# annual report 2024

kompasbank

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Annual Report

01.01.2024 - 31.12.2024



**kompasbank a/s**
Frydenlundsvej 30
2950 Vedbæk

CVR-nr. 38 80 36 11



Approved at the Company's annual general meeting on 30 April 2025

Chairman of the meeting:
Steen Rode


impact

# highlights

## CUSTOMERS & PRODUCTS 2024

NPS-score

SME Customers: 84

Deposit Customers: 63

## 3 NEW PRODUCTS LAUNCHED IN 2024

- Overdraft Facility
- Valuta FX
- Leasing

## OUR BANKING FOOTPRINT 2021-2024

Amount added to peoples' savings

mDKK 112

Aggregated Lending since inception

mDKK 3,285

## OUR SOCIOECONOMIC IMPACT 2021-2024*

5,000 jobs created or preserved

2.5 billion DKK in GDP growth

1 billion DKK in tax contribution

*Total effects (direct and indirect) for kompasbank's business lending. The impact calculations combine data from several sources, including the Danish Ministry of Finance, Danmarks Nationalbank, Finance Denmark, and the Danish Economic Councils. The impact may vary with economic cycles. Direct effects typically unfold over 1-2 years, whereas indirect and dynamic effects may fully materialize over a period of 3-5 years.

# chairman's review

I am pleased to present our annual report for 2024, marking another year of growth for kompasbank. Our full-year result of mDKK -58 represents a significant improvement of mDKK +53 compared to 2023 (mDKK -112). The result falls mDKK 8 short of the guidance range provided in our 2023 annual report (mDKK -30 to mDKK -50). The short fall is due to additional reserves of mDKK 10 in management judgement on impairments, which is booked as a year-end adjustment. The improved result is driven by revenue growth, and a reduction in our cost base.

Forecasting full-year results for a fast-growing company like kompasbank is no easy task — and we have been fast-growing in our early years. During 2024 we were recognised as the second fastest-growing startup in the EU, achieving a compound annual growth rate (CAGR) of 1,150% in the financial years 2021-23, illustrating our capability to convert our platform into business.

During 2024 we were recognised as the second fastest-growing startup in the EU.

Looking ahead to 2025, our focus remains on expanding across all product segments while maintaining a disciplined approach to cost management. We continue to balance profitability in our core lending business with targeted investments in high-growth areas, while pursuing overall profitability for the bank.

Our financial progress underscores the strength of our team and platform. We have scaled our operations efficiently, serving more small- and medium-sized enterprises (SMEs) and introducing new products, all while reducing the costs. Demand for our services continues to rise as our brand gains recognition and trust in the market. In fact, demand for our SME financing solutions has significantly outpaced our current lending capacity. This excess demand for our lending services reinforces the significant growth potential ahead, and it is our ambition to address this capital constraint to fully capitalise on these opportunities.

**Capital and Industry Trends.** The past two years have been challenging for growth companies seeking capital. We are fortunate to have a robust investor base that continued to support our expansion in 2024. Since our founding, we have raised mDKK 535 of equity, securing the funds necessary to build a proprietary platform and a team capable of executing on what can be described as a ‘once-in-a-generation’ opportunity within banking.

As investors and operators in a neobank, we have found it encouraging to witness many “older” neobanks worldwide continuing to grow and reaching profitability in 2024. This progress has been reflected in improved valuations and a renewed interest in IPOs. The scepticism surrounding neobanks is fading as their advantages built on more efficient technological infrastructures become increasingly evident. The banking industry is undergoing a structural shift, with neobanks steadily capturing a larger share of the banking market. For instance, in the UK, neobanks have gained significant market share in the last decade. This pace of change is expected to accelerate in the coming years and will also come to the SMEs of the EU, where the complexities of cross-border banking create even greater opportunities for neobanks.

The scepticism surrounding neobanks is fading as their advantages built on more efficient technological infrastructures become increasingly evident.

Many of the leading neobanks have been in operation for 5 to 15 years longer than kompasbank. While we closely follow in their footsteps, we are also carving our own path as one of the first-movers in cross-border EU neobanking for SMEs. With nearly 25 million SMEs in the EU, a €5 trillion SME loan market, and hundreds of billions of euros in banking revenues ripe for disruption, kompasbank is positioned to be a frontrunner in transforming SME banking in the region.

In 2024, we launched new services for SMEs: FX conversions, leasing and our first version of transaction banking, covering overdraft facilities and domestic DKK account to account payments. All new products have seen positive initial adoption, with FX and leasing seeing approximately 50% of users being new to kompasbank. We look forward to launch additional products in 2025, including our new transaction banking platform.
On the operational side, I am pleased to report progress in developing AI and machine learning tools for our day-to-day business operations. These technologies will continue to be a priority for us as we scale.

**Regulatory Compliance and Risk Management.** Throughout 2024, we maintained a dialogue with the Danish Financial Supervisory Authority, and I am pleased to report the measured restart of our Spanish lending business after having implemented feedback from the regulator into our operational setup. Overall, compliance remains a top priority, and we continue to enhance our risk management framework to safeguard our operations.

**Looking Ahead.** In 2025 we will have to navigate geopolitical risks and macroeconomic shifts while staying agile in our strategic execution in our journey towards profitability. The future of international banking demands adaptability and our team and platform are built for it. Our priorities remain unchanged: expanding our loan book, strengthening our capital base, scaling our FX and leasing products, and launching a next-generation transaction banking platform.

The future of international banking demands adaptability and our team and platform are built for it.

In closing, I would like to extend my sincere gratitude to our dedicated team, valued customers, supportive shareholders, fellow board members and all stakeholders for their trust and commitment to kompasbank.

Thank you.

**Jeppe Brøndum**
Chairman
Board of Directors

# founder's review

**Welcome** to our fourth annual report as a Danish FSA-regulated bank. Since December 2022 we have successfully raised mDKK 273 (mEUR 36.5) in new capital under generally challenging market conditions. The capital has been used to allow the bank to continue its growth in lending and to launch new products.

**People.** 2024 was a year of execution for kompasbank, and I am proud of how far we have come. I am proud of the team's ability to execute the tasks at hand, to take active part in the values we share together, and the culture we have all built over the last years. Not only the results, but the manner in whichthe results are achieved, makes me extremely optimistic for the years to come. Every day as I walk through the door, I see people who insist on commanding their area, insist on delivering on time, and who uphold a standard of quality worthy of our stakeholders. Not only do I feel reassured, but I feel a sense of gratitude that these specific people have chosen to work for kompasbank. Together, we are building towards a shared goal: Helping SMEs reach their full potential.

Not only the results, but the manner in which the results are achieved, makes me extremely optimistic for the years to come.

**Products**. We expanded our offering late in the year to include transaction banking, leasing, and foreign exchange services. Following substantial initial customer growth across all three products, we are excited to see how our customers will embrace these offerings at scale moving forward. These latter two products are delivered to customers through partnerships, which allows us, at this stage, to move faster, limit capital risk, and scale efficiently by using our technology as it was designed — to launch products quickly, with minimal investment and risk.

Our leasing solution allows SMEs to finance equipment, software licenses, inventory and much more. This allows kompasbank to engage very differently with customers, many of which wouldn't be within our current target group without the leasing product. This way we provide liquidity (credit) to our customers in a highly competitive and efficient manner without capital requirements. Additionally, it allows us to engage with customers earlier than usual, capturing a new revenue stream through an expanded customer segment and positioning ourselves in pole position for future sales — including foreign exchange, transaction banking services, and direct bank loans.

Our foreign exchange offering gives customers access to highly competitive conversion rates, payment and collection worldwide, previously available only to larger corporations. Early indicators are promising, with over 100 foreign exchange onboarding applications processed in 2024 alone. Perhaps most importantly, these additions transform kompasbank from a pure lending platform into a more comprehensive financial services partner for our SME customers, increasing both customer engagement and wallet share. Looking ahead to 2025, we plan to significantly enhance these offerings within our transaction banking services.

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**Customers**. It was a strong year for our customers, both in the SME and retail segments. We strengthened our core SME lending business by adding several hundred million DKK, expanding our loan book by approximately 22% over the year. This growth has not only created jobs, but also helped our customers seize opportunities and realise their visions in the process. Reflecting on 2024 through the lens of credit, I am particularly proud of the remarkable improvement in our SME loan portfolio quality. Our average customer credit rating improved from a score of 7 to just under 6 during the year (on a 1-11 scale), where SMEs are typically placed between 5 and 10.

This enhancement stems from both the resilience of Danish SMEs and our advanced, close-to-the-customer credit assessment methodology.

In 2024 we paid out more than mDKK 55,7 in interest payments to our deposit customers through our savings accounts, and more than mDKK 105 over the last 24 months.

Despite initial concerns about economic headwinds, our SME customers demonstrated exceptional adaptability, with many reporting improved cash flows compared to the previous year. The stabilisation of interest rates and energy prices in the Nordics has provided a more predictable operating environment for our customers, allowing them to focus on sustainable growth rather than crisis management. This positive trajectory validates our thesis that combining sophisticated banking technology with deep SME sector expertise creates lasting value for both our customers and shareholders.

**Michael Hurup Andersen**
Founder & Executive Director

# kompasbank at a glance

**Who is kompasbank**. kompasbank is a technology-driven digital bank dedicated to supporting SMEs. We provide a range of financial services, including Corporate Banking (lending and other credit facilities), Transaction Banking (payments, foreign exchange), and Platform Services (a marketplace for SME software and other digital solutions), as well as deposit and savings solutions for retail customers.

kompasbank obtained its full EU banking license from the Danish Financial Supervisory Authority (FSA) in March 2021 and commenced full operations in January 2022. This license provides access to a market of 450 million people and 25 million SMEs across Europe. To further enhance access to financing for SMEs, kompasbank has partnered with the European Investment Fund (EIF) to provide guaranteed loans under The InvestEU Program. These guarantees enable us to offer more favourable financing conditions, reducing risk for both SMEs and the bank while supporting sustainable growth and innovation.

In a remarkably short time, kompasbank has emerged as one of Europe's fastest-growing companies, securing first place on the Sifted 75: Nordic & Benelux Leaderboard and second place on the Sifted 250 — two rankings that recognise the fastest-growing revenue startups and scaleups in our home region and across all of Europe.

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**Why We Exist.** SMEs drive job creation, innovation, and economic stability in both Denmark and Europe. However, they often face significant barriers when seeking financing and effective banking services. kompasbank was founded to bridge this gap, and unlike traditional banks, we operate independently of legacy banking infrastructure, leveraging a fully cloud-based, API- and module-driven platform. This enables us to deliver fast, tailored financial solutions, ensuring that SMEs have both the flexibility in their banking services and the capital they need to seize growth opportunities and remain a stable, reliable business partner for their respective customers.

**Purpose**. Our ambition is to become a prime growth enabler for SMEs, helping them reach their full potential by providing faster decision-making, tailored financing solutions, and seamless digital banking experiences in the EU.

**Our Market.** SMEs are the backbone of the European economy, employing around 89 million people, accounting for just under two-thirds of private sector employment and job growth in the EU, and contributing to


more than half of the total value added in the nonfinancial business sector. In Denmark alone, almost 250,000 SMEs make up 99.7% of all businesses and employ more than 1.2 million people, equivalent to 64% of the total private workforce.

Despite their importance, SMEs face significant financing challenges. According to the ECB, 20% of SMEs in Europe cite access to finance as their most pressing issue, with an estimated EUR 400 billion funding gap across the EU, in a market already EUR 5 trillion in size. Traditional banks have historically deprioritised SMEs, leaving them underserved between retail and corporate banking segments. Strict regulation, high entry barriers, and outdated legacy systems have limited innovation, making SME banking costly and inefficient for incumbent banks to serve.

Most SMEs today rely on a single bank as their full-service provider, mainly due to a lack of viable alternatives. However, Open Banking and PSD2 have opened the market for specialised financial providers, challenging traditional banks by offering targeted, technology-driven solutions. kompasbank is at the forefront of this transformation — delivering faster, more scalable, and cost-efficient financial services that meet the evolving needs of SMEs.

# management review

**2024 Development.** Our interest and fee income increased by 3.26% from mDKK 120.6 in 2023 to mDKK 124.5 in 2024. At the same time, our total staff and administrative expenses decreased by 9.6%, driven by a focus on cost management and efforts to streamline the business toward profitability.

| DKK '000 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Interest Income | 120,496 | 119,161 | 21,695 | 763 |
| Fee and commission income | 4,023 | 1,423 | 566 | 56 |
| **Interest and fee income** | 124,519 | 120,583 | 22,261 | 819 |

Comprehensive income for the period for 2024 shows a loss of mDKK -58.3, compared to a loss of mDKK -111.5 in 2023, representing a 48% improvement. While the result is mDKK 10 below the guidance range provided in our Annual Report 2023 and updated in our H1 2024 report, it reflects continued progress in scaling the business and executing on our strategy.

At the end of December 2024, the capital ratio was 23.6%, compared to 29.9% at the end of 2023, and the excess capital ratio was 1.6%, corresponding to mDKK 14.4.

Management considers the 2024 result satisfactory given the available regulatory capital. kompasbank has successfully executed the process of delivering new products, the sales process has yet again proven effective and agile, and the operational support required to expand our financial offerings remains robust. As we move forward, we will continue to focus on strengthening our capital base and driving profitability.

Management considers the 2024 result satisfactory given the available regulatory capital.

## Looking Back at 2024

**Financial Performance.** We note that our customer demand for new loans again exceeds our capital capacity. However, lending has shown an acceptable growth during the year given the bank's available surplus capital. We started the year with mDKK 1,062 in SME loans, and at the end of December 2024 we managed mDKK 1,297 in loan balance (22% annual growth).

Our total revenues (interest- and fee income) grew to mDKK 124.5, up from mDKK 120.6 in 2023. Our net interest and fee income ended the year at mDKK 63.2, which was mDKK 11,7 or 22,9 % higher than 2023.

Our operating costs decreased nearly 10% and ended 2024 at mDKK 82.9, compared to mDKK 91.7 in 2023. Our cost discipline and focus on efficiencies are a recurrent theme.

HENRIK LARSEN
HEAD OF DIRECT SME & DEPOSIT SALES

**Even as a young bank, our strong culture and top talent set us apart.**

> **At kompasbank, we're redefining how SMEs access financing — making it faster, simpler, and more accessible. Even as a young bank, our strong culture and top talent set us apart. As Head of Direct SME & Deposit Sales, I work to develop solutions that truly support businesses while fostering a team where ambition and collaboration drive real impact. The energy here is contagious, and it's a privilege to be part of it.**

Loan impairments were mDKK 26,1 in 2024, which constitutes an improvement of 61% compared to 2023 where loan impairments amounted to mDKK 67.3. As of 2024 we remain comfortable with the quality of our loan book, and we note a continued improvement of the average credit score (credit quality).

Our mission to help SMEs reach their full potential is critical to economic growth and innovation. Our core customer group of SMEs contribute significantly to GDP, create a substantial proportion of new jobs, and are often more nimble in adapting to new technologies and market changes. Enhanced access to credit and other financial services supports local communities as well as enhancing a broad based macro environment. This mission has not changed from previous years, and we remain committed to executing to the benefit of our specific customer segment.

Deposits have shown a growth of 7.9% during 2024, and amounted to mDKK 1,764 per the end of 2024. The deposit client base is stable, which is illustrated by a high retention rate for maturing deposits. Our liquidity position is strong with a deposit/loan ratio of 135%, providing all necessary support for a continued growth of lending activities.

Per the end of 2024, the total balance sheet amounts to mDKK 1,990, broadly unchanged compared to the end of 2023.

**Strategy Execution in 2024.** During 2024, we have been advancing our strategic business development priorities.

**TxB.** We have launched several new products within our transaction banking services, starting with overdraft facilities and current accounts for corporates. Additionally, we have made several inroads to launch a broader and more fully integrated transaction banking business, and have now enabled foreign exchange services through a top-tier platform for managing and supporting international payments, currency conversions and hedging foreign exchange risks. Much more to come on this front.

**Leasing.** As part of our vision to support SMEs with a highly diversified product range for supplying liquidity and credit, we have launched leasing through a partner. Effectively, we are able to facilitate an agreement in which our customers can lease almost any asset, except for cars and other license-plated vehicles. The launch has been highly efficient and our new offering has been well received by customers and partners. Early traction and strong demand reinforce our confidence in the continued growth and scaling of this product line. It is difficult not to be optimistic on the development of this product line.

The launch has been highly efficient and our new offering has been well received by customers and partners.

**International Lending.** After upgrades to both our operational- and risk management setup, we have resumed lending in Spain again, and by the end of 2024 a part of our lending book is allocated to the Spanish business. With a structured approach to risk and a strong foundation in place, we see significant opportunities for growth in this market.

**Navigator Marketplace.** Our efforts to expand our B2B digital marketplace, “Navigator”, have continued, and it now has over 80 partners. The nine areas covered by our partners in the marketplace are administration, sustainability, accounting & bookkeeping, HR & people management, legal, marketing, finance, risk management, and sales & webshops. The marketplace provides an easy overview of digital services that remove friction in the customers’ day-to-day lives, save money, and release much time spent on administrative responsibilities.

**EIF Collaboration.** To support SME lending in Denmark, we have signed an agreement with the European Investment Fund (EIF) to provide over mEUR 175 in new loans with guarantees from EIF. This will allow us to improve lending conditions, such as reduced interest rates and longer maturities while supporting projects aimed at enhancing competitiveness, skills development, sustainability and climate mitigation.

FREDERIK FENDER
SOFTWARE ENGINEER

**At kompasbank, I get to use modern technology to make a real difference for colleagues and customers.**

> **"Becoming a software engineer wasn't part of the plan — but when the world slowed down, I leaned into learning. Teaching myself to code during the pandemic opened a door I didn't know existed. At kompasbank, I get to use modern technology not just to build things — but to make a real difference for colleagues and customers. For me, tech isn't the end goal — it's the tool I use to help people, simplify their workday, and challenge what banking can be.**

## Looking Forward to 2025

**Strategic Priorities for 2025.** Building on our 2024 priorities, we expect 2025 to be a transformational year in many ways. Our focus will be on the full rollout of transaction banking products and the launch of our new online platform for all our SME customers.

By further investing in our digital platform, we expect 2025 to provide our customers with an enhanced and market-leading digital experience featuring full digital onboarding and expanded self-service capabilities. Once fully implemented, we believe this will enable a highly integrated service experience, including API-driven third-party offerings.

Naturally, we will continue strengthening our presence in the Danish and Spanish markets by growing our SME loan portfolio while maintaining a stable funding base with our loyal deposit customers in both Denmark and internationally.

**Financial Outlook.** It is expected that the bank's financial full year 2025 result will be a loss in the range of mDKK 40-50. This is an improvement from 2024 by mDKK 8-18, or around 15-30%.

This assumes a moderate capital increase during the year and includes some one-off development costs related to anticipated technology investments.

Global economic growth projections for 2025 are moderate. As of writing several macroeconomic events could unfold (including tariffs, geopolitical plays for trade routes, energy control and sovereign conflicts). However, the overall outlook points to a business environment marked by relatively stable interest rates, consistent growth opportunities, and ongoing peace talks in various conflict regions, which will hopefully prove successful — all of which could support a moderately positive outlook. That said, as history has shown recently, sudden and unexpected events can very quickly shift sentiment in a negative direction.

Securing additional capital is not only a strategic priority to support our expansion plans. Additional capital enables us to expand, innovate, and stay competitive in an ever-evolving market landscape. A key focus area remains achieving net profitability while maintaining the flexibility to grow independently of external capital.

2025 will be a continuation of our strategy of focused, but highly impactful and competitive, product launches.

**Product Outlook.** 2025 will be a continuation of our strategy of focused, but highly impactful and competitive, product launches. We are very excited about our upcoming ability to service customers digitally in a new and differentiated way, as well as offering an expanded product suite, including transactional banking services. These developments are a significant step in strengthening our offering and positioning for future growth and profitability..

**Operational Outlook.** 2025 is expected to be a transformational year, enabling exponential growth without requiring proportional financial investments to support it. Further digitisation and automation in key areas will continue to drive our vision of providing our SME customers with highly specialised and tailored financial solutions without the other-wise mandatory investments in manpower and fragmented systems.

While transforming many of our processes will be a meaningful challenge in 2025, our cutting-edge technological foundation and strong operational teams position us well to execute our strategy of operational excellence. Additionally, we remain highly attentive to evolving regulatory requirements and sustainability expectations.

## People & Culture

**Our Values.** In the spring 2024 we concluded the work started in 2023 defining kompasbank's values. All employees have played an active part of the process, and Commitment, Agility and Impact are the values chosen to drive the right mindset and behaviour in the bank.

CECILIE BØTTGER
HEAD OF COMPLIANCE

**Compliance might seem limiting to some, but for me, it's a dynamic space where we can rethink processes meaningfully.**

> **I love making compliance engaging — for example, by using gamification in awareness initiatives and working cross-functionally to create efficient and digital-driven solutions. Compliance might seem limiting to some, but for me, it's a dynamic space where we can rethink processes meaningfully — and an opportunity to gain a competitive advantage. When I first came in contact with kompasbank, I was instantly hooked. A brand-new bank, the chance to integrate compliance from day one, and the opportunity to work with talented professionals? Count me in!**

Our values aren't just words on a page; they're the blueprint that guides our decisions and way of working together. In a battlefield where traditional banking meets innovative technology, we've maintained our focus on what truly matters for us: empowering small- and midsized businesses to thrive in an increasingly complex and competitive world. When we succeed in doing that, we succeed in building jobs and growth. And to build jobs and growth we need to be aligned and with a common set of values. Values that need to be something the entire organisation stands behind.

We continuously launch initiatives and programs designed to embed our values as a natural part of our behaviour. These initiatives not only reinforce our values in daily operations but also ensure ongoing awareness and focus on strengthening our company culture.

For example, the Value Cup and Impact Prize is an ongoing, bi-monthly recognition program where employees nominate colleagues who exemplify our values in action. This fosters motivation, highlights best practices, and reinforces alignment on the meaning and importance of our values.

Additionally, we are implementing a Leadership Framework, where our values are central drivers for enabling an adaptation in our behaviour and mindset, ultimately forming and safeguarding our culture. By integrating our values into leadership development, we ensure they are consistently reflected in how we work and interact — both internally and with our customers.

Through these and other continuous initiatives, we strengthen our cultural foundation, ensuring that our values are not just principles we aspire to but active elements shaping the way we grow, lead, and create impact.

**Our Values in Action**. We see **Commitment** in the dedication and perseverance our teams bring to improving the bank every day. We recognise that many challenges lie ahead, and even when the path isn't straightforward, we take proactive responsibility for delivering optimal solutions to our customers and honouring our commitments to each other. This requires commitment and stamina, which is part of what we expect from our employees and other stakeholders. By continuously improving how we work, we strengthen our foundation and create lasting impact.

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**Agility** is reflected in our adaptability and readiness to embrace new technologies, address challenges, and develop innovative solutions. As have been so clearly demonstrated over the past few years, the ability to change direction and adapt to a changing environment is no longer a competitive advantage, it is a necessity for survival. As a bank serving SMEs it is hard to find a company that can have a bigger leveraged impact if we support our customers with such changing circumstances, both in good and bad times, it is our goal to help these companies reach their full potential.

And **Impact** is at the heart of what we do. We understand that our actions and decisions influence not only our customers but also our colleagues and the growth of the organisation. By setting high standards for collaboration and execution, we understand that not everyone is suited to work for kompasbank. But as an employee or representative of our company you are expected to make a positive impact on our local community and your colleagues that you are working side-by-side with every day.

**Attracting Talent.** When recruiting new talent, we look for individuals who naturally align with these values. We seek people who are customer-focused, innovative thinkers with a winning mentality — those who thrive in a dynamic environment where speed, creativity, and collaboration are key. We also prioritise individuals who value trust and company-first in their own journeys to contribute positively to the growth and success of our customers.

ESPEN MOLIN
HEAD OF CX & GROWTH

## It's an exciting space where we move fast, challenge the status quo, and turn ideas into impact.

**At kompasbank, we're building a next-generation digital bank that truly supports SMEs — helping them access capital, streamline operations, and grow. It's an exciting space where we move fast, challenge the status quo, and turn ideas into impact. Whether it's expanding our product suite, enhancing digital experiences, or shaping our go-to-market strategy, I thrive in driving growth and execution. And just like in business, I believe in pushing boundaries — whether it's leading transformation initiatives or our Monday running club, I'm always up for a challenge.**

By embracing these principles and qualities, we have cultivated a workplace where employees feel empowered, supported, and motivated to make a meaningful impact. This alignment of culture, values, and individual contributions drives our success and positions kompasbank as a trusted partner for SMEs.

**Targets and Policies Regarding the Under-Represented Gender.** In 2023 we reviewed and updated our Diversity Policy to implement gender targets as we became subject to section 79a in the Danish Financial Business Act. We have decided a gender target to increase the gender diversity in the Board of Directors from 20/80 to minimum 33/67 and for other managerial levels to 40/60 before 2027.

| In pct. | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| BoD | 20/80 | 20/80 | 20/80 | 20/80 |
| Other managerial levels | 36/64 | 30/70 | 12/88 | 14/86 |

As the table shows, gender diversity in the Board of Directors has remained stable at 20/80 since the banking licence was received in March 2021, as there has been no changes in its composition. If and when we adjust the composition of the Board of Directors in the coming years, our priority will be to ensure the right mix of experience, knowledge and capabilities — while striving to find these competencies in a candidate among the underrepresented gender.

On other managerial levels we have seen a significant increase in the under-represented gender over the last three years, and our balanced pipeline of candidates internally ensures that we will meet our goal timely.

**Remuneration.** Guidelines are laid down in the Remuneration Policy approved at the Annual General Meeting and detailed information on the remuneration of the Board of Directors and the Executive Management is disclosed on our webpage: https://www.kompasbank.dk/en/om-kompasbank/finansiel-information.

## Capital and Liquidity

**Capital.** At the end of December 2024, the Bank's capital base was made up of Core Equity Capital, which amounted to mDKK 211.9m, the Risk Exposure Amount was mDKK 899.2, and the CET1 capital ratio 23.6%.

Management has in the Bank's Internal Capital Adequacy Assessment Process (ICAAP) determined the required own funds to cover the current and expected risks for the next 12 months. The bank's required own funds excluding regulatory buffers and the MREL requirement has been determined to be 11.6% of the Risk Exposure Amount at the end of December 2024.

At the end of December 2024, the total capital requirement including MREL and regulatory capital buffers was 22.0%. With a CET1 capital of mDKK 211.9, the excess capital was mDKK 14.4 at the end of December 2024.

The Danish Financial Supervisory Authority has set the MREL requirement for the bank as per January 1, 2029, at 21.5% of the Risk Exposure Amount and 4.5% of the bank's total exposure measure (leverage ratio), with a gradual, annual phase-in. From January 1, 2025 the MREL requirement for the bank will increase to 17.5% of the Risk Exposure Amount and 4.5% of the Bank's total exposure measure.

The Bank is expecting to raise additional capital in the course of 2025 to support further business growth.

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**Liquidity.** The bank has a robust liquidity profile and to ensure ongoing compliance with capital reqiurements as set by the Danish FSA. At the end of December 2024, the Liquidity Coverage Ratio was 2,691% and the NSFR ratio 159%. The Bank has set internal limits for LCR at 150% and NSFR at 125%.


> Growing from a student assistant to Head of Vendor Management, I've had the chance to shape my role, challenge the status quo, and make an impact. At kompasbank, there's room to take initiative and push boundaries. I thrive on a versatile work day encompassing everything from optimizing processes to using creative approaches to secure strategic partnerships, without the leverage of a bigger organisation.

**Supervisory Diamond.** The Danish FSA has identified four risk indicators for banks and has set guiding limits. The risk indicators with guiding limits are known as the Supervisory Diamond.

The Supervisory Diamond limits and the bank's figures per end of December 2024 are as follows:

| Indicator | Limit | 2024 |
|---|---:|---:|
| Sum of large exposures | < 175% | 165% |
| Property exposure | < 25% | 11% |
| Lending growth | < 20% | 22% |
| Liquidity indicator | > 100% | 1,485% |

At the end of December 2024, the bank complies with 3 of the 4 guiding limits of the Supervisory Diamond. The limit for lending growth is breached since the lending book is in the build-up phase from a low starting point.

## Risk Factors and Uncertainties

The bank is exposed to a number of different risk types. Based on the business model and strategic objectives, the Board of Directors has determined the most important types of risk and defined relevant risk policies and principles for risk and capital management. The purpose of the bank's policies for risk management is to provide a structured approach to identifying, assessing, and mitigating risks within the Bank, in order to ensure that risks are managed proactively, reducing the likelihood and impact of adverse events.

**Risk Landscape.** Based on the bank's business model and strategic objectives, the following risks have been determined to be of primary importance for the bank:

- Credit Risk
- Liquidity & Funding Risk
- Market Risk
- Operational Risk
- Financial Crime Risk
- Information Security & Cyber Risk
- Regulatory Compliance Risk
- Strategic Risk

> The bank has adopted the Three Lines of Defense model, which is an industry best practice standard framework for risk management and governance in organisations.

The mentioned types of risk may have more granular sub-risks.

**3 Lines of Defence.** The bank has adopted the Three Lines of Defense model, which is an industry best practice standard framework for risk management and governance in organisations. The model is designed to create a layered and integrated approach to risk management ensuring accountability and a clear structure for managing risks and ensuring that risks are identified, assessed, and mitigated effectively.

**Additional Risk Information.** The bank's financial risks are further elaborated in note 19, and the full risk management framework is described in the Annual Risk Report 2024 — Pillar 3 Disclosures.

**Other Uncertainties.** Besides the above forward looking uncertainties the preparation of these financial accounts requires, in some cases, the use of estimates and assumptions by Management. Estimates are based on past experience and assumptions that Management believes are fair and reasonable but that are inherently uncertain and unpredictable.

Estimates affect the reported income and expenses as well as the amounts of assets, liabilities and off balance sheet items in the financial

KURT JENSEN,
SENIOR CREDIT OFFICER

## At kompasbank, experience is valued as much as fresh ideas.

> **Starting a new job at 65 wasn't something I had planned, but age is just a number. At kompasbank, experience is valued as much as fresh ideas, and the fast-moving, innovative environment keeps me motivated every day. The best part of my job? Delivering good news — telling a Business Advisor we're approving a deal and knowing they get to share that excitement with the customer. Career growth has no expiration date, and kompasbank proves that every day.**

accounts presented. For further details, see "Account Principles", section "Significant accounting estimates" and section "Loans and impairments".

## Expanding Opportunities with Leasing

In 2024, we introduced leasing through a partner as a new financing solution, enabling SMEs to acquire the essential machinery, equipment, and technology they need to operate more efficiently — without draining liquidity through large one-time purchases. Through our strong network of partners, businesses now have access to a wide range of assets, from IT hardware and production machinery to office equipment and POS solutions, ensuring they can invest in growth without straining their financial position.

**Preserving Liquidity and Avoiding Capital Lock-In.** Leasing is an attractive alternative to traditional financing, as it eliminates the need for significant capital binding and allows businesses to spread costs over time through predictable, fixed payments. This preserves working capital, ensuring that SMEs can allocate funds strategically — whether for hiring, expanding operations, or developing new products and services — instead of tying up liquidity in asset purchases.

**Greater Flexibility with Leasing Framework Agreements.** A key advantage of our leasing offering is the leasing framework agreement, which provides businesses with a pre-approved financial limit, allowing them to lease multiple assets without undergoing repeated credit approvals. This structure enhances financial flexibility, making it easier for SMEs to scale and adapt to changing needs.

**Freeing Up Capital with Sale and Lease Back**. Furthermore, our sale and lease back solution allows companies to free up capital from existing assets while continuing to use them, optimizing their financial structure and improving liquidity. By converting owned assets into leased assets, businesses can inject cash back into their operations, strengthening their financial position without disrupting daily activities.

**Leasing as a Growth Driver for SMEs.** The strong demand and positive reception of our leasing solutions reaffirm our role as a growth enabler for SMEs. By integrating leasing into our financial ecosystem, we have strengthened our full-service offering, ensuring that SMEs can access the capital and financial tools necessary for sustainable growth.

## Simplifying Global Trade for SMEs

For many SMEs, expanding into international markets comes with a significant challenge: currency exchange and cross-border payments. Traditional banking solutions often impose high fees, unfavourable exchange rates, and slow processing times, making global trade more costly and complex than necessary.

With our intuitive self-service FX platform, businesses can access over 100 currencies at competitive rates, enabling them to pay and receive like a local.

**Smart and Fast FX Solution.** In 2024, we launched, through a partner, a modern, user-friendly foreign exchange (FX) and international payments solution designed to eliminate barriers and simplify cross-border transactions for Danish SMEs. With our intuitive self-service FX platform, businesses can access over 100 currencies at competitive rates, enabling them to pay and receive like a local — without relying on multiple banking relationships or foreign subsidiaries. The fully digital platform gives SMEs complete control, allowing them to manage transactions independently, without needing to contact the bank.

**Flexibility, Efficiency, and Transparency.** A key advantage of our FX solution is the ability to hold and exchange multiple currencies effortlessly, giving businesses greater flexibility in managing international transactions. With transparent pricing and real-time execution, our streamlined self-service platform ensures that SMEs can operate efficiently without unnecessary intermediaries — even when dealing with more complex or exotic currencies.

**Enabling Growth Through Smarter Payments.** By providing access to one of the most competitive and comprehensive FX and payments solutions available, we reinforce our commitment to delivering smarter financial tools that support long-term SME growth in an increasingly globalised economy. The modern, intuitive interface simplifies global payments, reduces administrative workload, and enhances financial transparency.

## Events Since the Balance Sheet Date

No events have occurred in the period up to the presentation of the 2024 annual report, which materially affect the bank's financial position.

## Management

**Board of Directors.** The Board of Directors is elected by the General Meeting for the period of time until the next ordinary general meeting. For an overview of management and directorships for the Board of Directors and Executive Management, please refer to page 60 of the Management Commentary for directorships and executive positions of the members of the Board of Directors and the Executive Board.

**Executive Management.** Michael Hurup Andersen and Rune Nørregaard are the Executive Management.

**Division of Responsibilities.** The Board of Directors has the overall responsibility and The Executive Management handles the daily operations and secures compliance with outlined policies and regulation. kompasbank currently has no board committees.

# management statement

The Executive Management and the Board of Directors have today reviewed and approved the annual report for 1 January – 31 December 2024 of kompasbank a/s .

The Financial Statements have been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

In our opinion, the Financial Statements give a true and fair view of the bank's assets, liabilities, equity and financial position at 31 December 2024 and of the results of the bank's operations for the financial period 1 January - 31 December 2024.

Further, in our opinion, the Management Report gives a fair review of the development in the operations and financial circumstances of the bank as well as a description of the material risk and uncertainty factors which may affect the bank.

The annual report is recommended for approval by the General Meeting.

Vedbæk, 14 April 2025

| **Board of Directors** | **Executive Management** |
|---|---|
| Jeppe Brøndum, Chairman | Michael Hurup Andersen |
| Karin Cecilia Hultén | Rune Nørregaard |
| Johan Lorenzen | |
| Christian Motzfeldt | |
| Ian Douglas Wilson | |

# independent auditor’s report

To the shareholders of kompasbank a/s

## Our opinion

In our opinion, the Financial Statements give a true and fair view of the bank’s financial position at 31 December 2024 and of the results of the bank’s operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our Auditor’s Long-form Report to the Board of Directors.

## What we have audited

The Financial Statements of kompasbank a/s for the financial year 1 January to 31 December 2024 comprise income statement andstatement of comprehensive income, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies. Collectively referred to as the “Financial Statements”.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor’s responsibilities for the audit of the Financial Statements section of our report.

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

## Independence

We are independent of the bank in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

## Appointment

We were first appointed auditors of kompasbank a/s on 7 December 2021 for the financial year 2021. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of four years including the financial year 2024.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Loan Impairment charges**<br><br>Loans are measured at amortised cost, according to the effective interest method, less impairment charges.<br><br>Loan impairment charges represent Management's best estimate of expected losses on loans at the balance sheet date. Reference is made to the detailed description of accounting policies in note 1.<br><br>The bank makes provisions for expected credit losses both on an individual basis in terms of individual provisions and on a model-based basis.<br><br>As a result of the geopolitical and the macroeconomic development with the risk of economic slowdown, management has recognised a substantial provision for expected credit losses in the form of an accounting estimate ("management overlays").<br><br>The consequences of the current geopolitical and macroeconomic situation and outlook for the bank's customers are to a material extent largely unresolved and as a result hereof there is an increased estimation uncertainty related to the size of the provision for expected losses on loans and also related to model weaknesses in identifying significant increase in credit risk.<br><br>As the bank mainly has newer loans at 31 December 2024 and limited historical data, Management has applied a number of general assumptions and estimates in the calculations of impairment charges.<br><br>We focused on loan impairment charges, as the accounting estimate is complex by nature and influenced by subjectivity and thus to a large extent associated with estimation uncertainty.<br><br>The following areas are central to the calculation of loan impairment charges:<br><br>• Determination of credit classification.<br><br>• Model-based impairment charges in stage 1 and 2, including Management's determination of model variables adapted to the bank's loan portfolio.<br><br>• Procedures to ensure completeness of the registration of credit-impaired loans (stage 3) or loans with significant increase in credit risk (stage 2, underperforming).<br><br>• Material assumptions and estimates applied by Management in the calculations of impairment charges, including principles for the assessment of various outcomes of the customer's financial position (scenarios) and for the assessment of collateral values of e.g. company floating charges, guarantees and real estate included in the calculations of impairment.<br><br>• Management's assessment of expected credit losses at the balance sheet date as a result of the current geopolitical and macro-economic situation which are not included in the model-based calculations or individually assessed impairment charges.<br><br>Reference is made to note 1 of the Financial statements regarding the principles for impairments of loans and receivables at amortised cost (section "Loans and impairments"); note 10 (section "Impairment charges for loans, advances and receivables") and note 19 (section "Credit Risk"). | We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, business procedures and relevant controls regarding the calculation of provisions for expected losses on loans.<br><br>In respect of controls, we assessed whether they were designed and implemented effectively to address the risk of material misstatement.<br><br>We reviewed and assessed the impairment charges recognised in the income statement in 2024 and the accumulated impairment charges recognised in the balance sheet at 31 December 2024.<br><br>We assessed and tested the bank's calculation of impairment charges in stage 1 and 2, including assessment of Management's determination and adaptation of model variables to the bank's own circumstances.<br><br>Our procedures included an assessment of the bank's methods applied for the calculation of expected credit losses as well as procedures designed, including the involvement of the credit department and Management, and internal controls established to ensure that credit impaired loans in stage 3 and stage 2, are identified and recorded on a timely basis.<br><br>We tested a sample of credit-impaired loans in stage 3 and in stage 2, by testing the calculations of impairment charges and applied data to underlying documentation.<br><br>We assessed and tested the principles applied by the bank for the determination of impairment scenarios and for the measurement of collateral of, for example bank floating charges, guaranteesand properties included in the calculations of impairment of credit-impaired loans and advances, and loans and advances that are significantly underperforming.<br><br>We tested a sample of other loans by making our own assessment of stage and credit classification. This included a sample of large loans, loans within industries with generally increased risks including industries particularly affected by the current geopolitical and macroeconomic situation.<br><br>We reviewed and challenged Management's estimates of expected credit losses not included in the modelbased calculations or individually assessed impairment charges based on our knowledge of the portfolio, industry knowledge and knowledge of current market conditions. Among other things, we had a special focus on the bank's calculation of the management overlays to cover expected credit losses as a result of the current geopolitical and macroeconomic situation.<br><br>We also assessed whether the factors that may have an influence on provisions for expected losses on loans have been appropriately disclosed. |

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Business Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in Management's Review.

### Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Hellerup, 14 April 2025

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

**Benny Voss**
State Authorised Public Accountant
mne15009

**Peter Nissen**
State Authorised Public Accountant
mne33260

# financial statements

## Income Statement and Comprehensive Income

| DKK '000 | Note | 2024 | 2023 |
|---|---|---|---|
| INCOME STATEMENT | | | |
| Interest Income | 4 | 120,496 | 119,161 |
| Interest Expenses | 5 | 55,759 | 49,088 |
| **Net interest income** | | **64,736** | **70,073** |
| | | | |
| Fee and commission income | 6 | 4,023 | 1,423 |
| Fee and commission expenses | | 5,596 | 20,081 |
| **Net interest and fee income** | 7 | **63,164** | **51,415** |
| | | | |
| Value Adjustments | 8 | -43 | 84 |
| Staff and administrative expenses | 9 | 82,958 | 91,695 |
| Depreciation, amortisation and impairment charges for intangible and tangible assets | | 15,434 | 14,306 |
| Impairment charges for loans, advances and receivables | 10 | 26,099 | 67,307 |
| **Profit before tax** | | **-61,370** | **-121,810** |
| | | | |
| Tax | 11 | 0 | 0 |
| **Profit for the period** | | **-61,370** | **-121,810** |
| | | | |
| COMPREHENSIVE INCOME | | | |
| Profit for the period | | -61,370 | -121,810 |
| Other comprehensive income | | 3,056 | 10,292 |
| **Comprehensive income for the period** | | **-58,313** | **-111,518** |
| | | | |
| PROPOSED DISTRIBUTION OF PROFIT | | | |
| Retained earnings | | -58,313 | -111,518 |
| **Total proposed distribution of profit** | | **-58,313** | **-111,518** |

## Balance Sheet

| DKK '000 | Note | 2024 | 2023 |
|---|---|---|---|
| ASSETS | | | |
| Receivables from credit institutions and central banks | 12 | 135,833 | 189,232 |
| Loans, advances and other receivables at amortised cost | 10, 13 | 1,296,887 | 1,061,514 |
| Bonds at fair value | | 506,869 | 578,475 |
| Intangible assets | | 34,526 | 33,219 |
| | | | |
| Land and buildings | | | |
| Leased domicile property | 14 | 1,837 | 4,593 |
| | | | |
| Other Tangible assets | 15 | 1,598 | 2,090 |
| Other assets | | 4,241 | 1,534 |
| Prepayments | | 8,522 | 7,949 |
| Total Assets | | 1,990,314 | 1,878,605 |
| | | | |
| LIABILITIES AND EQUITY | | | |
| Deposits and other debt | 16 | 1,764,471 | 1,635,822 |
| Other liabilities | | 9,148 | 11,330 |
| Total Liabilities | | 1,773,619 | 1,647,152 |
| | | | |
| Provisions | | | |
| Provisions for losses under guarantees | | 51 | 0 |
| Other provisions | | 249 | 523 |
| Total Provisions | | 300 | 523 |
| | | | |
| Equity | | | |
| Share capital | 17 | 57,568 | 54,555 |
| Share premium | | 477,790 | 437,575 |
| Retained earnings | | -318,963 | -261,200 |
| Equity | | 216,395 | 230,930 |
| | | | |
| Total Liabilities and Equity | | 1,990,314 | 1,878,605 |

## Statement of Changes in Equity

| DKK '000 | Share capital | Share premium | Retained earnings | Total |
|---|---|---|---|---|
| Equity, 1 January 2023 | 48,391 | 306,927 | -150,329 | 204,989 |
| Value adjustment of bonds at fair value | 0 | 0 | 10,292 | 10,292 |
| Profit for the period | 0 | 0 | -121,810 | -121,810 |
| **Total comprehensive income for the period** | **0** | **0** | **-111,518** | **-111,518** |
| Capital Increase | 6,164 | 130,648 | 0 | 136,812 |
| Share-based payments | 0 | 0 | 646 | 646 |
| Equity, 31 December 2023 | 54,555 | 437,575 | -261,200 | 230,930 |
| Value adjustment of bonds at fair value | 0 | 0 | 3,056 | 3,056 |
| Profit for the period | 0 | 0 | -61,370 | -61,370 |
| **Total comprehensive income for the period** | **0** | **0** | **-58,313** | **-58,313** |
| Capital Increase | 3,013 | 40,215 | 0 | 43,227 |
| Share-based payments | 0 | 0 | 551 | 551 |
| Equity, 31 December 2024 | 57,568 | 477,790 | -318,963 | 216,395 |

# notes

1. Accounting policies
2. Capital and capital adequacy
3. Five-year financial highlights
4. Interest income
5. Interest expenses
6. Fee and commission income
7. Net interest and fee income and value adjustments on segments
8. Value adjustments
9. Staff and administrative expenses
10. Impairment charges for loans, advances and receivables
11. Tax
12. Receivables from credit institutions and central banks
13. Loans, advances and other receivables at amortised cost
14. Land and buildings
15. Other tangible assets
16. Deposits and other debt
17. Share capital
18. Share-based payments
19. Financial risks and policies and objectives for the management of financial risks
20. Contractual obligations and contingencies
21. Related parties
22. Shareholder relations

## 1. Accounting policies

### BASIS OF PREPARATION

The annual report of kompasbank a/s has been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. ("The Executive Order").

All figures in the Financial Statements are rounded to the nearest 1,000 DKK, unless otherwise specified.

The totals stated are calculated on the basis of actual figures prior to rounding. Due to rounding-off to the nearest 1,000 DKK, the sum of individual figures and the stated totals may differ slightly.

### RECOGNITION AND MEASUREMENT

Assets are recognised in the balance sheet when it is a result of past events, and from which future financial benefits are expected to flow to the bank and the value of the asset can be measured reliably.

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

On initial recognition, assets and liabilities are measured at fair value except intangible and tangible assets which are measured at cost.

Measurement subsequent to initial recognition is effected as described below for each financial statement item.

At recognition and measurement, anticipated risks and losses that arise before the time of presentation of the report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered.

In the income statement, income is recognised as it is earned, whereas cost is recognised by the amounts attributable to this financial period.

Purchases and sales of financial instruments are recognised on the settlement day and derecognised when the right to receive/dispense cash flows from the financial asset or liability has expired or if it has been transferred and the bank has substantially transferred all risks and returns related to ownership in all material respects.

### SIGNIFICANT ACCOUNTING ESTIMATES

The measurement of certain assets and liabilities requires the management to estimate the influence of future events on the value of these assets and liabilities.

The accounting estimates are based on assumptions which, according to management, are reasonable, but inherently uncertain. The estimates and assumptions are based on future expectations, historical experience and a range of other factors considered reasonable given the prevailing circumstances. The actual outcome may differ from these estimates and assessments. Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made, and the future periods affected.

The estimates most critical to the financial reporting are the impairment charges for loans measurement and are presented in the later section Loans and Impairments.

## FOREIGN CURRENCIES

Foreign currency transactions are translated using the exchange rate at the transaction date. Receivables, liabilities and other monetary items are translated using the rate of exchange at the balance sheet date. Exchange rate differences between the transaction date and the settlement date or the balance sheet date, respectively, are recognised in the income statement as value adjustments.

## INCOME STATEMENT

### Interest income and expenses, and fees and commissions

Interest income and expenses comprises interest due and accrued up to the balance sheet date.

For accounting purposes, fees, commissions and transaction costs relating to loans and advances measured at amortised costs are treated as interest if they form an integral part of the effective interest of a financial instrument.

Interest income and interest expenses are recognised in the income statement in the period to which they relate using the effective interest method based on the expected life of the financial instrument.

Interest income from bonds are calculated by using the Effective Interest Rate (EIR) Method

to allocate interest income over the life of the bond. The EIR is calculated at initial recognition, considering all expected future cash flows and adjusting for any premiums, discounts, and transaction costs. Interest income is recognised in the income statement as part of finance income.

Fees and commissions comprise income and costs related to services.

Fees and commissions related to the establishment of the loans are recognised on the loans and the interest includes the amortisation of fees and commissions that form an integral part of the effective interest rate of a financial instrument.

Fees that are not an integral part of the effective interest of a financial instrument are fully recognised in the income statement at the date of transaction

### Value adjustments

Value adjustments consist of foreign currency translation adjustments.

### Staff and administrative expenses

Staff expenses comprises wages and salaries as well as social security costs, pensions etc.

Holiday pay/allowance obligations are recognised successively.

Administrative expenses comprise IT and marketing costs as well as subscriptions and legal etc.

Share-based payments are recognised in the income statement in the financial year to which the expense can be attributed and are measured at fair value at the time of allotment and offset against the equity.

**Depreciation, amortisation and impairment charges for intangible and tangible assets**
Depreciation comprises amortisation of leased assets, tangible and intangible assets. Depreciation is made on a straight-line basis over the expected useful lives of the asset.

The estimated useful life of the remaining was in 2024 changed from 3 to 3-5 years, which improved the result in 2024 by tDKK 3,552. The company's assets are correspondingly higher than if the previous estimate had remained unchanged. The item comprises amortisation of intangible assets. The basis of amortisation, which is calculated as cost less any residual value, is depreciated on a straightline basis over the expected useful life. The expected useful lives of the assets are as follows:

IT intangible asset: 3-5 years.

Equipment, furniture and Hardware 3-5 years.

**Impairment charges for loans, advances and other receivables**
Accounting principles for impairment charges etc. are elaborated in subsequent sections on Loans and Impairment.

**Tax**
Tax for the year, consisting of current tax for the year and changes to deferred tax and adjustment of tax for previous years, is recognised in the income statement.

## BALANCE SHEET

**Receivables from credit institutions and central banks**
Receivables from credit institutions and central banks are measured at amortised cost, which usually corresponds to nominal value. Debt is measured at amortised cost less expected credit losses.

Loans, advances and other receivables
After initial recognition, amounts due to the bank are measured at amortised cost less impairment losses, see subsequent sections on Loans and Impairments.

**Bonds at fair value**
Bonds are held for liquidity purposes and measured at fair value through other comprehensive income (OCI). The fair value is measured with the use of closing prices on the market on the balance date. The performance of the bond portfolio is reported on a fair value basis under IFRS 9, measured at fair value through other comprehensive income. The method are unchanged, but the presentation of unrealised value adjustments on bonds has previously not been correct. Comparative figures for 2023 are consequential corrected, where DKK 10,292 has been reclassified from the income statement and into OCI. The effect on the equity amounts to DKK 0.

**Intangible assets**
Costs relating to software development projects are recognised as intangible assets provided that there is sufficient certainty that the value in use of future earnings will cover the development costs and that other recognition criteria are met.

Capitalised development projects comprise salaries and other costs directly or indirectly attributable to the bank's development activities. Other development costs are recognised as costs in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation. Capitalised development costs are amortised on completion of the development project on a straight-line basis over the period in which it is expected to generate economic benefits. The amortisation period is 3-5 years.

The estimated useful life was in 2024 changed from 3 to 3-5 years, which improved the result in 2024 by tDKK 3,552 . The company's assets are correspondingly higher than if the previous estimate had remained unchanged.

The item comprises amortisation of intangible assets. The basis of amortisation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life.

Intangible assets are tested for impairment once a year and are written down to the recoverable amount through profit or loss, if this is lower than the carrying amount. The recoverable amount is calculated as the present value of the future net cash flows expected from the cash-generating units to which the goodwill relates. Identification of cash-generating units is based on the management structure and the way the units are managed financially. Intangible assets impairment is reported in the income statement and is not reversed.

**Leased domicile property**

The right of use of assets and a lease liability is recognised in the balance sheet upon commencement of a lease. On initial recognition the right-of-use asset is measured at cost, corresponding to the value of the leased liability adjusted for prepaid lease payments, plus any initial direct cost for dismantling, removing and destroying, or similar.

On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the asset. Depreciation charges are recognised in the income statement on a straight-line basis.

**Other tangible assets**

Other tangible assets comprise of equipment and cars and are initially measured at cost and subsequently at amortised cost. Assets are depreciated according to the straight-line method over their expected useful lives, which usually is three to five years.

**Other assets**

Other assets comprise of assets that cannot be placed under any of the other assets posts and are initially measured at cost and subsequently measured at amortised cost.

**Accruals**

Accruals comprise costs incurred concerning subsequent financial periods.

**Deposits and other debt**

Deposits and other amounts due include deposits with counterparties that are not credit institutions or central banks. Deposits and other amounts due are measured at amortised cost.

**Other liabilities**

Other liabilities comprise leasing liabilities, employee obligations, VAT, vendor payables etc and are measured at amortised cost.

**Tax**
Current tax liabilities and current tax assets are recognised in the balance sheet as tax calculated on taxable income for the year adjusted for tax paid on account. The current tax for the year is calculated on the basis of the tax rates and rules prevailing on the balance sheet date.

Deferred tax is determined on the basis of the intended use of each asset or the settlement of each liability. Deferred tax is measured using the tax rates expected to apply to temporary differences upon reversal and the tax rules prevailing on the balance sheet date.

Deferred tax assets, including the tax base of any tax loss carry-forwards, are recognised in the balance sheet at the value at which they are expected to be realised, either by set-off against deferred tax liabilities or as net tax assets for set-off against tax on future positive taxable income. On each balance sheet date, it is assessed whether it is probable that a deferred tax asset can be used.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to do so.

**Provisions**
Provisions are recognised where, as a result of an event having occurred on or before the balance sheet date, the bank has a legal or constructive obligation which can be measured reliably, and where it is probable that economic benefits must be given up to settle the obligation. Provisions are measured at Management's best estimate of the amount considered necessary to honour the obligation.

## FINANCIAL HIGHLIGHTS
Financial highlights are disclosed as note 3.

## LOANS AND IMPAIRMENTS
**Classification and measurement**
According to IFRS 9, classification and measurement of financial assets depend on the business model

and the contractual characteristics of the instruments. On initial recognition the financial assets are measured in accordance with the use of the SPPI test, and based on this are measured with the use of one of the following attributes, amortised cost, fair value through other comprehensive income, or fair value through profit and loss.

**Financial assets at amortised cost**
Financial assets are classified at amortised cost if both of the following criteria are met: the business model objective is to hold the financial instrument in order to collect contractual cash flows (collection business model) and the cash flows consist solely of payments relating to principal and interest on the principal. Disposal of portfolios close to the maturity date and for an amount close to the remaining contractual cash flows or due to a credit risk increase of the customer (debt sale of non-performing portfolio) is compatible with a "collection" business model. Sales imposed by regulatory constraints or to manage the concentration of credit risk (without increasing credit risk) are also compatible with this management model as long as they are infrequent or insignificant in value.

Upon initial recognition, these financial assets are recognised at fair value, including transaction costs directly attributable to the transaction and commissions related to the provision of loans. They are subsequently measured at amortised cost, including accrued interest and net of principal repayments and interest payments made during the period. These financial assets are also initially subject to an impairment calculation for expected credit risk losses (see impairment note). Interest is calculated using the effective interest rate method determined at the inception of the contract.

**Financial assets at fair value through shareholders' equity**

Financial assets are classified in this category if the business model is achieved by both holding the financial assets in order to collect contractual cash flows and selling the assets and if the cash flows solely consist of payments relating to principal and interest on the principal. Upon disposal, amounts previously recognised in shareholders' equity are transferred to profit or loss.

**Financial assets at fair value through profit or loss**

All debt instruments not eligible for classification at amortised cost or at fair value through shareholders' equity are presented at fair value through profit or loss. Investments in equity instruments such as shares are also classified as instruments at fair value through profit or loss.

**Impairment**

Impairment charges on loans and debt instruments classified at amortised cost along with loan commitments and financial guarantee contracts that are not booked at fair value is based on a staged model under which the impairment charge on instruments which have not been subject to a significant increase in credit risk is determined at the credit loss from loss events expected to take place within the next 12 months. For Instruments with a significant increase in credit risk since initial recognition and instruments which are credit impaired, the impairment charge is the lifetime expected credit loss.

The method of determining whether the credit risk has increased significantly is mainly based on the development in credit risk expressed as a change in credit risk score level and/or due to arrears of more than 30 days with a not insignificant amount. The bank's credit risk score levels are aligned with the credit classification methodology applied by the Danish FSA including the regulation and guidelines provided by the Danish FSA on criteria for determining whether loans and other debt instruments are subject to objective indication of being credit impaired (in Danish "objektive indikationer på kreditforringelse").

The method of calculating the expected credit loss in stage 1 and a part of stage 2 is primarily a model-based individual assessment based on a probability of default, a loss in case of default and exposure at the default date.

For exposures categorised as stage 1 or stage 2, the expected credit loss (ECL) is calculated as a function of the probability of default (PD) x the expected exposure at default (EAD) x the expected loss given default (LGD). Where the PD for exposures in stage 1 reflects the probability of default in the next 12-month period (PD12), the probability of default over the entire life of the exposure is applied to exposures placed in stage 2 (PD Life).

For weak stage 2 customers/facilities and stage 3 customers/facilities, the calculation of impairment allowance is made using a manual, individual assessment of the financial assets rather than a model-based calculation. Such assessment is based on primarily available financial information and other information related to the financial state and outlook for each customer/facilities.

Hence, when calculating the impairment to be applied to each financial asset with a credit risk the bank does not currently group any of its financial assets.

**Write-offs**
It is the bank's policy to write-off claims deemed to be lost. The following principles apply for writing off bad debts:

- For private individuals, e.g. personal guarantors and similar, write-off is made prior to or immediately in connection with the exposure being transferred to external debt collection
- For corporate customers, write-off will await the commencement or completion of realisation of collateral and/or the outcome external debt collection or the ending of the bankruptcy or similar estate

If the bank has received documentation or otherwise has firm grounds to believe that the claim is lost prior to the above points on time, the claim will be written off at that earlier point in time.

## 2. Capital and capital adequacy

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Equity | 216,395 | 230,930 |
| Intangible Assets | -4,013 | -4,562 |
| Prudent valuation deduction – Bonds | -507 | -578 |
| **Total core capital after deductions (CET1)** | **211,875** | **225,790** |
| Credit risk | 859,094 | 716,145 |
| Market risk | 52 | 40 |
| Operational risk | 40,024 | 40,024 |
| **Total risk exposure amount** | **899,170** | **756,208** |
| Core capital (CET1) after deductions ratio | 23.6% | 29.9% |
| Core capital (CET1) ratio | 23.6% | 29.9% |
| **Total capital ratio** | **23.6%** | **29.9%** |

Software assets are recognised in the capital base when taking into use and with valuation in accordance with Commission Delegated Regulation (EU) 2020/2176 entering into force 23 December 2020. Software assets included in Common Equity Tier 1 capital amounts to tDKK 29,840 at 31 December 2024, (2023: tDKK 28,657).

## 3. Five-year financial highlights

| DKK ’000 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Summary income statement** | | | | | |
| Net interest and fee income | 63,164 | 51,415 | 12,392 | 231 | -47 |
| Value adjustments | -43 | 84 | -230 | -17 | 21 |
| Staff and administrative expenses | 82,958 | 91,695 | 65,755 | 33,731 | 13,502 |
| Depreciation, amortisation and impairment charges for intangible and tangible assets | 15,434 | 14,306 | 3,872 | 438 | 142 |
| Impairment charges for loans, advances and receivables | 26,099 | 67,307 | 11,295 | 477 | 0 |
| Profit (loss) before tax | -61,370 | -121,810 | -68,761 | -34,431 | -13,670 |
| Tax | 0 | 0 | 0 | 0 | 0 |
| Profit (loss) for the period | -61,370 | -121,810 | -68,761 | -34,431 | -13,670 |
| Comprehensive income | 3,056 | 10,292 | -5,235 | -653 | 0 |
| Total comprehensive income for the period | -58,313 | -111,518 | -73,996 | -35,084 | -13,670 |
| **Summary balance sheet, end of period** | | | | | |
| Loans, advances and other receivables | 1,296,887 | 1,061,514 | 802,370 | 48,029 | 0 |
| Equity | 216,395 | 230,930 | 204,990 | 185,114 | 787 |
| **Total Assets** | **1,990,314** | **1,878,605** | **1,756,427** | **239,926** | **5,291** |
| **Financial ratios** | | | | | |
| Total capital ratio | 23.6% | 29.9% | 28.1% | 148.7% | - |
| Tier 1 capital ratio | 23.6% | 29.9% | 28.1% | 148.7% | - |
| Return on equity before tax | -27.4% | -55.9% | -35.3% | -37.0% | -317.9% |
| Return on equity after tax | -27.4% | -55.9% | -35.3% | -37.0% | -317.9% |
| Income to cost ratio | 0.5 | 0.3 | 0.2 | 0.0 | - |
| Interest rate risk | -0.1% | 2.8% | 8.5% | - | - |
| Currency position | 184.5 | 143.2 | 85,107.8 | - | - |
| Currency risk | 0.1% | 0.1% | 45.2% | - | - |
| Loans and advances to deposits | 77.0% | 68.8% | 53.0% | 93.2% | - |
| Loans and advances to equity | 599.3% | 459.7% | 391.4% | 25.9% | - |
| Liquidity Coverage Ratio (LCR) | 2691.2% | 3470.0% | 11926.0% | - | - |
| Sum of large exposures | 165.0% | 154.0% | 156.0% | 15.8% | - |
| Impairment charges for the period | 1.9% | 6.1% | 1.2% | 1.0% | - |
| Growth in loans and advances for the period* | 22.2% | 32.3% | 1570.6% | - | - |
| Return on assets | -3.1% | -6.5% | -3.9% | -14.4% | -258.4% |

As kompasbank a/s received the bank licence in March 2021, no ratios have been calculated for the prior interim periods.

*Growth in loans and advances for the period, has been calculated in accordance with the guidelines of the DFSA supervisory diamond.

## 4. Interest income

| DKK '000 | 2024 | 2023 |
|---|---|---|
| From credit institutions and central banks | 3,505 | 3,060 |
| From loans, advances and other receivables | 101,485 | 99,345 |
| From bonds | 15,505 | 16,756 |
| Total interest income | 120,496 | 119,161 |

## 5. Interest expenses

| DKK '000 | 2024 | 2023 |
|---|---|---|
| From deposits and other debt | 55,660 | 48,924 |
| Other interest expenses | 100 | 164 |
| Total interest expense | 55,759 | 49,088 |

## 6. Fee and commission income

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Loan fees | 888 | 404 |
| Guarantee fees | 1,298 | 315 |
| Other fees and commission | 1,837 | 704 |
| Total fee and commission income | 4,023 | 1,423 |

## 7. Net interest and fee income and value adjustments on segments

The bank does not provide segment disclosures for 2024, as the foreign activities did not have a significant impact on the financial statements for 2024.

## 8. Value adjustments

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Foreign exchange | -43 | 84 |
| Total value adjustments | -43 | 84 |

## 9. Staff and administrative expenses

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Staff expenses | 60,328 | 65,960 |
| Other administrative expenses | 22,630 | 25,735 |
| **Total** | **82,958** | **91,695** |
| | | |
| Staff expenses | | |
| Salaries | 46,466 | 50,451 |
| Pensions | 3,716 | 4,140 |
| Payroll tax | 9,221 | 10,345 |
| Social securities expenses | 374 | 378 |
| Share-based payments | 551 | 646 |
| | | |
| Total staff costs | 60,328 | 65,960 |

Payroll tax also includes payroll tax relating to the Executive Management.
Share-based payments are described in note 18.

| Remuneration of executive management | | |
|---|---|---|
| Number of Executive Management members | 2 | 2 |
| Base salaries | 4,799 | 4,346 |
| Pensions | 160 | 234 |
| Share-based payments | 150 | 1 |
| Total remuneration of executive management | 5,109 | 4,581 |

| Remuneration of board of directors | | |
|---|---|---|
| Number of Board of Directors members | 5 | 5 |
| Base salaries | 1,750 | 1,167 |
| Pensions | 0 | 0 |
| Share-based payments | 110 | 47 |
| Total remuneration of board of directors | 1,860 | 1,213 |

The Board of Directors started receiving remuneration from May 1st, 2023 and did not receive remuneration before then.

| Of which remuneration of members whose activities have significant influence on the bank's risk profile (material risk takers): | | |
|---|---|---|
| Number of material risk takers | 6 | 5 |
| Base salaries | 4,108 | 4,162 |
| Pensions | 394 | 410 |
| Variable salaries | 0 | 38 |
| Share-based payments | 64 | 220 |
| Total remuneration of material risk takers | 4,566 | 4,830 |
| | | |
| Average number of staff for the financial year, full time equivalent | 66 | 77 |

Individual remuneration details will be disclosed separately at https://kompasbank.dk/en/om-kompasbank/finansiel-information

| DKK '000 | 2024 | 2023 |
|---|---|---|
| **Fees to auditor appointed by the General Meeting** | | |
| PWC | | |
| Statutory audit of the Financial Statement | 1,164 | 1,053 |
| Other assurance engagements | 44 | 44 |
| Tax and VAT advice | 81 | 25 |
| Other services | 38 | 106 |
| **Total** | **1,328** | **1,228** |

Other services relates to the Spanish activities.

## 10. Impairment charges for loans, advances and receivables

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Impairment provisions for new loans and advances (additions) | 8,216 | 44,697 |
| Additions as a result of changes in credit risk | 32,233 | 35,709 |
| Releases as a change in credit risk | 16,877 | 13,100 |
| Write-offs for the period, not previously written down for impairment | 2,527 | 0 |
| **Total impairment provisions** | **26,099** | **67,307** |

| DKK '000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Total, 1 January 2024 | 9,924 | 11,319 | 42,353 | 63,596 |
| Impairment provisions for new loans and advances (additions) | 3,132 | 706 | 4,378 | 8,216 |
| Additions as a result of changes in credit risk | 467 | 6,889 | 24,877 | 32,233 |
| Releases as a result of change in credit risk | 7,320 | 1,115 | 8,442 | 16,877 |
| Transfer to stage 1 | 1,503 | -776 | -727 | 0 |
| Transfer to stage 2 | -100 | 100 | 0 | 0 |
| Transfer to stage 3 | -445 | -4,825 | 5,270 | 0 |
| Previously written down for impairment, now written off | 0 | 0 | -25,265 | -25,265 |
| **Total impairment provisions, 31 December 2024** | **7,161** | **12,298** | **42,444** | **61,903** |

| DKK '000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Total, 1 January 2023 | 9,910 | 1,165 | 697 | 11,772 |
| Impairment provisions for new loans and advances (additions) | 993 | 8,880 | 34,824 | 44,697 |
| Additions as a result of changes in credit risk | 5,617 | 4,369 | 25,723 | 35,709 |
| Releases as a result of change in credit risk | 3,355 | 5,041 | 4,704 | 13,100 |
| Transfer to stage 1 | 0 | 0 | 0 | 0 |
| Transfer to stage 2 | -1,945 | 1,945 | 0 | 0 |
| Transfer to stage 3 | -1,295 | 0 | 1,295 | 0 |
| Previously written down for impairment, now written off | 0 | 0 | -15,482 | -15,482 |
| **Total impairment provisions, 31 December 2023** | **9,924** | **11,319** | **42,353** | **63,596** |

## 11. Tax

| DKK '000 | 2023 | 2022 |
|---|---|---|
| Current tax for the year | 0 | 0 |
| Deferred tax adjustment for the year | 0 | 0 |
| Total | 0 | 0 |

As of 31 December 2024 the bank has unrecognised deferred tax assets in the level of mDKK 75 that can be set off against future taxable income. The effective tax rate is 0%.

## 12. Receivables from credit institutions and central banks

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Receivables from central banks | 65,302 | 58,363 |
| Receivables from credit institutions | 70,531 | 130,870 |
| Total | 135,833 | 189,232 |
| **Receivables from credit institutions and central banks by time-to-maturity** | | |
| On demand | 135,833 | 188,709 |
| Up to 3 months | 0 | 523 |
| Total | 135,833 | 189,232 |

## 13. Loans, advances and other receivables at amortised cost

| DKK ’000 | 2024 | 2023 |
|---|---|---|
| Loans, advances and other receivables at amortised cost | 1,296,887 | 1,061,514 |
| **Total** | **1,296,887** | **1,061,514** |
| **Loans, advances and other receivables by time-to-maturity** | | |
| Up to 3 months | 31,438 | 53,158 |
| Over 3 month and up to 1 year | 210,436 | 5,603 |
| Over 1 year and up to 5 years | 590,657 | 546,412 |
| Over 5 years | 464,355 | 456,341 |
| **Total** | **1,296,887** | **1,061,514** |
| **Loans, advances and other receivables by sector as %, year-end** | | |
| Public sector | 0 | 0 |
| Business customers | | |
| Agriculture, hunting, forestry and fishing | 2 | 1 |
| Manufacturing, mining and quarrying | 15 | 18 |
| Energy supply | 4 | 3 |
| Construction | 8 | 8 |
| Trade | 25 | 25 |
| Transport, accommodation and food service activities | 0 | 1 |
| Information and communication | 3 | 5 |
| Finance and insurance | 15 | 14 |
| Real estate | 12 | 12 |
| Other | 17 | 14 |
| Total business customers | 100 | 100 |
| Personal customers | 0 | 0 |
| **Total** | **100.0** | **100.0** |

## 14. Land and buildings

| DKK ’000 | 2024 | 2023 |
|---|---|---|
| Cost at 1 January | 8,267 | 8,267 |
| **Cost at 31 December** | **8,267** | **8,267** |
| Depreciation at 1 January | -3,674 | -919 |
| Depreciation charges during the year | -2,756 | -2,756 |
| **Depreciations at 31 December** | **-6,430** | **-3,674** |
| Balance, Leased Domicile Property year-end | 1,837 | 4,593 |
| **Total Land and Buildings** | **1,837** | **4,593** |

## 15. Other tangible asset

| DKK ’000 | Other tangible assets | Leased tangible assets | 2024 |
|---|---|---|---|
| Cost at 1st of January | 2,220 | 667 | 2,887 |
| Purchase during the year | 362 | 17 | 379 |
| **Cost at 31st of December** | **2,582** | **684** | **3,266** |
| Depreciation at 1st of January | -462 | -335 | -797 |
| Depreciation charges during the year | -623 | -247 | -871 |
| **Depreciations and impairments at 31 December** | **-1,085** | **-583** | **-1,668** |
| **Balance at 31 December** | **1,497** | **101** | **1,598** |

| DKK '000 | Other tangible assets | Leased tangible assets | 2023 |
|---|---|---|---|
| Cost at 1 January | 877 | 614 | 1,491 |
| Purchase during the year | 1,343 | 53 | 1,396 |
| Cost at 31 December | 2,220 | 667 | 2,887 |
| Depreciation at 1 January | -97 | -112 | -210 |
| Depreciation charges during the year | -365 | -223 | -587 |
| Depreciations and impairments at 31 December | -462 | -335 | -797 |
| Balance at 31 December | 1,758 | 332 | 2,090 |

## 16. Deposits and other debt

| DKK '000 | 2024 | 2023 |
|---|---|---|
| At notice | 181,817 | 157,563 |
| Time deposits | 1,582,553 | 1,475,244 |
| Special deposits | 101 | 3,015 |
| Total | 1,764,471 | 1,635,822 |
| **By time-to-maturity** | | |
| Up to 3 months | 334,318 | 310,798 |
| Over 3 month and up to 1 year | 1,098,534 | 816,547 |
| Over 1 year and up to 5 years | 331,619 | 508,476 |
| Total | 1,764,471 | 1,635,822 |

## 17. Share capital

The share capital comprises 57,567,834 shares of a nominal value of DKK 1 each.

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Share capital, 1 January | 54,555 | 48,391 |
| Capital increases | 3,013 | 6,164 |
| Share capital, 31 December | 57,568 | 54,555 |

kompasbank does not hold own shares.

## 18. Share-based payments

The bank has a warrant program for the benefit of the Board of Directors, the Executive Management and certain key employees and consultants. The program allows the Board to issue up to 6,811,020 warrants to be allocated over a period until 7 December 2026, and further to issue up to 3,250,000 warrants to be allocated over a period until 28 April 2029. In total, 4,878,042 warrants were granted on 31 December 2024.

Warrants granted in 2024 to the Executive Management were valued at DKK 75,388.
Warrants granted in 2024 to the Board of Directors were valued at DKK 94,464.

During 2024 costs related to the warrant program of tDKK 551 have been recognised in the income statement. Warrants are valued with a Black-Scholes model and recognised in the income statement relatively to the vesting periods.

## 19. Financial risks and policies and objectives for the management of financial risks

The bank's main financial risks, including credit risk, liquidity risk and market risk, and risk management principles are described below. See the Annual Risk Report (Pillar 3 Disclosures) for further details and descriptions of kompasbank's risk management practices.

### Credit risk

Credit risk is the risk of customers (borrowers) or counterparties failing to meet their payment obligations, resulting in impairments or write-offs to the bank's assets.

For the time being, the bank offers credit products to corporate/SME customers in Denmark and Spain only and does not offer financing to private individuals. Relationships with Danish customers are based on personal visits by the bank's account managers to the customers' business site. Furthermore, the bank offers short term factoring and promissory notes financing through a local partner to Spanish corporate customers. The chosen customer base is small and medium sized business enterprises who have a proven business model, prudent management and healthy financial figures with sufficient cash-flow generating ability. The bank uses an internal credit score model to classify customers according to perceived credit risk.

The bank's credit risk is managed in accordance with the bank's Credit Policy and the Board of Directors' Instructions to the Executive Management. The latter also defines the bank's credit risk appetite. Customer specific credit limits are being approved by the bank's credit committee.

### Market risk

Market risk is defined as the risk of losses stemming from on- and off-balance sheet positions arising from adverse movement in financial market prices.

The bank's market risk is interest rate risk and currency risks which arise from the bank's core business activities. Interest rate risk arises from mismatches between terms and duration of loans and deposits in the balance sheet. In addition the bank has a bond portfolio of primarily short term highly liquid, Danish government bonds serving as liquidity buffer. Observable market prices are available for valuation (fair value hierarchy level 1).

The bank does not use derivatives and does not engage in any speculative trading. All exposures are accounted for within the regulatory banking book.

The bank's market risk is managed in accordance with the Market Risk Policy and the Board of Directors' Instructions to the Executive Management. The latter is also defining the bank's risk appetite and applicable operational limits for market risk.

Liquidity risk
Liquidity risk is the risk that the bank does not have ability to fulfil all payment obligations as they fall due.

The bank is funded through savings products such as fixed-term and notice deposits, offered to retail customers in Denmark and Germany. The vast majority of the bank's deposits are covered by the Deposit Guarantee Scheme. The bank invests excess liquidity in high quality liquid assets for the sole purpose of liquidity risk management.

The bank's liquidity risk is managed in accordance with the Liquidity Risk Policy and the Board of Directors' Instructions to the Executive Management. The latter is also defining the bank's risk appetite and applicable operational limits for liquidity risk. Internal and regulatory liquidity risk metrics, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), are calculated and applied in the bank's liquidity and funding risk management.

Annually, the bank identifies and assesses the liquidity and funding risks as part of the Internal Liquidity Adequacy Assessment Process (ILAAP). As part of the ILAAP, the bank maintains a Liquidity Contingency Plan (LCP), which enables the bank to react promptly in case of a liquidity stress scenario.

## CREDIT RISK — CURRENT EXPOSURES

When assessing the credit exposures on loans and credit facilities, the starting point is the identification of the credit risk of the counterparty according to our general impairment model described in accounting policies (note 1).

The exposures are divided into the following rating categories:
- 3/2a Customers with undoubtedly good/normal credit quality
- 2b Customers with certain indications of weakness
- 2c Customers with significant signs of weakness, but without indications of credit impairment
- 1 Customers with indication of credit impairment, regardless of the stage of exposure

Below, the gross credit exposure on 31 December 2024 is distributed in rating categories:

| DKK '000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| 3/2a | 389,767 | 0 | 0 | 389,767 |
| 2b | 646,360 | 149,381 | 0 | 795,741 |
| 2c | 0 | 25,992 | 0 | 25,992 |
| 1 | 0 | 15,062 | 144,716 | 159,778 |
| Gross exposure, year-end | 1,036,127 | 190,435 | 144,716 | 1,371,278 |

Below, the gross credit exposure on 31 December 2023 is distributed in rating categories:

| DKK '000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| 3/2a | 195,764 | 8,279 | 0 | 204,044 |
| 2b | 612,274 | 138,996 | 0 | 751,270 |
| 2c | 0 | 56,072 | 0 | 56,072 |
| 1 | 0 | 54,283 | 66,610 | 120,893 |
| Gross exposure, year-end | 808,039 | 257,630 | 66,610 | 1,132,279 |

The definition of the three stages is described in the section Loans and Impairments in the accounting policies (note 1).

Below, the gross credit exposure on 31 December 2024 is distributed by sector:

| DKK '000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Public sector | 1,707 | 0 | 0 | 1,707 |
| Business customers | | | | |
| Agriculture, hunting, forestry and fishing | 28,911 | 0 | 0 | 28,911 |
| Manufacturing, mining and quarrying | 139,352 | 34,455 | 37,960 | 211,767 |
| Energy supply | 38,035 | 13,047 | 0 | 51,082 |
| Construction | 79,194 | 19,283 | 23,741 | 122,218 |
| Trade | 280,040 | 24,730 | 33,550 | 338,320 |
| Transport, accommodation and food service activities | 2,042 | | 0 | 2,042 |
| Information and communication | 33,891 | | 1,155 | 35,046 |
| Finance and insurance | 157,435 | 20,102 | 18,593 | 196,130 |
| Real estate | 145,826 | 11,498 | 0 | 157,324 |
| Other | 129,694 | 67,320 | 29,717 | 226,731 |
| Total business customers | 1,034,420 | 190,435 | 144,716 | 1,369,571 |
| Personal customers | 0 | 0 | 0 | 0 |
| Gross exposure, year-end | 1,036,127 | 190,435 | 144,716 | 1,371,278 |

Below, the gross credit exposure on 31 December 2023 is distributed by sector:

| DKK '000 | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Public sector | 0 | 0 | 0 | 0 |
| Business customers | | | | |
| Agriculture, hunting, forestry and fishing | 9,362 | 0 | 0 | 9,362 |
| Manufacturing, mining and quarrying | 159,424 | 35,444 | 12,112 | 206,980 |
| Energy supply | 16,836 | 16,770 | 0 | 33,606 |
| Construction | 55,516 | 34,535 | 2,960 | 93,010 |
| Trade | 219,631 | 47,588 | 17,878 | 285,097 |
| Transport, accommodation and food service activities | 5,340 | 0 | 0 | 5,340 |
| Information and communication | 43,753 | 1,220 | 9,875 | 54,848 |
| Finance and insurance | 125,976 | 16,231 | 15,822 | 158,029 |
| Real estate | 100,771 | 30,695 | 0 | 131,466 |
| Other | 71,430 | 75,147 | 7,963 | 154,540 |
| Total business customers | 808,039 | 257,630 | 66,610 | 1,132,279 |
| Personal customers | 0 | 0 | 0 | 0 |
| Gross exposure, year-end | 808,039 | 257,630 | 66,610 | 1,132,279 |

Collateral security is mainly obtained in the form of floating charges and/or charges over tangible assets such as real estate and equipment, but also company pledge and guarantees are included. At end-2024 collateral security included:

| DKK '000 | 2024 | 2023 |
|---|---|---|
| Floating Charges | 289,035 | 143,659 |
| Real Estate | 233,028 | 171,661 |
| Government Guarantees | 238,073 | 101,666 |
| Orher Collaterals | 42,153 | 6,000 |
| Total | 802,289 | 422,985 |

## 20. Contractual obligations and contingent liabilities

On 31 December 2024 granted loans amounted to tDKK 0 (2023: tDKK 0) and the undrawn amount on approved overdrafts facilities amounted to tDKK 4,935 (2023: tDKK 0).

*Guarantee and resolution schemes*

kompasbank a/s participates in the mandatory Danish deposit guarantee scheme and the Danish Resolution Fund, which are administered by Finansiel Stabilitet.

The purpose of the Danish Guarantee Fund is to provide cover for depositors and investors of failing institutions included in the Fund's scheme. The scheme includes both natural and legal persons, and deposits are covered by an amount equivalent to EUR 100,000 per depositor and EUR 20,000 per investor.

The Danish Resolution Fund (a finance scheme) is funded by annual contributions from participating banks, mortgage lenders and investment companies, and the assets of the scheme must make up 1% of the sector's covered deposits. Participating institutions make annual contributions to cover any losses incurred by the Danish Resolution Fund in connection with the resolution of failing institutions.

The bank has paid the obligation to the Danish Guarantee Fund in June 2023.

*Issued Bank Guarantees*

The bank has issued guarantees to customers totaling tDKK 2,650.

*Contractual obligations to vendors*

The bank has contractual obligations to IT vendors. The obligations amount to a total of tDKK 6,119 as of end-December 2024.

*Contingent liabilities*

The Danish Financial Supervisory Authority has informed the bank that it is re-evaluating some of the bank's past activities identified in an FSA inspection in order to determine whether the matter should also be investigated by other authorities for any wrongdoing. The outcome of this re-evaluation is currently uncertain.

## 21. Related parties

Related parties include members of the Executive Management and members of the Board of Directors. All transactions with related parties are carried out on market terms and the facilities of related parties were granted on standard business terms. Transactions with the Board of Directors in 2024 relate to a deposit balance of tDKK 218 with interest received tDKK 8.

## 22. Shareholder relations

kompasbank a/s has registered the following shareholders with more than 5% of the share capital's voting rights or face value:

- Norby Group ApS, Aarhus C
- Equilibria ApS, København K
- Wandt Invest ApS, Hørsholm
- Oryza Capital SL, Valencia, Spain

# directorships and executive positions

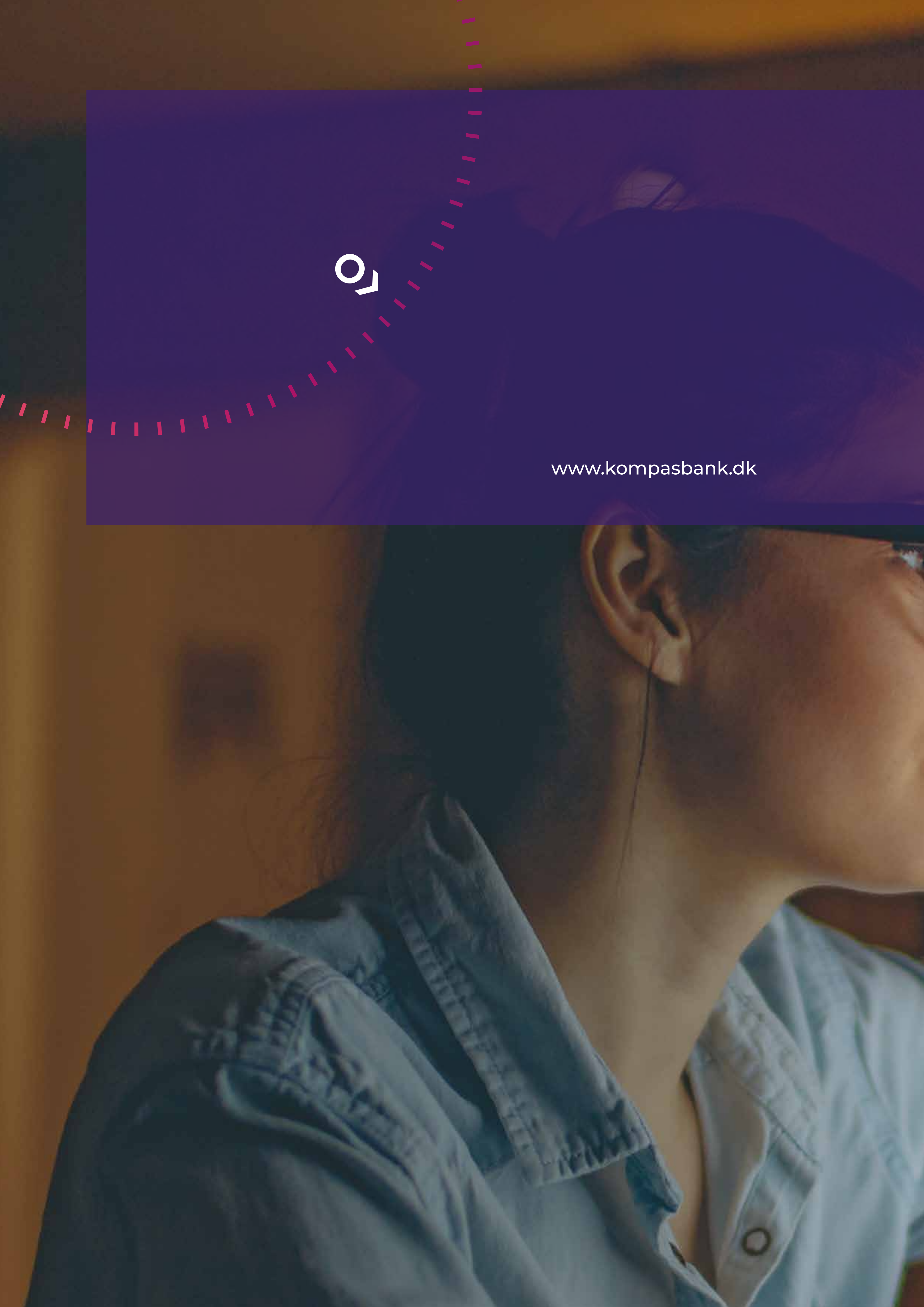
| EXECUTIVE BOARD | | |
|---|---|---|
| **Part** | **Role** | **Related company** |
| Jeppe Brøndum | Chairman of the Board | CEO and owner:<br>Capital 19 Holding ApS, CVR: 39241196 |
| Karin Cecilia Hultén | Board member | Non-executive director & vice-chair:<br>Temenos AG<br><br>Owner and board member:<br>CBio A/S, CVR: 40216642<br><br>CEO and owner:<br>Bildbar ApS, CVR: 38986694<br><br>Owner:<br>CEHEMA - TAKL ApS, CVR: 38999486 |
| Ian Douglas Wilson | Board member | Non-executive director:<br>Revolut Ltd<br>Revolut Newco UK Ltd<br>Revolut Group Holdings Ltd<br><br>Chair of the Scottish Building Society<br><br>Owner:<br>East Pier Advisory Ltd |
| Johan Lorenzen | Board member | CEO and owner:<br>Enduro Invest ApS, CVR: 38988336<br>Upfin General Partner I ApS, CVR: 42962341<br>Upfin Management Holding ApS, CVR: 42889598<br><br>Owner:<br>Johan Lorenzen, CVR: 27210309<br><br>CEO:<br>Upfin Fund I K/S, CVR: 42996289 |
| Christian Madsen Motzfeldt | Board member | Board member:<br>Heartcore Capital A/S, CVR: 33858663 (chairman)<br>Better Energy Holding A/S, CVR: 31865883 (chairman)<br>EBBEFOS Holding A/S, CVR: 42895458 (chairman)<br>Ebbefos Energy Holding A/S, CVR: 43954237 (chairman)<br>Area9 Lyceum ApS, CVR: 39079976<br><br>CEO and owner:<br>Motzfeldt Invest Holding ApS, CVR: 40810587 |

| EXECUTIVE MANAGEMENT | | |
|---|---|---|
| **Part** | **Role** | **Related company** |
| Michael Hurup Andersen | Founder & Executive director | CEO and owner:<br>Holdingselskabet af 17.7.2017 ApS, CVR: 38801945 |
| Rune Nørregaard | Executive director & COO | |

# company information

| | |
|---|---|
| Name | kompasbank a/s |
| Address | Frydenlundsvej 30<br>2950 Vedbæk<br>Denmark |
| CVR-no | 38 80 36 11 |
| Financial period | 1 January - 31 December |
| Homepage | www.kompasbank.dk |
| Board of Directors | Jeppe Brøndum, Chairman<br>Charlottenlund |
| | Karin Cecilia Hultén<br>Charlottenlund |
| | Christian Madsen Motzfeldt<br>København |
| | Johan Lorenzen<br>Frederiksberg |
| | Ian Douglas Wilson<br>Edinburgh |
| Executive Management | Michael Hurup Andersen<br>Founder & Executive director |
| | Rune Nørregaard<br>Executive director & COO |
| Auditors | PricewaterhouseCoopers<br>Statsautoriseret revisionspartnerselskab<br>Hellerup |


impact


www.kompasbank.dk