Interim report First half 2026

KommuneKredit

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About KommuneKredit

Karrebæksminde Winter Swimming Club, the Kingfisher (*Isfuglen*)
Completion of the winter swimming club

Key figures and financial ratios

Million	H1 2026	H1 2026	H1 2025	FY 2025
	EUR	*DKK*	*DKK*	*DKK*
Key figures				
Net interest and fee income	33	249	439	713
Value adjustment of financial instruments	25	190	-516	-552
Staff costs and administrative expenses	-14	-103	-101	-206
Impairment of loans and receivables, etc.	0	0	0	0
Profit/loss for the period	35	262	-139	-44
Loans and leases	27,715	207,161	198,588	199,627
Equity	1,386	10,361	10,004	10,099
Assets	33,236	248,423	247,245	251,468
Debt securities issued	30,273	226,275	224,333	228,032
Portfolio of securities	4,226	31,590	38,986	40,860
Investments in property, plant and equipment	0	0	0	0
Activities for the period				
Loans and leases, net additions in nominal value (net lending)	853	6,379	1,315	4,186
Loans and leases, gross additions in nominal value	2,937	21,954	21,304	44,054
Debt securities issued, gross additions in nominal value	2,462	18,399	18,137	36,368

Key figures and financial ratios have been calculated in accordance with the accounting provisions applicable to KommuneKredit.
Exchange rate at 30 June 2026: EUR 100 = DKK 747.458.

Million	H1 2026	H1 2026	H1 2025	FY 2025
	EUR	*DKK*	*DKK*	*DKK*
Financial ratios				
Capital base relative to minimum capital requirement	9.4	9.4	7.3	7.8
Solvency ratio	75	75	59	63
Equity Tier 1 ratio	75	75	60	63
Return on equity before tax, %	3.3	3.3	-1.8	-0.4
Return on equity after tax, %	2.6	2.6	-1.4	-0.4
Income/cost ratio	4.3	4.3	-0.8	0.8
Total risk exposure amount (REA)	1,839	13,747	16,641	16,012
Common Equity Tier 1 (CET1) capital	1,386	10,361	10,004	10,099
Capital base	1,380	10,316	9,735	10,033
Interest rate risk	37	277	197	254
Currency position	8	57	211	241
Loans to deposits, %	91.6	91.6	88.5	87.5
Loans to equity	20.0	20.0	19.9	19.8
Impairment rate for the period	0	0	0	0
Return on assets (profit for the period/total assets), %	0.1	0.1	-0.1	0.0
Equity ratio after tax, %	4.2	4.2	4.0	4.0
Expenses/assets, %	0.04	0.04	0.04	0.08
Net interest income/assets, %	0.10	0.10	0.15	0.25
Number of full-time employees	100	100	101	100

	H1 2026	H1 2025	FY 2025
Selected ESG figures			
CO_2e total (scope 1, 2, 3) (t)	34	38	62
Share of renewable energy, %	95	91	92
Gender composition, management level (women), %	28.6	26.7	26.7
Employee turnover, %	5.8	6.1	9.0
CEO pay/median employee remuneration	3.4	3.5	3.4

KommuneKredit in brief

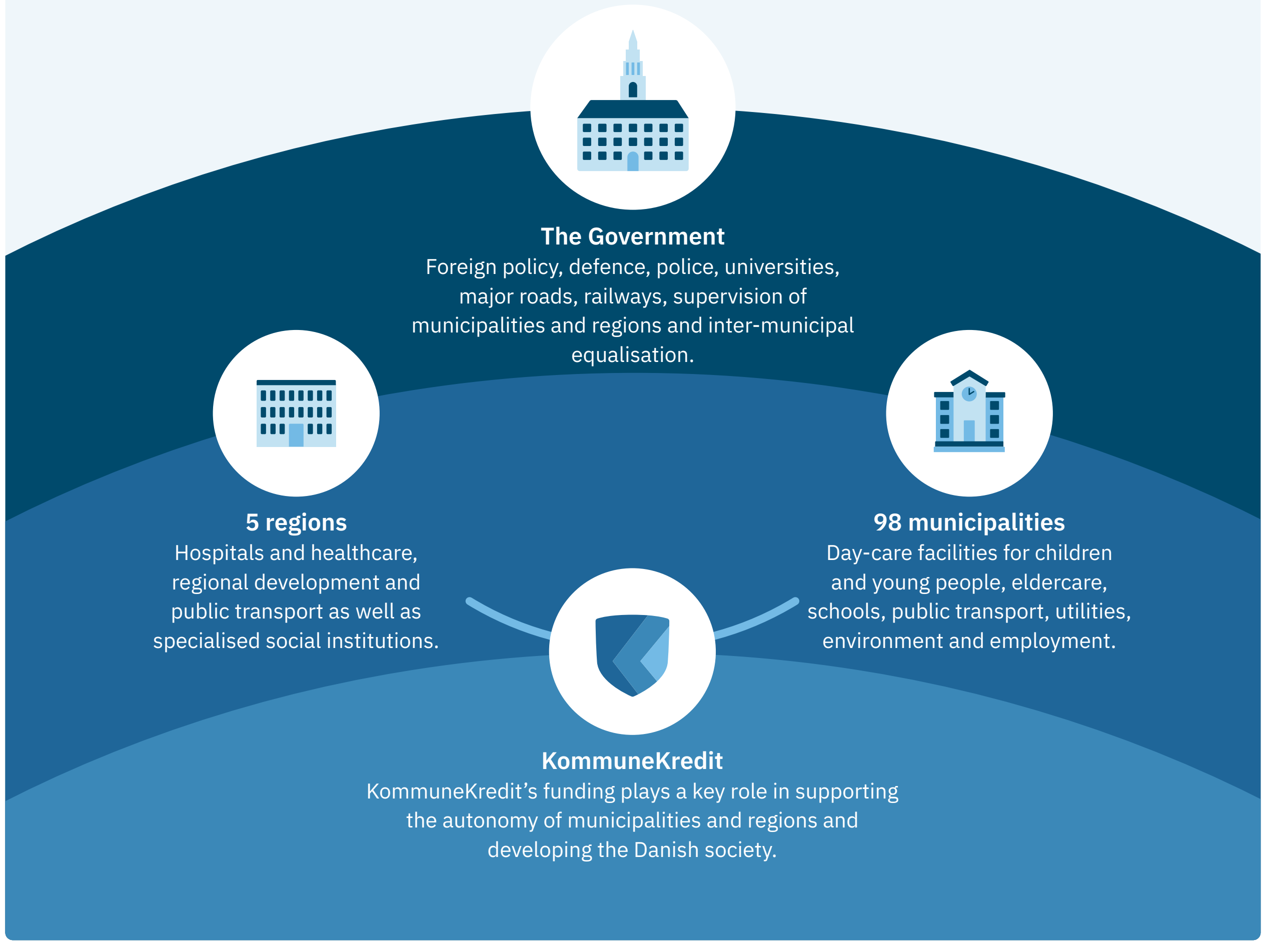
KommuneKredit was established in 1899 as a special-purpose credit institution. Since then, our core purpose has been to support welfare, societal developments and the local green transition in Denmark. We do so by providing funding for investments in public tasks performed by municipalities and regions – at equal terms for all and at the lowest possible cost.

Our business model builds on a community with all Danish municipalities and regions being members and jointly and severally liable for KommuneKredit's liabilities. We provide loans and finance leases to municipalities and regions and other entities undertaking public tasks when the loan is guaranteed by a local or regional authority. The statutory model has provided a solid basis for our role as a funding partner for more than 125 years.

> Read more about the principles of the economy of municipalities and regions and their access to raise loans

Municipalities and regions are key to the Danish welfare system

Municipalities and regions are defined by law, and their right of autonomy is laid down in the Danish Constitution (*grundloven*) and other legislation. KommuneKredit is governed by the Act on the Credit Institution for Local and Regional Authorities in Denmark (*lov om kreditforeningen af kommuner og regioner i Danmark*).

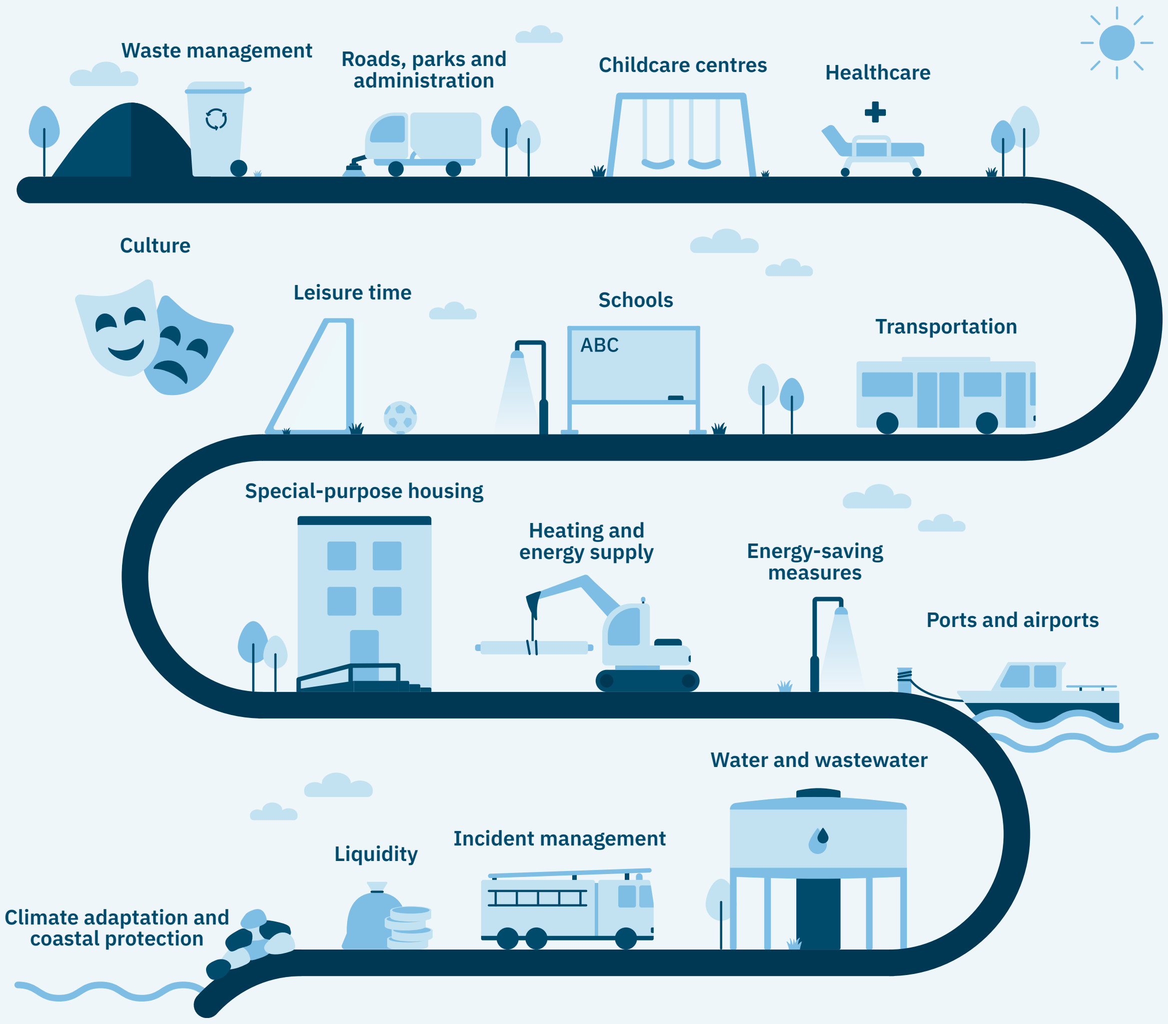


Loans and leases for a variety of public tasks
When a request is made for a loan or a lease, we make a specific assessment as to whether we can grant the financing within the loan framework of the Danish Ministry of Economic and Interior Affairs (*Økonomi- og Indenrigsministeriet*), the legislation applicable to the relevant municipal or regional task and the EU state aid rules. In that way, we ensure that the financing can be provided within the framework of KommuneKredit's loans and leases. It is the responsibility of the municipality or region to assess whether the investment makes sense in a societal perspective and to ensure that the financial obligations can be met.

Over the years, we have provided funding for a variety of investments spanning energy-efficient district heating, climate adaptation, energy-saving measures and transport to housing for senior and marginalised citizens, schools, city museums and sports centres.

> Read more on our website about what we provide loans and leases for

Loans and leases for a variety of purposes



Better local value for public money
We fund our lending by issuing bonds that are purchased by the Government at rates equivalent to Danish government bond yields. We are not required to pay dividend; we merely have to cover our costs and maintain sufficient equity. This results in low interest rates for our customers, creating better financial leeway for municipalities and regions for the benefit of local welfare and development.

Once a democratic investment decision has been made by a municipality or a region, it is our task to provide loans and leases – at equal terms for all. We do so without regard to the size or location of the project enabling municipalities and regions to translate democratic decisions into specific investments.

Continuity and predictability
Our role is to provide access to funding of public tasks. With our funding model, we can give municipalities and regions access to funding within the legislative framework.

Societal contribution
We have knowledge of the funding of local public tasks and the framework within which the funding is made. We draw on this knowledge in our day-to-day advisory services and also bring it into play in our dialogue with relevant stakeholders and decision-makers. In that way, our knowledge and experience contribute to a better decision-making basis – for the benefit of society at large.

Legal basis and applicable framework
KommuneKredit was established by Act No. 35 of 19 March 1898. KommuneKredit is currently governed by Act No. 405 of 18 April 2023 on the Credit Institution for Local and Regional Authorities in Denmark, as most recently amended on 3 September 2026. The Act lays down the framework for KommuneKredit as a special-purpose credit institution. KommuneKredit's statutory purpose is to provide loans and finance leases to municipalities and regions and other entities undertaking public tasks when the loan is guaranteed by a local or regional authority. KommuneKredit is subject to some of the same requirements and supervisory frameworks that apply to private credit institutions. However, the supervisory frameworks are adapted to our special activities and the limited risks that we assume. The responsibility for the financial supervision of KommuneKredit is entrusted to the Danish Financial Supervisory Authority (*Finanstilsynet*). In addition, the Minister of Business and Competitiveness (*Erhvervsministeren*) has appointed an auditor to oversee that KommuneKredit's lending is in keeping with the rules applicable to the borrowing of municipalities and regions and the delimitation of KommuneKredit's customer group as required by law. The Act on KommuneKredit and our Articles of Association are available on our website.

Letter from Management

A new era

KommuneKredit has implemented a new funding model according to which Danmarks Nationalbank, the central bank of Denmark, buys our bonds on behalf of the Danish Government. The new model entails lower funding costs for our customers and is now laid down in the Act on KommuneKredit.

New funding model is now laid down in the Act on KommuneKredit
Based on an understanding between KommuneKredit and the Government, we have, since June 2025, solely issued bonds that Danmarks Nationalbank, acting on behalf of the Government, purchases at interest rates corresponding to Danish government bond yields. The resulting lower funding costs enable us to offer our customers even lower lending rates and lease payments.

The understanding has been implemented in the Act on KommuneKredit by an amendment that came into force on 15 September 2026. Accordingly, the regulations governing KommuneKredit and the Financial Supervisory Authority's supervision of KommuneKredit's financial activities have been adjusted to reflect the new funding model and to ensure proportionality with the limited risks inherent in our business model.

Financial results
In H1 2026, KommuneKredit's financial results developed in line with our expectations for 2026. Net interest income came to DKK 250 million compared to DKK 368 million for H1 2025. Costs totalled DKK 103 million compared to DKK 101 million for the same period last year and, accordingly, profit before tax and value adjustments came to

Jens Lundager
Chief Executive Officer

Martin Damm
Chairman of the Board of Directors

DKK 146 million versus DKK 338 million for H1 2025.

We recorded positive value adjustments of DKK 190 million for H1 2026, resulting in comprehensive income of DKK 262 million for H1 2026 compared to DKK -139 million for H1 2025.

Loans and leases

At the end of H1 2026, our nominal lending totalled DKK 204 billion versus DKK 198 billion at end-2025 while our total portfolio of leases was largely unchanged at just over DKK 10 billion.

Loans to district heating providers have accounted for a particularly large share in recent years, with lending for district heating activities increasing from 20 per cent of total lending in 2022 to 27 per cent at end-H1 2026. In this context, it remains unclear whether there is political will to allow district heating providers to take up 45-year loans, corresponding to the write-off period for the investments.

Another area recording growth is the funding of wastewater utility investments. As from 1 July 2025, the wastewater utilities' tasks were expanded to comprise the handling of shallow groundwater through groundwater lowering measures. This means that the supply obligations of wastewater utilities may be expanded to comprise groundwater lowering measures if it is considered expedient from a socio-economic point of view. The local authorities may provide guarantees for loans for that type of investment, loans that may then be taken out with KommuneKredit.

Only on very rare occasions has a project financed by a loan guaranteed by a local authority failed and, as a result of the guarantee, the municipality has had to take over the debt. However, within the past few years, we have seen an example where the expansion of district heating network in the Municipality of Odsherred has run into financial difficulties. Following a reconstruction of Odsherred Varme A/S, upheld by the Bankruptcy Court in Holbæk (*Skifteretten i Holbæk*) on 1 July 2025, the Danish Utility Regulator (*Forsyningstilsynet*) made the decision on 9 June 2026 that Odsherred Varme's regulatory depreciation allowance and annual cost base eligible for recognition shall be fixed at a significantly lower level than set out in the reconstruction plan from 2025. With this decision, the financial creditors' losses will increase by a further approximately DKK 500 million and total well over DKK 1 billion, of which the Municipality of Odsherred will cover just under DKK 500 million in its capacity as guarantor of the utility's loan with KommuneKredit. The municipality has taken out a 40-year loan with KommuneKredit to cover the debt resulting from the guarantee.

> **"It is KommuneKredit's task to facilitate investments in the welfare and infrastructure that connects Denmark. I am pleased that the new funding model that will offer annual savings of up to DKK 1 billion for municipalities and regions has now been enacted.**
>
> **Martin Damm**
> Chairman of the Board of Directors

As a result of the Danish healthcare reform of 2024, from 1 January 2027 the regions will take over a series of properties used by the municipalities for social housing for senior citizens. Going forward, the properties are to be used for healthcare and care purposes in the regions and will therefore no longer fall within the Danish Act on Social Housing (*almenboligloven*). The former Danish Ministry of the Interior and Health (*Indenrigs- og Sundhedsministeriet*) granted the regions a general exemption as regards the repayment of existing loans taken out under the Act on Social Housing, allowing them instead to take out new ordinary loans to finance the properties. Such loans can be taken out with KommuneKredit.

New strategy and organisational changes

At the start of the year, we launched *Strategy 2029 – Exploring new paths*. The strategy aims to strengthen KommuneKredit's position as the best funding partner for municipalities and regions in Denmark and Greenland through knowledge, efficiency and the courage to develop. Being a customer of KommuneKredit must be simple.

During the spring, we adjusted our organisation to underpin our work with the strategy. We merged the core business teams into one unit to ensure a stronger and more coherent customer approach. Further, we merged our development functions into one unit to strengthen the progress of our development efforts and the link between strategy, business and digital platform, including AI. Finally, we have strengthened the governance of our internal control framework.

In keeping with the strategy, we further expanded the options provided on our self-service platform, MitKommuneKredit, during the spring. Accordingly, customers can now make their own calculations and apply for leases. We strive to make it easier and more user-friendly for our customers to access their own data. At the same time, we want to strengthen the quality of our customer approach to provide our customers with a stronger basis for their funding decisions.

New AI solutions have been implemented across KommuneKredit, and AI training programmes have been rolled out to all employees. We have launched efforts to identify and give priority to business processes where we can benefit from implementing AI solutions in a controlled environment.

As part of our effort to render our social responsibility visible and strengthen our role as an active knowledge partner, we are building a new universe on our website, *Temaer i tiden* (Topical themes), where we will share knowledge, data, experience and examples from municipalities, regions and other players.

Corporate social responsibility (CSR)
All our loans and leases are provided for public tasks and, hence, have a green and/or social purpose, such as climate adaptation and coastal protection, public transport, energy efficiency improvements of public buildings or establishment of senior housing, local sports centres, schools or district heating. With our loans and leases, we facilitate the municipalities' and regions' investments in the welfare and infrastructure that connects Denmark. We take social responsibility when we perform our job in the best possible way.

At the same time, we must run an efficient business based on digital systems and decency, a prerequisite for keeping costs as low as possible. We do so by always making sure that our loans and leases comply with rules and

Examples of loans and leases provided in H1 2026

- **Municipality of Aalborg:** Climate adaptation and coastal protection project at East Creek (*Øster Å*). Funded by a DKK 15.5 million loan.
- **Ribe District Heating Utility:** A new 6MW heat pump system for the town of Ribe and the surrounding area. Funded by a DKK 42 million construction credit.
- **Karrebæksminde Winter Swimming Club, the Kingfisher *(Isfuglen)*:** Completion of the winter swimming club. Funded by a DKK 700,000 loan.
- **Municipality of Aarhus:** Three new electric disability vehicles. The funding is part of an approximately DKK 25 million total lease agreement.
- **Municipality of Hjørring:** 24 standby generators to ensure electricity for critical facilities and basic functions in case of power failures at institutions for senior citizens or people with mental disorders or disabilities. Funded by a DKK 1.9 million lease agreement.
- **The Regional Municipality of Bornholm:** Machinery for the cleaning, reuse and recycling of local bricks from recycling centres has been established in cooperation with BOFA, the waste management utility of Bornholm. Funded by a DKK 795,000 lease agreement.

> See our website for more projects

> Our funding model ensures that municipalities and regions are offered loans and leases at the lowest possible cost. At the same time, we make investments to improve our online solutions to make it more simple to be a customer with KommuneKredit.

Jens Lundager
Chief Executive Officer

regulations, that our consumption of resources is reasonable, and that we limit our climate footprint while improving our competences and creating a workplace characterised by a high degree of employee satisfaction and responsible conduct.

New Board of Directors at KommuneKredit
On 1 June 2026, KommuneKredit's Board of Directors appointed members of its committees for the coming four-year term. Based on the distribution of votes at the municipal and regional elections in November 2025, KL – Local Government Denmark (*KL*) and Danish Regions (*Danske Regioner*) have elected eight members. In addition, the Board of Directors consists of two independent members with skills within accounting, auditing, financing or risk management appointed by KommuneKredit's Board of Directors.

The Board of Directors continues to focus on developing and future-proofing KommuneKredit as a well-managed, accessible and sustainable credit institution with public ownership.

Relocation to new headquarters
Having resided at Kultorvet in Copenhagen for nearly 60 years, we sold our properties in the spring of 2025. On 13 April 2026, we relocated to new rental premises at Store Kongensgade 72C in Copenhagen. The relocation was not just about new premises, but also about creating a workplace that promotes collaboration and employee satisfaction. High employee satisfaction remains a key condition for our work with the new strategy and for our continued efforts to future-proof KommuneKredit to ensure that we can continue to provide stable and long-term funding to municipalities and regions – also in the future.

Martin Damm
Chairman of the Board of Directors

Jens Lundager
Chief Executive Officer

Financial review

Financial results impacted by lower interest rate margin

Over a long period, KommuneKredit has reduced the interest rate margin on loans and leases provided to municipalities and regions resulting in a decline in net interest income. The most recent reduction of the interest rate margin in May contributed to the positive value adjustments of financial instruments for the period.

Earnings and capital base
Total net interest income came to DKK 250 million for H1 2026, down by DKK 118 million on the year-earlier period. Net interest income is in line with expectations for the interim period.

Administrative expenses totalled DKK 103 million for the period compared to DKK 101 million for the same period last year.

Profit before value adjustments and tax came to DKK 146 million, down by DKK 192 million on the year-earlier period.

The decline was mainly attributable to the sale of our headquarters in 2025 and lower net interest income.

Value adjustments of financial instruments were DKK 190 million for H1 2026. In the calculation of fair value of cash flows on existing loans, KommuneKredit uses the current interest rates on new loans as the discount rate. All else equal, a lower interest rate margin means that we use a lower discount rate resulting in a higher fair value of existing loans.

Comprehensive income came to DKK 262 million for the period versus DKK -139 million for the same period last year and is transferred to equity in its entirety, resulting in equity of DKK 10,361 million.

The accumulated risk exposure amount (REA) came to DKK 13.7 billion at end-H1 2026, down by DKK 2.3 billion on end-2025. The drop mainly reflects a smaller portfolio of securities, which has reduced the credit risk. Accordingly, the capital ratio calculated in accordance with the solvency requirements for credit institutions was 75 per cent at 30 June 2026 compared to 63 per cent at end-2025.

> "During the spring, we lowered our prices of loans and leases further – at the same time, lending activity exceeded expectations. This is considered a positive development in view of our key task: to provide stable funding at low costs to municipalities and regions.
>
> **Morten Sund**
> Head of Finance

Loans and leases

Net lending, i.e. new loans and leases less repayments and redemptions, amounted to DKK 6.4 billion for H1 2026 versus DKK 1.3 billion for H1 2025. Net lending for H1 2026 exceeded expectations by DKK 0.9 billion.

The value of total loans and leases was up by DKK 7.5 billion from end-2025 to DKK 207.2 billion at end-H1 2026. In addition to the growth in nominal lending of DKK 6.4 billion, positive value adjustments accounted for DKK 1.1 billion.

Funding and investments

Total investments, i.e. amounts due from credit institutions and the portfolio of securities, totalled DKK 31.7 billion at end-H1 2026, down by DKK 9.3 billion on end-2025 due to a reduction of our total liquidity resources in consequence of the new funding model.

The value of accumulated funding, i.e. amounts due to credit institutions and debt securities issued, declined by DKK 1.8 billion to DKK 226.3 billion for the period as a result of the funding of the increased lending and the reduced liquidity portfolio.

We still have bonds outstanding in the capital markets issued under the former funding model, and the terms and the security backing those bonds are unchanged.

> The most recent information supplied to our investors is available on our website

Total assets declined by DKK 3 billion to DKK 248.4 billion for the period, largely reflecting the reduction of our total liquidity resources, which is only partly offset by the increase in lending.

Outlook for 2026

With net interest income of DKK 250 million for H1 2026, we maintain our expectation of net interest income of DKK 500 million for FY 2026. We have adjusted our expectation for net lending upwards from DKK 5.5 billion to DKK 6.5 billion reflecting the higher-than-expected net lending in H1 2026. The upward adjustment allows for known repayments and an expectation of lower lending activity in H2 2026 following the high activity level in H1 2026.

Our expectation for administrative expenses is unchanged at DKK 225 million. Accordingly, we expect profit for the year before value adjustments and tax to total DKK 275 million.

We expect to maintain our equity ratio at not less than 3 per cent of total assets, which is consistent with Kommune Kredit's target.

02 Financial statements

Municipality of Aarhus
Three new electric disability vehicles

Comprehensive income

DKKm	Note	H1 2026	H1 2025
Interest income		2,382	2,664
Interest expense		-2,132	-2,296
Net interest income		**250**	**368**
Other operating income		1	78
Other operating expenses		-2	-7
Staff costs and administrative expenses		-103	-101
Profit/loss before value adjustments		**146**	**338**
Value adjustments of financial instruments		190	-516
Profit/loss before tax		**336**	**-178**
Tax on profit/loss for the period		-74	39
Profit/loss for the period		**262**	**-139**
Other comprehensive income			
Actuarial gains and losses		0	0
Tax on actuarial gains and losses		0	0
Comprehensive income for the period		**262**	**-139**
Allocated as follows:			
Transferred to equity		262	-139
Total		**262**	**-139**

Balance sheet

DKKm	Note	30 Jun 2026	31 Dec 2025
Assets			
Due from credit institutions		68	139
Loans		196,752	189,348
Leases		10,409	10,279
Portfolio of securities		31,590	40,860
Derivative financial instruments		9,560	10,723
Other assets		27	54
Current tax assets		17	65
Total assets		**248,423**	**251,468**
Liabilities and equity			
Due to credit institutions		3	0
Debt securities issued		226,275	228,032
Derivative financial instruments		10,729	12,302
Other liabilities		500	480
Current tax liabilities		0	0
Deferred tax liabilities		555	555
Total liabilities		**238,062**	**241,369**
Equity		**10,361**	**10,099**
Total liabilities and equity		**248,423**	**251,468**

Equity

DKKm	Note	H1 2026	H1 2025
Equity			
Equity at 1 January		10,099	10,188
Revaluation reserve			
Revaluation reserve reversed		0	-45
Transferred to equity			
Profit/loss for the period		262	-139
Other comprehensive income			
Actuarial adjustments		0	0
Tax on other comprehensive income		0	0
Other comprehensive income after tax		**0**	**0**
Transferred to equity in total		**262**	**-184**
Equity at 30 June		**10,361**	**10,004**

Comprehensive income for the period is transferred to equity in accordance with KommuneKredit's Articles of Association.

Equity increased to DKK 10,361 million at 30 June 2026 from DKK 10,099 million at 31 December 2025. At 30 June 2026, equity accounted for 4.2 per cent of assets, which is 0.2 per cent higher than at 31 December 2025. Equity consists of Common Equity Tier 1 (CET1) capital.

According to the Act on KommuneKredit, equity must account for at least 1 per cent of liabilities, corresponding to DKK 2,381 million. According to the target set by the Board of Directors, equity must account for at least 3 per cent of assets as this is considered a suitable capital base to underpin KommuneKredit's activities.

Equity at 1 January and 30 June contains a net revaluation reserve of DKK 2 million.

Cash flows

DKKm	Note	H1 2026	H1 2025
Profit/loss before tax		336	-178
Depreciation, amortisation and impairment		0	0
Other adjustments		0	-76
Income tax paid		-26	-45
Total		**310**	**-299**
Net interest income reversed		-250	-368
Financial income received		2,382	2,664
Financial expenses paid		-2,132	-2,296
Change in lending		-7,535	-4,477
Change in portfolio of securities		9,270	4,631
Change in debt securities issued		-1,757	-6,836
Change in derivative financial liabilities		-1,573	1,827
Change in derivative financial assets		1,163	2,942
Change in other assets		27	6
Change in other liabilities		21	-33
Cash flows from operating activities		**-74**	**-2,239**
Sale of other assets		0	111
Purchase of other assets		0	0
Cash flows from investing activities		**0**	**111**
Cash flows from financing activities		**-**	**-**
Change in cash and cash equivalents		**-74**	**-2,128**
Cash and cash equivalents at 1 January		139	2,344
Cash and cash equivalents at 30 June		**65**	**216**
Specified as follows:			
Deposits with credit institutions		68	216
Short-term payables to credit institutions		-3	0
Cash and cash equivalents at 30 June		**65**	**216**

Notes

Note 1 Accounting policies

General information
This interim report covers the period 1 January – 30 June 2026.

The interim report is presented in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional disclosure requirements for interim reports.

Unless otherwise indicated, all amounts in the interim report are stated in DKK million. The stated totals have been calculated on the basis of actual amounts before rounding. As amounts are rounded to the nearest DKK million, there may be minor differences between the sum of individual amounts and the stated totals.

The accounting policies are unchanged from the 2025 Annual Report. For a full description of the accounting policies, reference is made to that report.

Change in accounting policies
There are no new or amended IFRS standards or interpretations entering into force and effective for the financial year 2026 or later which are considered to have an impact on the financial reporting for 2026.

Significant accounting estimates and judgments
In the preparation of the interim financial statements, Management makes a number of accounting estimates and judgments. The estimates and judgments are made in accordance with the accounting policies based on assumptions that Management deems reasonable and realistic, but which are inherently uncertain and unpredictable. The accounting estimates and judgments are tested and assessed in an ongoing process to ensure that they reflect the historical experience and assessments of future conditions.

The accounting estimates and judgments deemed most critical to the financial statements are where the calculation of fair value is based on input not directly observable in the market and where there is no opposite effect.

In particular, estimates and judgments with respect to the valuation of debt securities issued that are not a part of the bond circuit and have been issued prior to KommuneKredit's new funding model may affect the financial statements. As there is no active market for these securities, significant accounting estimates are used in the valuation.

Estimates and judgments in the valuation of certain derivatives may also affect the financial statements as there are no directly observable prices in the market. Observable input in generally accepted cash flow models is used instead.

There is no observable market for the valuation of loans that are not part of the bond circuit, which means that KommuneKredit applies its own current lending prices as market prices.

For all other financial instruments, the valuation does not involve significant estimates. This is either because quoted prices in an active market are available for these instruments, or because the estimates applied have no significant accounting impact.

Relative to the 2025 Annual Report, no changes have been made to the accounting estimates applied. A full description of the methods and principles for making accounting estimates and estimates of the fair value of financial instruments appear from the 2025 Annual Report.

Note 2 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Note 3 Specification of fair value of financial instruments

In accordance with IFRS 13 Fair Value Measurement, financial instruments measured at fair value must be classified in a fair value hierarchy ranging from level 1 to level 3, depending on how the fair values have been determined and the data on which they are based. The fair value is the amount for which a financial asset or a financial liability can be exchanged between knowledgeable, willing parties.

Fair value is measured on the basis of the following hierarchy:

Level 1: Quoted prices in an active market for identical assets or liabilities.

Level 2: Observable input based on quoted prices in an active market for similar assets or liabilities, or other valuation methods in which the valuation is based substantially on observable input.

Level 3: Non-observable input where the valuation is not based substantially on observable input.

The valuation of fair values in levels 2 and 3 is based on generally accepted models. KommuneKredit uses both A) quoted prices for similar issues adjusted for liquidity, credit risk and conversion rights and B) discounted cash flow models where all estimated and fixed cash flows are discounted using zero-coupon yield curves as well as yield curve and option models.

A) KommuneKredit uses quoted prices for similar issues adjusted for liquidity, credit risk and conversion rights on the part of debt securities issued and loans referred to as the bond circuit. The bond circuit is characterised by being based on the mortgage credit balance principle where the terms and conditions of the debt securities issued by KommuneKredit are passed on directly to the bond loan to the customer with the addition of a margin determined by KommuneKredit.

The securities in the bond circuit are issued on Nasdaq Copenhagen, but the bonds are illiquid as the frequency and volume of trading is insufficient. Consequently, the quoted price cannot be used, and quoted prices of similar issues adjusted for liquidity, credit risk and conversion rights are used instead. Mortgage or government bonds with similar characteristics are examples of such similar issues. As the credit risk on loans to customers corresponds to the debt securities issued, the price of the debt securities issued is also used for the bond loan. Price changes will thus not have any impact on profit or loss.

B) KommuneKredit uses discounted cash flows for derivatives, the remaining part of the debt securities issued, which are also considered illiquid, and loans which are stated at fair value and are not part of the bond circuit.

The calculation of fair value in level 2 includes observable input like swap rates, currency basis swap spreads, tenor spreads, exchange rates, etc. The valuation of debt securities issued also includes KommuneKredit's estimate of current funding costs. Since KommuneKredit obtains funding at rates corresponding to Danish government bond yields, the government bond yields are used as KommuneKredit's current funding costs. The valuation of lending includes KommuneKredit's current lending prices. KommuneKredit aims to keep lending margins relatively constant by adjusting current lending prices on a regular basis in relation to estimated current funding costs. Changes in current funding costs will thus be partly set off by changes in current lending prices.

A small part of KommuneKredit's debt securities issued and derivatives is classified as fair value level 3. This level is used for structured notes issued and the pertaining hedging derivatives for which input, in addition to input that applies to fair value level 2, also consists of non-observable input like volatility of currencies, equities and commodities and the correlation between them.

The structured notes issued are micro-hedged by derivatives, and changes in the non-observable input will therefore not have any significant impact on profit or loss as changes in issuance will have the opposite effect on the derivative financial instrument.

KommuneKredit pursues a risk management strategy of eliminating market risk by using financial instruments. Consequently, the net effect on comprehensive income and equity derived from changes in estimates and assumptions used to calculate the fair value under levels 2 and 3 is reduced to include changes in funding costs and lending prices.

No transfers between the levels were made in H1 2026.

Note 3 Specification of fair value of financial instruments – continued

DKKm	Level 1	Level 2	Level 3	Total
30 June 2026				
Assets				
Due from credit institutions	68	0	0	68
Loans	0	196,752	0	196,752
Portfolio of securities	31,590	0	0	31,590
Derivative financial instruments	0	9,287	273	9,560
Total assets	**31,658**	**206,039**	**273**	**237,970**
Liabilities				
Due to credit institutions	3	0	0	3
Debt securities issued	0	223,861	2,414	226,275
Derivative financial instruments	0	10,378	351	10,729
Total liabilities	**3**	**234,239**	**2,765**	**237,007**

DKKm	Level 1	Level 2	Level 3	Total
31 December 2025				
Assets				
Due from credit institutions	139	0	0	139
Loans	0	189,348	0	189,348
Portfolio of securities	40,860	0	0	40,860
Derivative financial instruments	0	10,437	286	10,723
Total assets	**40,999**	**199,785**	**286**	**241,070**
Liabilities				
Due to credit institutions	0	0	0	0
Debt securities issued	0	225,301	2,731	228,032
Derivative financial instruments	0	11,979	323	12,302
Total liabilities	**0**	**237,280**	**3,054**	**240,334**

Note 3 Specification of level 3 fair value

DKKm	1 Jan	Additions	Disposals	Recognised in profit for the period	30 Jun
30 June 2026					
Assets					
Due from credit institutions	0	0	0	0	0
Loans	0	0	0	0	0
Portfolio of securities	0	0	0	0	0
Derivative financial instruments	286	0	-64	51	273
Total assets	**286**	**0**	**-64**	**51**	**273**
Liabilities					
Due to credit institutions	0	0	0	0	0
Debt securities issued	2,731	0	-318	1	2,414
Derivative financial instruments	323	0	-4	32	351
Total liabilities	**3,054**	**0**	**-322**	**33**	**2,765**

DKKm	1 Jan	Additions	Disposals	Recognised in profit for the period	31 Dec
31 December 2025					
Assets					
Due from credit institutions	0	0	0	0	0
Loans	0	0	0	0	0
Portfolio of securities	0	0	0	0	0
Derivative financial instruments	251	0	-8	43	286
Total assets	**251**	**0**	**-8**	**43**	**286**
Liabilities					
Due to credit institutions	0	0	0	0	0
Debt securities issued	3,022	0	-247	-44	2,731
Derivative financial instruments	386	0	-12	-51	323
Total liabilities	**3,408**	**0**	**-259**	**-95**	**3,054**

Note 4 Specification of fair value of financial instruments

KommuneKredit settles foreign exchange transactions and derivatives on a net basis when a master netting agreement (ISDA Master Agreement) includes an agreement on Cross-Transaction Payment Netting. The net settlement entails that the accounting value of derivatives contains offsetting in the balance sheet. Total offsetting amounted to DKK 6,680 million at 30 June 2026 against DKK 7,440 million at 31 December 2025.

In ISDA Master Agreements where no Cross-Transaction Payment Netting is included, the accounting values will not include offsetting. The netting value of derivatives not offset is limited to the lesser of assets and liabilities calculated per counterparty. The amount is recorded as both assets and liabilities.

ISDA Master Agreements include unilateral or bilateral collateral agreements relating to derivatives. Collateral received and posted under these agreements solely includes bonds with a high credit rating. The amount of collateral is calculated per counterparty and has been limited to the net value of the financial instruments for which the bonds have been provided as collateral. The collateral agreements only allow offsetting in case of bankruptcy and not on a regular basis. No offsetting is applied for the value of the collateral.

KommuneKredit has not entered into any netting agreements and has not posted or received any collateral in relation to loans, leases or debt securities issued. Accordingly, these financial instruments are not included in the table below. The carrying amounts appear from the balance sheet.

Derivatives presented in the balance sheet

	Values offset			Values not offset		
DKKm	Gross carrying	Set-off	Carrying amount	Financial instruments	Collateral	Net value
30 June 2026						
Assets	16,240	-6,680	9,560	-2,371	-6,731	458
Liabilities	17,409	-6,680	10,729	-2,371	-8,142	216
Net	**-1,169**	**0**	**-1,169**	**0**	**1,411**	**242**
31 December 2025						
Assets	18,163	-7,440	10,723	-2,994	-7,265	464
Liabilities	19,742	-7,440	12,302	-2,994	-9,179	129
Net	**-1,579**	**0**	**-1,579**	**0**	**1,914**	**335**

Note 5 Key figures and financial ratios

Million	H1 2026	H1 2026	H1 2025	H1 2024	H1 2023	H1 2022	FY 2025
	EUR	*DKK*	*DKK*	*DKK*	*DKK*	*DKK*	*DKK*
Key figures							
Net interest and fee income	33	249	439	329	187	185	713
Value adjustment of financial instruments	25	190	-516	-502	153	535	-552
Staff costs and administrative expenses	-14	-103	-101	-99	-100	-119	-206
Impairment of loans and receivables, etc.	0	0	0	0	0	0	0
Profit/loss for the period	35	262	-139	-212	187	468	-44
Loans and leases	27,715	207,161	198,588	190,748	181,070	179,513	199,627
Equity	1,386	10,361	10,004	9,968	9,953	9,243	10,099
Assets	33,236	248,423	247,245	250,617	240,280	245,327	251,468
Debt securities issued	30,273	226,275	224,333	226,063	211,642	221,784	228,032
Portfolio of securities	4,226	31,590	38,986	45,125	46,279	50,530	40,860
Investments in property, plant and equipment	0	0	0	0	3	0	0
Activities for the period							
Loans and leases, net additions in nominal value (net lending)	853	6,379	1,315	5,616	4,296	3,367	4,186
Loans and leases, gross additions in nominal value	2,937	21,954	21,304	20,439	16,508	16,912	44,054
Debt securities issued, gross additions in nominal value	2,462	18,399	18,137	28,594	24,801	33,319	36,368

Key figures and financial ratios have been calculated in accordance with the accounting provisions applicable to KommuneKredit.
Exchange rate at 30 June 2026: EUR 100 = DKK 747.458.

Million	H1 2026	H1 2026	H1 2025	H1 2024	H1 2023	H1 2022	FY 2025
	EUR	*DKK*	*DKK*	*DKK*	*DKK*	*DKK*	*DKK*
Financial ratios							
Capital base relative to minimum capital requirement	9.4	9.4	7.3	6.9	8.1	7.0	7.8
Solvency ratio	75	75	59	55	65	56	63
Equity Tier 1 ratio	75	75	60	56	66	57	63
Return on equity before tax, %	3.3	3.3	-1.8	-2.7	2.4	6.7	-0.4
Return on equity after tax, %	2.6	2.6	-1.4	-2.1	1.9	5.2	-0.4
Income/cost ratio	4.3	4.3	-0.8	-1.7	3.4	6.1	0.8
Total risk exposure amount (REA)	1,839	13,747	16,641	17,861	15,176	16,267	16,012
Common Equity Tier 1 (CET1) capital	1,386	10,361	10,004	9,968	9,953	9,243	10,099
Capital base	1,380	10,316	9,735	9,880	9,873	9,136	10,033
Interest rate risk	37	277	197	66	309	239	254
Currency position	8	57	211	1,037	873	394	241
Loans to deposits, %	91.6	91.6	88.5	84.4	85.6	80.9	87.5
Loans to equity	20.0	20.0	19.9	19.1	18.2	19.4	19.8
Impairment rate for the period	0	0	0	0	0	0	0
Return on assets (profit for the period/total assets), %	0.1	0.1	-0.1	-0.1	0.1	0.2	0.0
Equity ratio after tax, %	4.2	4.2	4.0	4.0	4.1	3.5	4.0
Expenses/assets, %	0.04	0.04	0.04	0.04	0.04	0.05	0.08
Net interest income/assets, %	0.10	0.10	0.15	0.13	0.08	0.08	0.25
Number of full-time employees	100	100	101	104	102	94	100

03

Statement and reports

Regional Municipality of Bornholm
Machinery for the cleaning, reuse and recycling of local bricks

Management's statement

The Board of Directors and the Management Board have today considered and adopted the interim report of KommuneKredit for the period 1 January – 30 June 2026.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for issuers of listed bonds.

In our opinion, the financial statements give a true and fair view of the financial position of KommuneKredit at 30 June 2026 and of the comprehensive income of KommuneKredit's operations and cash flows for the period 1 January – 30 June 2026.

It is also our opinion that the Management's review gives a true and fair view of the development in KommuneKredit's operations and financial matters, principal risks and uncertainties, the comprehensive income for the period and KommuneKredit's financial position as such.

Copenhagen, 17 September 2026

Management Board

Jens Lundager
Chief Executive Officer

Henrik Andersen
Managing Director

Board of Directors

Martin Damm
Chairman

Thomas Lykke Pedersen
Vice Chairman

Birgit Aagaard-Svendsen

Astrid Aller

Gitte Bundgaard

Christian Hem

Susanne Kure

Tormod Olsen

Lars Storgaard

Peter Sørensen

The independent auditor’s report

To the board of directors of KommuneKredit

We have reviewed the interim financial statements of KommuneKredit for the period 01.01.2026 - 30.06.2026, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

Management's responsibility for the interim financial statements
Management is responsible for the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for interim reports of issuers of listed bonds, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express a conclusion on the interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of KommuneKredit and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of KommuneKredit is a limited assurance engagement. The auditor performs procedures primarily consisting of inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements for the period 01.01.2026 - 30.06.2026 have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for interim reports of issuers of listed bonds.

Statement on the management report
Management is responsible for the management report.

Our conclusion on the interim financial statements does not cover the management report, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management report provides the information required under the Danish disclosure requirements for interim reports of issuers of listed bonds.

Based on the work we have performed, we conclude that the management report is in accordance with the interim financial statements and has been prepared in accordance with the requirements of the Danish disclosure requirements for interim reports of issuers of listed bonds. We did not identify any material misstatement of the management report.

Copenhagen, 17 September 2026

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wellejus State Authorised Public Accountant Identification No (MNE) mne24807	**Jens Ringbæk** State Authorised Public Accountant Identification No (MNE) mne27735

Report of the auditor appointed by the Minister

To the Board of Directors of KommuneKredit

As the auditor appointed by the Minister, I have reviewed the interim financial statements of KommuneKredit for the period 1 January – 30 June 2026 prepared by Management. In addition, I have read the Management's review.

During my review, I did not identify any non-compliance with the framework for KommuneKredit's lending operations, which I supervise.

Copenhagen, 17 September 2026

Per Hansen

04

Additional information

Municipality of Hjørring
Standby generators to ensure electricity for critical facilities and basic functions at institutions for the elderly, etc.

Definitions

Benchmark: Public issues under a standard loan programme. Terms to maturity often vary between 3 and 10 years depending on currency.

Bond circuit: The bond circuit is characterised by being based on the mortgage credit balance principle where the terms and conditions of the debt securities issued by KommuneKredit are passed on directly to the bond loan to the customer with the addition of a margin determined by KommuneKredit.

Cap: An interest rate cap is a maximum interest rate on a given financial instrument with variable interest payments.

Capital base: Common Equity Tier 1 (CET1) capital less various deductions (including prudent valuation adjustment, current losses and intangible assets).

Collateral agreement (Credit Support Annex): Agreement between financial counterparties on the exchange of collateral in case of fluctuations in the market value of derivatives.

Cross-Transaction Payment Netting: When payments are netted into one net payment across multiple transactions.

CVA: Credit Value Adjustment (CVA) designates the value by which derivatives must be adjusted to reflect the probability of a counterparty's default.

Cyclical fluctuations: Cyclical fluctuations are changes in economic activity in the Danish society over a long period of time.

DVA: Debt Value Adjustment (DVA) designates the value by which derivatives must be adjusted to reflect the probability of KommuneKredit's default.

ECP: European Commercial Paper (ECP) are issues under a standard loan programme with a short term to maturity.

Floor: An interest rate floor is a minimum interest rate on a given financial instrument with variable interest payments.

Funding spread: KommuneKredit's funding spread is its funding costs relative to the variable market rate in Danish kroner.

Green Bond Framework (GBF): The framework for KommuneKredit's issue of green bonds, including the criteria defining which loan purposes may be classified as green.

Haircut: Deductions in the market value of bonds, the size depending on the liquidity properties of the bond.

HQLA: High-quality liquid assets.

ICMA: International Capital Market Association.

ISDA Master Agreement: Bilateral framework agreement and master netting agreement for trading in OTC derivatives between financial counterparties.

Kangaroo: Issues in Australian dollars primarily for Australian and Japanese investors under a standardised loan programme.

Nasdaq Copenhagen: Bonds listed on the Copenhagen Stock Exchange. These bonds are often denominated in Danish kroner.

Net lending: Net additions of loans and leases in nominal value.

Net Stable Funding Ratio (NSFR): The ratio between defined stable funding and the estimated need for stable funding. The financial ratio was introduced in connection with Basel III and subsequently CRR/CRD IV.

Private placement: An issue directed at a single investor. Issues may be denominated in different currencies and terms to maturity.

Risk tolerance: The level of risk a business is willing to accept.

Risk weight: Weight attributed to the individual exposures when calculating the capital ratio. Given by the solvency rules for credit institutions.

Structured notes: Structured notes are typically a mixture of a bond and an embedded element of derivatives (most often options) which provides exposure to other forms of investment assets, for example developments in a price, interest rate or equity index or a selection of equities.

TCFD: Task Force on Climate-related Financial Disclosures.

Total liquidity resources: Total liquidity resources are composed of equity and liquidity resources.

Uridashi: Issue for the Japanese retail market under a standard loan programme.

Definition of financial ratios

Capital base
Common Equity Tier 1 (CET1) capital less various deductions (including prudent valuation adjustment, current losses and intangible assets).

Capital base relative to minimum capital requirement
The ratio of base capital to minimum capital requirement; KommuneKredit is not subject to any minimum capital requirement but calculates it as 8% of total risk exposure.

Common Equity Tier 1 (CET1) capital
Equity less various deductions. In KommuneKredit's case deductions amount to zero.

Currency position
Currency position represents the sum of all short-term currency positions and the sum of all long-term currency positions whichever is larger.

Equity ratio after tax, %
Equity as per cent of total assets.

Equity Tier 1 ratio
Base capital relative to total risk exposure.

Expenses/assets, %
Expenses for the period to assets at end of period.

Impairment rate for the year
Impairment of/provisions for loans and leases for the period as per cent of loans and leases.

Income/cost ratio (DKK)
Income including value adjustments of securities as per cent of costs including loan impairment. The ratio contains all the income statement items before tax.

Interest rate risk
Effect on fair value adjustments of a 1 percentage point increase in interest rates overall.

Loans and leases, net additions in nominal value (net lending)
Increase in net loans and leases for the year, from beginning of period to end of period.

Loans to deposits
Loans and leases plus impairment as per cent of securities issued (deposits).

Loans to equity
Loans and leases at end of period to equity at end of period.

Net interest and fee income
Net interest income and other operating income and other operating expenses.

Net interest income/assets, %
Net interest and fee income for the period to assets at end of period

Return on capital employed (profit for the year/ total assets), %
Profit or loss for the year as per cent of total assets.

Return on equity after tax
Profit or loss for the period after tax as per cent of average equity. Average equity is calculated as a simple average of equity at 1 January and equity at 30 June.

Return on equity before tax
Profit or loss for the period before tax as per cent of average equity. Average equity is calculated as a simple average of equity at 1 January and equity at 30 June.

Solvency ratio
Base capital relative to total risk exposure

Total risk exposure amount (REA)
The value of total assets when calculating the solvency ratio, allowing for the risk weight of the exposure.

Photos
Front page: Climate adaptation and coastal protection project at East Creek (*Øster Å*) (*Karolinelund*), SLA + Mikkel Eye, photographer.

Page 3: KommuneKredit, Finn John Carlsson, photographer.

Page 15: Municipality of Aarhus/Langhøj Aarhus.

Page 24: Gamle Mursten ApS.

Page 29: Municipality of Hjørring.

Other photos: KommuneKredit, Maiken Kestner, photographer.

KommuneKredit

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