

German railway technology for the Portuguese railway sector

Financing cleaner, safer, smarter investments

Land-Based Transportation
April 2024



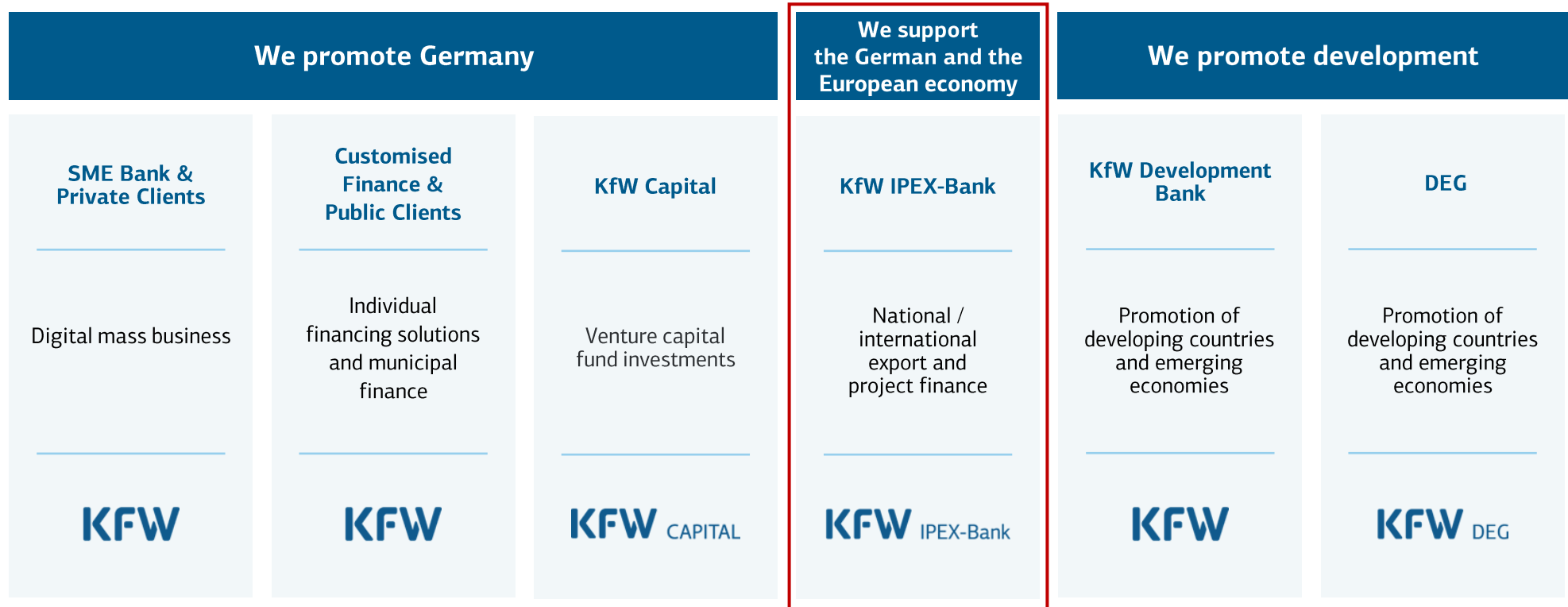
Agenda

- 1 **KfW IPEX-Bank – who we are & what we do**
- 2 **Financing options in the rail sector – a general overview**
- 3 **Financing / Funding of railway projects in Portugal (and abroad)**

KfW IPEX-Bank – who we are & what we do

Domestic and international promotion

Business sectors



KfW IPEX-Bank

Commercial lending within KfW Group

KfW

KfW IPEX-Bank

Domestic loan programmes + international development aid	Tasks	Global project, export and trade finance
1948	Founded	2008
80% Federal Republic, 20% federal states	Shareholder/s	100% KfW
AAA (S&P) / Aaa (Moody's) / AAA (Scope)	Rating	AA+ (S&P) / Aa2 (Moody's)
Wide range of promotional instruments	Instruments	Tied medium and long-term financings
EUR 111.3 billion	Commitment volume 2023	EUR 24,2 billion
Approx. 80 countries	Locations	11 representative offices in Europe, Asia, Africa, the Americas and the Middle East

Our Land-Based Transportation Customers and their Investments

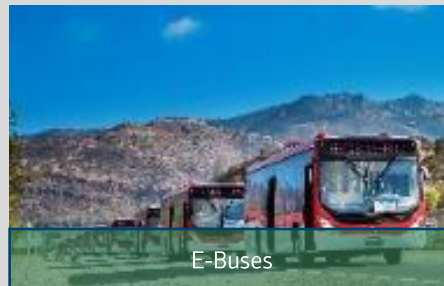
**States and
Municipalities**

**Company in the sector
Mobility & Transport**

**Lessors of Assets &
Infrastructure**

OEMs, EPCs, Suppliers

Municipal Transport



Rail Transport



Mobility Assets



Financing options in the rail sector

- a general overview -

Leasing – Case Study

Financing for up to 30 hybrid locomotives for Rive Rail Leasing 5 Limited



Asset-based lease financing of up to 30 Siemens Vectron Dual Mode (VDM) locomotives for Rive Rail Leasing 5 Limited

- Total loan amount: EUR 92,231,250 (Term Loan & VAT Facility)
- KfW IPEX-Bank share: EUR 64,820,833

The challenge

- New asset type, without practical experience
- Regular remarketing risk of the locomotives during the term of the contract
- Residual value risk at the end of the financing term

The solution

- Asset-based financing which secures portfolio expansion with new hybrid locomotives for our customer
- State-of-the-art VDMs contribute positively to the rail transformation through CO₂ savings
- Hiring of experienced asset-manger Northrail for the ongoing remarketing of the locomotives

KfW IPEX-Bank's contribution

- Contact point for rail asset financing with attractive terms and long maturities
- KfW IPEX-Bank is Mandated Lead Arranger, Original Lender and Original Hedging Bank
- Successful syndication to experienced banks (Siemens Bank)

Railway Infrastructure

Green Loan for railway infrastructure in Norway (Bane Nor Eiendom)



The challenge

- Long-term financing requirement in local currency NOK.
- Integration of the financing within an existing Green Finance Framework.
- Financing of a large number of different eligible projects.

The solution

- Arranging of two local currency tranches in NOK including a bullet structure.
- Tailor-made harmonization of the loan documentation with the requirements of the Green Finance Framework.
- Establishing a new reporting system to enable allocation of proceeds to a large number of green projects.

The contribution of KfW IPEX-Bank

- Green Loan Facility in the amount of 1.148 billion Norwegian Kroner (approx. 100 million Euro) for financing upgrades and extensions of maintenance workshops for Bane Nor Eiendom.
- Two equal financing tranches with tenors of 7 and 9,5 years, respectively.

The contribution of KfW IPEX-Bank

- Expertise in long-term financing of railway infrastructure worldwide.
- Bespoke Green Loan advisory by our experts at KfW IPEX-Bank.

Public Private Partnership (PPP) – Case Study

Gold Coast Rapid Transit (Australia)



The challenge

- First light rail project in Queensland and second availability-based transport PPP in Australia
- Large-scale project (total investment AUD 2.3 billion)
- 18-year PPP concession vs. Australian banks lending tenor approx. 7 years

The solution

- Strong construction & operation parties / sponsors
- Regular negotiations with sponsors and State of Queensland (Grantor)
- Important capital contribution from Grantor during construction phase
- Experienced club deal consisting exclusively of foreign banks able to offer long-term financing

Gold Coast Rapid Transit, Australia

- Total investment volume: AUD 2.3 billion, largest project and BOT financing in the rail infrastructure sector to date in Australia
- AUD 366 million of senior loans provided by a club of banks
- Supporting German and European exports

The contribution of KfW IPEX-Bank

- Extensive expertise overseas in structuring light rail and availability-based transport PPPs
- Strong balance sheet and long-term finance
- Mandated Lead Arranger: 20 % share of AUD 366 million project finance

State Government of Victoria | Financing Option Paper | July 2021 – strictly private and confidential

ECA-covered financing – Case Study

ECA-covered financing of 5 Stadler EURODUAL locomotives



The challenge

- Arkas Lojistik needs high performance hybrid locomotives to develop its intermodal freight services
- The EURODUAL locomotives from Stadler Valencia (Spain) are to be financed over an extensive period of time
- Challenging macroeconomic environment

The solution

- SERV-covered buyer's credit to finance the purchase price and the SERV insurance premium
- Long tenor of 14 years plus delivery period; linear repayment profile

Financing

- Financing of €39 million for the purchase of 5 new Stadler EURODUAL locomotives for the market-leading Turkish logistics company Arkas Lojistik, a subsidiary of the Arkas Group
- The financing is covered by Swiss Export Credit Agency (SERV)

KfW IPEX-Bank's role

- Supporting the client in implementing ECA cover and managing the interface with SERV
- Asset know-how and long-standing relationship with the exporter
- Financing of sustainable assets to further grow Arkas Group's footprint in the intermodal transport space

Key takeaways

- There is a wide range of proven financing options available for rolling stock and related infrastructure
- However, there is no one-size-fits-all model and every structure has its own merit and trade-offs
- The priorities of the stakeholders determine the ideal financing structure
- KfW IPEX-Bank with its vast experience across different financing models is the right partner to develop a tailor-made structure





Financing / Funding of railway projects in Portugal (and abroad)

PROGRAMA NACIONAL
DE INVESTIMENTOS **2030**

ANEXOS

A.1. FICHAS DE PROJETO

A.2. ANTECEDENTES: PETI3+
2014-20

A.3. DIAGNÓSTICOS SETORIAIS

A.4. SÍNTESE DO PROCESSO DE
AUSCULTAÇÃO PÚBLICA



ANEXO A.1. FICHAS DE INVESTIMENTO
TRANSPORTES E MOBILIDADE

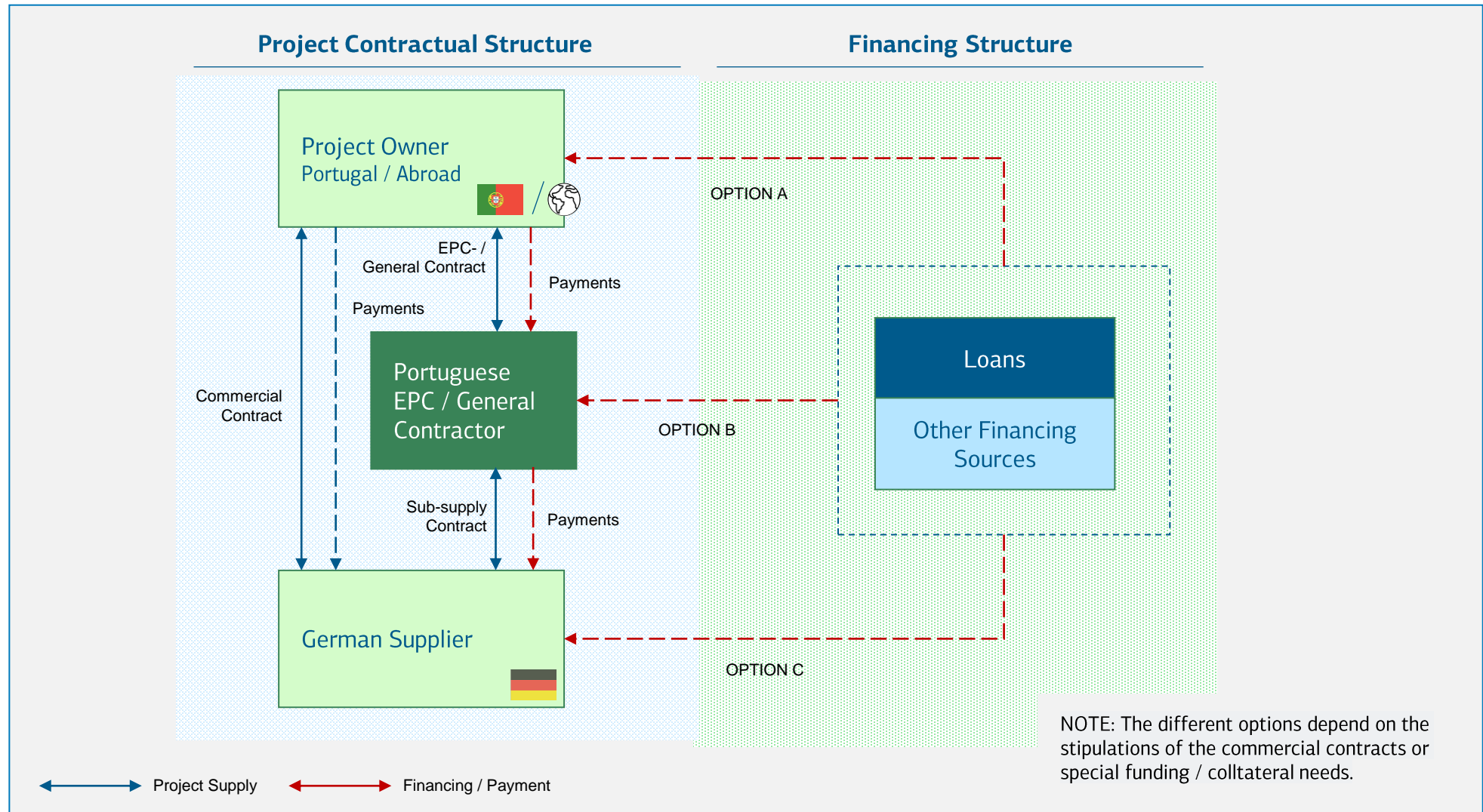
PROGRAMA NACIONAL
DE INVESTIMENTOS **2030**



TRANSPORTES E MOBILIDADE

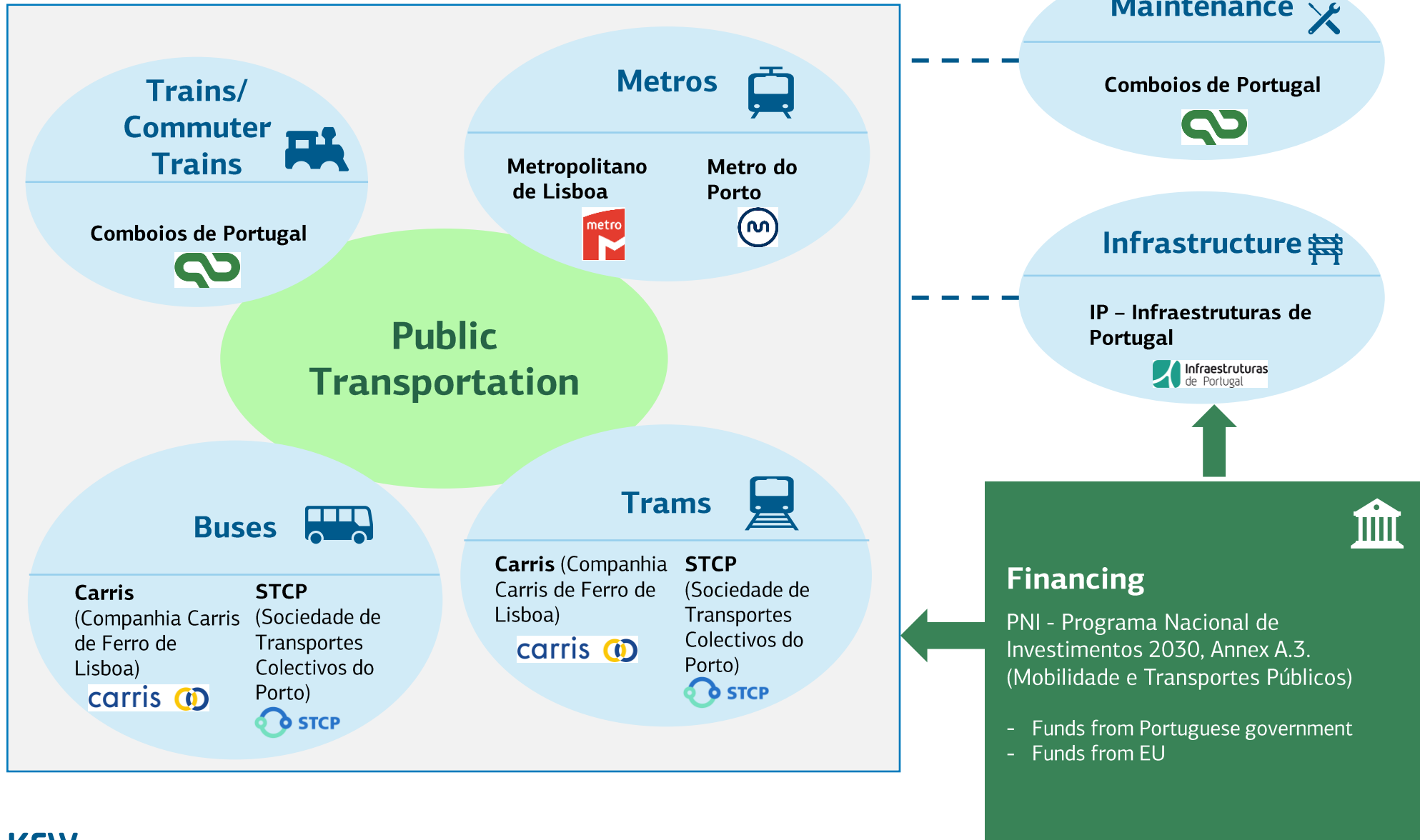
Flexible Financing Structures

Lending options available towards various project participants / stakeholders



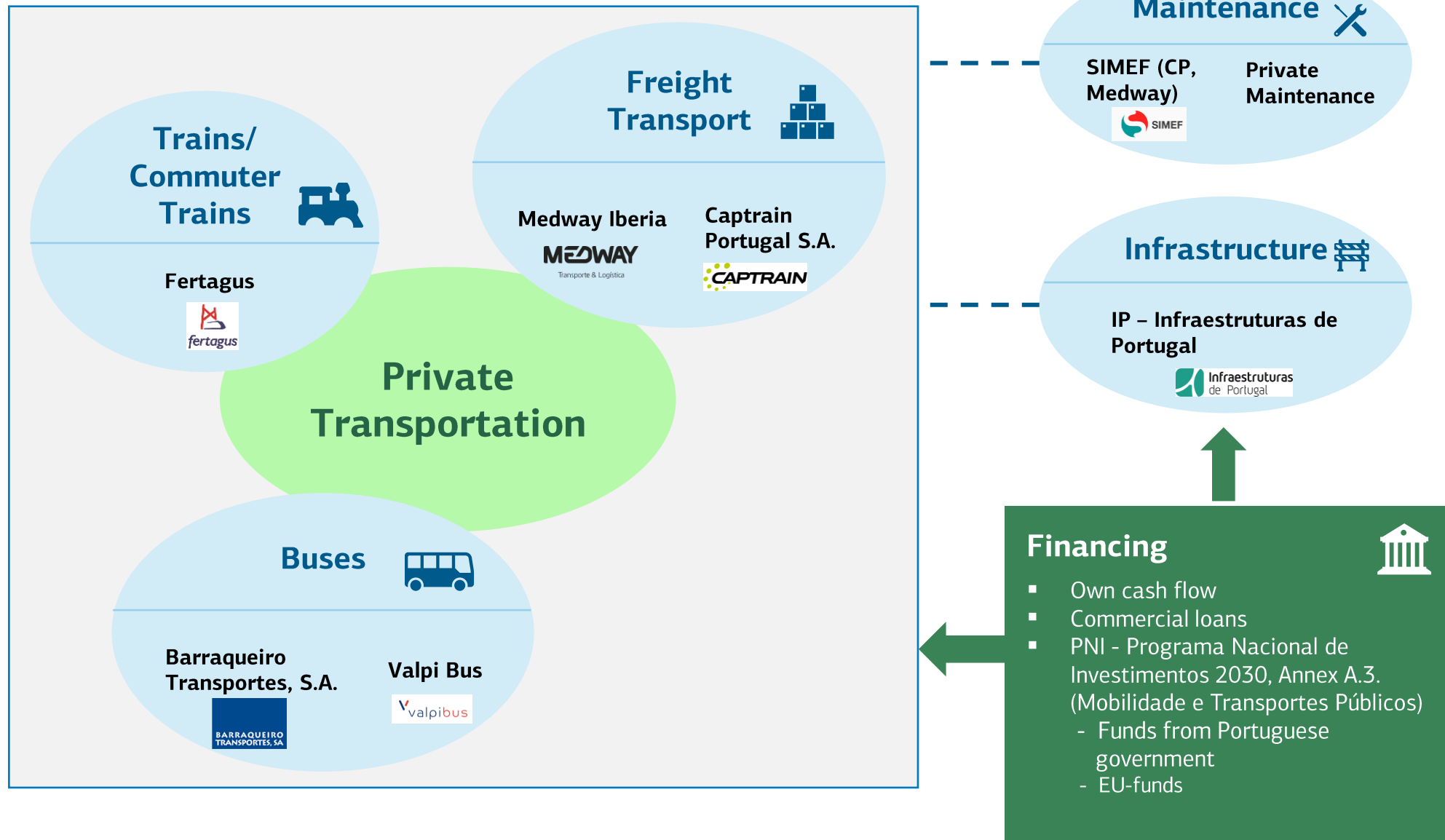
Portugal

Public Transportation



Portugal

Private Transportation





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