From Startup to Scaleup

Status on the Danish Capital Markets for Startups and SMEs, August 2026

A Word from the Authors

Welcome to the latest edition of From Startup to Scaleup, which provides an overview of the Danish capital markets over the past 18 months, covering 2025 and the first half of 2026. This report offers a comprehensive analysis of key trends across various financing segments and examines how these developments are impacting Danish startups and SMEs' access to risk capital.

During the period under review, Danish capital markets have been influenced by a combination of favourable macroeconomic and adverse geopolitical factors. Through 2025 and into early 2026, stable inflation and gradual interest rate reductions helped ease the cost of capital, offering relief to SMEs seeking debt financing. From late February 2026, however, the war between Iran and a US-Israel coalition and the near-halt of shipping through the Strait of Hormuz triggered an energy price shock that lifted global inflationary pressure. In June 2026, the European Central Bank and Danmarks Nationalbank raised their policy rates for the first time since September 2023, marking a shift in a monetary policy cycle that had been easing for close to two years.

These conditions have affected the financing segments differently. Equity financing held its ground in 2025 before slowing across the board in the first half of 2026, with venture activity concentrating in earlier stages and smaller rounds, and buyout activity falling back sharply from a record 2025. Debt financing moved in the opposite direction: corporate lending continued to grow and credit standards for SMEs eased further, with Danish banks expecting to loosen them again in the third quarter of 2026. The Danish IPO market reopened after two silent years, though led by larger, established companies rather than the young growth companies that drove the 2021 peak.

Looking ahead, the Danish startup ecosystem continues to show solid deal flow, and the Danish economy remains fundamentally strong even as growth moderates. The inflationary impact of the energy shock is expected to be more contained than in 2022, as it occurs against a backdrop of anchored inflation expectations and neutral monetary policy — but the outlook is subject to a considerable degree of uncertainty, and renewed inflationary pressure may weigh on both credit demand and investor sentiment in the second half of the year.

The findings in this report highlight both the challenges and opportunities that lie ahead, hopefully providing valuable insights for entrepreneurs and investors navigating this evolving landscape.

Julius Markedal Jensen
Consultant, Analysis & Politics
jumj@eifo.dk
+45 24 22 06 15

Ida Damsgaard
Senior Consultant, Analysis & Politics
idda@eifo.dk
+45 24 66 39 72

Mads Neuchs Vedel
Consultant, Analysis & Politics
mave@eifo.dk
+45 21 38 85 52

Anders Frølich
Team Lead, Analysis & Politics
anfr@eifo.dk
+45 28 49 38 65

Contact
Julius Markedal Jensen
Consultant, Analysis & Politics
jumj@eifo.dk
+45 24 22 06 15

Press contact
Jon Arskog
Principal Communication Consultant
joar@eifo.dk
+45 22 52 96 48

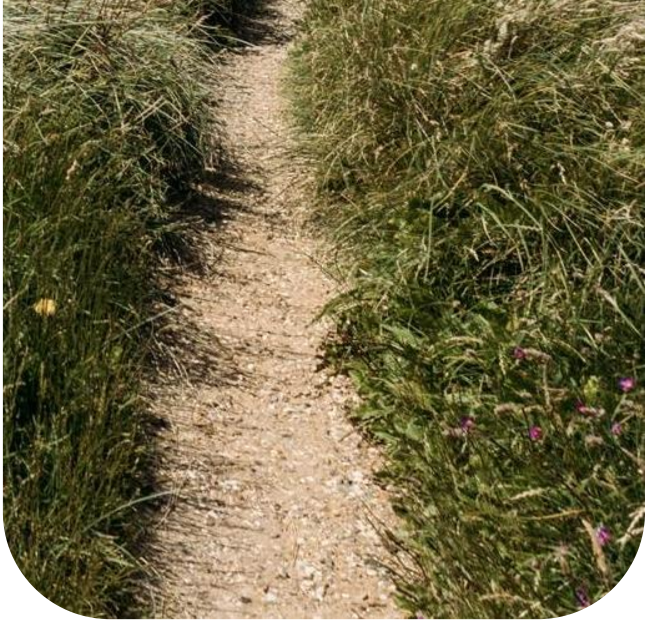
Contents

Key Takea-ways

1.

Equity financing held its ground in 2025, then slowed across the board in the first half of 2026

Danish Venture Capital declined slightly in 2025 and again in the first half of 2026, while buyout activity reached a record high in 2025 before falling back sharply. Renewed geopolitical uncertainty, the war in Iran and the related energy shock have made investors more selective, with activity concentrated in earlier stages and smaller rounds.



2.

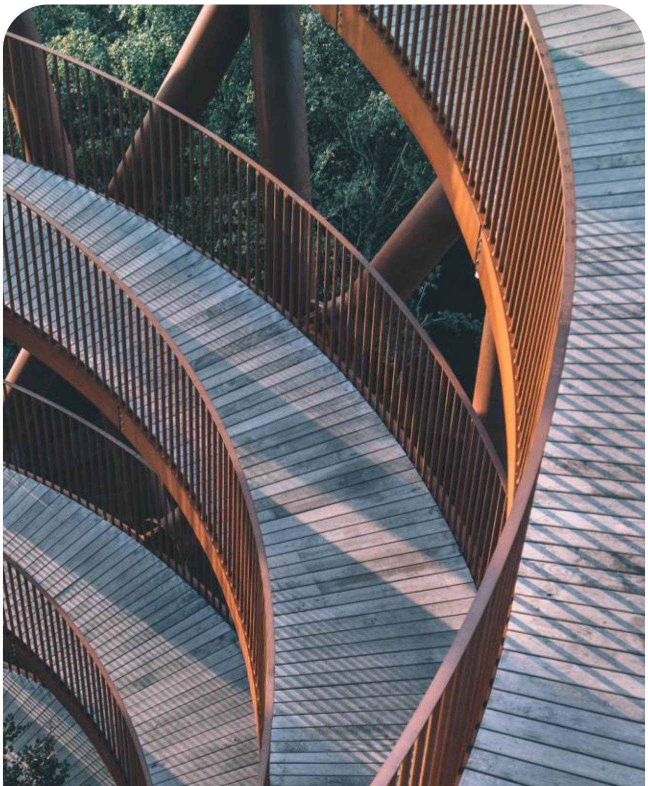
Debt financing continued to expand as credit standards eased

Corporate lending grew by around 7 percent on average in 2025 and reached 6.7 percent year-on-year by May 2026, supported by lower interest rates and a sustained easing of credit standards for SMEs. EIFO's lending and guarantee activity increased in 2025 and gained further momentum in the first half of 2026, on track for its highest combined level since 2022.

3.

The Danish IPO market reopened after two silent years

Three companies went public in the first half of 2026, the first Danish listings since 2023. The reopening has been led by larger, established companies on the Main market rather than by the young growth companies on First North that drove the 2021 peak, suggesting that the window has yet to reopen for smaller listings.



01

Macroeconomic Background

Danish growth remains solid as the economy transitions towards a more modest pace

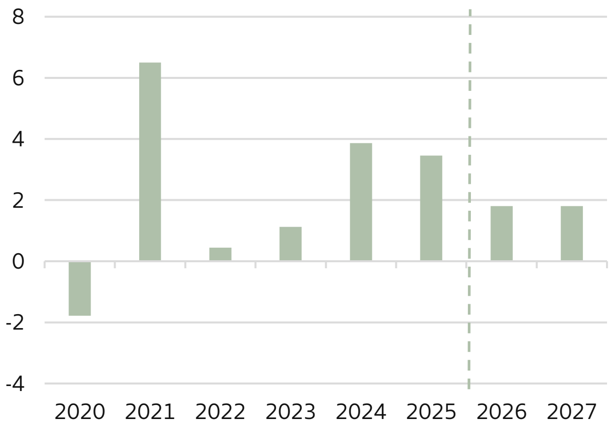
Following two years of strong economic performance, Danish GDP growth is expected to moderate in the coming years. Real GDP growth reached nearly 4 percent in 2024 and remained robust at around 3.5 percent in 2025. However, growth is expected to slow to approximately 1.8 percent in both 2026 and 2027 before edging slightly higher in 2028.

Recent growth rates materialized despite a continued challenging macroeconomic environment. Reduced growth expectations in the coming years thus reflect an uncertain global landscape and cautious consumers rather than an underlying unhealthy economy. Despite heightened geopolitical tensions, ongoing trade disputes, and continued uncertainty surrounding global growth prospects, the Danish economy remains fundamentally strong.

Chart 1.1

Real GDP Growth

Percent, YoY



Source: Danmarks Nationalbank, Outlook for the Danish Economy, March 2026.
Note: Vertical line indicates a transition to forecast.

Inflationary pressure rises due to geopolitical energy shock

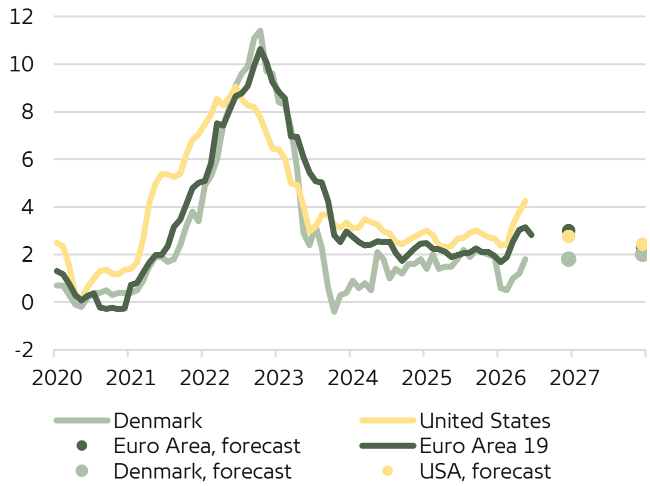
Following the exceptionally high inflation rates experienced in 2022 and 2023, global inflationary pressures have declined. In the period from autumn of 2023 to 2026, inflation stabilized at a more moderate level fluctuating between 2.0 and 2.5 percent in both the Euro Area and the United States. In Denmark, inflation fell more sharply, reaching approximately 0.5 percent in late 2023. However, strong labour market conditions, characterized by rising real wages and high employment growth, have gradually put upward pressure on prices. As a result, Danish inflation increased to around 2.0 percent by mid-2024 and remained around that level throughout 2024-2025.

At the start of 2026, inflation in Denmark dropped sharply following tariff reductions on especially electricity. Shortly thereafter, the war in Iran and the related energy shock resulted in rising energy prices that have increased global inflationary pressure.

Chart 1.2

Consumer Price Index

Percent, YoY



Source: OECD, Eurostat, and Danish Ministry of Economic Affairs.

Looking ahead, inflation is expected to converge back to around 2 percent in late 2028. The first half of 2026 shows a rather steep increase in inflation due to rising energy prices, and it has been heavily debated to what extent energy price increases will spill into core inflation globally. The Danish central bank is expecting increased inflation after the energy shock in 2026, but not at the same scale as the situation in 2022. Compared to the energy crisis of 2022, the inflationary impact is expected to be more contained, as the shock occurs against a backdrop of anchored inflation, neutral monetary policy, and more modest demand. Expectations are, however, subject to a large degree of uncertainty.

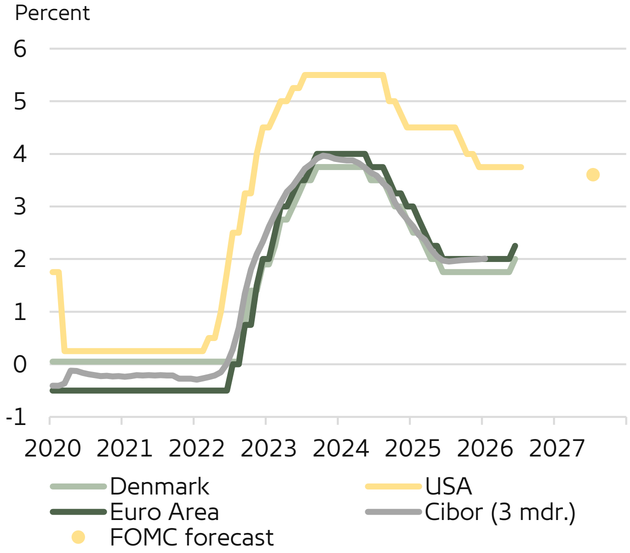
European monetary policy rates react to inflationary shock in 2026

As inflation rates began to stabilize in late 2023 and early 2024, the European Central Bank and The Federal Reserve adopted a more expansionary monetary policy. Throughout 2024, both the European Central Bank (ECB) and the Federal Reserve implemented a series of interest rate cuts totaling 100 basis points, with Danmarks Nationalbank following suit, cf. Chart 1.3.

In Europe, rate cuts continued into the first half of 2025. By June, both the ECB and Danmarks Nationalbank had lowered their key policy rates by an additional 100 basis points, bringing rates down to 2.0 percent and 1.75 percent, respectively.

Chart 1.3

Development in Leading Monetary Policy Interest Rates



Source: Danmarks Nationalbank, ECB, Federal Reserve

Note: Leading monetary policy interest rates: Danmarks Nationalbank, CIBOR. United States Federal Reserve, Federal Funds Target Rate. ECB, Main Refinancing Operations Rate, Effective Rate. Forecast for 2026 is based on Federal Open Market Committee's (FOMC) "projected appropriate monetary policy", June 2026.

In June 2026, central banks started to react to the increased inflationary pressure following the war in Iran and subsequent energy shock due to the closing of the Strait of Hormuz. ECB and Danmarks Nationalbank increased the monetary policy rates by 0.25 percentage points. This is the first increase since September 2023.

In contrast, the Federal Reserve has taken a different approach and maintains the current level at 3.75 percent despite increasing inflationary pressure in the United States.

Projections from the Federal Open Market Committee (FOMC) suggest that interest rates in the U.S. are expected to gradually decline towards 3.4 percent in 2028. However, it is uncertain how inflationary pressure and changes in the Fed leadership might influence the direction of interest rate development.

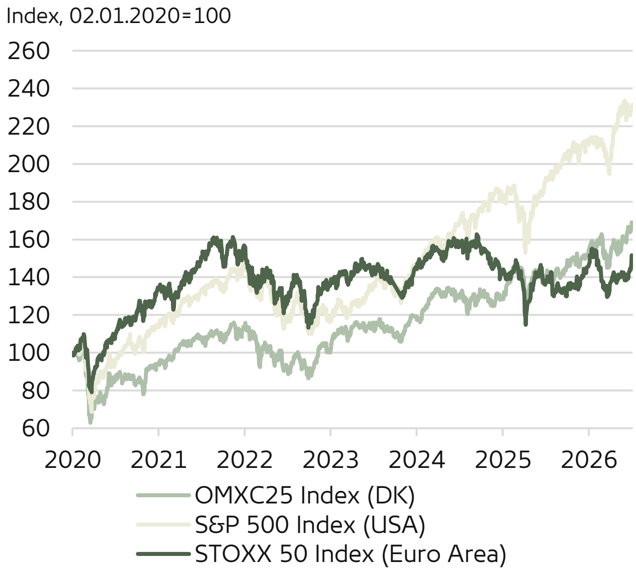
Equity markets remained resilient in 2025–2026 despite heightened uncertainty

Since 2020, listed equity markets have recovered strongly from the initial pandemic-related shock, but subsequent growth has been uneven across regions. The US market has delivered the strongest performance by a significant margin, with the S&P 500 rising to more than twice its 2020 level by 2026. The gap widened further in 2025 and 2026, reflecting stronger equity market performance and resistance to shocks (e.g., energy supply disruption in 2026) in the United States than in Denmark and the Euro Area.

In 2025, both European indices experienced renewed setbacks, while the S&P 500 continued to trend upward despite a temporary correction. By 2026, the Danish market has regained momentum and remains ahead of the broader Euro Area index but is still lagging substantially behind the US. Overall, the stronger performance of US equity markets may indicate more favorable market conditions for growth-oriented firms, while equity market developments in Europe have been more uneven.

Chart 1.4

Financial Market Development



Source: Nasdaq OMX Nordics, S&P Global, STOXX, Macrobond.

02

Early Stage Capital

For many entrepreneurs, the funding journey begins with grants from both public and private sources. These grants can act as a springboard, helping startups transform their ideas into businesses and reach “proof of concept” or “proof of business”, which are often prerequisites for attracting future investments.

At the early stages of a startup’s development, private investors play a crucial role by providing entrepreneurs with essential funding opportunities. These opportunities include crowdfunding, where capital is raised from a large base of individual investors, or from business angels, providing both capital and valuable expertise in exchange for equity. In addition, several venture funds are active in the early stages.

EIFO is actively engaged in supporting early-stage startups through EIFO’s match-loan, used for co-financing with private investors. The match loan targets early startups that have secured an investment from a private investor — a business angel, syndicate, family office, early-stage venture fund, or commercial foundation. EIFO matches the investment 1:1 with a loan, without taking an ownership stake and without personal guarantees from the founders. Because eligibility depends on a private investor having already committed capital, the commercial assessment rests with the investor, while EIFO leverages that assessment and shares the risk.

Key Insights

1. Public grants provided non-dilutive early stage funding to over 500 Danish startups and SMEs in 2025, supporting innovation and product development.

2. Angel activity broke a decade of growth in 2025. Invested capital fell to EUR 178 million and the number of active angels dropped to 745, down from a peak of 971 in 2021.

3. Only about 8 percent of angel-backed companies raise venture capital within five years, while roughly 30 percent go bankrupt and a similar share thrives.

More than 500 entrepreneurs and SME's received State-backed grants for EUR 44 million in 2025

Grants represent a non-dilutive form of capital, unlike loans or equity financing, they do not require repayment or ownership stakes. Grants are typically issued by government entities, foundations, or corporates with the purpose of providing financial support to projects or businesses that align with the entities' own values or objectives.

For entrepreneurs and early-stage startups, grants can serve as a vital source of early funding for, among other things, product development and demonstration facilities. This early support allows founders to test and refine their business models without any immediate financial burden. Moreover, securing a grant can enhance a startup's credibility since grant programs are often competitive, requiring applicants to demonstrate the potential impact and viability of their business ideas. As such, receiving a grant can act as a signal of quality and viability to future investors, acting as a steppingstone toward attracting private capital from business angels or venture capital firms.

In Denmark, the Danish Foundation for Entrepreneurship and Innovation Fund Denmark are the two primary institutions providing state-backed grants to early-stage startups and SMEs. The Danish Foundation for Entrepreneurship focuses on supporting entrepreneurship among students, while Innovation Fund Denmark is focused on supporting innovative startups and SMEs.

The Danish Foundation for Entrepreneurship

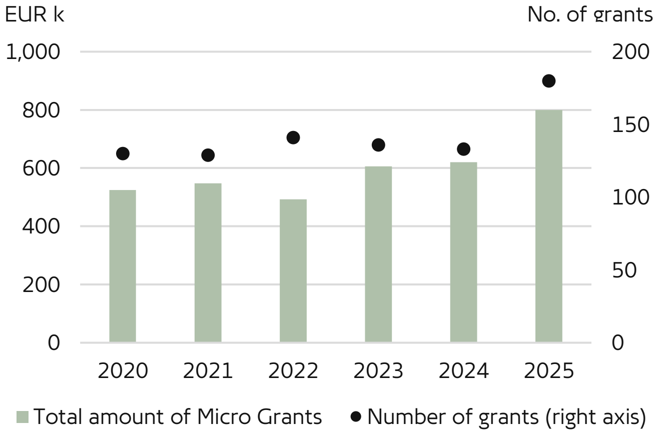
The Danish Foundation for Entrepreneurship supports entrepreneurship in the Danish education system in various ways. Among other initiatives, the foundation awards grants of up to EUR 6,700 to entrepreneurs in youth education, higher education and to recent graduates through the Micro Grant and Kickstart Micro Grant programs, which are funded by the Danish Foundation for Entrepreneurship's ministerial partners and supported by partners such as The Tuborg Foundation, The Lundbeck Foundation, The Danish Maritime Fund, Bristol-Myers Squibb, and Chr. Augustinus Fabrikker. The purpose of the Micro Grant initiative is to strengthen growth and employment in Denmark through supporting young entrepreneurs that are driven by solving major global challenges.

Since the launch of these programs in 2011, a total of 1,296 Micro Grants amounting to around EUR 4.8 million have been awarded up to and including 2024. In 2025 alone, students with entrepreneurial ambitions received 180 Micro Grants totaling EUR 800 thousand cf. Chart 2.1.

In addition, all applicants receive feedback from the Evaluation Committee, which includes successful entrepreneurs and investors, aiding in the improvement of their proposals.

Chart 2.1

Micro Grants Through The Danish Foundation for Entrepreneurship



Source: Danish Foundation for Entrepreneurship.

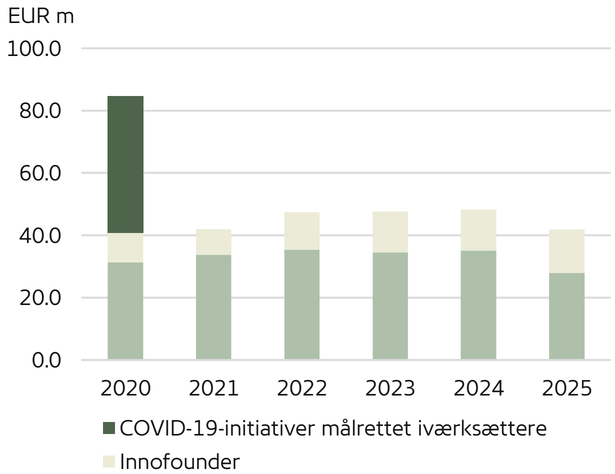
Innovation Fund Denmark

The Innovation Fund Denmark provides financial support to Danish entrepreneurs and SMEs through grants with the aim of strengthening Danish research, innovation, and entrepreneurship, and turning promising innovative ideas into new solutions that have the potential to help solve some of society's challenges.

Since 2019, Innovation Fund Denmark has issued a total of EUR 353 million in grants through its Innobooster and Innofounder programs, supporting more than 3,500 entrepreneurs. In 2025 alone, Innovation Fund Denmark issued a total of 358 grants amounting to EUR 41.8 million through the two programs, cf. chart 2.2.

Chart 2.2

Grants Through Innovation Fund Denmark



Source: Innovation Fund Denmark

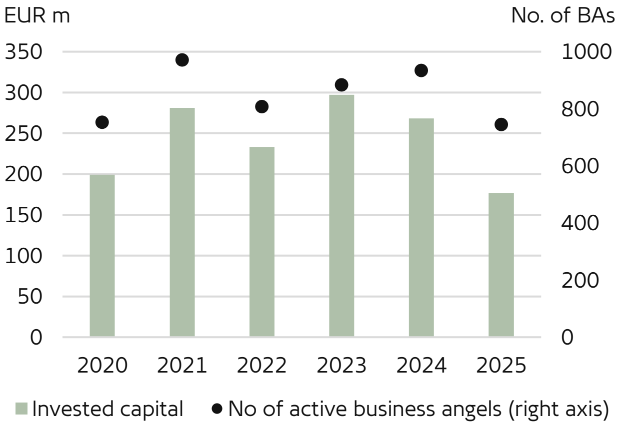
Business Angels

A Business Angel (BA) is a private individual who invests directly in unlisted companies during their early stages, thereby becoming a co-owner of the business. These investments benefit young startups not only by providing the necessary capital for growth but also by offering business experience, as business angels often have a background as founders themselves and actively participate in the company's development.

In July 2026, EIFO conducted an analysis on Danish business angels. The data was acquired through Venture Insights, which is based on CVR (the Central Business Register) that uniquely tracks all businesses in Denmark, including business angels and their activities.

Chart 2.3

Danish Business Angel Activity 2020-2025



Source: EIFO, Venture Insights, based on CVR.

The analysis shows that angel activity broke a decade of growth in 2025. Invested capital fell to EUR 178 million, and the number of active angels dropped to 745 from a peak of 971 in 2021, amid AI-related market uncertainty, Cf. chart 2.3.

Angels nevertheless remain a substantial source of early funding, accounting for around 13 percent of total invested capital across all investor types in 2025.

The analysis also sheds light on what becomes of angel-backed companies over time. About 8 percent graduate to venture capital within five years, while roughly 30 percent go bankrupt and a similar share is thriving. This underlines both the risk inherent in early-stage investment and the importance of the handover from angel capital to institutional investors.

Enterprise software leads the way among Danish business angels

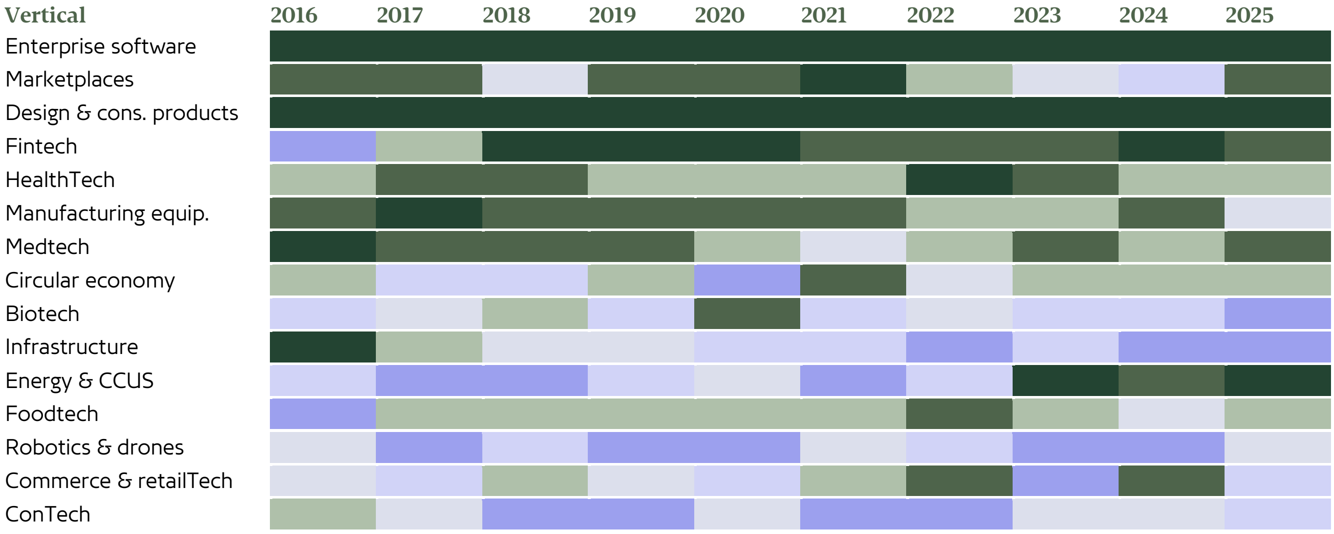
Enterprise software has firmly established itself as the vertical of choice for Danish business angels, both in capital deployed and number of rounds, attracting EUR 262 million across 378 rounds between 2016 and 2025, Cf. chart 2.4. Marketplaces (EUR 135 million) and Design and Consumer Products (EUR 120 million) follow, with Fintech, HealthTech, Manufacturing Equipment, and Medtech also drawing consistent attention.

This reflects a broader strength in the Danish ecosystem. Software businesses are capital efficient, requiring limited upfront investment, making them a natural fit for angel capital. Denmark's software ecosystem is further reinforced by dedicated clusters that foster innovation and provide a pipeline toward follow-on venture funding — a pattern that carries through to the venture market, where Enterprise Solutions was likewise the largest vertical by number of investments.

Energy and Carbon Capture, Utilization and Storage has shown notable resilience, holding its ground even as green investment has slowed more broadly.

Chart 2.4

Annual Ranking of Vertical by No. of Investments, 2016-2025



Note: Verticals are ranked annually by number of rounds and grouped into six equal tiers from most to least active.
Source: Venture Insights, based on CVR data

03

Venture Capital

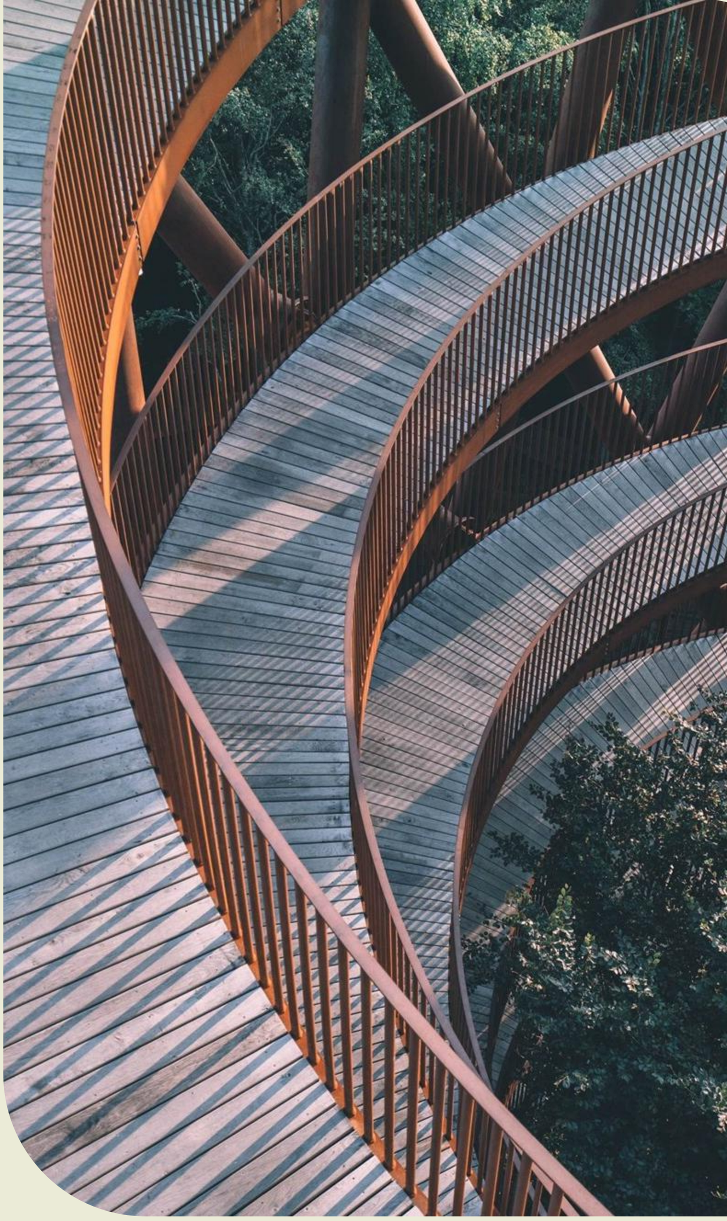
Venture capital is often a good fit for startups and SMEs with high growth potential and a scalable business model. Companies that are eligible for venture capital investments have typically already secured some form of early-stage financing – such as grants, business angel investments, or other early risk capital – and are beginning to generate revenue.

Venture investments are primarily made through venture funds, which include both traditional independent venture capital funds and corporate venture capital (CVC) funds. These funds may be generalists investing across sectors or highly specialised, focusing on areas such as Life Sciences, Fintech, or Quantum technologies.

Investments are typically categorised by the company's maturity and capital needs: from pre-seed and seed rounds through early-stage, late-stage, and growth capital. Investments at the earliest stages carry higher risk and require longer time horizons, while later-stage investments tend to involve larger companies with more stable operations and clearer paths to scale.

Venture capital can be particularly attractive for high-growth companies because investors not only provide capital but also bring strategic guidance, sector expertise, and valuable networks that support the company's development.

EIFO's activities in the Danish venture market span the entire funding lifecycle – from seed to growth – and include both indirect investments as a limited partner in established venture funds and direct investments in promising startups and scaleups.



Key Insights

1. Danish VC activity declined slightly in both 2025 and the first half of 2026, with EUR 1.15 billion invested across 131 transactions in 2025, even as global volumes rose 31 percent on the back of a North American recovery.

2. Denmark remains one of Europe's five most venture-intensive economies relative to GDP at 0.28 percent, behind Sweden, the UK, Finland and Switzerland.

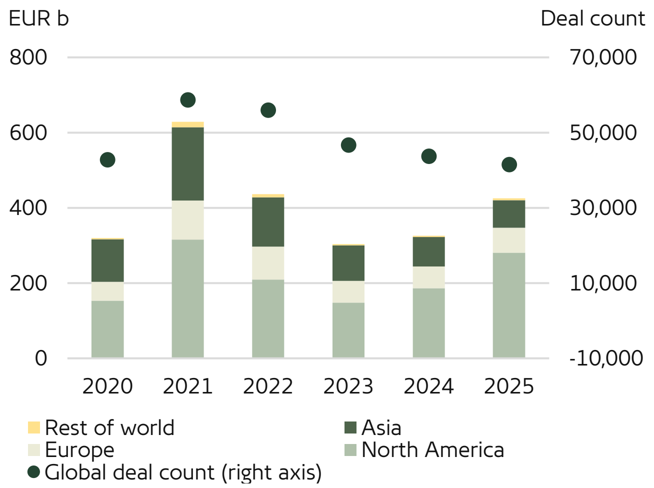
3. Biotech remains the largest recipient of Danish venture capital by volume at EUR 530 million, while robotics, quantum and AI recorded record or near-record deal counts at markedly smaller ticket sizes.

North America lifts global VC activity while Denmark remains one of Europe's more venture-intensive economies

Global venture capital investments increased by 31 percent from approximately EUR 326 billion in 2024 to EUR 426 billion in 2025, marking the second consecutive year of recovery following the sharp correction from the 2021 peak, cf. chart 3.1. The development was primarily driven by North America, where investment volumes increased by 50% from EUR 187 billion to EUR 281 billion. In comparison, European investment volumes increased more modestly from EUR 57 billion to EUR 66 billion (15% increase), while venture activity in Asia continued to decline by 6% from the 2024 level.

Chart 3.1

Global VC Activity by Region, 2020-2025

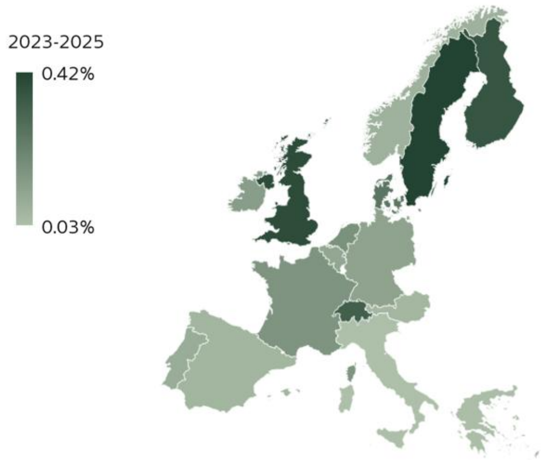


Source: Pitchbook, EIFO.

Against this backdrop, Denmark maintained a strong position in the European venture capital market. Danish companies attracted approximately EUR 3.4 billion in venture capital investments between 2023 and 2025, placing Denmark among the five most venture-intensive economies in Europe (VC investments corresponding to 0.28 percent of GDP), cf. chart 3.2. Despite weaker venture capital activity across much of Europe in recent years, Denmark has maintained a strong and stable position

Chart 3.2

VC Investments Relative to GDP by Country, 2023–2025



Source: PitchBook, OECD Stat.

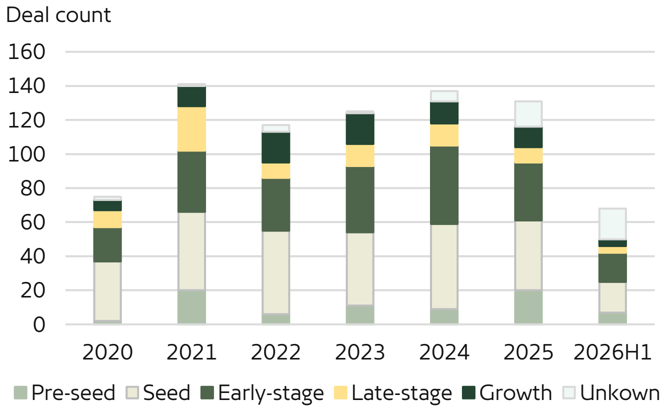
compared with most of its European peers. Sweden keeps the position as the European country with the highest share of VC investments relative to GDP (0.42 percent), followed closely by The United Kingdom (0.39 percent), Finland (0.36 percent), and Switzerland (0.33 percent)[1].

Danish venture activity decreases slightly in 2025 and first half of 2026

While global venture investments increased in volume in 2025, Danish venture capital activity declined slightly both in number of deals and volume in 2025 and the first half of 2026, cf. chart 3.3 and chart 3.4. In 2025, Danish companies attracted EUR 1.15 billion in venture capital across 131 transactions, compared to EUR 1.34 billion in 2024 across 137 transactions.

Chart 3.3

Venture Capital Investments in Danish Companies by Venture stage, 2020–2026H1



Source: EIFO.

By mid-year 2026, 68 investments have been completed, compared to 72 investments in the first half of 2025. Capital volumes conclude H1 2026 at a modest level of EUR 371 million, which is however an increase compared to a relatively weak first half of 2025, where invested capital amounted to EUR 341 million. It should be noted that 33 investments completed in 2025 and H1 2026 did not have publicly disclosed investment amounts. As a result, investment volumes reported throughout this chapter are likely to underestimate the total amount of capital invested.

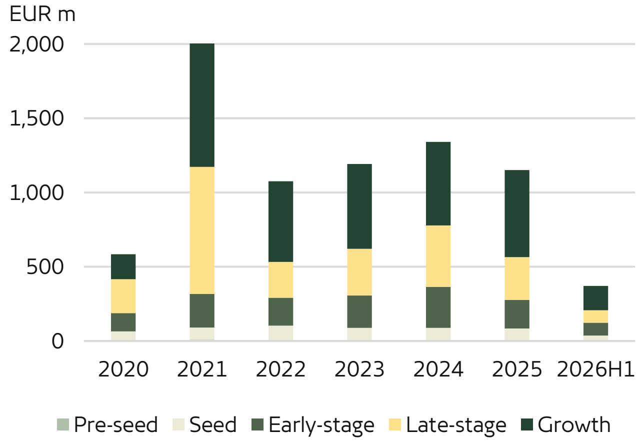
Most investments were concentrated at the earliest stages, with pre-seed, seed, and early-stage rounds accounting for more than 80 percent of all funding rounds with an assigned stage in 2025 and the first half of 2026. At the stage-level, number of pre-seed investments increased, while investments at all other stages decreased in 2025.

The development in number of deals contrasts somewhat with the pattern for invested capital volumes.

While the total invested amount decreased, capital invested into growth venture increased in 2025 reaching a share of 50 percent of total invested volume.

Chart 3.4

Venture Capital Investment Volumes in Danish Companies by Stage, 2020–2026H1



Source: EIFO.

These developments reflect a somewhat cautious venture market, possibly driven by increased geopolitical uncertainties. Despite stable interest rates in 2025 and a fundamentally strong Danish economy, investors appear to be adopting a more selective approach in later stages, while investment activity remains concentrated in earlier-stage rounds.

If activity levels in the second half of 2026 mirror those seen in the first half, the number of rounds in the Danish venture capital market will resemble that of 2024-2025, while total investment volume could reach the lowest level since 2020. Danish venture activity in 2025 peaked in Q4 offsetting an otherwise muted venture activity during the year. Turbulent geopolitical circumstances in the first half of 2026 could potentially trigger some of the same dynamics.

Changing investor composition and decrease in the share of larger investments

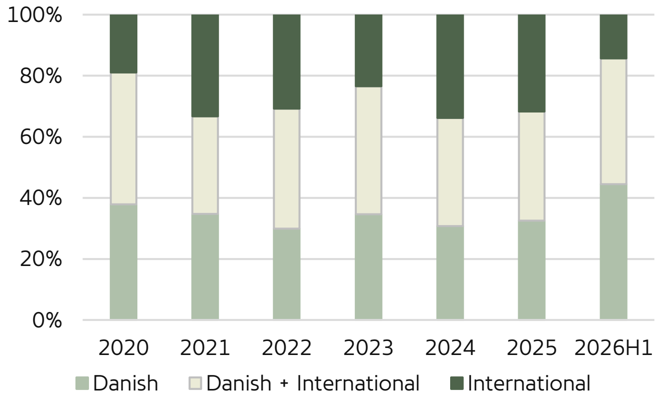
In 2026, the share of rounds conducted solely by foreign investors decreased markedly – from 32% in 2025 to 14% in the first half of 2026. Syndicates between domestic and foreign investors increased from 36 percent to 41 percent of rounds, while Danish investors alone accounted for 44 percent – the highest level observed in the period, cf. chart 3.5.

Notably, the development also appeared when looking at investor composition for invested capital, where the share of syndicates between Danish and international investors is typically higher (above 60 percent in 2025-H12026). The share of international investors declined from 27 to 15 percent in the first half of 2026, and the share of Danish investors increased from 9 to 24 percent.

[1] Total invested venture capital from 2023-2025: *Sweden: EUR 8.6 billion, The United Kingdom: EUR 46.0 billion, Finland: EUR 3.6 billion, Switzerland: EUR 7.9 billion, Denmark: EUR 3.4 billion.*

Chart 3.5

Share of Investment Rounds by Danish, International and Mixed Investor Syndicates



Source: EIFO.

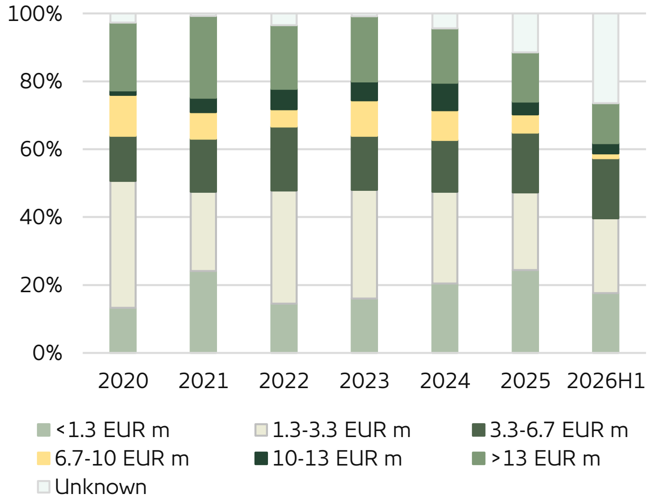
This shift is traditionally closely linked to the distribution of round sizes, where smaller rounds are more likely to be led by domestic funds or single investors, reflecting the Danish market's strong early-stage focus.

The share of smaller funding rounds (below EUR 1.3 million) increased from 21 percent of all rounds with disclosed amounts in 2024 to 28 percent in 2025. In contrast, the share of large funding rounds (above EUR 6.7 million) dropped from 34 to 27 percent over the same period and again to 22 percent in the first half of 2026. The share of small rounds below EUR 1.3 million decreased in the first half of 2026 although the combined share of investments below EUR 3.3 million remained stable compared to 2025, cf. chart 3.6.

The observed development aligns with the observed increase in pre-seed investments and could again signal a more cautious capital deployment by investors in the Danish VC market.

Chart 3.6

Share of Venture Capital Investments in Danish Companies by Investment Size Intervals, 2020–2026H1



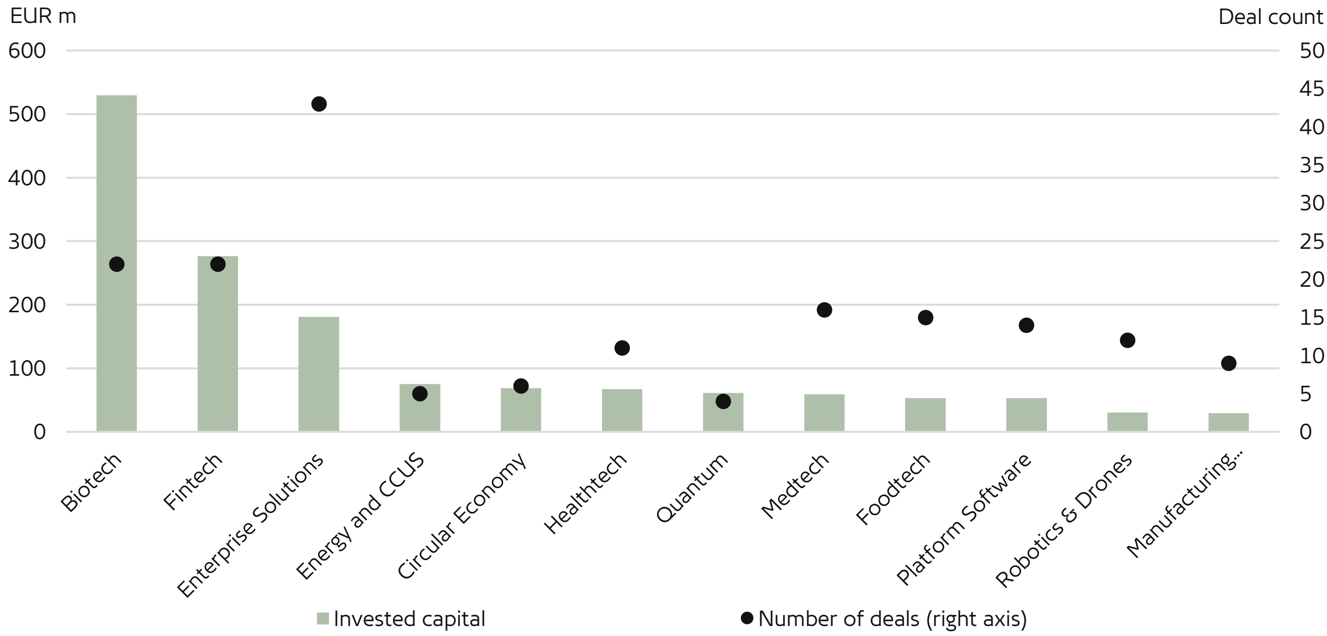
Source: EIFO.

Enterprise software dominates deal activity and Biotech dominates capital flows, while advanced technologies gain momentum

The composition of Danish venture capital activity continues to evolve. While software and biotech remain dominant investment themes, several advanced technology segments have increased their presence in the venture ecosystem, while activity has moderated in several previously fast-growing sectors, cf. chart 3.7.

Chart 3.7

Venture Investments by Top 12 Verticals, 2025-2026H1



Source: EIFO.

Enterprise Solutions was the largest vertical measured by number of investments, increasing from 36 investments in 2024-2025H1 to 43 investments in 2025-2026H1. Invested capital also increased, from approximately EUR 154 million to EUR 181 million. This suggests that software remains one of the primary drivers of Danish venture capital, although growth is increasingly concentrated in enterprise-focused solutions rather than the platform and fintech business models that have historically dominated the sector.

Biotech remained the largest recipient of venture capital by investment volume. While the number of investment rounds declined slightly, from 24 to 22, invested capital increased from approximately EUR 458 million to EUR 530 million. This underlines Biotech's continued role as one of the most important capital drivers in Danish venture capital.

At the same time, the composition of the leading venture verticals is gradually changing. Robotics & Drones increased from 5 to 12 investments, while Quantum doubled from 2 to 4 investments and recorded a 93 per cent increase in invested capital. Foodtech also gained momentum, with investment volumes increasing by 83 percent from approximately EUR 29 million to EUR 53 million.

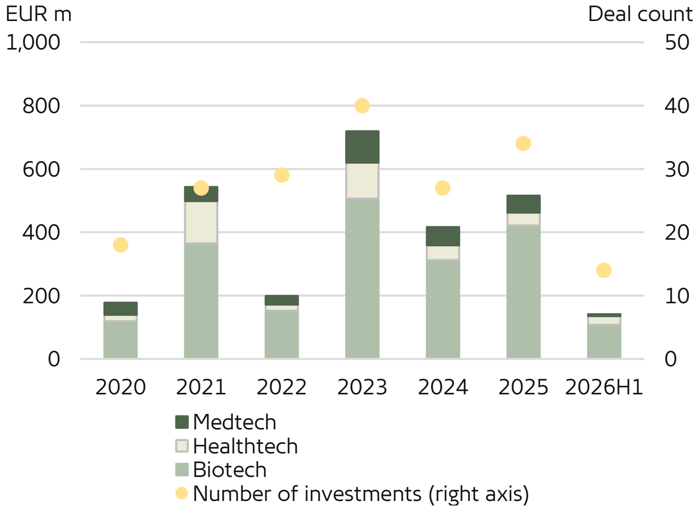
In contrast, several previously prominent venture segments showed signs of moderating activity. Platform Software declined from 26 to 14 investments, while Fintech declined from 26 to 22 investments. These developments suggest that Danish venture capital is increasingly concentrated around enterprise software, biotech and advanced technology segments, while earlier growth verticals appear to be entering a more mature phase.

Life science remains a cornerstone of Danish venture capital

Following a historic high in 2023 — with more than EUR 720 million invested across 40 funding rounds —and a subsequent 42 percent decline in 2024, venture capital investments in Danish Life Science companies made a comeback in 2025 to a total of 34 investments and EUR 515 million, cf. chart 3.8.

Chart 3.8

VC Investment Volumes and Number of Investments in Danish Life Science Companies by Vertical, 2020–2026H1



Source: EIFO.

While biotech remains the dominant life science vertical by invested capital, investor activity is spread across a diverse ecosystem. Healthtech and Medtech together accounted for 27 investments in 2025-H1 2026, compared with 22 in Biotech.

Following a strong year in 2025, preliminary figures suggest more moderate activity in 2026. However, all three sub-segments continue to attract venture capital and remain important contributors to the Danish startup ecosystem. Declining volumes might reflect a more selective investor, where scaling of life science companies typically require more heavy capital injections even at the early stages.

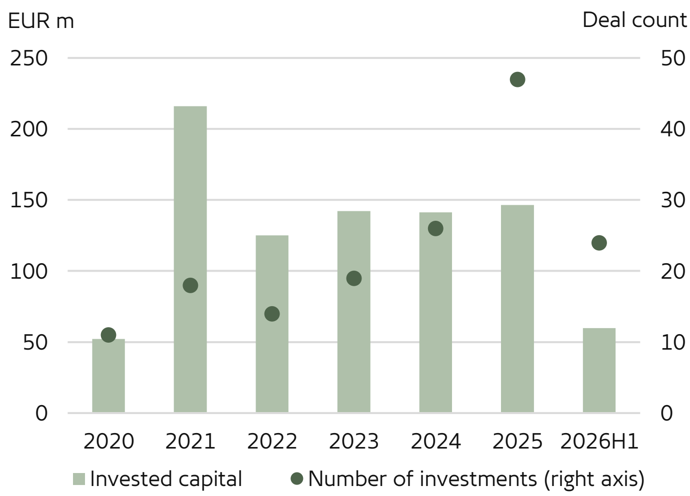
AI investment activity expands across the Danish startup ecosystem

Investor appetite for AI-based technologies has grown markedly in recent years, fuelled by advancements in generative AI, large language models, and the rapid adoption of AI applications across traditional tech verticals. As AI capabilities continue to evolve at an unprecedented pace, Danish startups have increasingly embedded AI into their core business models.

Most Danish VC-backed AI companies remain relatively early stage, but the sector is expected to mature further as more applications reach commercial viability. While the majority of Danish AI investments so far have been concentrated in the Software verticals, applications within other verticals and especially advanced technologies such as health- and medtech are also on the rise.

Chart 3.9

VC Investment Volumes and Number of Investments in Danish AI Companies, 2020–2026H1



Source: EIFO.

In 2025, VC investments in Danish AI-based companies reached a record high in terms of deal count, with 47 funding rounds totaling EUR 146 million, cf. chart 3.9. The strong momentum has carried into the first half of 2026, with 24 funding rounds already completed – almost matching the 2024 total of 26. Notably, invested capital in 2025 has been relatively modest relative to the large number of deals. This pattern is so far even stronger in 2026, where invested capital in H1 2026 amounted to EUR 60 million. Based on transactions with disclosed investment amounts, average ticket sizes have generally declined since 2021 although 2026 resembled the level in 2025.

The development suggests that AI is becoming a broad-based investment theme across the Danish startup ecosystem. Rather than being concentrated in a small number of very large transactions, AI-related investment activity increasingly reflects the adoption of AI across software, life sciences and industrial technology companies.

Green investments remain significant despite lower activity

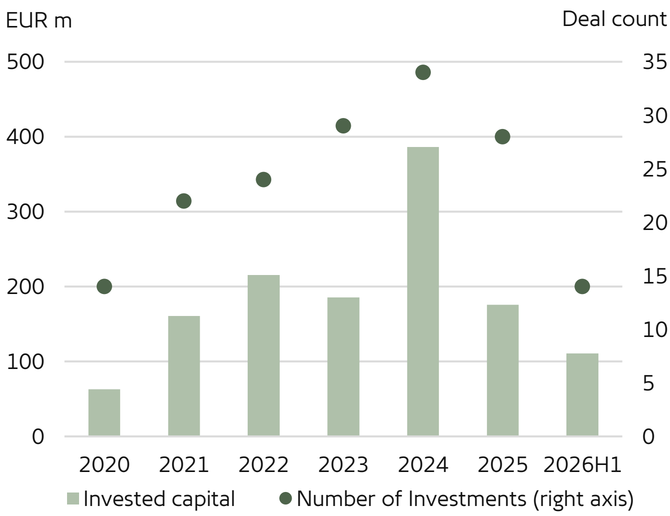
Green technologies continue to attract substantial venture capital investment in Denmark, although activity has moderated compared with the record levels observed in 2024. Investment activity peaked at approximately EUR 386 million across 34 investments. In 2025, activity declined to 28 investments and approximately EUR 176 million in invested capital. In the first half of 2026, green technology companies attracted 14 investments and approximately EUR 111 million, cf. chart 3.10.

The development suggests that green technology remains an important investment theme, but that investors in 2025 perhaps were more cautious in terms of large transactions. Developments also differ across subsectors. Energy & CCUS recorded fewer investment rounds, declining from 9 to 5 from the period 2024-H12025 to 2025-H12026, but invested capital increased slightly from approximately EUR 69 million to EU R 75 million.
Conversely, Circular Economy increased from 3 to 6 investments, while invested capital declined from approximately EUR 111 million to EUR 69 million.

Overall, the data point to continued investor interest in technologies supporting the green transition, but also to a market where subsector focus is shifting.

Chart 3.10

Venture Capital Investment Volumes and Number of Investments in Danish Green Technology companies, 2020–2026H1



Source: EIFO.

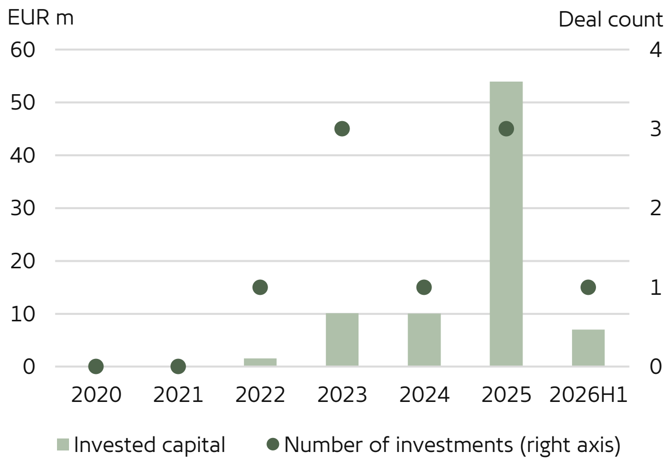
Quantum emerges as a theme to watch in Danish venture capital

While still an emerging venture theme with relatively few transactions, quantum technology reached a new milestone in 2025, with three Danish companies raising almost EUR 54 million, cf. chart 3.11. As a result, 2025 became the strongest year on record for Danish venture investment in quantum technologies. The momentum mirrors developments in other deep-tech segments, including Robotics & Drones, which also recorded strong growth in investment activity.

While activity in the first half of 2026 has been below the elevated level seen in 2025, quantum technology remains a field to watch given its potentially transformative applications across research, industry, security and critical infrastructure.

Chart 3.11

VC investment volumes and number of investments in Danish Quantum Technology companies, 2020–2026H1



Source: EIFO.

Spotlight:
Venture Capital Investments in Defence, Security, and Resilience (DSR)

Amid heightened geopolitical tensions and a renewed focus on security, venture capital investments in defence, security, and resilience (DSR) technologies have gained significant momentum. The war in Ukraine and broader concerns about critical infrastructure and national sovereignty have pushed DSR from a niche to a central topic of European and Danish venture capital.

The DSR segment in Danish venture capital has gone from being almost non-existent to making up a sizeable share of total VC volume. Startups working on security and resilience challenges have seen significant growth over the last decade, while defence makes up a smaller portion but has shown momentum in more recent years.

As depicted by chart 3.12, resilience is the overarching category within Danish DSR in terms of volume, driven especially by Denmark's strength in life science, biotech and foodtech, all three of which often have dual use applications.

Definition: Defence, Security, and Resilience

DSR is a broad term with numerous definitions and various methods for classifying DSR investments. DSR in this report is defined and categorized in accordance with the NATO Innovation Fund report on European defence, security, and resilience, 2025. It includes dual-use technologies within the three subsectors, defence, security, and resilience.

***Defence** includes solutions that enhance situational awareness, decision-making, and mobility in complex operational environments – such as autonomous battlefield systems, space sovereignty infrastructure, and threat detection tools.*

***Security** focuses on energy independence, climate adaptation, and protection of critical infrastructure – ranging from energy storage and nuclear technologies to quantum computing and AI hardware.*

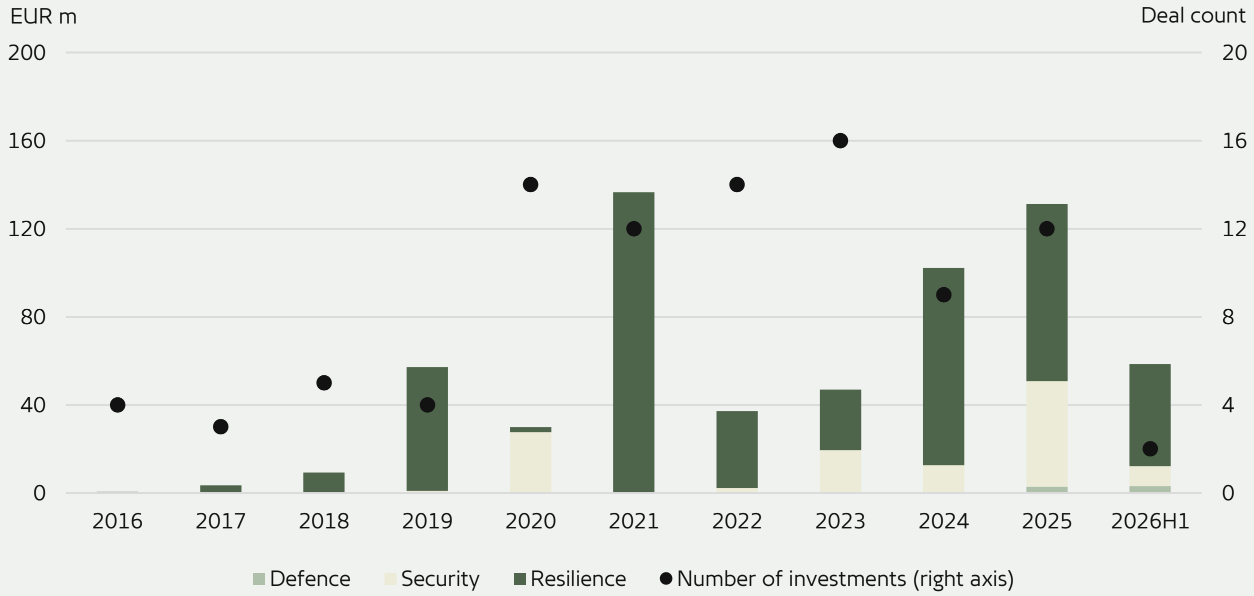
***Resilience** targets supply chain robustness and health crisis preparedness, encompassing areas such as biotech, semiconductor materials, and critical resource management.*

Note that investments in weapons, ammunition, and other technologies with a sole military purpose are not accounted for in this report.

Source: NIF report on European defence, security, and resilience, 2025.

Chart 3.12

Venture Capital Investments in Danish Defence, Security, and Resilience Companies



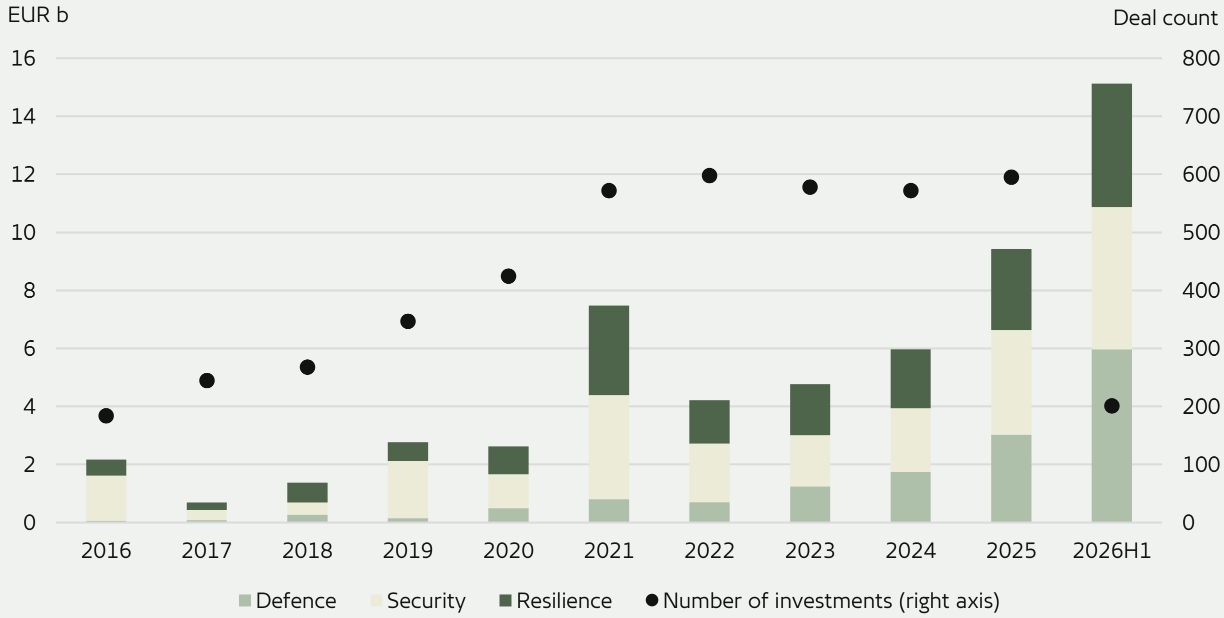
Source: Dealroom and EIFO analysis.

Across Europe, the distribution between defence, security and resilience is more even, and the pattern mirrors Denmark's steady increase in DSR venture capital investments over the last five years, though it is less volatile due to the higher volumes involved. Europe, though, has already seen H1 2026 volumes surpass full year 2025 by more than 50%.

EIFO has a strong strategic focus on DSR and has participated in several investments in both Danish companies and foreign companies with Danish activities within the DSR space over the last years. Two recent examples of investments made by EIFO are Triton Depth, a developer of sensors for underwater surveillance, and Acodyne, a developer of autonomous cargo drones. Both companies have dual use capabilities, with applications spanning both civilian and military or defence use cases.

Chart 3.13

Venture Capital Investments in European Defence, Security, and Resilience Companies



Source: Dealroom and EIFO analysis.

04

Buyout Capital

Buyout capital refers to the funds used by private equity firms to carry out buyout investments, or buyouts, which generally involves the acquisition of a majority or controlling stake in target companies. As with venture capital, the goal is to improve the company's performance and profitability over the investment horizon, eventually selling the company at a higher value. Buyout targets are typically more mature companies that are profitable and have debt capacity, and therefore buyout investments typically do not entail product risk, as opposed to venture capital.

When building portfolios of buyout investments, private equity firms primarily raise capital from institutional investors, which is often used in combination with bank debt to acquire target companies in leveraged buyout transactions. The investment horizon generally spans 3 to 7 years, culminating in an exit, usually through sale to another private equity firm or an IPO. Private equity firms receive fees for managing investments, while the investors realize potential returns on investment at the time of exit.

Buyouts play a central role in the Danish entrepreneurial and SME ecosystem, providing an exit strategy for earlier investors looking to sell their portfolio companies. Investments are typically targeted at medium-sized and larger unlisted SMEs that are well-established and can support a high level of debt while continuing to grow. Private equity firms often collaborate closely with existing owners and management, bringing in know-how and industry expertise from prior investments. In addition to the replacement capital injected at the time of the takeover, private equity firms often inject growth capital, enabling successful businesses to reach their full growth potential through focused active ownership.

Moreover, private equity firms usually have access to more favorable loan financing from banks and can offer guarantees for their portfolio companies' credit lines. This may improve access to loans and other banking products that might otherwise be challenging for the companies to obtain, thereby broadening the palette of financing possibilities.

Finally, through so called buy and build strategies, private equity firms can enhance their portfolio companies' capabilities, market reach, or product lines through add-on investments, where the investor acquires additional companies in order to integrate them into an existing portfolio company.

Key Insights

1. Danish buyout activity reached a record high in 2025, driven by lower interest rates and record levels of dry powder, but early 2026 points to a marked slowdown amid renewed geopolitical uncertainty.

2. Add-on investments remain the dominant strategy in the Danish buyout market, though new platform investments grew faster in 2025 as cheaper debt made larger transactions attractive again.

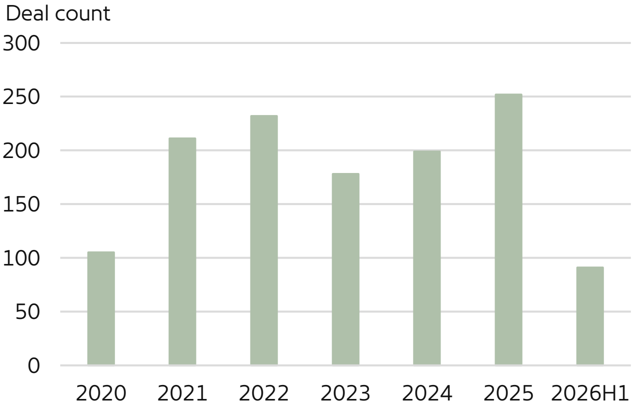
3. Danish scaleups continue to attract foreign buyout capital, with international investors involved in a record share of deals in 2025, increasingly alongside Danish investors rather than in place of them.

2025 Brought a Strong Rebound to the Danish Buyout Market, but Momentum Slowed Again in Early 2026

Buyout activity in Denmark increased by 27 percent from 2024 to 2025, surpassing the historically high levels seen in 2021 and 2022, cf. Chart 4.1. During the first half of 2026, 91 buyout transactions were completed, 28 percent fewer than in the same period last year. If this pace continues in the second half of the year, the total number of deals will fall back to the levels seen in 2023 and 2024, indicating a marked slowdown compared to the record activity in 2025.

Chart 4.1

Buyout Investments in Danish Companies



Source: PitchBook.

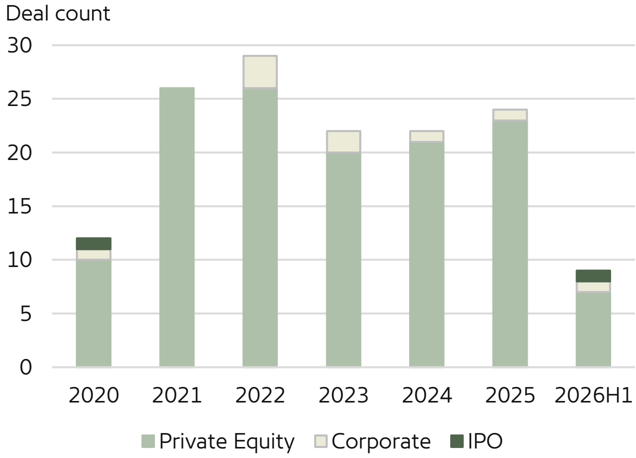
This development is broadly in line with trends observed in other markets, although the Danish rebound was markedly stronger. In Europe and North America, the number of private equity transactions increased by 3 percent and 2 percent, respectively, from 2024 to 2025, while deal values rose considerably more, driven by a rebound in larger transactions. However, preliminary figures from the first half of 2026 suggest that total annual activity may decline by approximately 12 percent in Europe and 15 percent in North America if current trends continue.

The strong rebound in buyout activity from 2024 to 2025 can be linked to the continued decline in interest rates, which has alleviated the liquidity constraints experienced in recent years. This has improved the ability of private equity firms to finance transactions and has contributed to a broad-based increase in market activity. The rebound has been reinforced by record levels of uninvested capital in private equity funds, which has increased the pressure on firms to deploy capital and put money to work. However, despite the improvement in macroeconomic indicators, geopolitical developments continue to affect both private and public capital markets, particularly the renewed trade tensions and the conflict in the Middle East. This creates uncertainty around exit opportunities and valuations in 2026.

These market dynamics are also reflected in the number of exits in Danish PE-backed companies. From 2024 to 2025, the number of exits increased by 9 percent, cf. Chart 4.2. A growing backlog of maturing portfolio companies and investor demands for distributions are adding to the pressure on private equity firms to divest, although the moderate increase in Danish exits suggests that this pressure has yet to translate into a broad reopening of the exit market. Based on activity during the first half of 2026, the total number of exits may instead decline by 25 percent for the full year if current activity levels persist.

Chart 4.2

Private Equity-Backed Exits of Danish Companies

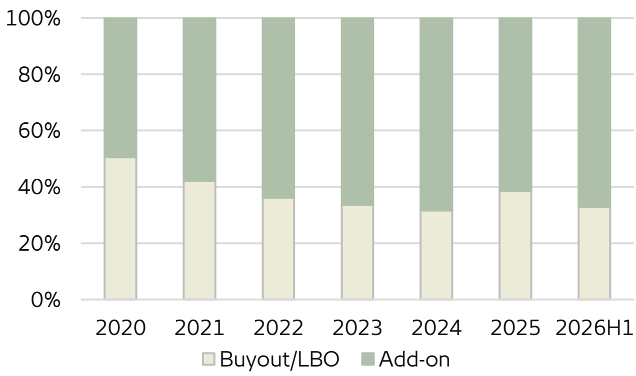


Source: PitchBook.

The share of buyout transactions undertaken as add-on investments declined from a record high of 68 percent in 2024 to 62 percent in 2025, cf. Chart 4.3. This shift did not reflect a retreat from buy-and-build strategies. In fact, the number of add-on investments rose over the year, but new platform investments grew considerably faster, as lower interest rates and record levels of dry powder made larger, debt-financed transactions more attractive again. Add-on investments nevertheless continued to account for the majority of transactions, underlining that scaling existing portfolio companies remains the dominant strategy in the Danish market.

Chart 4.3

Share of Buyout Investments in Danish Companies by Investment Type



Source: PitchBook.

During the first half of 2026, the add-on share increased again to 67 percent, although this figure should be interpreted with caution given the limited number of transactions in a single half-year. The pattern is consistent with the broader European market, where add-on investments have likewise represented roughly two thirds of buyout transactions in recent years and regained ground in early

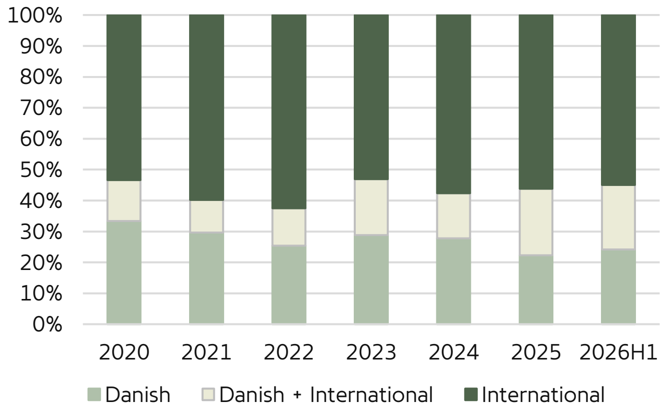
2026, in line with a tendency for investors to favor smaller, lower-risk transactions in periods of heightened uncertainty.

Danish Scaleups Continue to Attract Foreign Buyout Capital

Compared to the venture capital market, Danish buyout transactions rely more heavily on foreign capital, partly due to the larger capital requirements of buyout transactions. Since 2019, the share of Danish buyout transactions involving foreign investors has increased overall, reaching a record 78 percent in 2025. Notably, this increase was driven primarily by a rise in co-investments, where foreign and Danish investors participate side by side, rather than by transactions undertaken by foreign investors alone. The latter accounted for 56 percent of transactions in 2025, broadly unchanged from the previous year. This development suggests that Danish companies remain attractive to international investors, and that foreign capital increasingly complements, rather than replaces, domestic investment in supporting the growth and scaling of Danish businesses.

Chart 4.4

Buyouts in Danish Companies by Share of Investments from Danish Investors, International Investors, and Syndicates of the Two



Source: PitchBook.

However, a strong reliance on international capital also introduces risk. In periods of heightened uncertainty, international investors often reduce their exposure to foreign markets and refocus on domestic opportunities. This was evident in 2023, when rising inflation, interest rate hikes, and increased geopolitical instability led to a 27 percent decline in the number of buyout transactions involving foreign investors in Denmark, compared to a 5 percent decline in transactions with Danish investors. So far, however, foreign appetite has proven more resilient in the current period of uncertainty. In the first half of 2026, foreign investors participated in 76 percent of Danish buyout transactions, remaining close to the record level observed in 2025.

05

Debt Financing

Debt financing remains a critical component at every growth stage of SMEs, serving either as a primary source of capital or as a supplement to equity investments, for example from business angels, venture capital funds, or private equity firms. An optimal financing structure often consists of a combination of both debt and equity, allowing companies to balance capital costs, ownership dilution, and financial flexibility.

Debt financing can take various forms, with traditional bank loans being among the most common. These loans typically require positive cash flows or other forms of security, making them well-suited for startups and SMEs that have begun generating steady revenue. In recent years, alternative forms of debt, such as crowdlending and venture debt, have become more accessible – and are often relevant at a stage where companies do not yet have positive cash flows. These instruments enable earlier-stage or rapidly growing companies to secure capital earlier in their development, particularly when traditional bank financing is out of reach.

Credit demand and availability is dynamic and sensitive to macroeconomic conditions. During the recent inflation and interest rate hikes of 2022 and 2023 companies were faced with higher costs increasing the need for debt financing. Meanwhile, the increased costs and higher interest rates caused credit institutions to tighten credit standards as credit and liquidity risk in the market rose. This tightening made it more difficult for early-stage companies to obtain financing, particularly for those that lacked the historical performance or collateral required by traditional lenders, leading to a notable contraction in SME lending. However, credit conditions have eased over the past two years, offering renewed opportunities for Danish companies to access debt.

EIFO provides debt financing solutions to Danish SMEs across a wide range of industries and development stages. Through guarantees and direct loans, EIFO plays a central role in enabling companies to access financing that might otherwise be unavailable through commercial banks, particularly in periods of tightened credit conditions or elevated financing costs.

Key Insights

1. Corporate lending in Denmark has continued to grow, with year-on-year growth averaging around 7 percent in 2025 and reaching 6.7 percent by May 2026, supported by easing credit standards and a gradual return of demand from Danish businesses.

2. Falling interest rates and stabilizing inflation eased access to and demand for debt financing through 2025. Renewed inflationary pressures and the interest rate increases of June 2026 may pose a risk to credit demand going forward.

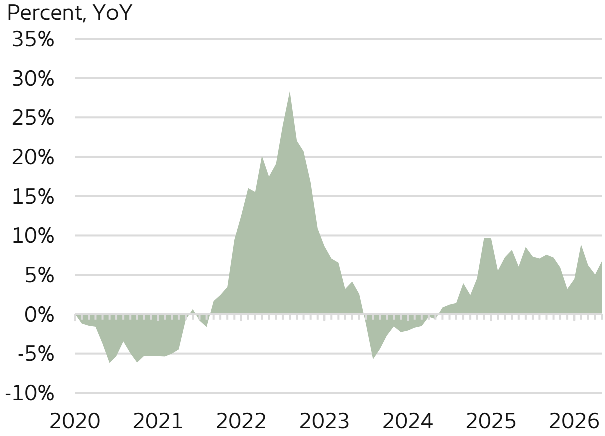
3. EIFO's lending and guarantee activity to Danish SMEs increased in 2025 and has gained further momentum in the first half of 2026. If current trends continue, EIFO's combined lending and guarantee volumes are on track to reach their highest level since 2022, reflecting a continued improvement in Danish SMEs' access to credit.

Signs of stabilization and renewed growth in bank lending following easing of credit standards

Following the contraction observed throughout 2023 and the beginning of 2024, Denmark's corporate credit market has continued its recovery. Year-on-year growth in lending to Danish companies has remained positive since mid-2024, averaging around 7 percent in 2025 and reaching 6.7 percent by May 2026, cf. chart 5.1.

Chart 5.1

Year-on-Year Growth in Corporate Lending From Danish Credit Institutions



Source: Danmarks Nationalbank.
Note: Year-on-year development in national loan issuance from credit institutions to Danish non-financial companies.

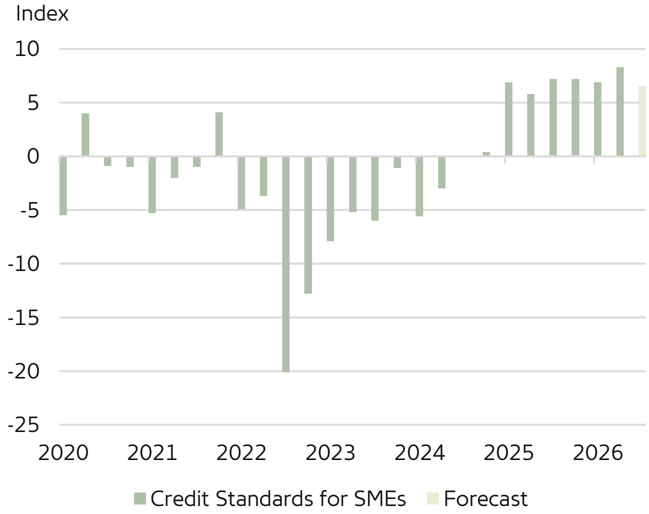
The continued growth in corporate lending coincides with a sustained easing of credit standards among Danish banks and mortgage institutions. Danmarks Nationalbank's lending survey shows that banks began loosening their credit policies for small and medium-sized enterprises (SMEs) in the fourth quarter of 2024, a trend that has continued through 2025 and the first half of 2026. Danish banks expect to ease credit standards for SMEs further in the third quarter of 2026, cf. chart 5.2.

While easing credit standards have improved access to financing, the growth in corporate lending also reflects a gradual strengthening of the underlying demand. Over the course of 2024 and 2025, inflationary pressures eased, and macroeconomic indicators improved, contributing to a more stable and predictable business environment. Against this backdrop, many companies that had previously postponed or scaled back investments due to uncertainty and tight financing conditions began resuming their plans. This reactivation of investment activity has likely played a role in sustaining lending growth through 2025 and into 2026.

At the same time, monetary policy shifted in a more expansionary direction, as both Danmarks Nationalbank and the European Central Bank lowered interest rates from late 2024 through mid-2025. The resulting decline in borrowing costs has made debt financing more attractive and affordable, thereby reinforcing the recovery in lending volumes.

Chart 5.2

Danish Credit Institutions' Credit Standards for SMEs



Source: Danmarks Nationalbank.
Note: positive index values indicate easing credit standards; negative values indicate tightening. Based on Danish banks' weighted responses each quarter.

While overall corporate lending has not returned to the extraordinary growth rates seen in 2022, the recent developments suggest a more balanced and resilient trajectory, supported by both improving credit supply and a gradual return of demand from Danish businesses. However, the renewed rise in inflation and the interest rate increases in June 2026 may dampen credit demand during the second half of the year.

Demand for EIFO's loans and guarantees continued to grow in 2025 and into 2026, in line with developments in the wider market

EIFO provides loans to Danish SMEs that face challenges accessing sufficient bank financing on standard market terms, for example, due to limited collateral, short operating history, or disproportionately high growth, increasing the company's burn rate and challenging liquidity. These direct loans help viable growth companies secure the capital needed to invest and scale when traditional bank loans alone are not available.

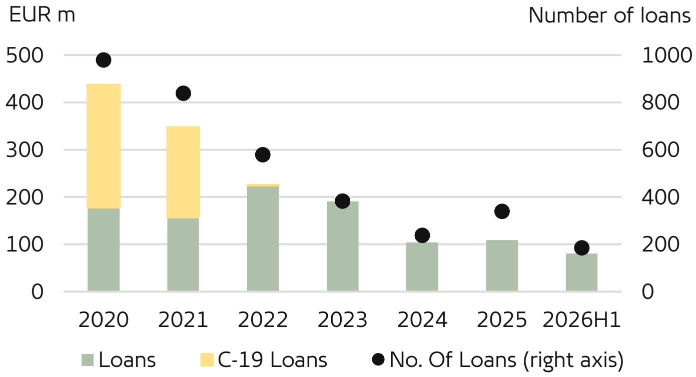
The development in EIFO's total lending volume has closely mirrored the overall Danish corporate lending market. Following two years of decline, EIFO's total lending volume increased by 5 percent from 2024 to 2025, with total lending amounting to EUR 109 million across 339 loans, cf. Chart 5.3. At the same time, the number of loans issued rose by more than 40 percent, reflecting a smaller average loan size. The momentum has continued into 2026, with EIFO issuing new loans totalling EUR 80 million across 186 loans during the first half of the year, corresponding to 73 percent of last year's total volume.

Besides providing loans, EIFO also issues guarantees, enabling companies to access bank loans by guaranteeing the company's ability to service its debt. By covering a portion of the bank's risk, EIFO's guarantee solutions may help SMEs secure financing that might otherwise not be possible.

As with EIFO's lending volume, EIFO's total guarantee volume for SMEs increased from 2024 to 2025, growing by 12 percent to EUR 291 million, while the number of guarantees issued rose by 24 percent to 467 guarantees, cf. chart 5.4. The increased activity has continued into 2026, with guarantee volumes during the first half of the year corresponding to 83 percent of the total activity last year and the number of guarantees issued corresponding to 58 percent. Should this trend persist throughout the rest of the year, guarantee volumes are likely to reach their highest level since 2022 (excluding C-19 guarantees).

Chart 5.3

EIFO's SME Lending Volume by Product Type

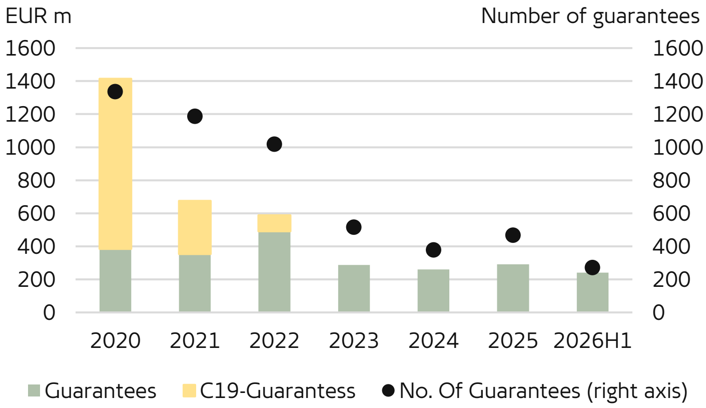


Source: EIFO.

The continued growth in EIFO's combined loan and guarantee activity coincides with the broader rebound in corporate lending volumes from Danish credit institutions and a sustained period of easing credit standards for SMEs. Lower interest rates have made debt financing more accessible and affordable for Danish companies that seem to have resumed postponed investment plans.

Chart 5.4

EIFO's Guarantee Activity to Danish SMEs by Product Type



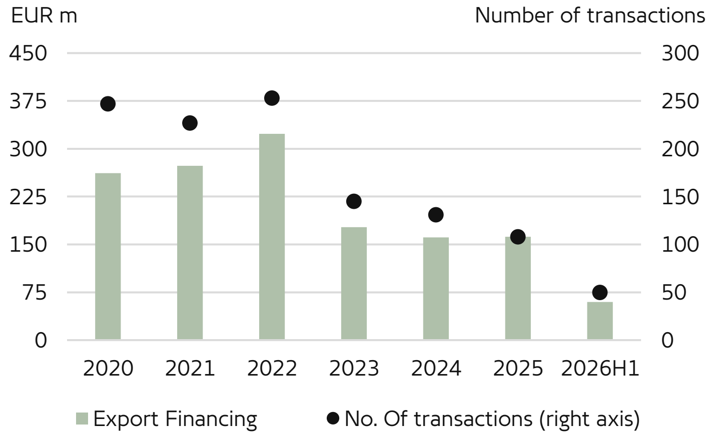
Source: EIFO.

A significant part of EIFO's guarantee and lending activity relates to export financing, where EIFO helps Danish SMEs or their foreign buyers secure liquidity from banks and thereby make Danish export contracts possible.

In 2025, EIFO's export financing for Danish SMEs amounted to EUR 162 million across 108 transactions, with volumes broadly unchanged from 2024, while the number of guarantees and loans issued declined by 18 percent, cf. Chart 5.5. Demand eased during the first half of 2026, with a total of EUR 60 million issued across 50 transactions, corresponding to 37 percent of last year's total volume. As a result, the recent growth in EIFO's total guarantee and lending activity has mainly been driven by domestic SME financing rather than export-related financing.

Chart 5.5

EIFO's Export Financing to Danish SMEs



Source: EIFO.

Venture debt as a flexible complement to equity financing

Venture debt is a specialized form of loan financing designed for growth companies, often in the startup and scaleup phase, that may not yet qualify for conventional bank loans. Unlike traditional loans, which rely on stable cash flows and tangible collateral, venture debt is typically underwritten based on the company's future growth potential and the backing it has from existing investors.

A key feature of venture debt is that it combines interest and fees with the option for the lender to benefit from the company's success through so-called warrants – a right to purchase shares at a later stage. This means venture debt can help extend a company's cash runway or finance expansion without the same level of ownership dilution that comes with new equity rounds.

In Denmark, several market participants provide venture debt. Private actors such as Danske Bank Growth and Gillion are active in the market, primarily focusing on larger loans, often above EUR 5 million, and usually require that the company has already raised significant equity funding from established venture capital funds.

EIFO is also an active venture debt provider, but contrary to most other venture debt providers, EIFO does not have a fixed minimum loan size and is flexible regarding the type of investors it can finance alongside. In addition to co-financing with venture capital funds, EIFO can provide venture debt in partnership with business angels, family offices, strategic investors, or even in connection with listed companies. This flexibility enables EIFO to support a wider range of innovative Danish startups and scaleups than traditional market players alone.

By offering venture debt, EIFO aims to help Danish founders limit equity dilution, strengthen their capital structure, and support the retention and growth of high-potential companies in Denmark.

06

Initial Public Offering

An Initial Public Offering (IPO) is the process through which a private company offers shares to the public for the first time, allowing it to raise capital from public investors. This marks the company's transition from a private entity to a publicly traded one, with its shares listed on a stock exchange.

An IPO serves as an exit opportunity for both venture capital and buyout funds, while also providing a channel for raising capital to support a company's further growth.

The Nasdaq stock exchange in Copenhagen includes both mature and established companies, traded on the Main Market (Large, Mid, and Small Cap), and smaller, often younger, growth companies traded on First North. Companies on the Main Market are generally stable in both operation and potential, whereas companies on First North involve higher risk but offer the potential for greater returns. Additionally, the Spotlight exchange offers an alternative to First North, featuring companies that are also characterised as relatively young growth ventures.

Key Insights

1. The Danish IPO market reopened in the first half of 2026, with three companies going public after two full years without a single listing.

2. The reopening has been led by larger, established companies listing on the Main Market rather than the young growth companies on First North that drove the previous peak, suggesting the window has yet to reopen for smaller listings.

3. Danish IPO activity has broadly followed equity market conditions, and the recovery in the OMXC25 through the second half of 2025 likely helped support the return of listings, despite renewed geopolitical volatility in early 2026.

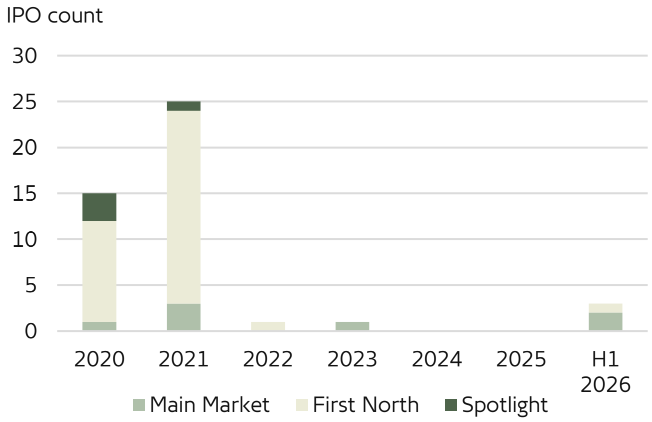
Danish IPO activity picks up as three companies go public in H1 2026

Danish IPO activity peaked in 2021, when 27 companies went public, the highest level in recent years, cf. Chart 6.1, driven primarily by listings on First North, which accounted for 80 percent of that year's IPOs.

This momentum reversed sharply from 2022 onwards. Activity dropped to just one listing in 2022 and one in 2023, before falling silent entirely through 2024 and 2025, mirroring the cautious sentiment seen across many European exchanges.

Chart 6.1

Number of Danish IPOs by Exchange, 2020-2026H1



Source: Nasdaq OMX Nordic, Spotlight Stock Exchange, FBV, PWC Nordic IPO Watch.

Activity picked back up in the first half of 2026, with three companies completing IPOs on the Danish market. BioMar Group A/S was the first IPO in years on the Danish market, listing on Nasdaq Copenhagen Main Market in May. InstallatørGruppen A/S followed in June, also on the Main Market, while BAR DJUS A/S listed on First North Denmark that same month. NewCap Holding A/S also saw renewed activity on the market in June.

Developments in the Danish stock market and associated investor confidence play a central role in understanding the current IPO activity. The stock market strongly affects a company's sentiment to launch an IPO. In bullish markets, higher valuations and investor confidence make raising capital easier, encouraging companies to go public. In downturns, volatility and lower prices deter IPOs, as companies risk undervaluation and weak investor demand.

During the period of very low interest rates, Danish equities rose by more than 60 percent from early 2020 to a peak in November 2021, creating favourable conditions for IPOs, cf. chart 6.2. This trend reversed as global uncertainty increased, coinciding with the war in Ukraine and tighter monetary policy, contributing to a roughly 30 percent decline by late 2022.

The index showed mixed developments through 2023 and recovered through much of 2024, before falling again in Q4 2024 and dropping to its lowest point since mid-2022 in April 2025. This trough coincided with steep declines in major listed companies, particularly Novo Nordisk, and with renewed EU-US trade tensions.

The index then recovered firmly through the second half of 2025, reaching a new high for the period in early 2026, before pulling back at the start of the year. This pullback coincided with a major geopolitical shock following the outbreak of war between Iran and a US-Israel coalition in late February 2026, when shipping through the Strait of Hormuz was largely halted. The International Energy Agency described it as the greatest threat to global energy security in history, and oil prices spiked before easing toward the end of H1 2026 as tankers exited the strait following an initial accord to end the war. Despite this volatility, the index stayed well above its 2025 trough, and the partial market recovery has likely helped support the return of IPO activity to the Danish market.

Chart 6.2

Development in the OMXC25 Index, 2020–2026H1

Source: Nasdaq OMX Nordic.

Thank you for reading!

More analyses available at:
eifo.dk/viden/videnshub