

PRESS RELEASE

KOMMUNALKREDIT AUSTRIA AG

Kommunalkredit successfully shapes the infrastructure of the future**Annual results 2023 underline focus on energy transition and decarbonisation**

Vienna, 23/02/2024

- **New business volume from infrastructure and energy financing: > EUR 1,6 bn**
- **EBIT: +58 %: EUR 134m**
- **Cost/income ratio: 37 %**
- **Return on Equity post tax: 25 %**
- **Investment grade ratings from S&P (BBB-), Fitch (BBB-) & DBRS (BBB): all with positive outlook**

Investments in infrastructure cover essential needs of society and pave the way for a sustainable future. The past few years have been characterised by a complex global economic environment, high inflation, significant interest rate increases, volatile energy prices and capital market turmoil. All of this - in parallel with the noticeable effects of the climate crisis - shows one thing: the time to invest in the energy transition and diversification of energy supply is now. Against this backdrop, Kommunalkredit Austria AG (Kommunalkredit) today published its annual results for 2023.

With a new business volume of around EUR 1.8bn (including public finance), Kommunalkredit has once again positioned itself strongly on the European market and demonstrated its in-depth expertise as a specialist in infrastructure and energy financing as well as public finance. 51% of transactions are attributable to the Energy & Environment sector, followed by Communication & Digitalisation (28%). The operating result increased by 58% year-on-year to EUR 134m. The cost/income ratio was reduced to 37% (2022: 43%) and a return on equity after tax of 25% (2022: 22%) was generated.

Kommunalkredit supported a large number of projects in 2023, including the financing of water treatment plants in Italy; construction of wind farms and photovoltaic plants on the Iberian Peninsula, in Romania, Hungary and Finland; transformation towards sustainable power generation in Germany; expansion of broadband initiatives in Spain and Serbia; healthcare facilities in the UK; and a port portfolio in Portugal.

Kommunalkredit CEO Bernd Fislage: "Our top priority has long been to create benefit for the community. We made a significant impact and lived up to our responsibility to society in 2023 by implementing transparent sustainability requirements for projects and our partners and carrying out checks. EUR 880m (54%) was invested in projects contributing to the energy transition and environmental protection. EUR 44m (3%) went towards new green solutions and EUR 392m (24%) was used to finance social infrastructure and connectivity in order to improve the quality of life of both individuals and communities as a whole."

Key performance indicators 2023 of Kommunalkredit Group according to IFRS

The operating result (consolidated annual result before taxes, excluding credit risk, valuation and operating sales result from infrastructure and energy financing) rose by 58% to EUR 134.3m (2022: EUR 85.2m); the annual result after taxes increased by 29% to EUR 100.5m (2022: EUR 78.2m).

The significant improvement in the operating result – attributable to the ongoing expansion of the core areas of infrastructure and energy financing as well as public finance – was reflected in a marked reduction in the cost/income ratio (based on operating result) to 36.7% (2022: 42.8%). The return on equity after taxes increased from 22.3% in 2022 to 25.0%.

The international rating agencies also positively recognized the strong performance and resilience of Kommunalkredit's business model in the current challenging market environment. The investment grade ratings from S&P Global Ratings ("BBB-/A-3"), Fitch Ratings ("BBB-/F3") and Morningstar DBRS ("BBB/R-2 high") all have a positive outlook - Fitch last verified this on 8 February 2024. In addition, the covered bond rating by S&P Global Ratings was confirmed at "A+" with a stable outlook at the beginning of February 2023.

Key points 2023

The volume of new business in the infrastructure and energy sector (including Public Finance) amounted to EUR 1,813m. 51% of the financing volume was attributable to the Energy & Environment sector, 28% to Communication & Digitalisation and 14% to Transport. Geographically, the business was broadly diversified across the European Union and associated EU states. The core business is closely aligned with the sustainability strategy.

In 2023, the volume placed with insurance companies, asset managers and banks totalled EUR 358m. Through its infrastructure funds (Fidelio KA Infrastructure Debt Fund Europe 1 and Europe 2), the bank is able to offer its business partners access to infrastructure and energy financing via an asset management solution. With Florestan KA GmbH, Kommunalkredit uses equity financing to realise lighthouse projects to drive forward the energy transition, including hydrogen production with OMV and rooftop photovoltaic systems with eww.

As of 31 December 2023, the Common Equity Tier 1 capital ratio was 17.9% and the total capital ratio was 21.4%. The bank has a high-quality loan portfolio with an average rating of "A-". The non-performing loan ratio (NPL) is 1.5%, or 1.0% net of ECA (Export Credit Agency) cover.

In 2023, the bank was awarded the "Seal of Quality for Sustainability" by the Austrian daily newspaper Kurier, as it was in 2022. The business magazine Börsianer once again awarded it first place in the "Best Specialist Bank" category.

Outlook

The infrastructure and energy market will continue to play a pivotal role in achieving European and national climate targets. Climate protection is and remains the top priority, a modern approach to mobility, new ways of digitalisation and innovative solutions in energy use and generation are the new imperative. The necessary steps must be taken now for the energy transition and against climate change. This requires changes in structures as well as quick decisions. Energy suppliers and telecommunications service providers, hospitals and care homes, alternative drive systems and local public transport will remain in focus. As a specialist institution for infrastructure and energy financing as well as public finance, Kommunalkredit will continue to use its expertise for the benefit of society.

Strengthening of executive board

The bank's supervisory board has appointed Nima Motazed as Chief Technology Officer / Chief Operating Officer (CTO/COO) with effect from 1 July 2024, to drive digitalisation and corresponding organisational process optimisation at Kommunalkredit.

Nima Motazed has more than 30 years of experience in the financial services sector, particularly in the areas of IT, operations and procurement. He has held management positions throughout Europe, including at Swiss Re, NLB, Citigroup and Erste Bank. In his responsibility for IT & Transformation and Banking Operations, he will make a significant contribution to increasing Kommunalkredit's efficiency on its growth path.

The executive board of Kommunalkredit consists of three members as of 1 July 2024: Bernd Fislage (CEO), Sebastian Firlinger (CFO/CRO) and Nima Motazed (CTO/COO).

Kommunalkredit CEO Fislage: "We will continue to achieve excellent results, advance our sustainable strategy and start the 'green revolution'. The generally postulated sustainable 'transformation' will not be enough. Together, we have the opportunity to actively contribute to the energy transition and make a positive difference."

Kommunalkredit's annual report 2023 is now available at <https://www.kommunalkredit.at/en/investor-relations/reports>. (All figures reported under IFRS.)

Financial performance indicators

Selected figures Kommunalkredit Group acc. to IFRS in EUR million or %	31/12/2023	31/12/2022
Total assets	5,871.1	4,628.3
Total capital	577.0	471.9
Net interest income	192.4	125.7
Net fee & commission income	38.5	29.9
General administrative expenses	-93.1	-75.8
Other operating income	1.2	10.2
EBIT*	134.3	85.2
Loan impairment, valuation and realised gains	1.4	14.2
Consolidated profit for the year before tax	135.7	99.3
Income taxes	-35.2	-21.1
Consolidated profit for the year	100.5	78.2
Cost/income ratio (based on EBIT)**	36.7 %	42.8 %
Return on equity before tax***	33.8 %	28.3 %
Return on equity after tax	25.0 %	22.3 %

* Operating result = pretax result for the period excluding credit risk, valuation and operating placement result from infrastructure/energy financing.

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

*** Return on equity before tax = Profits for the period before tax projected to one year/common equity tier 1 capital of the Group as of 1/1.

Selected figures Kommunalkredit Austria AG under Austrian GAAP in EUR million or %	31/12/2023	31/12/2022
Total assets	5,833.6	4,609.8
Total capital	491.7	391.3
Net interest income	173.0	94.5
Net fee & commission income	32.2	21.3
General administrative expenses	-73.0	-62.0
Other operating income	5.4	5.1
Placement result*	1.0	5.4
Net allocations to provision (§57 (1) Austrian Banking Act)	3.3	-0.9
EBIT **	139.1	61.2
Loan impairment, valuation and realised gains	-3.6	7.4
Profit for the year before tax	135.6	68.5
Result from restructuring	0.0	17.9
Income taxes	-35.1	-16.2
Profit for the year	100.4	70.2
Cost/income ratio bank standalone	35.1 %	47.8 %
Return on equity before tax***	31.4 %	24.7 %
Return on equity after tax	23.3 %	20.0 %

* Includes the operating placement result from infrastructure/energy financing; in the income statement included in the result from valuations and realisations.

** Included in items 11 to 13 of the income statement.

*** Return on equity before tax = Profit for the period before tax projected to one year/common equity tier 1 capital as of 1/1.

Contact

Kommunalkredit Austria AG

Corporate Communications

P + 43 1 31631 153 or +43 1 31631 593

M communication@kommunalkredit.at

Kommunalkredit is a specialist for infrastructure and energy financing. Together with its customers as partners, the bank creates values that continuously improve people's lives. In doing so, it facilitates the construction and operation of infrastructure facilities by balancing the financing needs of project sponsors and developers with the growing number of investors looking for sustainable investment opportunities. Main investment segments are energy & environment | communications & digitalisation | transportation | social infrastructure | natural resources.