PRESS RELEASE
KOMMUNALKREDIT AUSTRIA AG

Infrastructure remains in demand.

Kommunalkredit focuses on stable core business in infrastructure financing. Market volatility impacts the first-half 2025 results.

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- New business volume > EUR 630 million
- Operating result EUR 53.6 million
- Cost-Income Ratio improved to 37.9 %
- Return on equity after taxes 12.1 %
- Covered bond rating improved
- Successful Tier II bond issue of EUR 150 million 3.6 times oversubscribed
- EUR 500 million senior preferred bond 2.6 times oversubscribed

Kommunalkredit Austria AG (Kommunalkredit) has presented its figures for the first half of 2025. The result reflects the difficult overall economic environment in the first six months, but at the same time shows that financing essential infrastructure remains highly relevant as the bank's core business.

Consequences of the interest rate turnaround, geopolitical tensions, and regulatory uncertainties shaped the market environment in the first half of 2025. The resulting volatility led to delays in projects - particularly on the part of project sponsors, who were cautious in view of uncertain interest rate prospects and subsidy conditions – while excess liquidity and capital inflows from the US increased competition. According to IJGlobal, the global financing volume for infrastructure and energy projects was around 19% below the previous year's level. The market also saw a trend towards club deals with broader allocation across several financing partners and smaller individual volumes.

Kommunalkredit remains operationally solid in a challenging market environment

Kommunalkredit too, was affected by the challenging market conditions in its short-term business performance. According to IFRS, operating profit amounted to EUR 53.6 million (–14% vs. H1 2024), while return on equity after taxes remained solid at 12.1%. After a subdued first quarter, the pipeline picked up significantly from May onwards.

Kommunalkredit leveraged its stable investor relationships and strategically secure liquidity position amid improved market momentum to initiate projects in several European countries, including data centers, onshore wind power, photovoltaic, and social infrastructure projects in Germany, Italy, the Netherlands, and Romania. At over EUR 630 million, the volume of new business remained robust compared with the overall market trend (H1 2024: EUR 1,042 million).

'2025 is a year of transformation. This affects us as well as almost all sectors of the economy. This development was fundamentally recognizable early on and was communicated openly. With our performance, we are following our plan, have further developed our strategy, set new impulses, and reacted to changes at an

early stage," said interim CEO Sebastian Firlinger. "*We have made targeted investments in future-oriented areas, including the expansion of our advisory and asset management activities and the further development of our IT infrastructure. We have also strengthened our team with onboarding additional 'future minds'.*'

Investor confidence and capital base strengthened further

Kommunalkredit was also able to generate positive momentum on the investor side. This confidence was reflected in a series of successful transactions: In March, S&P upgraded the rating for covered bonds to 'AA-/stable'. That same month, the bank placed a senior preferred bond in benchmark format with a volume of EUR 500 million, which was 2.6 times oversubscribed. In June, Kommunalkredit issued a EUR 150 million Tier II bond, which achieved 3.6 times oversubscription despite the outbreak of the Israel–Iran conflict just before the transaction.

In addition, IFC (International Finance Corporation) and AIIB (Asian Infrastructure Investment Bank) contributed a total of EUR 200 million to a senior unsecured bond issue financing infrastructure projects in Central and Eastern Europe.

By the end of the first half of 2025, the core capital ratio exceeded 19%, with core capital of EUR 779.1 million. The successful Tier II issue strengthens Kommunalkredit's regulatory buffers and creates scope for further targeted growth in European markets. At the same time, the bank is investing in technological modernization, expanding digitalization, and realigning key processes. The results are evident: the Cost-Income Ratio improved to 37.9% in the first half of 2025 (H1 2024: 39.0%).

Jacques Ripoll will take over as CEO of Kommunalkredit in September 2025. He brings decades of experience from senior positions at Crédit Agricole and Banco Santander. His appointment is regarded as a strategic move to strengthen the bank's international market presence. Ripoll joins a management board known for continuity and professional depth: Sebastian Firlinger (CFO, CRO), John Weiland (CCO) and Nima Motazed (COO) will remain in their roles and, together with the new CEO, continue to pursue the company's growth trajectory.

Kommunalkredit's 2025 half-year financial report is now available at https://www.kommunalkredit.at/investor-relations/finanzberichte

Selected key figures of the Kommunalkredit Group in accordance with IFRS in EUR million or %	H1 2025	H1 2024
Operating result	53,6	62,3
Income for the period before taxes	53,6	62,3
Net income for the period	41,5	47,1
Cost-Income-Ratio	37,9 %	39,0 %
Return on Equity before taxes	15,6 %	24,8 %
Return on Equity after taxes	12,1 %	18,7 %

About Kommunalkredit

As an Infra Banking Expert, Kommunalkredit provides financing and advisory for the European infrastructure & energy sector, with a focus on energy & environment, communication & digitalisation, transport, and social infrastructure. Kommunalkredit's tailored solutions support infrastructure and energy (I&E) projects, corporations, and acquisitions throughout the entire project lifecycle and the capital structure. Founded in 1958, Kommunalkredit has facilitated new infrastructure and energy financing totalling EUR 10 billion since 2020 alone.

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