

PRESS RELEASE

KOMMUNALKREDIT AUSTRIA AG

Kommunalkredit: Successfully setting the pace for the green revolution**Another record half-year result confirms focus on infrastructure & energy**

Vienna, 08/08/2024

- **New business volume > EUR 1bn**
- **Operating result +19% | EUR 62m**
- **Cost/income ratio 39 %**
- **Return on Equity post tax 19%**
- **Investment grade ratings from S&P and Fitch improved**
- **Strengthening of capital base by EUR 100m**

Kommunalkredit Austria AG (Kommunalkredit) today published its half-year results for 2024. The strong result underlines the unabated need to invest in the energy transition and diversification of energy supply and to generate a sustainable impact for society on the one hand, as well as the strong market positioning of the bank on the other hand. With a new business volume of over EUR 1bn (H1 2023: EUR 797m), the bank for infrastructure and energy financing as well as public finance delivered an excellent performance in the first half of the year. The operating result according to IFRS increased by 19% year-on-year to EUR 62m. A cost/income ratio of 39% and a return on equity after tax of 19% were achieved. As of 30 June 2024, Kommunalkredit's core capital ratio was over 17%, after strengthening of the capital base the core capital totals EUR 638m.

Kommunalkredit once again supported a wide range of sustainable projects in the first half of 2024, including the construction of wind farms and photovoltaic plants in Portugal and Hungary, production of green aluminium in France and financing of pioneering diagnostic imaging in the healthcare sector in Ireland.

Kommunalkredit CEO Bernd Fislage: "We are motivated and focused to continue on our successful path for many years now. Our continuous growth is testament to our efficient business model, stringent risk management and the expertise and commitment of our employees. Together, we have set ourselves the goal of actively driving forward the green revolution."

The rating agencies have emphasised the established resilient business model, continuous increase in profitability, stable liquidity, risk-bearing capacity and capital strength in their latest assessments: The investment grade ratings from S&P Global ("BBB/A-2" | stable outlook) and Fitch ("BBB-/F3" | positive outlook) were raised in spring 2024. The covered bond rating was confirmed at "A+" by S&P in January 2024.

Key points H1 2024

At EUR 1,042m, the volume of new business was significantly higher than in the same period of the previous year (EUR 797m). 35% of the transactions concluded were in the Energy & Environment and Natural Resources sectors, 26% in Communication & Digitalisation, followed by 23% for Social Infrastructure. Germany, France and the UK were the most important markets in the first six months of 2024.

Kommunalkredit continued to pursue its diversified funding strategy in the first half of the year; funding sources remained stable in the areas of retail and wholesale deposits and direct business with corporate clients. Deposits from retail clients via the online investment platform KOMMUNALKREDIT INVEST amounted to EUR 2,122m as of 30 June 2024; deposits from municipalities via KOMMUNALKREDIT DIREKT and deposits from corporate clients/institutional clients amounted to EUR 1,026m.

In addition, the bank placed a public senior preferred bond with a term of five years and a volume of EUR 300m with institutional investors in the first half of the year and increased this by EUR 100m to EUR 400m in a further step.

Key performance indicators H1 2024 of Kommunalkredit Group according to IFRS

The operating result (consolidated profit for the period before taxes, excluding credit risk, valuation and operating sales result from infrastructure/energy financing) increased by 19% to EUR 62m (H1 2023: EUR 52m). The cost/income ratio was 39%; the return on equity after tax was 19%. Net interest income increased by 10% to EUR 90m (H1 2023: EUR 82m), while net fee and commission income rose to EUR 21m (H1 2023: EUR 15m).

Change of ownership

The change of control announced in February 2023 was completed on 15 July 2024 following a positive decision by Austrian and European authorities. Green Opera Finance BidCo AB, which belongs to Swedish investor Altor, acquired 99.8% of the shares, while the previous shareholders each indirectly acquired a 9.9% stake in the buyer company. The strengthening of the capital base by EUR 100m was made on 29 July 2024 to support Kommunalkredit on its growth path.

Outlook

In volatile times, characterised by global geopolitical crises and challenging macroeconomic conditions, one thing must be clear: investments for and in the future are needed now. The urgently needed energy transition, decarbonisation of the economy and digitalisation require a broad diversification of financing forms and lenders across sectors, regions, industries and asset classes.

Since its realignment in 2015, Kommunalkredit has been growing continuously and is driving forward sustainable projects and investments with regard to European and national climate and energy targets, the rapid expansion of digitalisation and communication projects as well as social infrastructure. "We are pioneers in planning, developing, financing and realising sustainable projects and innovative technologies. Together with our new majority shareholder Altor, we want to become the 'European Green Transition Financing Champion' and utilise scaling effects with the EUR 100m capital injection to provide even more targeted support for the transformation to a sustainable future," says Fislage.

Kommunalkredit's half year report 2024 is now available at
<https://www.kommunalkredit.at/en/investor-relations/reports>

Selected figures Kommunalkredit Group acc. to IFRS in EUR million or %	30/06/2024	31/12/2023
Total assets	6,013.5	5,871.1
Total capital	615.6	577.0
	1/1-30/06/2024	1/1-30/06/2023
Net interest income	89.5	81.8
Net fee & commission income	21.3	14.5
General administrative expenses	-48.7	-41.9
Operating result¹	61.5	51.6
Loan impairment, valuation and realised gains	0.8	3.7
Consolidated profit for the year before tax	62.3	55.3
Income taxes	-15.2	13.6
Consolidated profit for the year	47.1	41.7
Return on equity before tax ²	24.8%	27.5%
Return on equity after tax ²	18.7%	20.8%
Cost/income ratio (based on operating result) ³	39.0%	42.0%

Selected figures Kommunalkredit Austria AG under Austrian GAAP in EUR million or %	30/06/2024	31/12/2023
Total assets	6,003.2	5,833.6
Total capital	540.0	491.7
	1/1-30/06/2024	1/1-30/06/2023
Net interest income	83.1	71.8
Net fee & commission income	13.1	12.6
General administrative expenses	-37.0	-34.7
Operating result	62.9	50.9
Loan impairment, valuation and realised gains	0.6	-0.2
Profit for the year before tax	63.5	50.6
Income taxes	-15.2	-13.7
Profit for the year	48.2	36.9
Return on equity before tax ²	23.9%	23.5%
Return on equity after tax ²	18.2%	17.1%
Cost/income ratio bank standalone	37.6%	41.9%

¹ Operating result = pretax result for the period excluding credit risk, valuation and operating placement result from infrastructure/energy financing.

² Return on equity = Profit for the period projected to one year/common equity tier 1 capital as of 1/1.

³ Result from subsidiary KPC (cost plus model) netted in cost/income ratio calculation to provide fair view on efficiency.

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.