

14 November 2023

MiFID II / UK MiFIR Product Governance – Professional investors and ECPs only target market

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is (a) in the European Economic Area, eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MIFID II**”) and (b) in the United Kingdom, eligible counterparties (as defined in the FCA Handbook Conduct of Business Sourcebook) and professional clients (as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018) only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to (a) MIFID II and/or (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

KommuneKredit

Legal Entity Identifier (LEI): 529900D8QLTZ6PRLJL76

FINAL TERMS

U.S.\$ 350,000,000 SOFR Floating Rate Notes due 2025 (the *Notes*) pursuant to its

EUR 30,000,000,000 Euro Medium Term Note Programme

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 11 April 2023 (the *Information Memorandum*). These Final Terms must be read in conjunction with such Information Memorandum.

The Interest Rate in respect of the Notes will be determined on the basis of Compounded Daily SOFR (as defined in the Annex), which is a backwards-looking, compounded, risk-free overnight rate.

SOFR is published by the Federal Reserve Bank of New York, in cooperation with the OFR, and is intended to be a broad measure of the general cost of financing Treasury securities overnight. The Federal Reserve Bank of New York reports that SOFR includes all trades used in the Broad General Collateral Rate, plus data on transactions cleared through the Fixed Income Clearing Corporation's Delivery-versus-Payment ("DVP") repo service. The Federal Reserve Bank of New York notes that DVP repo transactions with rates below the 25th volume-weighted percentile rate are removed from the distribution of DVP repo data each day. This has the effect of removing some (but not all) transactions in which the specific securities are said

to be trading "special". In addition, the Federal Reserve Bank of New York notes that it excludes trades between affiliated entities, when relevant and when the data to make such exclusions is available. Similarly, it excludes trades negotiated for forward settlement. To the extent possible, "open" trades, for which pricing resets daily, are included in the calculation of SOFR.

The Federal Reserve Bank of New York reports that SOFR is calculated as a volume-weighted median, which is the rate associated with transactions at the 50th percentile of transaction volume. Specifically, the volume-weighted median rate is calculated by ordering the transactions from lowest to highest rate, taking the cumulative sum of volumes of these transactions, and identifying the rate associated with the trades at the 50th percentile of dollar volume. At publication, the volume-weighted median is rounded to the nearest basis point. The Federal Reserve Bank of New York notes that SOFR is based on transaction-level data collected under the supervisory authority of the Board of Governors of the Federal Reserve System and transaction-level data obtained from DTCC Solutions LLC, an affiliate of the Depository Trust & Clearing Corporation, under a commercial agreement. The Federal Reserve Bank of New York notes on its publication page for SOFR that the use of SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

The Federal Reserve Bank of New York began publishing SOFR in April 2018. The Federal Reserve Bank of New York has also published historical indicative SOFR going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR.

Prospective investors in the Notes should be aware that the market continues to develop in relation to SOFR as a reference rate in the capital markets and its adoption as an alternative to U.S. Dollar (U.S.\$) LIBOR. The market or a significant part thereof may adopt an application of SOFR or Compounded Daily SOFR that differs significantly from that set out in these Final Terms and the Issuer may in future issue notes referencing SOFR or Compounded Daily SOFR that differ materially in terms of interest determination when compared with any previous SOFR or Compounded Daily SOFR referenced notes issued by it. The development of SOFR as an interest reference rate for the bond markets, as well as continued development of SOFR-based rates, indices and averages for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. Similarly, if SOFR or Compounded Daily SOFR do not prove to be widely used in securities like the Notes, investors may not be able to sell the Notes at all or the trading price of the Notes may be lower than those of bonds linked to indices that are more widely used.

In addition, the manner of adoption or application of SOFR or Compounded Daily SOFR in the bond markets may differ materially compared with the application and adoption of SOFR, the SOFR Index or Compounded Daily SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR or Compounded Daily SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of the Notes.

Furthermore, the Interest Rate in respect of the Notes is only capable of being determined five U.S. Government Securities Business Days immediately prior to the relevant Interest Payment Date (subject as set out in these Final Terms). It may be difficult for investors in the Notes to

estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade the Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, if the Notes become due and payable in accordance with Condition 7, the final Interest Rate payable in respect of the Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, as the daily SOFR reference rate is published by the Federal Reserve Bank of New York based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that the daily SOFR reference rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes. If the manner in which the daily SOFR reference rate is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and the trading prices of the Notes. If the definition, methodology, formula, guidelines, or other means of calculating the daily SOFR reference rate is modified, references to SOFR and/or Compounded Daily SOFR shall be to SOFR and/or Compounded Daily SOFR as modified. Furthermore, to the extent that the daily SOFR reference rate does not appear as specified herein, the applicable rate to be used to calculate the Interest Rate on the Notes will be determined using the alternative methods described in the Annex (*Fallbacks*). Any of these Fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if the daily SOFR reference rate had been provided by the Federal Reserve Bank of New York in its current form. In addition, the use of the Fallbacks may result in a fixed rate of interest being applied to the Notes.

Accordingly, an investment in the Notes may entail significant risks not associated with similar investments in conventional debt securities. Any investor should ensure that it understands the nature of the terms of the Notes and the extent of its exposure to risk, and that it considers the suitability of the Notes as an investment in the light of its own circumstances and financial condition. An investor should consult its own professional advisers about the risks associated with investment in the Notes and the suitability of investing in the Notes in light of its particular circumstances.

1.	Issuer:	KommuneKredit
2.	(i) Series Number:	I23Z182090
	(ii) Tranche Number:	01
3.	Specified Currency or Currencies:	U.S. Dollar (U.S.\$)
4.	Aggregate Nominal Amount:	
	(i) Series:	U.S.\$350,000,000
	(ii) Tranche:	U.S.\$350,000,000
5.	(i) Issue Price:	101.324 per cent. of the Aggregate Nominal Amount
	(ii) Net Proceeds:	U.S.\$354,564,000
6.	(i) Specified Denominations:	U.S.\$200,000 and multiples of U.S.\$1,000 thereafter

(ii) Calculation Amount:	U.S.\$1,000
7. (i) Issue Date:	16 November 2023
(ii) Interest Commencement Date:	Issue Date
8. Maturity Date:	Interest Payment Date falling on or around 16 November 2025
9. Interest Basis:	Compounded Daily SOFR Floating Rate (Further particulars specified below)
10. Redemption/Payment Basis:	Redemption at par at maturity
11. Change of Interest or Redemption/Payment Basis:	Not Applicable
12. Put/Call Options:	Not Applicable
13. Status of Notes:	Senior
14. Listing:	Luxembourg regulated market
15. Method of distribution:	Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions:	Not Applicable
17. Floating Rate Note Provisions:	Applicable
(i) Specified Period(s)/Specified Interest Payment Dates:	16 February, 16 May, 16 August and 16 November in each year from and including 16 February 2024 to and including the Maturity Date, subject in each case to adjustment in accordance with the Business Day Convention specified below
(ii) Business Day Convention:	Modified Following Unadjusted
(iii) Additional Business Centre(s):	London and New York
(iv) Manner in which the Rate(s) of Interest is/are to be determined:	As set out in the Annex
(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	As set out in the Annex
(vi) Screen Rate Determination:	Not Applicable
(vii) ISDA Determination:	Not Applicable
(viii) Margin(s):	1.00 per cent. per annum

(ix) Minimum Rate of Interest:	Zero per cent. per annum
(x) Maximum Rate of Interest:	Not Applicable
(xi) Day Count Fraction:	Actual/360
(xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	As set out in the Annex
18. Zero Coupon Note Provisions:	Not Applicable
19. Index-Linked Interest Note Provisions:	Not Applicable
20. Dual Currency Note Provisions:	Not Applicable
21. Equity-Linked Interest Note Provisions:	Not Applicable
22. Commodity-Linked Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

23. Issuer Call:	Not Applicable
24. Investor Put:	Not Applicable
25. Final Redemption Amount:	U.S.\$1,000 per Calculation Amount
26. Equity-Linked Redemption Note Provisions:	Not Applicable
27. Commodity-Linked Redemption Note Provisions:	Not Applicable
28. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29. Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
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30.	New Global Note / New Safekeeping Structure:	Yes, New Global Note
31.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London and New York
32.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
33.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
34.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
35.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
36.	Consolidation provisions:	Not Applicable
37.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

38.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
39.	If non-syndicated, name of Dealer:	Bank of Montreal, London Branch
40.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

41.	(i) ISIN Code	XS2721040777
	(ii) FISN:	KOMMUNEKREDIT/VAREMTN 20251117 GTE
	(iii) CFI Code:	DTVTFB
42.	Common Code:	272104077

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| 43. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| 44. Delivery: | Delivery against payment |
| 45. Additional Paying Agent(s): | Not Applicable |
| 46. Intended to be held in a manner which would allow Eurosystem eligibility: | Yes |
| | <p>Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank SA/NV or Clearstream Banking SA as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.</p> |
| 47. United States Selling Restrictions: | Reg. S Compliance Category 1; TEFRA D |

LISTING APPLICATION

These Final Terms comprise the details required to list the issue of Notes described herein pursuant to the listing of the EUR 30,000,000,000 Euro Medium Term Note Programme of KommuneKredit.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised

Annex

Calculation of the Interest Rate

The Interest Rate for each relevant Specified Period shall be determined by Citibank, N.A. London Branch (the *Calculation Agent*) on each Interest Determination Date (as defined below) in accordance with the following provisions. The Interest Rate for each Specified Period shall apply with effect from the first day of each Specified Period (the *Reset Date*) for that Specified Period.

The *Interest Rate* for each Specified Period will, subject as provided below, be Compounded Daily SOFR plus the Margin.

Compounded Daily SOFR means the rate of return of a daily compound interest investment (with the daily secured overnight financing rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-5USBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means the number of calendar days in the relevant Specified Period;

d_o, for any Specified Period, means the number of U.S. Government Securities Business Days (as defined below) in the relevant Specified Period;

i means a series of whole numbers from one to *d_o*, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Specified Period;

U.S. Government Securities Business Day means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

“*n_i*” for any U.S. Government Securities Business Day *i* means the number of calendar days from, and including, such U.S. Government Securities Business Day *i* up to, but excluding, the following U.S. Government Securities Business Day;

Observation Period means, in respect of a Specified Period, the period from, and including, the date falling five U.S. Government Securities Business Days prior to the relevant Reset Date (and the first Specified Period shall begin on and include the Interest Commencement Date)

and ending on, but excluding, the date falling five U.S. Government Securities Business Days prior to the Specified Interest Payment Date for such Specified Period (or the date falling five U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

SOFR_{-5USBD} means the SOFR reference rate for the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant Observation Period) falling five U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”;

Interest Determination Date means the date falling five U.S. Government Securities Business Days prior to each Specified Interest Payment Date; provided, however, that if the Notes become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding the Interest Determination Date specified above, be deemed to be the date on which the Notes become due and payable and the Interest Rate on the Notes shall, for so long as any such Notes remain outstanding, be the Interest Rate determined on such date; and

the ***SOFR reference rate*** means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily secured overnight financing rate (***SOFR***) for such U.S. Government Securities Business Day as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York (the ***New York Fed's Website***) (in each case, on or about 5:00 p.m., New York City time, on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day).

Notwithstanding anything to the contrary in the Information Memorandum or these Final Terms, ***Specified Period*** means each period from, and including, the prior Specified Interest Payment Date (or, if there is no prior Specified Interest Payment Date, the Interest Commencement Date) to, but excluding, the next Specified Interest Payment Date (or, in the case of the final Specified Period, the Maturity Date), or in the case of the Notes becoming due and payable in accordance with Condition 7, the date on which the Notes become due and payable.

Fallback Provisions

If the SOFR reference rate does not appear on a U.S. Government Securities Business Day as specified above, unless both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date (each, as defined below) have occurred, the SOFR reference rate shall be deemed to be the rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Fed's Website; or

If the SOFR reference rate does not appear on a U.S. Government Securities Business Day as specified in the first paragraph above, and both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, the SOFR reference rate shall be deemed to be the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or by a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for SOFR (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator), provided that, if no such rate has been recommended within one U.S.

Government Securities Business Day of the SOFR Index Cessation Event, then the Interest Rate reference rate will be determined as if, for each U.S. Government Securities Business Day occurring on or after the SOFR Index Cessation Effective Date:

- (i) references to **SOFR** were references to the daily Overnight Bank Funding Rate (**OBFR**) as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate), on the New York Fed's Website on or about 5:00 p.m. (New York City time) on each day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City (**New York City Banking Day**) in respect of the New York City Banking Day immediately preceding such day (**OBFR reference rate**);
- (ii) references to **U.S. Government Securities Business Day** were references to **New York City Banking Day**;
- (iii) references to **SOFR Index Cessation Event** were references to **OBFR Index Cessation Event** (as defined below); and
- (iv) references to **SOFR Index Cessation Effective Date** were references to **OBFR Index Cessation Effective Date** (as defined below);

and provided further that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Event and an OBFR Index Cessation Event has occurred, then the Interest Rate reference rate will be determined as if, for each U.S. Government Securities Business Day occurring on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date:

- (a) (references to the **SOFR reference rate** were references to the short-term interest rate target set by the Federal Open Market Committee and published on the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website of the Board of Governors of the Federal Reserve System (the **Federal Reserve's Website**) or, if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place, 0.005 being rounded upwards);
- (b) references to **U.S. Government Securities Business Day** were references to **New York City Banking Day**; and
- (c) references to the **New York Fed's Website** were references to the **Federal Reserve's Website**.

In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions, the Interest Rate shall be (i) that determined at the last preceding Interest Determination Date or (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the scheduled first Specified Period had the Notes been in issue for a period equal in duration to the scheduled first Specified Period but ending on, and excluding, the Interest Commencement Date.

If the Notes become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in these

Final Terms, be deemed to be the date on which the Notes became due and payable and the Interest Rate on the Notes shall, for so long as any such Notes remain outstanding, be the Interest Rate determined on such date.

Where:

SOFR Index Cessation Event means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or any successor administrator of SOFR) announcing that it has ceased or will cease to provide SOFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide SOFR; or
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or any successor administrator of SOFR) has ceased or will cease to provide SOFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide SOFR; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of SOFR that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

SOFR Index Cessation Effective Date means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of SOFR), ceases to publish SOFR, or the date as of which SOFR may no longer be used;

OBFR Index Cessation Event means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or any successor administrator of the OBFR) announcing that it has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide OBFR; or
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or any successor administrator of OBFR) has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide OBFR; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of OBFR that applies to, but need not be limited to, all swap transactions, including existing swap transactions; and

OBFR Index Cessation Effective Date means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the OBFR), ceases to publish the OBFR, or the date as of which the OBFR may no longer be used.