



MID-YEAR FINANCIAL REPORT 2023

TABLE OF CONTENT

Interim Management Report	3
Economic framework	3
Purpose of the company	4
Business performance in the first half of 2023	4
Portfolio / Risk structure	5
Capital measures taken by the Republic of Austria since nationalisation	6
Rating	6
Legal proceedings	6
Special risks	6
Balance sheet structure and earnings	7
Outlook	9
Condensed Interim Financial Statements	10
Condensed balance sheet of KA Finanz AG pursuant to the Austrian Company Code / Austrian Banking Act	10
Condensed income statement of KA Finanz AG pursuant to the Austrian Company Code / Austrian Banking Act	11
Explanatory notes to the interim financial statements of KA Finanz AG	12
Letter of representation on the mid-year financial report	15
Report on the review of the condensed interim financial statements as of 30 June 2023	16

INTERIM MANAGEMENT REPORT

Economic framework

In 2022, Russia's war of aggression against Ukraine slowed down the pace of economic recovery. As a result, worldwide economic output grew by only 3.3%, a considerable reduction from the 6% global economic growth-rate of the preceding year. In its June 2023 report, the OECD forecasts 2.7% global economic growth for 2023 and 2.9% for 2024, with persistently high inflationary risks.

Despite signs of improvement, economic recovery has remained sluggish in 2023, with significant downside risks. Core inflation is proving to be persistent and the effects of higher interest rates are being increasingly felt in all sectors of the economy. While the OECD expects the Chinese economy to grow by 5.4% in 2023 and 5.1% in 2024, it predicts economic growth of only 1.6% and 1%, respectively, in the USA and 0.9% and 1.5% in the euro area.

In its June 2023 economic forecast, the Austrian central Bank (*Oesterreichische Nationalbank, OeNB*) expects the continued phase of stagflation in the first half of 2023 to be followed by positive real GDP growth in Austria. Weak economic growth at a rate of 0.5% is projected for 2023 as a whole. The Austrian economy is expected to grow at a rate of 1.7% in 2024 and 1.6% in 2025. Driven by high energy prices, the rate of inflation (HICP) peaked at 8.6% in 2022 and is expected to decline in the coming years (to 4.1% in 2024 and 2.9% in 2025). Currently, however, all forecasts are highly uncertain, given the global tightening of monetary policy to contain inflation, uncertainties due to the ongoing Russian war against Ukraine, and increasing geopolitical fragmentation.

The ECB continued its policy of increasing interest rates into the summer of 2023. Further rate hikes by the ECB in 2023 will depend on current inflationary developments, the goal being a return to its medium-term inflation target of 2.0%.

Purpose of the company

KA Finanz AG (KF) was established on 28 November 2009 through the demerger of the former Kommunalkredit¹ as the legal successor of the latter. As provided for in the restructuring plan approved by the European Commission (EC) / General Directorate on Competition, on 31 March 2011, KF is responsible for the structured wind-down of the non-strategic portfolio.

From 6 September 2017, the date of the administrative decision issued by the Financial Market Authority (*Finanzmarktaufsicht* – FMA), KF has been operated as a wind-down unit pursuant to sect. 162 of the Austrian Bank Recovery and Resolution Act and continues to be subject to supervision by the FMA.

Since that time, KF has pursued the wind-down of its exposures at an accelerated pace and has thereby, in particular, consistently eliminated higher credit risks as well as event risks. In 2022, based on a detailed assessment of disposal options versus the costs of continued operation, the wind-down horizon was shortened by three years to the end of 2023 and the decision was made to transfer the portfolio to ABBAG (*Abbaumanagementgesellschaft des Bundes*), a company wholly owned by the Republic of Austria and responsible for the management of wind-down entities. These measures are in accordance with KF's mandate of maximising the potential of portfolio realisation as quickly as possible (sect. 84 para. 2 of the Federal Act on the Recovery and Resolution of banks).

Business performance in the first half of 2023²

KF's business activity in the first half of 2023 was focused on implementing the transfer of the so-called DACH portfolio - i.e. exposures with underlying risks from Austria, Germany and Switzerland - to ABBAG and to complete the wind-down, as far as possible, of all other exposures. The transfer was successfully implemented in June 2023, as was the wind-down of positions not included in the transfer.

In the first half of 2023, KF wound down risk positions in a nominal amount of EUR 2.8 billion, including EUR 145.7 million through scheduled redemptions.

Based on the contract signed on 9 May 2023, the transfer of asset positions to ABBAG was executed during three trade days in June 2023. Alongside the DACH portfolio, 21 interest-rate hedging transitions were transferred. The transfer of the portfolio was executed at so called "Bundeskonditionen" (transaction basis between corporations wholly owned by the Republic of Austria), i.e. on the basis of financing costs and fees in connection with the transaction and the future servicing of the exposures.

The purchase price for the portfolio was offset against KF's liabilities to ABBAG. Part of the purchase price (EUR 300 million) payable by ABBAG was deferred with interest for a maximum of 29 months.

On KF's asset side, the transfer to ABBAG resulted in extraordinary profits of approximately EUR 162 million compared to existing model valuations. In addition, the significantly accelerated wind-down leads to substantial final savings in general administrative expenses:

¹ In the following, these designations are used for the entities involved:

- Kommunalkredit Austria AG, prior to 2009 merger (up to 28/11/2009): former Kommunalkredit
- Kommunalkredit Austria AG, since 2009 merger until 2015 demerger for reconstitution (up to 26/09/2015): Kommunalkredit Old
- Kommunalkredit Austria AG, after 2015 demerger for reconstitution (from 26/09/2015): Kommunalkredit
- KA Finanz AG: KF

² The reporting currency is the euro. Pursuant to § 58 (1) of the Austrian Banking Act, assets and liabilities denominated in foreign currencies are translated at the rates of exchange notified by the European Central Bank (ECB) on the balance sheet date. Forward transactions not yet settled are translated at the forward exchange rate on the balance sheet date.

The addition of rounded amounts and percentages may result in rounding differences.

had the wind-down process continued as originally planned for another three years, relevant additional costs of EUR 60 - 70 million would have been incurred.

As part of the transaction, interest rate hedges on the liability side had to be terminated. The P&L effects resulting from the termination of such derivatives were previously neutralized by the counteracting market value development of the hedged liabilities. Given that KF's wind-down activities will be terminated as of the end of 2023, the funds raised will be repaid three years earlier than planned at their nominal value rather than at the lower market value.

As of 30 June 2023, the effect of the termination of the interest-rate hedges (approx. EUR - 206 million) is recognised unilaterally in KF's income statement. The positive counteracting effect of the lower market value of the liability side (approx. EUR 208 million) is therefore not recognised on KF's balance sheet, but (indirectly) in the federal budget via the early full repayment of the ABBAG funding.

As of 30 June 2023, the KF accounts have been prepared according to the gone-concern principle. Within the framework of the accounting procedure, additional provisions were set up for prudential reasons, to cover the costs of the liquidation phase and legal risks (EUR 273 million). The legal assessments regarding KF's chances of winning the pending proceedings have not changed.

Portfolio / Risk structure

As at 30 June 2023, KF's total exposure amounted to EUR 336.4 million (31/12/2022: EUR 2.8 billion), comprising EUR 5.3 million in loans (31/12/2022: EUR 2.1 billion) and other positions (above all purchase price deferral, but also money-market transactions and derivatives) in the amount of EUR 331.1 million (31/12/2022: EUR 107.8 million).

The following table shows the development of exposure amounts since the end of 2008:

Table: Development of exposure amounts since November 2008, in EUR million

Development of exposure amounts since November 2008 in EUR million	28/11/2008-31/12/2009	31/12/2022	30/06/2023
Total exposure	30,000 / 27,299	2,768.6	336.4
of which securities / loans	15,200 / 13,630	2,657.2	5.3
of which CDS and guarantees	23,200 / 10,737	3.6	0.0
of which other (money market / derivatives)	2,600 / 2,932	107.8	331.1
Total assets pursuant to Austrian Company Code	- / 17,657	3,349.4	562.7
Reduction in total exposure (wind-down, redemption, FX effects)		-616.6	-2,432.2

The remaining loan exposure comprises two loans to territorial authorities in Switzerland with short residual terms, which have meanwhile been redeemed. The other exposure essentially consists of the purchase price deferral as well as derivatives in settlement and outstanding collateral.

As of 30 June 2023, no specific loan loss provisions were booked (31/12/2022: EUR 0.0 million); all portfolio loan loss provisions were released (31/12/2022: EUR 2.0 million).

As of the cut-date, hidden burdens in the portfolio amounted to EUR 12.5 million.

Capital measures taken by the Republic of Austria since nationalisation

Owing to the expiry of the last issuance guarantees in August 2020, the total volume of capital support measures provided by the Republic of Austria in a net amount of EUR 2.027 billion as at 31 December 2020 has remained unchanged since.

For capital support measures provided on the basis of the recapitalisation agreement of 17 November 2009, the Republic of Austria is entitled to receive future annual profits (senior to profit participation rights and equity instruments) and/or future liquidation proceeds (senior to equity instruments, but junior to all other liabilities) in the amount of EUR 1.786 billion (cut-off date 30 June 2022).

Rating

KA Finanz AG (KF)'s rating by Standard & Poor's (S&P) remains unchanged at AA+/A-1+ (short-term/long-term). The rating outlook is stable.

Legal proceedings

No major changes to KF's legal risks, including those resulting from pending proceedings, occurred as compared to the annual financial statements as at 31 December 2022. Nevertheless, considering the company's forthcoming liquidation and in line with the associated elevated level of prudence, provisions were determined at a conservative level (see Note 2. Changes of accounting and valuation methods).

On the basis of information obtained from respective legal counsel, the Board of KF reinforce their unchanged view that the objections and claims raised are unfounded. All the necessary steps are being taken to contest the objections and claims raised in the proceedings.

Special risks

Following the transfer of the portfolio, KF is factually no longer affected by the persistent volatilities of the money and capital markets and the global economic impacts and increased geopolitical risks arising, in particular, by the Russian war of aggression against Ukraine.

Balance sheet structure and income position

Assets

As at 30 June 2023, KF's total assets amounted to EUR 0.6 billion (31/12/2022: EUR 3.3 billion), down by 83.2% or EUR 2.7 billion from their 2022 year-end value. The reduction is mainly attributable to the transfer of the DACH portfolio to ABBAG in June 2023. Additionally, further active portfolio wind-down measures were taken and loans were redeemed according to schedule in the first half of 2023.

The following table shows the wind-down of risk positions since the beginning of the restructuring process in November 2008:

Table: Wind-down of risk positions since November 2008, in EUR million

Wind-down of risk positions since November 2008 in EUR million*	Total 2008 to 2021	2022	01 to 06/2023	Total 2008 to 06/2023
Securities – sold	9,293.2	74.8	495.8	9,863.8
Loans – sold	1,735.3	52.7	2,162.8	3,950.8
CDS – sold	10,805.6	0.0	0.0	10,805.6
Total sold	21,834.1	127.5	2,658.5	24,620.2
Securities – redeemed	3,955.2	10.9	2.6	3,968.7
Loans – redeemed	4,217.6	196.9	139.6	4,554.1
CDS/guarantees – matured	1,394.6	0.3	3.6	1,398.5
Total redeemed	9,567.4	208.1	145.7	9,921.2
Total sold / redeemed	31,401.5	335.6	2,807.4	34,541.3

* from 2017 nominal values, before 2017 book values

In total, KF has reduced its risk positions by EUR 34.5 billion since the start of the restructuring process in November 2008. The better part thereof - approx. EUR 24.6 billion of security, CDS and loan positions - have been actively wound-down (sales, negotiated early redemptions, restructurings).

The position "Other assets" in the amount of EUR 0.3 billion (31/12/2022: EUR 0.1 billion) represents the largest asset item on the balance sheet following the portfolio transfer. It consists mainly of receivables from ABBAG due to a partial purchase price deferral in connection with the transfer of the DACH portfolio.

In addition to loans, debt securities in the amount of EUR 0.2 billion were held as of 31 December 2022. These were also transferred to ABBAG in June 2023. Loans and advances to banks, including OeNB, amount to EUR 0.2 billion (31/12/2022: EUR 0.4 billion).

Funding structure / Liquidity

Since 2017, KF has obtained funding exclusively from ABBAG, a company wholly owned by the Republic of Austria responsible for the management of wind-down entities. Since then, KF has withdrawn from the capital market as an issuer. As at 30 June 2023, KF's legacy funding amounted to EUR 0.1 billion. During the first half of 2023, an amount of EUR 110 million in legacy funding was redeemed.

Funding from ABBAG outstanding as at 30 June 2023 amounted to EUR 0.4 billion (31/12/2022: EUR 3.0 billion) and is recognised under amounts owed to customers. The total funding volume thus stands at approximately EUR 0.5 billion (31/12/2022: EUR 3.2 billion).

Income statement

For the first half of 2023, KF reported an after-tax result for the period of EUR -343.1 million (HY1 2022: EUR 27.0 million). The operating result, which deteriorated to EUR -77.6 million (HY1 2022: EUR 0.9 million), comprises the result from the termination of interest-rate hedges within the framework of the transfer of the DACH portfolio. Given the substantial special effects explained earlier and the portfolio transfer, the figures are not fully comparable with the previous year's values.

The main income and expense categories contributing to KF's net result were as follows:

- *Net interest income*
Net interest income amounted to EUR 11.2 million (HY1 2022: EUR 7.4 million).
- *Net fee and commission income*
In the first half of 2023, net fee and commission income amounted to EUR -0.3 million (HY1 2022: EUR -0.4 million).
- *Other operating result (other operating income and expenses)*
In the first half of 2023, KF's other operating result came to EUR -81.6 million (HY1 2022: EUR 1.1 million). The other operating result includes losses from the closure of interest-rate hedges in the amount of EUR 83.7 million. The loss is booked against positive effects from the transfer of the hedged portfolio, which are recognised in the net valuation result.
- *General administrative expenses*
KF's general administrative expenses in the first half of 2023 amounted to EUR 7.0 million (HY1 2022: EUR 7.1 million), with EUR 5.4 million (HY1 2022: EUR 5.2 million) accounted for by other administrative expenses and EUR 1.6 million (HY1 2022: EUR 1.9 million) by personnel expenses.

Besides current expenses incurred for the operation of the company's business, other administrative expenses also include compensation paid for operational services provided by Ithuba Capital AG (Ithuba) and its sub-providers on the basis of a service agreement.

- *Net valuation and realisation result*
In the first half of 2023, the net result of valuations and realisations, including expenses and income from the valuation and wind-down of the portfolio as well as the transfer of the DACH portfolio to ABBAG, amounted to EUR 7.2 million (HY1 2022: EUR 27.8 million). The amount comprises the results generated through portfolio wind-down, including fees, transaction costs and commissions in connection with the transfer of derivatives (EUR 203.5 million). Moreover, it includes the costs of closing hedges in connection with the redemption of liabilities (EUR 205.5 million). Owing to the elimination of the DACH portfolio, deferred revenue and portfolio loan loss provisions (EUR 5.6 million) were released. Income from current valuations amounted to EUR 3.6 million.

Outlook

The Annual General Meeting of KF has been scheduled for 17 October 2023, to vote on the dissolution of the company effective as at midnight 31 December 2023 and thus resolve on its entry into liquidation as of 1 January 2024. The effectiveness of this resolution of dissolution will be subject to the condition precedent that the Financial Market Authority (FMA) issues a legally binding decision by midnight 31 December 2023, at the latest, on the termination of the wind-down unit's operations pursuant to sect. 84 para. 12 of the Austrian Bank Recovery and Resolution Act. Upon receipt of the legally binding decision by the FMA, KF is no longer subject to the provisions of the Bank Recovery and Resolution Act.

The duration of the wind-down will depend mainly on pending legal proceedings.

Vienna, 30 August 2023

The Executive Board of
KA Finanz AG



Gabriele Müller

Spokesperson of the Executive Board



Helmut Urban

Member of the Executive Board

CONDENSED INTERIM FINANCIAL STATEMENTS

Condensed Balance Sheet of KA Finanz AG pursuant to the Austrian Company Code / Austrian Banking Act

Assets in TEUR	30/06/2023	31/12/2022
Cash and balances with central banks and post office giro institutions	203,523.1	191,820.9
Loans and advances to banks	31,431.9	170,868.9
Loans and advances to customers	18,777.9	2,716,354.3
Bonds and other fixed-income securities	0.0	215,848.6
Property, plant and equipment	15.6	31.0
Other assets	308,490.4	52,759.5
Accruals/deferrals	498.7	1,667.1
Total assets	562,737.6	3,349,350.3

Liabilities in TEUR	30/06/2023	31/12/2022
Amounts owed to banks	19,850.0	117,684.3
Amounts owed to customers	446,450.0	2,980,435.6
Securitized liabilities	2,448.5	77,613.6
Other liabilities	97,945.6	60,231.5
Accruals/deferrals	0.0	4,991.0
Provisions	332,937.2	67,183.1
Fund for general banking risks	6,164.4	6,164.4
Tier 2 items (pursuant to Chapter 4 of Title I of Part Two of Regulation (EU) No 575/2013)	0.0	35,046.8
Subscribed capital	389,000.0	389,000.0
Capital reserves	74,819.4	74,819.4
<i>additional paid-in capital</i>	65,845.8	65,845.8
<i>unappropriated reserves</i>	8,973.6	8,973.6
Statutory reserve pursuant to § 57 (5) of the Austrian Banking Act	93,388.1	93,388.1
Net loss	-900,265.6	-557,207.5
<i>of which loss carryforward</i>	-557,207.5	-557,207.5
<i>of which result for the period</i>	-343,058.1	0.0
Total liabilities	562,737.6	3,349,350.3

Condensed Income Statement of KA Finanz AG pursuant to the Austrian Company Code / Austrian Banking Act

in TEUR	01/01/2023 - 30/06/2023	01/01/2022 - 30/06/2022
Interest and similar income	63,731.9	30,004.5
Interest and similar expenses	-52,487.8	-22,576.2
Net interest income	11,244.1	7,428.3
Fee and commission income	-346.6	-405.6
Income / expenses from financial transactions	116.0	-0.9
Other operating income	2,516.0	12,706.3
Operating income	13,529.5	19,728.1
General administrative expenses	-6,979.6	-7,139.0
Personnel expenses	-1,637.8	-1,891.3
Other administrative expenses (non-personnel)	-5,341.8	-5,247.7
Other operating expenses	-84,148.6	-11,657.2
Operating expenses	-91,128.2	-18,796.2
Operating result	-77,598.6	931.9
Net result from valuations and realisations	7,185.7	27,845.5
Profit on ordinary activities	-70,412.9	28,777.4
Extraordinary expenses	-272,642.5	0.0
Extraordinary result	-272,642.5	0.0
Taxes on income and earnings	-2.7	-1,798.7
Result for the period	-343,058.1	26,978.7

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS OF KA FINANZ AG

1. General principles

These interim financial statements of KA Finanz AG (KF), prepared in accordance with the relevant company-law and regulatory provisions, comprise a condensed balance sheet, a condensed income statement and explanatory notes. The interim financial statements as at 30 June 2023 are supplemented by an interim management report. The interim financial statements presented for the period from 1 January to 30 June 2023 do not contain all the information and disclosures usually required for annual financial statements and, therefore, are to be read only in conjunction with the 2022 annual financial statements of KF.

2. Accounting and measurement principles

In June 2023, the DACH portfolio was transferred to ABBAG (*Abbaumanagementgesellschaft des Bundes*). Given that KF in depth reviewed and concluded all possible and implementable wind-down measures that were commercially viable in June 2023, the Executive Board arrived at the conclusion that as of 30 June 2023 the company is no longer to be treated as a going concern. The mid-year financial statements therefore are no longer subject to going-concern accounting principles. Nevertheless, a number of relevant principles still apply, such as the realisation principle. The resolution to wind up the company is to be adopted at the Annual General Meeting of KF scheduled for 17 October 2023.

Based on the opinion of the law firms involved in the ongoing legal proceedings and their assessment of potential developments, it is expected that the liquidation will last until 2030, at the latest. The accounting and measurement methods applied in these mid-year financial statements no longer treat the company as a going concern, but the accounting and measurement principles according to local GAAP still apply, except for the items specified in the following. For details, please refer to the Annual Report as at 31 December 2022.

Compared to KF's annual financial statements as at 31 December 2022, the accounting and valuation methods have changed as follows:

- Provisions for conservatively estimated personnel and other administrative expenses to be incurred during the period of liquidation have been set up. In addition to current operating expenses, other administrative expenses comprise legal and consultancy fees for the liquidation of the company and the outsourcing of functions during the liquidation period.
- Additional provisions were set up for legal risks, discounted on the assumption that payments will be made at the expected points in time. The Executive Board's assessment of the probability of losses resulting from the individual law suits has not changed since 31/12/2022.

In total, provisions were set up in the amount of EUR 272.6 million, which are recognised in the income statement under extraordinary expenses.

3. Other disclosures

a. Review of earnings

Disclosures regarding the development of earnings in the first half of 2023 and the significant events during the period under review are contained in the interim management report.

b. Negative equity

As of the mid-year cut-off date, KF's equity after provisions came to EUR -343.1 million. This is not a case of over-indebtedness under insolvency law, since the loss, as in previous years, reduces the obligation to repay funding provided by ABBAG (*Abbaugesellschaft des Bundes*) by a corresponding amount at year-end.

c. Contingent liabilities

As at 30 June 2023, contingent liabilities were as follows:

in TEUR	30/06/2023	31/12/2022
Contingent liabilities		
Sureties and guarantees	2,600.0	12,473.0
of which credit default swaps	2,600.0	8,900.0
of which guarantees	0.0	3,573.0

The remaining credit default swap (CDS) position of TEUR 2,600.0 (31/12/2022: TEUR 8,900.0) is a hedging transaction relating to an own issue.

The market value of the CDS portfolio is as follows:

in TEUR	Market values 30/06/2023	Market values 31/12/2022
Credit default swaps	0.3	-7.6

d. Legal risks and other obligations

Compared to the previous year, no major changes to KF's legal risks, including those resulting from pending proceedings, have occurred. Nevertheless, in line with the extended principle of prudence and against the background of the company's forthcoming liquidation, provisions were booked in the mid-year financial accounts (see Note 2. Changes of accounting and valuation methods).

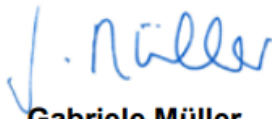
On the basis of information obtained from their legal counsel, the governing bodies of the company maintain their opinion that the objections and claims raised are unfounded. All the necessary steps are being taken to contest the objections and claims raised in the proceedings.

e. Events after the balance sheet date

Having completed the wind-down of its portfolio in July 2023, KF has to draw up a status report pursuant to sect. 84 paras. 9-12 of the Federal Act on the Recovery and Resolution of Banks and submit it to the Austrian Financial Market Authority (FMA). On 17 October 2023, the Annual General Meeting of KF will presumably vote on the dissolution of the company effective as at midnight 31 December 2023 and thus resolve on its entry into liquidation as of 1 January 2024. The effectiveness of this resolution of dissolution will be subject to the condition precedent that the Financial Market Authority (FMA) issues a legally binding decision by midnight 31 December 2023, at the latest, on the termination of the wind-down unit's operations pursuant to sect. 84 para. 12 of the Austrian Bank Recovery and Resolution Act. Upon receipt of the legally binding decision by the FMA, KF is no longer subject to the provisions of the Bank Recovery and Resolution Act.

Vienna, 30 August 2023

The Executive Board of
KA Finanz AG



Gabriele Müller

Spokesperson of the Executive Board



Helmut Urban

Member of the Executive Board

LETTER OF REPRESENTATION ON THE MID-YEAR FINANCIAL REPORT

We herewith **confirm** to the best of our knowledge that the condensed **Interim Financial Statements** prepared in accordance with the relevant accounting standards present a true and fair view of the assets, the financial position and the income of the company and that the **Interim Management Report** presents a true and fair view of the assets, the financial position and the income of the company as regards the important events during the first six months of the business year and their impact on the condensed Interim Financial Statements, and as regards the material risks and uncertainties of the remaining six months of the business year.

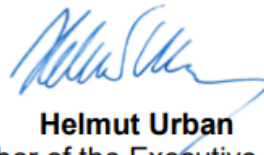
Vienna, 30 August 2023

The Executive Board of
KA Finanz AG



Gabriele Müller

Spokesperson of the Executive Board



Helmut Urban

Member of the Executive Board

REPORT ON THE REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2023

Introduction

We have reviewed the accompanying condensed interim financial statements of KA Finanz AG, Vienna, for the period from January 1, 2023 to June 30, 2023. The condensed interim financial statements comprise the balance sheet as of June 30, 2023 and the condensed income statement for the period from January 1, 2023 to June 30, 2023, and the notes to the interim financial statements.

Management is responsible for the preparation of these condensed interim financial statements in accordance with Austrian Generally Accepted Accounting Principles and the regulations of the Austrian Banking Act (as far as applicable according to Sec 84 BaSAG).

Our responsibility is to express a conclusion on these condensed interim financial statements.

Our liability towards the company and towards third parties is limited in accordance with § 125 par 3 Austrian Stock Exchange Act in connection with § 275 par 2 of the Austrian Commercial Code (UGB).

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements is limited primarily to making inquiries, primarily of company personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Highlighting a fact

We refer to the comments in the interim financial statements under section 2. change in accounting policies and the planned voting of a resolution to dissolve in October 2023 described there. Our summary assessment is not qualified with regard to this matter.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with Austrian Generally Accepted Accounting Principles and the regulations of the Austrian Banking Act (as far as applicable according to Sec 84 BaSAG).

Comment on the interim management report

We have read the accompanying interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim financial statements. Based on our evaluation, the interim management report does not contain any apparent inconsistencies with the condensed interim financial statements.

Vienna, 30 August 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

signed:
Dr. Peter Bitzyk
Wirtschaftsprüfer

Note: This report is a translation of the original report in German, which is solely valid. The condensed interim financial statements and the interim management report together with our review report may be published or transmitted only as agreed by us.

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