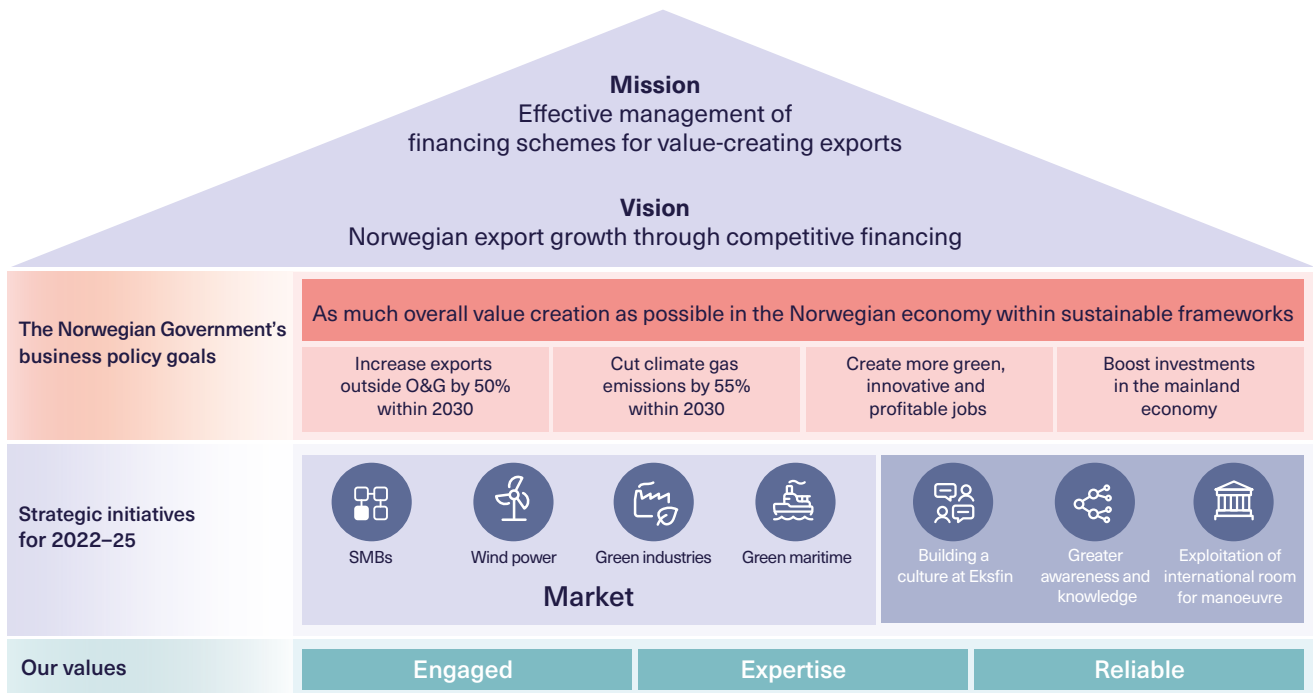


Figure 1. Eksfin's 'Strategy House'



Figure 2. Eksfin's services cover different needs in the customer's value chain

2.1 Products

Loans

Export credit scheme

The purpose of the export credit scheme is to promote Norwegian exports by providing long-term loans either in the form of fixed rate loans (so-called CIRR loans¹), in accordance with a separate OECD agreement² or CIRR qualified market loans on commercial terms and conditions.

Eksfin also offers market loans to Norwegian buyers of ships built at Norwegian shipyards if the vessels will be used in Norway. This service became formally operative in June 2018 and is referred to as the ship financing solution. All loans must be guaranteed by government export guarantee institutions and/or financial institutions with a good rating in accordance with Eksfin's current framework. Eksfin can, through the guarantee schemes, accept the credit risk for parts of the loan for commercial risk and for the entire loan for political risk.

Guarantees

Eksfin's guarantees shall be a supplement to the private financial market, and Eksfin can mitigate both commercial and political risk. **Commercial risk** means risk attached to a private buyer either going bankrupt or is unable to pay due to other reasons. **Political risk** means risk attached to a public procurer either not wanting to pay, or if war, expropriation or other political actions hinder payment. Investment guarantees only cover political risk.

General Guarantee Scheme (AGO)

The purpose of the scheme is to promote Norwegian exports and investments abroad. The guarantee scheme contributes to Norwegian export companies getting new contracts through the Government offering risk mitigation to private banks and financial institutions that finance the contracts when they are important for value creation and employment in Norway.

Market-related schemes without export requirements

Guarantee scheme for building loans for ships, vessels and maritime equipment (Building Loan Guarantee Scheme/BYG)

The purpose of the scheme is to ensure that Norwegian shipyards, offshore workshops and other relevant enterprises can get building loans through risk mitigation for private banks and thereby contribute to ensuring increased activity. The scheme shall contribute to making Norwegian shipyards more competitive by facilitating access to financing and increasing the capacity of the Norwegian financial market.

Guarantee and loan scheme for buying ships from shipyards in Norway to use in Norway (Ship Financing Solution/SKIP)

The scheme shall contribute to shipping companies in Norway getting financing on commercial terms and conditions, and help increase the activity at shipyards in Norway. This also leads to increased activity for sub-suppliers in Norway.

Guarantee scheme for the purchase of power for power-intensive industries (Power Guarantee Scheme/KRA)

The purpose of the scheme is to help power-intensive industries in Norway to enter into long-term power agreements on commercial terms and conditions.

All issued loans and guarantees are published on www.eksfin.no.

2.2 Eksfin's customers and cooperation partners

Eksfin cooperates with a wide range of Norwegian and international actors to ensure effective, available and competitive export financing. The cooperation is an important success factor and Eksfin's employees have solid expertise in Norwegian exports and export financing. The enterprise also operates as an export-financing competence centre for the Ministry of Trade, Industry and Fisheries, customers and cooperation partners.



Figure 3. Eksfin's customers and cooperation partners

¹ Commercial Interest Reference Rate

² The Arrangement on Officially Supported Export Credits

2. Introduction to the enterprise

2.3 Eksfin's organisation

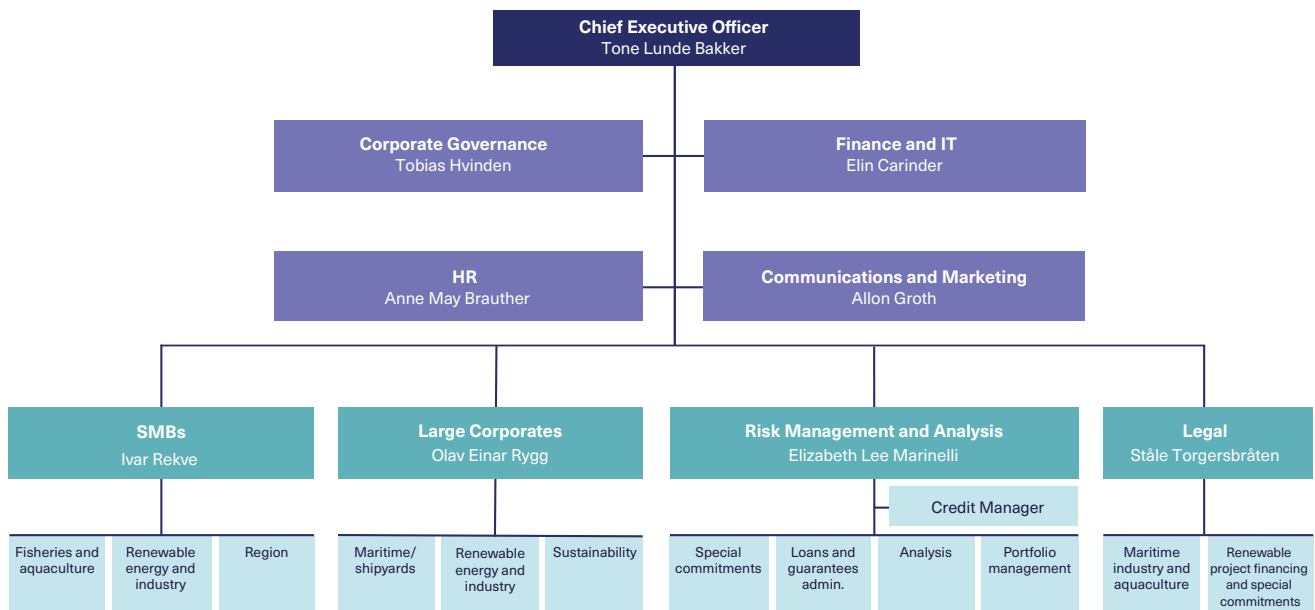


Figure 4. Organisational chart

Eksfin is managed by a Board of Directors and Chief Executive Officer. The enterprise is operated from Oslo with local offices in Ålesund and Stavanger. At the end of 2022, Eksfin had 117 employees, of which, 114 were permanent and three were temporary employees. In addition, Eksfin had four vacant positions.

- The gender distribution is 53 per cent women and 47 per cent men.
- In 2022, the average age was 49.5 years.
- Seniority 11 years
- 15 employees left Eksfin during the course of 2022, which constitutes a turnover of 12 per cent
- At the end of 2022, Eksfin had 19 employees with an immigrant background
- Eksfin is an apprenticeship training company and has three apprenticeship positions within IT operations and digitalisation
- Sick leave in 2022 amounted to 4.4 per cent. No work-related sick leave was recorded in 2022, but the spring and autumn were affected by two periods of sick leave related to COVID-19

Board of directors

The Board of Directors is appointed by the Ministry of Trade, Industry and Fisheries, with the exception of the Board members, who are elected by and among the employees. The Board of Directors makes decisions regarding loan and guarantee applications and compensation claims. The Board of Directors is responsible for carrying out activities in line with the Norwegian Parliament's (Storting) adopted frameworks and ensuring that Eksfin's goal achievement is excellent, as well as develop strategic and operational goals for Eksfin.

The Board also ensures that Eksfin has established good internal controls and management systems. Additionally, the Board shall take care of the budget, accounts and finances. The Board also reports to superior authorities.

Eksfin's Board of Directors is composed of the following board members:

Morten Støver, Chair, Nordland

Ingelise Arntsen, Board Member, Vestland

Siri Hatlen, Board Member, Viken

Karin Bing Orgland, Board Member, Oslo

John G. Bernander, Board Member, Agder

Lars Erik Grødal, Board Member, Møre og Romsdal

Leiv Kallestad, Board Member, Rogaland

Preben Aakermann, Employee-Elected Board Member

Maria Risberg, Employee-Elected Board Member

2.4 Results for the export credit scheme and general guarantee scheme

Table 1. Key figures for the export credit scheme

	2022	2021	2020
Lending portfolio			
Quantity	156	178	184
Volume (MNOK)	35,124	46,101	51,269
Applications			
Quantity	77	171	308
Volume (MNOK)	29,405	65,856	98,881
New signed contracts (BNOK)	2.2	8.2	3.0
Disbursements (new loans, MNOK)	3,637	6,076	5,617

Table 2. Key figures for the general guarantee scheme

	2022	2021	2020
Guarantee limit (MNOK)	145,000	145,000	145,000
Tied up under the limit (MNOK)	82,808	101,829	107,326
Utilised limit	57%	70%	74%
Applications			
Quantity	134	134	98
Volume (MNOK)	21,284	11,614	23,607

3

Activities and results for the year

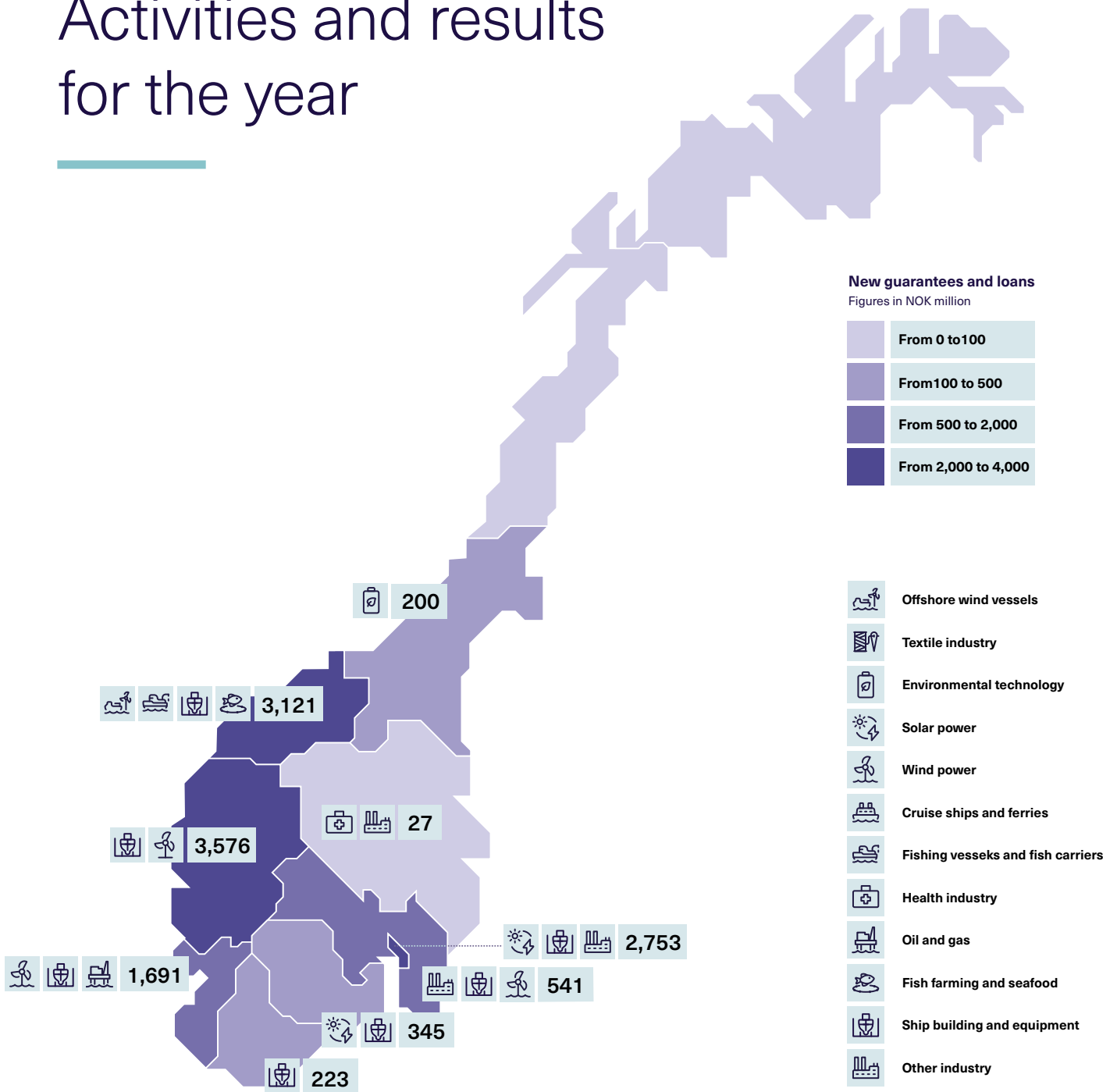


Figure 5. New financing in 2022 by country

Figures for 2022 according to county in millions.

Total disbursed loans and issued guarantees according to county and trade where most of the activity has taken place.

Eksfin's portfolio in 2022 was spread over many industries. The maritime industry was the largest, including shipping companies, shipyards and maritime equipment suppliers. Renewable energy companies, such as wind and solar power are also major customers of Eksfin. The largest customers are located in the Vestland counties and in Oslo.

3.1 Marketing and customer activities

Marketing and sales

In 2022, Eksfin has prioritised marketing activities in order to raise general brand awareness and knowledge of Eksfin's market proposal and services among target groups.

Market potential

In autumn 2022, Eksfin conducted an awareness survey among companies in Norway's most export-oriented industries. Awareness of Eksfin was measured at 28 per cent among companies with at least 30 employees.

Advertising

Eksfin has carried out targeted advertising campaigns towards market segments in both printed and digital newspapers. In a new advertising campaign series examples are shared from small and large corporate customers in various industries that have received help from Eksfin. The advertisements received positive feedback from the market and will be used again during 2023.

Numerous articles have also been written about many of our customer stories, which are shared via Eksfin's website, newsletters and social media. Eksfin has also become extremely visible through press releases related to loans and guarantees, and in connection with external presentations held by Eksfin's employees.

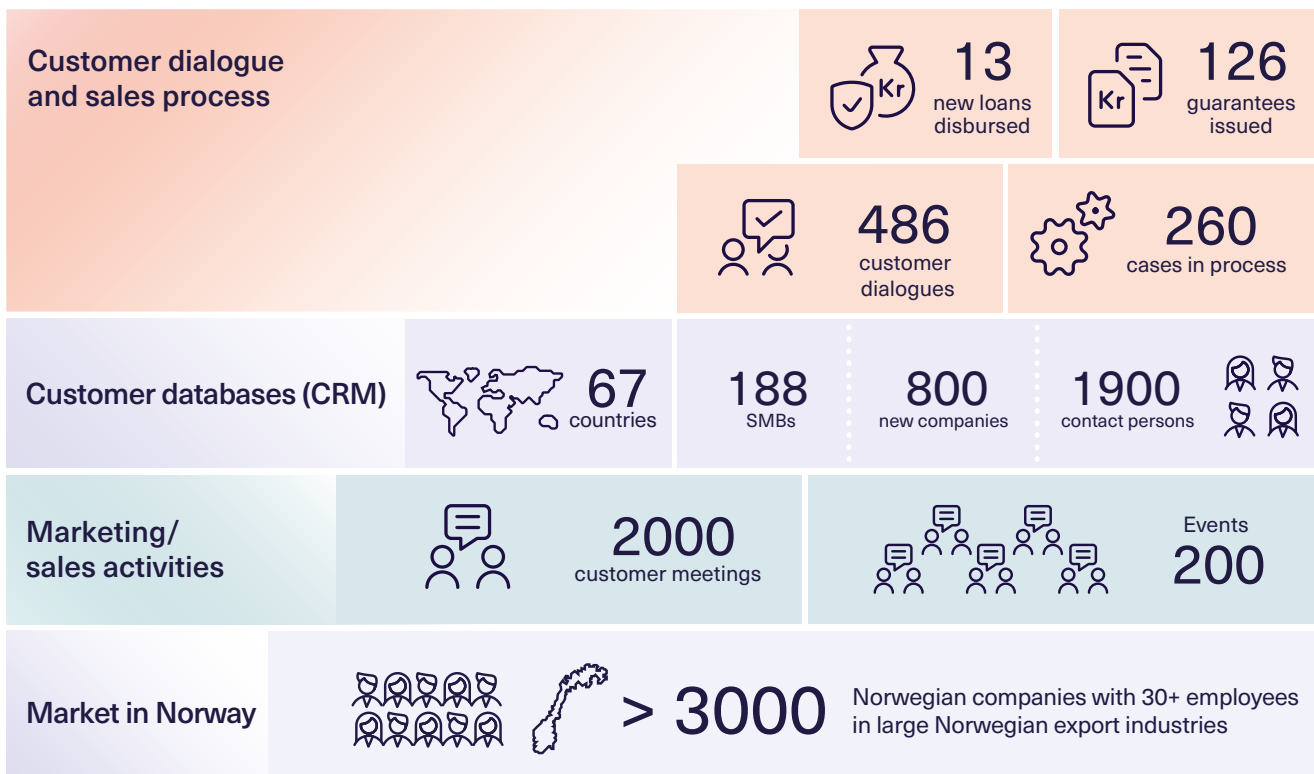


Figure 6. Sales activities and marketing results

3. Activities and results for the year

Profiling and sales work

Eksfin has carried out extensive customer, market and sales work to meet new customers. More than 2,000 meetings/activities have been carried out in addition to case follow-up, and Eksfin’s employees have participated in more than 200 events at home and abroad. Eksfin arranged, in cooperation with Innovation Norway, the Export Conference as well as own launch seminars in Bergen, Trondheim and Stavanger, the latter in connection with the opening of a new regional office.

In 2022, more than 1,900 new individuals, 800 new enterprises (companies, organisations and government institutions) from 67 different countries were registered in Eksfin’s CRM system as either stakeholders, potential or new customers or cooperation partners. More than 500 of these were Norwegian companies, of which, 188 registered as SMEs.

Four-hundred and eighty-six new customer enquiries/sales processes were initiated in 2022. Eksfin received 147 guarantee and 77 loan applications, issued 200 guarantee offers and signed eight loan agreements. Two-hundred and sixty enquiries were still being assessed at the end of 2022, whilst 114 enquiries had been withdrawn or rejected. The process for the issued offers may have started in previous years.

Figure 6 illustrates the number of customers/sales processes distributed according to trade. Increasing interest in the financing of industrial projects, particularly within renewable energy, such as wind power, batteries, hydrogen production and carbon storage has been registered. An increasing number of enquiries from new business sectors is also observed. Otherwise, the enquiries were distributed relatively evenly between the industries during 2022.

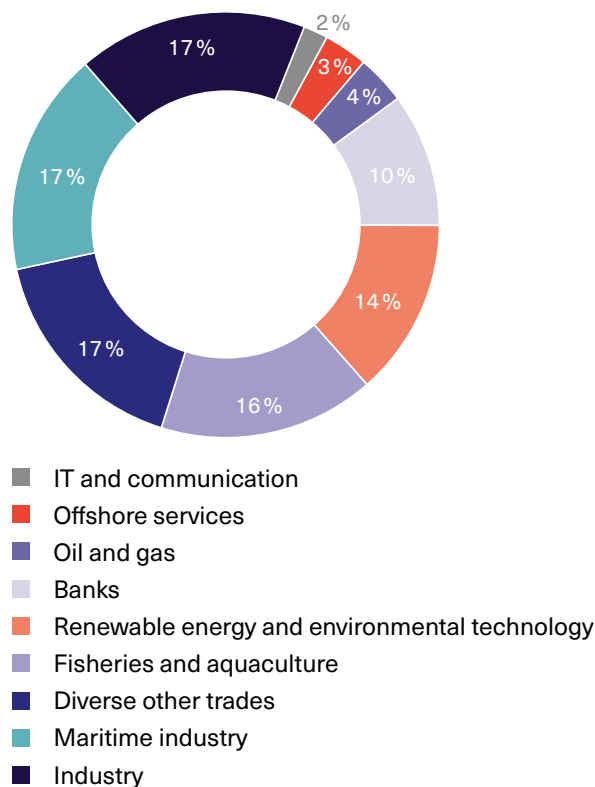


Figure 7. Percentage of customer enquiries and projects distributed according to trade

Accessible loan and guarantee services

At the product level, time is spent on increasing knowledge about Eksfin’s flexibility and limitations. In-depth information about each product type is found on Eksfin’s website. Since the banks are an important distribution channel, meetings with banks are important to ensure that bank employees know Eksfin’s products.

In 2022, investment financing was launched as an extended service with both loan financing and increased flexibility for eco-friendly projects. The news was shared in all available channels, communicated directly to relevant target groups, and during meetings with banks and companies.

Table 1 shows the distribution of outstanding loans and guarantee liability at the end of 2022.

3. Activities and results for the year

Table 1. Distribution according to industry for the total outstanding liability as of 31/12/2022

Trade	Loans	Guarantees
Other	3,196,369	4,883,213
Banks and financial services	-	2,078,068
Building and construction undertakings	6,837	163,406
Cruise ships and ferries	7,188,410	12,260,739
Fisheries and aquaculture	4,710,123	4,883,584
Renewable energy production	1,323,232	14,070,742
Healthcare and pharmacies	2,309	34,578
Non-renewable energy production	78,741	382,433
Industry	1,971,673	6,391,016
Information and communication	6,106	582,506
Offshore oil and gas equipment	1,070,771	3,469,294
Offshore service vessels	13,845,238	12,240,849
Shipping and maritime services	1,367,184	1,865,582
Transport and warehouses	255	128,300
Water, sanitation and other environmental services	356,519	359,739
Total sum	35,123,767	63,794,050

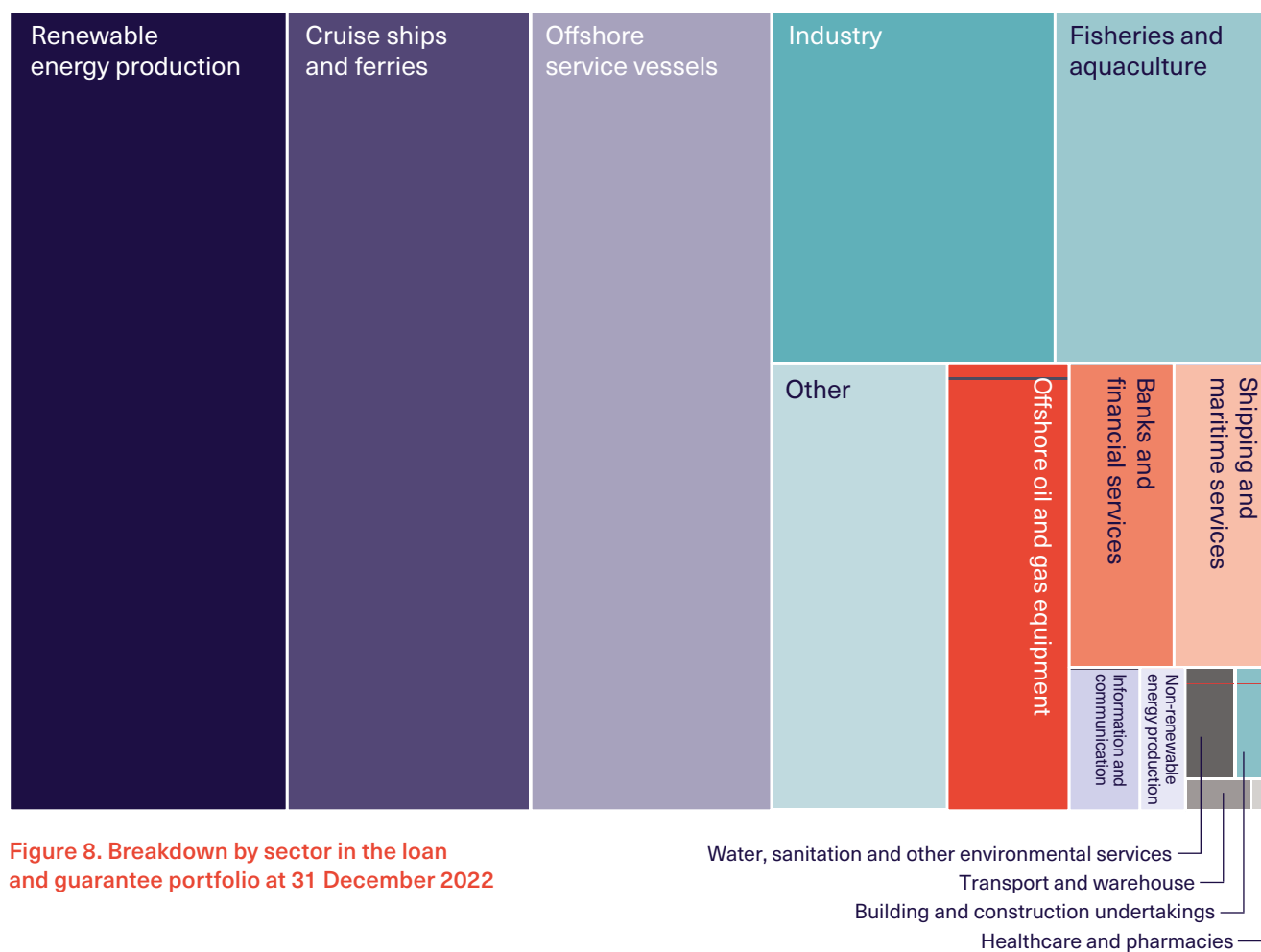


Figure 8. Breakdown by sector in the loan and guarantee portfolio at 31 December 2022

3. Activities and results for the year

Table 2. Ordinary guarantee schemes in 2022

Scheme (MNOK)	New applications	Current applications	New guarantee offers	Current guarantee offers	New guarantee liability	Outstanding guarantee liability	Receivables	Tied up under the limit	Limit
Ordinary guarantee	21,284	24,271	12,173	7,408	7,744	57,227	18,173	82,808	145,000
Developing country	-	-	-	-	120	517	29	546	3,150
Building loan guarantee	548	-	548	-	552	575	-	575	7,000
Ship financing solution	298	-	290	266	374	1,181	-	1,447	10,000
Power guarantee	-	-	-	-	-	4,294	-	4,294	20,000
OLD*						-	144	144	
SPECIAL*						-	274	274	
Total	22,130	24,271	13,012	7,674	8,791	63,794	18,620	90,088	185,150

* The total of current guarantee offers, outstanding guarantee liability, receivables and unused below the counter-guarantee cap are tied up under the limit. OLD: Old general scheme, SPECIAL: Old special schemes.

3.2 Competitive export financing

Eksfin considers that the export financing schemes (loans and guarantees) contribute to inducing exports for companies that are already exporters, have ambitions to export or are sub-suppliers or part of a value chain.

Competitive services for SMEs

Through close dialogue with businesses, clusters and trade organisations, Eksfin has adapted the product services to ensure competitiveness and relevance. In 2022, Eksfin had the opportunity to finance export-related investments in Norway and extend the export requirement for eco-friendly investments. This made the service more relevant to small and medium-sized companies.

Table 3 shows the distribution of outstanding loans and guarantee liability at the end of 2022 distributed between SMEs and large companies.

Eksfin can issue loans and guarantees in cases that fall outside the normal terms and conditions for export guarantees when the financing of the export transaction is nonetheless considered to significantly promote Norwegian (economic) interests.

Working capital represents an important part of other domestic ECA financial services. In 2023, Eksfin will launch a new working capital product, which will provide a similar Norwegian service.

Capacity-extending schemes supplementary to the market

Eksfin's financing services do not compete with the commercial bank market or reduce the competition thereof. Eksfin supplements and extends access to capital without infringing the banks, and practically all participation in financing requires involvement from banks. Notably one or more banks must want to participate or provide mitigation to enable Eksfin to participate in transactions.

In 2021, Menon Economics referred to Eksfin as a promoter of competition, because without public export financing local and regional banks could be outcompeted by larger banks.

Table 3. New liability in 2022 distributed according to the size of the exporter

	BNOK	Share	Quantity	Share
New loan disbursements for new loans				
SMEs	0.4	23 %	6	46 %
Large	1.3	77 %	7	54 %
New guarantee liability				
SMEs	2.3	27 %	88	70 %
Large	6.4	73 %	38	30 %

An SME is based on EU's definition of companies with less than 250 employees and a turnover of less than MEUR 50 and/or a balance of less than MEUR 43.

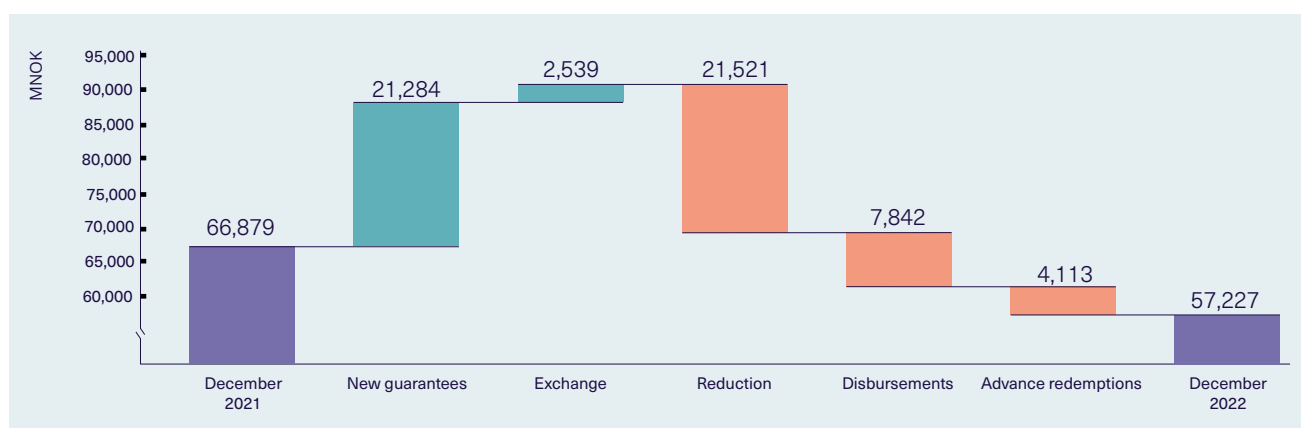


Figure 9. Outstanding liability for the General Guarantee Scheme - changes during the course of 2022

3.3 Safeguards government assets

Assessment of whether each guarantee scheme will balance in the long-term

To balance in the long-term, the General Guarantee Scheme relies on restructuring cases and recovery. Eksfin estimates that it will be possible to recover parts of outstanding engagements, but in other cases there will be additional losses before the scheme balances in the long-term. Eksfin's risk assessments, loss provisions, recovering after making withdrawals from guarantees and liquidity prognoses, indicate that the other guarantee schemes with balance requirements will reach long-term balance.

General Guarantee Scheme in 2022 in MNOK

The figure shows that the total outstanding liability at the end of 2022 is lower than at the end of 2021 due to the total reduction, disbursements and advance redemptions being greater than the issuing of new guarantees. The effect of foreign exchange rates during the course of a year increases outstanding liability.

Breach and challenges

In the event of disbursement under a guarantee, the share disbursed from the exposure is transferred to a receivable guarantee.

As of 31/12/2022, the receivables under the General Guarantee Scheme amounted to BNOK 18.2, and Eksfin is actively working on collecting the receivables through, among others, the sale of mortgaged objects and loans.

Liquidity/drawdown facility

The need for liquidity resulting from large disbursements under the guarantee of the General Guarantee Scheme is covered by a drawdown facility with a limit of BNOK 18 in 2022. At the end of 2022, Eksfin has withdrawn BNOK 11.8 from the drawdown facility. Eksfin is subject to interest fees when using the drawdown facility.

In 2022, the General Guarantee Scheme met obligations for some commitments in breach of the Export Credit Scheme, so a large share of the need for liquidity was encumbered in 2022. For other commitments, the restructuring solution, which gives room for increased ability to serve debt, refinancing or sale of vessels that have contributed to paying off debt along with the expectation that more companies will be able to pay interest and or instalments in the future, also contributes to a maximum need for liquidity, and the need to make withdrawals under the drawdown facility taking place earlier than anticipated.

4

Governance and control in the organisation

4.1 Sustainability

Eksfin wishes to contribute to sustainable development by promoting financing that serves society and the environment. This is executed through the requirements that are set for each single transaction, and active participation in relevant national and international fora.

Effect on UN Sustainability Goals

Eksfin's internal SDG tool (Sustainability Development Goals) was in 2022 further developed into a digital online version at sdg.eksfin.no/.

In cases when the information has sufficed, Eksfin has assessed the effect of financed projects on the sustainable development goals. Assessments are based on the impact in the country where the project is being conducted. Both positive and potential adverse effects are assessed. Transactions can also be neutral.

The table below shows that Eksfin's financing has contributed to more projects with positive effects on a total of eleven SDGs. The results of the SDG assessments mirror the transactions that have been financed focusing on the green shift. Eksfin's financing of renewable energy projects has contributed to 'innovation and infrastructure' (SDG 9) and 'stop climate change' (SDG 13), in addition to 'clean energy for all' (SDG 7) without major negative consequences for other SDGs. Our SDG assessments on shipyards, an industry that has been a focal point for several years, confirm that Eksfin has contributed to SDG 8 "Decent work and economic growth".

Figure 10. Number of transactions with effects on one or more of the UN Sustainable Development Goals (guarantees with a life maturity of more than two years and loans).



What is green financing?

During the course of 2022, Eksfin has developed guidelines for categorising green projects, climate and environment-friendly activities and/or projects. Eksfin uses the principles of the EU Taxonomy for green transactions, and our own criteria when the EU Taxonomy does not cover the area of application. On a general basis, it should be possible to estimate an improvement of at least 20 per cent in relation to the baseline or good industry practices.

4.2 Social responsibility

Eksfin participates in transactions in countries where there is a potential risk of the projects being involved in corrupt acts, money laundering and/or the financing of terrorism, income streams to or from sanctioned countries, companies or persons or involvement in unethical acts by other means.

Part of Eksfin's social responsibility is to prevent financial fraud and thus not to finance transactions that lead to an unacceptable risk of this. Financial fraud exposes both individuals and companies to risk, undermines lawful business activities, leads to distorted competition and may cause major financial losses and loss of repute.

Eksfin has guidelines and routines that shall ensure compliance with Norwegian and other relevant legislation and regulations, among others, OECD's Recommendation on Bribery and Officially Supported Export Credits. Eksfin's approach towards preventing financial fraud means that risk is assessed for each loan and guarantee case with adapted measures thereafter. Cases with elevated risk are handled by Eksfin's KYC council, which gives recommendations. These are assessed by the Credit Committee and, if necessary, the Board of Directors.

4.3 Work on international regulations

Owing to its membership in the OECD, Norway is subject to a set of rules governing officially supported export credits through the Arrangement on Officially Supported Export Credits Agreement. The agreement regulates minimum interest rates and guarantee premiums, maximum repayment periods, the use of aid funds in export transactions and a range of other matters.

The agreement has been developed and updated on a continuous basis. The emergence of international value chains and new exporting countries has led to the need for a major revision. **Eksfin has played an active role in the revision, among others, as a foreman in the technical working group.** In 2023, agreement is expected to be reached regarding extended repayment periods, particularly long repayment periods for an extended group of eco-friendly projects, greater flexibility in the repayment structure, and reduced premiums for specific categories.



Eksfin's head of International Relations, Johan E Mowinckel, has led a group of Technical Experts of the Participants for the revision of the "Arrangement on Officially Supported Export Credits" in the OECD.

5

Assessment of future prospects

5.1 Market outlook

There is substantial global economic uncertainty. With the war in Ukraine and increasing interest rates, global growth is expected to fall. The IMF estimates that interest rates will peak at the end of 2022 beginning of 2023, but that the full effect will not be reached before 2024.

In Europe, there is a significant risk of recession in 2023 due to increasing interest rates, continuous high energy costs and raw material prices. The USA will probably avoid a recession in 2023, but the expected growth in 2023-2024 is low. China's significance for global growth has been important, but the growth forecasts are weak. Nonetheless, the possibilities at the beginning of 2022 may have a positive effect on global growth. At the same time, there is increased uncertainty around the relationship between the USA and China related to trading restrictions and the relationship with Taiwan.

There is strong activity in the Norwegian economy, the labour market is tight, prices are rising sharply and interest rates have risen throughout 2022. Statistics Norway (SSB) has temporarily estimated that the growth in GNP in 2022 for mainland Norway will be 3.8 per cent. Norway's Central Bank estimates that the growth in GNP in 2023 will be 3.4 per cent followed by increased investments, including in climate-friendly projects, leading to higher growth in the future.

During 2022, Eksfin has seen an increasing demand within the green industry, green maritime and renewable energy. Within the green industry, the production of batteries, hydrogen and carbon capture and storage. Green maritime is wide-ranging and involves support vessels for wind power and vessels with low emissions technology. Within renewable energy, wind power dominates, where Eksfin has a significant financing portfolio for wind farms. Eksfin expects these market trends to continue.

When our trading partners are less active, projects become slower, whilst at the same time protectionism in export markets may reduce Norwegian exporters' market access and increase the competition for investment capital globally. A weaker Norwegian krone has had a positive effect on exports, but at the same time, the import of intermediate goods is more expensive. For our customers, there is also uncertainty around the price of raw materials, whether disruptions in supply chains will continue or whether new sanctions and increased protectionism may make international trading more difficult and expensive.

In 2022, Eksfin has gained better contact with the SME market through focused marketing and digital solutions. Increased volumes are expected for the SME segment, among others, due to a new bank mitigation product and working capital guarantee.

Through continuous marketing, product and competence development, Eksfin shall contribute to Norwegian trade and industry being offered targeted, effective and export-inducing loans and guarantees. Eksfin will continue to make the financing of Norwegian exports more readily available to buyers, and an easier instrument for small and medium-sized companies. Eksfin will continue its proactive work on increasing Norwegian exports and the green shift.

Eksfin – Export Finance Norway – is a state-owned administrative company subordinate to the Ministry of Trade, Industry and Fisheries, and is part of the state. Eksfin was established on 1 July 2021 after a merger between the Export Credit Guarantee Agency (GIEK) and Eksportkreditt Norge AS.

Eksfin's mission is to promote Norwegian exports and value creation by assisting Norwegian companies, foreign buyers and their banks with government loans, guarantees and expert advice. Eksfin promotes sales contracts to international buyers, facility investments in Norway or other types of financial transactions that boost Norwegian exports and value creation.



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