

FUNDING STRATEGY HY1 2025

Capital Markets

Basel, 17th January 2025

EUROFIMA

European Company for the Financing
of Railroad Rolling Stock
Meret Oppenheim Platz 1 C
4053 Basel

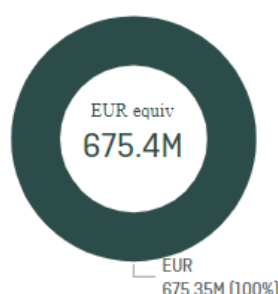
1 Objective

The FUNDING STRATEGY document is produced by the Capital Markets unit with the purpose to review and guide its funding activities. The objective is to define the funding strategy for the next half year, as well as to align funding decisions to EUROFIMA's long-term funding goals. This is a summary of the internal extended version of the FUNDING STRATEGY, document which contains a market overview, a capital markets and functions activities review, as well as dedicated sections on lending and investor relations activities. The document is submitted to the Management Committee (i.e., the CEO and CFO) for approval each half year-end.

2 Funding Review

Bond funding

In FY 2024, a total of three green bond transactions with a combined volume of EUR 675m was issued, which includes one EUR 114.35m tap of the green 3.125% Nov-2031 bond, bringing the total volume of the bond to EUR 614.35m, a new EUR 61m 3.136% green line, and finally a new green EUR 500m 2.875% Jan-2035 bond.

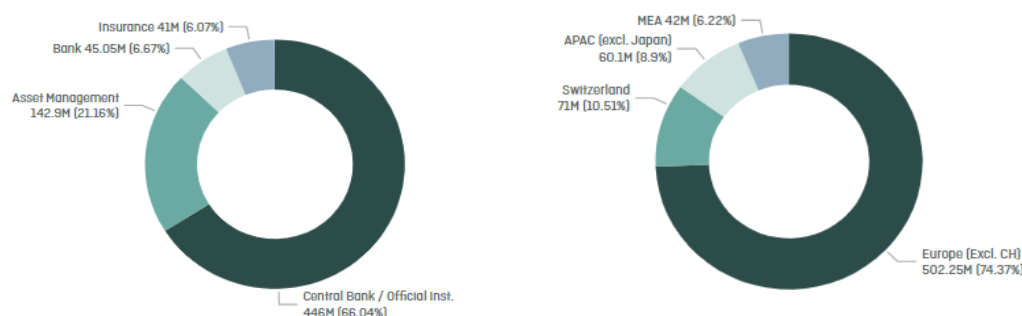


Funding volume with bond issuances in 2024

Public Bookbuilds and Investors Reached

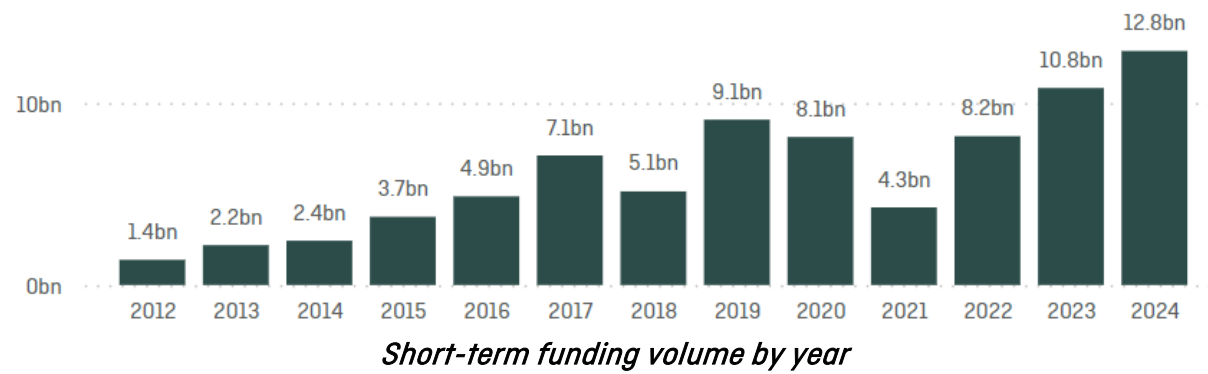
Of the three bond issuances conducted in 2024, the Nov-2031 tap and the new Jan-2035 issuances featured public bookbuilds, which allowed EUROFIMA to receive interest from over 80 investors in total for the year.

EUR 114m tap Nov-2031, EUR 61m PP Jun-2036, & EUR 500m Jan-2035



Commercial paper funding

In 2024, a total volume of EUR 12.8bn in Commercial Papers (CPs) was issued, up from EUR 10.8bn in 2023.

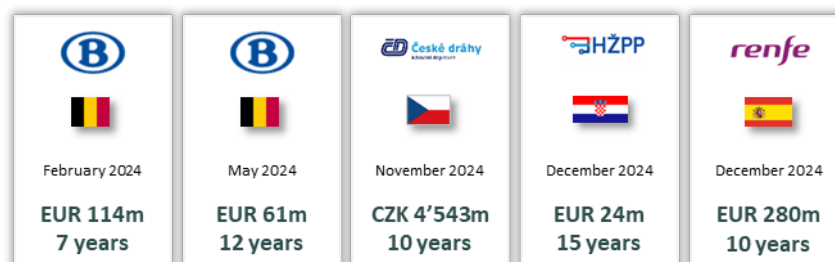


3 Equipment financings contracts

EUROFIMA's core activity and public mission consist of supporting the development of rail transportation in Europe by providing its shareholders and other railway bodies with cost-effective financings to renew and modernize their railway equipment.

EFC long-term lending FY 2024

In 2024, the following long-term financings were closed:



Overview EFC transaction in 2024

EFC short-term lending 2024

In 2024, a total of fifteen short-term financings to SBB were disbursed:

- 2 times 1-month financing of CHF 166m
- 3 time 2-month financing of CHF 84m to 150m
- 10 tranches 2- to 4-week financing before month-end ranging from clips of CHF 45m to 180m

Loan book end of year 2024

By the end of 2024, EUROFIMA's loan book stood at a total volume of EUR 9.2bn. Switzerland, Italy, and Greece saw runoff over the course of 2024, with most redemptions occurring in H1 2024, whereas exposure to Spain and the Czech Republic increased. Some refinancings were closed in Q4 2024 as well as a few new financings, which helped the loan book to grow compared to mid-year outstanding amount.

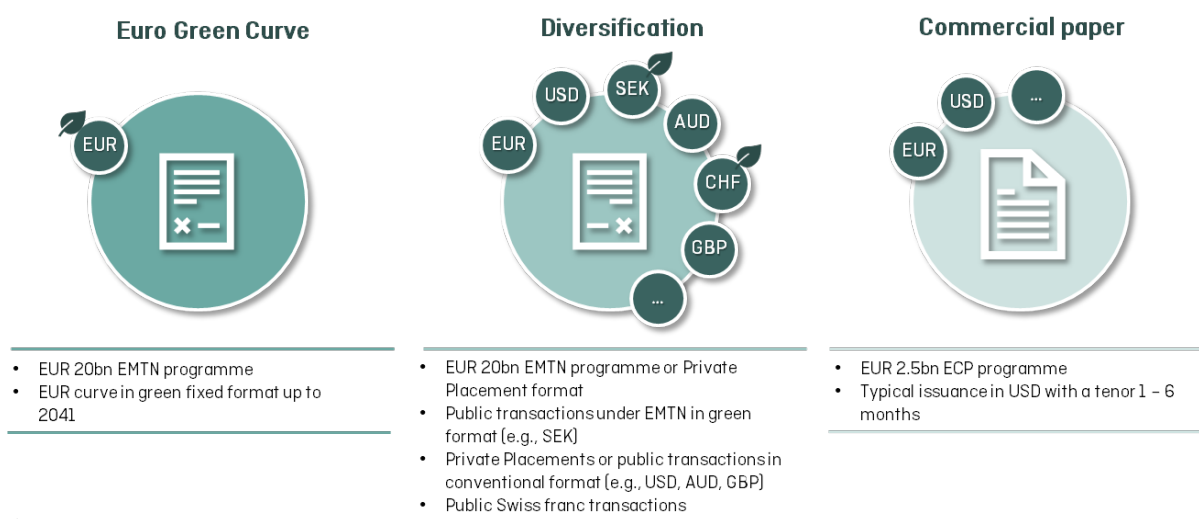
Budget for new financings in 2024


The budget for the year 2025 amounts to EUR 800m and a potential of up to EUR 1'200m including less certain new lending opportunities.

5 Funding Strategy

EUROFIMA's borrowing operations serve both the core lending business and EUROFIMA's own liquidity requirements. This is fulfilled via bond issuances and commercial paper funding in the international capital markets. The borrowing strategy applicable for 2025 is based on three pillars.

- **Euro-denominated issuances in green bond format ("Euro Green Curve")** as the core financing instrument which serves only to finance lending activities to railways
- **Diversification** of funding activities with issuance in Euro non-green format and/or US dollar-denominated issuances to fund internal liquidity needs as well as opportunistic funding in other currencies (i.e., SEK, CHF, AUD) to fund railway demand
- Short-term funding via **Commercial Paper** for short-term EFC requests and internal liquidity needs



 = Green bond format

3-pillar Funding Strategy

Priorities for issuances of bonds in H2 2024 will be set according to the following rules:

1. Completing the Euro green curve with new benchmarks in 15y, 20y, or 30y if size allows.
2. Increasing the existing green Euro-lines with taps preference is to increase sub-benchmark sizes to benchmark size.
3. Issuing in non-Euro-lines (e.g. AUD, USD, SEK, CHF),
 - If pricing is not competitive in Euro,
 - If size does not fit Euro market or
 - Any other reason (e.g., maintain presence in non-core opportunistic markets or reduce derivatives exposure)

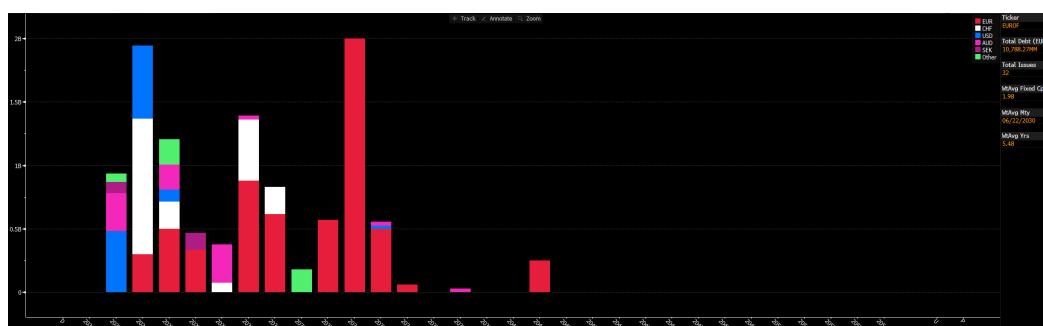
Existing EUROFIMA EUR lines

Overview of existing Euro-denominated lines for taps including the amount outstanding. There is a cap of EUR 2bn per line based on internal policy guidelines.

CUSIP	Amt Issued(M..	Issue Date	Name	Ticker	Coupon	Maturity	Curr	Bid	Yield to M..	Ask Px
				EUROF			EUR			
BK5969393	300.00	07/28/2020	Eurofima Europaeische Ges...	EUROF	0.000	07/28/2026	EUR		2.515	96.384
BX7871607	500.00	07/20/2022	Eurofima Europaeische Ges...	EUROF	1.625	07/20/2027	EUR		2.484	98.085
BQ0853854	335.50	06/23/2021	Eurofima Europaeische Ges...	EUROF	0.010	06/23/2028	EUR		2.551	91.964
BJ4444235	800.00	05/20/2020	Eurofima Europaeische Ges...	EUROF	0.100	05/20/2030	EUR		2.613	87.928
QJ1550384	80.00	10/15/2015	Eurofima Europaeische Ges...	EUROF	FLOAT	10/15/2030	EUR		2.949	99.177
ZN1038290	614.35	11/09/2022	Eurofima Europaeische Ges...	EUROF	3.125	11/09/2031	EUR		2.720	102.920
ZL7512516	570.00	03/30/2023	Eurofima Europaeische Ges...	EUROF	3.125	03/30/2033	EUR		2.820	102.704
ZR8270483	2000.00	10/10/2019	Eurofima Europaeische Ges...	EUROF	0.150	10/10/2034	EUR		2.943	77.115
YT1519370	500.00	11/19/2024	Eurofima Europaeische Ges...	EUROF	2.875	01/31/2035	EUR		2.986	99.557
YX1301705	61.00	05/22/2024	Eurofima Europaeische Ges...	EUROF	3.136	06/30/2036	EUR		3.087	100.881
BO9795358	250.00	04/19/2021	Eurofima Europaeische Ges...	EUROF	0.500	04/23/2041	EUR		3.224	67.406

Outstanding EUR-denominated EUROFIMA bonds (Source: Bloomberg, 27 Dec 24)

Debt distribution profile



EUR remain the main funding currency (55.7%) followed by CHF (19.0%), USD (10.9%), AUD (8.2%) and SEK (2.0%).

Financing EFC

Detailed financing strategy for respective upcoming transactions is subject to approval from the Deal Review Committee.

In addition to price-related best execution considerations for both EUROFIMA and the railway, we also observe the following considerations on funding strategy for funding in the market:

- We cannot tap bonds above EUR 2bn, bonds issued before 1st Jan 2018, and we prefer not to tap bonds far below par as it is less economical.
- We prefer to maximise individual bonds' liquidity by taking outstanding volumes >EUR 500m. Maintaining and building upon EUROFIMA's presence across the curve is also important.
- We prefer benchmark issuance and public bookbuilding, even if the volume is sub-benchmark. One 10y EUR benchmark of 500m was been issued in 2024. Investor work is also important for building a strong book.
- We continue to maintain and build upon the flexibility to accommodate more complex disbursement schedules offered to shareholders.