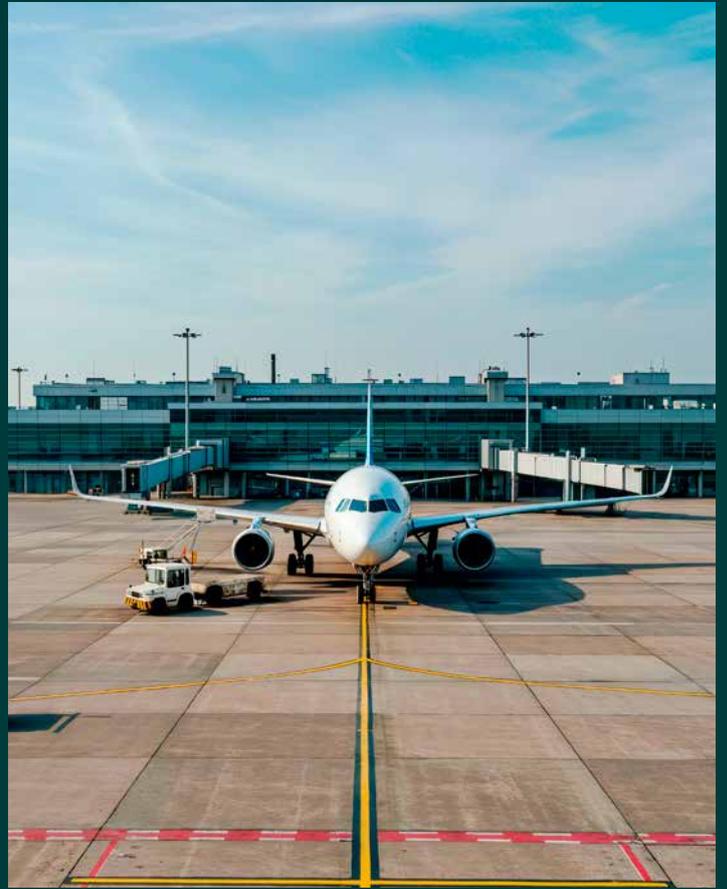


KOMMUNAL
KREDIT

Integrated Annual Report
Kommunalkredit Austria AG
2025

INFRA
BANKING
EXPERTS



KOMMUNAL KREDIT

As an infra banking expert, Kommunalkredit specializes in financing and advising forward-looking infrastructure projects throughout Europe. It is thus strengthening Europe's resilience, promoting economic growth, and accelerating the green and industrial transition.

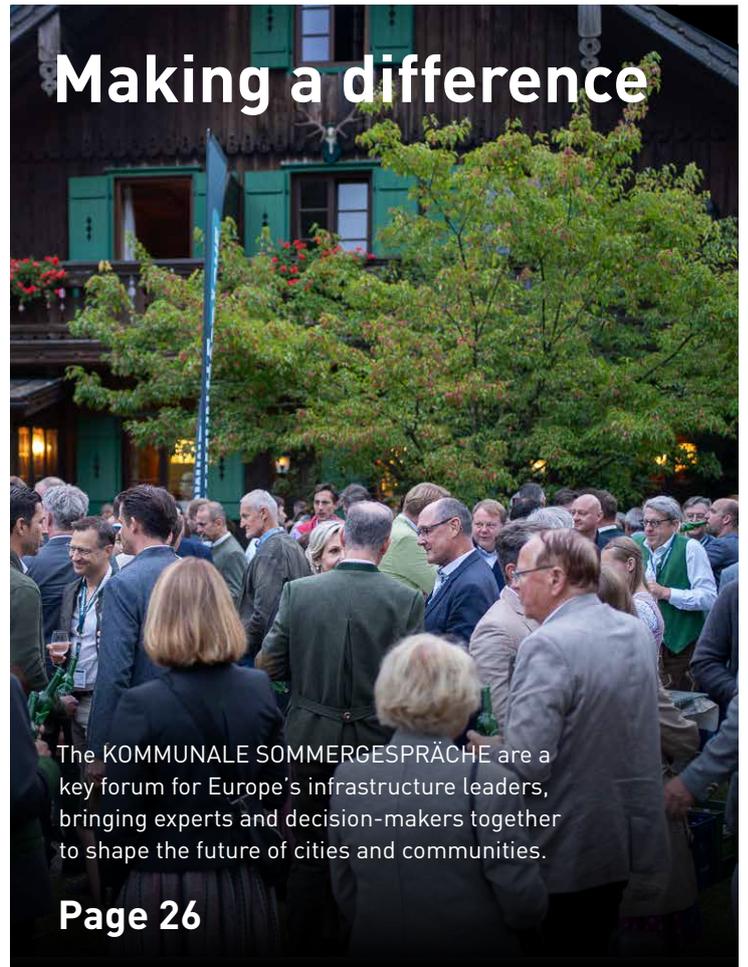
With lending, advisory, asset management, and public finance as its core business fields, the bank supports projects in the areas of Energy & Environment, Communication & Digitalization, Transport, and Social Infrastructure. Kommunalkredit's tailored solutions enable project financing, as well as corporate and acquisition financing in infrastructure and energy.

Founded in 1958, Kommunalkredit has enabled new infrastructure and energy financing with a volume of around EUR 12 billion since 2020 alone. The majority shareholder is European private equity firm Altor, which focuses on innovative companies and the green transition, and has raised more than EUR 12 billion since its inception.

INTEGRATED ANNUAL REPORT KOMMUNALKREDIT AUSTRIA AG 2025

INFRA BANKING EXPERTS

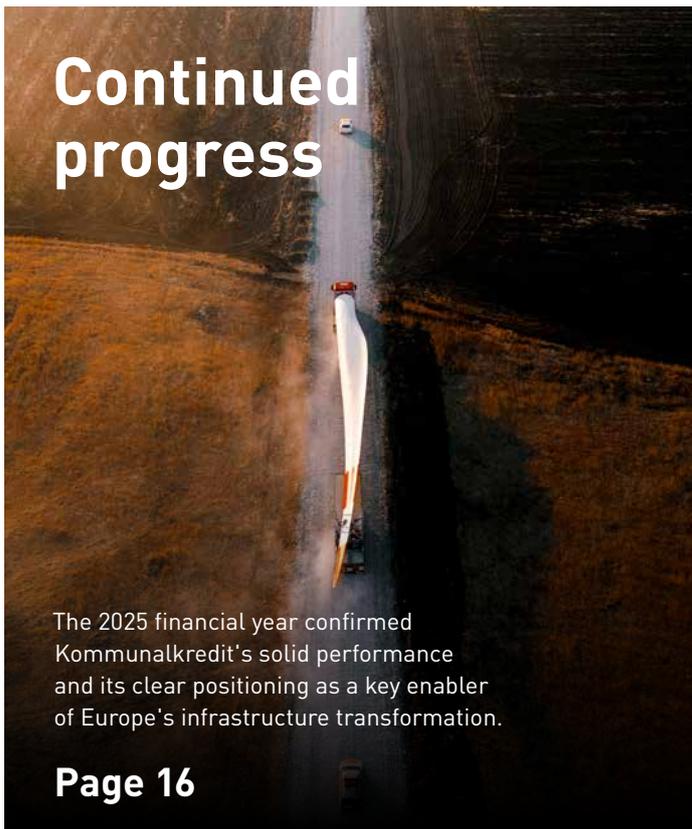
International reach. Sectoral focus.	08
Core markets and sectors	
Spotlight on 2025	12
Key facts and figures	
At the heart of Europe's transition ramp-up	14
Foreword by the CEO	
Continued progress	16
Highlights 2025	
Infra insights	18
Perspectives from our expertise	
Outstanding projects	24
Case studies 2025	
Making a difference	26
A forum for Europe's infrastructure leaders	
A strong team	28
Executive Board	
A solid foundation	30
Ownership and company structure	
Supervisory Board	32
Report by the Supervisory Board	



Making a difference

The KOMMUNALE SOMMERGESPRÄCHE are a key forum for Europe's infrastructure leaders, bringing experts and decision-makers together to shape the future of cities and communities.

Page 26



Continued progress

The 2025 financial year confirmed Kommunalkredit's solid performance and its clear positioning as a key enabler of Europe's infrastructure transformation.

Page 16

Management Report

Economic environment	36
Business review	42
Kommunalkredit on the capital market	48
Equity participations	50
Assets, financial position, and income	54
Employees	58
Other material disclosures	63
Internal control and risk management system	64
Research and development	65
Risk management	66
Sustainability	82
Outlook	97

Financials

Separate financial statements

Statement of financial position
(under the Austrian Banking Act) 102

Income statement
(under the Austrian Banking Act) 104

**Notes to the annual financial statements
of Kommunalkredit Austria AG for the 2025
financial year** 105

Auditor's report 130

Statement by the legal representatives 135

Outstanding projects

Data centers play a central role in infrastructure. Among other things, Kommunalkredit was involved in the implementation of a 90 MW plant in Norway.

Page 24

Increased capital market presence

Strong capital market presence with successfully executed transactions in 2025 serves as a testament to strong confidence in Kommunalkredit.

Page 48

Owner and publisher

Self-published by
Kommunalkredit Austria AG
Tuerkenstrasse 9, 1090 Vienna, Austria
Phone: +43 1 31631
www.kommunalkredit.at

Corporate Communication & Marketing

communication@kommunalkredit.at
Phone: +43 1 31631 593

Investor Relations

investorrelations@kommunalkredit.at
Phone: +43 1 31631 434

Creative direction

Rosebud

Layout

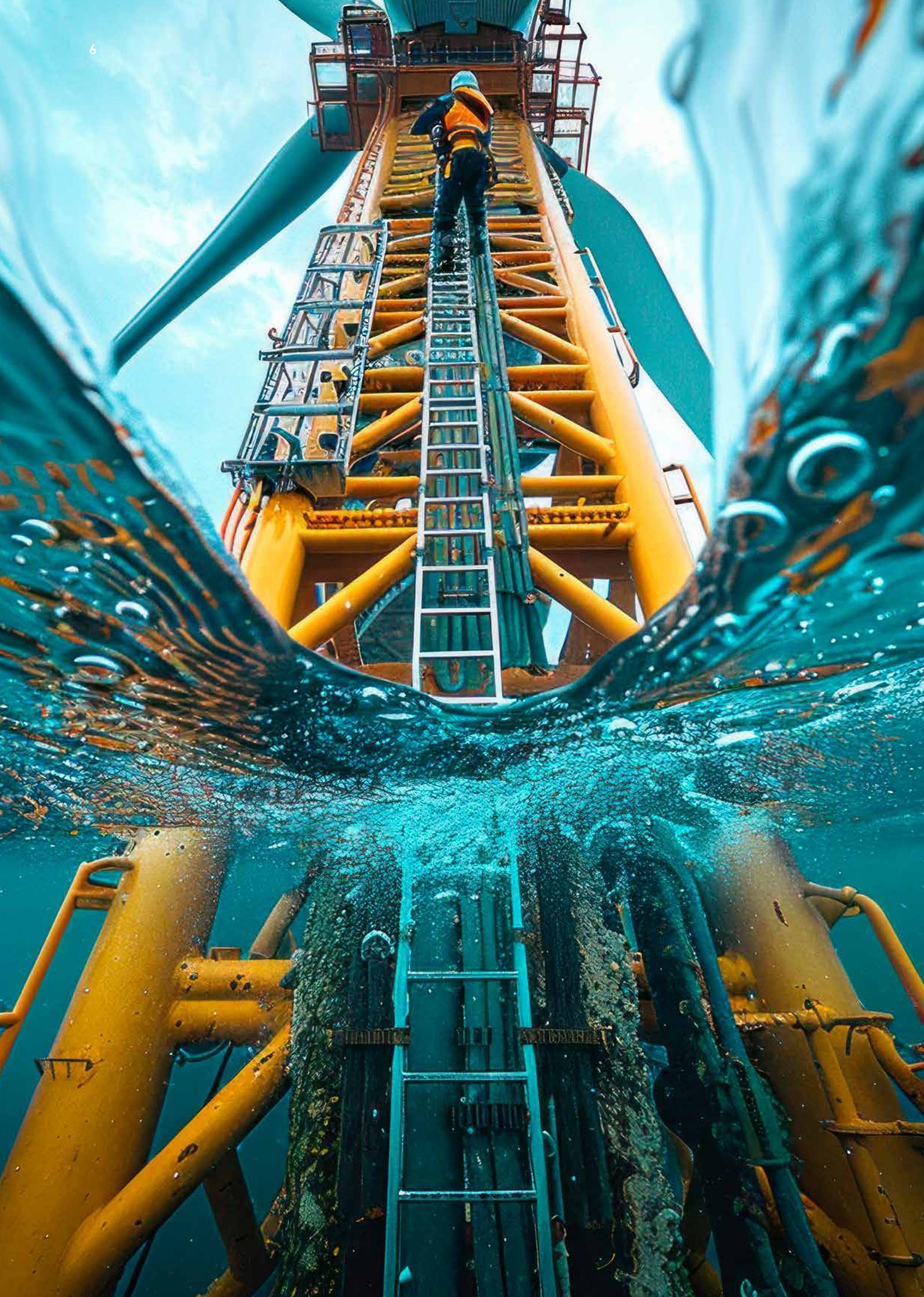
Dechant Grafische Arbeiten

Proofreading & translation

Male Huber Friends

Photos

Adobe Stock (4, 5, 6, 22, 24, 57), Adobe Stock (Maps (c) vukrytas), Adobe Stock (Icons (c) vukrytas, rawku5, peacefully7, Panuwat, davvodda, Waseem, Cetacon, flaticon), Adobe Stock (Flag (c) jehafo, Porcupen), fotowagner.com (4, 14, 17, 26, 27, 28, 29), FRV Fotowatio Renewables Venture (17), Christoph Markus Kleinsasser (52, 53, 59), TheNounProject (Icons), Renalfa Solarpro Group (16), Rosebud x AI. Image created by Rosebud using AI-assisted generative processes (1, 5, 11, 18, 21, 24, 34, 41, 73, 81, 96, 100, 108), Südwerk Energie GmbH (25), WU Wien LC (11)



INFRA BANKING EXPERTS

International reach. Sectoral focus. Core markets and sectors	08
Spotlight on 2025 Key facts and figures	12
At the heart of Europe's transition ramp-up Foreword by the CEO	14
Continued progress Highlights 2025	16
Infra insights Perspectives from our expertise	18
Outstanding projects Case studies 2025	24
Making a difference A forum for Europe's infrastructure leaders	26
A strong team Executive Board	28
A solid foundation Ownership and company structure	30
Supervisory Board Report by the Supervisory Board	32

INTERNATIONAL REACH COMMITTED TO EUROPE

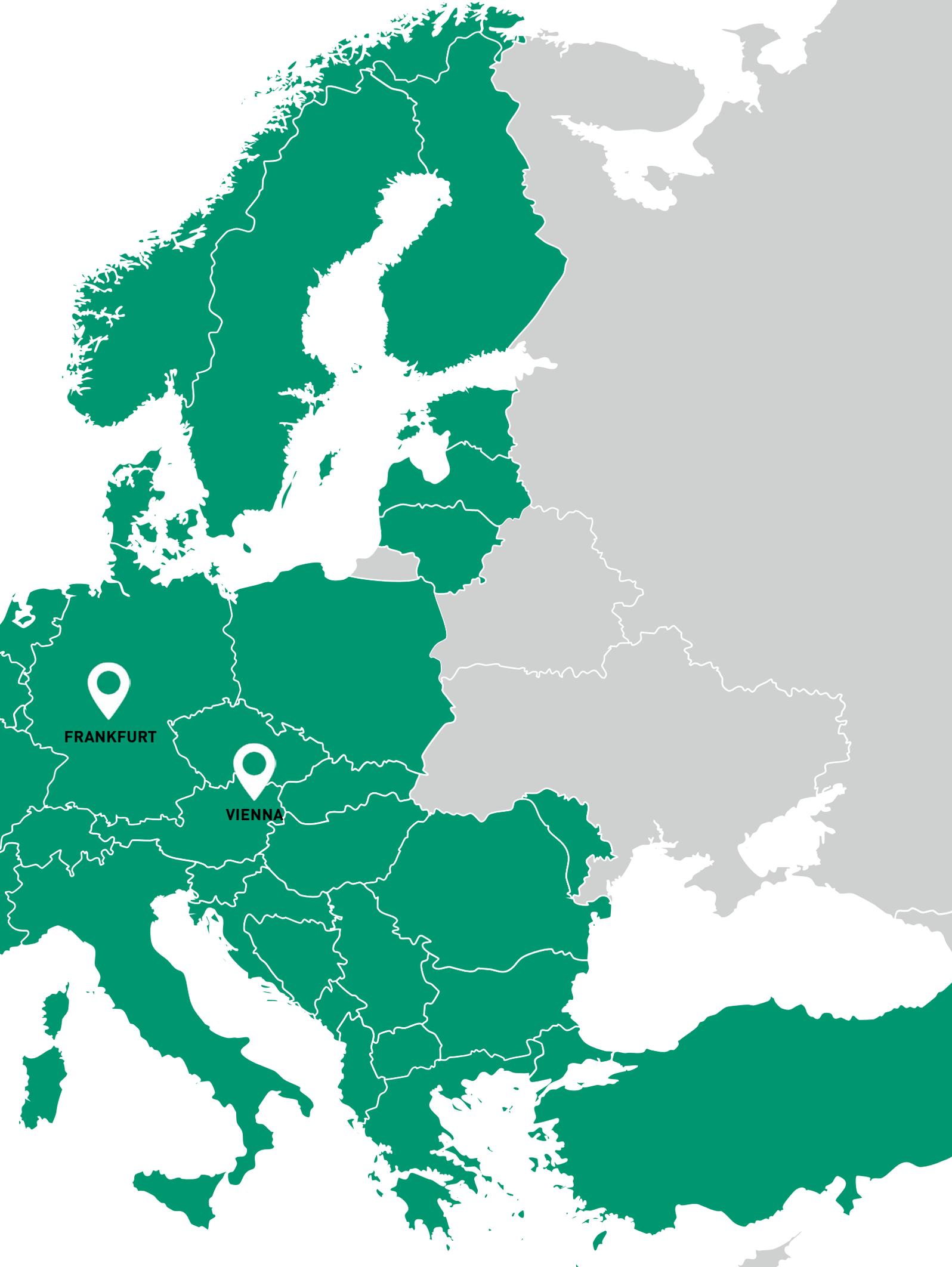
Centered in the heart of Europe, we bring our expertise across the entire continent, which consistently represents one of the world's most dynamic regions for infrastructure investment. From sustainable energy supply and modern transport networks to crucial social infrastructure, thereby contributing decisively to improving people's lives and fostering economic prosperity.

 OUR TARGET MARKETS

 OUR OFFICES

Kommunalkredit also provides selected structured export financings in countries such as the USA, Angola, Benin, Côte d'Ivoire, Egypt, and Ghana, secured by Export Credit Agencies (ECAs).





SECTORAL FOCUS DRIVING LONG-TERM PROGRESS

Efficient infrastructure is a key prerequisite for sustainable economic development. Through our specialized financing solutions and comprehensive advisory services, we contribute to the efficient and economically viable implementation of forward-looking infrastructure projects.

Two financing pillars for greater resilience

With a client base spanning both private and public institutions, Kommunalkredit combines the agility of the private sector with the stability of public debt. This balanced approach strengthens the bank's resilience, ensuring long-term stability across its diverse portfolio.

Portfolio by borrower

68% Private debt

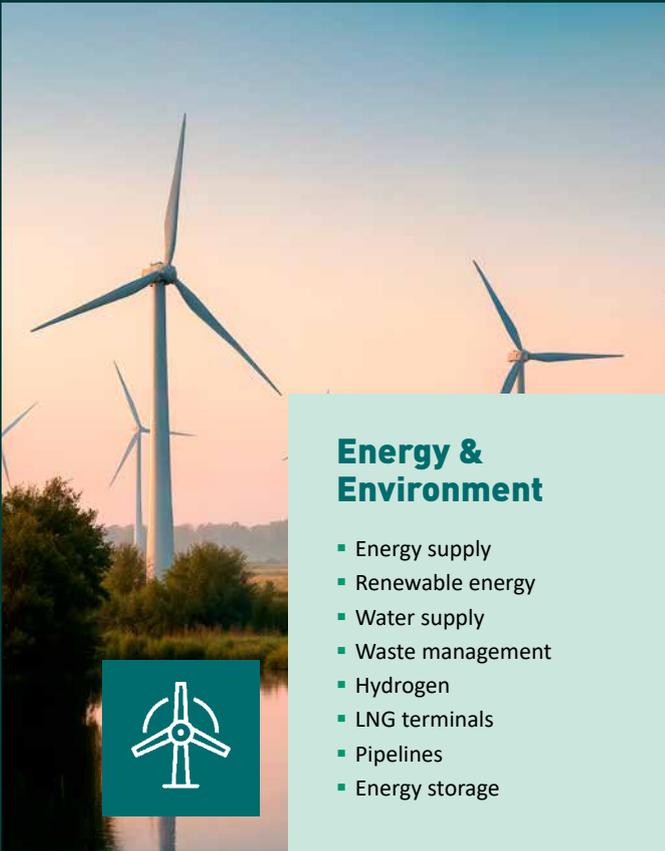
The enormous investment needs of European infrastructure cannot be met by the public sector alone. The majority of our business evolves around enabling financing for private corporates and utilities as well as private project financing.



32% Public debt

Around 32% of our portfolio consists of municipal projects in Austria and across Europe focusing on projects such as building and refurbishment of nurseries and schools, expansion of water supply and wastewater systems as well as municipal housing.

■ Private debt
■ Public debt



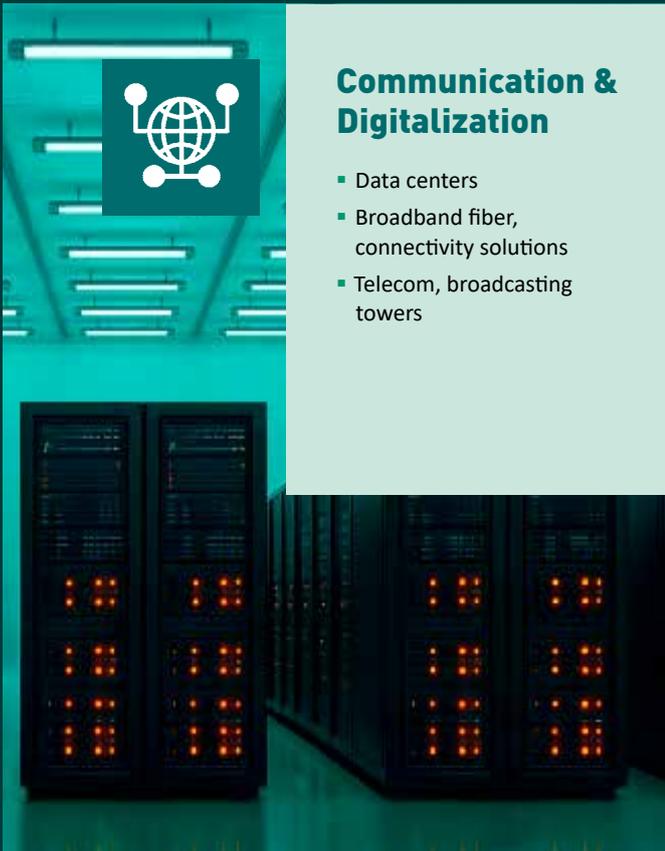
Energy & Environment

- Energy supply
- Renewable energy
- Water supply
- Waste management
- Hydrogen
- LNG terminals
- Pipelines
- Energy storage



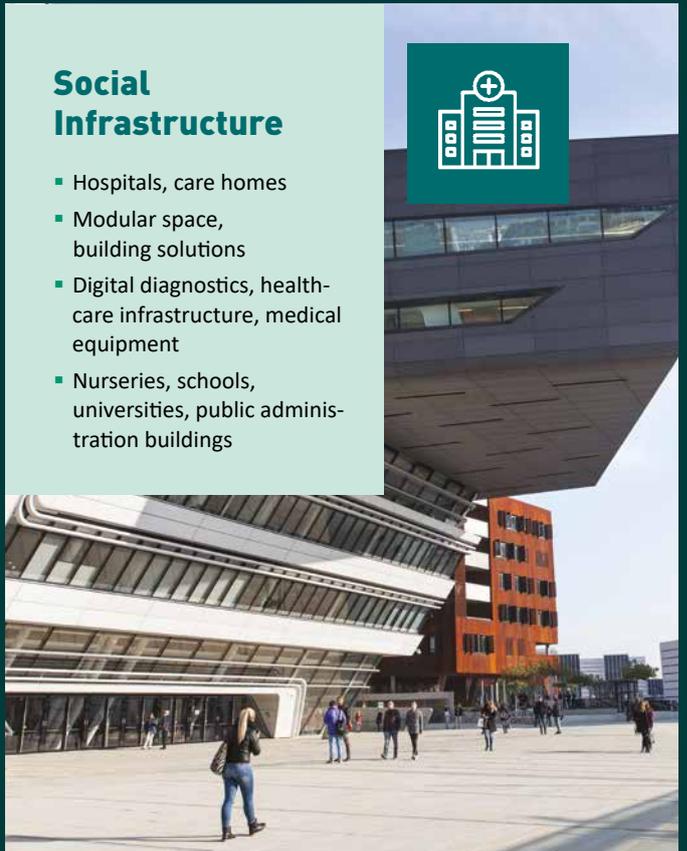
Transport

- Roads, bridges, tunnels
- Airports
- Ports, waterways
- Rail transport
- Public transport
- Specialized logistics solutions (cold storage etc.)



Communication & Digitalization

- Data centers
- Broadband fiber, connectivity solutions
- Telecom, broadcasting towers



Social Infrastructure

- Hospitals, care homes
- Modular space, building solutions
- Digital diagnostics, health-care infrastructure, medical equipment
- Nurseries, schools, universities, public administration buildings



SPOTLIGHT ON 2025



EUR 12bn

New business volume from
I&E financing since 2020



17.6%

Tier 1 ratio
(bank stand-alone)

EUR 2.1bn

New business volume incl. Public Finance
in 2025



45.1%

Cost-income ratio

SELECTED PERFORMANCE INDICATORS in EUR m or %	Austrian GAAP				
	2021	2022	2023	2024	2025
Net interest income	55.6	94.5	173.0	175.1	130.8
Operating result*	52.5	61.2	139.1	135.6	97.6
Profit for the period before tax	56.2	68.5	135.6	123.9	3.0
Profit for the period after tax	47.1	70.2	100.4	84.5	1.5
Cost/income ratio	51.2%	47.8%	35.1%	36.2%	45.1%
Return on equity before tax	16.3%	24.7%	31.4%	23.3%	0.4%
Return on equity after tax	13.7%	20.0%	23.3%	15.9%	0.2%
Tier 1 ratio	20.4%	19.4%	20.0%	20.3%	17.6%

* Operating result before tax and adjusted for net provisioning and result from the sale of active portfolio

EUR 1.5m

Profit for the period after tax



EUR 500m

Senior preferred bond
(2.6 times oversubscribed)

PRIME STATUS

ISS ESG rating

BBB+

Average rating of
overall portfolio

EUR 97.6m

Operating result**



EUR 150m

Tier II bond issue
(3.6 times oversubscribed)

BBB ↘

S&P Global Ratings
Long-term issuer credit rating

AA+ ↘

S&P Global Ratings
Covered bond rating
(Upgrade by 2 notches as of 29/01/2026)

** Before tax and adjusted for net provisioning
and result from the sale of active portfolio



AT THE HEART OF EUROPE'S INFRASTRUCTURE RAMP-UP

After four months at the helm of Kommunalkredit, this annual report is a good occasion for me to step back and tell you how convinced I am of the incredible potential of this bank. What I see internally every day, and what our clients consistently tell me, confirms that our positioning and our expertise are spot on. We are focused, agile and fast, solution-oriented, with lean management structures and a cost-income ratio of around 45%, which in challenging times is one of the strongest assets a bank can have. Our growth strategy is clear and will enable us to gradually be the indisputable go-to bank for Infrastructure and Energy projects in Europe.

Strong operating income enabling continuous investment

Kommunalkredit has generated EUR 2.1 billion of new business in 2025, through a large number of landmark transactions across its core infrastructure sectors. Selected examples include financing critical transport and logistics assets in Ireland, supporting 100% renewable-powered digital infrastructure in Norway, or enabling large-scale renewable energy and storage projects in Germany and Finland. In addition, we acted as a financial advisor on several major transactions, including a cross-border renewable platform in Central and Eastern Europe, combining advisory excellence with lending capabilities.

These transactions are representative of our broader activity and underline our commitment to delivering sustainable, resilient infrastructure across Europe.

From a revenue standpoint, 2025 was a year of normalization, with the disappearance of the tailwind effects of falling interest rates in 2024. We knew this would happen and that our true performance needed to be assessed without it. On that aspect, we can be more than satisfied, as strong commercial activity, with a strong ramp-up in the last quarter, enabled us to increase our core revenues by 4%. As we kept our costs under strict control, our operating result¹ reached EUR 97.6 million: a very substantial amount.

This strong operating result has certainly not been achieved at the detriment of investing for the future. To the contrary, 2025 was a year of organizational transformation, marked by targeted investments to further strengthen the bank's long-term readiness and operational resilience. Kommunalkredit continued to invest in its people, operating model and core IT capabilities, with a strong focus on digitalization, data management, cyber security and IT security, further enhancing our operational and regulatory robustness.

¹ Operating result before tax and adjusted for net provisioning and result from the sale of active portfolio

Sector-specific challenges impacting net result but not capital strength

Nevertheless, 2025 confronted us with significant headwinds, due to unprecedented challenges in certain sectors. Most notably the fiber-optic sector, a key enabler of Europe's digitalization, is experiencing cyclical and structural consolidation, especially in the United Kingdom and Germany, posing challenges across the banking landscape. A number of projects across this sector ended the year with insufficient liquidity, at a time when both sponsors and banks are reluctant to inject additional capital. Like many peers, this has affected us and we have set aside almost EUR 100 million of risk provisions and valuation effects to cover our exposures, effectively erasing our expected net result for 2025.

As our risk weighted assets have been kept under control, the absence of retained earnings has not altered our very strong capital structure. With more than EUR 970 million of total capital, a capital ratio stands at 22.0% far above our regulatory standards (14.8%) and our mid-term objectives. This strong capitalization, the high level of provisions set aside, and our ample liquidity buffer of more than a billion euros by year-end, are here to demonstrate our willingness to build a fortress balance sheet.

Strong shareholder support and continued investor trust

Another benefiting factor for Kommunalkredit is the strong backing of its main shareholder Altor. Since the acquisition, our shareholders have not upstreamed any dividends, have retained all earnings in the bank, and have supported us with a EUR 100 million capital increase. Their long-term view on value creation and their deep ESG credentials are key enablers of Kommunalkredit's sustainable growth story.

Investor confidence in our business model was also once again evident in 2025. The participation of international institutions such as IFC and AIIB in our issues underscores Kommunalkredit's reputation as a trusted partner in the European market. On the capital market, we successfully placed several benchmark transactions, including a EUR 500 million senior preferred bond and a EUR 150 million Tier II bond – both significantly oversubscribed.

In March 2025, Standard & Poor's upgraded our covered bond rating to AA-/stable. In December, Kommunalkredit's BBB/A-2 long- and short-term issuer credit ratings, as well as the BBB rating on our senior unsecured (senior preferred) debt and the BB rating on the subordinated Tier 2 instrument, were affirmed although the outlook was revised from stable to negative. As part of this review, S&P assessed Kommunalkredit as a solid bank, well positioned in its markets, and not surprisingly with a likely peak in non-performing loans and provisions around 2025-2026. The new year started with a further upgrade of our covered bond rating by two notches to AA+/negative. With this significant upgrade, Standard & Poor's underlined the commitment of Kommunalkredit to maintain a 13% over-collateralization in the cover pool and to comply with liquidity buffer requirements for all outstanding bonds.

A strategic path and growth story unchanged

Although challenging, 2025 leaves us well positioned going forward and with a clear strategy. First and foremost, we will not lose our focus and continue to develop our strategic advantage of being an expert in lending and advisory for the European energy and infrastructure market. This market remains fundamentally attractive as it continues to benefit from powerful megatrends across Europe: ageing population, urbanization, digitalization, sovereignty and of course the long-term need for renewable energy and climate transition projects. These trends lie at the very heart of our business model and mission: to enable and advance the transformation of essential infrastructure for a sustainable, resilient future. Alongside public authorities, private investors have accumulated significant amounts of capital and are actively seeking opportunities. To deploy this capital efficiently they will increasingly rely on institutions like Kommunalkredit for lending, structuring, and advisory expertise.

Teamwork, ethics and deep expertise at the heart of our culture

Providing our clients with the best service, being solution-oriented, advising them efficiently: in the end, it all relies on the quality of our staff and on the working environment in which they operate. At Kommunalkredit, we value teamwork, and this is not just a buzzword. Our culture is one of high ethics and we don't tolerate any exception to that. We aim at the best expertise and invest in training and cross-functional development to enable each of our employees to progress. And our initiatives to foster this corporate culture have concrete effects on increased job satisfaction that has helped us retain and attract talents. In three years, our total staff turnover has drastically decreased: 22% in 2023, 13% in 2024 and only 9% in 2025, a clear indicator of improved employee satisfaction and alignment with our strategy.

So, together with my colleagues on the Executive Board – Sebastian Firlinger, Nima Motazed, and John Weiland – I would first like to thank our employees for their outstanding commitment, professionalism, and teamwork. Their expertise, dedication, and agility make Kommunalkredit what it is today – a reliable partner in Europe's infrastructure transformation.

I would like to conclude by expressing my gratitude to our clients, investors, and shareholders for their continued trust and cooperation.

I hope you enjoy reading this year's Annual Report.



Jacques Ripoll

Chief Executive Officer
Kommunalkredit Austria AG

CONTINUED PROGRESS

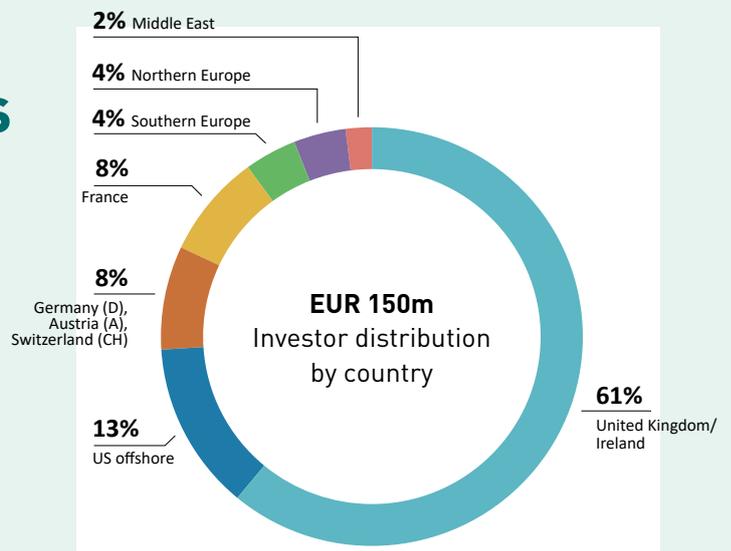


Advisory and lending powering CEE’s green energy offensive

Kommunalkredit advised Renalfa IPP, a leading independent power producer focused on renewable energy in Central and Eastern Europe, on a EUR 315 million HoldCo financing that supports a EUR 1.2 billion investment program. The portfolio comprises 1.6 GW of renewable generation capacity and 3 GWh of co-located battery storage across Bulgaria, Hungary, Romania and North Macedonia. Kommunalkredit also provided debt financing, showcasing the combined strength of structuring and lending expertise under one roof.

EUR 150 million Tier II bond 3.6 times oversubscribed

Kommunalkredit has successfully completed its first public Tier II bond issue, raising EUR 150 million from a broad international investor base despite a volatile market environment. The transaction attracted strong demand, with 56 institutional investors participating and an order book exceeding EUR 540 million – making it 3.6 times oversubscribed. Investor appetite was led by the UK/Ireland (61%), with further participation from US (13%), the D-A-CH region (8%) and France (8%).



Upgrade for covered bond rating

Due to Kommunalkredit's strong presence on the capital market and its successful bond issues, S&P Global Ratings raised our rating for covered bonds in a first step from A+/stable to AA-/stable at the beginning of 2025. One year later, in January 2026, the rating agency upgraded the rating again by 2 notches to AA+/negative. These upgrades reflect the high quality of Kommunalkredit's covered bond pool and the commitment to maintain a 13% over-collateralization in the cover pool and to obey to liquidity buffer requirements for all outstanding bonds.

Jacques Ripoll appointed CEO

In May 2025, the Supervisory Board of Kommunalkredit appointed Jacques Ripoll as CEO. Jacques brings extensive management experience from various senior positions in the European banking industry. He took up his new position on 1 September 2025.



Enabling Finland's largest battery energy storage system

In Finland, Fotowatio Renewable Ventures is currently developing one of the country's largest battery energy storage systems. Once completed, it will have a storage capacity of 100 MW. As sole arranger and leader, Kommunalkredit is providing financing for the project in the form of a term loan.



INFRA INSIGHT

Huge need for infrastructure investment in Europe

According to EU projections, investments of around EUR 2.5 trillion will be needed over the next five years to build wind and solar power plants, battery storage facilities, robust power grids, data centers, fiber-optic networks, modern hospitals, and many more. These investments cannot be shouldered by the public sector alone.

As an expert in infrastructure and energy financing, Kommunalkredit is strengthening Europe's resilience and driving its green transition.

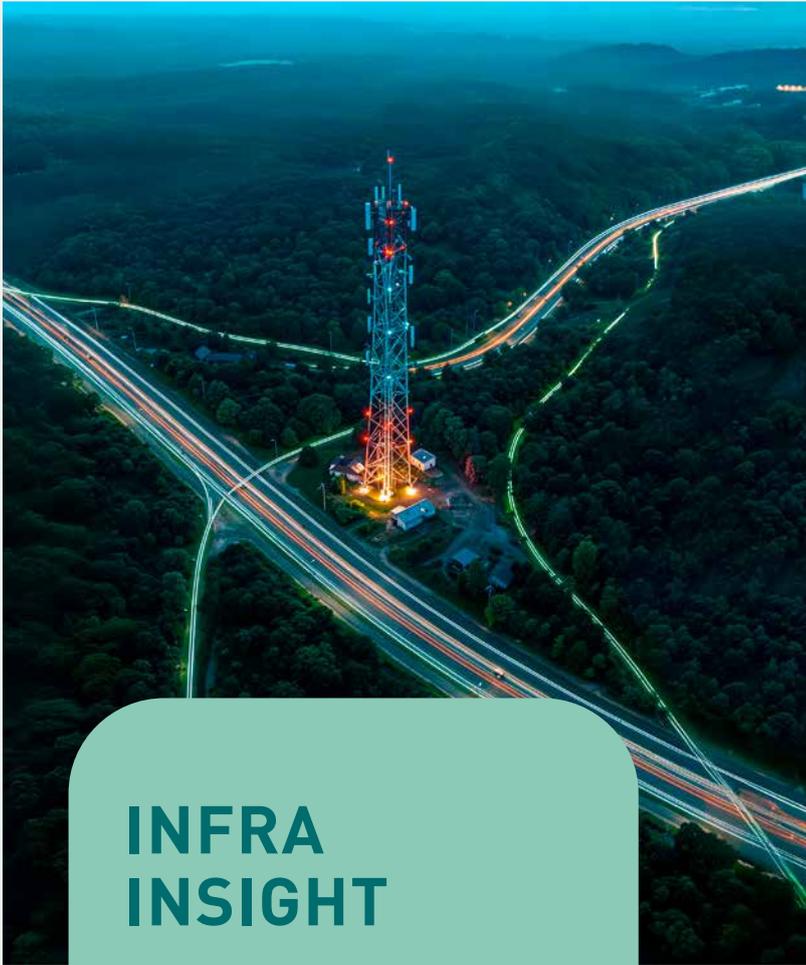
2,500,000,000,000



INFRA INSIGHT

80% of new business by Kommunalkredit fuels Europe’s green transition

As a pan-European leader in infrastructure and energy financing, Kommunalkredit ensures that capital is channeled into urgently needed projects. Around 80% of our new business in 2025 was linked to initiatives driving Europe’s green transition – from wind and solar parks to sustainable mobility and energy-efficient public buildings.

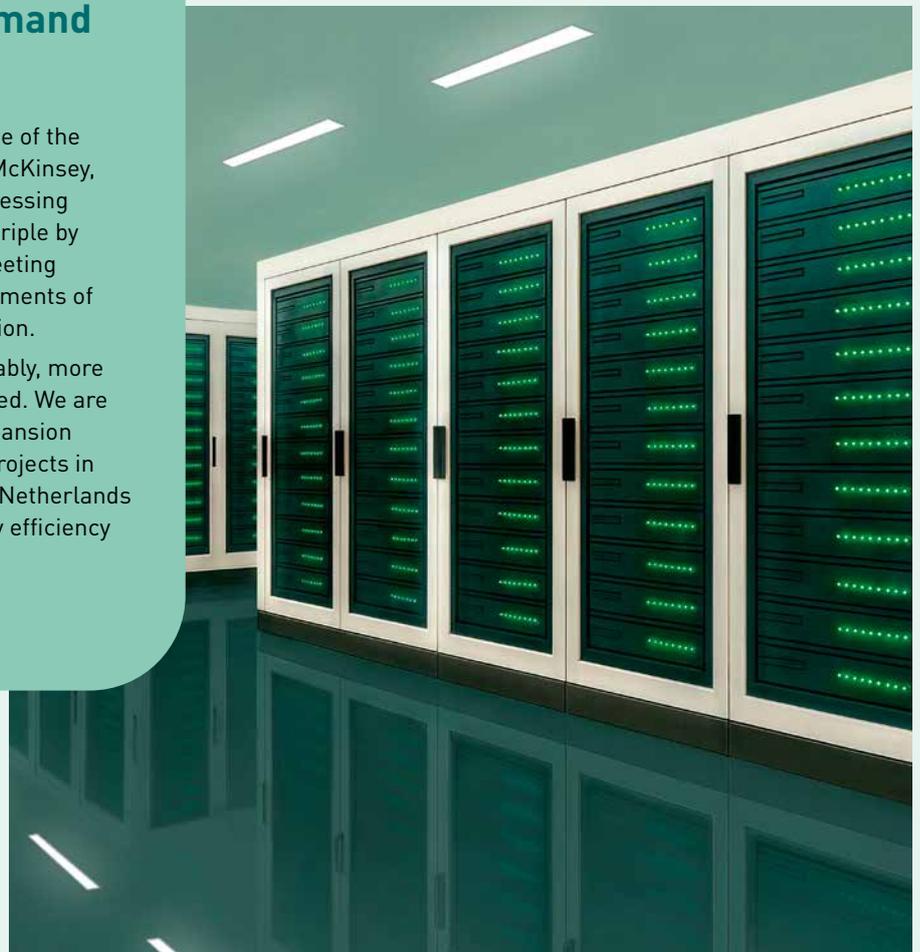


INFRA INSIGHT

European data demand to triple by 2030

Data centers form the backbone of the digital economy. According to McKinsey, Europe's demand for data processing capacity is expected to almost triple by 2030. Experts estimate that meeting this demand will require investments of EUR 250 billion to EUR 300 billion.

To support this growth sustainably, more green energy will also be needed. We are actively contributing to this expansion by financing urgently needed projects in Germany, Scandinavia and the Netherlands – with a strong focus on energy efficiency and green energy production.

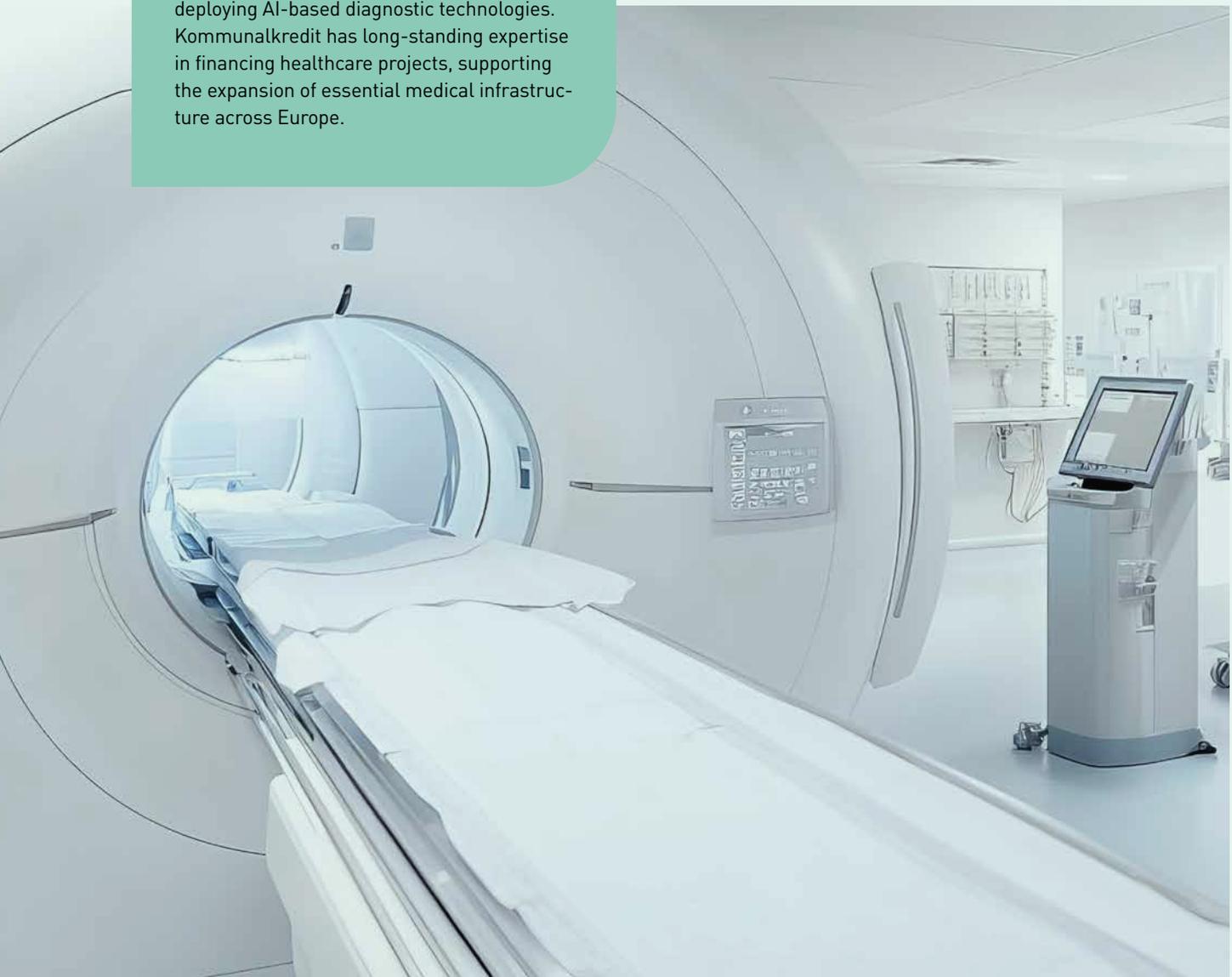


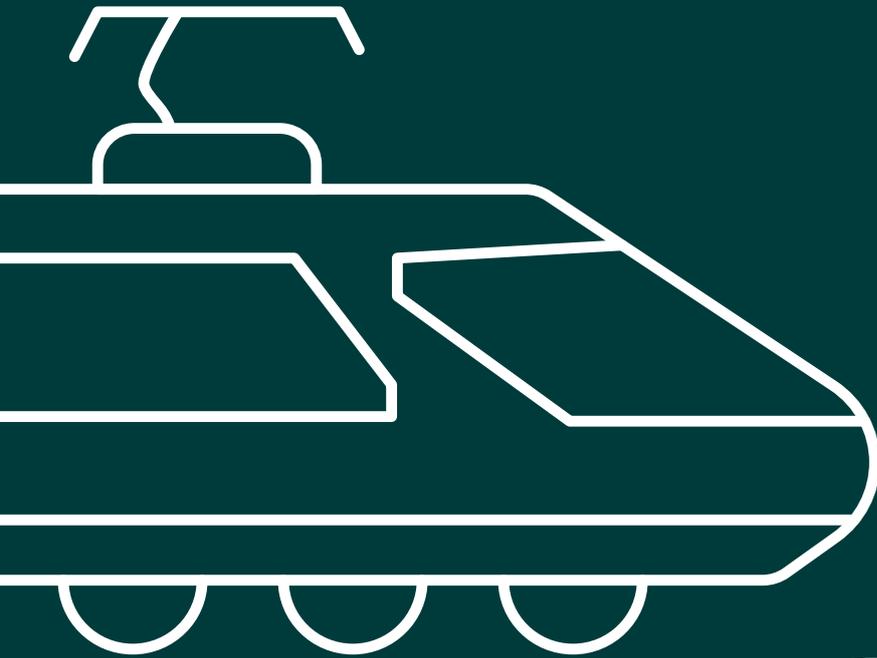
INFRA INSIGHT

Demographic shift forces massive investment in Europe's medical infrastructure

According to Germany's ifo Institute, by 2050 nearly one in three Europeans will be over 65 – a demographic group that today accounts for 40% to 50% of total healthcare spending in OECD countries.

Ensuring efficient and economically sustainable healthcare will require substantial investment, from building medical facilities to deploying AI-based diagnostic technologies. Kommunkredit has long-standing expertise in financing healthcare projects, supporting the expansion of essential medical infrastructure across Europe.





INFRA INSIGHT

Europe needs trillions for modern mobility

A sustainable transport infrastructure is a vital foundation of modern economies. According to the European Commission, Europe will require EUR 1.5 trillion in investments between 2021 and 2030 to expand its transport networks and related infrastructure.

Alongside public funding, private capital is expected to play a crucial role here. With its deep expertise in the transport sector, Kommunalkredit helps address this significant investment demand.

OUTSTANDING PROJECTS

In 2025, Kommunalkredit executed 45 transactions across its four sectors – Energy & Environment, Communication & Digitalization, Transport, Social Infrastructure – in 19 countries, with a clear focus on Europe.



In the service of health

**Transport,
chemical logistics provider**

Ireland

Kommunalkredit played a key role in a banking syndicate which provided a comprehensive financing package for Basalt Infrastructure Partners' acquisition of Chemco Group, a leading provider of chemical logistics and distribution services in Ireland. Chemco (Liffey) provides end-to-end logistics management services, including warehousing and transportation, primarily to the semiconductor sector in Ireland, and acts as a stocking distributor of key chemicals for the pharmaceutical, food and broader chemical industries. Supported by significant barriers to entry – notably specialized technical expertise and stringent regulatory requirements, including a wide range of certifications – the underlying assets exhibit strong infrastructure-like characteristics.

100% green data

**Communication & Digitalization,
data centers**

Norway

Kommunalkredit is contributing EUR 50 million to the senior financing of a new data center in Hamar, Norway, with a total volume of EUR 371 million. The data center will have an initial capacity of 90 MW, with potential expansion to 150 MW. The facility will be powered entirely by hydroelectricity. The operator, Green Mountain Innlandet AS, is Norway's largest data center operator, providing approximately half of the country's IT capacity. It operates six sustainable data centers in Norway and the UK, all powered by 100% renewable energy.



Powering Bavaria's energy transition

**Energy & Environment,
renewable energy**

Germany

Kommunalkredit is providing Südwerk GmbH, a leading development company based in Bavaria, with a HoldCo financing package of up to EUR 47.8 million. The first tranche of EUR 37.8 million will fund construction equity for a 250 MWp solar portfolio, a 20 MW battery system and four substations, all located in Bavaria. A further EUR 10 million may follow as additional projects progress, supporting Südwerk's strong growth and accelerating its transformation from a pure project developer into a major independent power producer with a strong footprint in the German market.



MAKING A DIFFERENCE



Since 2005, the **KOMMUNALE SOMMERGESPRÄCHE** (“Municipal Summer Talks”) have evolved into one of the most important forums for Europe’s infrastructure leaders. Experts, public administration officials, politicians, and private-sector decision-makers come together at the invitation of Kommunalkredit and Austrian Association of Municipalities to shape the future of our cities and communities through inspiring presentations and lively discussions.

Megatrends challenge municipalities

Megatrends such as demographics, decentralization, digitalization and decarbonization place increasing demands on municipalities, particularly with regard to public infrastructure development. These challenges were discussed at the 20th KOMMUNALE SOMMERGESPRÄCHE, held at the beginning of September in Bad Aussee, Styria, with contributions from leading Austrian and international experts and decision-makers, including former German federal ministers Karl-Theodor zu Guttenberg and Christian Lindner. The discussions showed unmistakably that the great challenges of our time can only be solved together.

Europe must come of age, define its independent position between the global power blocs, and assume greater responsibility. With half a billion people, a high level of prosperity, and strong social cohesion, Europe has the prerequisites for this. Yet, this prosperity is based on a functioning infrastructure. There are challenges: trade barriers, economic slowdowns, and geopolitical tensions.

The discussions highlighted that addressing these challenges requires cooperation across public and private sectors. In his opening remarks, Kommunalkredit CEO Jacques Ripoll emphasized the importance of mobilizing capital and structuring efficient investment frameworks, underlining the role of specialist banks in providing innovative financing solutions and advisory services for complex infrastructure projects.

The place to be for infrastructure

Beyond the exchange of expertise, the event once again served as a key networking platform for around 400 participants. By fostering dialogue among municipalities and private stakeholders, Kommunalkredit reinforced the message that strong local infrastructure is a cornerstone of Europe’s long-term competitiveness and future resilience.

Fireside chat with former German Federal Minister of Finance Christian Lindner.



Altor's Partner Paal Weberg attended this year's event as a representative of the majority owner of Kommunalkredit, Altor Funds. His key message: "We have to save the world. But it has to pay off."



One of the great strengths lies in the numerous opportunities it offers participants to exchange ideas and connect in an informal setting.



In his keynote speech, former German Federal Minister for Economic Affairs Karl-Theodor zu Guttenberg explained why strategic resilience begins locally.



Around 400 representatives used the two-day conference to gain first-hand insights from international experts into current trends, challenges, and approaches to shaping municipal infrastructure.

A STRONG TEAM



The four members of Kommunalkredit's Executive Board combine extensive expertise with many years of experience in the European infra banking market, forming a strong and complementary management team.

Jacques Ripoll

CEO

Areas of responsibility

Strategy | Corporate Communication & Marketing | Legal & Stakeholder | People & Culture | Compliance | Internal Audit

“Europe is undergoing major structural shifts that require significant infrastructure investment at a time when public budgets are constrained. With our specialized financing services and deep expertise, we make public and private infrastructure projects bankable.”



Sebastian Firlinger

CFO/CRO

Areas of responsibility

Accounting & Regulatory Reporting | Financial Planning & Analysis | Risk Controlling | Credit Risk

“Through disciplined financial management, strong capital market performance, and a prudent approach to risk, we secure the financial stability that gives our partners confidence and strengthens Kommunalkredit’s long-term resilience.”



Nima Motazed

COO

Areas of responsibility

Banking Operations | IT & Transformation | Group Operational Services | KPC

“By continuously enhancing our operational efficiency, we ensure consistently robust performance and the capacity to respond effectively to changing market conditions.”



John Weiland

CCO

Areas of responsibility

Banking | Markets | Asset Management

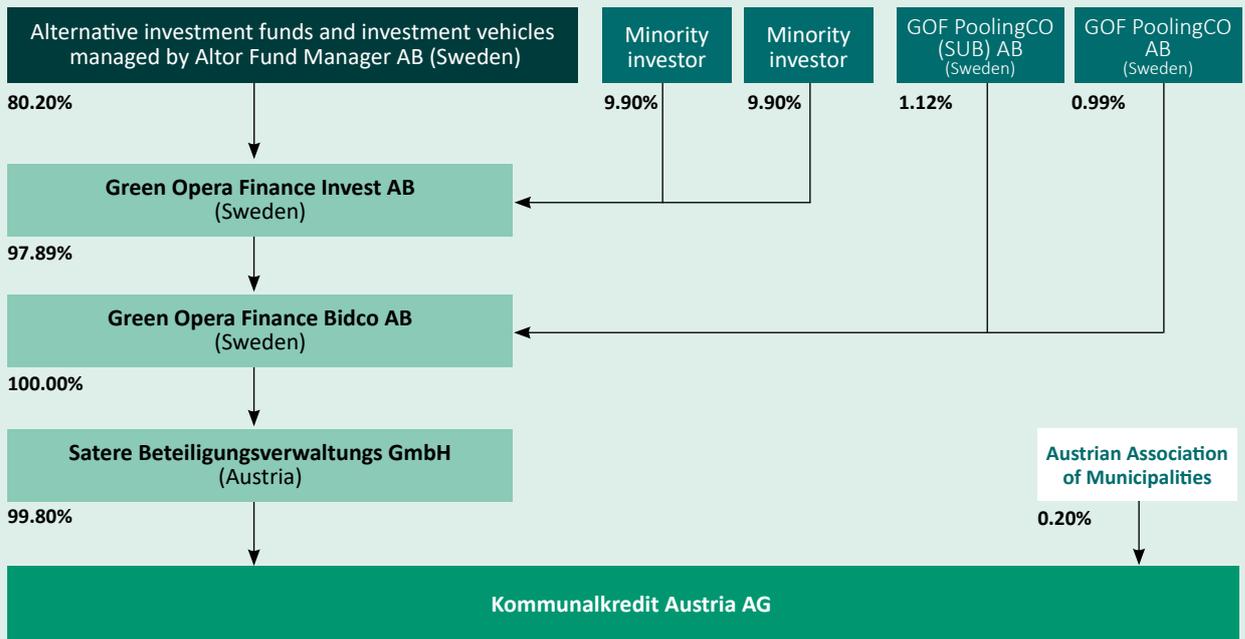
“By maintaining a clear focus on client needs and delivering tailor-made solutions, we expand value-creation opportunities and position Kommunalkredit for sustainable long-term growth.”

A SOLID FOUNDATION

Satere Beteiligungsverwaltungs GmbH (“Satere”), which holds a 99.8% interest in Kommunalkredit, is the Company’s majority shareholder. Satere is indirectly majority-owned by funds and investment companies managed by Altor Fund Manager AB, as well as minority investors.

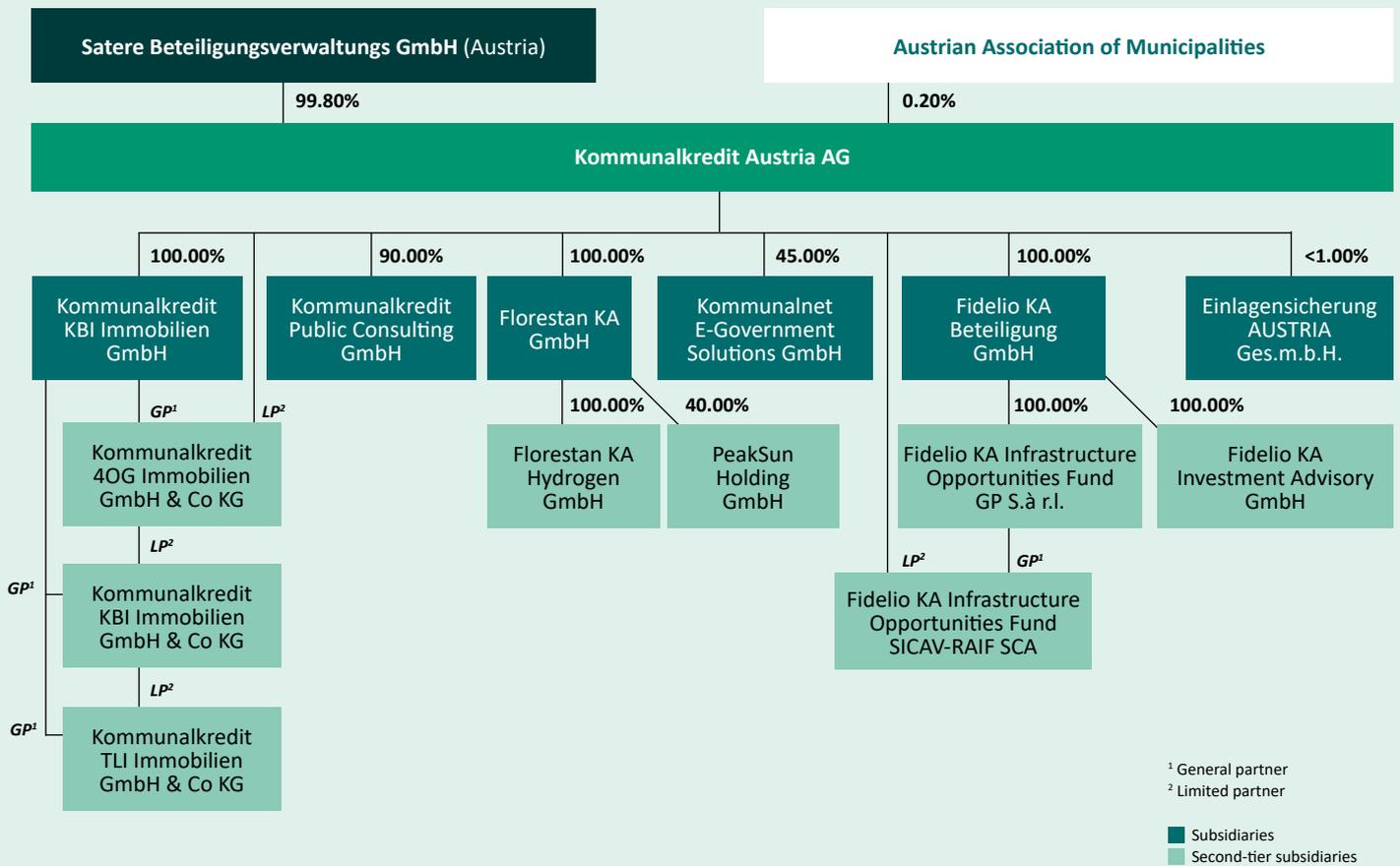
Altor focuses on financing innovative businesses and projects that support the green transition, making it a strong and strategic partner for Kommunalkredit. Since its inception, Altor has launched funds totaling more than EUR 12 billion to invest in around 100 companies. The remaining 0.2% of Kommunalkredit is owned by the Austrian Association of Municipalities.

Kommunalkredit ownership structure
(as of 31/12/2025)



The Kommunalkredit Group includes several specialized subsidiaries. This structure allows the bank to manage complex activities effectively, meet regulatory requirements, and provide its clients with comprehensive specialist expertise across all relevant areas.

Kommunalkredit company structure
(as of 31/12/2025)



REPORT BY THE SUPERVISORY BOARD

The Supervisory Board of Kommunalkredit Austria AG (Kommunalkredit) presents the Annual Report for the 2025 financial year to the Annual Shareholders' Meeting.

With the adoption of the annual financial statements 2024 in February 2025, Kommunalkredit exceeded the threshold of EUR 5 billion average total assets during the past three years and was classified as a credit institute of significant relevance according to § 5 (4) Austrian Banking Act (BWG). Accordingly, a Risk Committee (pursuant to Section 39d of the Austrian Banking Act (BWG)) was established by resolution of the Supervisory Board on 27 February 2025. A Nomination Committee was also established and merged with the existing Remuneration Committee, taking into account the provisions for its composition pursuant to Section 39c (3) BWG and FMA Fit & Proper Circular 3/2023 RZ103. In addition, internal BWG-compliance and risk functions were established.

Since 15 July 2024, the Supervisory Board has been chaired by Hans Larsson (Board Member of Traton Financial Services), who is an independent member of the Supervisory Board. The shareholder representatives are Paal Weberg (Deputy Chairman, Partner Altor Equity Partners, delegated by Satere Beteiligungsverwaltungs GmbH), Andreas Haindl (independent management consultant, delegated by Satere Beteiligungsverwaltungs GmbH) and Herman Korsgaard (Partner Altor Equity Partners). Henrik Matsen (Partner Henry Costa Partners) and Kurt Svoboda (CFO/CRO UNIQA Insurance Group AG) are independent members of the Supervisory Board. Anne Jaeger (Group Chief Compliance Officer and Executive Director of Zurich Insurance Group) was appointed as a new independent member of the Supervisory Board at the Annual General Meeting on 27 February 2025. Anne Jaeger was then appointed by the Supervisory Board to the Risk Committee (Chair), the Credit Committee (Deputy Chair, replacing Hans Larsson), and the Remuneration and Nomination Committee (Compensation Expert). The Supervisory Board members delegated by the Works Council remain Oliver Fincke, Claudia Slauer and Gerald Unterrainer.

At the reporting date, the Supervisory Board consisted of three shareholder representatives, four independent members and three employee representatives.

Jacques Ripoll has been appointed as member of the Executive Board and new CEO as of 1 September 2025 by the bank's Supervisory Board. He brings intensive leadership experience from multiple senior executive positions in the European banking industry, including CEO of the Corporate and Investment Bank at Crédit Agricole, Global Head of Corporate and Investment Banking at Santander Group, and various executive roles at Société Générale. As of the reporting date, the Executive Board consists of Jacques Ripoll (Chief Executive Officer), Sebastian Firlinger (Chief Risk Officer and Chief Financial Officer), Nima Motazed (Chief Operating Officer), and John Weiland (Chief Commercial Officer).

In 2025, Kommunalkredit generated new business of EUR 2,080 million including Public Finance, supported by 45 new projects. Core revenues increased by 4%. Challenging market developments, particularly in the fiber sector, affected Kommunalkredit and, in line with its prudent provisioning policy and commitment to a true and fair view of assets, led to value adjustments. These resulted in significant risk costs and had a material impact on the net result.

At the same time, 2025 marked a year of organizational transformation, focused on strengthening long-term readiness, resilience and scalability. Significant investments in digitalization, data management, cyber security and IT security further enhanced operational and regulatory robustness. Despite the elevated risk costs, the bank's capital and liquidity position remained strong, with a core capital ratio exceeding 17% and total capital of EUR 973.8 million at year-end 2025.

Kommunalkredit has continuously expanded its access to the capital markets in recent years. In 2025, a total of around two billion euros was refinanced on the capital market – these transactions underline Kommunalkredit's commitment to establishing itself as a regular issuer on the capital market.

The Supervisory Board performed its duties in accordance with the articles of association and rules of procedure at four ordinary meetings and one extraordinary meeting; the committees (Audit Committee, Supervisory Credit Committee and the newly established Risk Committee, and Remuneration and Nomination Committee) also met and performed their duties in accordance with the rules of procedure.

The Supervisory Board was continuously and comprehensively informed by the Executive Board at the meetings of the Supervisory Board and its committees as well as through direct information on the course of business, the situation and development of the company, and the intended business policy. The Supervisory Board advised and monitored the Executive Board in the management of the company in accordance with the duties incumbent upon it by law, the articles of association, and the rules of procedure.

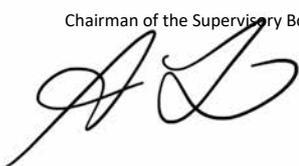
In accordance with the Fit & Proper policy (based on the EBA/ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders, version 2021/06, and the FMA Fit & Proper Circular of March 2023), the newly appointed Supervisory Board member Anne Jaeger and the Executive Board member and CEO Jacques Ripoll completed comprehensive Fit & Proper training on the regulatory framework for Austrian credit institutions in 2025. Further, all the bank's Supervisory and Executive Board members completed training about changes and novelties in the regulatory area in December 2025.

These annual financial statements and the management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The audit did not give rise to any objections and the statutory provisions were complied with. The annual financial statements give a true and fair view of the assets, financial position and results of operations of the company as at 31 December 2025, which is why an unqualified audit opinion was issued.

The Supervisory Board concurred with the findings of the audit and approved the 2025 annual financial statements at its meeting on 26 February 2026, which are thus adopted. The consolidated financial statements as at 31 December 2025, including the management report, were also examined and acknowledged.

Hans Larsson

Chairman of the Supervisory Board



Vienna, 26 February 2026

Members

Supervisory Board

Hans Larsson

Chairman of the Supervisory Board,
Non-Executive Director Traton Financial Services

Paal Weberg

Deputy Chairman of the Supervisory Board,
Partner Altor Equity Partners

Andreas Haindl

Independent Management Consultant

Anne Jaeger

Group Chief Compliance Officer
Zurich Insurance Group
since 27 February 2025

Herman Korsgaard

Partner Altor Equity Partners

Henrik Matsen

Partner Henry Costa Partners

Kurt Svoboda

CFO/CRO UNIQA Insurance Group AG

Oliver Fincke

Delegated by the Works Council

Claudia Slauer

Delegated by the Works Council

Gerald Unterrainer

Delegated by the Works Council

State Representatives

Philipp Schweizer

State Representative,
Federal Ministry of Finance

Marion Stiastry

Deputy State Representative,
Federal Ministry of Finance



MANAGEMENT REPORT

Economic environment	36
Business review	42
Kommunalkredit on the capital market	48
Equity participations	50
Assets, financial position, and income	54
Employees	58
Other material disclosures	63
Internal control and risk management system	64
Research and development	65
Risk management	66
Sustainability	82
Outlook	97

Economic environment

Infrastructure markets performed significantly better than the overall economy in 2025. While global economic growth remained subdued, infrastructure investment continued to expand, supported by structural trends, government initiatives and private capital inflows. At the same time, certain segments faced increasing challenges, including rising consolidation pressure in the fiber sector and a more demanding environment for the green energy transition, which is progressing under less favorable conditions than in previous years.

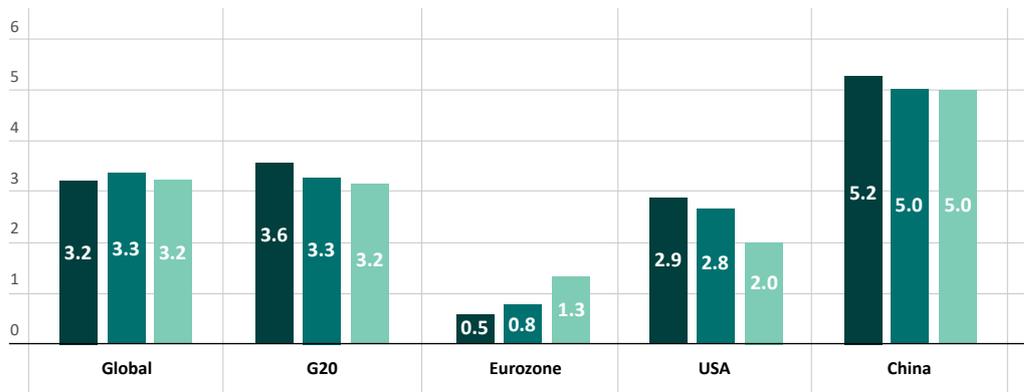
A year shaped by geopolitics and policy shifts

Looking back on 2025, the global economic environment was characterized by heightened geopolitical tensions, shifting growth dynamics' and monetary policy adjustments. As a result, **the global recovery remained fragile and uneven**, with significant differences across regions.

Geopolitical risks continued to weigh on economic activity throughout the year. In the first half of 2025, **escalating tensions** in the Middle East, particularly between Israel and Iran, added to existing global uncertainty. In addition, the continuation of **trade policies and tariffs** introduced during the second term of U.S. President Donald Trump negatively affected global trade flows and investment sentiment. Together with the ongoing war in Ukraine, these factors contributed to subdued economic momentum, particularly in Europe.

GDP growth in %¹

Source: OECD



¹ OECD: Economic Outlook, Issue 2, December 2025. An adjustment to the measurement method may lead to changes in comparative values from the past.

Economic growth developments remained divergent across regions. While the U.S. economy demonstrated a comparatively high degree of resilience, economic growth in Europe remained muted. For Kommunkredit, these conditions translated into elevated uncertainty within the European infrastructure and energy sector, resulting in cautious investment behavior and adverse sector-specific developments.

On the other hand, the European infrastructure market continued to be supported by **strong structural drivers**. Ongoing investment needs related to the energy transition, decarbonization, transport infrastructure, and social infrastructure remained intact. These long-term fundamentals continued to underpin demand for infrastructure financing and formed a stable basis for Kommunkredit's new business activities in 2025, notwithstanding short-term volatility in the macroeconomic environment.

Europe's biggest infrastructure markets in 2025² by investment volume



Easing inflation and monetary policy responses

Inflationary pressures in the euro area eased steadily over the course of the year, bringing inflation close to the **European Central Bank's** (ECB) target of 2%. In response to weakening economic momentum, the ECB adopted a more accommodative monetary policy stance and lowered interest rates in four steps of 25 basis points each. As a result, the deposit facility rate declined from 3.0% at the beginning of the year to 2.0% by year-end.³

This shift supported financing conditions in the euro area and improved visibility for long-term investment decisions, particularly in capital-intensive infrastructure sectors.

Government bond issuance in Europe reached elevated levels in 2025, reflecting increased fiscal spending and refinancing requirements. Despite higher issuance volumes, interest rate volatility declined over the course of the year. In the second half of 2025, yields on German government bonds traded largely within a narrow range of approximately 2.6% to 2.8%⁴, contributing to greater stability in long-term reference rates relevant for infrastructure financing. Credit spreads tightened during the same period, although further compression remained constrained by persistent geopolitical and macroeconomic risks.

Within the **European banking sector**, credit growth showed early signs of recovery, with lending volumes increasing by 2.2%⁵ year-on-year. Banks continued to benefit from the post-zero-interest-rate environment and maintained solid profitability levels. For the European infrastructure market, these developments supported the availability of financing and reinforced the role of banks as long-term partners in the funding of essential infrastructure projects, which remain at the core of Kommunalkredit's business activities.

² Inframation & SparkSpread database, 12/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.

³ European Central Bank: Press release, 18/12/2025

⁴ Finance Agency Germany: Government bond, December 2025

⁵ European Central Bank: Economic Bulletin, Issue 7/2025

Infrastructure market diverging from macroeconomic development

In contrast to the overall macroeconomic environment, European **infrastructure investment developed very dynamically** in 2025, reaching a new annual record of EUR 464 billion⁶, predominantly driven by energy-related projects. Investments in renewable energy increased significantly, with offshore wind and small-scale solar as the main contributors. A reduction in interest rates had a positive impact on the infrastructure market in the second half of 2025 and led to a significant increase in refinancing volumes.

According to the BlackRock Investment Institute⁷, the investment landscape in infrastructure and energy is increasingly shaped by **structural “mega forces”** such as artificial intelligence, digitalization, and geopolitical fragmentation, rather than by traditional cyclical indicators. And the OECD highlighted in its Economic Outlook of December 2025 that infrastructure investment – particularly in green energy, electricity grids, and storage – was a key driver of growth in 2025.

Overall, the European infrastructure market (including United Kingdom), which is primarily relevant for Kommunalkredit, remained resilient in 2025 despite political and military conflicts and subdued macroeconomic conditions, reaching a record volume of around USD 450 billion (2024: around USD 370 billion).⁸ However, market conditions varied across subsectors, with some facing a more challenging environment.

Public initiatives support growth in the infrastructure and energy sector

A significant proportion of infrastructure investment continues to come from the public sector: In March, Germany approved a comprehensive investment package worth more than EUR 500 billion in the areas of **defence and infrastructure**. At EU level, the ReArm Europe strategic plan was launched, with the aim of strengthening investment in defense capacities, deepening the internal market for defense-related products and enhancing Europe’s strategic resilience. In October 2025, the German federal government approved a special fund of EUR 500 billion for infrastructure and climate-neutral investments in the coming years.

In France, an investment package of EUR 109 billion was announced at the AI Action Summit in early 2025, primarily intended for the expansion of large data centers and artificial intelligence infrastructure. In August, Italy approved a EUR 13.5 billion project to build a bridge between the Italian mainland and Sicily.

On the private side, one project by Siemens Energy stood out in 2025: the company is investing around EUR 220 million in expanding its transformer plant in Nuremberg.

Rising private capital inflows

At the same time, **interest in private infrastructure investments** appears to be rising. According to BloombergNEF⁹, infrastructure investments increased by 63% in Europe and by 36% in the United States, with substantial capital seeking deployment. The strong momentum in Europe may attract US investors, as the continent is viewed as a reliable destination for infrastructure investments. In addition, the growing participation of non-bank financial institutions – including infrastructure funds, pension funds, and alternative asset managers – is opening further avenues to finance private infrastructure development.

The current environment of high inflation and low GDP growth significantly supported this trend in 2025. In the past, it had repeatedly been shown that private infrastructure investments outperformed public markets most strongly when low economic growth was accompanied by high inflation.

Refinancing increases significantly

In the first half of 2025, many players in the infrastructure market were rather cautious and only refinanced when absolutely necessary. From the summer onwards, however, refinancing gained noticeable momentum on the basis of significantly lower interest rates. Overall, the refinancing volume in 2025 was significantly higher than in the previous year.

For Kommunalkredit, a gradual reduction in interest rates presents both opportunities and risks. Lower refinancing costs and potentially higher transaction volumes are offset by lower interest income and greater competition from US-based credit funds. The latter can usually operate more flexibly than more heavily regulated banks such as Kommunalkredit.

The **trend toward accordion financing** also continued in 2025. With this form of financing, equity sponsors secure the option of taking out additional credit – usually from existing banks – within the existing contract structure as soon as the initial financing is concluded. This enables them to respond quickly and flexibly to organic and inorganic growth. In most cases, these additional funds are uncommitted and depend on the economic performance of the respective asset. If this is positive, Kommunalkredit supports its existing customers with appropriate financing solutions.

⁶ Inframation & SparkSpread database, 12/2025

⁷ Black Rock: Q4/2025 Investment Outlook, 19/09/2025

⁸ Inframation & SparkSpread database, 12/2025

⁹ BloombergNEF: Press release, 26/08/2025

Greenfield financing with a clearly positive trend

The financing volume of greenfield projects¹⁰ in Europe in 2025 significantly exceeded the previous year's level. **New construction projects in the renewable energy sector** contributed to this, led by large offshore wind farms on the British and Polish coasts. Further momentum came from numerous projects in areas such as battery energy storage systems (BESS), biogas/biomethane, and others, which, however, have not yet generated high deal volumes. Nevertheless, they point to a positive trend. The BESS sector in particular has recently become increasingly important, as it contributes to the transition to renewable energy sources, thereby relieving the burden on the power grids. Here, Kommunalkredit once again focused on **innovative financing solutions with a special focus on construction and bridge financing**, which support project developers and independent power producers in realizing their project pipelines quickly and flexibly.

2025 also showed that Eastern Europe is gaining importance as a market for greenfield projects in the energy sector. In recent years, Kommunalkredit has succeeded in continuously expanding its market position in the renewables sector in this region, particularly in Romania, on the basis of its **credit structuring and advisory services**.

At the global level, the urgently needed expansion of data centers represents an **important growth driver** for greenfield projects. Cloud computing, artificial intelligence, and data processing require a massive expansion of capacity worldwide. In 2025, Kommunalkredit participated in a series of transactions to structure and finance smaller colocation data centers as well as large hyperscalers with long-term purchase agreements with global players such as Google, Amazon, and Meta. At the same time, the bank largely refrained from entering into further transactions in the fiber sector.

Brownfield and M&A financing remains at a high level

The volume of financing for brownfield and M&A projects¹¹ in Europe stood at around USD 200 billion at the end of 2025, remaining at the already high level of 2024. Brownfield and M&A projects are projects involving the purchase or sale of mostly existing projects or infrastructure companies.

The year 2025 was characterized by increased economic uncertainty and thus by diverging price expectations among buyers and sellers. This was also confirmed by Kommunalkredit's experience, especially in the first six months of the year.

However, the bank was able to keep the negative effects of this trend relatively low thanks to its broad geographical positioning, its focus on strongly customer-oriented financing solutions, and new services, particularly in the areas of M&A and debt advisory.

For 2026, it can be assumed that lower interest rates and investment pressure on infrastructure funds with a lot of dry powder will lead to rising M&A volumes.

Market development by sector¹²

Energy & Environment

A glance at the relative volumes of the sectors relevant to Kommunalkredit in Europe in 2025 shows that **renewables** (PV, wind, etc.), together with other **energy-related sectors** such as biogas, LNG, and battery storage, account for around 65% of the total infrastructure market. This development was also reflected in Kommunalkredit's transactions in 2025.

The persistently relatively low wholesale energy prices increase the importance of tailor-made financing solutions. Maximum flexibility is required with regard to various models for purchasing the electricity generated – from full market risk to power purchase agreements to government-supported purchase agreements.

Kommunalkredit successfully applied its expertise in this area in 2025, for example in an innovative BESS transaction for an important customer in the UK. In addition, the bank participated highly successfully in a whole series of project financing and advisory activities, primarily in Central and Eastern Europe.

Transport

The transport sector performed solidly overall in 2025. Larger refinancing transactions in the **airport and rail sectors** played a particularly important role here, positively influencing the financing volume. Overall, the transport sector accounted for 13.5% of the total market, representing a slight decline compared with 2024 (18.7%).

Kommunalkredit is primarily active in the airport sector and participated in tenders for advisory mandates for refinancing, which should materialize in 2026. In addition, the bank was able to position itself in the growing niche markets for cold storage and special logistics.

Communication & Digitalization

In the Communication & Digitalization sector, investor interest is currently focused almost exclusively on **data centers, telecommunications and broadcasting towers**. In 2025, Kommunalkredit was very successful in structuring financing for various data centers – from smaller colocation to large hyperscaler projects, primarily in Germany and Northern Europe.

¹⁰ Greenfield projects are new infrastructure assets erected on undeveloped ("green") land, which may involve construction phases of varying lengths and financing requirements – depending on the sector and nature of the project – before they can enter service.

¹¹ Brownfield projects are pre-existing, often already-operational infrastructure assets whose financing is restructured mostly through M&A transactions (mergers & acquisitions).

¹² Inframation & SparkSpread database, 12/2025

The booming market for data centers is primarily driven by the transmission, processing, and storage of exponentially growing amounts of data. According to estimates by McKinsey¹³, their global capacity will increase from around 60 GW in 2024 to at least 200 GW in 2030. Some estimates even predict up to 300 GW. This requires not only a massive expansion of these assets, but also a corresponding expansion of the energy production necessary for their operation – ideally from renewable sources – as well as substantial investments in national power grids. Given the existing capacity bottlenecks in the grid and blackouts in Spain and Portugal in May 2025, the massive investment required in this area is easy to imagine. Against this backdrop, Kommunalkredit further expanded its Europe-wide footprint in this area, including in Germany, France, and Scandinavia.

On the other hand, the fiber optics and broadband segment is currently facing a substantial crisis, particularly in countries with little regulatory support, such as Germany and the United Kingdom. Here, underestimated expansion costs, high competition (over-build), and a lack of regulatory framework conditions led to liquidity problems for some providers, whose continued existence in the medium term depends on the ability of their owners to provide further equity capital or on the financing banks. In countries with better framework conditions, such as Spain, Portugal, and France, many fiber optic providers were able to successfully compete with established players in the market. In Portugal, Kommunalkredit successfully supported one such player with refinancing in 2025. Nevertheless, in 2025, larger fiber optic assets of well-known and powerful equity funds ran into substantial difficulties, which are likely to necessitate a series of significant restructurings. For Kommunalkredit, these developments materially impacted the bank's cost of risk in 2025.

Social Infrastructure

In the Social Infrastructure sector, Kommunalkredit successfully completed a series of transactions in the area of private **diagnostic imaging centers and social care homes** (two of them in the United Kingdom). The trend toward an increasingly aging society and the associated need to expand preventive medicine forms the basis for a growing number of transactions in this sector.

Megatrends support Kommunalkredit's business model

The macroeconomic developments of 2025 clearly demonstrate that long-term megatrends continue to support growth in the infrastructure sector, even against an unstable economical backdrop. Structural drivers such as decarbonization and green energy, digitalization, artificial intelligence, rising energy demand, demographic change, and decentralization are reinforcing the sector's role as a significant, resilient, and strategically important asset class.

For Kommunalkredit, as an infra banking expert, this environment continues to offer numerous opportunities to allocate capital in a targeted manner for sustainable growth – in a market that provides attractive opportunities even in turbulent times.

¹³ McKinsey: Report Infrastructure that powers and colls AI data centers, 29/10/2025



Business review

With new business volume of around EUR 2.1 billion and solid core revenues growth of 4%, Kommunalkredit's business model showed its resilience once again in a fairly challenging market environment, thereby helping to confirm the bank's position as a leading European infra banking expert.

A year of organizational transformation

2025 was a year of organizational transformation for Kommunalkredit, focused on strengthening long-term readiness, resilience and scalability. **Significant investments** in digitalization, data management, cyber security and IT security further enhanced the bank's operational and regulatory robustness. Key initiatives included the migration to SAP S/4HANA, full preparedness for DORA, the transition to CSRD reporting, as well as additional regulatory and risk-related IT programs. These measures improved data quality, transparency and process efficiency across the organization.

Governance structures were further strengthened, including the introduction of centralized procurement to enhance cost efficiency and transparency. This disciplined cost management is reflected in a consistently low cost-income ratio of 45.1%, providing a solid basis for operational resilience even in economically turbulent times.

In parallel, important milestones were reached in the ongoing **transformation of Kommunalkredit's headquarters** in Vienna. The historic Bösendorfer Palais in the 9th district is being redeveloped into a modern office building, demonstrating the Bank's commitment to preserving its heritage while meeting contemporary workplace requirements.

Cultural initiatives to strengthen corporate culture, increase job satisfaction and stabilize workforce dynamics continued to show results. Total **staff turnover** decreased to 9%, down from 13% in 2024, indicating improved employee satisfaction and retention.

Overall, Kommunalkredit strengthened its core competencies, attracted additional "**Future Minds**", and laid the foundation for greater efficiency, scalability and data quality.

Solid top-line performance in a persistently challenging market environment

Kommunalkredit's short-term performance in 2025, particularly in the first quarter, was affected by heightened geopolitical uncertainty, including ongoing international conflicts, volatile policy announcements related to trade measures, and declining interest rates. These factors led sponsors and borrowers to delay refinancing activities and investment decisions, resulting in lower new business volumes in the early part of the year.

Transaction activity began to gather pace in the second quarter of the year. This resulted in a new business volume of EUR 2,080 million (EUR 1,697 million Infrastructure & Energy financing | EUR 383 million Public Finance) and a core revenue growth of 4%, despite a record level of early repayments and higher funding costs at year-end 2025, representing a solid level compared with the previous year (EUR 2,280 million). A total of 45 new transactions contributed to this volume, driven primarily by the Energy & Environment sector, which accounted for around 59% of new business. The main I&E markets were Germany (20%), Great Britain (11%), Portugal (10%) and Romania (8%).

In December alone, nine transactions were successfully signed, representing a monthly record for Kommunalkredit. Gross revenues increased year-on-year, and the strong momentum in the fourth quarter translated into a robust pipeline entering 2026.

At the same time, the second half of 2025 — and in particular the fourth quarter — was marked by a material increase in risk costs and the need for prudent loan provisions, mainly driven by developments in the fiber sector.

The profit of the year before tax therefore declined to EUR 3.0 million as of 31 December 2025. Against this backdrop, the bank's low cost-income ratio of 45.1% proved to be a key strength, supporting earnings resilience in a more challenging environment.

Accordion financing for more flexibility

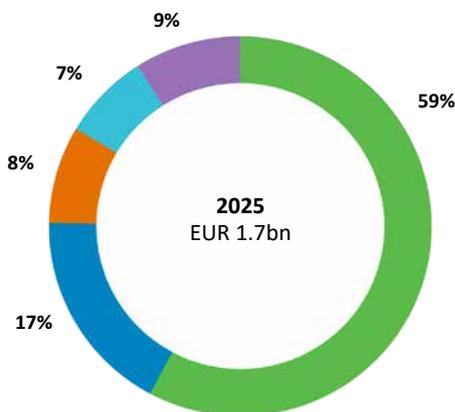
In order to adapt to volatile market conditions with a significant degree of unpredictability, Kommunalkredit has strengthened its competitive position by offering flexible accordion financing solutions. This approach enables sponsors to mobilize additional funding for organic or inorganic growth within already existing credit frameworks – thereby reducing transaction cost and increasing speed and flexibility by forgoing a complete and often time-consuming refinancing process. Against the backdrop of geopolitical uncertainties and tariff-related inflation risks, this solution proved to be the best answer in many complex situations.

Strong new business performance in all four focus sectors

Once again, Kommunalkredit successfully structured and financed transactions across its four focus sectors – Energy & Environment, Communication & Digitalization, Transport, and Social Infrastructure – in the 2025 financial year. This was driven by the bank’s collective efforts including **financing solutions, cross-sector advisory services** and further supported by the continued megatrends decarbonization, decentralization, demographic changes, and digitalization. In total, Kommunalkredit’s financing volume including Public Finance amounted to EUR 2,080 million as of 31 December 2025.

New business I&E in 2025
in %

- Energy & Environment
- Communication & Digitalization
- Transport
- Social Infrastructure
- Other



Energy & Environment

Around 6% of the European infrastructure project volume in 2025 was attributable to renewable energies and energy-related sectors such as biogas and battery energy storage systems. Kommunalkredit is broadly positioned in this market and achieved particular successes in areas such as innovative battery storage financing. In consideration of the low wholesale energy prices, flexibility with regard to **electricity usage models** (e.g. Power Purchase Agreements versus market price risk) was of central importance – an area in which the bank was able to make targeted use of its structuring expertise. In addition, the Group increasingly focused on bridging and construction financing to enable project developers and independent power producers, particularly in Central and Eastern Europe, to rapidly implement their project pipelines. At the same time, Kommunalkredit established itself in this region as a leading partner in M&A and debt advisory services.

Communication & Digitalization

Global digitalization and the exponential **increase in data volumes** led to a strong increase in investor interest in digital infrastructure, particularly in the data center segment. In 2025, Kommunalkredit structured and financed several new projects in this area – ranging from smaller colocation data centers to large-volume hyperscalers featuring long-term usage agreements with global technology companies such as Google, Amazon, and Meta. At the same time, the bank largely refrained from further engagements in the fiber sector, given the challenging market environment.

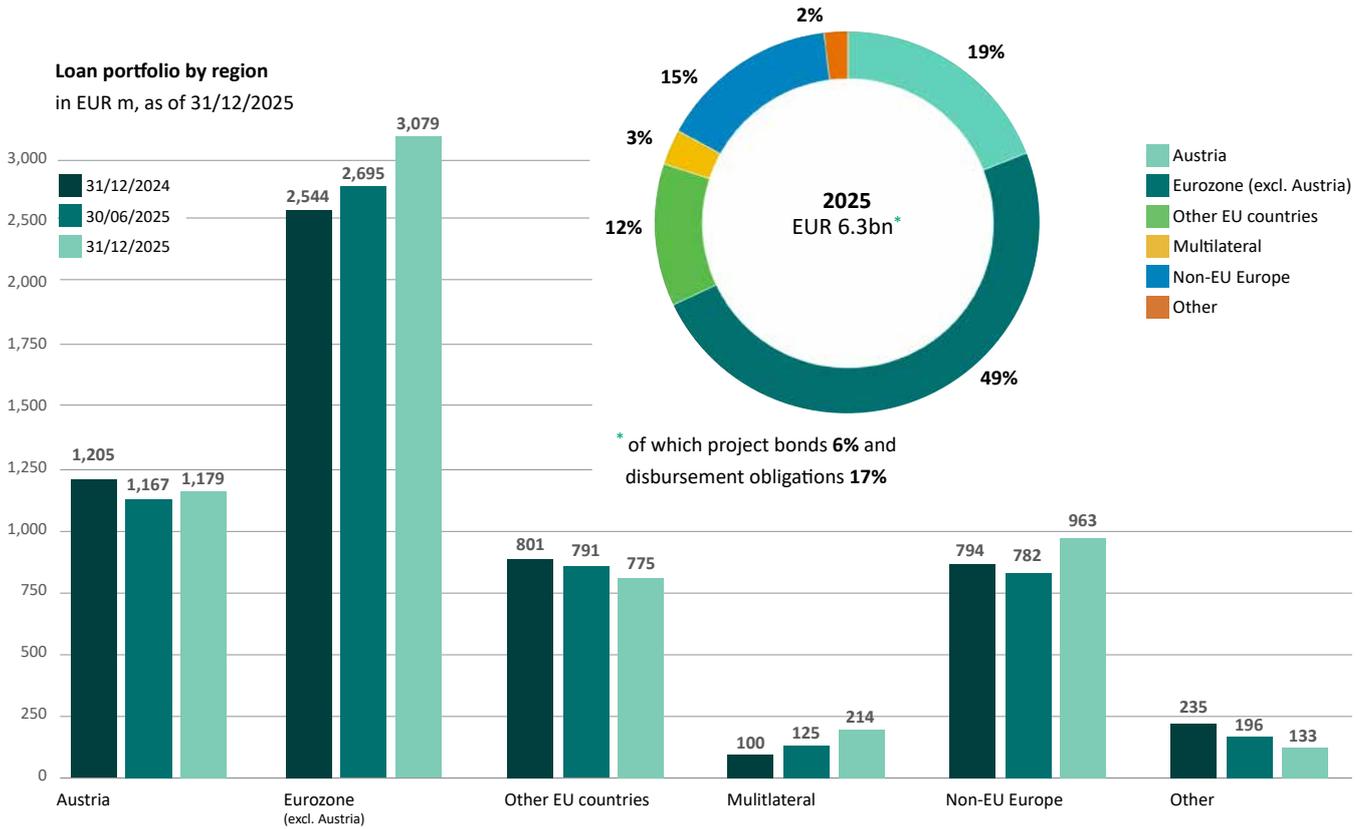
Transport

In the Transport sector, Kommunalkredit was primarily active in the **airport and railway segments** as well as in the **warehousing/logistics sub-sector**. Refinancing and structured specialized financing dominated here. In the charging infrastructure sector, the Bank is currently working on several projects that focus on differentiated operator and usage models.

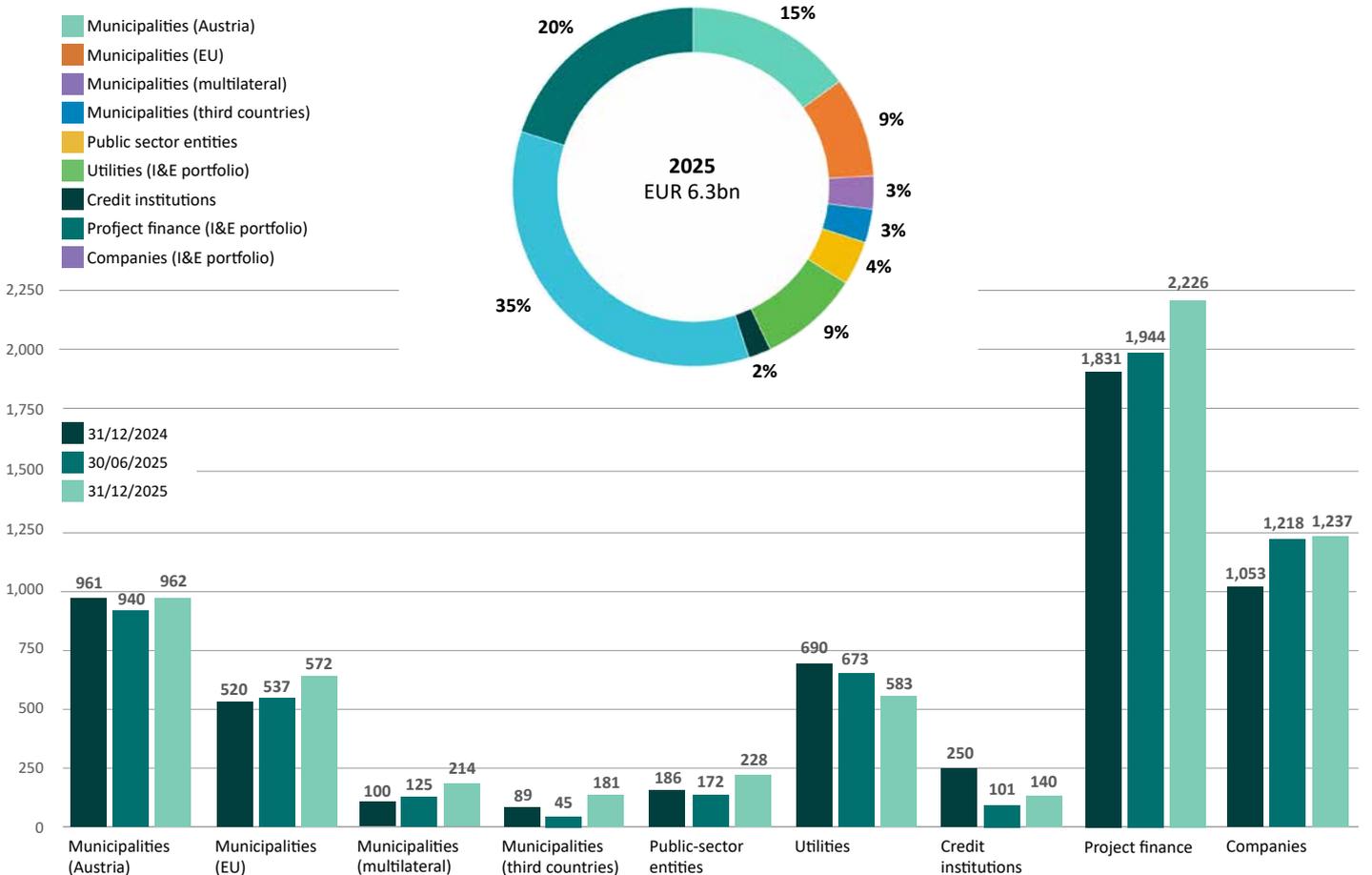
Social Infrastructure

In the Social Infrastructure segment, the focus in 2025 was again on **private health and care facilities**, particularly in the area of diagnostic imaging and nursing homes. Against the backdrop of demographic developments, an increase in transactions is expected here in the years to come.

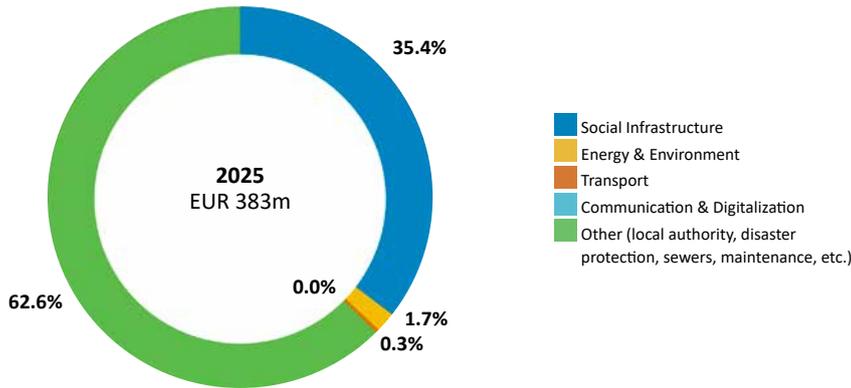
Loan portfolio by region
in EUR m, as of 31/12/2025



Loan portfolio by borrower
in EUR m, as of 31/12/2025



Public finance in 2025
in %



Public finance as a stabilizing factor

Public finance has a long tradition at Kommunalkredit and remains an integral part of its business model. As of 31 December 2025, the public finance volume amounted to some EUR 383 million. By investing in essential infrastructure that directly **benefits citizens and municipalities**, Kommunalkredit creates and secures jobs while stimulating economic activity.

In 2025, however, Kommunalkredit has increased its financing of international transactions. While only 21% of new business was concluded in Austria, 79% was allocated to public sector deals in core Europe. This decline was driven by a highly competitive market environment in Austria: in public tenders, financing allocations are sometimes awarded at interest rates below those of comparable government bonds, often rendering such transactions economically infeasible. Consequently, Kommunalkredit has increased its activities in sub-sovereign assets in core Europe.

Successful cooperation with established partners

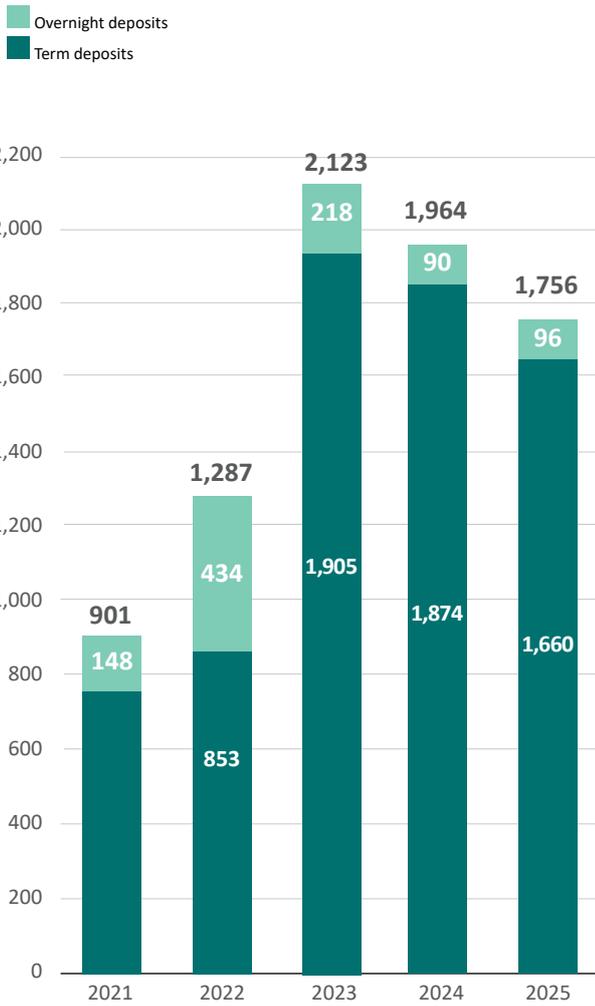
In 2025, the **International Finance Corporation** and the **Asian Infrastructure Investment Bank** participated in a senior unsecured bond issued by Kommunalkredit. With a total volume of EUR 200 million, both institutions are supporting the financing of sustainable infrastructure projects in Central and Eastern Europe – demonstrating the confidence that global development partners have in Kommunalkredit’s business model and effectiveness.

Kommunalkredit pursues a business approach that focuses on cooperation with established partners (originate and collaborate) and concentrates in particular on its ability to place transactions on the international financing market. The Group is also able to offer its business partners access to infrastructure and energy financing through **asset management solutions**. Together with its affiliated company Florestan KA GmbH, Kommunalkredit is implementing landmark projects to drive forward European energy transition. The electrolysis plant in Schwechat, Austria, developed jointly with OMV, demonstrates how successful partnerships can accelerate the development of the green hydrogen market. Since it went into operation in May 2025, the 10-megawatt plant produces up to 1,500 tonnes of green hydrogen annually, which is used directly for the production of sustainable fuels. With annual savings of up to 15,000 tonnes of CO₂, the project is a pioneering example of the effectiveness of private infrastructure financing in the industrial decarbonization of Europe.

Another Florestan project is a joint venture with the Austrian energy group eww under the brand name PeakSun. The model enables customers to lease their roof space to PeakSun on a long-term basis for the installation of a PV system. The electricity generated can either be consumed by the customer or fed into the public grid.

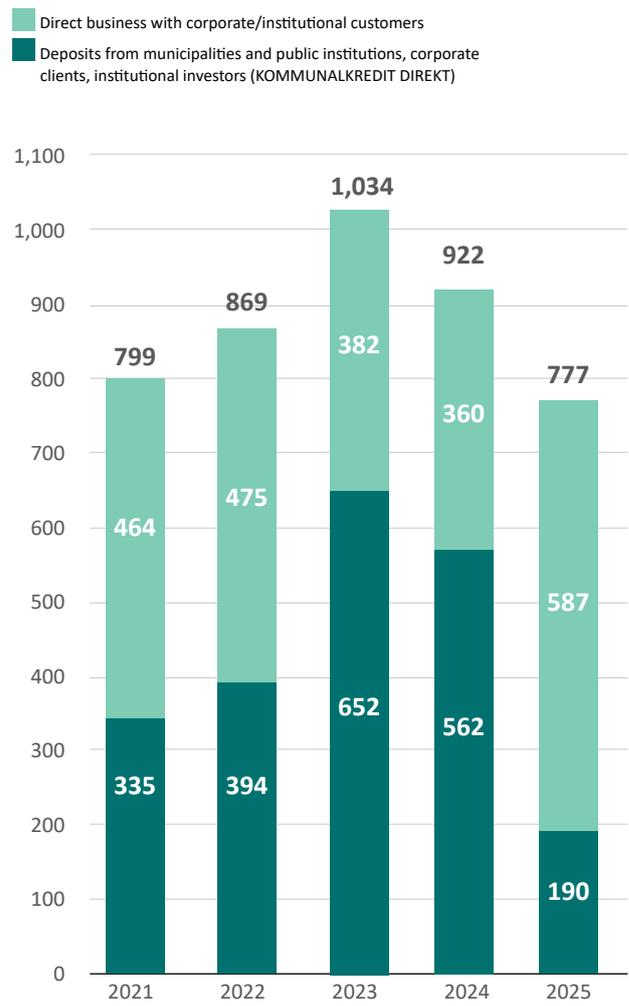
Retail deposits (KOMMUNALKREDIT INVEST)

in EUR m, as of 31/12/2025



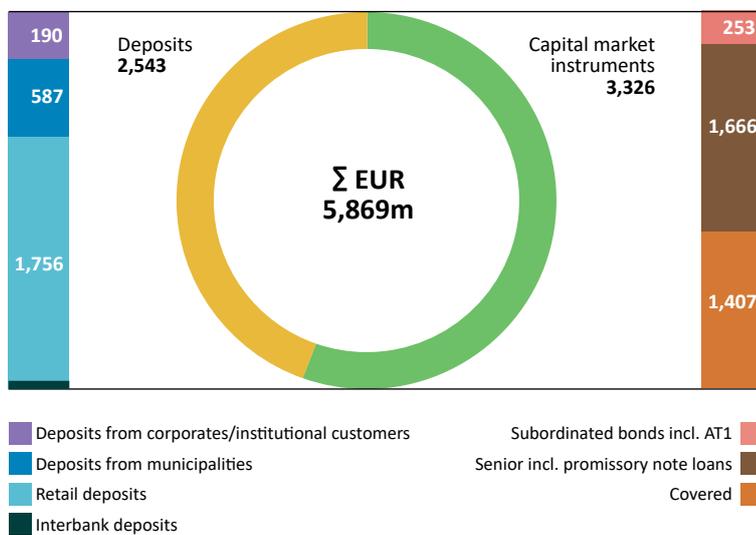
Wholesale deposits

in EUR m, as of 31/12/2025



Refinancing structure

in EUR m, as of 31/12/2025



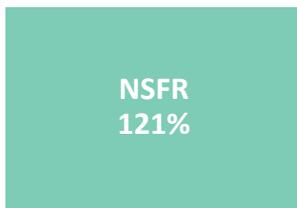
Asset quality

Infrastructure remains **one of the most stable and resilient investment themes** on a global basis. This is reflected in Kommunalkredit's overall asset quality with an average rating of BBB+ as of 31 December 2025 anchored in a proportion of investment-graded projects of 59%. Nevertheless, Kommunalkredit inter alia had to acknowledge an industry-wide deterioration of fiber and broadband transactions affecting almost all financial institutions active in the infrastructure sector. As a consequence, value adjustments had to be increased significantly. The NPL ratio in 2025 rose to 7.0% (2024: 2.8%).

Stable deposit development

In addition to its solid portfolio quality, Kommunalkredit's deposit business also showed **stable development** in 2025. It comprises retail deposits (KOMMUNALKREDIT INVEST) and wholesale deposits (KOMMUNALKREDIT DIREKT for municipalities and public institutions as well as deposits from corporate clients and institutional investors). In the 2025 financial year, both the wholesale and the retail deposit business purposely slightly declined. The share of fixed-term deposits rose again compared with overnight deposits.

For more details on capital market instruments, see the chapter [Kommunalkredit on the capital market](#).



Comfortable liquidity position

Building on this stability, Kommunalkredit maintained a very comfortable liquidity position, amounting to EUR 1,242 million as of 31 December 2025. The Group held cash and cash equivalents as well as balances with central banks (including minimum reserves) amounting to EUR 513 million (31/12/2024: EUR 930 million). In addition, Kommunalkredit had a free liquidity reserve in the form of high-quality liquid assets amounting to EUR 729 million (31/12/2024: EUR 376 million). This **strong liquidity position** provides the bank with a high degree of operational flexibility, resilience against market volatility and a solid basis for supporting further growth in its lending activities.

Strategic liquidity management

Moreover, it reflects Kommunalkredit's successful strategic liquidity management. In light of geopolitical uncertainties and the resulting volatility on the capital markets, Kommunalkredit deliberately maintained a strong liquidity position for strategic reasons. This resulted in a **significant increase in the liquidity coverage ratio (LCR)** during the first half of the year, which – as expected – normalized again based on expected asset growth. The LCR, as defined under the Capital Requirements Regulation, measures the short-term resilience of a bank's liquidity risk profile in a 30-day stress scenario and is closely monitored as part of the bank's early warning system. As of 31 December 2025, Kommunalkredit's LCR stood at 344% (31/12/2024: 314%), well above the regulatory minimum of 100%.

Credit institutions are also required to maintain a stable **long-term funding profile** relative to their assets and off-balance-sheet activities. Kommunalkredit's net stable funding ratio (NSFR) amounted to 121% as of 31 December 2025 (31/12/2024: 119%). Both ratios refer to those at the level of Kommunalkredit Austria AG.

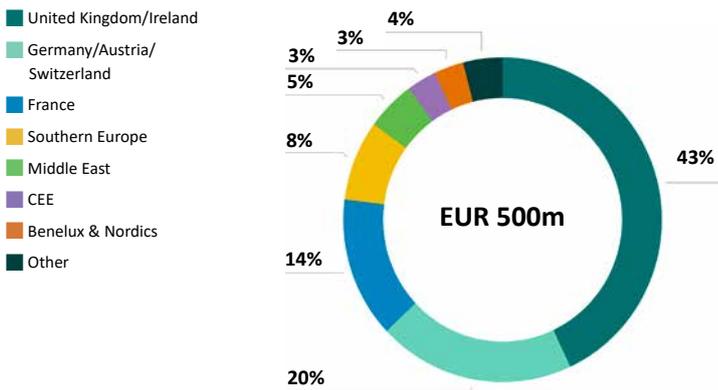
Strong capital position

In addition to its comfortable liquidity position, Kommunalkredit maintained a very strong capital base in 2025. By year-end, the core capital ratio exceeded 17.6% and total capital amounted to EUR 973.8 million, marking the strongest capitalization position in the company's history. This solid capital foundation provides a substantial buffer against market volatility, supports prudent risk management and underpins the bank's ability to pursue its strategic objectives in a disciplined manner.

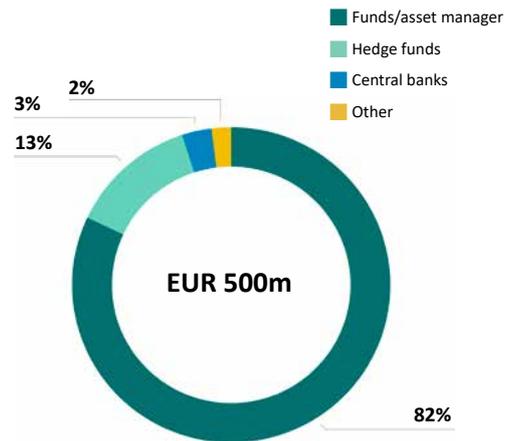
Kommunalkredit on the capital market

In recent years, Kommunalkredit has continuously significantly expanded its presence on the capital markets. In March 2025, the issuance program (DIP 4) launched in 2024 was updated. Issues under this program can be listed in Vienna, which underscores our commitment to the Austrian capital market. The successful issuance of further capital market transactions in 2025 and the improved covered bond rating are testament to the above-average confidence in Kommunalkredit.

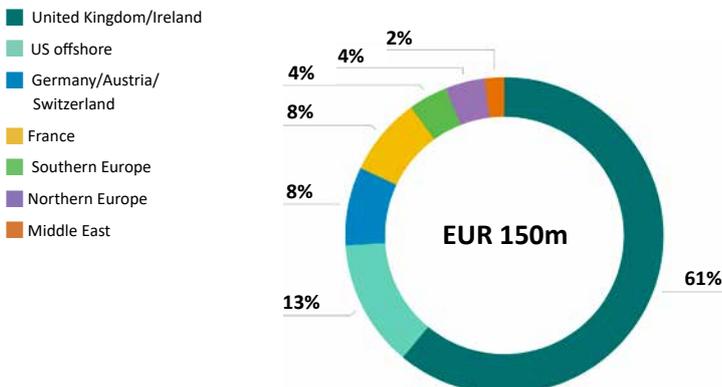
Senior preferred bond H1 2025 (oversubscribed 2.6 times):
by region



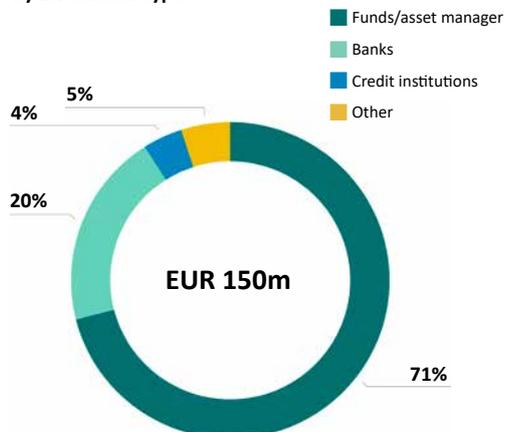
by investment type



Tier II issue H1 2025 (oversubscribed 3.6 times):
by region



by investment type



Public senior preferred bond shows high investor confidence

In March 2025, Kommunalkredit placed its **first public senior preferred bond** with a term of six years and a volume of **EUR 500 million** among institutional investors – with great success: Based on a final order book of EUR 1.3 billion comprising the demand from more than 100 investors, led by the UK (43%), with further strong participation from the D-A-CH region (20%) and France (14%), the coupon on the bond was fixed at 4.25%. The issue was **2.6 times oversubscribed** – a clear sign of investor confidence in the strategic direction and credit rating of Kommunalkredit Group. In addition, the bank carried out private placements and issued senior preferred promissory note loans with a total volume of EUR 283 million.

Successful Tier II issue for further growth in Europe

Another sign of Kommunalkredit's excellent reputation on the capital market was yet another successful issue in June 2025: As part of its capital structure optimization and the concurrent strengthening of its equity position, the bank issued an inaugural **public Tier II issue** worth **EUR 150 million**. This transaction was also met with strong demand from investors. The subscribed order volume exceeded EUR 500 million. At 5.5%, the bond coupon was set significantly lower than expected. The transaction was **3.6 times oversubscribed** – a remarkable result given the geopolitical uncertainties. Kommunalkredit is using the successful issue not only to strengthen its regulatory total capital, but also to finance further growth in European markets.

An overview of Kommunalkredit's refinancing structure can be found on page 46 of this report.

High-quality and diversified cover pool

As of 31 December 2025, Kommunalkredit had a **well-diversified cover pool** worth EUR 1,845 million, while public covered bonds in EUR and CHF amounting to approximately EUR 1,407 million were outstanding. The cover pool contained assets from Austria (63.7%), Germany (12.1%), Belgium (6.8%), France (5.8%), Portugal (2.0%), and other countries (9.6%). 68.1% of the positions had a rating of AAA or AA, while 28.3% had a rating of A. The level of surplus cover amounted to 31.1% as of 31 December 2025.

S&P upgrades covered bond rating

The **rating** of Kommunalkredit's **covered bonds** by S&P Global Ratings was upgraded from A+/stable to AA-/stable in a first step in March 2025. One year later, in January 2026, the rating agency upgraded the rating again by 2 notches to AA+/negative. These upgrades reflect the high quality of Kommunalkredit's covered bond pool and the commitment to maintain a 13% over-collateralisation in the cover pool and to obey to liquidity buffer requirements for all outstanding bonds.

Change in rating outlook

On 11 December 2025, S&P revised the outlook on Kommunalkredit from "stable" to "negative" and affirmed the **BBB/A-2 long and short-term issuer credit ratings**. S&P noted that the reason for the negative outlook is primarily due to asset quality deterioration, which could worsen further, with a direct impact on Kommunalkredit's financial performance. Nevertheless, S&P stressed that Kommunalkredit's solid capital buffers as well its strong pre-provision income would be sufficient to absorb potential higher-than-expected credit losses over the next few years.

Investor Relations

Kommunalkredit has continuously increased its interaction with investors over the years. With a dedicated investor relations function established in 2024, Kommunalkredit had the opportunity to present its financial results and business development during more than 150 investor meetings in 2025. Kommunalkredit is committed to continuing an open and transparent dialogue with investors to foster its capital market presence.

S&P Global Ratings
Long-term Issuer
Credit Rating
BBB/Negative

S&P Global Ratings
Covered Bonds
AA+/Negative
(Update as of 29/01/2026)

Equity participations

Kommunalkredit holds stakes in selected companies in areas such as public consulting, project development, asset management, and IT.

Kommunalkredit Public Consulting GmbH

Promoting environmental and climate protection in Austria

With around 170 employees, Kommunalkredit Public Consulting GmbH (KPC) is Kommunalkredit’s largest subsidiary. Its main activities include **subsidy management and advisory services** for projects in the areas of renewable energies, energy efficiency, climate-friendly mobility, circular economy, biodiversity, urban water management, flood protection, and contaminated site remediation in Austria. 90% of its shares are held by Kommunalkredit Austria AG.

Point of contact for agencies and applicants

As the point of contact for funding agencies that provide the financial resources – primarily Austrian federal ministries such as the Federal Ministry of Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management (BMLUK) and the Federal Ministry of Economy, Energy and Tourism (BMWET) as well as the Federal Ministry of Innovation, Mobility and Infrastructure (BMIMI) via the Climate and Energy Fund, the Federal Ministry of Housing, Arts, Culture, Media and Sports (BMWKMS) and the Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection (BMSGPK) – and funding applicants, **KPC supports the entire project funding process**. It also offers comprehensive advisory services for international financial institutions such as the European Union (EU) or the European Bank for Reconstruction and Development (EBRD).

Working together for global climate protection

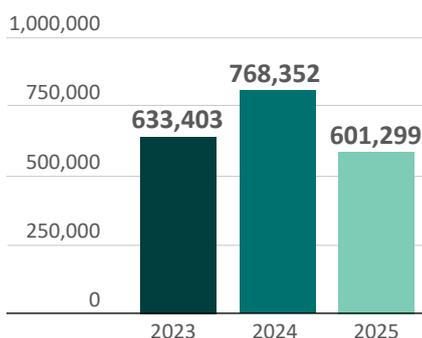
Although the number of climate and environmental protection projects declined in 2025, the level of funding remained high (EUR 3.0 billion | 2024: EUR 2.9 billion). Nevertheless, a total of 601,299 climate and environmental protection projects (2024: 768,352) with an investment volume of approximately EUR 9.1 billion (2024: EUR 9.1 billion) were evaluated in 2025. This was mainly due to the Austrian governmental sustainability initiative “Renovation Offensive”.

Effects of environment-related subsidies granted by KPC in 2025

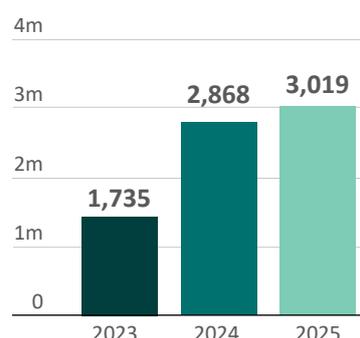


KPC in 2025
in no. / EUR m

No. of projects completed



Subsidy amount
in EUR m



Current subsidy programs processed by KPC

1 Repair bonus: successful program relaunched
 On 26 May 2025, the “Repair Bonus” subsidy program launched by the Austrian federal government in 2022 came to an end as the available funds had been exhausted. A total of around 1.8 million applications with a funding volume of EUR 186.3 million were approved under this program. In 2025 alone, there were around 452,000 applications with a funding volume of EUR 46.7 million. The program was relaunched at the end of 2025 as “Device Rescue Bonus”.

2 Renovation offensive: demand remains high
 The “Renovation Offensive” funding program ended in December 2024. Here, too, the funding made available was fully utilized. By that date, a total of around 129,000 applications had been submitted with a funding volume of around EUR 2.3 billion. Following the relaunch of the program in October 2025, a total of 89,700 applications were approved by the end of the year, resulting in a funding volume of EUR 1.6 billion.

3 Transformation of industry: promoting fossil fuel alternatives
 As part of the two calls for proposals under the “Transformation of Industry” funding program of the Austrian federal government in 2025, companies operating in Austria were able to apply for a transformation grant. The initiative aims to contribute to the greatest possible reduction in greenhouse gas emissions from the direct combustion of fossil fuels and from industrial production processes. A total of EUR 3 billion in funding will be available until 2030.

4 Brownfield recycling: reducing land consumption
 In the first half of 2025, the new “Brownfield Recycling” funding program was launched. The initiative aims to make former industrial sites with contaminated soil usable for the development of new construction projects. This should help to reduce land consumption in Austria from the current average of 10 hectares per day to 2.5 hectares per day by 2030.

5 Circular economy: ongoing funding program
 Since 2025, funding applications in the field of circular economy in Austria are no longer submitted in the context of calls for proposals, but on the basis of ongoing funding submissions. This ensures a continuous process of submission and processing. Each year, a budget of around EUR 51 million is available through this channel to fund projects that will help steer the Austrian economy towards a circular economy.

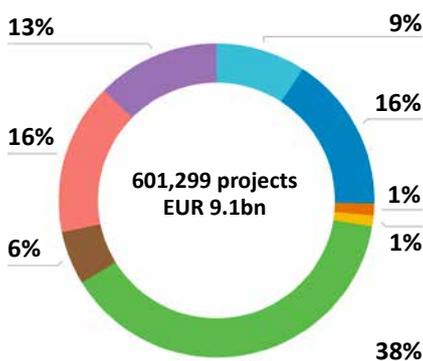
6 Biodiversity: restoration of the ecosystem
 The current “Biodiversity Fund Call 2025” supported projects in Austria aimed at ecosystem restoration, aquatic network development, de-sealing, and biodiversity measures in urban areas. The announced and available funding budget of EUR 6.5 million was exceeded by more than three times.

7 Flooding grant: new contract for KPC
 KPC succeeded in winning the Austrian Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection as a new client. The “Flooding Grant” covers the processing of financial assistance that victims of the September 2024 flood disaster have been able to apply for. By the end of the deadline in September 2025, around 2,000 applications had been submitted.

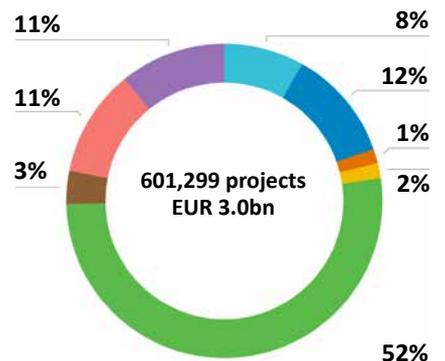
8 Bilateral climate financing
 KPC manages climate protection projects directly funded by the Federal Ministry of Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management (BMLUK) to support climate protection measures in developing and emerging countries. Under this funding program, nearly 40 climate protection projects in developing countries were managed in 2025.

KPC in 2025
in % / EUR m

Investment volume evaluated



Funding volume paid-out



- Industrial transformation
- Climate and energy fund
- Circular economy
- Repair bonus
- Renovation offensive
- Other
- Environmental-related subsidies in Austria
- Water management

Fidelio KA Infrastructure Opportunities Fund platform

Through the Luxembourg-based Fidelio KA Infrastructure Opportunities Fund SICAV-RAIF SCA, Kommunalkredit provides a platform that **allows institutional investors to participate** alongside the bank in selected European infrastructure and energy debt investments. The platform leverages Kommunalkredit's experience in structuring and portfolio management, with the bank investing alongside the fund.

Florestan KA GmbH

Florestan KA GmbH serves as a project development company enabling **investments in infrastructure and energy projects** with strong development and growth **through equity participation**. One of the company's flagship projects is the 10 MW electrolysis plant, which was invested in jointly with OMV, Austria's leading oil, natural gas and chemicals group. Green hydrogen plays a key role in the decarbonization of energy-intensive industries. The plant successfully commenced operations in spring 2025.

PeakSun Holding GmbH

PeakSun Holding GmbH is a joint venture between Kommunalkredit and the Austrian energy supplier eww AG for the development, construction, and operation of **rooftop photovoltaic systems** in Austria. Under the offered "contracting model," customers are not required to make any initial investment, as the company finances the systems, installs them on the roof surfaces provided by customers, and leases them back on a long-term basis. Customers receive all electricity generated by the system, which can either be used within the building or fed into the public grid. Through this model, the bank directly supports the climate targets of the Austrian federal government. The first systems were successfully commissioned in 2022.

Kommunalkredit TLI Immobilien GmbH & Co KG

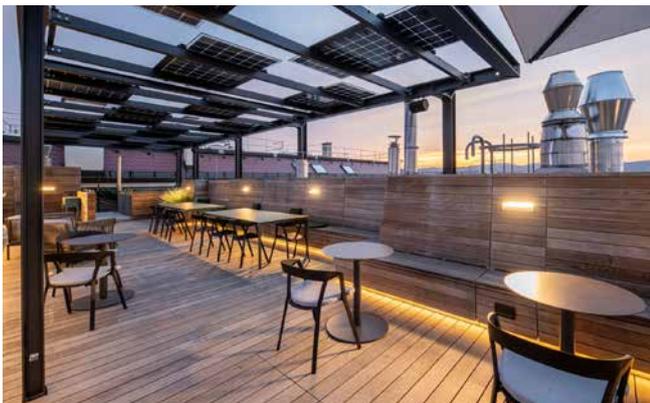
Kommunalkredit TLI Immobilien GmbH & Co KG holds and manages **Kommunalkredit's properties** at Tuerkenstrasse 9 and Liechtensteinstrasse 13 in Vienna. The office premises of these properties are mainly leased to Group companies.

Kommunalnet E-Government Solutions GmbH

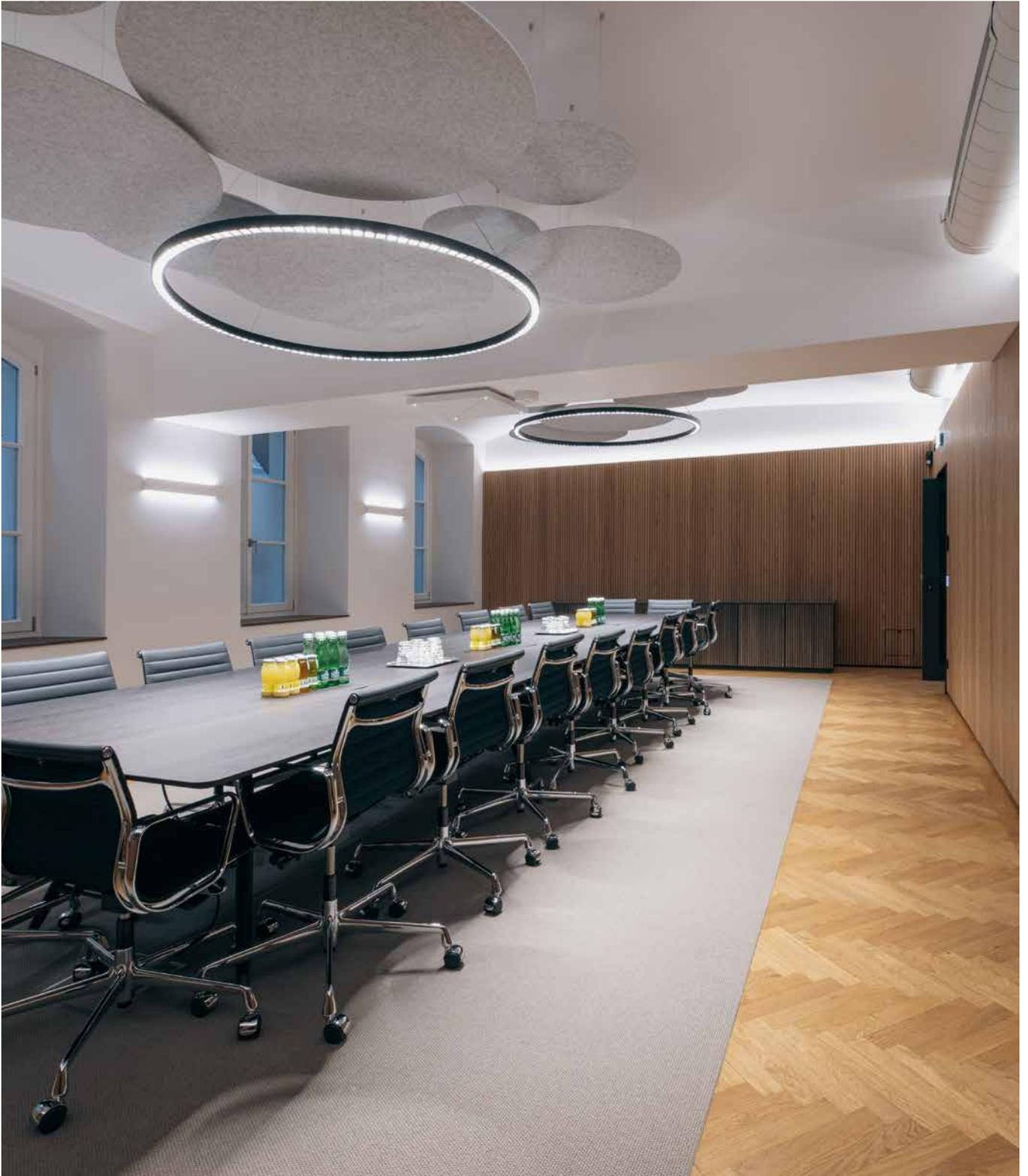
Kommunalkredit holds a 45% stake in Kommunalnet E-Government Solutions GmbH. A further 45% is held by the Austrian Association of Municipalities and 10% by three regional associations of the Austrian Association of Municipalities. Kommunalnet serves as a **digital work and information portal** for Austrian municipalities, mayors, and municipal civil servants. It provides current news for municipalities and access to databases for municipal authorities, and acts as an information and communication hub for federal, provincial, and municipal authorities. Kommunalnet is an official component of the Austrian eGovernment Roadmap.

Branch office Frankfurt

In addition to its headquarters in Vienna, the company also has a branch office in Frankfurt am Main, Germany, from where it offers its comprehensive services directly to the German and European market.



Above the rooftops of Vienna: The roof terrace is used for work, lunch breaks, and internal and external events.



Where tradition and modernity meet: floor by floor, the headquarters in Vienna's ninth district is being transformed into a state-of-the-art office building.

Assets, financial position, and income

Operating profit amounted to EUR 97.6 million in fiscal year 2025, while the cost-income ratio rose to 45.1%. The result was significantly impacted by a sharp rise in risk costs, which were mainly attributable to consolidation processes in selected infrastructure sub-sectors. Net income after taxes for the period amounted to EUR 1.5 million. Kommunalkredit's strategic focus on infrastructure and energy financing as well as public finance remains unchanged.

Financial performance indicators under Austrian GAAP

in EUR m or %	31/12/2025	31/12/2024
Total assets	6,994.7	6,552.7
Total capital	677.7	676.2
Net interest Income	130.8	175.1
Income from securities and investments	7.0	0.8
Net fee & commission income	33.6	32.7
Other operating income	6.3	5.7
General administrative expenses	-76.6	-76.7
Other operating expenses	-3.5	-1.9
Operating profit	97.6	135.6
Loan impairment, valuation and sales result	-94.6	-11.7
Profit for the year before tax	3.0	123.9
Income taxes	-1.5	-39.5
Profit for the year	1.5	84.5
Cost/income ratio*	45.1%	36.2%
Return on equity before tax**	0.4%	23.3%
Return on equity after tax**	0.2%	15.9%

* Cost-Income-Ratio = operating expenses / operating income

** Return on equity = profit for the year/common equity tier 1 capital of Kommunalkredit Austria AG as of 1.1.

Regulatory performance indicators of Kommunalkredit Austria AG under Austrian GAAP

in EUR m or %	31/12/2025	31/12/2024
Risk weighted assets	4,427.9	3,834.0
Total capital (CET 1, additional Tier 1, Tier 2)	973.8	820.8
CET 1 ratio	16.2%	18.7%
Common equity ratio	17.6%	20.3%
Total capital ratio	22.0%	21.4%

Rating

Issuer rating	S&P GLOBAL RATINGS
Long term rating	BBB
Short term rating	A-2
Outlook	negative
Covered bond rating	(updated as of 29/01/2026)
Long term rating	AA+
Outlook	negative

Structure of statement of financial position

Total assets according to UGB/BWG amounted to EUR 6,994.7 million as of 31 December 2025 (31/12/2024: EUR 6,552.7 million), representing an increase of around 6% over the previous year. The growth in total assets is mainly attributable to the further expansion of the lending business. On the assets side, loans and advances to customers remain the largest item at EUR 5,096.9 million (31.12.2024: EUR 4,639.8 million). Debt securities and fixed-income securities amounted to EUR 944.1 million (31/12/2024: EUR 665.4 million) and mainly comprise securities in the liquidity portfolio. Cash and balances with central banks decreased to EUR 527.0 million (31/12/2024: EUR 929.5 million).

On the liabilities side, liabilities to customers amounting to EUR 2,812.3 million (31/12/2024: EUR 3,130.1 million) represent a significant refinancing component. Securitized liabilities increased significantly to EUR 2,906.6 million (31/12/2024: EUR 2,342.1 million) and reflect Kommunalkredit's intensified capital market activities.

Kommunalkredit's equity amounted to EUR 677.7 million as of 31 December 2025 (31/12/2024: EUR 676.2 million), remaining largely stable.

Income

Kommunalkredit Austria AG reported a pre-tax profit for the 2025 financial year in accordance with Austrian GAAP of EUR 3.0 million (2024: EUR 123.9 million). The significant decline is mainly attributable to increased credit risk costs of EUR -97.7 million (2024: -10.6 million), which were influenced by developments in individual infrastructure sub-sectors. Operating profit amounted to EUR 97.6 million in 2025 (2024: EUR 135.6 million) and continues to show robust operating performance despite a moderate decline in net interest income. Profit for the period after taxes amounts to EUR 1.5 million (2024: EUR 84.5 million). The earnings situation thus reflects a solid operating performance for the fiscal year, albeit one that was impacted by high risk costs. The underlying business performance remains positive, supported by stable operating income, a disciplined cost structure, and a continued focus on the core business of infrastructure and energy financing.

Net interest income

Net interest income declined significantly in fiscal year 2025 compared with the previous year, amounting to EUR 130.8 million (2024: EUR 175.1 million). This was mainly due to a decline in interest income to EUR 347.2 million (2024: EUR 393.2 million). While new financing business continued to grow, the overall interest result was negatively impacted by the generally lower interest rate environment in the Eurozone in 2025, as well as by increased early prepayments and refinancing activity.

Interest expenses were slightly below the previous year's figure at EUR 216.4 million (2024: EUR 218.2 million). The Bank's active refinancing strategy led to a broader and more balanced funding structure, particularly through continued capital market activities in the area of senior and covered bonds. The resulting shift in the refinancing mix contributed to a stable cost base. Overall, net interest income in 2025 shows a resilient operating performance, supported by both solid customer lending business and a strategically aligned refinancing structure.

Net fee and commission income

Net commission income amounted to EUR 33.6 million (2024: EUR 32.7 million), reflecting the continued positive development in the advisory, arrangement, and structuring business. Fee and commission income rose significantly to EUR 42.2 million (2024: EUR 37.2 million), driven by continued high demand for structuring and arrangement services in the context of infrastructure and energy financing, as well as increased activity in the advisory and services business. The increase in commission income was offset by commission expenses of EUR 8.6 million (2024: EUR 4.5 million). The increase is mainly due to expenses related to capital market transactions, in particular fees and external costs in connection with issuance and placement activities.

General administrative expenses

General administrative expenses in fiscal year 2025 were slightly below the previous year's figure at EUR 76.6 million (2024: EUR 76.7 million). While personnel expenses declined to EUR 43.6 million (2024: EUR 46.5 million), material expenses rose to EUR 32.0 million (2024: EUR 29.3 million). As in 2024, no ex-ante contributions to the Bank Resolution Fund were collected in 2025 after the target level of the fund in the euro area was reached. The cost-income ratio increased to 45.1% (2024: 36.2%) due to lower operating income and despite largely stable administrative expenses.

Other operating income

Other operating income amounted to EUR 6.3 million in 2025 (2024: EUR 5.7 million) and mainly comprises income from the provision of operational services to Kommunalkredit Public Consulting GmbH in the amount of EUR 4.3 million (2024: EUR 4.8 million).

Other operating expenses

Other operating expenses increased to EUR 3.5 million in the 2025 financial year (2024: EUR 1.9 million). The main reason for this was a special payment of EUR 1.8 million for the stability levy, which increased the total burden from the stability levy to EUR 2.9 million (2024: EUR 0.7 million). In addition, a provision of EUR 0.5 million was made for macro-economic losses in 2025.

Loan impairment, valuation and sales result

Loan impairment, valuation and sales result amounted to EUR -94.6 million in fiscal year 2025 (2024: EUR -11.7 million) and were thus significantly impacted by higher risk provision expenses. The credit risk result is attributable to significant additions to specific loan loss provisions of EUR -53.3 million (2024: EUR -9.1 million) and write-offs of receivables of EUR -41.1 million (2024: EUR 0.0 million). Furthermore, there was an increase in statistical risk provisions (expected credit loss) of EUR -3.8 million (2024: EUR -2.6 million) in 2025. This is offset by income from the reversal of provisions in accordance with § 57 (1) of the Austrian Banking Act (BWG) of EUR 0.5 million (2024: EUR 1.1 million).

A positive contribution of EUR 0.9 million (2024: EUR -1.3 million) from the valuation of investments was recognized in the valuation result. In addition, the sale of infrastructure and energy financing resulted in income of EUR 2.2 million (2024: EUR 1.3 million).

Tax expense

Tax expense amounted to EUR -1.5 million in fiscal year 2025 (2024: EUR -39.3 million). The significant decline is mainly attributable to the lower taxable income. Deferred taxes had a positive effect of EUR 0.4 million (2024: EUR -9.5 million).

Development in risk provisions taking the current macroeconomic developments into account

The allowance for expected credit losses (ECL) is determined using a provisioning model based on statistically derived historical experience in accordance with IFRS 9. The expected loss is calculated as the product of probability of default (“PD”)—which incorporates forward-looking information—loss given default (“LGD”), and exposure at default (“EAD”) at the time of default. Kommunalkredit applies portfolio-specific PDs for Specialized Lending, Corporates and Financial Institutions, and “All-Sector” PDs for all other exposures. A key driver of these PDs is the development of macroeconomic input parameters. While through-the-cycle PDs remained broadly stable year-on-year, point-in-time PDs increased. This reflects the continued projection of comparatively low GDP growth for 2026 and a negative rating-migration trend in 2025 with a higher number of downgrades. Both factors carry significant weight in the model and, as a result, adversely affected point-in-time PDs—an effect that could not be offset by strong equity markets trending positively and approaching near all-time highs.

Owing to contractual and structural risk-mitigation features typical of infrastructure finance, the Bank’s portfolio has been solid in recent years. Many project-finance exposures benefit from availability-based models, fixed feed-in tariffs or long-term contracts and, in addition, are protected by further contractual mitigants such as stringent disbursement controls, restrictive financial covenants and reserve accounts. Taking sensitivity analyses into account, financing structures and amortization profiles are set to ensure sufficient headroom for orderly debt service.

In 2025, however, asset quality was adversely affected in certain sectors - inter alia by challenging market conditions in the fiber segment, characterized by consolidation pressure and tighter financing conditions. This led to an increase in the volume of non-performing loans, as well as to several rating downgrades and stage transfers.

As of 31 December 2025, exposures totaling EUR 375.0 million (31 December 2024: EUR 129.0 million) were in default, corresponding to a regulatory non-performing loan ratio of 7.0% (31 December 2024: 2.8%) or 6.4% net after taking ECA cover into account (31 December 2024: 2.4%). Specific allowances recognized for these cases amounted to EUR 68.2 million (31 December 2024: EUR 13.3 million).

As of 31 December 2025, exposures of EUR 366.5 million (31 December 2024: EUR 144.1 million) were classified as forborne. As of the same date, with the exception of the defaulted exposures mentioned above, no exposure was more than 30 days past due.

As of 31 December 2025, exposures of EUR 366.8 million (31 December 2024: EUR 142.4 million) were classified as IFRS Stage 2 (lifetime ECL). The credit risk result for the period from 1 January to 31 December 2025 amounted to EUR -97.7 million (2024: EUR -10.6 million) and reflects new business, rating changes, stage transfers, the recognition of impairments, write-offs and the PD update.

Risk-weighted assets and total capital

As of 31 December 2025, Kommunalkredit reported Common Equity Tier 1 capital (CET 1) of EUR 716.5 million (31 December 2024: EUR 715.2 million), Tier 1 capital of EUR 779.8 million (31 December 2024: EUR 778.5 million) and total own funds of EUR 973.8 million (31 December 2024: EUR 820.0 million). Risk-weighted assets increased in fiscal year 2025 to EUR 4,427.4 million (31 December 2024: EUR 3,834.0 million), driven by strong new business origination.

Kommunalkredit thus continued to maintain solid capital ratios as of 31 December 2025: the total capital ratio amounted to 22.0% (31 December 2024: 21.4%), the Tier 1 capital ratio to 17.6% (31 December 2024: 20.3%) and the CET 1 ratio to 16.2% (31 December 2024: 18.7%). The figures presented reflect the capital base of Kommunalkredit’s standalone financial statements prepared in accordance with the Austrian GAAP, including the 2025 annual result.



Employees

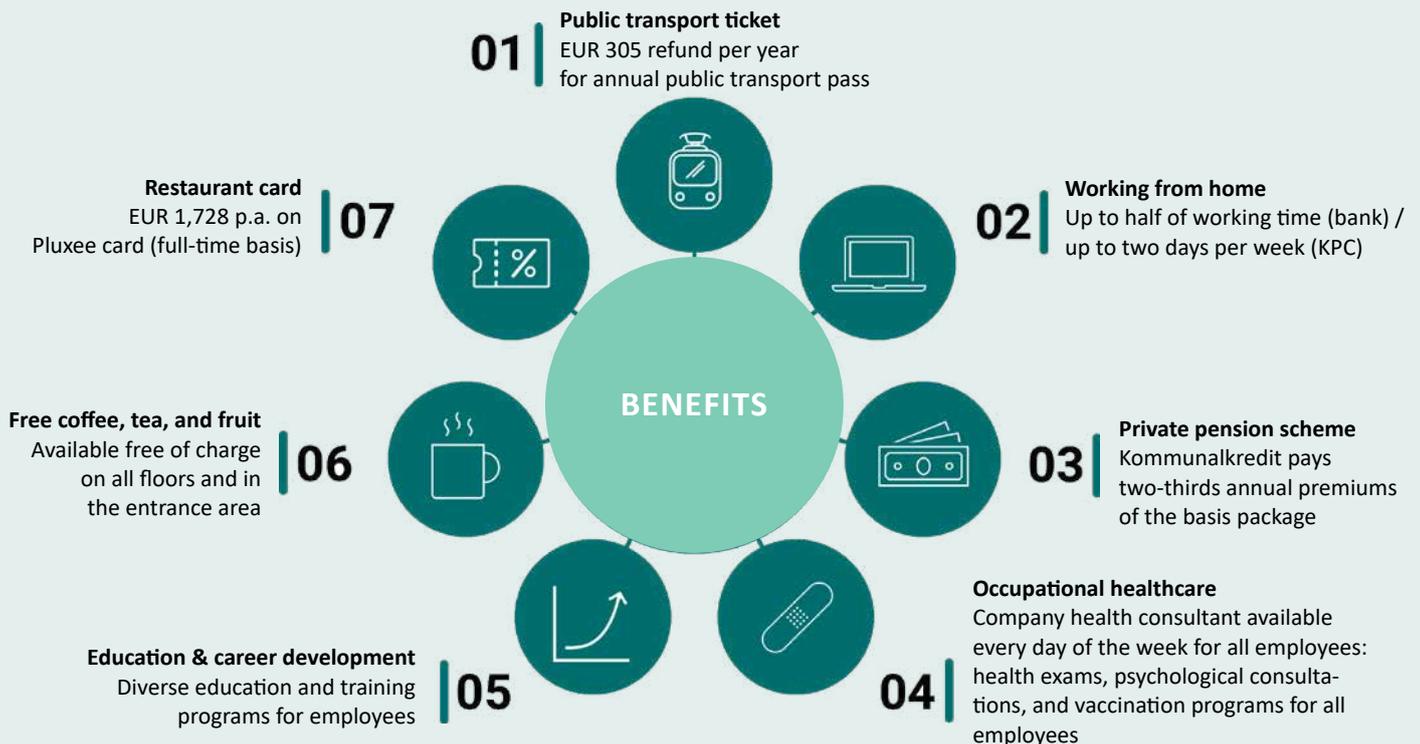
Diversity and inclusion are firmly anchored in Kommunalkredit’s corporate strategy, and the organization is consistently committed to ensuring that discrimination has no place in its activities – be it based on gender, sexual orientation, age, ethnic or social origin, cognitive or physical abilities, family responsibilities, genetic characteristics, religion or ideology. This reporting period demonstrates a steady and positive development in our workforce composition, reflecting ongoing efforts to foster diversity, employee retention, and a conducive working environment, promoting innovation and growth in a modern, dynamic organization.

Workforce composition and growth

In 2025, employees of **36 nationalities** were employed at Kommunalkredit. The total number of employees as of 31 December 2025, including the Executive Board and those on leave, increased from 447 in 2024 to 455 in 2025. Of these, 288 worked at Kommunalkredit Austria AG (2024: 266), while 167 worked for Kommunalkredit Public Consulting GmbH (2024: 181). Of the banking employees, 13 were based at the branch office in Frankfurt am Main. The proportion of part-time employees remained steady at around 19%, with 85 part-time staff in 2025.

In 2025, 18 employees were on parental leave (thereof 15 women) and 5 employees on educational leave (thereof 2 women). Employment contracts at Kommunalkredit are subject to the Austrian collective bargaining agreement for employees of banks and bankers (Kollektivvertrag für Angestellte der Banken und Bankiers). The collective bargaining agreement for employees in the information and consulting fields applies to Kommunalkredit Public Consulting (KPC). All our employees are covered by a collective bargaining agreement. All basic **benefits** are provided to all employees.

Employee benefits





The Palais in Vienna's 9th district is immediately adjacent to the Old Town. Constructed in 1858/59, new life – architecturally speaking – is carefully being breathed into the former “Haus Bösendorfer”. A state-of-the-art interior combined with the residence of past centuries on the exterior.

Diversity and experience

Our focus on **gender inclusion** has yielded gradual improvements. Women constituted 46% of the total workforce in 2025, up from 45% in 2024 and 44% in 2023. The share of women in management positions increased from 34.2% in 2024 to over 35% in 2025, with the total number of women in management rising from 25 to 29. This progression underscores our commitment to promoting gender equality within leadership roles. The average age of employees remained stable at around 42 years. Notably, the proportion of employees over 50 has increased from 26% in 2024 to 28% in 2025, reflecting a balanced distribution across age groups and emphasizing the value of experienced personnel. A significant 61% of employees hold university degrees, with those holding degrees among women reaching 46% in 2025. This **high level of qualification** supports the company's high standards for expertise and professionalism.

Employee satisfaction

Total staff turnover decreased significantly in 2025, falling to 9% from 13% in 2024, indicating rising employee satisfaction and effective retention strategies. This was also reflected in an anonymous employee **satisfaction survey** Kommunalkredit conducted in 2025, in which 77% of employees participated, ensuring broad representation. Notable strengths included a 69% engagement score, strong motivation to exceed expectations, and supportive relationships with immediate managers. Employees also reported a positive, comfortable work environment.

Areas of improvement were communication, resource availability, and interdepartmental cooperation. To address these areas, the organization will examine communication and collaboration, more closely, work on organizational and technical effectiveness and expand growth opportunities through workshops and staff sessions. Turnover among employees aged over 50 decreased significantly from 11% in 2024 to 8% in 2025, reflecting targeted retention initiatives and stability in mid-career staffing. Kommunalkredit and KPC each have an **on-site Works Council** in Vienna. These two bodies are committees representing the workforce to safeguard and promote the economic, social, health, and cultural interests of employees (Section 38 of the Austrian Labour Relations Act, ArbVG). Due to the Works Councils being represented on the Supervisory Board they are continuously kept abreast of current business activities.

Training and development

Expenditure on training and education remained robust, exceeding EUR 1,200 per FTE in 2025, with around two days per employee dedicated to staff development. All employees are trained on the topics of sustainability, conflicts of interest, data protection, compliance, anti-financial crime, social engineering, information security, operational risk, and others. To support our employees in their career development, Kommunalkredit offers a **three-tier performance management system** that includes annual appraisals and performance reviews for all employees. This underscores Kommunalkredit's dedication to continuous employee growth, with ongoing investments in skills and expertise.

Social performance figures

Definition	Unit	2023	2024	2025
Number of employees				
Employees including Executive Board and those on leave – as of 31 December		416	447	455
<i>thereof women</i>		185 (44%)	203 (45%)	210 (46%)
<i>thereof employees aged under 30</i>		63 (15%)	70 (16%)	56 (12%)
<i>thereof employees aged 30–50</i>		249 (60%)	261 (58%)	272 (60%)
<i>thereof employees aged over 50</i>		104 (25%)	116 (26%)	128 (28%)
Executive Board		2	3	4
<i>thereof women</i>		0	0	0
Employees excluding Executive Board and those on leave – as of 31 December		403	431	439
Average workforce in full-time equivalents		373	397	421
Average workforce		394	420	458
Full-time equivalents (FTE) excluding Executive Board and those on leave – as of 31 December		381	407.5	414
Active employees as of 31 December in full-time equivalents (including Executive Board)		394	422	418
Agency workers – as of 31 December		0	0	0
Full-time/part-time split				
Part-time employees		78 (19%)	86 (19%)	85 (19%)
<i>thereof women</i>		54	58	61
<i>thereof part-time employees aged under 30</i>		8	8	7
<i>thereof part-time employees aged 30–50</i>		50	52	49
<i>thereof part-time employees aged over 50</i>		20	26	29
Full-time employees		338	361	370
<i>thereof women</i>		131	145	149
<i>thereof full-time employees aged under 30</i>		55	62	49
<i>thereof full-time employees aged 30–50</i>		199	209	223
<i>thereof full-time employees aged over 50</i>		84	90	98
Average age structure				
Age (in years)		40	41	42
Length of service (in years)		5	5	5
Employees with a university degree				
In total in relation to the number of employees (including Executive Board and employees on leave)		259 (62%)	277 (62%)	277 (61%)
<i>thereof women with a university degree</i>		111 (43%)	121 (44%)	126 (46%)
Management positions¹				
Employees in management positions		61	72	84
<i>thereof employees aged under 30</i>		0	0	1
<i>thereof employees aged 30–50</i>		32	37	45
<i>thereof employees aged over 50</i>		29	35	38
Full-time employees in management positions		56	64	76
<i>thereof women</i>		16	18	24
Part-time employees in management positions		5	8	8
<i>thereof women</i>		5	7	5
Total number of women in management positions ^{1, 2}		21 (34%)	25 (34.2%)	29 (35%)

Definition	Unit	2023	2024	2025
Staff turnover				
Total staff turnover		89 (22%)	56 (13%)	60 (13%)
<i>thereof women</i>		42 (10%)	23 (12%)	23 (11%)
<i>thereof employees aged under 30</i>		23 (26%)	12 (18%)	26 (38%)
<i>thereof employees aged 30–50</i>		37 (42%)	32 (13%)	24 (9%)
<i>thereof employees aged over 50</i>		29 (33%)	12 (11%)	10 (8%)
Annual total compensation ratio				
Annual total compensation ratio ³		1.87%	2.39%	3.28%
Employees on leave				
Employees on leave – as of 31 December ⁴		11	13	12
<i>thereof women</i>		8	9	11
Total number of employees on parental leave		8	6	11
<i>thereof women</i>		8	6	11
Employees that returned to work after parental leave ended ⁵		100%	100%	100%
Total number of employees who came back from parental leave		11	7	5
<i>thereof women</i>		7	5	3
Rates of retention of employees after parental leave ⁶		86%	100%	100%
Total number of employees that remained with the company after parental leave ended ⁶		6	9	5
<i>thereof women</i>		3	6	3
Number of employees entitled to parental leave		17	23	18
<i>thereof women</i>		10	13	15
New hires				
New hires last year		117 (29%)	97 (22%)	59 (13%)
<i>thereof women</i>		60 (51%)	44 (45%)	28(48%)
<i>thereof employees aged under 30</i>		30 (26%)	35 (36%)	16 (27%)
<i>thereof employees aged 30–50</i>		33 (28%)	51 (53%)	33 (56%)
<i>thereof employees aged over 50</i>		54 (46%)	11 (11%)	10 (17%)
Training and education⁷				
Expenditure on training and education	EUR	810,459	250,047	500,000
Total number of training and education days	days	700	715	849
Training and education days per employee	days/empl.	1.8	1.7	1.9
Training and education days per senior employee	days/empl.	3.9	2.3	2.5
Total number of training and education days	hours	4,900	5,005	5,945
<i>thereof completed by women⁸</i>	hours	n/a	n/a	n/a
Training and education days per employee	hours/empl.	12	12	13
Training and education days per senior employee	hours/empl.	28	16	18
Sick days				
Total sick days	days	2,907	2,763	3,194
Sick days per employee	days/empl.	7.4	6.6	7.0

Definition	Unit	2023	2024	2025
Supervisory Board members KA and KPC ⁹				
Number of members		14	14	15
<i>thereof women</i>		1 (7.1%)	1 (7.1%)	2 (13.3%)
<i>thereof Supervisory Board members aged under 30</i>		1 (7.1%)	0 (0%)	0 (0%)
<i>thereof Supervisory Board members aged 30–50</i>		7 (50.0%)	6 (42.9%)	5 (33.3%)
<i>thereof Supervisory Board members aged over 50</i>		6 (42.9%)	8 (57.1%)	10 (66.6%)

1 Management positions refer to the management team, division heads, departmental heads and team leaders.

2 Percentage refers to full-time equivalents, excluding the Executive Board and employees on leave.

3 Compares the median total compensation paid to all employees (excluding the highest paid employee) with the total compensation paid to the highest paid employee. This is based on the extrapolated total annual salaries for full-time equivalents, including the bonus for which provisions were set up in the statement of financial position. Executive Board members and employees who left in the course of the year were excluded. The highest-earning person is a member of the management board. Figure for 2023 was restated as an incorrect formula was applied.

4 Includes all types of leave (such as educational or parental leave).

5 Proportion of employees set to return from parental leave in the reporting period who actually returned to work.

6 Employees that remained with the company for at least 12 months after their parental leave ended.

7 Data on Training and Education is based on estimated figures.

8 The breakdown by gender for 2023 and 2024 could not be determined.

9 The Supervisory Board composition changed in July 2024.

Other material disclosures

Changes on the Executive Board

The Supervisory Board has appointed **Jacques Ripoll as CEO** as of 1 September 2025. He brings intensive leadership experience from multiple senior executive positions in the European banking industry, including CEO of the Corporate and Investment Bank at Crédit Agricole, Global Head of Corporate and Investment Banking at Santander Group, and various executive roles at Société Générale.

Sebastian Firlinger (interim CEO until 1 September 2025) continues in his position as Chief Risk Officer and Chief Financial Officer (CRO | CFO). Nima Motazed in the role of Chief Operating Officer (COO) and John Weiland serving as Chief Commercial Officer (CCO) complete the board.

Kommunalkredit's Executive Board thus consists of Jacques Ripoll, Sebastian Firlinger, Nima Motazed, and John Weiland.

Legal risks

There are currently **no legal proceedings** pending that could have a material impact on the presentation of a true and fair view of the net assets, financial position, and results of operations of Kommunalkredit Austria AG. Irrespective of this, Kommunalkredit Austria AG has recognized adequate provisions for existing legal risks based on legal risk assessments.

Internal control and risk management system

The Executive Board of Kommunalkredit is responsible for establishing and structuring an internal control system and risk management system that meet the needs of the company regarding the accounting process. The Audit Committee monitors the accounting process in general as well as the effectiveness of the internal control system.

The Kommunalkredit **internal control system (ICS)** is a component of the company's risk management and has been integrated into its specific processes. To do this, controls are defined in order to minimize or avoid core risks and to safeguard the achievement of the principal business objectives to the greatest extent possible.

Control environment

Kommunalkredit's control environment is shaped by its general **Code of Conduct** as well as specific **policies** and **work instructions**. These are supplemented by a formal organizational structure and procedural organization (the latter within the scope of an overall process map).

The implementation of the ICS regarding the accounting process is defined in specific internal policies and regulations. These ensure that transactions and the sale of company assets are disclosed correctly, compliantly, and in sufficient detail.

Functions that play a key role in the accounting process – Finance and Risk Accounting – are organized into separate divisions. Executive, transactional, and administrative activities are clearly separated from one another or are subject to the two-person-review principle. Within the procedural organization in Finance, standard software is generally used for making entries, cross-checking, controls, and reporting. Data and IT systems are protected from unauthorized access. Relevant information is only provided to those employees who actually require this information for their work, in line with a "need to know" principle. Results are discussed between divisions where necessary. Internal Audit independently and regularly reviews compliance with internal regulations relating to the accounting process. The Internal Audit management reports directly to the Executive Board and Supervisory Board.

Risk assessment

A two-step risk assessment process is implemented at Kommunalkredit – on the one hand, in order to **define ICS-relevant processes** within the framework of "scoping", and on the other via **analysis** of the **individual processes** described in the overall process map.

The main risk in the accounting process is that circumstances may not be accurately represented in keeping with the company's net assets, financial position, and results of operations due to errors or willful misconduct.

Control measures

Relevant risks are identified on the basis of the individual processes and control points, the respective control objectives, the type of control and the control officer are defined. In a **risk-control matrix (RCM)**, the controls allocated to the process in question are defined and assigned to a control officer.

All control measures are applied to current business processes to ensure that potential errors or deviations in financial reporting are prevented or identified and eliminated early on. The software used for accounting and reporting is market-standard software (SAP). As well as automated controls (validations) which are implemented in SAP, manual controls are performed by employees. Control measures relating to accounting and IT security are a cornerstone of the ICS. Separation of sensitive activities by restrictively assigning IT rights and strict observance of the two-person-review principle are closely monitored.

Information and communication

Within the scope of the ICS management, the division heads provide half-yearly confirmation of the orderly implementation and documentation of **key controls**.

Finance and Risk Controlling regularly report to the Executive Board within the scope of the accounting process in the form of **monthly and quarterly reports**. The Executive Board is for its part required to report to Kommunalkredit's Supervisory Board. The individual reports include the calculated data for the company (statement of financial position, statement of profit or loss, budget and capital planning statements, target/actual comparisons, including comments on major developments), a quarterly risk report, reports and analyses on liquidity risk for the Markets division, and reports and analyses on the Banking division's operating activities.

The owners, investors and market partners, as well as the public, are comprehensively informed via a half-year report and the annual financial report. The requirements laid out by statutory provisions regarding ad hoc disclosures are also satisfied.

Research and development

As a specialist bank for infrastructure and energy financing, Kommunalkredit has focused on transforming the energy system, going far beyond the remit of a pure financier. **No research activities** are conducted within the meaning of § 243 (3) no. 3 of the Austrian Commercial Code (UGB).

Monitoring

Monitoring activities within the scope of the ICS are implemented by means of a **structural audit** and a **functional audit**. This includes an appropriate link between the respective risk, control objective and control activity as well as a **spot check audit** of whether controls are actually implemented and documented in an orderly fashion. In case of shortcomings in the control system, remedial and preventative measures will be developed within the scope of the ICS management system and their implementation will be monitored.

To ensure compliance with regulations and banking requirements, compliance is also reviewed based on the annual audit plan laid out by Internal Audit.

Risk management

In line with Kommunalkredit’s corporate objectives, business activities are conducted in a manner which takes risk strategy into account and devotes particular attention to risk-bearing capacity. The bank places special focus on the risk-income calculation and on sustainably increasing the aggregate risk cover.

Organization of risk management

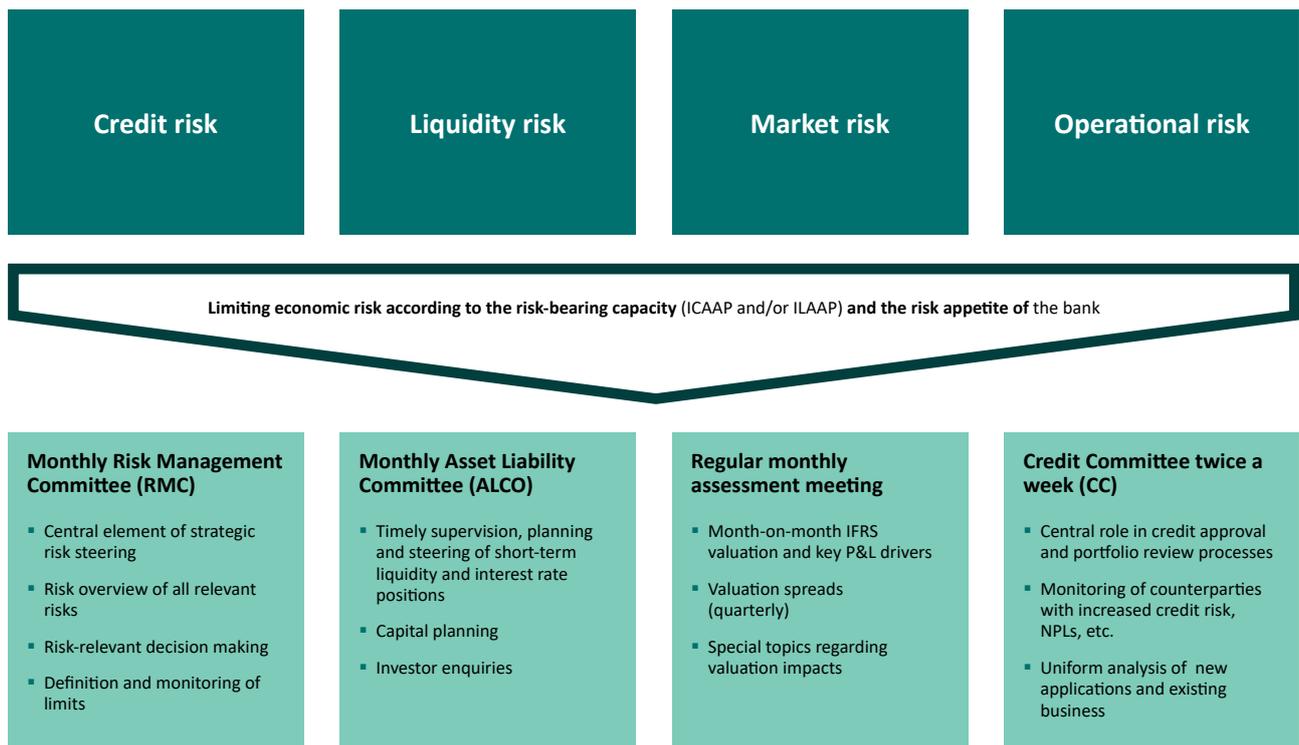
The risk drivers of the business model are identified and measured using annual assessments, from which Kommunalkredit derives a risk map. The risk map serves to establish a uniform understanding of risk, the assessment of the data for completeness and the identification of potential control gaps to be closed within the scope of continuous development.

The economic capital required for the main types of risk (in particular: credit risk, liquidity risk and market risk) is calculated using internal methods based on generally recognized principles of bank management. Additionally, a risk buffer is available for risks that cannot be sufficiently quantified (in particular operational risk, but also reputational risk, legal risks and other risks). All material risks at Kommunalkredit are subject to a bank-wide limit structure that is continually monitored. A prompt, regular and complete risk reporting system is implemented in the form of risk reporting. In addition to the monthly risk management report (RMC Report), which provides a detailed view of all material risks and their covering with the available aggregate risk cover, regular reports are provided to the Executive Board about single exposures with increased risk profile (Monitoring or Watchlist).

Furthermore, the Supervisory Board (in particular the Audit Committee and the Credit Committee) is provided with comprehensive information in the form of regular reports on the latest risk-related developments.

Kommunalkredit has established an organizational structure for risk management which clearly defines and sets out the tasks, competences and responsibilities in the risk management process. Risk-taking organizational units (front office) are therefore clearly separated from organizational units in charge of monitoring and communicating risks (back office) at all levels up to the Executive Board. The Chief Risk Officer (CRO) is responsible for the risk management function, which is independent of the front office, as a member of the Executive Board. The CRO receives technical and operational support from the Risk Controlling (RCON), Credit Risk (CR) and Compliance (CO) divisions in particular.

A formalized and structured approval and implementation procedure has been set up for the introduction of new fields of business, new markets or new products, ensuring that these are adequately reflected in all areas of settlement, risk management and reporting, accounting and financial reporting.



Risks are managed and monitored by the following committees:

- The **Risk Management Committee (RMC)** constitutes the central element of the comprehensive risk monitoring and steering process, providing information to the Executive Board on the bank's overall risk position on a monthly basis.
- The **Asset Liability Committee (ALCO)** supports the operational management of market and liquidity risks. At its meetings, the committee evaluates the market situation and discusses the management of interest rate- and liquidity risks.
- The **Credit Committee (CC)** approves individual transactions and new business (unless a resolution of the Supervisory Board is required in accordance with the authorization process) and conducts the review of portfolios and single names from the portfolio.
- The **Valuation-Jour-Fixe** deals with valuation issues and spread assessments of portfolio positions and new business, especially in relation to project financing.

Risk Controlling (RCON) is responsible for the quantification of risks and the aggregate risk cover as well as for the performance of stress tests. In addition, the division is responsible for assessing risk positions and validating the risk measurement methods used by the bank.

Credit Risk (CR) i.a. handles the analysis and assessment of single-name risks, casting of a second vote on credit approval and/or review, assigns ratings, monitors limits of industry and country risks, monitors and manages exposures with increased risk profile (in particular exposures on the monitoring and Watchlist) and performs qualitative portfolio analyses. Compliance (CO) is responsible for anti-money laundering, including financial sanctions, capital market and regulatory compliance, as well as data protection, anti-financial crime (anti-fraud & anti-corruption), conflicts of interest, complaint management and process compliance (internal control system/ICS).

Main principles of risk management

Within the context of the risk strategy for the main types of risk, the Executive Board specifies the principles for their adequate management and limitation. The economic risk is limited and monitored in accordance with the defined risk appetite for the bank as a whole in conjunction with the risk-bearing capacity (ICAAP – Internal Capital Adequacy Assessment Process and/or ILAAP – Internal Liquidity Adequacy Assessment Process) and the willingness to assume risk of the bank.

In addition, the following main principles apply to Kommunalkredit's risk management:

- Kommunalkredit does not incur risks as an end in itself but to create sustainable benefits.
- The limitation of risks at the bank is commensurate with the bank's earning strength and its equity base.
- Kommunalkredit supports a risk culture characterized by the deliberate management of risks at all levels.
- The bank only takes risks for which it owns or has access to the necessary expertise.
- The introduction of new products or markets is contingent on an adequate analysis of the business-specific risks.
- All material risks are subject to a limit structure. The observance of limits must be continually monitored – any failures to observe such limits must be escalated.
- The risk measurement results have to be subjected to regular stress testing.
- Outsourcing of core bank functions is only permissible with adequate skills and expertise.

Overall bank management process and risk-bearing capacity

The objective of the overall bank management process is to optimize the use of capital resources in terms of risk and return within

the limits of the bank's risk appetite and risk-bearing capacity. At Kommunalkredit, the following risks have been identified as relevant as of the reporting date and are monitored on an ongoing basis in the context of the risk-bearing capacity calculation:

CREDIT RISK	
▪ Default Risk and Issuer Risk	▪ Country and/or Transfer Risk
▪ Counterparty Risk (Replacement Risk)	▪ Settlement Risk
▪ Risk of decrease in credit quality (= Migration Risk)	▪ Cluster Risk
▪ Partizipation Risk	▪ Residual Risk from Credit Risk mitigation techniques
LIQUIDITY RISK	
▪ Liquidity Structure Risk	▪ Market Liquidity Risk
▪ Funding Risk	
MARKET RISK	
▪ Interest Rate Risk – Banking Book	▪ Basis Spread Risk
▪ Foreign Currency Risk	▪ Option Risk
▪ Credit Spread Risk	▪ OIS Risk
OPERATIONAL RISK	
▪ Outsourcing Risk	▪ Information and Communication Technology (ICT) Risk
▪ Human, Process and System Risk and External Risks	▪ Legal Risk
▪ Physical Risk	
OWN CREDIT RISK	
▪ BCVA Risk*	▪ Replacement Risk due to rating triggers
MACROECONOMIC RISK	
▪ Macroeconomic Risk	
OTHER RISKS	
▪ Strategic Risk	▪ Risk of excessive indebtedness (Leverage Ratio)
▪ Equity Risk	▪ Risk of money laundering and terrorism financing
▪ Reputational Risk	▪ Syndication risk
▪ Earnings and Business Risk	

* Comprises CVA risk and DVA risk and is allocated in its entirety to the funding risk.

Depending on the hedging target pursued, two economic steering circles are applied in the risk-bearing capacity calculation:

Liquidation perspective (economic steering circle based on the principle of creditor protection)

- Hedging objective: the main focus is on securing a level of capitalization to ensure that, in the event that the company is liquidated, all lenders can have their claims satisfied with a defined level of probability (“creditor protection”).
- Economic capital requirements (internal risk measurement) are compared with the economic capital/aggregate risk cover. Both economic capital requirements and the aggregate risk cover are determined on the basis of its present value (“full fair value” approach). A confidence level of 99.95% is used in determining the economic risk.

- Risk status as of 31. December 2025 (and previous year):

Economic risks in % of the aggregate risk cover	Risk buffer in % of the aggregate risk cover
70.4% (63.7%)	29.6% (36.3%)

Going concern perspective (economic steering circle based on the going-concern principle)

- Hedging objective: if the risks materialize, the survival of the bank as a going concern without additional equity is to be ensured with a defined degree of probability.
- All risks impacting on profit and loss must be covered by the budgeted profit for the year, realizable reserves and the “free capital”. Free capital is the capital which exceeds the internally defined hedging objective, expressed through a minimum T1 ratio and a minimum total capital ratio. The hedging objectives are preceded by corresponding early warning levels. A confidence level of 95% is used in determining the economic risk.
- Risk status T1 rate as of 31. December 2025 (and previous year):

Economic risks in % of the aggregate risk cover	Risk buffer in % of the aggregate risk cover
34.8% (42.1%)	65.2% (57.9%)

- Risk status TC rate as of 31. December 2025 (and previous year):

Economic risks in % of the aggregate risk cover	Risk buffer in % of the aggregate risk cover
34.3% (67.2%)	65.7% (32.8%)

Alongside these economic steering circles, compliance with regulatory/statutory minimum requirements and hedging objectives within the context of medium-term planning and current capital budgeting is guaranteed.

Additionally, stress tests are performed on a regular basis to test the robustness of the business model and to ensure capital adequacy. This involves essentially defining two different economic scenarios and quantifying their impact on the bank’s risk-bearing capacity.

In addition to the stressed risk-bearing capacity, a stressed multi-year plan is drawn up for each scenario in order to test the stability of the business model over time. Besides the macroeconomic stress tests, reverse stress tests are performed. These are intended to show the extent to which parameters and risks can be stressed until regulatory or internal minimum requirements can no longer be met.

Credit risk Fundamentals

Credit risk is the risk of financial losses arising from a counterparty not meeting its contractual payment obligations.

Based on the current CRR standardized approach for all classes of receivables, Kommunalkredit primarily uses external ratings where available. If no external ratings are available, ratings are derived from internal scoring and/or rating models for internal risk control. Every active customer is assigned an external or internal rating, which is updated at least once a year. On the basis of an internal rating scale (master scale), the probabilities of default are grouped in categories to which external ratings can be assigned. The effectiveness and discriminatory power of the rating procedures and their ability to forecast defaults are checked regularly and adjusted if necessary.

At Kommunalkredit, two types of credit collateral are taken into account: financial collateral and guarantees. Financial collateral uses netting arrangements and cash collateral that reduce the counterparty risk. Financial collateral received reduces the existing exposure. On the other hand, the exposure is not reduced by guarantees. If guarantees are available, the exposure can be counted towards the guarantor, depending on the assessment of the risk, and included in the portfolio model and the limit system. In addition, collateral packages in line with the market are in place for financings by Kommunalkredit, which potentially have a loss-reducing effect in practice, but are not eligible from a regulatory perspective (for

example, company shares, asset pledges without valuations) and are therefore not recognised. Overall, based on the values derived from external studies for losses in the event of default (loss given default), they are included indirectly in the determination of the bank’s risk costs.

Unexpected loss

To quantify the unexpected loss from credit risks, monthly credit VaR calculations are performed to manage and limit the risk and to determine the economic capital required as part of risk-bearing capacity analyses. Kommunalkredit uses a default model based on the CreditRisk+ approach to quantify the risk of unexpected default for credit risks. To calculate the credit VaR, rating-dependent one-year probabilities of default (PD) as well as regional and sector-specific loss ratios (LGD) are used. The model used is based on statistical methods and assumptions. These parameters are reviewed and updated at least once a year and documented in a validation report.

From the liquidation perspective, the potential unexpected loss from credit defaults for a holding period of one year as of 31. December 2025 14.5% (31/12/2024: 17.3%) relative to the economic aggregate risk cover; from the going concern perspective, the potential unexpected credit defaults for a holding period of one year as of 31. December 2025 11.2% (31/12/2024: 12.8%) relative to the economic aggregate risk cover (T1) and, as of 31. December 2025 this figure amounts to 11.0% (31/12/2024: 20.4%) relative to the economic aggregate risk cover (total capital).

Rating distribution, portfolio quality and concentration risk

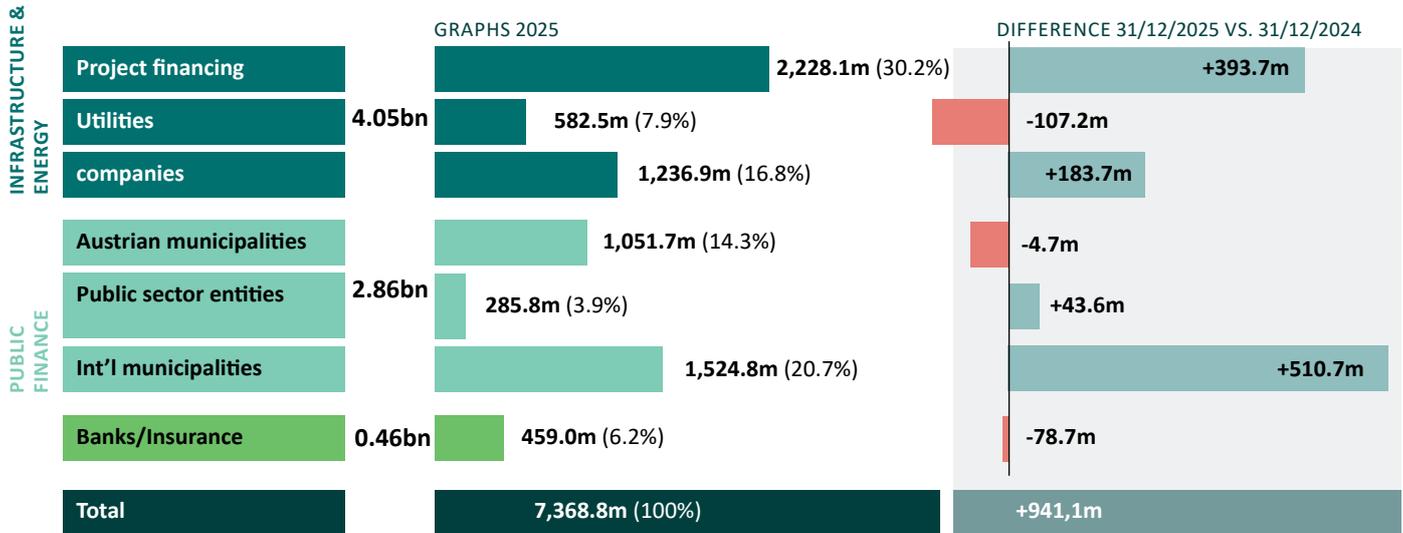
Total exposure of EUR 7,368.8 million (31/12/2024: EUR 6,427.8 million) by rating is concentrated in the top rating categories; as of 31. December 2025 32.3% (31/12/2024: 30.5%) of the exposure was rated "AAA"/"AA", 59.4% (31/12/2024: 57.9%) are investment grade. The exposure-weighted average rating of the total exposure is "BBB+" (according to Standard & Poor's rating scale).

In 2025, the asset quality was negatively influenced by unfavorable developments in individual sectors, inter alia challenging market conditions in the fiber sector, characterized by consolidation pressure and tighter financing conditions, which led to an increased volume of non-performing loans. All in all, as of 31 December 2025, the non-performing loan ratio increased to 7.0% (31/12/2024: 2.8%), or a net ratio of 6.4% (31/12/2024: 2.4%) taking into account the ECA cover. Kommunalkredit monitors overdue receivables in accordance with the regulatory requirements. As of 31 December 2025, there were no receivables that had been in delay for more than 30 days, with the exception of the receivables in default as referred to above.

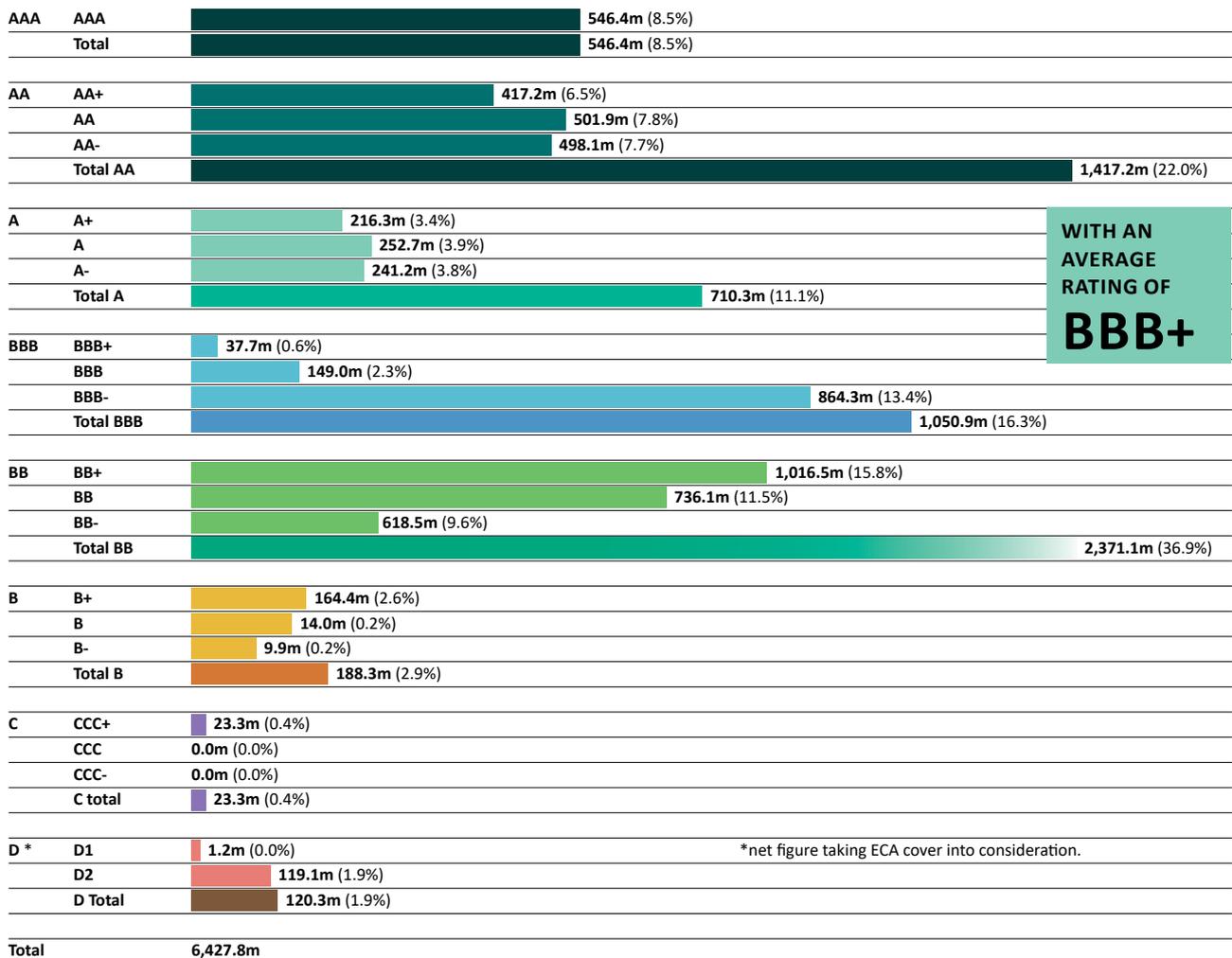
Rating distribution 31/12/2025. Exposure in EUR m or %

AAA	AAA		848.9m (11.5%)	
	Total		848.9m (11.5%)	
AA	AA+	149.6m (2.0%)		
	AA		857.0m (11.6%)	
	AA-	527.9m (7.2%)		
	Total AA		1,534.5m (20.8%)	
A	A+	380.7m (5.2%)		WITH AN AVERAGE RATING OF BBB+
	A	261.7m (3.6%)		
	A-	254.6m (3.5%)		
	Total A		897.0m (12.2%)	
BBB	BBB+	76.6m (1.0%)		
	BBB	169.1m (2.3%)		
	BBB-		848.8m (11.5%)	
	Total BBB		1,094.5m (14.9%)	
BB	BB+		905.4m (12.3%)	
	BB		821.7m (11.2%)	
	BB-	624.5m (8.5%)		
	Total BB		2,351.6m (31.9%)	
B	B+	217.4m (3.0%)		
	B	40.2m (0.5%)		
	B-	7.5m (0.1%)		
	Total B		265.1m (3.6%)	
C	CCC+	14.1m (0.2%)		
	CCC	0.0m (0.0%)		
	CCC-	0.0m (0.0%)		
	C total		14.1m (0.2%)	
D *	D1	1.1m (0.0%)		*net figure taking ECA cover into consideration.
	D2		362.0m (4.9%)	
	D Total		363.1m (4.9%)	
Total			7,368.8m	

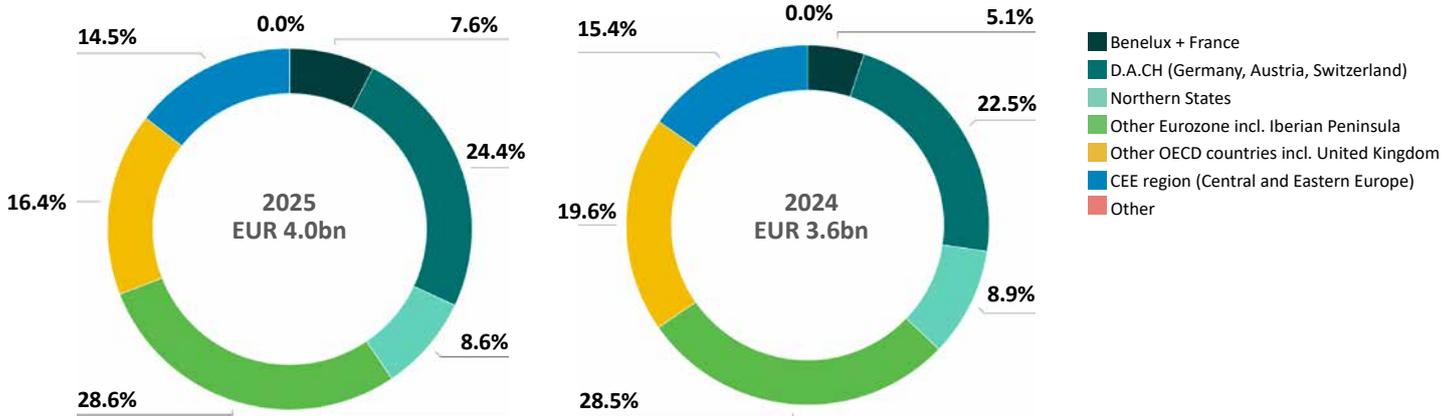
As of 31. Dezember 2025 the overall exposure, broken down by sub-portfolio, is as follows in EUR or %:



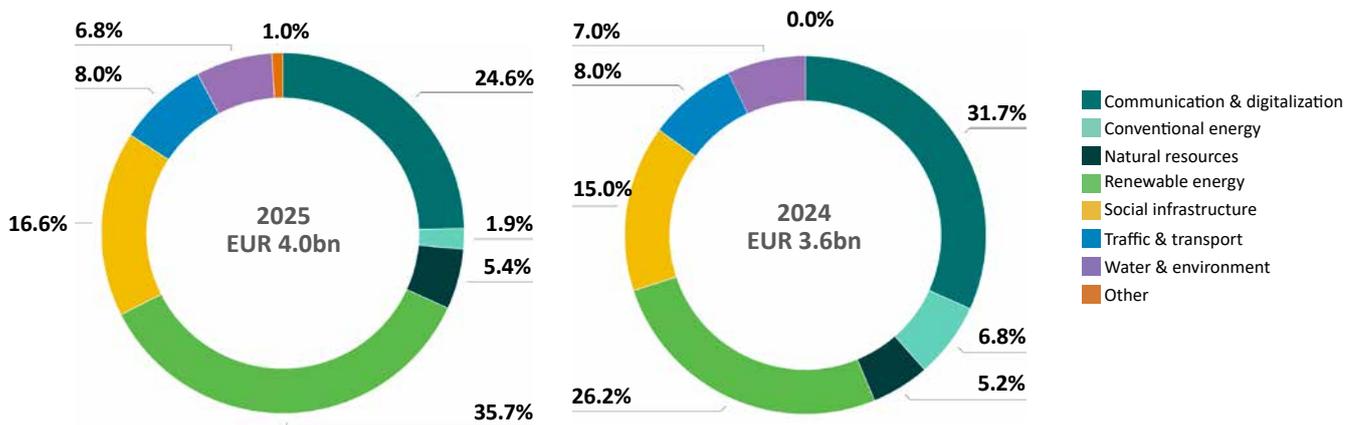
Rating distribution 31/12/2024. Exposure in EUR m or %



Exposure of infrastructure and energy financing portfolio by regions as of 31/12/2025 and 31/12/2024



Exposure of infrastructure and energy financing portfolio by sectors as of 31/12/2025 and 31/12/2024



Risk concentrations are taken into account in the process of loan origination, monitored in the course of the monthly credit risk reports submitted to the RMC and shown in reports submitted to the Credit Committee and the Supervisory Board/Credit Committee. The total portfolio is broken down according to different parameters (including by sub-portfolio, country, region, top 20 “group of related customers”, rating, segment); limits are set by top risk drivers, sectors and geographic distribution, countries and foreign currencies. In addition, further limitations are defined, which limit the overall exposure with a higher level of risk (for example, IFRS 9 High Risk Exposure, Single-B Exposures, ECL). Depending on the risk assessment, reviews are performed at different intervals, but at least once a year.

Credit risk analysis and monitoring

The lending business is a key element of Kommunalkredit’s core business. Therefore, taking credit risks and their management is one of the bank’s key competencies, the focus in particular being on project financing in the infrastructure sector and financial support for public sector projects. The tasks of operational credit risk management (CR) include all activities to review, monitor and limit risks from the individual transaction.

The granting of loans, the valuation of any collateral and the creditworthiness assessment are subject to clear regulations that are documented in the relevant regulations and working directives of Kommunalkredit. Apart from the underwriting criteria (= “credit risk strategy”), this includes the authorization process and policies for creditworthiness assessment and rating determination.



For transactions in infrastructure, the bank follows a three-tier process to make the risk-income profile transparent to the required extent:

- 1 **Initial assessment of a potential transaction** through the front and back offices with a clear recommendation regarding its follow-up (under special circumstances if necessary) or rejection by the competent party;
- 2 **Due diligence phase** with a focus on economic, financial, technical, legal and insurance-specific aspects as a basis for the application and risk assessment;
- 3 **Submitting the transaction as part of a credit application** (front office), including a risk statement (back office), for approval by the competent party (Supervisory Board Credit Committee).

The organic separation of front office and back office is always observed.

Credit risk early warning and risk provisions

The portfolio is reviewed regularly for objective indications of impairments of customer exposures. Assessments of impairment are performed in the course of the annual rating/review process or on an ad hoc basis. Exposures with elevated credit risk or anomalies as part of an “early warning” are also monitored monthly at the monthly portfolio monitoring meeting. To that end, Kommunalkredit uses specific early warning indicators for each segment, which identify exposures based on qualitative and quantitative features subject to increased monitoring frequency.

As of the reporting date of 31. December 2025 the exposure on the Watchlist amounted to EUR 204.6 million (31/12/2024: EUR 135.5 million).

There was an exposure in the amount of EUR 375.0 million (31/12/2024: EUR 129.0 million) in default.

EARLY WARNING SIGNALS / TRIGGERS					
QUANTITATIVE TRIGGERS			QUALITATIVE TRIGGERS		
ENTERPRISES / UTILITIES¹					
Internal rating deterioration	Covenant breach	Country risk downgrade	Management reports	Press & industry reports	External rating report
30 days past due	Reporting delay > 3 months	Falling electricity prices	Ad hoc publicity	Individual analysis	
PROJECT FINANCING (SPECIALIZED LENDING)					
Internal rating deterioration	Covenant breach	Country risk downgrade	Management reports	Industry reports	
30 days past due	Reporting delay > 3 months	Lock-up ratio breach Falling electricity prices	Exercise of PIK interest option	Individual analysis	
PUBLIC SECTOR, SOVEREIGN & SUPRANATIONAL ORGANISATIONS					
Internal rating deterioration	Country risk downgrade		External rating report	Press & industry reports	
30 days past due	Credit spread ²		Ad hoc publicity	Individual analysis	
FINANCIAL INSTITUTIONS					
Internal rating deterioration	Country risk downgrade		External rating report	Press & industry reports	
30 days past due	Credit spread ²		Ad hoc publicity	Individual analysis	

1 Incl .enterprises with significant public support.

2 If available/publicly listed.

Credit Risk (CR) continuously updates the list of counterparties with increased credit risk and submits monthly reports to the Credit Committee meeting, which then decides on the measures to be taken.

Impairments to be recognized for defaulting loans are determined by Risk Management, subject to approval by the Credit Committee.

Counterparty default risk from derivatives and securities transactions

Legally binding Netting Agreements for derivatives exist with all active counterparties of Kommunalkredit (close-out netting) in the form of Credit Support Agreements or Collateral Annexes to Master Agreements providing for daily collateral margining in compliance with the bilateral collateralization requirements set out in the European Market Infrastructure Regulation (EMIR). Derivative contracts in the cover pool are excluded from this. However, also here Master Agreements and Netting Arrangements with standard market conditions exist for these (one-way collateralization by the counterparty, rating trigger).

Counterparty default risk positions are limited through volume-based counterparty and credit concentration limits on the one hand, and through the economic credit risk in the credit VaR calculation of the risk-bearing capacity calculation on the other.

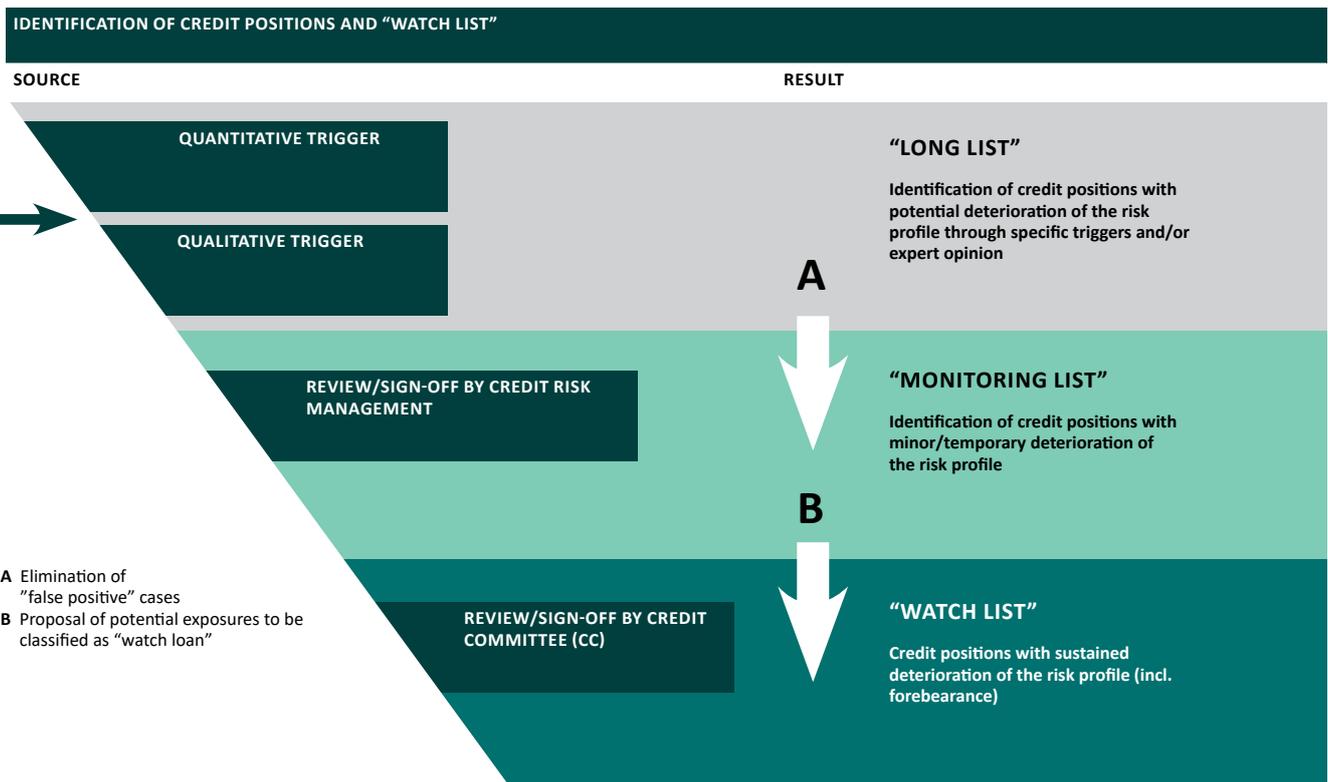
The exposure of the counterparty default risk of derivatives, which is taken into account in credit risk, is defined as the residual risk of the current replacement cost, considering CSAs and Netting Agreements, plus an “add-on” for potential changes in the market value during the “residual period of risk” between the default of the counterparty and the closing out/replacement of the derivative transaction.

The counterparty default risk from derivatives is calculated as a credit valuation adjustment (CVA) according to IFRS 13. The methodology for the calculation of the CVA is described in Note 11. The risk of CVA fluctuations (CVA risk) is determined by means of a VaR-based approach.

Securities business is cleared mainly on the basis of “delivery against payment” via Euroclear and/or Clearstream.

Investment risk

Given the nature of the participations held, the investment risk is of minor importance. The carrying amount of investments in associates (at equity) was 31. December 2025 EUR 3.9 million (31/12/2024: EUR 2.9 million). The carrying amount of investments, which are reported under assets at fair value through other comprehensive income, amounted to EUR 1.2 million (31/12/2024: EUR 1.1 million).



Liquidity risk management

The task of liquidity risk management at Kommunalkredit is to identify, analyze and manage the liquidity risk position of the bank with the aim of guaranteeing cost-effective, adequate liquidity cover at all times. The strategic framework of liquidity risk man-

agement is defined by the ILAAP, which forms an integral part of the more comprehensive ICAAP. To that end, the bank has implemented extensive policies, working directives and methods such as liquidity risk strategy, ICS framework, and funding and/or contingency plans.

Central elements of liquidity risk management include the following:



Analysis of the liquidity position [element 1]

The following table shows the maturities of contractual, non-discounted cash flows of financial liabilities. The figures for interest swaps, cross-currency swaps and currency swaps are shown in gross terms, meaning that only the cash outflows for the derivative in question are shown. The nominal amount of interest-rate swaps as of the reporting date 31. December 2025 EUR 5.4 billion (31/12/2024: EUR 5.1 billion). Besides principal repayments, the cash flows also comprise interest payments. For liabilities with variable cash flows, future cash flows are determined on the basis of forward rates.

Cash flows as of 31/12/2025 (and 2024)

CASH FLOWS AS OF 31/12/2025 (and 2024) in EUR m Liabilities	Liabilities at amortized cost		Derivatives designated as hedging instruments		Trading*	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Up to one month	335.4	403.1	2.2	2.6	231.3	67.9
More than one month up to three months	334.9	308.5	15.0	16.9	300.3	40.2
More than three months up to one year	1,225.7	1,199.4	28.8	30.8	59.3	5.1
More than one year up to five years	3,662.1	3,391.1	116.3	119.8	12.1	10.9
More than five years	2,022.2	1,785.8	64.5	134.7	-	1.0
Total	7,580.2	7,087.9	226.8	304.9	603.0	125.2

* The derivatives are not formally embedded in a micro hedge as defined in IFRS, but serve for risk management at portfolio level.

Reporting to the Executive Board and the Supervisory Board [element 2]

An operational projection of liquidity calculation for a period of one year and a time-to-wall stress scenario is prepared weekly. In addition, operational and strategic liquidity issues are discussed in the monthly ALCO. The liquidity risk is also monitored in the monthly RMC and reported to the Supervisory Board at quarterly meetings.

Liquidity contingency plan [element 3]

Kommunalkredit's liquidity emergency plan specifies the tasks and the composition of emergency units to be set up in a crisis, the internal and external communication channels and, if necessary, the measures to be taken. The emergency plan permits efficient liquidity management in a market environment in crisis and is activated by clearly defined events and/or early warning indicators. In the event of an emergency, responsibility for liquidity management is assumed by the emergency unit, which then decides on the specific measures to be taken.

Liquidity as of 31/12/2025 (and 2024):

LIQUIDITY in EUR m	Expected liquidity gap		Available liquidity		Liquidity position	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Up to one month	664.6	953.1	502.3	352.0	1,166.9	1,305.1
More than one month up to three months	105.3	648.3	10.8	17.2	116.1	665.5
More than three months up to one year	305.4	-738.9	72.9	87.7	378.3	-651.2
Total	1,075.4	862.6	585.9	456.8	1,661.2	1,319.4

As a matter of principle, the amounts are allocated on the basis of their contractual rather than expected residual maturity. This means that demand deposits and cash collateral received from collateral margining for derivatives are shown as repayable on demand. If the date of repayment is at the lender's discretion, the amount is allocated to the maturity range with the earliest possible redemption. If the date of repayment is at the discretion of Kommunalkredit, a conservative view is applied. Payments that have been pledged but not yet called, as well as (any) guarantee lines granted, are also shown with the earliest possible call date. Kommunalkredit does not engage in any trading activities.

Management of the operational and structural liquidity risk [elements 4-8]

For the purposes of short-term liquidity steering (<1 year), the management uses short- and medium-term liquidity scenarios. These scenarios include not only contractually determined cash flows but also expected cash flows from new issues, the termination of existing business, cash outflows from new transactions, cash inflows from syndication agreements, retail demand deposits, repurchase prolongations and liquidity demand for cash collateral received (under Credit Support Agreements/ISDA Agreements). The resulting liquidity gaps are available daily in the short-term liquidity scenario.

The following table shows the expected liquidity gaps after the measures planned, the free liquidity reserve, and the net liquidity position resulting from the liquidity gap and the liquidity reserve:

For the purposes of managing the structural liquidity risk position (>= 1 year), Kommunalkredit analyzes the expected capital flows over the entire term of all on- and off-balance sheet transactions. Overhangs from capital inflows and outflows are monitored by maturity range and at the cumulative level and provide the basis for strategic liquidity management.

Market risk management

Market risks refer to potential risk exposures to balance sheet and off-balance sheet positions arising from market price movements with an adverse impact on the bank. The bank-specific market risks mainly include interest rate risk, currency exchange risk, credit spread risk, basis spread risk and option price risk.

Interest rate risk

When it comes to the measurement, management and limitation of interest rate risks from positions not held in the trading book, Kommunalkredit generally distinguishes between the period-oriented repricing risk and the net present value (NPV)-oriented interest rate risk.

For the purpose of efficiently managing the interest rate risk and net interest income, Kommunalkredit uses an analysis and simulation tool (interest rate gap structure by currency, interest rate VaR, sensitivity analyses, simulation trades), which enables the forecast and targeted management of the bank's overall interest rate risk from positions not held in the trading book, the P&L sensitivity of the fair value portfolios according to IFRS and net interest income for the period. To calculate the interest rate VaR, an internal model based on historical interest rate movements is applied.

Kommunalkredit's portfolio mainly comprises positions with clearly defined interest rate and capital commitment. As a rule, non-linear risks are completely hedged and quantified in a scenario analysis; open positions are strictly limited and monitored. Retail deposits include positions without clearly defined interest rate and capital commitment (deposits repayable on demand). The interest rate period of sight deposits is modeled as a function of the pricing strategy.

For interest rate risk measurement by the RMC, the gap structures are analyzed and the price sensitivity of the overall position as well as the impact of interest rate changes on the net interest income of the period (repricing risk) are quantified for different scenarios. The repricing risk is measured for the currencies EUR, USD, CHF, GBP and JPY.

For risk management purposes, Kommunalkredit differentiates between the following sub-portfolios:

- less-than-twelve-months interest-rate position (short-term ALM)
- more-than-twelve-months interest-rate position (long-term ALM)
- equity investment portfolio ("equity book")
- IFRS fair value position
- IFRS OCI value position

An analysis and steering tool is used for the management of short-term, less-than-twelve-months interest risk positions which permits the efficient management of the repricing risk by currency.

The annual net interest income effect from Kommunalkredit's repricing risk as of 31. December 2025 in the event of a parallel rise of short-term interest by +100 basis points to EUR -0.8 million (31/12/2024: EUR +1.0 million). As of 31. December 2025 the NPV risk of interest rate changes in the banking book and of the IFRS interest rate risk position impacting on P&L in the event of a parallel shift by +30 basis points amounts to EUR +1.4 million and EUR 0.0 million, respectively. (31/12/2024: EUR +3.7 million and EUR -0.4 million). That of the IFRS interest rate risk position with an impact on OCI stands at EUR -3.6 million (31/12/2024: EUR -4.3 million).

Currency exchange risk

The currency exchange risk is the risk of losses in foreign currency positions caused by an unfavorable change in the exchange rate, the open FX position being the difference between the sum total of asset positions and the sum total of liability positions, including foreign currency derivatives, in a given currency. To measure the risk, a VaR of the open foreign currency position, according to the Austrian Commercial Code (UGB), is determined daily based on a variance/co-variance approach with a holding period of one trading day and a confidence interval of 99%, using exponentially weighted historical volatilities and correlations. Except for small residual positions, the open FX position according to the Austrian Commercial Code (UGB) is closed daily. The FX VaR as of 31. December 2025 was EUR 158.2 thousand (31/12/2024: EUR 1.0 thousand).

Credit spread risk

The credit spread risk is the risk of losses in value due to market-related changes in credit spreads, although there is no deterioration in the rating of the issuing group. Credit spreads refer to the risk premiums allocated by the market, an issuer or an issuing group which are priced-in when determining the market value of a financial instrument.

As of 31. December 2025 the credit spread risk in the event of credit spreads widening by +20 basis points was -1.9 million (31/12/2024: EUR -3.3 million) in the IFRS P&L position and EUR -15.4 million (31/12/2024: EUR -16.3 million) in the IFRS-OCI position.

Basis spread risk

The basis spread risk is the risk resulting from a change in basis spread, which is factored into the variable interest rate conditions for non-standard reference interest rates and payment frequencies. Except for residual risks in the individual currencies, the basis spread risk relevant under IFRS is hedged. The basis spread risk in the event of basis spreads widening by one basis point was EUR +0.0 million as of 31. December 2025 (as of 31/12/2024: EUR +0.0 million).

Option price risk

The option price risk for Kommunalkredit is the risk of changes in the market values of open option positions. To measure the option price risk, a scenario matrix is used to determine interest rate shifts (-/+30bp), volatility shifts (-/+30%) and combined shifts. The option price risk in the banking book calculated on the basis of the scenario matrix amounted to EUR -0.0 million as of 31. December 2025 (31/12/2024: EUR 0.0 (31/12/2024: EUR 0.0 million based on a -/+30bp interest rate shift). The open option price risk in the banking book results exclusively from unilateral call rights of Kommunalkredit for own issues (i.e. Kommunalkredit has the

right to call). As of 31. December 2025 there were no P&L-relevant option price risks.

Operational risk

Kommunalkredit defines operational risk as the possibility of losses occurring due to the inadequacy or failure of internal procedures (processes), people and systems or as a result of external events. The legal risk as well as the ICT risk and model risk are part of operational risk. External events classified as pure credit risk, market risk, liquidity risk or other types of risk with no operational background are not covered by this definition. The aim of Operational Risk Management (ORM) is to reduce the probability of occurrence of operational risks and their potential to adversely impact the bank. Operational risk management is located in Risk Controlling (RCON) with operational support from Compliance (CO) as a special division for dedicated risk issues. The operational risk correspondents (ORC) for the divisions, appointed in consultation with them, act as points of contact, establishing the link to operational risk management and supporting the ORM process.

An operational event database for “operational losses” as well as risk and control self-assessments are the key instruments available for the management of operational risks. The database represents a retrospective view, that is, realized gains/losses above a relevance threshold from operational events in the past are recorded there with the involvement of the line managers in charge. In addition, “near misses” are recorded, i.e. those operational events that have not led to any damage by chance or the damage is below the relevance threshold of the event database, but still involve a potential risk. In contrast, risk and control self-assessments represent a prospective, future-oriented view. Potential risks are identified and subjected to an expert assessment in terms of their severity.

At Kommunalkredit, the assessments are performed as coached self-assessments; that is, individual risks are assessed and eval-

uated by the divisions concerned under the guidance of the Operational Risk Management. The entries made in the operational event database serve as input and provide feedback for the re-assessment of risks. High-risk topics are discussed, analyzed and evaluated at divisional level with the responsible division heads and top risks are presented on an internal OpRisk risk map. To mitigate these risks, additional measures are to be defined and a tailored plan of action prepared. The OpRisk risk maps for the divisions are condensed, in an overall view of the relevant risks, into an OpRisk risk map for the bank as a whole.

Headed by the Credit Risk Officer (CRO), a consultation takes place with significant internal stakeholders every six months regarding operational risks within the Risk Management Committees (RMC). The Executive Board and the senior management are informed about operational risks at the monthly RMC meetings.

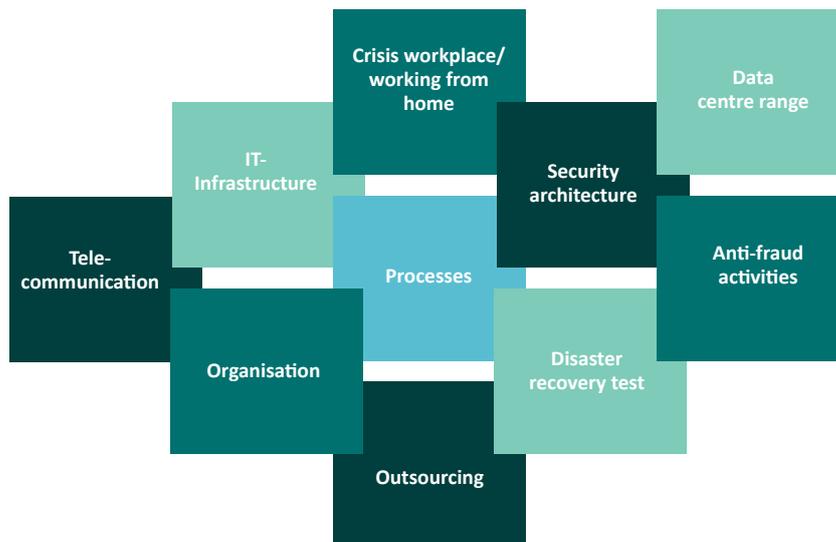
Kommunalkredit uses the new standardised approach under CRR III to quantify its total capital requirements. The total capital held on this basis significantly exceeds the actual losses suffered in the past.

Business Continuity Management

The established business continuity management (BCM) system ensures the adequate, comprehensive and efficient management of business continuity. In the course of implementing the Digital Operational Resilience Act (DORA), the BCM was also supplemented by the extended requirements. Continuity management includes the elaboration and the management of continuity and recovery plans as well as the allocation of resources to manage any business interruptions effectively, and keeping interruption times at a minimum.

The annual resource assessment was performed, and the resources required in the event of a crisis were established. The annual business impact analysis (BIA), performed within the framework of the resource assessment, served to assess business processes and information and communication technology (ICT) services





for their criticality, and to verify the time to full restoration of services. The emergency plans were revised at the same time. As part of the comprehensive BCM tests, the largest single test was a complete fail-over switchover of the georedundant central data centre infrastructure.

Policy management

All Kommunalkredit operating procedures (policies, work instructions, manuals, works agreements) are stored in a policy overview on the intranet and can be accessed by all employees. The formal minimum requirements that policies/work instructions have to meet are defined, as are the responsibilities for updating, approving and distributing policies and work instructions.

Sustainability risks

Sustainability risks form an integral part of the risk strategies and risk categories of Kommunalkredit. The inclusion of sustainability factors in the concepts, management and measurement methods of the credit, market, liquidity, syndication and operational risks is evaluated and expanded on an ongoing basis.

Kommunalkredit primarily finances the public sector in Austria and projects in the areas of renewable energy, telecommunications and social infrastructure in Europe. ESG risks in the portfolio are therefore assessed as low overall on the basis of the analyses carried out. Any risks are taken into account in the process of loan origination and are appropriately reflected in the planning assumptions for borrowers and the established ratings.

To assess whether investments in infrastructure and energy projects meet the sustainability requirements set by Kommunalkred-

it, an internally developed “ESG/Sustainability Check”, which is a three-stage process, has been applied for many years:

[Details can be found under ESG risk assessment \(page 160\)](#)

Sector limits in the areas of infrastructure and energy are used to systematically limit risk within the meaning of with the bank’s strategic orientation. In addition to the sector limit, the share of exposures in categories 4 and 5 in the infrastructure and energy portfolio is also limited. These limits form an integral part of the monthly risk reporting to the Executive Board.

Moreover, when deriving the liquidity buffer, ESG risks are included as a distinct component, with the customer and maturity structure of the liabilities, among other factors, analysed for this purpose. Furthermore, threats to the bank’s in-house infrastructure posed by climate and environmental events are evaluated as part of information security risk management and OpRisk management. ESG-related risks and issues are marked individually in the OpRisk event database and were included in the risk & control self assessments of Kommunalkredit.



Sustainability

We create infrastructure. Kommunalkredit Group recognized the opportunities linked to the need to innovate and adapt to a changing climate. For over three decades, our strategic focus has put us at the forefront of the global energy transition, driven by a strong commitment to improving lives, supporting energy security, and promoting a sustainable future.

Kommunalkredit Group's Sustainability chapter for the financial year 2025 includes Kommunalkredit Austria AG and its fully consolidated subsidiaries in Vienna.

Sustainability governance

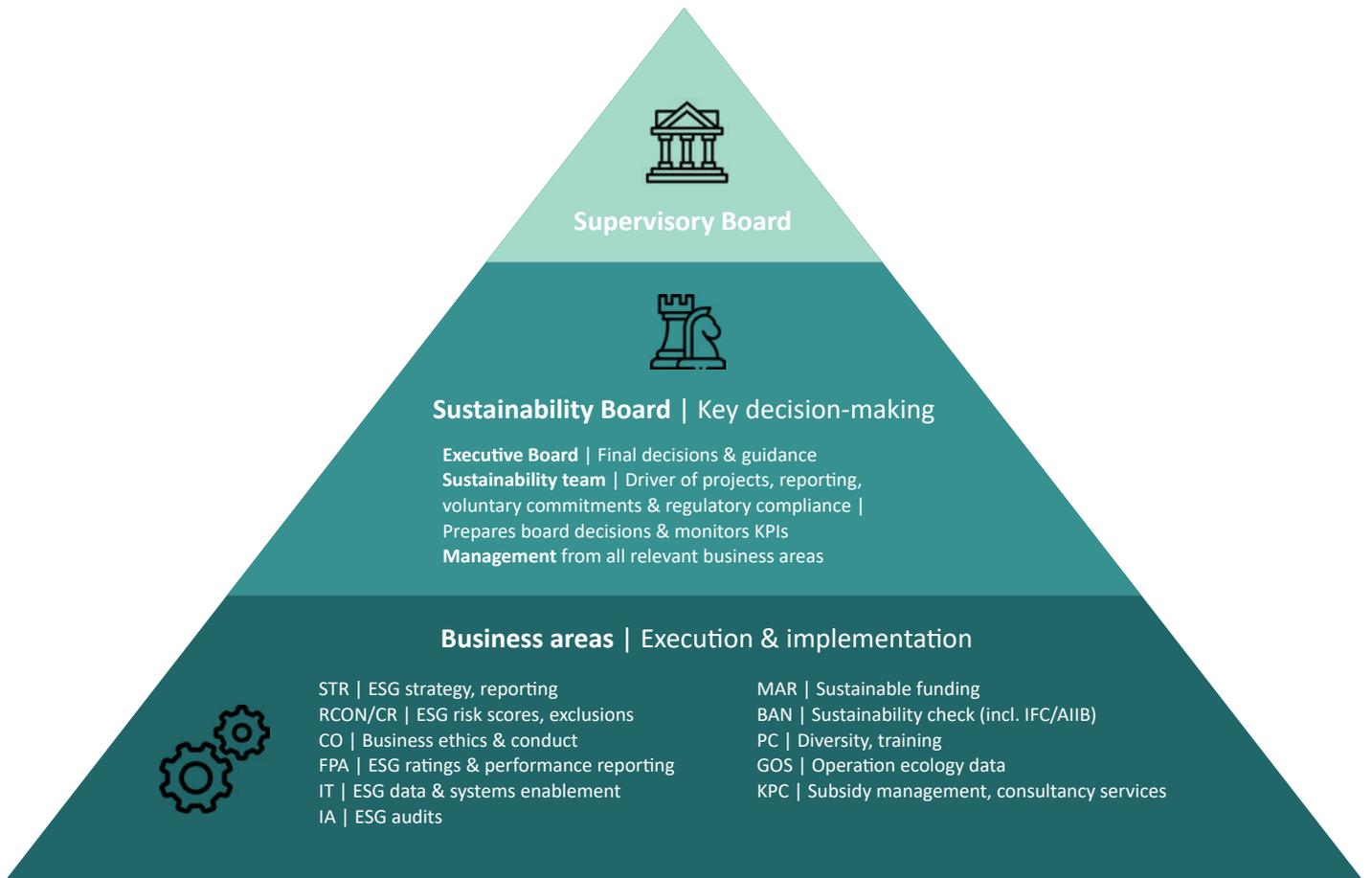
Sustainability activities at Kommunalkredit are well anchored and steered within a clear governance structure. The Executive Board holds overall responsibility for the Group's sustainability agenda, with operational duties delegated to the **sustainability team**. To ensure participation of all relevant stakeholders, the **Sustainability Board** including the Executive Board, the sustainability team, senior management, and KPC meets quarterly to oversee strategic sustainability matters and provide directional guidance.

Regulatory environment

The dynamic sustainability-related regulatory environment in 2025 has had significant impact. While the implementation of ESRS and Taxonomy disclosure requirements have been suspended, efforts have been focused on **further strengthening** Kommunalkredit's **ESG risk management framework** – among other things by allowing a regular reporting of climate-relevant KPIs – and on **designing the new sustainability strategy**.

Sustainability strategy

Starting from the outcome of the Double Materiality Assessment performed in 2025, Kommunalkredit has set **strategic objectives to be achieved by 2030**. They aim to maximize the positive impact and support climate change mitigation efforts by directing financing flows in the renewable energy portfolio to projects that support the energy transition, and to ensure equal opportunities for employees.



ESG strategy | 2030 targets



The **electricity** generation **portfolio** is aligned to the global IEA **Net Zero by 2050¹⁴** pathway



At least **35%** of **management** positions are held by **women**



At least **95%** of employees must complete mandatory **sustainability trainings**

To support the global energy transition, Kommunalkredit is committed to aligning the electricity generation portfolio to the global International Energy Agency's (IEA) Net Zero by 2050¹⁴ pathway and achieving a CO₂ intensity of ≤0.186 tCO₂/MWh by 2030.

To promote diversity and equal opportunities within the organization Kommunalkredit is committed to having at least 35% of management positions held by women.

To equip all employees with the knowledge and skills to promote sustainability, at least 95% of Kommunalkredit's total workforce must complete mandatory sustainability trainings.

ESG risk management

The identification, management and monitoring of ESG risks is an integral part of Kommunalkredit's risk management framework. Methodologies and approaches are being enhanced to follow best practices and regulatory expectations.

ESG impacts and risks associated with the bank's project finance portfolio are first screened at origination stage. This acts as the **first line of defense** with the aim to ensure rigorous application of exclusion criteria and to conduct an internal Environmental and Social (E&S) due diligence. Exclusion criteria consolidate the list of activities that Kommunalkredit does not finance as they do not align with its social, environmental, and ethical standards.

Exclusion criteria

Exclusion criteria have been central to Kommunalkredit's strategy since 2021 and were strengthened in 2024 to broadly align with International Finance Corporation (IFC) standards. The exclusion criteria are set out in the relevant guidelines and fulfil a critical dual function, not only safeguarding the organization against reputational risks but also reinforcing Kommunalkredit's commitment to responsible and ethical business practices.

No financing of transactions or assets that pose a permanent/material risk to the environment; in particular no financing for the purposes of (a) coal, gas, peat and oil extraction (in particular tar sand drilling and arctic drilling), (b) the construction of new coal- and peat-fired power plants, (c) the production or trade of unbound asbestos fibers, (d) drift net fishing with nets longer than 2.5 km, (e) commercial logging in humid tropical primary forests and the production or trade of timber or other forestry products that do not come from sustainably managed forests.

No financing of activities that have serious negative social impacts or pose a threat to life or health, of (a) countries at war if condemned by the United Nations, (b) the manufacture or trafficking of arms, (c) gambling, (d) the manufacture or sale of liquor, (e) the manufacture or sale of tobacco products, (f) pornography – in each case (with the exception of (a)) if the relevant activities account for more than 5% of the borrower's revenues.

No funding in the event of violations of (a) national or international laws, sanctions, (b) the UN Declaration of Human Rights, (c) the ILO Core Labour Standards (e.g. harmful forced labor, harmful child labor), (d) ethical principles or in the event of problematic corporate governance issues, in particular corruption (acceptance or solicitation of bribes).

No financing for customers without sufficient information or with unclear ownership, and no lending business where the purpose of which has not been understood.

A special standard of care must be applied also with regard to reputational risk. The exclusion criteria are absolute – projects to which these exclusion criteria apply are not financed by Kommunalkredit.

¹⁴ Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach (2023 Update)

The E&S due diligence (Sustainability Check) covers climate and nature-related, social, and governance topics, and is applied to projects in the Infrastructure and Energy portfolio. It is a structured process with the purpose of identifying whether key risks and impacts are associated with projects financed. It is conducted at origination stage for all transactions, regardless of whether they will materialize on the bank's balance sheet.

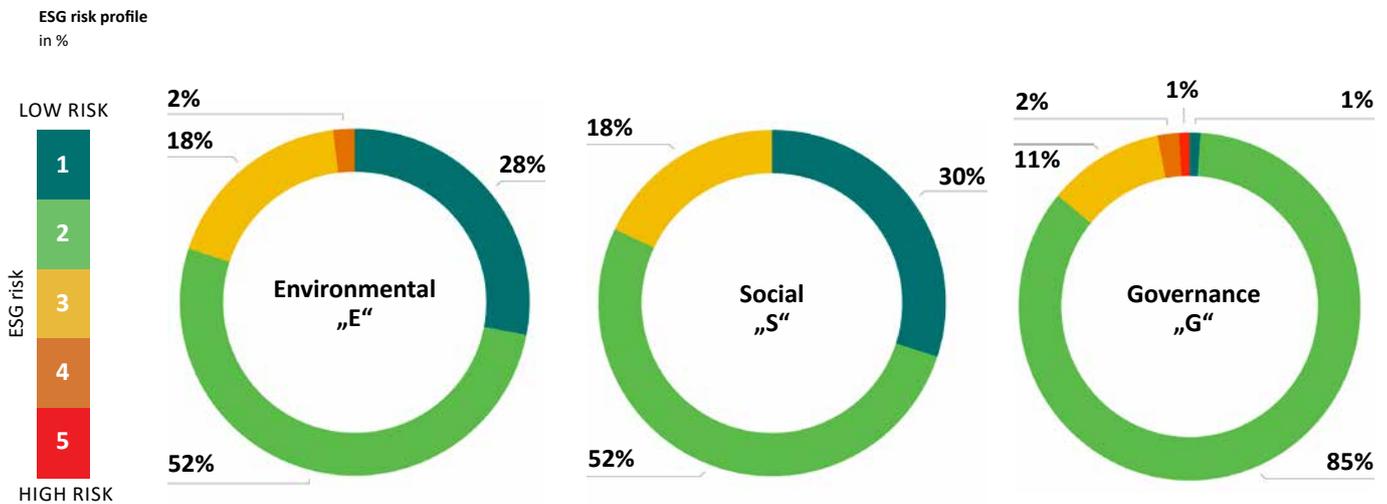
The ESG risk profile of projects is finally assessed by the **second line of defense** via the ESG risk score, which flows directly into in the credit approval process. The classification of Kommunalkredit's on balance exposure as of YE 2025 shows a low ESG risk of the Infrastructure and Energy portfolio.

The bank's internal audit plan (**third line of defense**) regularly features a review of ESG processes and methodologies.

To support ESG know-how capabilities within the organization, dedicated mandatory trainings are rolled out for all employees and management.

Climate risk mitigation – Portfolio emissions

The analysis of the carbon footprint allows the identification of key emissions drivers and climate-related risks. Besides, it informs the design of corporate action needed to support the delivery of national binding commitments under the Paris Agreement. The most significant source of emissions for financial institutions stems from the category Scope 3-15 – i.e., indirect downstream emissions associated with investment activities.



In alignment with industry best practices, Kommunalkredit discloses its Scope 3-15 financed emissions inventory on a yearly basis. The exposure covered by the Group's GHG financed emissions inventory equals 78% of lending and investment activities, and 70% of total assets. The exposure definition applied is the on-balance gross carrying amount including accrued interest.

Financed emissions and portfolio alignment

Financed emissions for all asset classes covered, excluding sovereign debt, amount to 0.9 million tCO₂e and have decreased by 15% YoY, yielding an overall emission intensity of 207 tCO₂e/EURm (2024: 262 tCO₂e/EURm). Emissions are driven by exposure, sector/activity financed, and the location of the project. The **decline in emission intensity** shows a consistent shift of the portfolio towards low-emission sectors.

Financed emissions – Coverage

	Gross carrying amount in EURm				out of which covered in %			
	2022	2023	2024	2025	2022	2023	2024	2025
Business loans and unlisted equity	1,311	1,540	2,001	1,990	98%	98%	99%	99%
Listed equity and corporate bonds	424	412	387	412	100%	100%	100%	100%
Project finance	1,104	1,537	1,869	2,181	100%	100%	100%	100%
Sovereign debt	273	421	138	316	100%	100%	100%	100%
Subsovereign debt	792	854	1,000	1,334	0%	0%	0%	0%
Total	3,904	4,763	5,395	6,233	79%	82%	81%	78%

Note: Subsovereign debt (regional and local authorities) will be covered from 2026 on, following the updated PCAF standard 'PCAF (2025). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Third Edition.'

Financed emissions – Asset classes other than Sovereign Debt (Scope 1-3)

	Gross carrying amount in EURm				Financed emissions (Scope 1-3) in tCO ₂ e				Financed emissions intensity (Scope 1-3) in tCO ₂ e / EURm			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Business loans and unlisted equity	1,283	1,516	1,979	1,968	1,189,407	594,494	748,468	525,196	927	392	378	267
Listed equity and corporate bonds	424	412	387	412	13,688	12,430	10,811	10,237	32	30	28	25
Project finance	1,104	1,537	1,869	2,181	314,607	299,552	348,285	408,978	285	195	186	188
Total	2,811	3,465	4,235	4,560	1,517,703	906,476	1,107,564	944,412	540	262	262	207

Financed emissions – Asset classes other than Sovereign Debt (split by Scope 1, 2, 3)

	Financed emissions (Scope 1) in tCO ₂ e				Financed emissions (Scope 2) in tCO ₂ e				Financed emissions (Scope 3) in tCO ₂ e			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Business loans and unlisted equity	1,040,220	421,589	546,684	362,194	14,426	17,457	19,345	15,152	134,761	155,447	182,439	147,850
Listed equity and corporate bonds	4,557	4,060	3,480	3,285	530	542	503	462	8,601	7,828	6,828	6,491
Project finance	232,970	210,761	213,718	251,335	9,292	9,862	15,098	14,608	72,345	78,930	119,469	143,034
Total	1,277,747	636,410	763,882	616,814	24,248	27,861	34,946	30,222	215,707	242,205	308,736	297,376

Financed emissions – Sovereign Debt

	Gross carrying amount in EURm				Financed emissions (Scope 1) in tCO ₂ e				Financed emissions intensity (Scope 1) in tCO ₂ e / EURm			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Sovereign debt - incl. LULUCF	273	421	138	316	68,464	101,000	38,952	75,583	250	240	282	239
Sovereign debt - excl. LULUCF					70,374	103,936	43,019	79,393	257	247	311	251

Note: Sovereign Scope 1 Production emissions are estimated with and without the effect of the Land Use, Land Use Change and Forestry (LULUCF) sector. The LULUCF sector records the net impacts of land use (forest, arable land, grassland, wetlands, settlements, other land) and wood products on a country's emissions. Some land use categories (arable land, grassland, wetlands and settlements) are typically a source of CO₂ for the atmosphere, while forests generally represent a net carbon sink.

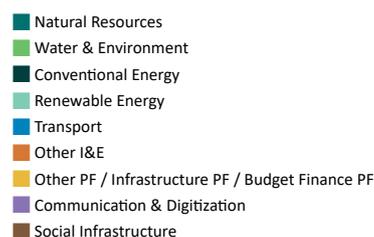
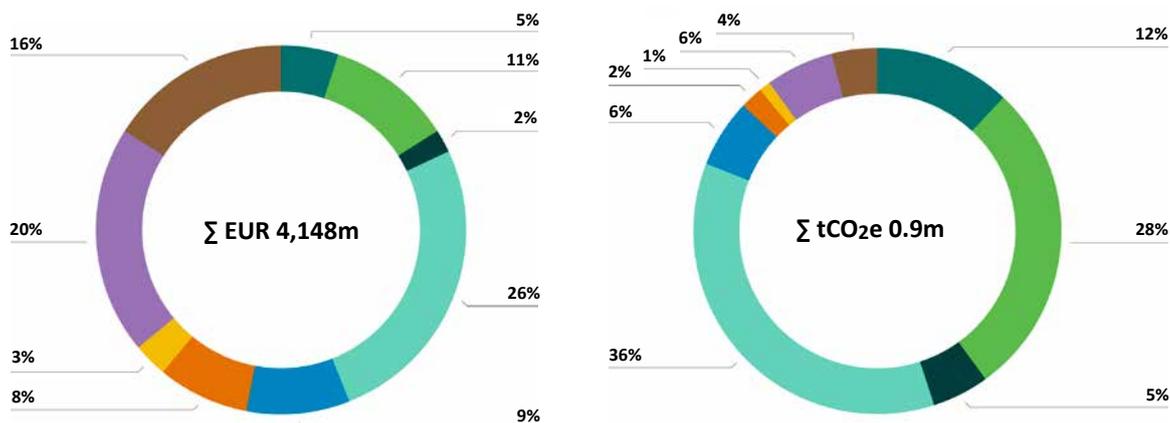
Financed emissions by sector (YE 2025)¹⁵

Sector	Subsector	Gross carrying amount in EURm	Financed emissions (Scope 1) in tCO ₂ e	Financed emissions (Scope 2) in tCO ₂ e	Financed emissions (Scope 3) in tCO ₂ e	Emissions intensity (Scope 1-3) in tCO ₂ e / EURm
Natural Resources		191	44,880	6,918	61,914	596
Water & Environment		437	190,365	7,448	60,124	590
Conventional Energy	Energy Generation Gas	31	15,205	-	-	484
	Energy Transmission	26	11,202	416	3,478	587
	Other Conventional Energy	19	9,501	353	2,950	685
Renewable Energy	Electricity Storage	120	156,182	2,262	23,324	1,515
	Energy from Waste	49	121,190	-	-	2,460
	Geothermal	45	-	-	1,466	33
	Offshore Wind	35	-	-	213	6
	Onshore Wind	188	-	-	2,109	11
	Other Renewable Energy	19	9,491	352	2,947	687
	Solar CSP	9	-	-	317	36
	Solar PV	622	-	-	20,591	33
Transport		389	23,221	2,294	29,609	142
Other Infrastructure & Energy		320	6,333	1,139	14,347	68
Other Public Finance / Infrastructure PF / Budget finance PF		126	2,497	345	5,043	62
Communication & Digitization		843	9,729	6,243	36,174	62
Social Infrastructure		679	13,250	1,972	26,129	61
Total		4,148	613,529	29,761	290,884	225

Note: Sector categories follow the bank's internal sector/subsector classification.

Financed emissions by sector¹⁵

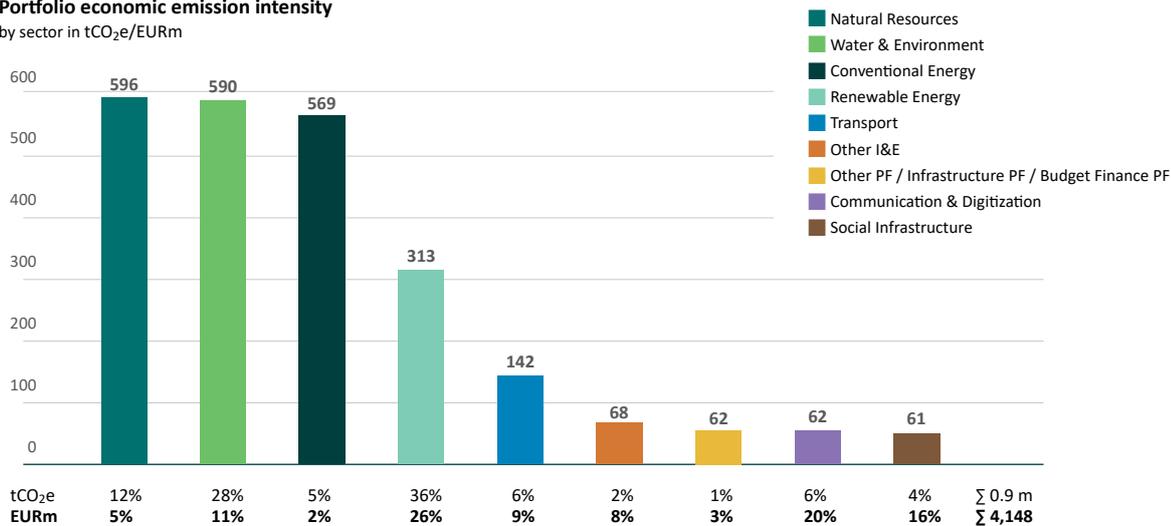
in EUR



¹⁵ Covering the PCAF asset classes Business loans and unlisted equity (EUR 1.97bn) and Project Finance (EUR 2.18bn)

Portfolio economic emission intensity

by sector in tCO₂e/EURm



Financed emissions and avoided emissions

Standard and methodology

Financed emissions and avoided emissions are disclosed on a voluntary basis; the calculation methodology applied is based on the PCAF Standard¹⁶. Estimated emissions include Scope 1, 2 and 3 of clients and projects financed wherever available, and Scope 1 (production emissions) for sovereign debt exposures and avoided emissions. The organizational boundaries for reporting on Scope 3-15 emissions are determined based on the financial control approach, analogous to the scope of consolidation for financial reporting. Due to data limitations, the indirect emissions from Kommunkredit's participation in the Fidelio Fund's assets cannot be included in the financed emissions inventory. Given the comparatively small size of the exposure (EUR 22 million) and the run-down profile of these assets, this exclusion is deemed immaterial. The PCAF asset classes covered¹⁷ by the calculations broadly correspond to the project finance, sovereign bonds, and treasury portfolios.

Data quality and limitations

The figures presented are estimates and are subject to considerable uncertainty. This is primarily due to the lack of project-specific data, a challenge Kommunkredit shares with its peers across the banking sector. Considering the limited data availability, the PCAF method allows the use of different data types. To calculate Scope 1 (production emissions) for the sovereign debt asset class, Option 1a is applied by referring to the verified UN Framework Convention on Climate Change (UNFCCC) emissions data for 2021. For all other exposures covered by the Scope 3-15 emission inventories, Option 3c is applied. Emission factors from the PCAF database¹⁸ are used which enable the calculation of emissions at project level¹⁹, although only the outstanding amount is known. We follow PCAF recommendations and apply regional averages from Exiobase for all sectors, with the exception of power generation, where Climate

Trace country values are applied to electricity generation from gas and waste sectors and global averages are applied to electricity generation from photovoltaics, solar CSP, on-shore/off-shore wind power and geothermal sectors²⁰. The corresponding data quality score is 5 (lowest score) for the non-sovereign financed emissions and for the avoided emissions, and close to 1 (highest score) for the estimates of indirect production emissions from our sovereign debt portfolio. An inflation adjustment is applied to the economic activity based emissions factors, following the methodological guidance of PCAF²¹. This step serves the purpose of updating emissions intensities to the price level prevailing in the country of location of the activity financed at portfolio cut-off date. Avoided emissions of solar, wind and geothermal projects are estimated based on country-specific electricity generation mixes²² and economic emission intensities of coal, gas, oil and waste electricity generation projects.

The importance of more accurate data to refine our carbon footprint is evident and Kommunkredit recognizes the challenges the financial industry faces in obtaining comprehensive and reliable emissions data from counterparties. Despite these data limitations and challenges, the calculations can support the identification of current hotspots and large issuers within the portfolio.

Recalculation policy

In accordance with the PCAF standard, we have established a policy to recalculate our financed baseline emissions to ensure data consistency, comparability and relevance of reported greenhouse gas emissions data over time. Triggers for baseline recalculations are: i) Structural changes in the organization and its underlying portfolio (e.g. mergers, acquisitions and divestitures); ii) Significant changes in calculation methodologies or improvements in data accuracy (e.g. moving to the use of asset-specific emissions data or more current emissions factors); iii) The identification of significant errors (or a series of cumulative errors) in the original base year calculation.

¹⁶ PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

¹⁷ Subsovereign debt (regional and local authorities) will be covered from 2026 on, following the updated PCAF standard. Reported exposure for the asset classes Motor vehicle loans, Commercial real estate, and Mortgages is zero.

¹⁸ The sector analysis of the portfolio is limited by the sector classifications and granularity used in the PCAF database.

¹⁹ In our calculations we treat project finance exposure as if projects had already reached the operational stage.

²⁰ As PCAF does not offer economic emission factors (data quality 5) for solar CSP and geothermal, and their life-cycle emission are comparable to the ones of photovoltaics, they are assigned the emission factor for photovoltaics.

²¹ We apply the inflation adjustment logic as per Financed emissions calculation worksheet - released by PCAF in the Additional resources section – accessible to PCAF members.

²² International Energy Agency (IEA) Countries and regions.

By applying a deeper analysis of the portfolio, the exposure specifically attributable to Electricity generation within the sectors Conventional energy and Renewable energy was isolated. At YE 2025, the on-balance exposure within the Electricity generation portfolio amounts to EUR 979m (24% of the I&E and PF portfolio covered by financed emissions calculations and 84% of the sectors Conventional energy and Renewable energy). This is the only portfolio exposure which is eligible for the application of the sectoral decarbonization approach and target setting. 92% of the Electricity generation portfolio relates to low-emission technologies. Using proxy data for physical emission intensity (tCO₂e/MWh) by technology type and country²³ and using expert estimates for out-

put data (MWh), we have produced a first measure for the emission intensity of the Electricity generation portfolio at YE 2025 of 0.09 tCO₂e/MWh. This value lies well below the global Net Zero by 2050 pathway calculated by the International Energy Agency (IEA)²⁴. The estimated distance of Kommunalkredit's Electricity generation portfolio to the 2030 value on the Net Zero by 2050 pathway is -52%²⁵. This favourable alignment reflects the structural characteristics of the Electricity generation portfolio, which is shaped by a strategic focus on low-emission technologies. We are committed to refining the approach going forward – among others by relying on collected customer-specific data – to enhance the robustness of our results and strengthen target setting.

Electricity generation - portfolio alignment

Methodology

The portfolio in scope covers the PCAF asset classes Project finance and Business loans and unlisted equity and focuses on counterparties active in the Electricity generation sector, identified based on the internal subsector classification. Clients/projects producing electricity from solar PV, solar CSP, on-shore wind, off-shore wind, geothermal, gas, bioenergy and waste are included.

Emission intensities are proxied with data published by EMBER²³, which provides country- and technology-specific data expressed in tCO₂e/MWh which is mapped to Kommunalkredit's portfolio based on internal sector classification. The portfolio intensity is calculated by applying technology-specific weights corresponding to annual electricity output (MWh p.a.) – derived using expert-based assumptions. We disclose portfolio alignment by mapping the portfolio intensity against the global decarbonization pathway published by the IEA Net Zero by 2050²⁴, Table A.5.

Data quality and limitations

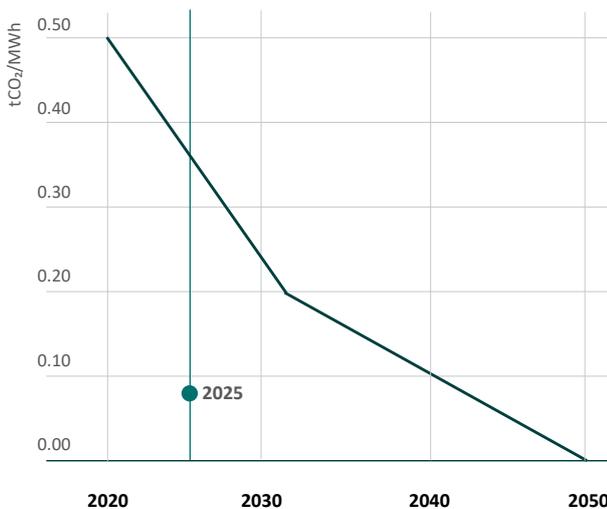
The figures presented are estimates and are subject to considerable uncertainty. We use proxies for 100% of the portfolio covered and rely on less granular emission intensity data for the technologies geothermal and electricity generation from waste.

Additionally, the IEA Net Zero by 2050 decarbonization pathway is calculated at global level, no regional pathways are available. This might overstate the degree of portfolio alignment, considering that most of Kommunalkredit's Electricity generation exposure is in advanced economies that are expected to converge to Net Zero faster.

The applied pathway and underlying data may be subject to future revisions. Changes in the data and underlying methodology will be transparently communicated.

Electricity generation portfolio Alignment to global Net Zero by 2050 scenario

● KA emission intensity YE 2025
— IEA Net Zero by 2050 Scenario²⁴



Avoided emissions

For the first time, Kommunalkredit is publishing the **avoided emissions related to renewable electricity generation projects**, associated with 12% of the non-sovereign debt portfolio covered by financed emissions calculations. Avoided emissions represent the positive impact created when comparing the emission impact of a low-emission technology to an alternative scenario with a high-emission technology in place. Using PCAF economic emission intensities (tCO₂e/EURm) by sector and country, we have produced a first measure for the Scope 1 avoided emissions at YE 2025 of 2.1 million tCO₂e.

Operational ecology

Kommunalkredit has a longstanding tradition of environmental responsibility, supported by credible external verification of its environmental management system since 1997 and further strengthened by internal environmental management capabilities. The company's efforts are reflected in measurable improvements across various ecological indicators. The company has been using exclusively green electricity since 2003 and district heating since 2024. A complete list of environmental performance figures for the headquarter in Vienna can be found below.

²³ Yearly Electricity Data | Ember

²⁴ Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach (2023 Update)

²⁵ The distance is calculated following the approach highlighted in the Annex 2 – Instructions for ESG prudential disclosure templates (EBA ITS)

Building upgrades

Recent renovations and upgrades, such as connecting the building to 100% district heating, installing an on-site 100 kWp photovoltaic system, and window renovations, have contributed to energy efficiency improvements in 2023 and 2024. Further core renovations of the company's Viennese office buildings in 2025 and upcoming years are expected to contribute to further energy savings. The decreased utilisation of office space since mid-2025 will continue until refurbishment is completed and will influence the development of the environmental KPIs herewith reported and their comparability with previous reporting periods.

Energy consumption and efficiency

In 2025, the company's total energy consumption (electricity and heating) was 1.33m kWh, demonstrating a 7.5 % decrease compared to 2024 (1.43m kWh). The building's energy use per employee decreased slightly, with total energy consumption per employee dropping to 2,998 kWh from 3,307 kWh in 2024. The company's energy mix has shifted significantly towards renewables, with renewable energy sources accounting for 99.8 % of the total energy consumption in 2025, up from 85.3% in 2024 and 65.7% in 2023. This includes green electricity (100%) — made up of 434,736 kWh of grid power and 74,407 kWh generated by the company's own PV system, with almost all of it being directly consumed on-site. At 1,131 kWh per employee (2024: 1,426 kWh), the relative electricity consumption fell by 21 % in 2025.

Business travel

The kilometres covered per employee in 2025 remained stable at 2,122 km (2024: 2,114 km). Kommunalkredit is growing steadily and serves all its international customers from its locations in Vienna and Frankfurt. About 93 % of kilometres were travelled by plane, 1 % by train and 6 % by car. The internal business travel policy requires that ecological aspects are considered, e.g. for business travel distances <500 km, trains or electric cars must be used, and air travel is only permitted if virtual alternatives are not feasible. Since 2024 Kommunalkredit has had no vehicle fleet.

CO₂ emissions

Reported emissions from own operations have declined as a result of the transition to 100% district heating and the application of updated, lower emission factors for the business travel emissions calculations. CO₂e emissions from business activities fell to 236 tonnes in 2025, down from 405 tonnes in 2024.

Kommunalkredit's Scope 1 emissions have fallen significantly after the connection to the district heating in 2024, completed in 2025; they are entirely driven by mandatory tests for the diesel-run emergency generator. In 2025, Scope 1 emissions have decreased by 98 % compared to 2024 and amounted to 1 tonne of CO₂e.

Scope 2 emissions from purchased electricity (100% green) and heat (100% district heating) increased by 15 % and amounted to 23 tonnes in 2025. This results from the reclassification of heating emissions from Scope 1 (direct) to Scope 2 (indirect), combined with the full transition to 100% district heating in 2025. Structural measures in which the company has been investing over the past years imply that the biggest lever for further reduction of Scope 2 emissions rests on the further decarbonisation of the energy mix used for district heating, in line with the city of Vienna's target of climate neutrality until 2040.

Indirect emissions from business travel (Scope 3-6) amounted to 212 tonnes of CO₂e in 2025 (2024: 333 tonnes). The total CO₂e emissions per employee resulting from our business activities have decreased to 0.5 tonnes compared to 2024 (0.9 tonnes) due to the switch to district heating and the supplementation of the power supply by the company's own PV. The total CO₂e emissions that Kommunalkredit Group could not avoid amounted to 236 tonnes in 2025. The bank supported Austrian climate protection projects by making a voluntary contribution through Climate Austria, matching the amount of unavoidable emissions.

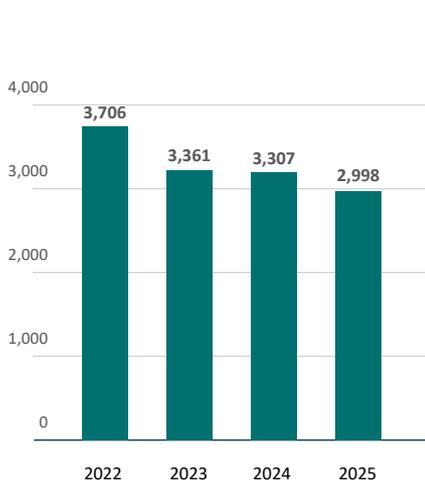
Waste, water, and paper consumption

Waste generation increased to 41.6 tonnes annually (2024: 32.9 tonnes), out of which 0.09 tonnes were hazardous. Waste per employee increased to about 94 kg (2024: 75.5kg), due to disposed furniture. Water use stabilized at roughly 27 litres per employee per day. Paper consumption (100% recycled) markedly increased to approximately 5 kg per employee in 2025 from 2 kg in 2024.

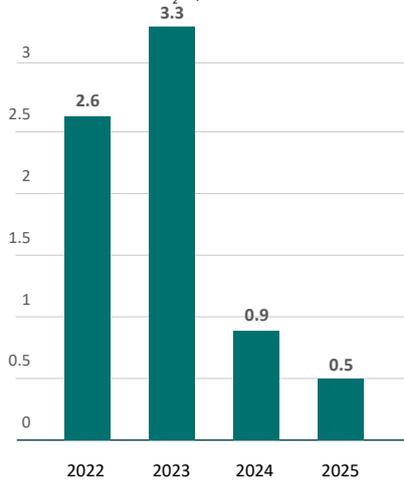
Improvement of operational ecology

Kommunalkredit continues its journey towards operational sustainability, with **consistent improvements** in energy efficiency and emission reductions, which are supported by the ISO 14001 certification.

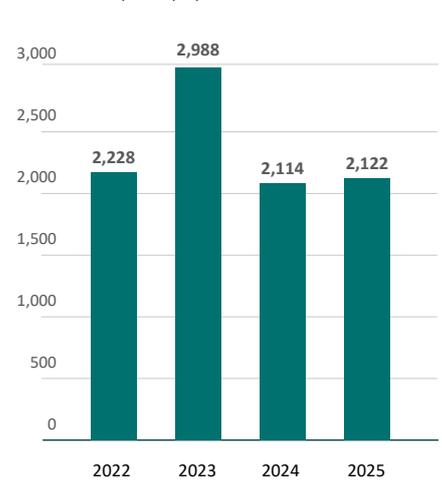
Total energy consumption per employee
in kWh



CO₂ emissions per employee
in tonnes of CO₂ equivalents



Business travel
km per employee



Environmental performance figures

Definition	Unit	2023	2024	2025	Change 2024-2025
Employees (including Executive Board) ¹		405	434	443	2.1%
Total assets	in EUR m	5,871	6,606	6,998	5.9%
Office space used ²	m ²	7,722	7,722	6,332	-18.0%
Office space used per employee	m ² /employee	19.1	17.8	14.3	-19.7%
Energy consumption					
Total energy consumption	kWh	1,361,010	1,435,105	1,327,932	-7.5%
Total energy consumption per employee	kWh/employee	3,361	3,307	2,998	-9.3%
Total consumption from renewable sources	kWh	894,267	1,224,242	1,325,139	8.2%
Total consumption from non-renewable sources	kWh	466,743	210,863	2,793	-98.7%
Electricity (100% green electricity)	kWh	637,887	618,712	500,882	-19.0%
Grid power	kWh	637,887	600,281	434,736	-27.6%
PV generation ³	kWh	0	18,861	74,407	100.0%
PV own consumption	kWh	0	18,431	66,146	100.0%
PV own consumption share of total energy consumption	%	0	3	13	100.0%
PV own consumption share of PV generation	%	0	98	89	100.0%
Electricity per employee	kWh/employee	1,575	1,426	1,131	-20.7%
Diesel consumption ⁴	kWh	2,646	2,009	2,793	39.0%
Biomass consumption (pellets) ³	kWh	256,380	0	0	0.0%
Gas consumption	kWh	464,097	208,854	0	-100.0%
District heating (Fernwärme) ³	kWh	0	605,530	824,257	100.0%
Total heating energy consumption	kWh	720,477	814,384	824,257	1.2%
Heating energy consumption (per m ²)	kWh/m ²	93.3	105.5	130.2	23.4%
Heating energy consumption per employee	kWh/employee	1,779	1,876	1,861	-0.8%
Share of renewable energy sources in relation to total energy consumption (biomass and green electricity)	%	65.7	85.3	99.8	17.0%
Water and paper					
Water consumption in m³ ⁵	m³	2,878	2,885	3,015	4.5%
Water consumption in litres per employee and day	l/employee/day	28	26	27	3.8%
Paper consumption (in kg)	kg	2,000	1,050	2,000	90.5%
Paper consumption (in kg) per employee	kg/employee	5	2	5	150.0%
Paper consumption (in kg) per employee and day	kg/employee/day	0.02	0.01	0.01	0.0%
Paper consumption (in sheets) per employee and day	sheets/employee/day	4	4	2	-38.3%
Share of recycled paper	%	100.0	100.0	100.0	0.0%
Transport					
Total business travel	km	1,210,152	921,753	940,221	2.0%
Total energy consumption for transport	kWh	1,571,831	752,967	431,222	-42.7%

Definition	Unit	2023	2024	2025	Change 2024-2025
Total business travel per employee	km/employee	2,988	2,114	2,122	0.4%
Kilometres travelled by rail	km	9,636	4,738	5,940	25.4%
Share of kilometres travelled by rail in relation to total distance travelled	%	0.8	0.5	0.6	22.9%
Kilometres travelled by rail per employee	km/employee	24	11	13	22.8%
Kilometres travelled by car	km	16,041	44,089	54,837	24.4%
Share of kilometres travelled by car in relation to total distance travelled	%	1.3	4.8	5.8	21.9%
Kilometres travelled by car per employee	km/employee	40	102	124	21.9%
Kilometres travelled by air	km	1,184,475	872,929	879,445	0.7%
Share of kilometres travelled by air in relation to total distance travelled	%	97.9	94.7	93.5	-1.2%
Kilometres travelled by air per employee	km/employee	2,925	2,011	1,985	-1.3%
CO₂ emissions ⁶					
CO₂ emissions caused by business activities	t	1,340	405	236	-41.8%
Scope 1 (direct emissions)	t	123	64	1	-98.6%
<i>thereof fossil emissions</i>	t	118	52	1	-98.3%
<i>thereof biogenic emissions</i>	t	4.0	0.0	0.0	0.0%
Scope 2 (green electricity market-based) ⁷	t	9.0	8.0	23.0	187.5%
Scope 2 (electricity location-based) ⁷	t	144	136	99	-27.4%
Scope 3 (business travel) ⁸	t	1,208	333	212	-36.3%
CO ₂ emissions caused by business activities per employee	t/employee	3.3	0.9	0.5	-42.9%
Waste ⁹					
Total annual waste volume	kg	31,147	32,907	41,623	26.5%
Total annual waste volume per employee	kg/employee	76.9	75.5	94.0	24.4%
Waste paper	kg	11,246	11,246	11,246	0.0%
Waste paper (share of total volume of waste)	%	36.1	34.0	27.02	-20.5%
Waste paper per employee	kg/employee	28	26	25	-2.4%
Domestic-type commercial waste	kg	14,448	14,448	14,448	0.0%
Domestic-type commercial waste (share of total volume of waste)	%	46.4	44.0	34.7	-21.1%
Domestic-type commercial waste per employee	kg/employee	36	33	33	-1.2%
Hazardous waste	kg	185	21	90	328.6%
Hazardous waste (share of total volume of waste)	%	0.6	0.1	0.2	260.4%
Hazardous waste (in kg) per employee	kg/employee	0.46	0.05	0.20	306.3%

1 Employees (headcount) including Executive Board and excluding those on leave; the figures for 2020–2022 were adjusted due to the updated definition in 2023.

2 The area reported in 2024 was scaled by the reduced proportion of office space due to building renovations. As office area varied over the year, the average was used.

3 In 2024, a 100 kWp photovoltaic system was installed on the roof of the building and the pellet heating system was converted to district heating at the end of 2023.

4 Totals based on emissions calculation using the factor 1L=9.8 kWh; the data for 2022 was corrected in 2023.

5 All water was withdrawn from the municipal water supply. No water was withdrawn from areas under water stress.

6 All data refers to carbon dioxide equivalents (CO₂e). Emission factors based on OIB Guideline 6 (2019).

7 In accordance with the GRI Standards, emissions from the purchase of electricity are to be shown based on both the market-based and location-based methods. The market-based method shows emissions from the electricity that an organisation chose in a targeted manner. Emission factors were calculated based on OIB Guideline 6 (2019).

8 The emissions calculation for business travel is based on data from the Environmental Agency Austria, June 2025, for direct emissions per passenger kilometre.

9 Waste paper and domestic-type commercial waste are calculated using the number of corresponding containers with allocated filling levels and the collection interval notified by MA48. Due to the unchanged situation, the figures for 2021–2023 are identical. Due to a correction made in calculating the volume of waste paper, the figures for 2020–2022 were adjusted. The significant increase in the volume of hazardous waste is attributable to the disposal of screens in 2023.

GRI Content Index

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / COMMENT
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details		Chapter Regional reach. Sectoral focus. Kommunalkredit KYC Articles of Association (website) Kommunalkredit Company Presentation (website)	
	2-2 Entities included in the organization's sustainability reporting		Chapter Sustainability	
	2-3 Reporting period, frequency and contact point		Chapter Sustainability	
	2-4 Restatements or restatement of information			In 2025 there are no restatements of information.
	2-5 External assurance			The sustainability chapter is part of the Financial Report and is not audited separately.
	2-6 Activities, value chain and other business relationships	Principle 1, principle 2, principle 4, principle 5, principle 6, principle 7, principle 9	Chapter Regional reach. Sectoral focus. Chapter Economic environment Chapter Business review Chapter Kommunalkredit on the capital market	
	2-7 Employees	Principle 6	Chapter Employees Workforce composition and growth Chapter Employees Social performance figures	As of 31/12/2025 there were three fixed term employee.
	2-8 Workers who are not employees	Principle 6		In 2025 there were no workers who are not employees.
	2-9 Governance structure and composition		Chapter Sustainability Sustainability governance Chapter Employees Social performance figures Kommunalkredit Company Presentation (website) Kommunalkredit KYC Articles of Association (website)	
	2-10 Nomination and selection of the highest governance body		Kommunalkredit KYC Articles of Association (website) Kommunalkredit KYC Publication pursuant to Section 65a of the Austrian Banking Act (BWG) (website)	
	2-11 Chair of the highest governance body		Chapter Sustainability Sustainability governance Kommunalkredit KYC Articles of Association (website)	In Austria the two-tier system applies, i.e. separation between the Supervisory Board (non-executive) and the Management Board (executive). Incompatibility of simultaneous membership in Supervisory Board and Management Board in accordance with Section 90 AktG (Austrian Stock Corporations Act).
	2-12 Role of the highest governance body in overseeing the management of impacts		Chapter Sustainability Sustainability governance Chapter Sustainability Sustainability strategy Chapter Sustainability ESG risk management Kommunalkredit Company Presentation (website) Kommunalkredit KYC Articles of Association (website)	
	2-13 Delegation of responsibility for managing impacts		Chapter Sustainability Sustainability governance Chapter Sustainability Sustainability strategy Chapter Sustainability ESG risk management	
	2-14 Role of the highest governance body in sustainability reporting			There is currently no legal requirement.
	2-15 Conflicts of interest	Principle 10	Kommunalkredit KYC Code of Conduct (website)	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / COMMENT
	2-16 Communication of critical concerns		Kommunalkredit KYC Code of Conduct (website)	There were no critical concerns during the reporting period.
	2-17 Collective knowledge of the highest governance body		Chapter Supervisory Board Kommunalkredit KYC Publication pursuant to Section 65a of the Austrian Banking Act (BWG) (website)	
	2-18 Evaluation of the performance of the highest governance body		Kommunalkredit KYC Publication pursuant to Section 65a of the Austrian Banking Act (BWG) (website)	
	2-19 Remuneration policies		Kommunalkredit KYC Publication pursuant to Section 65a of the Austrian Banking Act (BWG) (website)	
	2-20 Process to determine remuneration		Kommunalkredit KYC Publication pursuant to Section 65a of the Austrian Banking Act (BWG) (website)	
	2-21 Annual total compensation ratio		Chapter Employees Social performance figures	
	2-22 Statement on sustainable development strategy		Chapter At the heart of Europe's transition - Foreword by the CEO	
	2-23 Policy commitments	Principle 1, principle 2, principle 4, principle 5, principle 6, principle 7, principle 10	Chapter Sustainability ESG risk management Kommunalkredit KYC Code of Conduct (website)	
	2-24 Embedding policy commitments		Chapter Sustainability ESG risk management Kommunalkredit KYC Code of Conduct (website)	
	2-25 Processes to remediate negative impacts	Principle 1, principle 6, principle 10	Chapter Sustainability Sustainability strategy Chapter Sustainability ESG risk management Kommunalkredit KYC Code of Conduct (website)	
	2-26 Mechanisms for seeking advice and raising concerns		Kommunalkredit KYC Code of Conduct (website)	
	2-27 Compliance with laws and regulations			There were no penalties or fines in the reporting period.
	2-28 Membership associations	Principle 1, principle 8, principle 9	Energieforum Österreich, European Clean Hydrogen Alliance, International Capital Markets Association, IPFA International Project Finance Association, ISDA International Swaps and Derivatives Association, ÖGUT- Österreichische Gesellschaft für Umwelt und Technik, Österreichische Energieagentur, Partnership for Carbon Accounting Financials (PCAF), Pfandbrief- & Covered Bond-Forum Austria, The Loan Market Association / Banking, UN Environmental Programme for Financial Institutions (Principles for Responsible Banking), UN Global Compact	
	2-29 Approach to stakeholder engagement		Chapter Making a difference Chapter Kommunalkredit on the capital market Chapter Employees Employee satisfaction Kommunalkredit KYC Articles of Association (website)	
	2-30 Collective bargaining agreements	Principle 3	Chapter Employees Employee benefits	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / COMMENT
Material topics & other UNGC topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics			Kommunalkredit conducted a Materiality Assessment in 2025. Additional UNGC topics have been added to the list below.
	3-2 List of material topics		Chapter Sustainability	
Anti-Corruption				
GRI 205: AntiCorruption 2016	205-1 Operations assessed for risks related to corruption	Principle 10		0/0
	205-2 Communication and training about anticorruption policies and procedures	Principle 10	Chapter Employees Training and development Kommunalkredit KYC Code of Conduct (website)	
	205-3 Confirmed incidents of corruption and actions taken	Principle 10		0/0
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability Sustainability strategy Chapter Sustainability ESG risk management Climate risks mitigation - Portfolio emissions Chapter Sustainability Operational ecology CO ₂ emissions	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability Operational ecology CO ₂ emissions Chapter Sustainability Environmental performance figures	
	305-2 Energy indirect (Scope 2) GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability Operational ecology CO ₂ emissions Chapter Sustainability Environmental performance figures	
	305-3 Other indirect (Scope 3) GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability ESG risk management Climate risks mitigation - Portfolio emissions Chapter Sustainability Operational ecology CO ₂ emissions Chapter Sustainability Environmental performance figures	
	305-4 GHG emissions intensity	Principle 7, principle 8, principle 9	Chapter Sustainability ESG risk management Climate risks mitigation - Portfolio emissions Chapter Sustainability Operational ecology CO ₂ emissions Chapter Sustainability Environmental performance figures	
	305-5 Reduction of GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability Sustainability strategy Chapter Sustainability ESG risk management Climate risks mitigation - Portfolio emissions Chapter Sustainability Operational ecology CO ₂ emissions Chapter Sustainability Environmental performance figures	
	305-6 Emissions of ozone-depleting substances (ODS)	Principle 7, principle 8, principle 9		No ozone-depleting substances were emitted in the reporting period.
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Principle 7, principle 8, principle 9		No significant air emissions were emitted in the reporting period.
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability Sustainability strategy Chapter Employees Employee benefits Chapter Employees Employee satisfaction	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / COMMENT
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Principle 6	Chapter Employees Employee satisfaction Chapter Employees Social performance figures	
	401-2 Benefits provided to fulltime employees that are not provided to temporary or parttime employees	Principle 6	Chapter Employees Employee benefits Chapter Employees Social performance figures	
	401-3 Parental leave	Principle 6	Chapter Employees Workforce composition and growth Chapter Employees Social performance figures	
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability Sustainability strategy Chapter Employees Training and development	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee		Chapter Employees Training and development Chapter Employees Social performance figures	
	404-2 Programmes for upgrading employee skills and transition assistance programmes		Chapter Employees Training and development	
	404-3 Percentage of employees receiving regular performance and career development reviews		Chapter Employees Training and development	
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability Sustainability strategy Chapter Employees Diversity and experience Kommunalkredit KYC Code of Conduct (website)	
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	Principle 6	Chapter Employees Diversity and experience Chapter Employees Social performance figures	
	405-2 Ratio of basic salary and remuneration of women to men	Principle 6	Chapter Employees Social performance figures	The collective bargaining agreement does not differentiate based on gender.
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Employees Training and development Kommunalkredit KYC Code of Conduct (website)	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Principle 6		There were no cases of discrimination in the reporting period.
Supplier social assessment				
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Principle 1, principle 2, principle 3, principle 4, principle 5	Kommunalkredit KYC Code of Conduct (website)	All suppliers have to fulfill criteria related to anti-corruption, respect of human rights & labor standards, business ethics, prohibition of money laundering & terrorist financing, climate change & biodiversity.
	414-2 Negative social impacts in the supply chain and actions taken	Principle 1, principle 2, principle 3, principle 4, principle 5	Kommunalkredit KYC Code of Conduct (website)	Violations have to be reported promptly; suppliers may be audited and agreements may be terminated for non-compliance.



Outlook

Global economic conditions remain challenging, marked by rising trade barriers, elevated geopolitical risks and continued market volatility. Central banks are expected to proceed cautiously, while growth dynamics continue to diverge across regions.

Persistent global headwinds keep central banks cautious

In the eurozone, inflation is expected to remain close to the **European Central Bank's** (ECB) 2% target, allowing the ECB to maintain a broadly neutral stance. No further rate cuts are anticipated in 2026, with the deposit rate expected to remain at 2%²⁶. Ongoing quantitative tightening, combined with elevated government bond issuance, is likely to put upward pressure on long-term yields and lead to a steeper yield curve, with 10-year German government bond yields potentially rising toward 3%.

In the United States, the **Federal Reserve** (Fed) is expected to ease policy gradually, with two to three rate cuts by the end of 2026 in response to slowing economic momentum. While the US dollar is likely to remain broadly stable in the near term, rising debt levels pose longer-term depreciation risks.

Market volatility persists amid widening credit spreads

Geopolitical tensions, including US-China relations, the war in Ukraine, and instability in the Middle East, continue to weigh on global growth through higher trade barriers, supply chain risks, and rising defense spending. In this environment, **financial markets remain volatile**. Credit spreads on European bank bonds are likely to widen amid economic slowdown and rising corporate defaults, while equity markets face elevated correction risks, particularly in highly valued sectors such as artificial intelligence.

Against this challenging macroeconomic and market backdrop, Germany is expected to see a modest recovery supported by government spending, while Austria is projected to return to a more balanced growth path as exports stabilize and residential construction recovers. Tighter fiscal policy, however, will continue to constrain the pace of recovery and underscores the **need for fiscal consolidation**.

Substantial demand for infrastructure

Even though the overall economic situation in Europe is likely to remain challenging in the medium term due to macroeconomic uncertainties and strained public budgets, there continues to be **substantial demand for infrastructure**. This demand is driven by the long-term megatrends of demographic change, decentralization, digitalization, and decarbonization, which are increasingly

converging in sectors such as renewable energy, social infrastructure, data centers, and e-mobility infrastructure. These trends are expected to remain relevant in the years ahead.

The European Commission expects an investment need of around EUR 2.5 trillion until 2030²⁷ for critical areas such as renewable energy as well as digital and social infrastructure. Public budgets alone cannot meet these requirements. Private investment is therefore essential to realize necessary infrastructure projects and to strengthen Europe's competitiveness, independence and resilience.

Against this backdrop, **Kommunalkredit's outlook for 2026 remains broadly positive**, subject to some restrictions in the areas of fiber optics and digital infrastructure, as well as the possible impact of the current US administration or potential geopolitical conflicts on the European infrastructure market.

Infrastructure investments have proven resilient in past phases of economic uncertainty, such as during the COVID crisis, supported by the broad diversification of the sector. While individual segments with high GDP dependency or reliance on imported equipment may face short-term pressure, infrastructure assets with inelastic demand, pricing power and structural growth prospects continue to offer attractive opportunities. While being cognizant of the latest adverse developments in specific sub-industries, Kommunalkredit continues to focus on the infrastructure and energy sector and expects a continuous deal flow in the future.

Energy & Environment: Rising need for battery energy storage (BESS)

Alongside the continued expansion of **wind and photovoltaic** capacity, **battery energy storage** systems (BESS) are expected to play an increasingly important role in the energy sector over the medium term, including 2026. The growing share of variable renewable generation drives demand for flexible assets that support grid stability, congestion management, and price-driven balancing in the wholesale power markets. International energy agencies highlight the declining technology costs and evolving market frameworks are improving the economic viability of battery storage, particularly for merchant and hybrid business models. International Renewable Energy Agency (IRENA)²⁸ projects a significant increase in installed battery storage capacity under energy transition scenarios, underlying the substantial investments needs over the coming years.

²⁶ European Central Bank: Press release, 18/12/2025

²⁷ European Commission: Competitive compass, April 2024

²⁸ International Renewable Energy Agency, www.irena.org, 05/01/2026

Against this backdrop, battery storage is expected to remain an active transaction segment in 2026, supported by a diversification of revenue models. In addition to contracted structures, such as tolling agreements or capacity-based revenues, merchant and partially merchant models are expected to gain relevance, reflecting both higher price volatility and the growing role of storage in intraday optimization. Kommunalkredit is well positioned to support these projects through its expertise in structuring, financing and advisory services across a range of risk profiles.

Transport: Selective Investment amid structural transformation

The transport sector continues to undergo **structural transformation** driven by decarbonization targets, model shift initiatives, and the gradual electrification of mobility. Public policy support at European and national level remains focused on rail infrastructure, public transport systems, and low-emission mobility solutions, while road transport faces increasing regulatory and environmental requirements.

At the same time, elevated construction costs, complex permitting processes, and constrained public budgets continue to affect project economics and investment timelines. As a result, many transport projects require increased structuring effort, risk reallocation, and transaction support rather than straightforward balance-sheet financing.

For 2026, Kommunalkredit expects **advisory activity** in the transport sector to remain solid. As a specialized infrastructure bank, Kommunalkredit supports its clients in the transport sector with advisory services across areas such as project structuring, procurements processes, refinancing and transaction preparation drawing on its long-standing sector expertise.

Communication & Digitalization: Sustained boom in data centers

The positive trend in the data center sector is also expected to continue in 2026. This asset class is in high demand among asset managers and insurance companies and should continue to support Kommunalkredit's **syndication activities**.

In the fiber optics sector, however, consolidation has intensified and further consolidation is expected. The **rapid expansion of digital infrastructure**, which had been growing strongly until early 2023, came to a virtual standstill in 2025 in the area of fiber optics in several countries. Across Europe, there has been a shift from rollout and capex-driven models to consolidation and M&A transactions. The first mergers have already taken place in the United Kingdom, a development that is likely to continue, partly due to the financial situation of individual providers. In Germany, a significant market consolidation is also expected in 2026, which could lead to provisions and write-offs for some equity sponsors and lending banks. Kommunalkredit will not be able to fully escape this development in 2026. However, based on its expertise, it can play an active role, particularly in consolidation issues and M&A advisory.

Social Infrastructure: Continued relevance amid demographic and fiscal pressure

Social infrastructure remains a **key component of Europe's infrastructure landscape**, supported by long-term demand drivers such as demographic change, urbanization, and evolving requirements in healthcare, education, and care services. In particular, the aging population continues to underpin demand for care-related facilities and services across many European countries. At the same time, investment in social infrastructure is increasingly shaped by fiscal constraints, regulatory requirements, and rising construction and operating costs. Project development and implementation therefore often require careful structuring, risk allocation, and close coordination between public authorities and private operators.

For 2026, activity in the social infrastructure is expected to remain stable. Kommunalkredit is active in the financing and advisory of social infrastructure projects, including care facilities and other essential social assets, with a focus on well-structured projects with appropriate risk allocation and long-term, predictable cash flow profiles.

Higher risk provisions reflecting a prudent response to sector-specific headwinds

While the share of Kommunalkredit's **investment-grade portfolio** remains stable and a large part of the bank's borrowers continues to benefit from structurally strong demand for infrastructure and energy, risk provisions were increased significantly in 2025, in line with accounting and regulatory requirements.

The higher provisioning primarily reflects unfavorable developments in individual sectors, inter alia challenging market conditions in the fiber sector, characterized by consolidation pressure and tighter financing conditions, which led to an increased volume of non-performing loans, rating changes and stage transfers.

Looking ahead, Kommunalkredit will continue to apply a disciplined and consistent risk approach, with a strong focus on early and transparent risk recognition. The exceptionally high level of provisions recognised in 2025 is expected to represent a peak. Based on the current portfolio assessment, the extent of additional provisioning required in 2026 is anticipated to be lower, in line with expectations of stabilising asset quality and a likely peak in non-performing loans and provisions around 2025-2026.

S&P confirms Kommunalkredit's ratings despite sector headwinds

In December 2025, S&P Global Ratings affirmed Kommunalkredit's **BBB/A-2 long- and short-term issuer credit ratings**, as well as the BBB rating on its **senior unsecured** (senior preferred) debt and the BB rating on the subordinated Tier 2 instrument. At the same time, the outlook was revised from stable to negative.

The energy and infrastructure sectors in which the bank operates are facing clearly identifiable headwinds, including those affecting the fiber sector. In this context, S&P expects the bank’s non-performing assets and credit loss ratio to peak at year-end 2025, followed by a gradual recovery by the end of 2027.

S&P notes that Kommunalkredit continues to operate with high and sustained capital buffers, supported by the owner’s decision not to distribute dividends. The agency also highlights the bank’s strong risk-adjusted profitability, solid cost efficiency, and persistently high pre-provision income. In addition, S&P recognizes Kommunalkredit’s deep project finance expertise, strong market track record, and excellent relationships with sponsors and investors, which support the bank’s ability to navigate market dynamics and continue attracting new business.

Rising number of refinancings expected

Beyond credit risk considerations, market dynamics on the funding side are also gaining relevance. From a macroeconomic perspective, 2026 is likely to be characterized by a slow decline in interest rates, assuming that geopolitical uncertainties are set aside. Accordingly, a rising number of refinancing transactions is to be expected. At the same time, the **increased market entry of global private debt and private credit funds** is ensuring high liquidity. This is likely to lead to increased competition and could result in margin compression for banks such as Kommunalkredit.

Momentum for M&A and acquisition financing

In the area of M&A and acquisition financing, the level of activity increased significantly in the second half of 2025. This momentum is likely to continue in 2026, although transactions are often protracted, particularly due to significant valuation differences between buyers and sellers – for example, as a result of lower energy price assumptions. The existing pipeline indicates that increased volumes can be expected in 2026, particularly in **sectors such as waste management, logistics, and modular construction solutions**.

Continued growth trajectory

In the long term, Kommunalkredit remains committed to its strategic direction: strengthening its sector expertise and investor networks to **support Europe’s infrastructure transformation**. This is underpinned by a solid capital base, prudent risk management, and a sustainable cost income ratio. Furthermore, the bank continues to invest in innovation, efficiency, and talent, including numerous initiatives aimed at improving operational performance. In doing so, and based on a well-filled pipeline and attractive opportunities, Kommunalkredit considers its foundation strengthened to continue its growth trajectory while contributing to Europe’s economic success in 2026 and beyond.

Vienna, 17 February 2026

Jacques Ripoll
Chief Executive Officer

Sebastian Firlinger
Executive Board Member

Nima Motazed
Executive Board Member

John Weiland
Executive Board Member



SEPARATE FINANCIAL STATEMENTS KOMMUNALKREDIT AUSTRIA AG, VIENNA, FINANCIAL YEAR 2025

Statement of financial position (under the Austrian Banking Act)	102
Income statement (under the Austrian Banking Act)	104
Notes to the annual financial statements of Kommunalkredit Austria AG for the 2025 financial year	105
Auditor's report	130
Statement by the legal representatives	135

Statement of financial position (under the Austrian Banking Act)

ASSETS in EUR	Note		31/12/2025	31/12/2024
1. Cash on hand and balances with central banks			527,002,495.72	929,509,155.58
2. Debt securities from public issuers that are eligible for refinancing at the central bank	4.1.		518,952,892.06	268,964,393.20
Debt securities from public issuers		518,952,892.06		268,964,393.20
3. Loans and advances to credit institutions	4.2.		158,922,508.15	123,993,878.37
a) repayable on demand		34,937,112.33		50,257,114.84
b) other loans and advances		123,985,395.82		73,736,763.53
4. Loans and advances to customers	4.3.		5,096,901,808.12	4,639,808,503.51
5. Bonds and other fixed-income securities	4.4.		425,161,202.52	396,434,444.24
a) of public issuers		80,808,622.35		82,185,336.04
b) of other issuers		344,352,580.17		314,249,108.20
<i>including own bonds</i>		<i>0.00</i>		<i>0.00</i>
6. Investments	4.5.		36,385,070.23	35,446,274.52
<i>of which in credit institutions</i>		<i>0.00</i>		<i>0.00</i>
7. Investments in affiliated companies	4.5.		66,904,044.81	57,474,044.81
<i>of which in credit institutions</i>		<i>0.00</i>		<i>0.00</i>
8. Intangible non-current assets	4.6.		1,246,222.47	1,038,059.40
9. Property, plant and equipment	4.6.		3,950,966.90	3,720,135.05
<i>of which land and buildings used by the credit institution within the framework of its own activities</i>		<i>0.00</i>		<i>0.00</i>
10. Other assets	4.7.		135,364,141.23	71,726,970.50
11. Prepaid expenses	4.8.		22,148,817.74	23,269,312.31
12. Deferred tax assets	4.9.		1,798,345.97	1,362,474.09
Total assets			6,994,738,515.92	6,552,747,645.58
Off-balance-sheet items				
1. Foreign assets			4,970,314,210.19	4,098,448,016.76

EQUITY AND LIABILITIES in EUR	Note		31/12/2025	31/12/2024
1. Amounts owed to credit institutions	4.10.		148,827,658.20	127,698,980.53
a) repayable on demand		14,544,389.46		16,927,466.67
b) with fixed maturity or period of call		134,283,268.74		110,771,513.86
2. Amounts owed to customers	4.11.		2,812,339,370.83	3,130,092,431.18
a) other liabilities				
aa) repayable on demand		207,653,085.19		159,787,521.15
bb) with fixed maturity or period of call		2,604,686,285.64		2,970,304,910.03
3. Securitized liabilities	4.12.		2,906,621,504.37	2,342,117,381.30
a) bonds issued		2,844,647,182.07		2,176,372,571.58
b) other securitized liabilities		61,974,322.30		165,744,809.72
4. Other liabilities	4.13.		105,973,527.41	55,475,593.05
5. Deferred income	4.14.		24,292,152.49	28,464,074.36
6. Provisions	4.15.		21,646,786.16	47,642,849.22
a) provisions for severance pay		819,319.24		784,231.12
b) provisions for pensions		269,549.82		384,241.03
c) tax provisions		24,868.53		10,182,729.53
d) other		20,533,048.57		36,291,647.54
6A. Fund for general banking risks (§ 57 (3) Austrian Banking Act)	4.16.		40,000,000.00	40,000,000.00
7. Tier 2 Capital	4.17.		193,968,504.58	41,731,152.77
8. Additional Tier 1 capital under Part 2 Title I chapter 3 of Regulation (EU) No. 575/2013	4.18.		63,321,566.30	63,321,566.30
9. Subscribed capital	4.19.		177,017,120.82	177,017,120.82
10. Capital reserves			112,479,260.88	112,479,260.88
a) restricted	4.20.	12,479,260.88		12,479,260.88
b) non-restricted	4.20.	100,000,000.00		100,000,000.00
11. Retained earnings			347,311,363.69	130,452,739.73
a) statutory reserves	4.21.	10,434,104.73		10,434,104.73
b) other reserves	4.21.	336,877,258.96		120,018,635.00
12. Liability reserve pursuant to § 57 (5) Austrian Banking Act	4.22.		40,939,700.19	36,218,579.37
13. Net profit	4.23.		0.00	220,035,916.07
Total equity and liabilities			6,994,738,515.92	6,552,747,645.58
Off-balance-sheet items				
1. Contingent liabilities	5.1.		0.00	4,346,148.00
<i>of which liabilities from sureties and guarantees from the assignment of collateral</i>		<i>0.00</i>		<i>4,346,148.00</i>
2. Credit risk	5.2.		1,114,379,027.09	953,586,685.64
<i>of which liabilities from repurchase transactions</i>		<i>0.00</i>		<i>0.00</i>
3. Liabilities from fiduciary transactions	5.3.		0.00	153,636,842.22
4. Eligible capital pursuant to Part 2 of Regulation (EU) No. 575/2013	6.1.		973,791,293.99	820,768,276.54
<i>of which Tier 2 capital pursuant to Part 2 title I Chapter 4 of Regulation (EU) No. 575/2013</i>		<i>193,968,504.58</i>		<i>42,281,152.77</i>
5. Capital requirements pursuant to Art.92 of Regulation (EU) No. 575/2013	6.1.		4,427,912,965.31	3,834,027,592.06
<i>of which capital requirements pursuant to Art. 92 para. 1 (a) of Regulation (EU) No. 575/2013 CET 1 ratio</i>	6.1.	<i>16.2%</i>		<i>18.7%</i>
<i>of which capital requirements pursuant to Art. 92 para. 1 (b) of Regulation (EU) No. 575/2013 Tier 1 capital ratio</i>	6.1.	<i>17.6%</i>		<i>20.3%</i>
<i>of which capital requirements pursuant to Art. 92 para. 1 (c) of Regulation (EU) No. 575/2013 Total capital ratio</i>	6.1.	<i>22.0%</i>		<i>21.4%</i>
6. Foreign liabilities			3,907,663,184.04	3,304,560,679.67

Income statement (under the Austrian Banking Act)

in EUR	Note		01/01- 31/12/2025	01/01- 31/12/2024
1. Interest and similar income			347,220,257.53	393,223,355.51
<i>of which from fixed-income securities</i>		16,025,055.01		11,520,890.96
2. Interest and similar expenses			-216,424,113.26	-218,151,713.98
I. NET INTEREST INCOME	7.1.1.		130,796,144.27	175,071,641.53
3. Income from securities and investments	7.1.2.		7,014,300.00	783,000.00
a) income from investments		4,686,000.00		36,000.00
b) income from investments in affiliated companies		2,328,300.00		747,000.00
4. Fee and commission income	7.1.3.		42,181,260.40	37,218,456.58
5. Fee and commission expenses	7.1.3.		-8,612,810.02	-4,536,205.75
6. Income/expenses from financial transactions			-7,708.41	11,976.78
7. Other operating income	7.1.5.		6,313,539.01	5,662,006.81
II. OPERATING INCOME			177,684,725.25	214,210,875.95
8. General administrative expenses	7.1.4.		-75,579,923.92	-75,790,996.79
a) Personnel expenses	7.1.4.1.	-43,626,296.45		-46,527,346.68
aa) salaries		-36,196,458.77		-39,868,120.66
bb) expenses for statutory social charges, salary-dependent charges and compulsory contributions		-5,581,427.30		-5,163,488.39
cc) other social expenses		-759,689.56		-612,766.55
dd) expenses for pension costs		-513,451.46		-518,000.71
ee) allocations to/cancellation of pension provision		114,691.21		402,936.40
ff) expenses for severance pay and contributions to company pension plans		-689,960.57		-767,906.77
b) other administrative expenses (other non-personnel administrative expenses)	7.1.4.2.	-31,953,627.47		-29,263,650.11
9. Valuation allowances to assets reported under asset items 8 and 9			-995,111.55	-903,272.02
10. Other operating expenses	7.1.6.		-3,498,531.73	-1,917,345.40
III. OPERATING EXPENSES			-80,073,567.20	-78,611,614.21
IV. OPERATING RESULT			97,611,158.05	135,599,261.74
11. Expenses from the valuation allowance of receivables and allocations to provisions for contingent liabilities and credit risks	7.1.7.		-97,673,681.94	-10,582,177.86
<i>of which change in provision under § 57 (1) Austrian Banking Act</i>		550,000.00		1,100,000.00
12. Income from the valuation allowance of receivables and allocations to provisions for contingent liabilities and credit risks	7.1.7.		0.00	255,821.79
13. Expenses from the valuation allowance of securities measured as financial assets and of investments and shares in affiliated companies	7.1.7.		-1,267,915.37	-1,349,938.45
14. Income from the valuation allowance of securities measured as financial assets and of investments and shares in affiliated companies			4,378,866.24	4,004.86
V. PROFIT ON ORDINARY ACTIVITIES			3,048,426.98	123,926,972.08
15. Taxes on Income	7.1.8.		-1,371,309.86	-39,289,817.62
16. Other taxes not reported under item 15	7.1.8.		-133,288.41	-160,384.67
VI. PROFIT FOR THE YEAR	7.1.9.		1,543,828.71	84,476,769.79
17. Appropriation to and release of reserves			-221,579,744.78	-8,200,629.62
a) liability reserve pursuant to § 5 (5) Austrian Banking Act		-4,721,120.82		-8,200,629.62
b) statutory reserve		0.00		0.00
c) non-statutory reserve		-216,858,623.96		0.00
18. Profit carried forward			220,035,916.07	143,759,775.90
VII. NET PROFIT			0.00	220,035,916.07

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF KOMMUNALKREDIT AUSTRIA AG FOR THE 2025 FINANCIAL YEAR

1. GENERAL INFORMATION

Kommunalkredit Austria AG (Kommunalkredit), which has its registered office in Vienna, at Tuerkenstrasse 9, is a specialist bank for infrastructure and energy financing as well as public finance; it forms the bridge between project sponsors (infrastructure constructors and/or operators) and institutional investors such as insurers or pension funds. It is registered with the Commercial Court (Handelsgericht) of Vienna under Companies Register number 439528s.

Satere Beteiligungsverwaltung GmbH (Satere) owns 99.80% of Kommunalkredit, with a stake of 0.20% held by the Association of Austrian Municipalities. Satere is indirectly owned by funds and investment companies managed by Altor Fund Manager AB (80.20%), as well as by minority investors.

The consolidated financial statements of Kommunalkredit, in accordance with IFRS, are prepared pursuant to § 59a of the Austrian Banking Act (BWG) in conjunction with § 245a of the Austrian Commercial Code (UGB). Kommunalkredit, as an issuer of listed securities, publishes an annual financial report in accordance with § 124 of the Austrian Stock Exchange Act (BörseG) 2018.

The consolidated financial statements of Kommunalkredit, which prepares the consolidated financial statements for the smallest consolidated group of companies, are registered with the Commercial Court of Vienna under Companies Register number 439528s. Kommunalkredit is an affiliated company of Green Opera Finance Invest AB, with registered office in Stockholm (Sweden), which prepares the consolidated financial statements for the largest consolidation group under company registration number 559411-1998.

2. ACCOUNTING STANDARDS APPLIED

These financial statements were prepared in accordance with the relevant provisions of the Austrian Banking Act (Bankwesengesetz – BWG) and the provisions of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) applicable to financial institutions.

3. ACCOUNTING AND MEASUREMENT METHODS

3.1. General remarks

The annual financial statements were prepared in compliance with generally accepted accounting principles and the general standard requiring the presentation of a true and fair view of the assets, the financial position and the income of the company.

The principle of completeness was complied with in the preparation of the financial statements. The assets and liabilities were measured on an item-by-item basis on the assumption of a going concern. The principle of prudence, considering the specificities of the banking business, was observed insofar as only profits realized on the reporting date were recognized and all identifiable risks and impending losses were taken into account.

Income and expenses are accrued/deferred pro rata temporis and are recognized in the period to which they are attributable in economic terms. Interest is recognized as it accrues in net interest income, considering all contractual arrangements made in connection with the financial assets or liabilities. Dividend income is only booked when a corresponding legal claim to payment arises.

Fees and commissions for services provided over a certain period of time are recognized over the period of service provision. Fees related to the completion of a specific service are booked as income at the time of completion of the service. Contingent commissions are recognized when the required performance criteria are met.

All purchases and sales of financial instruments are recognised on the trade date.

3.2. Currency translation

The reporting and functional currency is the euro. Assets and liabilities denominated in foreign currencies are translated at the rates notified by the European Central Bank (ECB) on the reporting date pursuant to § 58 (1) of the Austrian Banking Act. Forward transactions not yet settled are translated at the forward rate on the reporting date.

3.3. Receivables

Receivables purchased from third parties are recognized at amortized cost. All other loans and advances to banks and loans and advances to customers are recognized at their nominal value. For receivables with an intention of syndication, the carrying amount is reduced by expected syndication expenses.

Risk provisions

Statistically expected credit losses are taken into account based on a risk provisioning model with statistically calculated empirical values (as per IFRS 9). The risk provisioning is calculated either as the expected 12-month credit loss (stage 1) or the expected credit loss over the residual term until maturity, if the risk of default has increased significantly since the initial recognition of the financial asset (stage 2). The expected loss for stages 1 and 2 is determined by multiplying the probability of default (PD) over 12 months (stage 1) or over the residual term until maturity (stage 2), with the loss given default (LGD) and the exposure at the time of default (EAD).

In order to assess whether the risk of default has increased significantly (stage transfer), Kommunalkredit takes into account quantitative and qualitative factors, covering the 16 indicators according to IFRS 9.B5.5.17 a-p. These include, in particular:

- The absolute level of credit risk ("low credit risk" criterion), according to which financial assets with investment-grade ratings are generally subject to the expected 12-month credit loss (stage 1). As part of the regular rating and review process, all financial assets in the investment-grade category undergo a qualitative review for significant increases in credit risk.
- Change in credit risk based on the rating development;
- Changes of internal price indicators with terms and conditions remaining the same;
- Possible significant changes in contractual terms if the financial instrument were to be newly issued;
- Changes in external market indicators of a financial instrument with equivalent terms;
- Where payment delays of more than 30 days have occurred, an individual assessment is performed to determine if this leads to a significant increase in credit risk.

If the (quantitative or qualitative) circumstances that necessitated a stage transfer of the exposure cease to apply, the exposure is transferred back after a corresponding recovery period.

The risk provisions for stage 1 and stage 2 are calculated on a probability-weighted basis and take into account the expected disbursements and repayments during the period under review, as well as the maximum contractual term during which Kommunalkredit is exposed to a risk of default. Input parameters for the calculation of the expected credit losses such as the exposure at default (EAD), probability of default (PD) and the loss-given-default ratio (LGD) are determined from a combination of internal and external data. The cashflows for the statistically expected credit losses are discounted to the reporting date and aggregated; the discount rate is equal to the effective interest rate. The inclusion of forward-looking information in input parameters is based on a macro-economic model that incorporates factors such as GDP growth, unemployment rates, and changes to the two stock indices S&P 500 and STOXX Europe 50. The derivation of macro-economic scenarios as a basis for the probability-weighted calculation of expected credit losses takes into account the specifics of Kommunalkredit's portfolios and undergoes regular validation.

Impairments requirements (stage 3) are evaluated within Kommunalkredit for individual transactions for borrowers that are in default according to the regulatory criteria, with financial assets and their associated credit commitments being individually taken into account for each transaction. Cash flow estimates in several scenarios are used at the level of the individual transaction to determine the need for individual value adjustments.

To define default events, Kommunalkredit applies the default definition as laid down by Art. 178 CRR. This includes receivables that are more than 90 days past due (overdue receivables) and the criterion "unlikeliness to pay". A receivable is deemed to be 90 days past due if the overdue receivable exceeds 1.0% of the outstanding loans and advances, and is at least EUR 500.00. As part of the "unlikeliness to pay" review, receivables pursuant to Art. 178 CRR are also subject to a qualitative review to determine whether it is unlikely that the debtor can meet its obligations in full. The assessment criteria are specified in more detail by the EBA and ECB, distinguishing between such criteria which, if met, must generally lead to a default status being assigned and those which are an indication of the potential non-recoverability of the receivable. The latter must then be analyzed, and may not necessarily lead to a default status being assigned.

At Kommunalkredit, there is a multi-stage risk control process in which all exposures/partners are classified into six risk categories:

- **Risk category 1a: Standard risk category**
Standard risk category for all exposures under regular management that are not subject to a higher risk category
- **Risk category 1b: Monitoring list**
Exposures under regular management but which are under observation and are included on the monitoring list because they exhibit temporary anomalies and are being monitored for various reasons. However, there is still no elevated risk in the sense of a significant deterioration of the probability of default.
- **Risk category 2a: Watchlist/intensive management**
Includes those exposures that are classified as Watchlist partners due to material or credit-related anomalies and elevated risk. They are therefore subject to close monitoring and intensive management. Depending on severity of the anomalies, these exposures are classified in IFRS stage 2 (lifetime expected credit loss) but do not indicate any need for individual impairment.
- **Risk category 2b: Work out/no default**
Exposures in risk category 2b are already classified as potential distressed loans. Regardless of any payment delays, risk category 2b includes those exposures that must be classified as "risk positions with a significant need for restructuring" but that are not in default. These positions must be recorded in IFRS stage 2.

▪ **Risk category 3: Work out/default, enforcement**

Restructuring cases in default or for which a specific loan loss provision has been recognised must be classified in risk category 3a, provided no enforcement measures are planned. In case of enforcement measures (acceleration, enforcement of collateral through judicial or non-judicial measures), the receivable is reclassified to risk category 3b.

From risk category 1b and below, there is close monitoring and monthly reporting in the Credit Committee. Specific loan loss provisions must be booked where it is expected that a receivable – including interest – cannot be collected in full or at all. The need to book a specific loan loss provision is also reviewed if the regulatory default definitions are met (90 days in default and/or unlikeliness-to-pay).

Specific loan loss provisions and expected credit losses are subject to estimation uncertainties, especially in relation to the amount and the time of the estimated cash flows, the estimated probabilities of default and the loss ratio.

Development in risk provisions

An update of the probabilities of default (Probability of Default – "PD"¹) was carried out as usual half-yearly in the 2025 financial year, which serve as the basis for calculating ECL². Kommunalcredit uses a PD rating system licensed from S&P. Through-the-cycle PDs are purchased from S&P and updated annually. They are transformed into point-in-time PDs every six months using an S&P model (specific PDs for the Specialized Lending, Corporates, and Financial Institutions portfolios, as well as the "All Sectors" PDs for all other exposures).

For the PD model, one of the key drivers of the PDs are changes in macroeconomic input parameters. While the through-the-cycle PDs were broadly stable vs. the previous year, the point-in-time PDs showed an increase. This is due to the fact that GDP growth for 2026 is still forecast to be on a comparatively low level and in addition, the rating migrations for 2025 showed a negative trend with an increased number of rating downgrades. Both factors have a strong weight and therefore a negative impact on the point-in-time PDs in the model, which could not be offset by strong equity markets, which showed a positive trend and nearly reached all-time highs.

The bank's portfolio in the last years was solid due to the contractual and structural risk mitigation factors that are typical for infrastructure and energy financing. Many project financings benefit from availability models, fixed feed-in tariffs or long-term contracts and also contain additional risk-mitigating contractual agreements such as extensive disbursement checks, restrictive financial covenants and reserve accounts. Based on sensitivity analyses, the financing structures and the repayment profiles are defined so as to ensure that there are sufficient reserves in place for servicing loans in a due and proper manner.

However, in 2025, the asset quality was negatively influenced by unfavorable developments in individual sectors, inter alia challenging market conditions in the fibre sector, characterized by consolidation pressure and tighter financing conditions, which led to an increased volume of non-performing loans, as well as several rating downgrades and stage transfers. All in all, as of 31 December 2025, an exposure with a volume of EUR 374,968,663.45 (2024 EUR 129,034,347.86) was in default (non-performing loan ratio of 7.0% (2024: 2.8%), or a net ratio of 6.4% (2024: 2.4%) taking account the ECA cover). Specific loan loss provisions of EUR 68,241,421.84 (2024: EUR 13,300,170.40) have been recognized. As of 31 December 2025 an exposure of EUR 366,524,983.17 (2024: EUR 144,118,547.18) was classified as forbore. As of 31 December 2024, there were no receivables that had been in delay for more than 30 days, with the exception of the receivables in default as referred to above.

As of 31 December 2025, an exposure of EUR 366,785,512.54 (2024: EUR 142,381,954.55) was recorded in the bank's loan book under risk provision stage 2 (lifetime ECL).

Net provisioning for impairment losses recognized an expense of EUR 98,201,453.91 for the period from 1 January to 31 December 2025 (2024: expense of EUR 11,682,177.86). This was a result of new business, rating changes, level transfers, the booking of new specific loan loss provisions, write-offs and the PD update.

The provision of EUR 550,000.00 built for reasons of prudence and in view of the specific risks associated with the banking business, according to § 57 (1) of the Austrian Banking Act (reported under loans and advances to customers) from previous years was fully reversed (31 December 2024: EUR 550,000.00).

Write-offs

Kommunalcredit write-offs a financial asset, or a portion thereof, when there is no realistic expectation of recovering the contractually agreed cash flows from that asset. In such cases, the gross carrying amount as well as any previously recognized impairment allowances are reduced accordingly. Write-offs are performed in accordance with the internal criteria for uncollectible exposures as defined in the Early Warning and Workout Policy, which stipulates that non-performing exposures are written off when it can be established with sufficient certainty that no full or partial recovery is expected. The write-off is recognized in the financial year in which uncollectibility is determined; it may be recorded prior to the completion of enforcement proceedings, without implying a waiver of existing claims.

Write-offs may also arise in connection with restructurings. If, as part of forbearance measures, a contractual waiver of a portion of the outstanding amount is granted, this serves to stabilize the customer financially and to safeguard the recoverability of the remaining exposure. In cases where the entity is no longer a going concern, write-offs typically result from legal enforcement scenarios such as insolvency, liquidation or court rulings that prevent realization. Furthermore, write-offs may be recognized when receivables or collateral have become economically worthless or when, based on the prevailing circumstances, further enforcement is not deemed beneficial.

¹ The PDs are determined by applying the provisions of IFRS 9, taking into account forward-looking information.

² ECL = expected credit loss, risk provision for statistically expected credit defaults

Contractual amendments

If a contract is adjusted without such an adjustment being having been provided for beforehand in the contract, this is referred to as a contractual amendment (modification). Each contractual amendment is assessed to determine whether it is a significant contractual amendment or an insignificant contractual amendment from a economic perspective. This involves assessing and comparing qualitative and quantitative aspects of the contract before and after the amendment.

If a significant amendment is found after performing the qualitative and/or quantitative assessment, it is considered

to be a significant contractual adjustment which substantially changes the economic substance of the asset and results in the derecognition of the old asset and the recognition of the new one. If the fair value of the new asset differs from the previous carrying amount of the old asset, the difference will be realized in the "loan impairment, valuation and sales result".

Losses from non-material contract amendments are recognized in profit or loss under items 13 and 14 – expenses and income from securities and investments/shares in affiliated companies – and amortized in net interest income over the remaining term of the contract.



3.4. Securities

Securities to be held for the company's business operations on a permanent basis are classified as non-current assets. Securities acquired with the intention to trade are assigned to the trading book. Securities that are neither classified as non-current assets nor assigned to the trading portfolio are classified as current assets. Kommunalkredit currently holds no securities in the trading book and in current assets on the assets side.

Securities are recognized at cost, based on the less stringent variant of the lower-of-cost-or-market principle for non-current assets and the stricter variant of the lower-of-cost-or-market principle for current assets. Securities in the trading portfolio are recognized at their market value on the reporting date.

DIFFERENCES PURSUANT TO §56 (2) + § 56 (3) AUSTRIAN BANKING ACT in EUR	31/12/2025	31/12/2024
Difference pursuant to § 56 (2) Austrian Banking Act (Difference between the higher acquisition cost and the amount repayable for the securities)	10,730,039.95	11,131,735.20
Difference pursuant to § 56 (3) Austrian Banking Act (Difference between the lower acquisition cost and the amount repayable for the securities)	3,030,510.81	2,278,500.06

Moreover, securities classified as non-current assets include the following hidden reserves and/or hidden liabilities (without taking the related interest rate swaps into account):

CALCULATION OF HIDDEN RESERVES in EUR	31/12/2025	31/12/2024
Carrying amount	171,067,275.02	191,930,065.34
Fair value	175,687,047.18	198,922,411.00
Hidden reserves	4,619,772.16	6,992,345.66

CALCULATION OF HIDDEN LIABILITIES in EUR	31/12/2025	31/12/2024
Carrying amount	1,020,816,432.36	647,430,536.30
Fair value	963,001,281.40	597,519,062.64
Hidden liabilities	-57,815,150.96	-49,911,473.66

Hidden liabilities mainly result from fixed-income securities, the low fair value being due to the sharp rise in interest rates. Hidden reserves and hidden liabilities are booked against the fair values of interest rate derivatives concluded for hedging purposes.

Securities with hidden liabilities are regularly analyzed and measured with a view to credit risk. On the basis of these analyses, a write-down pursuant to § 204 (1) (2) of the Austrian Commercial Code (UGB) was not required, as the impairment is not considered to be permanent.

Fair value measurement

In general, the methods used to measure the fair value of securities can be classified into three categories:

Level 1: There are quoted prices in an active market for identical financial instruments. Bid quotes for this category are obtained from Bloomberg or Reuters.

Level 2: The input factors for the valuation can be observed in the market. This category includes the following price determination methods:

- Price determination based on comparable securities
- Pricing on the basis of market-derived spreads (benchmark spreads)

Level 3: The input factors cannot be observed in the market. This includes, in particular, prices based mainly on the estimates of experts and/or that contain non-observable data.

Broken down by the above categories, the differences between the fair values and the carrying amounts of securities reported under assets are as follows:

DIFFERENCES OF SECURITIES 31/12/2025 in EUR	Level 1	Level 2	Level 3
Fair value	761,726,287.71	237,454,133.92	140,397,515.29
Book value	781,394,495.54	267,356,610.55	144,022,209.63
Temporary difference	-19,668,207.83	-29,902,476.63	-3,624,694.34

DIFFERENCES OF SECURITIES 31/12/2024 in EUR	Level 1	Level 2	Level 3
Fair value	467,406,494.77	260,996,956.17	68,038,022.70
Book value	488,660,861.94	280,562,230.69	70,137,509.01
Temporary difference	-21,254,367.17	-19,565,274.52	-2,099,486.31

3.5. Investments and shares in affiliated companies

Investments and shares in affiliated companies are valued at acquisition cost unless a write-down to fair value is required to permanent impairment. The review is conducted annually based on financial projections or by comparing the carrying amount of the investment with the investment equity.

3.6. Intangible assets

Intangible assets exclusively comprise purchased software. Amortization is based on an assumed useful life of three or five years.

3.7. Property, plant and equipment

Property, plant and equipment comprise buildings on third-party land, office furniture and equipment, and works of art. Property, plant and equipment are measured at cost following deductions for scheduled depreciation accrued in prior years and in the reporting year. The period of depreciation is three to eight years for technical equipment and either five to fifteen years for other movable assets. Investments in third-party buildings are depreciated over 15 or 20 years. Works of art are not subject to scheduled depreciation. The discretionary right in § 204 (1a) of the Austrian Commercial Code (UGB) is used for assets with single-item acquisition costs of up to EUR 1,000.00. These low-value assets are reported in the Schedule of Non-current Asset Transactions as additions and are depreciated in full in the year of acquisition. Their disposal occurs after three years. The discretionary right to immediate depreciation in § 204 (1a) of the Austrian Commercial Code (UGB) for the procurement of similar assets with single-item acquisition costs of up to EUR 1,000.00 (2024: EUR 1,000.00), but totalling over EUR 50,000.00, is not be used; such assets are capitalized as property, plant and equipment and depreciated over three years.

3.8. Deferred tax assets

Deferred tax from temporary differences between the corporate and fiscal law carrying amounts is capitalized. Pursuant to § 235 (2) of the Austrian Commercial Code (UGB), the capitalized amount of EUR 1,798,345.97 is subject to a dividend ban.

3.9. Liabilities

Liabilities are recognized at the amount repayable. Differences between the issuing amount and the repayable amount (discount/premium) are recognized as prepaid expenses/deferred income and are distributed on a linear basis as an interest component within net interest income over the term of the liability.

3.10. Securitized liabilities

Securitized liabilities are recognized at the amount repayable. Costs incurred through an issuance that are directly related to funding are recognized as fee and commission expenses. The remaining difference between the proceeds from the issuance and the amount repayable (premium/discount) is recognized as prepaid expenses/deferred income and distributed as an interest component on a linear basis within net interest income over the term of the liability.

3.11. Provisions

Provisions for pensions and severance pay entitlements are calculated annually by an independent actuary according to the projected-unit-credit method pursuant to § 211 (1) of the Austrian Commercial Code (UGB) in accordance with IAS 19. The "AVÖ 2018-P calculation bases for pension insurance – Pagler & Pagler", in their version for salaried employees, are used as a biometric basis. The actuarial discount rate was determined on the basis of the yields of prime fixed-income corporate bonds, with due consideration given to the terms of the obligations to be met. The most important parameters underlying the calculation are:

- an actuarial discount rate of 4.00% (2024: 3.25%) for pensions and 3.25% (2024: 3.00%) for entitlements to severance pay;
- a rate of increase in the relevant basis for calculation during the vesting period of 3.30% in the first year and in subsequent years of 3.25% (2024: 4.50%; 3.30%; 3.25%) for severance pay entitlements; a rate of increase in the relevant basis for calculation during the vesting period of 2.00% (2024: 2.00%) for pensions;
- assumed pensionable ages of 65 for women and men, taking into account the transitional provisions of the 2003 Austrian Budget Framework Act (Budgetbegleitgesetz) and the provisions on age limits for women of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG Altersgrenzen);
- a personnel turnover discount for severance pay entitlements calculated on the basis of statistically derived rates of early termination of employment with or without severance pay, depending on the length of service.

All pension obligations to active employees have been transferred to a pension fund. The provisions reported therefore only contain entitlements from defined-benefit pension obligations not covered by the pension fund for nine employees, resulting from direct commitments within the framework of the collective bargaining agreement (1961 pension reform, as amended on 1 January 1997) made prior to the transfer to the pension fund, or from individual contracts. The pension plan is a defined-benefit plan under which benefits for active staff, relative to the risk of death and invalidity, depend on the salary earned. Benefits for employees reaching retirement age are already fixed and therefore only subject to adjustment in line with the annual increase agreed upon through collective bargaining. As the defined-benefit components are fully funded, subsequent adjustments will only be required in the event of underperformance or “premature” payment of benefits. The full actuarial obligation for pensions amounts to EUR 873,090.28 (31/12/2024: EUR 998,762.22), of which entitlements in the amount of EUR 603,540.46 (31/12/2024: EUR 614,521.19) have been outsourced to the pension fund. The resulting provision requirement amounts to EUR 269,549.82 (31/12/2024: EUR 384,241.03). Provisions for severance pay entitlements amount to EUR 819,319.24 (31/12/2024: EUR 784,231.12).

All actuarial gains and losses are recognized directly in profit or loss. Changes in provisions for severance pay entitlements in 2025 include actuarial gains of EUR 52,792.68 (2024: gains of EUR 35,266.71). The change in pension provisions includes actuarial gains of EUR 87,540.73 (2024: gains of EUR 306,388.00). The change in plan assets includes valuation-related losses of EUR 909.07 (2024: valuation-related gains of EUR 43,737.58).

Other provisions were recognized in the amount of their expected use in accordance with the principle of prudence, based on all identifiable risks and on liabilities that are not yet quantifiable. Provisions set up for periods of more than one year are discounted.

3.12. Fund for general banking risks pursuant to § 57 (3) Austrian Banking Act

As of 31 December 2025, the fund for general banking risks amounted to EUR 40,000,000.00, unchanged from the previous year. Changes in the provisions set up pursuant to § 57 (3) of the Austrian Banking Act are recognized in the extraordinary result, as required under the Austrian Banking Act. According to AFRAC Opinion 30 on “Deferred Taxes in the Annual and Consolidated Financial Statements”, the establishment of the fund for general banking risks constitutes a profit appropriation and does not result in the recognition of deferred taxes.

3.13. Derivatives

Swap transactions in the banking book at Kommunalkredit are generally concluded to hedge against interest rate and/or currency risks. Hedging is carried out either at the individual transaction level (accounting as unit of account) or through management at the overall bank level (accounting as a macro hedge). For derivatives that are neither classified as a unit of account nor as a macro hedge, the principle of individual valuation applies. If the fair value is negative at the reporting date, a provision for impending losses is recognized and reported under other provisions.

Units of account

For hedge accounting (units of account), AFRAC (Austrian Financial Reporting and Auditing Committee) Opinion 15 on “Derivatives and Hedging Instruments (Austrian Commercial Code) (version dated December 2023)” contains provisions aimed at avoiding economically unjustified effects on the income statement (P&L) due to the different measurement of hedged underlying transactions and hedging instruments. Underlying transactions are individually recognized assets and liabilities at fixed interest rates as well as pending transactions already concluded at the time of classification. The rules on units of account serve to allow the changes in the value of hedging instruments and the hedged transactions to be recognized mostly as mutually offsetting. To apply the regulations for units of account, proof of an effective hedging relationship between the underlying transaction and the hedging transaction must be provided. A hedging relationship is considered effective if the results from the hedging instrument and the compensatory results from the hedged underlying transaction – relative to the hedged risk – offset each other within a range of 80% to 125%. Kommunalkredit verifies compliance with these requirements through prospective (matching of the components determining the market value) and retrospective effectiveness tests. Prospective effectiveness testing involves a comparison or review of all parameters of the hedged item and the hedge itself affecting the scope of the hedged value change to determine whether the hedge will be fully or largely effective. If all parameters of the underlying transaction and the hedging transaction determining the amount of the hedged value change are identical but compensatory (“critical terms match”), this is taken as an indicator of an effective hedging relationship (simplified determination of effectiveness). If the hedged fair value of the structure (underlying and hedging transaction) fluctuates within a range of 80% to 125%, this serves as an indicator that the hedge is largely effective. However, this is allowed only if there is no doubt as to the creditworthiness of the hedge provider and the recoverability of the underlying transaction, apart from the hedged risk. A retrospective effectiveness test verifies whether the hedged fair value of the structure (underlying and hedging transactions) has actually fluctuated between two specified dates and whether the hedge has been fully or largely effective. The ineffective part of a derivative with a negative fair value will be recorded as an impending loss provision; at Kommunalkredit it essentially relates to differences from the application of different interest rates when discounting an underlying and hedging transaction. Hedging transactions at Kommunalkredit are concluded for the term of the underlying transaction.

Macro hedges

Interest rate derivatives serving to manage the interest rate risk of the banking book and/or a clearly defined sub-portfolio (macro hedge) are accounted for according to the “FMA circular letter on accounting issues relating to interest rate derivatives and valuation adjustments of derivatives pursuant to § 57 of the Austrian Banking Act” (version dated December 2012). As an exception to the principle of individual measurement, compensatory interest-induced income effects or value increases from the hedged underlying transactions are taken into account in the assessment of provisioning requirements. If negative swap market values are not fully offset by the compensatory interest-induced earning effects of the underlying transactions, a provision for impending losses is set up for the remaining negative value. As a basis for decisions on risk management and risk limitation concerning the interest rate risk in the banking book, the fixed-interest gap and its sensitivity to interest rate changes affecting the market value of the banking book position are identified. The risk of fixed-interest gaps is highlighted through gap analyses and sensitivity analyses with annual maturity bands. Based on the information obtained, the risk of interest rate changes is assessed, managed and mitigated for assets and liabilities in keeping with the risk appetite and the risk-bearing capacity of the bank as a whole, or a management instrument is designated. When a new interest rate derivative contract is concluded, the quantitative suitability of the derivative as an instrument to hedge and limit the risk of interest rate changes for the bank as a whole is verified through a prospective test of the hedging effect using scenario analyses. The net present value risk of the total position as well as for each currency is quantified for a parallel shift and for two turn-around scenarios (steeper – flatter).

Owing to its exceptional character, application of this measurement method is conditional on compliance with formal and substantive requirements, such as:

- a need for hedging in view of fixed-interest gaps
- the existence of a hedging strategy and proof of compliance with this strategy
- the qualitative suitability of the derivative as a hedging instrument

The above prerequisites are met and documented by Kommunalkredit.

If fixed-interest gaps are closed through derivatives at macro level, prospective scenario analyses (net present value changes in the event of changes in interest level) are performed to determine the hedging effect and the effectiveness of the derivative and therefore its suitability for allocation to the macro position. On account of the net present value approach, the hedging period extends over the entire term of the underlying transaction. The interest claims related to the swap contracts and payments made to compensate for contracts not in accordance with prevailing market terms are accrued at matching maturities.

Net interest income from derivatives in hedges is shown as the net value under the item in which the net interest income for the corresponding underlying transactions is reported (deal balance). Net interest income from other derivatives is reported in gross terms under swap income/swap expenses.

Derivatives are measured by means of an internal valuation model based on the discounted cash flow method, taking current yield and basis spread curves into account. Embedded options are measured by means of commonly used option pricing models. For the measurement of interest-sensitive products with variable indicators, yield curves with different spread premiums are used, depending on the indicator (e.g. 3-month Libor, 12-month Libor). These relate to the respective indicator and are used to derive forward rates for cash flow calculation. For derivatives involving multiple currencies (e.g. cross-currency swaps), a cross-currency basis is applied in accordance with market standards in addition to adjusting forwards via basis swap spreads. Cash flows from derivatives (settled over-the-counter (OTC) or via a central counterparty) are discounted using OIS curves (overnight index swaps at the overnight rate in line with the collateral rate, in EUR depending on the current collateral agreement – EONIA or ESTR). To determine the fair value of derivatives, counterparty default and own credit risks (credit value adjustment [CVA] and debt value adjustment [DVA]) are also taken into account. To this end, the net present value is adjusted by the BCVA (bilateral CVA adjustment). Kommunalkredit determines the BCVA for all derivatives without daily margin calls at counterparty level. A provision for impending losses is set up for negative BCVAs, whereas positive BCVAs are not taken into account. The BCVA is considered to be immaterial for collateralized derivatives with daily margin calls. The BCVA is calculated using the potential exposure method.

Swap transactions in the trading book, if any, are measured at their fair values, determined according to the principles outlined above, and recognized under other receivables and other liabilities. At present, Kommunalkredit has no swap transactions in the trading book.

3.14. Residual maturities

Residual maturity is defined as the period of time between the reporting date and the contractual maturity of the receivable or liability; in the case of partial amounts, residual maturity is shown for each partial amount. Collateral for market values from derivatives is shown under “repayable on demand” (daily payment dates); interest accruals/deferrals are shown under “up to 3 months”.

3.15. Fiduciary transactions

Loans held in trust, where Kommunalkredit has no rights or obligations in relation to the underlying lending transactions, are reported under liabilities from fiduciary transactions in the statement of financial position.

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION

4.1. Securities of public bodies eligible as collateral for funding from the central bank

DEBT SECURITIES FROM PUBLIC ISSUERS in EUR	31/12/2025	31/12/2024
Securities in non-current assets	519,004,160.86	268,987,193.68
Expected credit loss (ECL)	-51,268.80	-22,800.48
Total	518,952,892.06	268,964,393.20

This item includes securities of public bodies that are eligible for refinancing with the European Central Bank (ECB).

Debt securities with carrying amounts (incl. interest deferral and accounting for ECL) of EUR 199,766,192.51 are due in 2026 (2025: EUR 10,045,293.39).

4.2. Loans and advances to credit institutions

Loans and advances to credit institutions include the following:

LOANS AND ADVANCES TO CREDIT INSTITUTIONS in EUR	31/12/2025	31/12/2024
Collateral for negative market values from derivative transactions	24,068,635.14	29,699,413.18
Non-listed securities	10,162,544.24	0.00
Credit balances with banks	10,749,883.15	18,094,416.73
Collateral for loan disbursement obligations	113,689,090.56	75,862,871.81
Expected credit loss (ECL)	-40,225.03	-5,725.54
Other	292,580.09	342,902.19
Total	158,922,508.15	123,993,878.37

As in the previous year, loans and advances to credit institutions do not include any bills receivable or subordinated claims held

against credit institutions. Broken down by (residual) maturity, loans and advances to credit institutions are as follows:

LOANS AND ADVANCES TO CREDIT INSTITUTIONS BY RESIDUAL MATURITY in EUR	31/12/2025	31/12/2024
Loans and advances repayable on demand	34,937,112.33	50,257,114.84
Other loans and advances		
a) up to 3 months	854,090.56	737,924.93
b) more than 3 months up to 1 year	4,562,500.00	0.00
c) more than 1 year up to 5 years	86,490,012.79	31,937,500.00
d) more than 5 years	32,119,017.50	41,067,064.14
Other loans and advances	124,025,620.85	73,742,489.07
	158,962,733.18	123,999,603.91
Expected credit loss (ECL)	-40,225.03	-5,725.54
Total	158,922,508.15	123,993,878.37

4.3. Loans and advances to customers

Loans and advances to customers include the following:

LOANS AND ADVANCES TO CUSTOMERS in EUR	31/12/2025	31/12/2024
Loans	4,891,785,166.21	4,443,215,051.24
Non-listed securities	249,882,213.94	181,909,498.11
Collateral for negative market values from derivative transactions	36,497,499.06	38,574,502.59
Specific allowance for impairment loss	-68,241,421.78	-13,300,170.40
Provision pursuant to § 57 (1) Austrian Banking Act	0.00	-550,000.00
Expected credit loss (ECL)	-13,021,649.31	-10,040,378.03
Total	5,096,901,808.12	4,639,808,503.51
<i>of which loans and advances to affiliated companies</i>	<i>0.00</i>	<i>0.00</i>
<i>of which loans and advances to companies in which an equity investment is held</i>	<i>0.00</i>	<i>0.00</i>

On the reporting date, all securities with a nominal value of EUR 247,318,209.63 were classified as non-current assets (31/12/2024: EUR 180,096,509.01). Details on the calculation of the ECL are contained in Note 3.3.

Loans and advances to customers include subordinated claims with a carrying amount (including accrued interest and ECL) of EUR 100,488,799.51 (31/12/2024: EUR 221,706,007.85). Broken down by maturity (residual maturity), loans and advances to customers are as follows:

LOANS AND ADVANCES TO CUSTOMERS BY RESIDUAL MATURITY in EUR	31/12/2025	31/12/2024
Loans and advances repayable on demand	280,509,190.22	88,305,943.34
Other loans and advances		
a) up to 3 months	171,338,532.39	95,137,978.74
b) more than 3 months up to 1 year	490,185,196.89	453,016,643.39
c) more than 1 year up to 5 years	2,797,422,486.97	2,527,854,128.26
d) more than 5 years	1,438,709,472.74	1,499,384,358.21
Other loans and advances	4,897,655,688.99	4,575,393,108.60
	5,178,164,879.21	4,663,699,051.94
Provision pursuant to § 57 (1) Austrian Banking Act, expected credit loss (ECL) and specific valuation adjustment	-81,263,071.09	-23,890,548.43
Total	5,096,901,808.12	4,639,808,503.51

4.4. Bonds and other fixed-income securities

BONDS in EUR	31/12/2025	31/12/2024
Securities of public issuers	80,812,781.71	82,187,609.15
Expected credit loss (ECL)	-4,159.36	-2,273.11
Total public issuers	80,808,622.35	82,185,336.04
Securities of other issuers	344,375,570.13	314,258,791.59
Expected credit loss (ECL)	-22,989.96	-9,683.39
Total other issuers	344,352,580.17	314,249,108.20
Total	425,161,202.52	396,434,444.24

All instruments reported under bonds and other fixed-income securities are exchange-listed. In 2026, bonds from public issuers with book values (including accrued interest and ECL) amounting to EUR 2,500,830.41 (2025: EUR 0.00) and from other issuers with book values (including accrued interest and ECL) amounting to EUR 39,012,920.30 (2025: EUR 49,668,108.90) will mature.

As in the previous year, all securities reported under this item were classified as non-current assets at the reporting date and none of the bonds or other fixed-income securities held in the portfolio are subordinated instruments.

4.5. Investments and shares in affiliated companies

As of 31 December 2025, the carrying amount of investments was EUR 36,385,070.23 (31/12/2024: EUR 35,446,274.52). As of 31 December 2025, investments in affiliated companies amounted to EUR 66,904,044.81 (31/12/2024: EUR 57,474,044.81). The composition of investments and shares in affiliated companies (all of them non-listed), including their financial position, is shown in Annex 1.

4.6. Non-current intangible assets and property, plant and equipment

Changes in intangible assets and property, plant and equipment are shown in the Schedule of Non-current Asset Transactions (Annex 2).

4.7. Other assets

OTHER ASSETS in EUR	31/12/2025	31/12/2024
Interest accruals/deferrals from derivatives in the banking book	83,309,282.18	62,022,948.82
Foreign currency valuation of derivatives in the banking book	706,654.10	140,944.27
Receivables from deferred interest	714,084.17	871,025.17
Claims against the tax authorities	2,030,871.78	571,324.31
Other	48,603,249.00	8,120,727.93
Total	135,364,141.23	71,726,970.50
<i>of which recognized as cash items after the closing date</i>	<i>134,657,487.13</i>	<i>71,586,026.23</i>

The foreign currency valuation of derivatives in the banking book is based on exchange-rate fluctuations between the closing date of currency swaps and the reporting date. This valuation is booked against foreign currency valuations of assets and liabilities as well as positive/negative foreign currency valuations of derivatives shown under other assets/liabilities.

Kommunalkredit's open foreign currency position is continuously monitored and strictly limited. The "Other" item mainly includes receivables from group companies and receivables from services rendered.

The residual maturity of other assets is presented as follows:

OTHER ASSETS ACCORDING TO RESIDUAL MATURITY in EUR	31/12/2025	31/12/2024
Loans and advances repayable on demand	0.00	0.00
Other loans and advances		
a) up to 3 months	132,425,244.66	68,702,869.31
b) more than 3 months up to 1 year	1,789,122.91	1,789,122.91
c) more than 1 year up to 5 years	405,689.49	313,953.11
d) more than 5 years	744,084.17	921,025.17
Other loans and advances	135,364,141.23	71,726,970.50
Total	135,364,141.23	71,726,970.50

4.8. Prepaid expenses

Prepaid expenses include the following:

PREPAID EXPENSES in EUR	31/12/2025	31/12/2024
Deferred fees from derivative transactions	11,692,865.49	13,267,402.86
Capitalized offering discounts of bond issues	8,722,289.93	9,214,664.99
Other	1,733,662.32	787,244.46
Total	22,148,817.74	23,269,312.31

4.9. Deferred tax assets

Assets of EUR 1,798,345.97 resulted from the capitalization of deferred taxes from temporary differences between corporate law and fiscal law carrying amounts as of 31 December 2025 (31/12/2024: EUR 1,362,474.09). Temporary differences between corporate law and fiscal law at Kommunalkredit mainly arise from the fund for general banking risks pursuant to § 57 (3) BWG, general risk provisions pursuant to § 57 (1) BWG, personnel provisions and the allocation of financing costs over the term of the issuance.

General valuation allowances (ECL) calculated in accordance with the provisions of the Austrian Commercial Code (UGB) on receivables can also be deducted for tax purposes for financial years that begin after 31 December 2020. The ECL balance as of 31 December 2020 (EUR 6,368,242.45) is to be recovered for tax purposes over five years, resulting in no further distributable difference from 31 December 2025 onwards.

4.10. Amounts owed to credit institutions

Amounts owed to credit institutions include the following:

AMOUNTS OWED TO CREDIT INSTITUTIONS in EUR	31/12/2025	31/12/2024
Other loans	121,857,857.72	96,905,592.08
Cash collateral received for positive market values of derivatives	12,241,469.50	16,178,762.27
Money market trade	10,123,686.70	10,424,251.70
Collateralized loans received of the European Investment Bank	3,046,481.14	3,482,907.81
Other (pending monetary transactions)	1,558,163.14	707,466.67
Total	148,827,658.20	127,698,980.53

Broken down by maturity (residual maturity), amounts owed to credit institutions are as follows:

AMOUNTS OWED TO CREDIT INSTITUTIONS BY RESIDUAL MATURITY in EUR	31/12/2025	31/12/2024
Liabilities repayable on demand	14,544,389.46	16,927,466.67
Other liabilities		
a) up to 3 months	966,016.82	10,910,239.04
b) more than 3 months up to 1 year	84,708,556.68	434,783.00
c) more than 1 year up to 5 years	47,739,132.00	98,122,145.97
d) more than 5 years	869,563.24	1,304,345.85
Other liabilities	134,283,268.74	110,771,513.86
Total	148,827,658.20	127,698,980.53

4.11. Amounts owed to customers

Amounts owed to customers include the following:

AMOUNTS OWED TO CUSTOMERS in EUR	31/12/2025	31/12/2024
Deposits by retail customers - KOMMUNALKREDIT INVEST	1,814,805,952.93	2,012,392,669.68
Deposits by corporates, municipalities and municipal-related enterprises - KOMMUNALKREDIT DIREKT	790,288,905.42	954,604,166.02
Cash collateral received for positive market values of derivatives	102,978,508.36	59,280,571.48
Other long-term liabilities to customers	104,266,004.12	103,815,024.00
Total	2,812,339,370.83	3,130,092,431.18
<i>of which liabilities to affiliated companies</i>	5,910,658.75	5,287,309.18
<i>of which liabilities to companies in which an equity investment is held</i>	627,024.00	613,000.00

Broken down by maturity (residual maturity), amounts owed to customers are as follows:

AMOUNTS OWED TO CUSTOMERS BY RESIDUAL MATURITY in EUR	31/12/2025	31/12/2024
Liabilities repayable on demand	207,653,085.19	159,787,521.15
Other liabilities		
a) up to 3 months	537,054,233.03	579,791,088.10
b) more than 3 months up to 1 year	696,436,716.61	951,260,425.53
c) more than 1 year up to 5 years	1,142,325,077.28	1,194,018,063.77
d) more than 5 years	228,870,258.72	245,235,332.63
Other liabilities	2,604,686,285.64	2,970,304,910.03
Total	2,812,339,370.83	3,130,092,431.18

4.12. Securitized liabilities

Securitized liabilities are broken down as follows:

SECURITIZED LIABILITIES in EUR	31/12/2025	31/12/2024
Bonds issued	2,844,647,182.07	2,176,372,571.58
Other securitized liabilities	61,974,322.30	165,744,809.72
Total	2,906,621,504.37	2,342,117,381.30

The bonds issued are exchange-listed; the securities reported under other securitized liabilities are non-listed.

The increase in securitized liabilities reflects the intensified issuance activities in the capital market in 2025. Bonds issued

with carrying amounts (incl. interest accruals/deferrals) of EUR 315,058,508.41 (2025: EUR 120,347,875.03) and other securitized liabilities in the amount of EUR 0.00 (2025: EUR 0.00) will mature in 2026. As in the previous year, securitized liabilities do not include any subordinated liabilities.

4.13. Other liabilities

OTHER LIABILITIES in EUR	31/12/2025	31/12/2024
Interest accruals/deferrals from derivatives	46,068,830.94	45,586,191.94
Foreign currency valuation of derivatives in the banking book	3,619,094.58	4,365,599.32
Accruals/deferrals between the spot rate and forward rate of FX swaps	1,475,021.20	2,321,530.08
Other	54,810,580.69	3,202,271.71
Total	105,973,527.41	55,475,593.05
<i>of which recognized as cash items after the closing date</i>	<i>100,879,411.63</i>	<i>48,788,463.65</i>

The foreign currency valuation of derivatives in the banking book is based on exchange-rate fluctuations between the closing date of currency swaps and the reporting date. This valuation is offset against foreign currency valuations of assets and liabilities as well as positive/negative foreign currency valuations of derivatives recognized under other assets/liabilities. Kommunalkredit's open

foreign currency position is continuously monitored and strictly limited. The item "Other" includes liabilities for a purchase price obligation.

Other liabilities have residual maturities of up to three months, as in the previous year.

4.14. Deferred income

DEFERRED INCOME in EUR	31/12/2025	31/12/2024
Deferred fees from derivative transactions	20,164,384.62	22,911,944.58
Issuing premiums of issued bonds	3,549,314.11	4,813,748.30
Loan fees deferred over the term	578,453.76	738,381.48
Total	24,292,152.49	28,464,074.36

4.15. Provisions

Details on personnel provisions are listed under Note 3.11 Provisions.

OTHER PROVISIONS in EUR	31/12/2025	31/12/2024
Provisions for personnel-related expenses	12,810,593.28	25,532,791.27
Provisions for outstanding incoming invoices	4,719,771.10	8,168,840.79
Provisions for interim bank exemption	380,000.00	1,200,000.00
Provisions relating to derivatives	946,391.89	366,937.31
Provisions expected credit loss (ECL)	1,522,220.29	794,742.84
Other provisions	154,072.01	228,335.33
Total	20,533,048.57	36,291,647.54

4.16. Fund for general banking risks pursuant to § 57 (3) Austrian Banking Act.

For prudential reasons and to cover special banking risks, Kommunalkredit appropriated provisions to the fund for general banking risks; it amounts to an unchanged EUR 40,000,000.00 as of 31 December 2025.

4.17. Additional tier 2 capital under Part 2 Title I Chapter 4 of Regulation (EU) No. 575/2013

As of 31 December 2025, tier 2 capital includes six (31/12/2024: five) EUR-denominated issuances with a total nominal amount of EUR 190,000,000.00 (31/12/2024: EUR 40,000,000.00).

The tier 2 capital items meet the conditions of Part 2, Title I, Chapter 4 of Regulation (EU) No. 575/2013:

ISIN	Interest rate as of 31/12/2025	Maturity	Currency	Nominal in EUR	Right to call	Conversion to capital
Subordinated liabilities						
Subordinated bonded loan 2007–2037	5.08	9/2/2037	EUR	10,000,000.00	Issuer	No
Subordinated bonded loan 2007–2037	5.08	9/2/2037	EUR	800,000.00	Issuer	No
Subordinated bonded loan 2007–2037	5.08	9/2/2037	EUR	10,200,000.00	Issuer	No
Subordinated bonded loan 2007–2047	5.0175	7/3/2047	EUR	10,000,000.00	Issuer	No
Subordinated bonded loan 2007–2047	5.0175	7/3/2047	EUR	9,000,000.00	Issuer	No
KA Callable Subordinated Fix/Var 5,5% 2025-2035	5.5	24/9/2035	EUR	150,000,000.00	Issuer	No

The expenses for subordinated additional tier 2 capital under Part 2 Title I Chapter 4 of Regulation (EU) No. 575/2013 amounted to EUR 6,379,752.31 in the 2025 reporting year (2024: EUR 2,022,578.14).

4.18. Additional tier 1 capital under Part 2 Title I Chapter 3 of Regulation (EU) No. 575/2013

As of 31 December 2025, additional tier 1 capital comprised two (31/12/2024: two) EUR-denominated issues in a total nominal amount of EUR 62,800,000.00 (31/12/2024: EUR 62,800,000.00).

They have an indefinite term and may be terminated by the issuer for the first time after five years. Expenses for (subordinated) additional tier 1 capital in 2025 amounted to EUR 4,104,500.00 (2024: EUR 4,107,365.75).

ISIN	Interest rate as of 31/12/2025 in %	Maturity	Currency	Nominal in EUR	Right to call
Additional tier 1 capital under Part 2 Title I Chapter 3 of Regulation (EU) No. 575/2013					
Fixed to Reset Rate AT1 Notes	6.875	Perpetual NC 2026	EUR	6,000,000.00	Issuer
Fixed to Reset Rate AT1 Notes	6.5	Perpetual NC 2026	EUR	56,800,000.00	Issuer

4.19. Subscribed capital

The share capital as of 31 December 2025 remained unchanged at EUR 177,017,120.82 (31/12/2024: EUR 177,017,120.82).

Satere Beteiligungsverwaltungs GmbH holds 34,343,928 no-par-value shares, i.e. 99.80% of the shares; 70,367 no-par-value shares, i.e. 0.20% of the shares, are held by the Association of Austrian Municipalities. Green Opera Finance BidCo AB, with registered office in Sweden, is the majority owner of Satere Beteiligungsverwaltungs GmbH since 15 July 2024.

Each no-par-value share represents an equal part of the share capital. There are no shares that have been issued but not fully paid up. Each no-par-value share represents a share of EUR 5.14 in the share capital. By way of a resolution passed by the Annual Shareholders' Meeting held on 22 February 2023, the Executive Board was authorized to increase the share capital of the company through the issue of new no-par-value registered shares by a maximum amount of EUR 88,508,560.41 (authorized capital), subject to approval by the Supervisory Board, within a period of five years following registration of the amendment to the Articles of Association. No shares were issued in the financial years 2024 and 2025. This means that authorized capital of EUR 88,508,560.41 is still freely available.

5. OFF-BALANCE-SHEET ITEMS

5.1. Contingent liabilities

As of the balance sheet date, Kommunalkredit has no contingent liabilities disclosed below the balance sheet (31/12/2024: EUR 4,346,148.00).

As of 31 December 2025, equity subsidy obligations amounted to EUR 11,327,460.75 (31 December 2024: EUR 14,501,460.75). Of this total, EUR 7,327,460.75 (31 December 2024: EUR 8,281,460.75) relates to companies in which an equity interest is held, and EUR 4,000,000.00 (31 December 2024: EUR 6,220,000.00) to affiliated companies.

4.20. Capital reserves

a) Restricted Capital reserves

The capital reserves as of 31 December 2025 were unchanged at EUR 12,479,260.88 (31/12/2024: EUR 12,479,260.88).

b) Non-restricted Capital reserves

The capital reserves as of 31 December 2025 were unchanged at EUR 100,000,000.00 (31/12/2024: EUR 100,000,000.00).

4.21. Retained earnings

a) Statutory reserves

The statutory reserves as of 31 December 2025 amounted to EUR 10,434,104.73 (31/12/2024: EUR 10,434,104.73).

b) Other reserves

The status of this reserve after allocation of the entire net income is EUR 336,877,258.96 (31/12/2024: EUR 120,018,635.00). Of the retained earnings, as in the prior year, EUR 17,918,635.00 is subject to a restriction on distribution in accordance with § 235 (1) of the Austrian Commercial Code (UGB).

4.22. Liability reserve pursuant to § 57 (5) Austrian Banking Act

As of the balance sheet date, the liability reserve stood at EUR 40,939,700.19 (31/12/2024: EUR 36,218,579.37), thus meeting the legal requirements.

4.23. Retained profit/profit appropriation

Profit for the year at Kommunalkredit for 2025 amounted to EUR 1,543,828.71. Since the entire net income was allocated to retained earnings, the net income amounts to EUR 0.00.

5.2. Credit risks

The credit risks amounting to EUR 1,114,379,027.09 (31/12/2024: EUR 953,586,685.64) relate entirely, as in the previous year, to unused credit lines and commitments from ongoing lending business. As of the reporting date, unused credit lines of EUR 0.00 were granted to companies in which an equity investment is held (31/12/2024: EUR 0.00).

5.3. Fiduciary transactions

Kommunalkredit had no fiduciary transactions as of the balance sheet date (31/12/2024: EUR 153,636,842.22). Kommunalkredit had concluded framework contracts for the fiduciary management of loans with Trinity Investments Designated Activity Company (Trinity) and a related party of Trinity. Kommunalkredit has no rights or obligations relating to the underlying loan transactions, which means that the criteria for recognition in the statement of financial position did not apply.

6. RSUPPLEMENTARY DISCLOSURES

6.1. Total capital and capital requirements

The total capital and capital requirements calculated in accordance with CRR rules, as reported in the separate financial statements of Kommunalkredit pursuant to the Austrian Commercial Code/Austrian Banking Act, show the following composition and changes:

The total capital shown takes into account the profit for the year in 2025 of EUR 1,543,828.71 (2024: EUR 84,476,769.79).

BASIC FOR CALCULATION in EUR	31/12/2025	31/12/2024
Total risk exposure amount pursuant to Art. 92 CRR	4,427,912,965.31	3,834,027,592.06
<i>of which credit risk</i>	4,093,967,317.57	3,516,935,785.89
<i>of which operational risk</i>	285,116,090.49	304,726,853.93
<i>of which FX risk</i>	27,848,055.49	0.00
<i>of which CVA-charge</i>	20,709,504.38	12,145,992.63
<i>of which default fund of a qualifying counterpart</i>	271,997.38	218,959.62
TOTAL CAPITAL - ACTUAL in EUR	31/12/2025	31/12/2024
Common equity tier 1 (CET 1)	716,501,223.11	715,165,557.47
Additional tier 1 (AT1)	63,321,566.30	63,321,566.30
Common equity tier 1	779,822,789.41	778,487,123.77
Tier 2 capital	193,968,504.58	42,281,152.77
Total capital	973,791,293.99	820,768,276.54
Common equity tier 1 ratio (CET 1)	16.2%	18.7%
Common equity ratio	17.6%	20.3%
Total capital ratio	22.0%	21.4%

6.2. Total of assets and liabilities denominated in foreign currencies

Assets denominated in foreign currencies in the amount of EUR 767,274,188.24 (31/12/2024: EUR 520,284,448.02) were shown in the statement of financial position. As of 31 December 2025, liabilities denominated in foreign currencies amounted to EUR 273,985,126.17 (31/12/2024: EUR 280,693,488.01).

Open currency positions are closed through corresponding swap contracts. Kommunalkredit's open foreign currency position is continuously monitored and strictly limited.

6.3. Derivative transactions not yet settled as of the reporting date

To hedge currency and interest rate change risks, the following derivative transactions,

transactions have been entered in the banking book (fair values including interest accruals/deferrals) and had not yet been settled on the reporting date:

31/12/2025 in EUR	Nominal	Positive fair value	Negative fair value
Interest rate swaps	5,437,042,030.44	210,515,339.47	-125,434,308.33
<i>of which for macro hedges</i>	904,978,099.57	23,301,771.33	-20,679,259.65
<i>of which for micro hedges</i>	4,532,063,930.87	187,213,568.14	-104,755,048.68
FX forward transactions	860,469,475.72	334,256.78	-4,726,527.72
Total	6,297,511,506.16	210,849,596.25	-130,160,836.05
31/12/2024 in EUR	Nominal	Positive fair value	Negative fair value
Interest rate swaps	5,049,200,620.80	188,135,576.20	-148,105,090.09
<i>of which for macro hedges</i>	1,049,240,512.04	32,189,768.91	-30,316,448.73
<i>of which for micro hedges</i>	3,999,960,108.76	155,945,807.29	-117,788,641.36
FX forward transactions	746,423,318.84	55,971.07	-6,525,535.98
Total	5,795,623,939.64	188,191,547.27	-154,630,626.07

The volume of underlying transactions corresponds to the nominal value of the derivatives. The hedging periods for underlying transactions are 2 to 10 years for customer deposits, 5 to 10 years for loans, 3 to 31 years for fixed-income securities, and 2 to 40 years for issues. During the financial year, existing micro-hedge relationships were terminated due to the early termination of underlying transactions. At the time of termination, the derivatives in question had a total positive market value of EUR 9,707,802.33, which was recognized in income under credit risk, valuation and sales results. Interest accruals/deferrals, foreign currency valuations and accrued/deferred fees from derivative transactions in the amount of EUR 95,708,801.77 (31/12/2024: EUR 75,431,295.95) are reported under other assets and prepaid expenses on the assets side, and EUR 71,327,331.34 (31/12/2024: EUR 75,185,265.92) under other liabilities and deferred income on the liabilities side of the statement of financial position. Moreover, provisions in the amount of EUR 412,025.03 (31/12/2024: EUR 366,937.31) relating to derivatives are recognized under other provisions. As of 31 December 2025 a provision for impending losses from macro swaps was required in the amount of EUR 534,366.86 (31/12/2024: EUR 0.00).

6.4. Trading book

In line with its business strategy, Kommunalkredit does not engage in trading activities. Therefore, as in the previous year, Kommunalkredit had no trading portfolio as of 31 December 2025.

6.5. Legal risks

There are currently no legal proceedings pending that could have a material impact on the most accurate possible picture of the financial position and results of operations of Kommunalkredit Austria AG. However, Kommunalkredit Austria AG has made appropriate provisions for legal proceedings, taking into account legal risk assessments.

6.6. Other obligations

Obligations in the amount of EUR 1,680,000.00 arise from rental contracts – including those relating to our Germany branch – in 2026 (of which towards affiliated companies: EUR 1,395,000.00). The corresponding obligations for the years 2026 to 2030 are expected to total EUR 9,185,383.00 (of which towards affiliated companies: EUR 7,627,148.00). Pursuant to § 2 (3) of the Deposit Guarantee and Investor Compensation Act (ESAEG), Kommunalkredit is obliged to provide proportional contributions to the deposit guarantee regime of Einlagensicherung der Banken und Bankiers Gesellschaft mbH, Vienna.

6.7. Asset items pledged as collateral

The following assets have been pledged as collateral for liabilities reported under the balance sheet item “Liabilities to credit institutions”: to participate in open market operations, Kommunalkredit pledged securities with a volume of EUR 656,902,208.43 (31/12/2024: EUR 341,124,670.43) as collateral with the national central bank as of 31 December 2025. Utilization as collateral is based on the respective utilization of the aforementioned transactions and amounted to EUR 0.00 (31/12/2024: EUR 0.00) as of 31 December 2025. The collateral taker has the right to realize the collateral only in the event of the debtor’s default.

Kommunalkredit has assigned assets in the form of securities in a nominal amount of EUR 5,000,000.00 (31/12/2024: EUR 5,000,000.00) as collateral for global loans and other funding from the European Investment Bank in Luxembourg. The collateral taker has the right to realize the collateral only in the event of the debtor’s default.

As of 31 December 2025, no collateral was pledged for amounts owed to customers (31/12/2024: EUR 0.00).

For public sector covered bonds issues by Kommunalkredit with a nominal value of EUR 1,406,965,857.84 (31/12/2024: EUR 1,554,498,512.54) as of 31 December 2025, which are reported under securitized liabilities, loans with a nominal value of EUR 1,641,741,524.33 (31/12/2024: EUR 1,480,939,472.44) and securities with a nominal value of EUR 202,885,000.80 (31/12/2024: EUR 278,125,000.79) were allocated to a cover pool, which may only be drawn with the consent of a trustee. Balances held with credit institutions with a nominal value of EUR 24,068,635.14 (31/12/2024: EUR 29,699,413.18) and balances held with customers (central counterparties or non-bank financial institutions) with a nominal value of EUR 36,497,499.06 (31/12/2024: EUR 38,574,502.59) were pledged as collateral for negative market values from bilateral and cleared derivative contracts. Amounts owed to credit institutions include collateral received with a nominal value of EUR 12,241,469.50 (31/12/2024: EUR 16,178,762.27). Amounts owed to customers include collateral received with a nominal value of EUR 102,978,508.36 (31/12/2024: EUR 59,280,571.48).

6.8. Frankfurt branch office

Alongside its headquarters in Vienna, Kommunalkredit also has a branch office in Frankfurt am Main, Germany. The branch office generated profit for the year before tax of EUR 422,154.96 in the 2025 financial year (2024: EUR 361,720.73). Operating income amounted to EUR 4,643,704.55 (2024: EUR 3,978,635.88), while operating expenses totalled EUR 4,221,549.59 (2024: EUR 3,616,915.15). Taxes on income came to EUR 241,276.69 (2024: EUR 168,019.51). As of 31 December 2025, the branch employed 12 people (31/12/2024: 11 people).

7. NOTES TO THE INCOME STATEMENT

7.1. Presentation of material income statement items

7.1.1. Net interest income

INTEREST AND SIMILAR INCOME in EUR	2025	2024
Lending business	286,553,940.54	306,624,725.97
Investments in banks	35,702,014.90	43,380,307.02
Fixed-income securities	16,025,055.01	11,520,890.96
Interest from swaps in hedges	8,939,247.08	31,697,431.56
Total interest income	347,220,257.53	393,223,355.51
INTEREST AND SIMILAR EXPENSES in EUR		
Deposit business	-112,078,380.52	-129,212,431.84
Own issues	-100,869,849.29	-53,271,561.09
Interest from swaps in hedges	-3,475,883.45	-35,667,721.05
Total interest expenses	-216,424,113.26	-218,151,713.98
Net interest income	130,796,144.27	175,071,641.53

Net interest income in 2025 amounted to EUR 130,796,144.27 (2024: EUR 175,071,641.53). The decline compared to the previous year is primarily due to increased proprietary issues and a decline in income from lending business. Interest income and interest expenses are recognized on the accruals basis. Net interest

income from derivatives in hedges is shown as the net value under the item in which the net interest income for the corresponding underlying transactions is reported (deal balance).

7.1.2. Income from securities and investments

INCOME FROM SECURITIES AND INVESTMENTS in EUR	2025	2024
a) Income from investments		
Kommunalnet E-Government Solutions GmbH distribution	36,000.00	36,000.00
Florestan KA GmbH distribution	4,650,000.00	0.00
Total income from investments	4,686,000.00	36,000.00
b) Income from investments in affiliated companies		
Kommunalkredit Public Consulting GmbH (KPC) distribution	2,328,300.00	747,000.00
Total income from investments in affiliated companies	2,328,300.00	747,000.00

7.1.3. Net fee and commission income

FEE AND COMMISSION INCOME in EUR	2025	2024
Lending business	35,108,559.90	33,539,414.20
Securities business	460,405.38	0.00
Other service business	6,612,295.12	3,679,042.38
Total fee and commission income	42,181,260.40	37,218,456.58
FEE AND COMMISSION EXPENSES in EUR		
Lending business	-2,264,345.56	-1,827,261.36
Securities business	-6,057,699.05	-2,409,987.40
Money and FX trading	-290,725.41	-298,942.01
Other service business	-40.00	-14.98
Total fee and commission expenses	-8,612,810.02	-4,536,205.75
Net fee and commission income	33,568,450.38	32,682,250.83

In 2025, fee and commission income amounted to EUR 42,181,260.40 (2024: EUR 37,218,456.58) and was mainly due to arranging and structuring infrastructure and energy finance as well as consulting and service activities.

Fee and commission expenses of EUR 8,612,810.02 (2024: EUR 4,536,205.75) essentially result from paid guarantee fees and costs relating to the issuing of public capital market issues.

7.1.4. General administrative expenses

GENERAL ADMINISTRATIVE EXPENSES in EUR	2025	2024
Personnel expenses	-43,626,296.45	-46,527,346.68
Other administrative expenses	-31,953,627.47	-29,263,650.11
General administrative expenses	-75,579,923.92	-75,790,996.79

7.1.4.1. Personnel expenses

PERSONNEL EXPENSES in EUR	2025	2024
Salaries	-36,196,458.77	-39,868,120.66
Expenses for statutory social security contributions and salary-dependent charges and compulsory contributions	-5,581,427.30	-5,163,488.39
Voluntary social contributions	-759,689.56	-612,766.55
Expenses for pension costs	-513,451.46	-518,000.71
Cancellation of/allocations to pension provisions	114,691.21	402,936.40
Expenses for severance pay (including changes in provisions for severance pay) and contributions to company pension funds	-689,960.57	-767,906.77
Total personnel expenses	-43,626,296.45	-46,527,346.68

Personnel expenses include expenses for contributions to company pension plans amounting to EUR 624,188.18 (2024:

EUR 518,597.10) and severance payments of EUR 30,684.27 (2024: EUR 209,271.96).

7.1.4.2. Other administrative expenses

Pursuant to § 238 (1) (18) of the Austrian Commercial Code (UGB), expenses for the statutory auditor for the financial year under review are not reported here, as Kommunalkredit is included in the consolidated financial statements and audit expenses are re

ported therein. The most significant items in other non-personnel administrative expenses are remuneration for officials, as well as expenses for travel and training.

OTHER ADMINISTRATIVE EXPENSES in EUR	2025	2024
Third-party services	-11,316,836.06	-7,673,019.43
Data processing	-6,343,668.07	-5,528,232.22
Consulting and auditing fees	-5,745,160.16	-7,455,636.78
Occupancy costs	-2,645,905.10	-2,466,354.35
Advertising and representation	-1,607,595.76	-1,819,585.02
Information services	-1,377,153.00	-1,656,184.07
Other non-personnel administrative expenses	-2,917,309.32	-2,664,638.24
Total of other administrative expenses	-31,953,627.47	-29,263,650.11

7.1.5. Other operating income

OTHER OPERATING INCOME in EUR	2025	2024
Income from services charged to KPC	4,346,839.48	4,828,798.15
Other	1,966,699.53	833,208.66
Total other operating income	6,313,539.01	5,662,006.81

7.1.6. Other operating expenses

In fiscal year 2025, a special payment of EUR 1,762,925.22 was made for the stability levy.

OTHER OPERATING EXPENSES in EUR	2025	2024
Stability tax payable by Austrian banks	-2,926,455.87	-717,345.40
Contributions to deposit guarantees regime	-37,709.00	0.00
Macro loss provision	-534,366.86	0.00
Expenses for interim bank exemption	0.00	-1,200,000.00
Total other operating expenses	-3,498,531.73	-1,917,345.40

7.1.7. Loan impairment, valuation and sales result

The loan impairment, valuation and sales result (items 11 to 14 of the income statement) comprises the following items:

LOAN IMPAIRMENT, VALUATION AND SALES RESULT in EUR	2025	2024
a) Income	4,951,725.93	2,666,923.13
Result from the sale of assets/infrastructure and energy finance	2,166,705.72	1,327,304.17
Result from the buyback of own issues	1,313,000.23	0.00
Result from the valuation of investments	922,019.98	0.00
Changes in provision pursuant to § 57 (1) of the Austrian Banking Act	550,000.00	1,100,000.00
Provision for impending losses for derivatives	0.00	239,618.96
b) Expenses	-99,514,457.00	-14,339,212.79
Impairments for customer receivables	-53,299,589.98	-9,103,215.65
Write-offs for customer receivables	-41,102,217.63	0.00
Result in allowance for expected credit losses	-3,799,646.30	-2,578,962.21
Result from the valuation of investments	0.00	-1,349,938.45
Expenses from contract modifications	-1,267,915.37	-1,307,096.48
Provision for impending losses for derivatives	-45,087.72	0.00
Total	-94,562,731.07	-11,672,289.66

An individual valuation allowance of EUR 53,299,589.98 (2024: EUR 9,103,215.65) was recognized. The change in risk provisions for expected credit losses resulted in expenses of EUR 3,799,646.30 in 2025 (2024: EUR 2,578,962.23). In addition, write-offs amounting to EUR 41,102,217.63 were recognized in 2025. Details on the development of risk provisions are provided in Note 3.3.

In 2025, two investments were written up: the Fidelio Fund by EUR 473,926.32 and Florestan KA GmbH by EUR 448,093.66. The general risk provision pursuant to § 57 (1) BWG was fully released in 2025 in the amount of EUR 550,000.00 (2024: release of EUR 1,100,000.00).

7.1.8. Taxes on income

Taxes on income relates exclusively to ordinary business operations and comprise the following:

TAXES ON INCOME in EUR	2025	2024
Corporate income tax/trade tax expense for the financial year	-1,708,034.64	-29,812,413.02
Corporate income tax/trade tax expense for previous years	-99,147.10	7,013.50
Deferred tax income	435,871.88	-9,484,418.10
<i>Composition of deferred tax income/expense</i>		
<i>Distribution of financing costs over the term of the issue</i>	1,004,696.25	325,895.36
<i>Distribution Status of the lump-sum value adjustment as of 31/12/2020</i>	-292,939.15	-292,939.15
<i>Personnel provisions</i>	-149,385.22	-64,374.31
<i>Change in risk provisioning § 57 (1)</i>	-126,500.00	-253,000.00
<i>Derecognition of deferred tax for risk provisioning § 57 (3)</i>	0.00	-9,200,000.00
Total	-1,371,309.86	-39,289,817.62

This results in corporate income tax and trade tax expenses of EUR 1,807,181.74 (2024: EUR 29,805,399.52), of which EUR 236,332.50 (2024: EUR 149,515.48) arise from the Germany branch. Deferred tax revenue results from the change in deferred tax assets (depicted in the statement of financial position item "Deferred tax assets") for temporary differences between the accounting principles under corporate and fiscal law. Deferred taxes are measured using the current corporate income tax rate of 23.00%. With effect from 2016, a tax group pursuant to § 9 of the Austrian Corporate Income Tax Act was formed, with Satere as the group parent. As of 31 December 2025, group members include Kommunalkredit and KPC, Florestan KA GmbH as well as Florestan KA Hydrogen GmbH.

On the basis of a group and tax contribution agreement, the stand-alone method was chosen for the calculation of the tax contributions. According to this method, the amount of the tax

contributions of the group members depends on the amount of corporate income tax the group member would have had to pay if its tax result had not been counted toward the group parent. If a group member's negative income is counted toward the group parent, this tax loss is kept on record for the group member (internal loss carryforward) and offset against the positive income of the group member in subsequent years up to 100%. Upon termination of the tax group or elimination of a group member, a final compensation has to be paid for tax losses not yet offset, multiplied by the corporate tax rate applicable at the time of termination of the agreement.

Tax loss carryforwards of a group member from periods prior to the formation of the group (pre-group losses) are credited up to the amount of the profit of the group member and result in a reduction in the tax contribution of the group member.

7.1.9. Profit for the year and return on assets

Kommunalkredit closed the 2025 financial year with a profit for the year of EUR 1,543,828.71 (2024: EUR 84,476,769.79). The re-

turn on assets, calculated as the quotient of net income divided by total assets as of the balance sheet date, amounts to 0.02% (31/12/2024: 1.29%).

7.2. Presentation of revenues by geographic market (§ 240 Austrian Commercial Code)

INTEREST AND SIMILAR INCOME in EUR	2025	2024
Austria	81,022,916.53	101,695,954.20
Western Europe	197,885,801.52	199,320,911.13
Central and Eastern Europe	51,301,117.22	74,521,549.61
Rest of world	17,010,422.26	17,684,940.57
	347,220,257.53	393,223,355.51

FEE AND COMMISSION INCOME in EUR	2025	2024
Austria	1,306,311.03	1,167,137.16
Western Europe	31,218,748.62	31,565,347.99
Central and Eastern Europe	9,707,200.75	3,885,971.43
Rest of world	-51,000.00	600,000.00
	42,181,260.40	37,218,456.58

OTHER OPERATING INCOME in EUR	2025	2024
Austria	6,289,911.57	5,569,292.81
Western Europe	23,627.44	92,714.00
Central and Eastern Europe	0.00	0.00
Rest of world	0.00	0.00
	6,313,539.01	5,662,006.81

8. DISCLOSURE PURSUANT TO PART 8 CRR

In accordance with the requirements of Part 8 CRR, material qualitative and quantitative information relating to the bank is published in a separate Disclosure Report, which can be accessed on the kommunalkredit website (www.kommunalkredit.at) under "Investor Relations / Financial Information & Reports".

9. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

10. INFORMATION ON GOVERNING BODIES AND EMPLOYEES

10.1. Employees during the financial year

As of 31 December 2025, Kommunalkredit had a weighted workforce of 272 employees (31/12/2024: 256 persons), including the branch in Germany. The average number of employees was 267 persons (2024: 239 persons).

The figures include three (from 01/09/2025, four) Executive Board members and exclude employees on parental leave; part-time employees are shown on a pro-rata basis. All employees are employed on a salaried basis.

10.2. Remuneration, advances and loans to Executive Board and Supervisory Board members, guarantees provided for Board members

TOTAL EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION in EUR	2025	2024
Active Executive Board members	3,532,839.15	5,305,918.92
Active Supervisory Board members	389,030.82	838,159.75
	3,921,869.97	6,144,078.67

As of 31 December 2025, and as in the previous year, there were no outstanding loans to members of the Executive Board or members of the Supervisory Board. No guarantees were provided by Kommunalkredit for Board members either.

The outstanding loan volume to employees of the company amounts to EUR 194,142.64 as of 31 December 2025 (31/12/2024: EUR 195,685.42).

10.3. Expenses for severance pay and pensions

Expenses for severance pay and pensions include pension and severance payments, changes in provisions for severance pay and

pensions, statutory contributions to a pension plan and payments into a pension fund.

EXPENSES FOR SEVERANCE PAY AND PENSION in EUR	2025	2024
Executive Board members and senior employees	451,345.87	364,769.79
Other employees	731,066.95	518,201.29
	1,182,412.82	882,971.08

10.4. Relationships with affiliated companies and persons

Tax group

With effect from 2016, a tax group pursuant to § 9 of the Austrian Corporate Income Tax Act was formed, with Satere as the group parent. As of 31 December 2025, the group members include Kommunalkredit, KPC, Florestan KA GmbH, and Florestan KA Hy-drogen GmbH (details in Note 7.1.8).

Transactions with affiliated companies

Transactions with affiliated companies are recognized under the balance sheet items concerned. There is a service level agreement with a subsidiary that provides for the recharging of personnel costs at cost price. All other transactions with affiliated companies are made in accordance with the arm's length terms.

10.5. Disclosures relating to the Boards of the bank

Members of the Executive Board

Jacques Ripoll

Chief Executive Officer
from 01/09/2025

Sebastian Firlinger

Member of the Executive Board,
Chief Executive Officer (ad interim)
until 31/08/2025

Nima Motazed

Member of the Executive Board

John Weiland

Member of the Executive Board

Members of the Supervisory Board

Hans Larsson

Chairman of the Supervisory Board,
Non-Executive Director Traton Financial
Services

Paal Weberg

Deputy Chairman of the
Supervisory Board, Co-Managing
Partner Altor Equity Partners

Andreas Haindl

Independent Management Consultant

Anne Jaeger

Group Chief Compliance-Abteilung
Zurich Insurance Group
from 27/02/2025

Herman Korsgaard

Partner Altor Equity Partners

Henrik Matsen

Partner Henry Costa Partners

Kurt Svoboda

CRO | CFO UNIQA Insurance Group AG

Oliver Fincke

Nominated by the Works Council

Claudia Slauer

Nominated by the Works Council

Gerald Unterrainer

Nominated by the Works Council

State Representative

Philip Schweizer

State Representative, Federal
Ministry of Finance

Markus Kroiber

Deputy State Representative,
Federal Ministry of Finance

Vienna, 17 February 2026



Jacques Ripoll
Chief Executive Officer



Sebastian Firlinger
Member of the Executive Board



Nima Motazed
Member of the Executive Board



John Weiland
Member of the Executive Board

Schedule of Participations and Investments in Affiliated Companies as of 31 December 2025 (Annex 1)

Pursuant to § 238 (2) of the Austrian Commercial Code, the Schedule of Participations shows all direct participations

NAME AND REGISTERED OFFICE in EUR	Investment in % 2025	Investment in % 2024	Total capital	Acquisition cost	Carrying amount 31/12/2025	Carrying amount 31/12/2024	Cumulative amortisation	Profit for the period after tax	Latest annual financial statements
I. Participations									
Kommunalnet E-Government Solutions GmbH, Vienna	45.00%	45.00%	1,371,489.22	344,025.00	344,025.00	344,025.00	0.00	195,679.82	31.12.2025 1)
Florestan KA GmbH, Vienna	100.00%	100.00%	20,221,040.35	94,000.00	15,554,471.18	15,554,471.18	0.00	5,110,831.42	31/12/2025
Fidelio KA Infrastructure Opportunities Fund SICAV-RAIF SCA ²	8.49%	8.49%	240,595,334.00	28,200,000.00	20,485,574.05	20,948,872.00	427,918.47	9,316,721.00	31.12.2025 1)
Einlagensicherung AUSTRIA Ges.m.b.H., Vienna	n.a.	n.a.	n.a.	1,000.00	1,000.00	1,000.00	0.00	n.a.	n.a.
II. Investments in affiliated companies									
Kommunalkredit Public Consulting GmbH, Vienna	90.00%	90.00%	3,103,320.52	346,500.00	346,500.00	346,500.00	0.00	1,643,645.66	31/12/2025
Kommunalkredit KBI Immobilien GmbH, Vienna	100.00%	100.00%	16,388,117.48	35,000.00	16,320,000.00	7,090,000.00	0.00	4,685.82	31/12/2025
Kommunalkredit 4OG Immobilien GmbH & Co KG, Vienna	100.00%	100.00%	49,995,269.93	50,000,000.00	50,000,000.00	50,000,000.00	0.00	-39,730.07	31/12/2025
Fidelio KA Beteiligung GmbH, Frankfurt am Main	100.00%	74.90%	179,587.44	72,490.02	237,544.81	237,544.81	33,836.21	-12,085.84	31/12/2025

1 Preliminary unaudited figures.

2 Kommunalkredit subscribed to 8,49% of shares in the Fidelio KA Infrastructure Debt Funds 1 sub-fund.

Schedule of Non-Current Asset Transactions pursuant to § 226 (1) of the Austrian Commercial Code as of 31 December 2024 (Annex 2)

NON-CURRENT ASSETS in EUR	Acquisition costs				Cumulative depreciation and amortisation				Residual carrying amounts		Amortisation and depreciation 2025	Reversals 2025
	as of 1/1/2025	Additions	Disposals	as of 31/12/2025	as of 1/1/2025	Additions	Disposals	as of 31/12/2025	Carrying amount 31/12/2025	Carrying amount 31/12/2024		
Debt securities from public issuers	268,331,819.95	263,867,354.23	15,013,750.00	517,185,424.18	1,252,309.77	220,975.57	-233,869.38	1,239,415.96	515,946,008.22	267,079,510.18	220,975.57	0.00
Loans and advances to credit institutions	0.00	9,997,200.00	0.00	9,997,200.00	0.00	0.00	-344.19	-344.19	9,997,544.19	0.00	0.00	0.00
Loans and advances to customers	180,096,509.01	87,617,519.00	21,829,566.02	245,884,461.99	0.00	0.00	0.00	0.00	245,884,461.99	180,096,509.01	0.00	0.00
Bonds and other fixed-income securities	395,437,270.90	94,120,284.99	66,120,277.39	423,437,278.49	3,252,688.49	719,961.94	-46,925.24	3,925,725.19	419,511,553.31	392,184,582.41	719,961.94	0.00
Investments	36,796,212.97	954,000.00	937,224.27	36,812,988.70	1,349,938.45	0.00	-922,019.98	427,918.47	36,385,070.23	35,446,274.52	0.00	0.00
Investments in affiliated companies	57,507,881.02	9,430,000.00	0.00	66,937,881.02	33,836.21	0.00	0.00	33,836.21	66,904,044.81	57,474,044.81	0.00	0.00
Non-current intangible assets	6,481,751.22	562,265.81	0.00	7,044,017.03	5,443,691.82	354,102.74	0.00	5,797,794.56	1,246,222.47	1,038,059.40	354,102.74	0.00
Land and buildings, incl. buildings on third-party land	957,904.28	0.00	0.00	957,904.28	686,815.23	53,354.84	0.00	740,170.07	217,734.21	271,089.05	53,354.84	0.00
Office furniture and equipment *)	10,218,238.05	883,323.66	12,449.00	11,089,112.71	6,769,192.05	587,653.97	-966.00	7,355,880.02	3,733,232.69	3,449,046.00	587,653.97	0.00
Total	955,827,587.40	467,431,947.69	103,913,266.68	1,319,346,268.40	18,788,472.02	1,936,049.06	-1,204,124.79	19,520,396.29	1,299,825,872.12	937,039,115.38	1,936,049.06	0.00
<i>*) of which low-value assets as defined by § 226 (3) of the Austrian Commercial Code (UGB)</i>	<i>971,579.44</i>	<i>208,655.53</i>	<i>0.00</i>	<i>1,180,234.97</i>	<i>971,579.44</i>	<i>208,655.53</i>	<i>0.00</i>	<i>1,180,234.97</i>	<i>0.00</i>	<i>0.00</i>	<i>208,655.53</i>	<i>0.00</i>

Auditor's Report

REPORT ON THE FINANCIAL STATEMENTS

Audit Opinion

We have audited the financial statements of

**Kommunalkredit Austria AG,
Vienna, Austria,**

which comprise the Balance Sheet as at December 31, 2025, the Income Statement for the year then ended, and the Notes to the financial statements.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles and banking law.

Basis for our Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 („EU Regulation”) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities” section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

Valuation of loans and advances to customers

The Management Board explains the procedure for recognizing loan loss provisions in the notes to the financial statements section 3. „Accounting and Measurement Methods” and in the management report note „Assets, financial position and income”.

Risk for the Financial Statements

The loans and advances to customers amount to EUR 5.1bn and are mainly comprised of the segments „Project Finance”, „Utilities”, „Corporate” and „Public Finance”.

The bank evaluates in the context of credit risk management whether default events exist, and specific loan loss provisions (Stage 3) need to be recognized. This includes an assessment whether customers are able to fully meet their contractual liabilities.

The calculation of the loan loss provisions for defaulted customers – if any – is based on an analysis of the estimated future recoveries. This analysis reflects the assessment of the economic situation and development of the individual customer and the valuation of collateral. If there is sufficient certainty that the outstanding loan is no longer recoverable, a write-off is made in the amount of the irrecoverable amount.

For all non-defaulted loans and advances to customers a loan loss provision for expected credit losses („ECL”) is recognized. The loan loss provision is generally based on the 12-month-ECL (Stage 1). In case of a significant increase in the credit risk (Stage 2), the ECL is calculated on a lifetime basis.

The calculation of ECLs is dependent on assumptions and estimates, which include rating-based probabilities of default and loss given default that are derived from current and forward-looking information.

The risk to the financial statements arises from the fact that the stage transfers and the determination of the loan loss provisions are based on assumptions and estimates. This may lead to a margin of discretion and estimation uncertainties regarding to the amount of the loan loss provisions.

Our Audit Approach

We have performed the following audit procedures with the involvement of our Financial Risk Management and IT specialists in respect to the valuation of loans and advances to customers:

- We have analyzed the existing documentation of the processes of monitoring and risk provisioning for loans and advances to customers and assessed whether these processes are suitable to identify stage transfers including impairment triggers and to adequately reflect the valuation of loans and advances to customers. Moreover, we have tested key controls with regard to their design and implementation, among other things, by inspecting the IT systems, and tested their effectiveness in samples.
- We have examined whether there were any indicators of default on a sample basis of different loan portfolios. The selection of the sample was performed risk-oriented with special regard to ratings, regionality and customer segment.
- In the case of defaults on individually significant loans, the assumptions made by the bank were analyzed with regard to conclusiveness, consistency and the timing and amount of the assumed recoveries on a sample basis.
- For loans that were (partially) written off, we assessed whether the amount of the write-off was determined in a supportable manner, properly approved, and appropriately recorded, and whether the classification as uncollectible was appropriate.
- For all loans, for which the loan loss provision was calculated based on ECL (Stage 1 and 2), we analyzed the bank's documentation of methodology for consistency with the requirements of IFRS9. Furthermore, based on internal model validations, we have checked the models and the parameters used to determine whether they are suitable for calculating the loan loss provisions in an appropriate amount. In addition, we analyzed the selection and assessment of forward-looking information and scenarios and their consideration in the used parameters.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the financial statements, the management report and the auditor's report.

Our opinion on the financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact.

If, on the basis of our work on the other information obtained, we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements 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.

Management is also responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

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 audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with EU Regulation and with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from

fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users based on the financial statements. or error and are considered material if, individually or in 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 EU-Regulation and with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representation or the override of internal control.
- We 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 entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We 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 Company'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 respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit 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 Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, as well as whether the financial statements represent the underlying business transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when, in rare cases, we determine that a matter should not be included in our auditor's report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional Information in accordance with Article 10 EU-Regulation

We were elected as auditors at the Annual General Meeting on February 22, 2024 and were appointed by the supervisory board on April 4, 2024 to audit the financial statements of the Company for the financial year ending on December 31, 2025.

In addition, during the Annual General Meeting on February 27, 2025, we have been elected as auditors for the financial year ending December 31, 2026 and appointed by the supervisory board on March 12, 2025.

We have been auditors of the Company since the financial statements at December 31, 2020.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 EU-Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 EU-Regulation) and that we have ensured our independence throughout the course of the audit.

Engagement Partner

The engagement partner is Mr. Bernhard Mechtler.

Vienna, 18 February 2026

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Bernhard Mechtler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

STATEMENT BY THE LEGAL REPRESENTATIVES

KOMMUNALKREDIT AUSTRIA AG

Annual Financial Statements 2025

We hereby **confirm** to the best of our knowledge that the **financial statements** of the parent company, prepared in accordance with the relevant accounting standards, present a true and fair view of the assets, the financial position and the income of the company, that the Management Report presents the development of business, the results and the position of the company in such a way that it conveys a true and fair view of the assets, the financial position and the income of the company, and that the Management Report describes the material risks and uncertainties to which the company is exposed.

Vienna, 17 February 2026



Jacques Ripoll
Chief Executive Officer



Sebastian Firlinger
Member of the Executive Board



Nima Motazed
Member of the Executive Board



John Weiland
Member of the Executive Board