KOMMUNAL
KREDIT
REDEFINING
INFRASTRUCTURE.
INFRA
BANKING
EXPERTS

Kommunalkredit Austria (KA) at a Glance

Infrastructure platform bridging the needs of sponsors and investors

TOP INFRASTRUCTURE FUNDER

- Client range including sponsors of infrastructure and institutional investors
- Wide product spectrum from advisory, project development, export financing, asset management as well as classic project finance to acquisition and corporate finance within core expertise
- Core expertise | sector focus on energy & environment, social infra, communications & digitalisation and transport
- USP: swift implementation of tailor-made solutions

Selected Awards

BV WORLD 2021 AWARDS WINNER – MOST SUSTAINABLE INFRASTRUCTURE PROJECT PARTNER CENTRAL EUROPE

GERMAN RENEWABLES 2020 AWARD

cfi.co 2021 BEST ESG INFRASTRUCTURE FINANCE WINNER EUROPE

2021 AUSGEZEICHNET VON BORSIANER 5yo Beste Bank

PFI AWARDS 2019

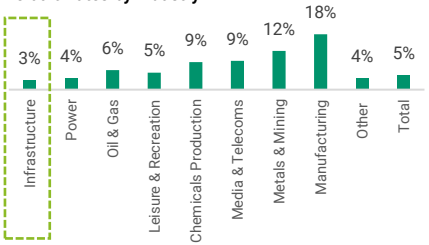
Selected Reference Projects

ellomay	Deutsche Glasfaser	AMP
Talasol Solar PV	**Lightboost Fiber**	**Achieve Together Hospitals/Clinic**
EUR 175m	EUR 5,750m	EUR 262m
Project Finance Sole Structuring Bank & Placement Agent	Project Finance Cornerstone Lender	Project Finance Senior Lender, MLA
2022, Spain	2021, Germany	2021, UK

ATTRACTIVE UNDERLYING MARKETS

- Increasing demand from institutional investors driven by expansion into alternative investments and search for yield
- Infrastructure is not a unique asset class but a wide and diverse set of opportunities requiring specialist expertise
- Less impacted by recession, deflation, reflation, and inflation than other asset classes
- Lower default rates and higher recovery rates than other sectors
- Demand for sustainable and intact infrastructure remains high following COVID-19

Default Rates by Industry*



* Moodys Default and Recovery Rates for PF Bank Loans, 1983-2020

Project Locations

- **Project countries**
- **KA locations:** Vienna, Frankfurt

HIGHLY EXPERIENCED MANAGEMENT & SENIOR TEAM

- Broad experience across international markets, capital markets, asset-based finance, and banking operations
- Track record of expansion in senior leadership roles at world-class financial institutions
- Senior team with extensive market experience (at DB, UCI, SocGen, Macquarie)

Bernd Fislage

Member of the Executive Board since 02/2017
CEO since 09/2018

Sebastian Firlinger

Member of the Executive Board (CRO) since 01/2021

Claudia Wieser

Member of the Executive Board (CFO) since 04/2022

Executive Summary

Strong financial core metrics

SUSTAINABLE GROWTH TRAJECTORY

- Unique combination of Investment Banking & Asset Management via Fidelio Fund platform
- Sustainable new business volume growth, aided by strong placement activity
- Growing emphasis on consultancy and structuring activities, increasing risk-free fee income
- Cost base rationalised, bank stand-alone cost-income ratio target of <50% achieved
- Regulated asset approach with attractive yield

WELL MANAGED BALANCE SHEET RISK

- Low balance sheet risk due to characteristics of infra sector and KA's expertise with high placement levels (ar. 50%)
- Diversified loan book across regions and borrowers
- KA's public sector finance exposures to Austrian municipalities secured by excellent credit quality
- 0.0% NPL – since the bank's privatisation in 2015

STABLE FUNDING BASE

- KA funds via deposits and capital market instruments (covered bonds, senior unsecured)
- Well-balanced asset-liability structure
- Diversified deposit base with high share of term deposits from corporates, institutions, municipalities & retail
- Strong liquidity situation w/ liquidity ratios (LCR, NSFR) well above regulatory requirements

SOLID CAPITALISATION

- Robust capital adequacy | Capital more than doubled since 2015
- Placement and Fidelio Debt Fund platform support high balance sheet churn rate increasing capital light fee income

2018-2021: Continuous Growth Trajectory (IFRS, in EUR m)

	2018	2019	2020	2021
Operating Result	24	33	48	60
Result before tax	33	27	48	67
Result after tax	14	30	36	49

Key Performance Indicators (IFRS | Local GAAP for Tier 1)

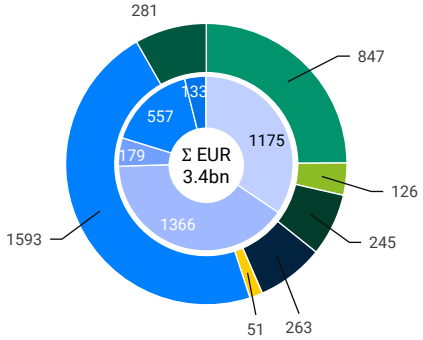
	2018	2019	2020	2021
CIR	70%	63%	56%	53%*
RoE before tax	14%	10%	15%	20%
Tier 1 ratio	20%	19%	20%	20%

* Bank stand-alone CIR 48%

Executive Summary

Diversified and stable loan book | Comfortable funding and liquidity situation

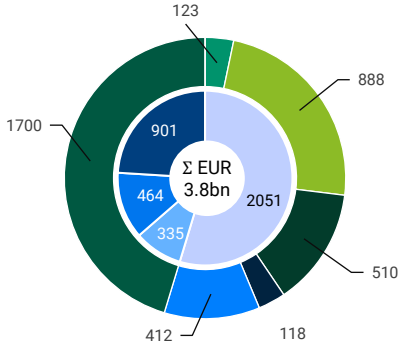
PORTFOLIO BY REGION/BORROWERS
in EUR m, as of 31/12/2021



- Muncipalities (Austria)
- Muncipalities (EU)
- Public sector entities
- Utilities
- Credit institutions
- Infrastructure and energy financing
- Companies

- Austria
- Eurozone (excl. Austria)
- Other EU countries
- Non-EU countries
- Other

REFINANCING & DEPOSIT STRUCTURE
in EUR m, as of 31/12/2021



- Subordinates
- Covered bonds
- Senior unsecured
- Promissory notes
- TLTRO III
- Customer deposits
- Interbank deposits (0)

- Capital market instruments
- KA Direkt deposits
- IWS deposits
- Retail deposits
- Interbank deposits (0)

HIGH ASSET QUALITY

KA's loan portfolio is well-balanced, comprising an increasing proportion of infrastructure and energy financing transactions and a significant volume of public finance loans

- Average portfolio rating "A-"
- 68% investment grade
- 0.0% NPL

STABLE FUNDING & LIQUIDITY SITUATION

KA's funding strategy focuses on a sound diversification between capital market instruments and customer deposits to reduce dependency on one single funding source

- 735% Liquidity Coverage Ratio (LCR)
- 122% Net Stable Funding Ratio (NSFR)
- Minimal maturity transformation | 5.8 yrs weighted average term of assets vs 6.3 yrs liabilities
- EUR 971m Total Liquidity Position (EUR 543m cash with central banks & EUR 428m liquidity reserve)

Executive Summary

Fidelio KA debt platform

VALUE PROPOSITION

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

WHY INVEST IN THIS STRATEGY?

- Stable returns in all-time low interest rate environment (floored interest rate risk)
- Low observed correlations with other asset classes with low volatility compared to e. g. private equity
- Infrastructure loss history far below corporate loss history
  (Moody's study: "Default and Recovery Rates for Project Finance Bank Loans, 1983-2020")
- Fared well during Covid-19 crisis

FUND STRATEGY

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

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

CURRENT PORTFOLIO

Debt type*

Interest type* (Interest rate floors are established in most projects)

Region*

Sector*

SUB-FUND I (ISIN: LU 1848860901; CLOSED)

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

* Data as at December 31st, 2021
** Indicative initial internal rating, for information purposes only; based on S&P methodology

Overview of KA

Business model

SPECIALISED INFRASTRUCTURE & ENERGY BANK

- Cash-flow based, asset secured, predictably performing investments
- International team with outstanding industry expertise
- High transactional closing ratio due to wide product ability and tapping primary markets
- Repeat client base
- Strong track record in managing risk and growing business
- Appropriate risk/reward profile of asset accumulation

PRODUCTS & CLIENTS

- Infra & Energy Finance: Senior Debt, Junior Funds (incl. Mezz- and Equity investments), Project Development & Financial Advisory
- Infra Debt Fund Platform "Fidelio KA"
- Corporates, Developers, Advisors, Financial Investors
- Pension funds & Insurers, Asset Managers, Family Offices
- Public Finance as 2nd pillar

CLEAR VISION & CONCISE MISSION

- Redefining Infrastructure: Strengthen capital base | Double profits | Triple revenues
- KA will become the most agile & nimble infrastructure bank in Europe helping to create a better world

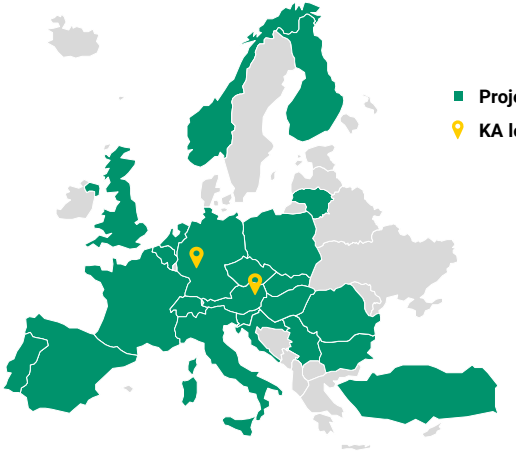
Energy & Environment
Energy supply & distribution
Renewable energy
Water supply & treatment
Waste management & disposal

Communication & Digitalisation
Broadband
Fibre optic
Data centres

Transport
Roads, Bridges, Tunnels
Airports, Ports, Waterways
Rail/Public Transportation, Rolling Stock

Social Infrastructure
Nurseries, Schools, Universities
Hospitals, Nursing Homes
Court Buildings
Administrative Buildings

Natural Resources
LNG terminals
Pipelines
Energy storage



- **Project countries**
- **KA locations:** Vienna, Frankfurt

Clear Vision – Concise Mission

KA as partner of choice for long term commitment

VISION

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

MISSION

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

STRATEGY

BENEFIT TO THE COMMUNITY

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

WHAT SETS KA APART?

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

Infrastructure & Energy

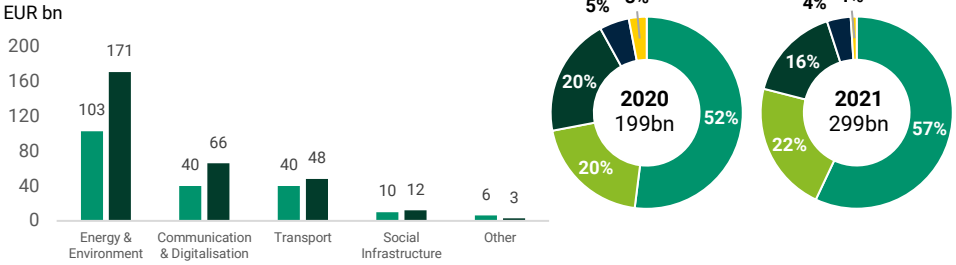
Continuous demand in the European infrastructure & energy market

DRIVERS FOR INFRASTRUCTURE & ENERGY

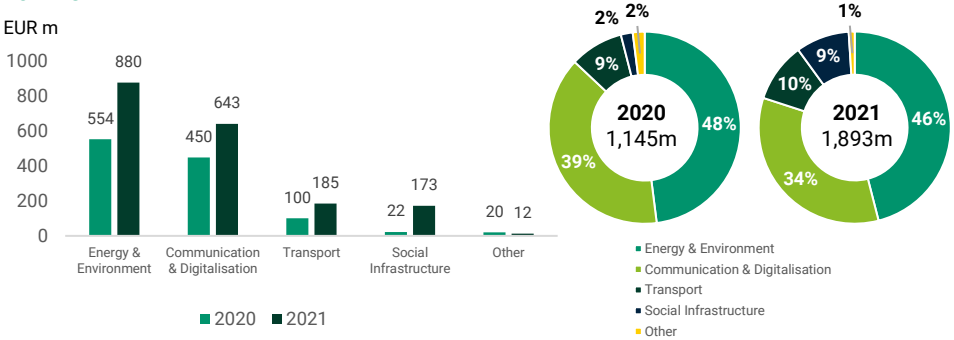
- Demand for sustainable and intact infrastructure in Europe will remain high following COVID-19 crisis
- Global trends are driving infrastructure investments
- EU's Green Deal as well as national climate and energy targets require substantial developments & investments in the infrastructure and energy sector
- Greater independence from fossil energy sources and avoidance of further supply chain disruptions require alternatives
- Increased relevance of e. g. communication/digitalisation highlighted by currents issues such as home office, distance learning
- Rising number of transactions in (renewable) energy infrastructure
- KA focus sectors directly address demand created by these trends

DEAL VOLUME BY SECTOR

EUROPE*



KOMMUNALKREDIT



*Source: Inframation & Sparkspread Database 12/2021

Public Finance

2nd pillar of KA's business model

PUBLIC FINANCE
Financing, Investment

INFRASTRUCTURE & ENERGY FINANCE
Advisory, Structuring, Execution, Asset Management

- Public Finance represents a core competence in the financing business with municipalities and related enterprises
- With investments in essential infrastructure that is used directly by citizens, municipalities and their public institutions we create and protect jobs and help to keep the economy going
- In addition to the financing business, the public finance investment side also plays an important role in the bank's overall refinancing mix

Established and long-standing roots in the Public Finance customer segment

Well recognized provider of financing and investment products

Innovative one-stop solution provider for public finance customers in the DACH region

Austrian "incubator" for new municipal Infra & Energy business

ESTABLISHED NETWORK

KA has excellent and long-standing customer relationships in Austria and neighbouring countries, both on the financing and the investment side

FOCUSED IMPLEMENTATION

- Selection of financing opportunities (purpose, term, volume) in the public finance space
- Refinancing on the capital market via covered bonds
- Client-centric digital online platform for public finance customers
- Easy and transparent monitoring of financing arrangements

CORE EXPERTISE

- Energy & Environment
- Communication & Digitalisation
- Social Infrastructure
- Transport
- Natural Resources

Ratings

Investment grade level with stable outlook

COVERED BOND RATING

S&P Global Ratings

- In January 2022, S&P affirmed KA's public sector covered bond ratings at A+
- Outlook on the ratings is stable, reflecting the stable outlook on KA's issuer rating

A+
Stable Outlook

ISSUER RATING

S&P Global Ratings

- In February 2022, S&P affirmed KA's investment grade rating at BBB- / A-3 with stable outlook
- Demonstrating resilience in challenging market environment
- Robust business model with focus on Infrastructure & Energy and Public Finance
- Underlining KA's earnings strength, high capital buffers, sound risk management and further improved cost efficiency

BBB- / A-3
Stable Outlook

FitchRatings

- In March 2022, Fitch affirmed KA's investment grade rating of BBB- / F3 with stable outlook
- Reflecting well-established franchise, strong track record, experienced management team and adequate risk management
- Also highlighting strong asset quality, adequate risk/return profiles, lean cost base and steadily improved profitability

BBB- / F3
Stable Outlook

MORNINGSTAR | DBRS

- In October 2021, DBRS confirmed KA's rating at BBB / R-2 (high) with stable outlook
- Strong results and resilience of KA's business model
- Further strengthened franchise through cooperation with its customers, institutional investors and KA's infrastructure debt fund
- Continuous increase in operating profitability, stable liquidity, strong capitalisation and high asset quality

BBB / R-2 (high)
Stable Outlook

ESG | Sustainability

Providing tangible benefit to the community – internationally recognised

Awards

BV .WORLD 2021 AWARDS WINNER
MOST SUSTAINABLE INFRASTRUCTURE PROJECT PARTNER CENTRAL EUROPE

cfi.co 2021 BEST ESG INFRASTRUCTURE FINANCE WINNER EUROPE

PROXIMO

Ratings

imug SUSTAINABILITY RATING RATING 2019 POSITIVE BB

imug ÖFFENTLICHE PFANDBRIEFE RATING 2019 VERY POSITIVE A

Value

Waste to Energy

We contribute to eliminating **3.0m tonnes** of waste each year.

Schools

We contributed to the education of around **1,100 students**.

Care Homes

We create accommodation for more than **8,900 elderly & disabled people**.

EV Charging

We develop the refuelling infrastructure for electromobility with around **10,400 charging stations**.

Wind/PV/WtE/Hydro&Therm

We enable around **4.0m homes** to use renewable energy each year.

Hospitals

We create care support institutions for **1,500 patients**.

Report

Global Reporting Initiative™

EMAS

CERTIFIED ISO14001

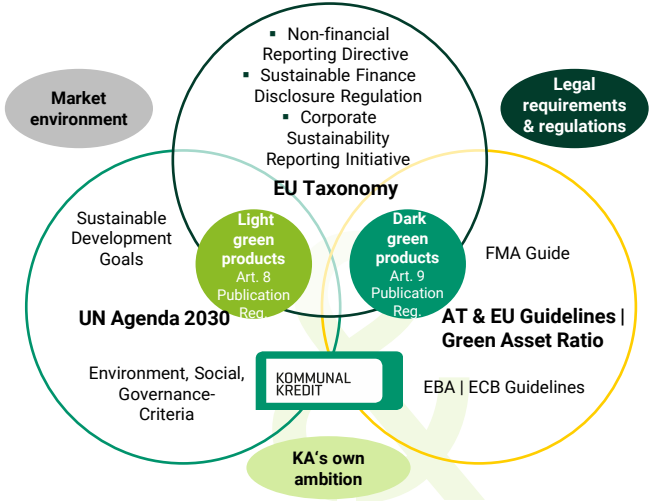
CLIMATEAUSTRIA

European Clean Hydrogen Alliance
Kick-starting the EU Hydrogen Industry to achieve the EU climate goals

ESG | Sustainability

What we contribute

- ESG/SDG partner of choice for asset management & funding and expert for green solutions
- KA portfolio is Art.8 eligible as environmental and social factors are considered
- Implementation of ESG action plan | institutionalisation of ESG
  - Bankwide workstreams – e.g. Green Bond Readiness, EU Taxonomy Check, disclosure requirements due to Corporate Sustainability Reporting Directive



- KA's business model is predestined to contribute significantly to climate targets and the green economy
- ESG criteria assessments integrated in every transaction
- KA contributes to 14 Sustainable Development Goals
- Sustainability performance recognised by market

Executive Board

Significant experience

Bernd Fislage

CEO

CAREER

- 2017: Kommunalkredit Austria AG
  - 2018 Chief Executive Officer
  - 2017 Member of Executive Board
- 1998-2015 Deutsche Bank AG
  - Global Head of Asset Finance & Leasing
  - Head of Structured Finance Germany
  - Member of Global SF Executive Committee
  - Member of CB & S Executive Committee Germany
- 1996-1998 NatWest Markets Plc.
- 1993-1996 BHF-Bank AG
- 1992 Dresdner Bank AG

Graduate of TU Darmstadt

RESPONSIBLE FOR

Banking, Markets, Corporate Services (HR | Legal | Communication), Internal Audit

Sebastian Firlinger

CRO

CAREER

- 2021: Kommunalkredit Austria AG Member of Executive Board
- 2018-2020 Südwestbank AG Member of Executive Board
- 2015-2018 BAWAG P.S.K.
- 2014-2015 Bain & Company Germany Inc.
- 2009-2014 Hypo Alpe-Adria Bank International AG
- 2007-2009 Accenture GmbH
- 2004-2007 Deloitte Audit Wirtschaftsprüfungs GmbH

Graduate of WU Vienna and TU Vienna

RESPONSIBLE FOR

Risk Controlling, Credit Risk, Banking Operations, Compliance & Non-Financial Risk Management

Claudia Wieser

CFO

CAREER

- 2001: Kommunalkredit Austria AG
  - 2022 Member of Executive Board
  - 2020-2022 Executive Vice President

  Over 20 years in various capacities at Kommunalkredit in the areas of business development, M&A, digitalisation, project & process management, project financing, public finance
- 1994-2000 VA Tech Elin GmbH & Co KG

RESPONSIBLE FOR

Finance, IT & Transformation

Track Record: Awards & Selected Reference Projects

Confirming the right track

AWARDS

- Best Bank
  Rank 1 in 2021
  —
  Kommunalkredit Austria
- Best Direct Banks
  Rank 2 in 2020
  —
  Kommunalkredit Austria
- Best Direct Bank
  Rank 1 in 2021
  —
  Kommunalkredit Austria
- German Renewables Award 2020
  —
  Global Tech I
- Best Specialised Bank
  Rank 1 in 2021
  —
  Kommunalkredit Austria
- Excellent Brand – Banking & Financial Services 2020
  —
  KOMMUNALKREDIT INVEST
- Best ESG Infrastructure Finance Europe 2021
  —
  Kommunalkredit Austria
- Most Sustainable Infrastructure Project Partner Central Europe 2019
  —
  Kommunalkredit Austria
- Most Sustainable Infrastructure Project Partner Central Europe 2021
  —
  Kommunalkredit Austria
- PFI Awards 2019 Europe
  Power Deal of the Year
  —
  Finerge Onshore Wind Portugal
- Best ESG Infrastructure Finance Europe 2020
  —
  Kommunalkredit Austria
- PFI Awards 2019 Europe
  Bond Deal of the Year
  —
  Brebemi Road Italy

SELECTED REFERENCE PROJECTS

Project	Amount	Role	Year, Country
Memphis Data Centre	EUR 282m	Project Finance Arranger	2021, Netherlands
Zzoomm Broadband	GBP 75m	Project Finance Senior Lender, MLA	2021, UK
CCE Development Solar PV	EUR 12m	Corporate Finance Senior Lender, MLA	2021, Italy
dstelecom Broadband	EUR 150m	Project Finance Senior Lender, MLA	2021, Portugal
Eden Broadband	EUR 600m	Project Finance Senior Lender, MLA	2021, Spain
Ebro Waste	EUR 33m	Corporate Finance Participant	2021, Spain
Svarog Broadband	EUR 130m	Project Finance MLA	2022, Slovenia
Siberie Biomass	EUR 19m	Project Finance Senior Lender, MLA	2021, The Netherlands
Soidinmäki Onshore Wind	EUR 37m	Project Finance Senior Lender, MLA	2021, Finland
Talasol Solar PV	EUR 175m	Project Finance Sole Structuring Bank	2022, Spain
Thunder CCGT	GBP 192m	Project Finance Senior Lender, MLA	2021, UK
Hapsburg Solar PV	EUR 15m	Corporate Finance Mezz Lender, Sole MLA	2021, Italy
Achieve Together Hospitals/Clinic	EUR 262m	Project Finance Senior Lender, MLA	2021, UK
Lux Broadband	EUR 73m	Project Finance Senior Lender, MLA	2021, Germany
Lightboost Fiber	EUR 5,750m	Project Finance Cornerstone Lender	2021, Germany

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