

THERE FROM THE BEGINNING.

Kommunalkredit Austria AG | Company Presentation | March 2024

>EUR 1.6bn

New Business Volume
from infrastructure and
energy financing



A-

Average rating of
premium-grade
portfolio

BBB | BBB- | BBB (Senior)

Investment grade ratings
Positive & Stable Outlook
S&P | Fitch | DBRS



Awards 2023

Best specialised bank
(Börsianer magazine)
Highest Reputation as
Sustainable Company
(Kurier newspaper)



Green Commitment

Joined the Partnership for Carbon
Accounting Financials Initiative |
First Austrian bank in the European
Clean Hydrogen Alliance

EUR 134m

Operating result
+58 %



Focus on
Europe

C

Prime Status

ISS ESG Rating



37%

Cost/Income ratio**



25%

Return on Equity
after tax***

* All figures as of 31/12/2023 according to IFRS

** Result from subsidiary KPC (cost plus model) netted in CIR calculation to provide fair view on efficiency

*** Return on equity = Profit for the period/common equity of the group as of 1/1

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, communication & digitalisation and transport
- USP: swift implementation of tailor-made solutions

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 during the war in Ukraine and following Covid-19

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)

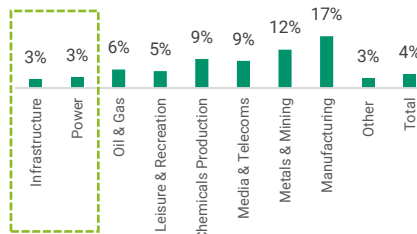
Selected Awards



Selected Reference Projects

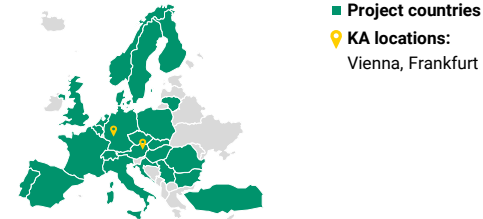
NORTHERN FIBER HOLDING	Renewable Power Capital	ASTERION INDUSTRIES
White Gold Broadband	Magna II Onshore Wind	Sunrise Energy & Power
EUR 415m	EUR 197m	EUR 2.6bn 660m
Project Finance MLA	Project Finance MLA & Structuring Bank	Sole M&A Advisor Sole Financial Advisor
2023, Germany	2023, Finland	2023, Germany

Default Rates by Industry*



* Moody's Default and Recovery Rates for PF Bank Loans, 1983-2021

Project Locations



Bernd Fislage

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



Sebastian Firlinger

Member of the Executive Board since 01/2021
CFO/CRO

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 placement activity
- Growing emphasis on consultancy and structuring activities
- Cost base rationalised, cost/income ratio <40%
- 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 solid placement levels
- Diversified loan book across regions and sectors
- KA's public sector finance exposures to Austrian municipalities secured by excellent credit quality

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 balance sheet churn rate increasing capital light fee income

Continuous Growth Trajectory (IFRS, in EUR m)

	2020	2021	2022	2023
EBIT*	48	60	85	134
Result before tax	48	67	99	136
Result after tax	36	49	78	101

* Operating result = pretax annual result excluding credit risk and valuation result

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

	2020	2021	2022	2023
Cost/income ratio*	51 %	48 %	43 %	37 %
RoE before tax**	15 %	20 %	28 %	34 %
Tier 1 ratio***	20 %	20 %	19 %	20 %

* Result from subsidiary KPC (cost plus model) netted in CIR calculation to provide fair view on efficiency

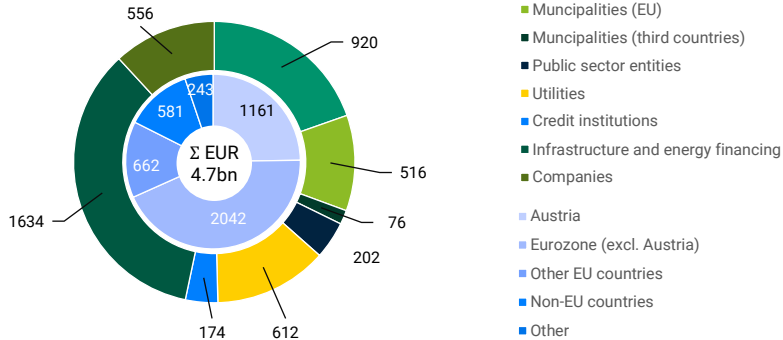
** Return on equity = Profit for the period/common equity of the group as of 1.1. of the respective year

*** Local GAAP Bank stand-alone

Executive Summary

Diversified and stable loan book | Comfortable funding and liquidity situation

PORTFOLIO BY REGION/BORROWERS in EUR m, as of 31/12/2023

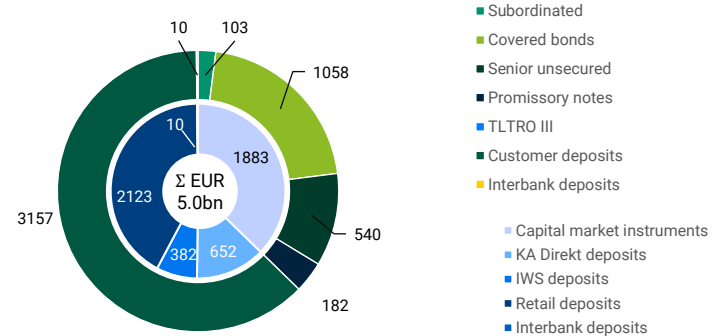


HIGH ASSET QUALITY

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-"
- 66% investment grade

REFINANCING & DEPOSIT STRUCTURE in EUR m, as of 31/12/2023



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

- EUR 1,752m Total Liquidity Position (EUR 888m cash with central banks & EUR 864m liquidity reserve)

542%
LCR

135%
NSFR

Executive Summary

Fidelio KA debt platform

VALUE PROPOSITION

- Direct access to an attractively priced pipeline of assets originated & structured by KA
- Fast and transparent conversion of subscribed capital into profitable investments
- Alignment of interest through KA co-lending over the life of each project
- Rigorous, independent & regulated investment process
- Risk & portfolio management including a Solvency II compliant reporting & valuation process
- Experienced international team with outstanding industry expertise and track record

REASONS TO INVEST

- Stable valuation in a highly volatile market
- Infrastructure debt benefit from rising interest rates while offering inflation protection
- Low observed correlations with other asset classes, 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")
- Performed well in spite of Covid-19 crisis and the war in Ukraine

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 SUB-FUND I

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



Region*



Sector*



Debt type*



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

Fund Volume	EUR 354m (at final close)	Countries	Europe, OECD only
Currency	EUR	Duration	10 years + ext. option
Fund type	LUX. SICAV-RAIF SCA	# of investors	6 Institutionals
Margin*	Average gross margin >3%		
Rating**	Investment grade (BBB-)		

SUB-FUND II (ISIN: LU 2363960290; SEED CLOSE 09/08/2022)

Target Size	EUR 500m	Countries	Europe, OECD only
Currency	EUR	Duration	10 years + ext. option
Fund type	LUX. SICAV-RAIF SCA	# of investors	6-8 Institutionals
Margin target	Average gross margin >3.5%		
Target rating**	Investment grade (BBB-)		

* Data as of 31/12/2023

** 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

- 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



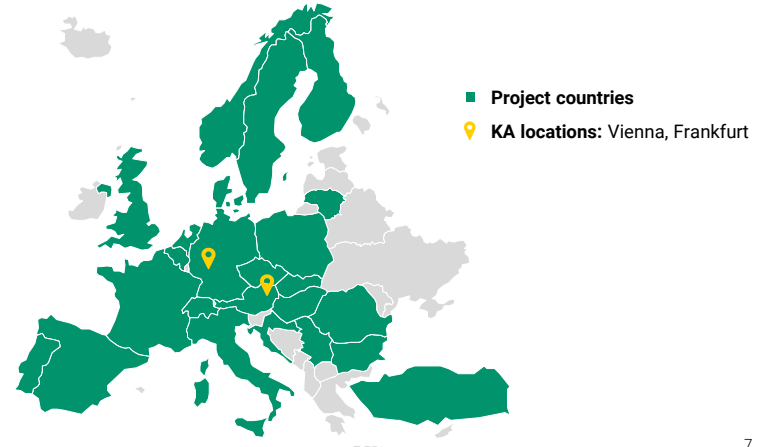
Social Infrastructure

Nurseries
Schools, universities
Hospitals
Nursing Homes
Court Buildings and
correction facilities
Administrative
Buildings



Natural Resources

Hydrogen
LNG terminals
Pipelines
Energy storage



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 to create a better world by enabling the development of sustainable infrastructure that improves the quality of people's lives.
- Infrastructure investments serve as a powerful tool for responding to social needs and fundamentally increasing the general well-being of communities.
- We provide tangible benefits to the population at large: Economic dynamism | Urban development and renewal | Strengthening rural areas | Job creation | Social cohesion | Climate protection measures.
- We focus on secure, stable 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

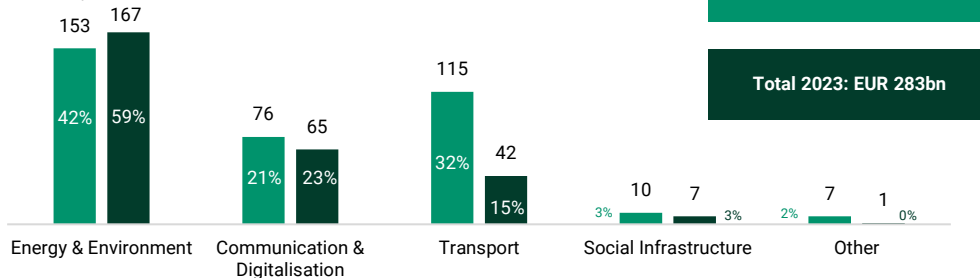
DRIVERS FOR INFRASTRUCTURE & ENERGY

- Demand for sustainable and intact infrastructure in Europe will remain high during the war in Ukraine and 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
- Relevance of e. g. communication/digitalisation highlighted by current issues such as home office, distance learning
- Constantly high number of transactions in (renewable) energy infrastructure
- KA focus sectors directly address demand created by these trends

DEAL VOLUME BY SECTOR

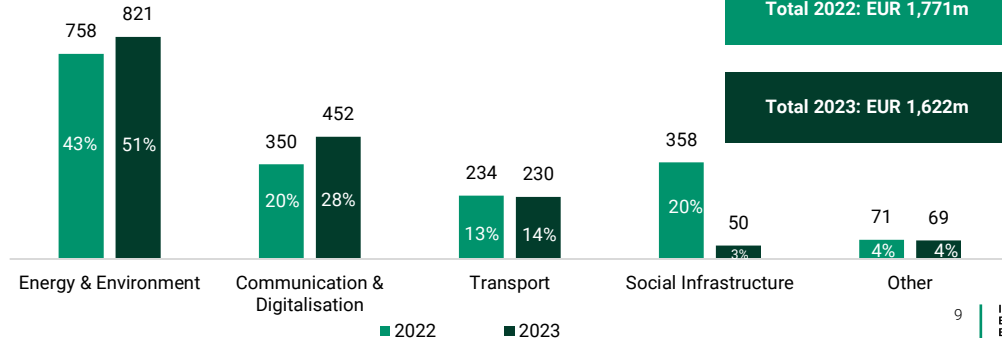
EUROPE*

EUR bn/ in % of total I&E market



KOMMUNALKREDIT

EUR m/ in % of total I&E new business



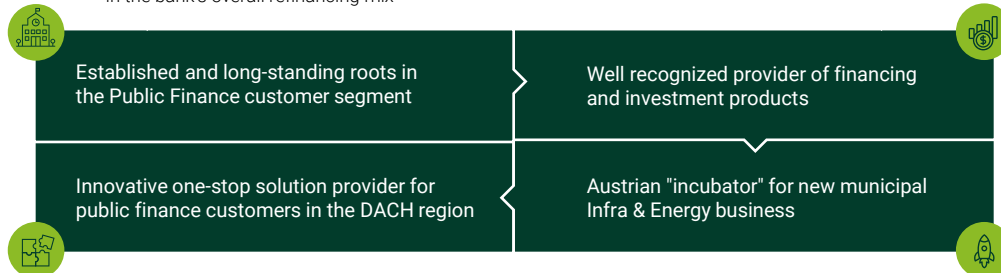
*Source: Inframation Database 12/2022 & 12/2023

Public Finance

2nd pillar of KA's business model



- 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 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
- Transport
- Social Infrastructure
- Natural Resources



Ratings

Investment grade level

COVERED BOND RATING

ISSUER RATING

ESG RATING*

S&P Global
Ratings

- **High credit quality** portfolio of predominantly Austrian and German public sector assets

A+
Stable Outlook

S&P Global
Ratings

- **High earnings and well-managed** business model
- **Strong capital generation capacity**
- Robust asset quality, underpinned by **low credit-risk costs**

BBB / A-2
Stable Outlook

FitchRatings

- Well-established franchise, **strong track record** and experienced management team
- **Strong asset quality**, sound liquidity, adequate risk/return profiles, lean cost base and steadily **improved profitability**

BBB- / F3
Positive Outlook

MORNINGSTAR | DBRS

- **Strong results and resilient** business model
- Further **strengthened franchise**
- Continuous increase in operating profitability, stable liquidity, **strong capitalisation and high asset quality**

BBB / R-2 (high)
Positive Outlook










- On February 8, 2023, ISS ESG awarded a “C”-Rating and the **“Prime Status”** for Kommunalkredit
- **Transparency level “very high”** assigned

C
“Prime Status”

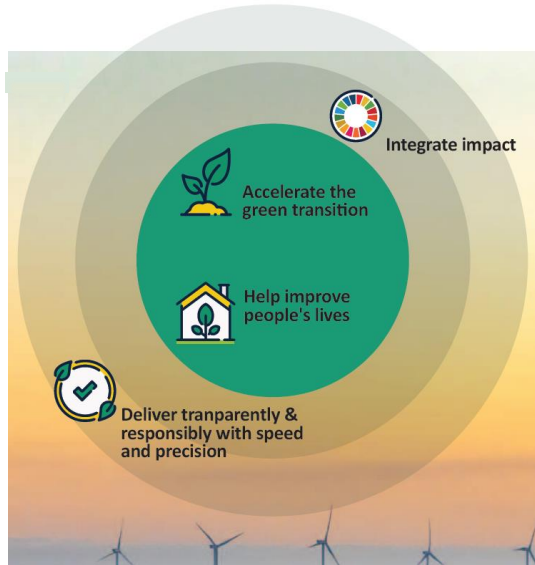
* KA has also an ESG risk rating from Morningstar Sustainability. Details can be found at <https://www.kommunalkredit.at/en/who-we-are/sustainability> or in the integrated annual report 2023

ESG | Sustainability

Contributing to achieving climate targets and building a sustainable economy by the very nature of sustainable infrastructure & public finance lending

<h2>Our ESG mission</h2>	<p>"We enable the development of sustainable infrastructure to accelerate the green transition, and help improve people's lives"</p>					<h2>We are guided by</h2>					
<h2>Impact</h2>	 <p>Waste Mgmt.</p> <p>We contribute to eliminating 4.1m tonnes of waste each year.</p>	 <p>Care Homes</p> <p>We create accommodation for more than 8,900 elderly & disabled people.</p>	 <p>Schools</p> <p>We contribute to the education of around 4,100 students.</p>	 <p>Energy</p> <p>We enable around 5.2m homes to use renewable energy each year.</p>	 <p>EV Charging</p> <p>We develop the refuelling infrastructure for electromobility with around 28,000 charging stations.</p>						
<h2>History</h2>	 <ul style="list-style-type: none"> <li data-bbox="260 715 434 889"> <p>1992 First Austrian issuer of an environmental bond</p> <li data-bbox="454 715 627 835"> <p>1997 ISO 14001 certified</p> <li data-bbox="647 715 821 868"> <p>2004 First sustainability report</p> <li data-bbox="840 715 1014 889"> <p>2012 ESG assessment in credit process integrated</p> <li data-bbox="1033 715 1207 889"> <p>2017 First Austrian social covered bond</p> <li data-bbox="1226 715 1400 868"> <p>2021 UN Global Compact joined</p> <li data-bbox="1420 715 1593 911"> <p>2022 Sustainability strategy updated with strong commitments</p> <li data-bbox="1613 715 1858 998"> <p>2023 Signed the UN Principles for Responsible Banking Joined the Partnership for Carbon Accounting Financials (PCAF) Publication of Sustainable Funding Framework</p> 										

Sustainability Strategy – strongly anchored in business



CORE FOCUS AREAS



Accelerate the green transition

We enable and strive to accelerate decarbonisation, with the core of our financing activities focusing directly on renewable energy, hydrogen and other technologies that are essential for the green transition.



Help improve people's lives

A significant part of our activities across Infrastructure & Energy and Public Finance fund social infrastructure and connectivity.

KEY ENABLERS



Integrate impact

We consider sustainability factors across all types of infrastructure. As an organisation, we are dedicated to the UN Sustainable Development Goals (SDG), the UN Global Compact, the UN Principles for Responsible Banking, Partnership for Carbon Accounting Financials (PCAF), the Paris Agreement, and the European Green Deal.



Deliver transparently & responsibly with speed and precision

We continuously improve our ESG disclosures and ensure that we carry out our business responsibly, with high integrity.

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 | Strategy), Internal Audit



**Sebastian
Firlinger**

CFO/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, Finance, IT & Transformation, Banking Operations, Compliance & Non-Financial Risk Management
















Track Record: Awards & Selected Reference Projects

Confirming the right track

AWARDS

	Highest Reputation as Sustainable Company 2024 — Kommunikredit Austria		Quality seal for popular employers 2022 — Kommunikredit Austria
	Best Specialised Bank 2023 Rank 1 — Kommunikredit Austria		Best ESG Infrastructure Finance Europe 2021 — Kommunikredit Austria
	IJGlobal Awards 2023 Europe Digital Infrastructure Deal of the Year — Deutsche GigaNetz		Best ESG Infrastructure Finance Europe 2020 — Kommunikredit Austria
	Most Sustainable Infrastructure Project Partner Central Europe 2022 — Kommunikredit Austria		German Renewables Award 2020 — Global Tech I
	Best Sustainable Infrastructure Investment Company 2022 — Kommunikredit Austria		Excellent Brand – Banking & Financial Services 2020 — KOMMUNALKREDIT INVEST
	PFI Awards 2022 Europe Fibre Deal of the Year — Deutsche Glasfaser		PFI Awards 2019 Europe Bond Deal of the Year — Brebemi Road Italy

SELECTED REFERENCE PROJECTS

				
White Gold Broadband	Magna II Onshore Wind	Twister Waste	Triumph Ports	Conapto Data Centre
EUR 415m Project Finance MLA 2023, Germany	EUR 197m Project Finance MLA & Structuring Bank 2023, Finland	EUR 340m Corporate Finance MLA 2023, Italy	EUR 198m Project Finance MLA 2023, Portugal	SEK 400m Project Finance MLA 2023, Sweden
				
Bionic Biomethan & Biogas	Resolar II Solar PV	Gretchen Water & Environment	Cura Healthcare	Moon Broadband
EUR 240m Acquisition Finance MLA 2023, Germany	EUR 60m Development Finance MLA 2023, Spain, Italy	EUR 84m Corporate Finance MLA 2023, Germany	EUR 576m Corporate Finance Arranger 2023, UK	GBP 962m Project Finance Co-Arranger 2023, UK
				
Sunrise Energy & Power	H2 Green Steel Hydrogen/ Green Steel	Viveracqua Hydrobond 2022	Lynx Broadband	Hippocrates Social Infrastructure
EUR 2.6bn 660m Sole M&A Advisor Sole Financial Advisor 2023, Germany	EUR 4.2bn Project Finance Participant 2023, Sweden	EUR 149m Short Term Note STN Underwriter 2022, Italy	EUR 325m Project Finance MLA 2022, Germany	EUR 900m Corporate Finance Initial Arranger 2022, Italy

Disclaimer

This Presentation (the “Presentation”) is strictly confidential and must not be disclosed or distributed to third parties. This Presentation may not be disseminated in the United States, Australia, Canada, Japan or any other jurisdiction where the dissemination or publication of this document would be unlawful. This presentation, and the information contained therein, is not directed to, or intended for viewing, release, distribution, publication or use by (directly or indirectly, in whole or in part), any person or entity that is a citizen of, or resident or located in, the United States, Australia, Canada or Japan or any jurisdiction where applicable laws prohibit its viewing, release, distribution, publication or use.

This Presentation does not constitute or form part of, and should not be construed as an offer or invitation or recommendation to, purchase or sell or subscribe for, or any solicitation of any offer to purchase or subscribe for any securities in Kommunalkredit Austria AG (the “Company”) in any jurisdiction. Neither this Presentation, nor any part of it nor anything contained or referred to in it, nor the fact of its distribution, should form the basis of or be relied on, in connection with, or act as an inducement in relation to, a decision to purchase or subscribe for or enter into any contract or make any other commitment whatsoever in relation to any such securities.

None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the Presentation or its content or otherwise arising in connection with the Presentation.

The information contained in this Presentation has been provided by the Company and has not been verified independently. Unless otherwise stated, the Company is the source of information.

No reliance may be placed for any purpose whatsoever on the information or opinions contained in the Presentation or on its completeness, accuracy, fairness or correctness. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its respective directors, officers, employees, agents or advisers as to the accuracy, completeness, fairness or correctness of the information or opinions contained in the Presentation and no responsibility or liability is accepted by any of them for any such information or opinions..

In particular no representation or warranty is given as to the achievement or reasonableness of and no reliance should be placed on any projections, targets, ambitions, estimates or forecasts contained in this Presentation and nothing in this Presentation is or should be relied on as a promise or representation as to the future.

This Presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company, or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned to place undue reliance on these forward-looking statements.

All information in this Presentation is current at the time of publication but may be subject to change in the future. The Company disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments. Statements contained in this Presentation regarding past events or performance should not be taken as a guarantee of future events or performance.

Prospective recipients should not treat the contents of this Presentation as advice relating to legal, taxation or investment matters, and are to make their own assessments concerning such matters and other consequences of a potential investment in the Company and its securities, including the merits of investing and related risks.

In receiving or otherwise accessing this Presentation, you will be deemed to have represented and agreed for the benefit of the Company (i) that you are permitted, in accordance with all applicable laws, to receive such information, (ii) that you are solely responsible for your own assessment of the business and financial position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business, and (iii) that you will keep the contents of this Presentation confidential and, in dealing with the information contained in this Presentation, you will adhere to all relevant laws and regulations, including, without limitation, market abuse and equivalent laws and regulations in all relevant jurisdictions.

KOMMUNAL
KREDIT

GET IN TOUCH.



CALL US
+43 1 31631



EMAIL US
info@kommunalkredit.at



FOLLOW US
[/kommunalkredit](https://www.linkedin.com/company/kommunalkredit)

INFRA
BANKING
EXPERTS