

Creating a better
everyday life

Kommunalkredit Austria AG

Corporate Profile

Overview of Kommunalkredit

Investment highlights

KOMMUNAL
KREDIT

1 Top EMEA infra funder with tailor made solutions

2 Long-term oriented strategic shareholder commitment

3 Strong mgm't with track record of creating shareholder value

4 Successful transformation of business model and sustained positive track-record of growth with well-contained risk

5 Maintaining sound capitalisation during period of growth

Business Performance¹

- H1 2020: around EUR 500m new infrastructure & energy commitments
- Placement volume of EUR 185m
- 61%¹ of gross revenues of the banking business generated by infrastructure and energy financing

Specialised Infrastructure Bank

- CF-based, asset secured, predictably performing investments
- International team with outstanding industry expertise
- High "hit" ratio due to wide product ability and tapping primary markets | Client base delivering repeat deals
- Strong track record in managing risk and growing business | Attractive risk/reward profile

Business Model

Segments
Products
Regions
Clients

- Energy & Environment | Transport | Social Infrastructure | Communication & Digitalisation | Natural Resources
- Financial advisory | Senior debt | Junior funding
- Infra debt fund platform "Fidelio KA"
- Europe & selected OECD
- Corporates | Developers | Advisors | Financial investors
- Pensions & insurers | Asset managers | Banks

Infrastructure Investment

- Sustainable infrastructure & energy will always be relevant
- Demography | Technology | Climate change | Globalisation ...
- Very low default rates
- Recovery rates not correlated with economic cycle
- High investor demand

Vision

- 50 | 50 | 10 – Operating result | CIR | RoE

Mission

- Providing sustainable benefits to the community

¹ Results H1 2020 according to IFRS, in EUR m

Overview of Kommunalcredit (cont'd)

Performance highlights

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Profitability Profile

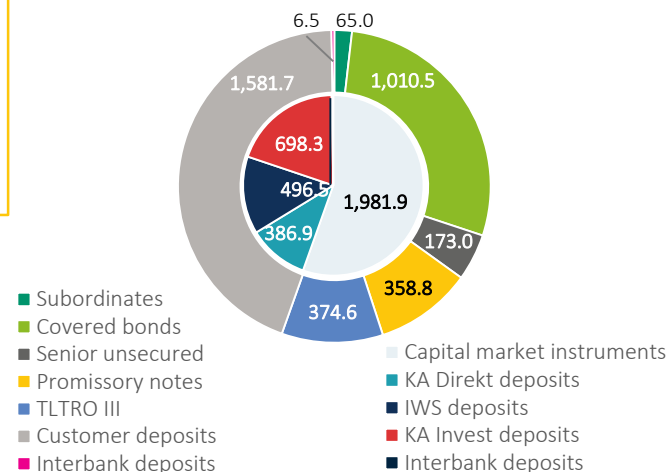
- Infrastructure & energy performance leads to improved profitability
- Attractive return on investment
- Growing price/book value
- H1 2019 EUR 20m capital increase by main shareholders
- No dividend payment in 2020: net profit provisionally retained to strengthen capital

Risk Profile

- High quality of assets
- 0% NPL ratio
- Portfolio 74% investment grade
- DBRS Morningstar ratings upgrade to BBB / R-2 (high) with stable outlook – contrary to the market trend (October 2020)

Highlights (EUR m)	IFRS				Local GAAP			
	'17	'18	'19	H1 '20	'17	'18	'19	H1 '20
Infra & Energy revenues	13	33	54	32	21	37	59	30
Other banking revenues	35	42	35	15	35	32	26	11
Operating result	8	23	33	19	14	22	27	9
Result after tax	18	14	30	12	19	30	30	11
Cost/Income ratio	88%	70%	63%	60%	83%	67%	63%	71%
RoE pre-tax	3%	14%	10%	10%	8%	13%	11%	7%
Sundry (EUR m or %)	'17	'18	'19	H1 '20				
Equity								
- IFRS	283	295	341	350				
- Local GAAP	245	264	314	325				
CET 1 ratio (local GAAP)	23%	20%	19%	18%				
LCR	445%	454%	765%	526%				
Headcount								
- Bank	206	174	170	179				
- Group	304	274	275	281				

Refinancing Structure in EUR m as of 30/06/2020



Overview of Kommunalkredit (cont'd)

Vision | Mission | USP

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Vision

We will become the most agile & nimble infrastructure bank in Europe helping to create a better world.

Mission

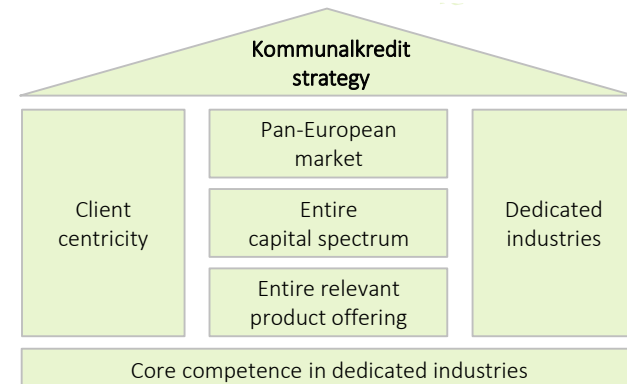
We are always first when it comes to delivering outstanding results with speed & precision. We never stand still. We take “always first” as an obligation to get better every day.

What sets Kommunalkredit apart?

- Unique combination of in-depth industry expertise and structuring know-how with the financing ability of a bank
- Access to solid captive asset and large investor base
- Strong track record of senior team in managing risk and growing business | Investments into talent and development of management
- Ability to price risk adequately and to deliver on our commitment to the sponsors
- Benefit of an agile bank: nimble, flexible, no silo mentality and eagerness to succeed

Benefit to the Community

- We help creating a better world by enabling sustainable infrastructure that improves the quality of people’s lives
- Infrastructure investments serve as a powerful tool for answering social needs and fundamentally increasing the general well-being of communities
- We provide tangible benefit to the community:
Economic dynamism | Urban development and renewal | Job creation | Climate change | Social cohesion
- We focus on secure, safe and sustainable yield to our investors
- Kommunalkredit as partner of choice for long term commitment



Why do we focus on Infrastructure & Energy?

We create value

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We contributed to the education
of approx.

1,100 pupils

Schools



We equipped over
14.6m people
with high speed communication

Telecoms

We support infrastructure
development. We financed
over **480 km of roads**

Roads



We provided environmentally
friendly traffic solutions for
27m passengers annually

Light rail



We provide
7m people
with clean water

Water



We created care
facilities for
1,500 patients

Hospitals



We provided accommodation for
**8,300 elderly &
disabled people**

Care homes



We provide renewable
power to almost
2.7m homes annually
Wind/PV/WtE/Hydro&Therm

We contribute to the
avoidance of **2.4m tonnes**
of waste to landfill annually

Waste to energy



We expanded the electric vehicle
charging network:
10,400 charging points

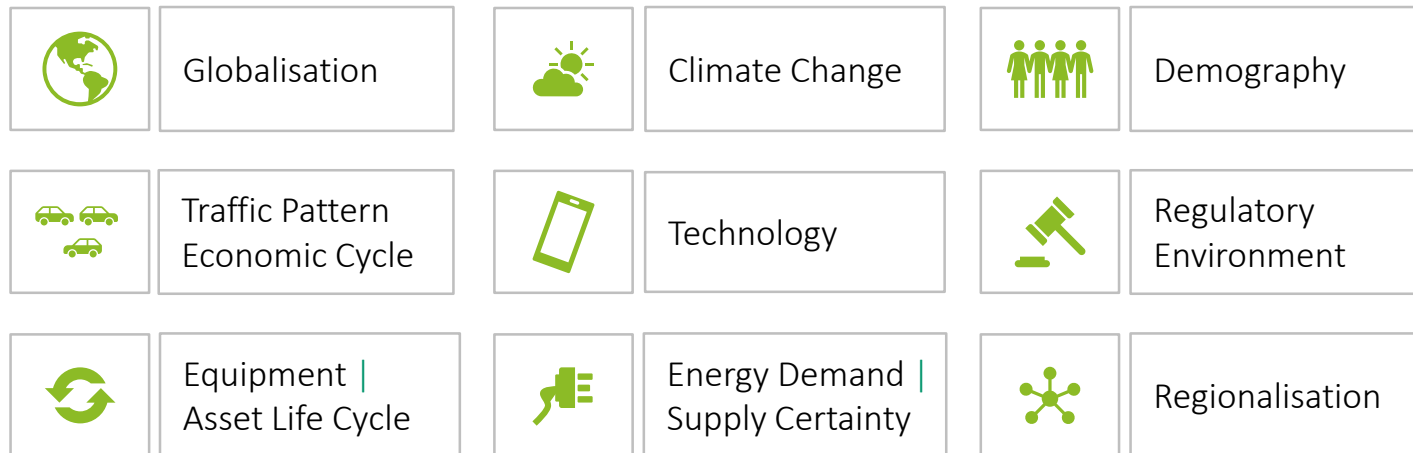
EV Charging



Why do we focus on Infrastructure & Energy? (cont'd)

Infrastructure & energy will always be relevant

Key Infrastructure & Energy Drivers



Why do we focus on Infrastructure & Energy? (cont'd)

Infrastructure & energy is resilient to different economic cycles¹

„1930“

„Japan“

„Yes we
Keynes“

„Argentina“

	Comments	Depression	Deflation	Reflation	(Hyper-) Inflation
Equities	<ul style="list-style-type: none"> Valuation not extremely cheap 	●	●	●	●
Long-dated govies	<ul style="list-style-type: none"> Deflation priced in and supply issue 	●	●	●	●
Short-dated govies	<ul style="list-style-type: none"> Reinvestment risk 	●	●	●	●
Inflation linked	<ul style="list-style-type: none"> Little inflation priced in 	●	●	●	●
High grade credit	<ul style="list-style-type: none"> Extraordinary high defaults priced in premiums 	●	●	●	●
Private equity	<ul style="list-style-type: none"> Operational control 	●	●	●	●
Infrastructure	<ul style="list-style-type: none"> Case by case 	●	●	●	●
Real estate	<ul style="list-style-type: none"> Indexed income, vacancy risk 	●	●	●	●
Natural resources & commodities ex-gold	<ul style="list-style-type: none"> Cyclical weakness in demand Emerging markets growth story 	●	●	●	●
Gold & gold mines	<ul style="list-style-type: none"> Impact of central banks' gold reserves 	●	●	●	●
Cash	<ul style="list-style-type: none"> Providing flexibility 	●	●	●	●

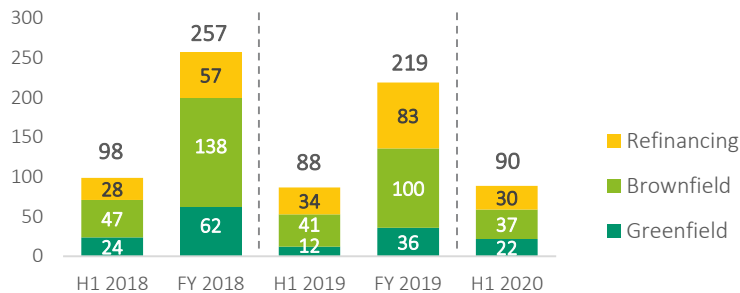
¹ Allianz SE

Why do we focus on Infrastructure & Energy? (cont'd)

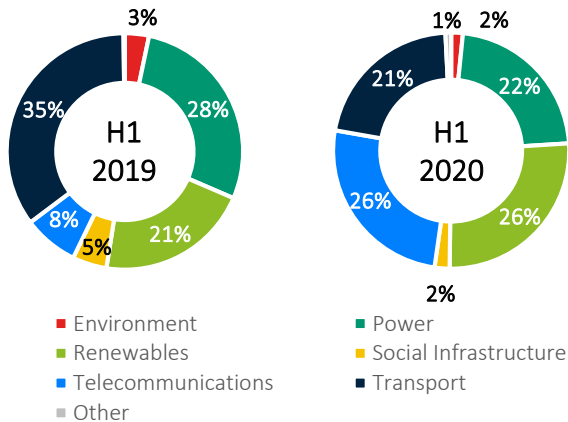
European infrastructure & energy market

European Infrastructure & Energy Market H1 2020¹

Financing Type



Sectoral Distribution



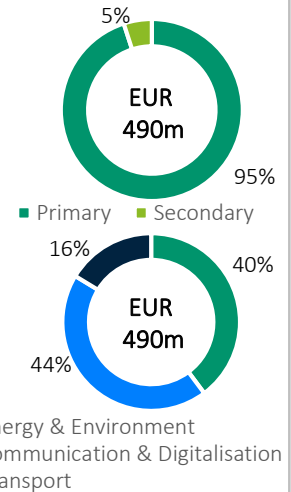
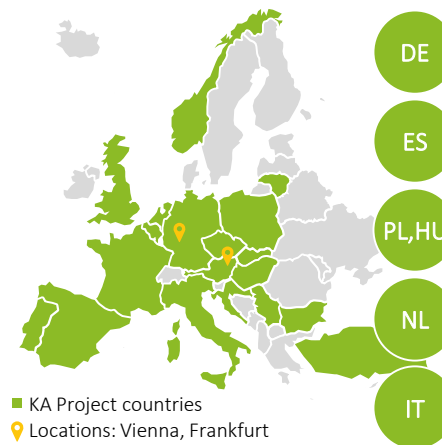
Economic Environment

- Demand for sustainable and intact infrastructure & energy in Europe will remain high following COVID-19 crisis
- Increased relevance of e. g. digital, social and energy infrastructure
- Limited financial latitude of the public sector
- Institutional investors are looking for alternative investment opportunities due to low return environment and regulatory requirements (Solvency II)

Kommunalkredit's Infrastructure & Energy (I&E) Business

Top H1 2020 countries

H1 2020 I&E Business



¹ Source: Inframation & Sparksread – An Acuris Company, 30/06/2020

Awards



Best ESG Infrastructure Finance Europe 2019

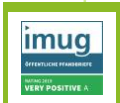
Kommunalkredit Austria



Most Sustainable Infrastructure Project Partner Central Europe 2019

Kommunalkredit Austria

Ratings



Very Positive (A) – 60.05%

Bond Performance
Public Sector Covered Bonds



Positive (BB) – 84.02%
8th (out of 41) in “bank type”
29th (out of 121) in “region”

Sustainability Rating (Issuer)

ESG Framework

- First EMAS¹ certified bank in Austria (since 1997)
- Profound ESG check as integrative part of credit approval process
- Annual certified sustainability report (since 2012)
- Dedicated “ESG Policy” currently being implemented
- First social covered bond issue (ICMA/Sustainalytics) in Austria (2017)
- First Austrian financial institution to join the „European Clean Hydrogen Alliance“
- KOMMUNALKREDIT DIREKT / Invest offering municipalities and retail customers deposit investments to finance ESG eligible assets

Sustainable Development Goals



We feel bound by the UN’s 2030 Agenda and the 17 Sustainable Development Goals (SDGs). We have implemented them into our corporate culture and are already contributing to 12 goals.

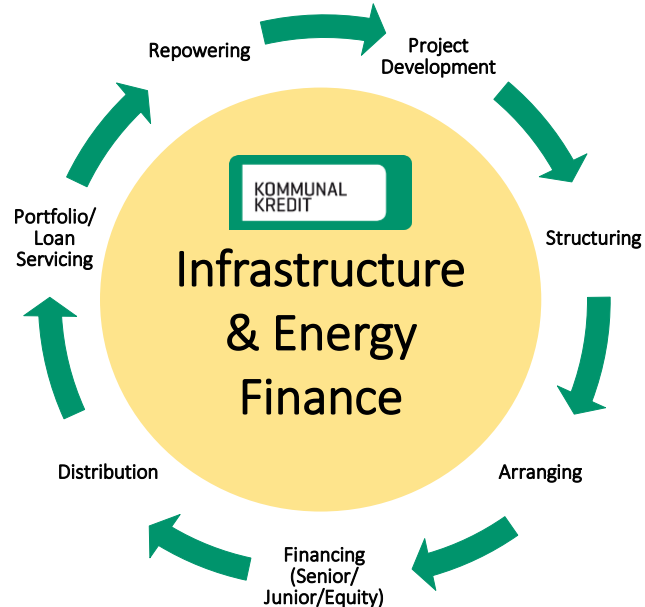
¹ EMAS: Eco-Management and Audit Scheme of European Union

Clear Vision. Concise Mission.

Building an ecosystem around infrastructure & energy

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Covering and tapping the full life cycle



Platform approach with strong added value

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FIDELIO KA
Infrastructure Debt Fund

KOMMUNAL
KREDIT INVEST

KOMMUNAL
KREDIT DIREKT

KOMMUNAL
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PUBLIC CONSULTING

- Using bank capabilities to structure, arrange, finance and distribute infrastructure & energy assets
- Fidelio KA allows institutional investors to get infrastructure & energy exposure via fund vehicle | 1st fund closed in early 2020
- Online retail deposit platform as attractive non-cyclical source of funding
- Online deposit platform for municipalities | Strong historical connection to target group
- KPC: Technical experts for national and international climate projects

Strong Funding Base & Offering

Product offering

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Deposits



KOMMUNAL
KREDIT

Kommunalkredit
Institutional & Wholesale
Our deposit offering
for corporates & institutionals

www.kommunalkredit.at

Amount: min. EUR 500,000
Term: 3 months to 6 years



KOMMUNAL
KREDIT DIREKT

KOMMUNALKREDIT DIREKT Deposits
Our deposit offering
for municipalities

www.kommunalkreditdirekt.at

Amount: min. EUR 20,000
Term: 1 month to 3 years



KOMMUNAL
KREDIT INVEST

KOMMUNALKREDIT INVEST Deposits
Our deposit offering
for retail customers

www.kommunalkreditinvest.at
www.kommunalkreditinvest.de

Amount: max. EUR 500,000
Term: up to 10 years

Strong Funding Base & Offering (cont'd)

Product offering

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Bonds/Promissory notes



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Treasury

Our investment offering
for institutional investors

www.kommunalkredit.at

Amount: min. EUR 5m
Term: min. 2 years
Collateralisation: covered/senior unsecured

Infrastructure opportunities fund platform



FIDELIO KA
Infrastructure Debt Fund

Fidelio KA Infrastructure Opportunities Funds

Our investment offering¹
for institutional investors

Amount: min. EUR 5m
Term: min. 10 years

¹ Investment offering only for Austria, Germany and Luxembourg

Fidelio KA Debt Platform (“Fidelio”)

First fund closed, largely invested, sequel funds to be launched in H2 2020

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Value Proposition

- **Direct access to** attractively priced **asset pipeline** originated & structured by KA
- **Fast and transparent conversion** of subscribed capital into yielding investments
- **Alignment of interest** via KA Co-investments
- Stringent & regulated investment process, **risk & portfolio mgmt.** incl. a **Solvency II compliant** reporting & valuation process
- **Experienced international team** with outstanding industry expertise and track record

Fund Strategy

*“Fidelio KA Infrastructure seeks to provide institutional investors with steady, long-term yield from a portfolio of **private infrastructure and energy debt** investments.*

*The reason for success of Fidelio is its exclusive **symbiosis with KA**, managed and administered by an expert independent Alternative Investment Fund Manager (AIFM) in Luxembourg.”*

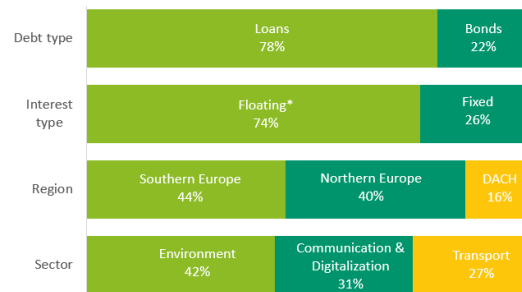
News

- Sub-fund I closed in Q1/2020
- Five projects invested in Q2&Q3/2020
- Sub-fund I to be fully invested by H2/2020
- **Sequel fund concepts** under Luxembourg RAIF in the planning, e.g.:
 - **Senior debt fund II** | EUR ~350m+ | pre-marketing in H2/2020
 - **High Yield** | EUR ~150m | in preparation

Why invest in this Strategy?

- **Stable returns** in all-time low interest rate environment (floored interest rate risk)
- Low observed correlations with other asset classes with **low volatility** compared to e. g. private equity
- Infrastructure loss history far below corporate history (Moody’s study: “Default and Recovery Rates for Project Finance Bank Loans, 1983-2018”)
- Fared well during Covid-19 crisis

Current Portfolio (as per 30 Sep 2020)



* Interest rate floors are established in most projects

Sub-Fund I (ISIN: LU 1848860901; CLOSED)

Fund Volume	EUR 354m
Currency	EUR
Countries	Europe, OECD only
Fund type	LUX RAIF-SCA
Duration	10 years + ext. option
Yield target	Average yield ≈ 3%
# of Investors	6 institutionals
Portfolio rating*	Investment grade (BBB-)

* Indicative initial internal rating, for information purposes only; based on S&P methodology

Executive Board

Significant expansion experience

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Bernd Fislage

CEO

Bernd Fislage has extensive international experience in capital-market, institutional and bank financing of i. a. infrastructure, energy and transport projects. His career in banking includes leading regional and global management positions with Deutsche Bank.

Most recently, he was responsible for Deutsche Bank's global asset finance and structured finance business (ABS, CRE, illiquid trading) in Germany, Austria and Switzerland. Previously, Bernd Fislage worked for NatWest Markets and BHF Bank. He is a graduate of the Technical University of Darmstadt.

Bernd Fislage has been a member of the Executive Board of Kommunalkredit Austria AG since February 2017 and Chief Executive Officer since September 2018.



Jochen Lucht

CFO, CRO, COO

Jochen Lucht brings considerable experience in the international banking business in the areas of finance/accounting, banking operations and HR. Until recently, he was a member of the Executive Board at Hauck & Aufhäuser in Frankfurt, where he was responsible for these divisions.



























Previously, he also held top management positions at BHF Bank, Fidelity International, ING Investment Management and Frankfurt-Trust Investment-Gesellschaft.

Jochen Lucht has been a member of the Executive Board of Kommunalkredit Austria AG since July 2018.

Credentials

Selected reference projects

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 Trinity Broadband GBP 525m Project Finance Lead Arranger, Senior Lender 2020 UK	 Global Tech One Offshore Wind EUR 520m Project Finance MLA, Senior Lender 2020 Germany	 Viveracqua Water Utility EUR 248m Medium Term Note Sole Underwriter 2020 Italy	 Solara4 Solar PV EUR 72.5m Project Finance MLA, Senior Lender 2020 Portugal	 A 49 Road EUR 613.5m PPP Financial Advisor 2020 Germany	 STEAG Waste to Energy EUR 20m Project Finance Arranger, Lender 2020 Germany	 Green Source Solar PV EUR 66m Project Finance MLA, Senior Lender 2020 Hungary	 Reconnect Broadband EUR 80m Project Finance MLA, Majority Lender 2020 Germany	 Intertoll Transport EUR 80 m Acquisition Finance MLA, Sole Underwriter 2020 Poland & Hungary
 Manzanares Solar PV EUR 850m Project Finance Participant 2020 Spain	 Eurofiber Telecom EUR 850m Corporate Finance Senior Lender 2020 The Netherlands	 Dt. Glasfaser Broadband EUR 1.8bn Project Finance MLA, Senior Lender 2020 Germany	 Adamo Broadband EUR 250m Project Finance MLA, Global Coordinator 2020 Spain	 Hampstead CCGT EUR 194.3m Project Finance MLA, Senior Lender 2020 The Netherlands	 Eclipse Solar PV EUR 56.3m Project Finance MLA, Sole Underwriter 2020 CZ & SK	 ARK Data Centre GBP 450m Project Finance Lead Arranger 2019 UK	 RPI Renewables EUR 74m Project Finance MLA, Senior Lender 2019 Spain & Portugal	 Allego EV CPO EUR 120m Project Finance MLA, Senior Lender 2019 The Netherlands
 Solaer PV EUR 69.5m Project Finance & Corporate Finance Sole MLA 2019 Israel	 Ultrafast Broadband EUR 1.1bn Project Finance MLA, Senior Lender 2019 Spain	 Curry Industry EUR 81.5m Project Finance MLA, Senior Lender 2019 Spain	 Bonete Solar PV EUR 60m Project Finance MLA, Senior Lender 2019 Spain	 CSE Group Biomass EUR 70m¹ Project Finance MLA, Senior Lender 2019 Portugal	 Jackson Wind Onshore EUR 65m¹ Project Finance MLA, Senior Lender 2019 The Netherlands	 Galaxy & Neutral Data Centre EUR 1.8bn Project Finance Bookrunner 2019 Italy	 Brebemi Road EUR 430m Project Finance Arranger, Senior Lender 2019 Israel	

¹ Kommunalcredit's ticket

Awards

Confirming the right track

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