

HETA ASSET RESOLUTION

Company Presentation 2024

- Financial Statement 2023
- Financial Plan 2024

Klagenfurt, 26th April 2024

This document contains, among other elements, statements about forecasts and planning, which are based on the current point of view and assumptions of the liquidators of HETA ASSET RESOLUTION AG i.A.* (abbreviation: HETA) and are subject to known and unknown risks and uncertainties which may cause actual results and events to deviate significantly from the results and events contained in expectations.

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HETA reserves the right to make changes or additions to this company presentation and the information provided at any time and without prior notice.

* i.A. stands for "in liquidation"

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Liquidation process of HETA

















Hypo – Heta – Heta i.A.

HETA ASSET RESOLUTION

10/31/2014

12/31/2021

12/31/2027

	banking operations - „going concern“	resolution acc. to BaSAG/GSA - „gone concern“	liquidation acc. to AktG – „liquidation“
COMPANY NAME	 HYPO ALPE ADRIA	HETA ASSET RESOLUTION	HETA ASSET RESOLUTION in liquidation
BUSINESS MODELL	 banking institution	 wind down unit	 liquidation proceedings
FRAMEWORK	 regulated credit institution (BWG)	 deregulated entity (GSA/BASAG)	 entity in liquidation (AktG)
MISSION	 new business	 wind down of assets	 liquidation
FOCUS	 clients	 creditors eligible non-subordinated liabilities	 beneficiaries from liquidation participation
PLANNING	 Business plan	 Wind down plan	 Financial plan

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Financial statements 2023

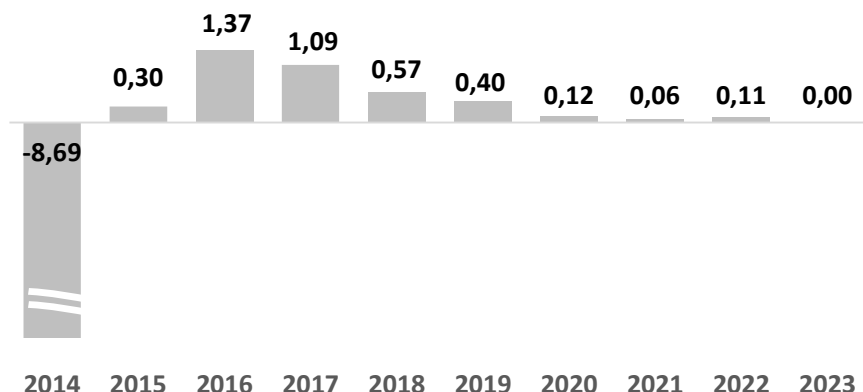
annual results and costs

HETA ASSET RESOLUTION

Annual Results

adjusted

HETA AG i.A.
in EUR bn

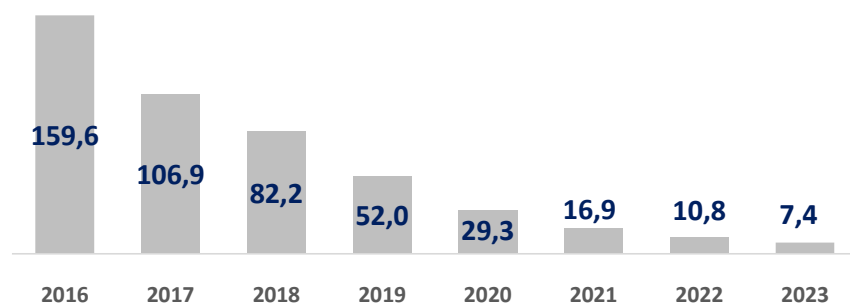


- **March 2015:** change of **legal framework** to **BaSAG-regime** and **new valuation** of portfolio under a **gone-concern-assumption**
- This led to a negative result for the financial year 2014 of **EUR -8,69 bn**
- In the years **2015 to 2022** HETA achieved positive results of **EUR +4,02 bn** cumulatively
- The **result of 2023** amounts to **EUR 0,7 m** and is again **above budget**

administrative expenses

personnel and non-personnel expenses

HETA AG i.A.
in EUR m



- **Continuous adaption** of the **organisation and cost structure** to the successful wind down / liquidation
- In **2023** costs were reduced by more than **-31 %** and are amounting to **EUR 7,4 m.**
- Costs stayed clearly below the budgeted figures.

Financial Statements 2023

Balance Sheet

HETA ASSET RESOLUTION

in EUR m

AKTIVA	12/31/2023	12/31/2022
I. Intangible fixed assets	0,0	0,0
II. Tangible fixed assets	0,0	0,0
III. Financial assets	9,4	21,7
IV. Receivables and other assets	10,6	14,7
V. Shares and securities	0,0	0,0
VI. Balances with credit institutions	1,4	38,6
VII. Balances with the Republik of Austria	223,2	600,3
TOTAL ASSETS	244,6	675,3

in EUR m

PASSIVA	12/31/2023	12/31/2022
I. Liquidation capital	0,0	0,0
II. Provisions	231,3	648,0
provision for contingent liabilities rel. resolution procedures	83,3	493,6
III. Liabilities	13,3	27,3
TOTAL LIABILITIES	244,6	675,3

Financial Statements 2023

Income Statement

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in EUR m

Profit and Loss Account 1 January to 31 December	2023	2022
1. Other operating income	17,6	108,3
2. Personnel expenditure	-4,2	-6,0
3. Other operating expenditure	-19,4	-4,7
4. Subtotal 1 to 3 (Operating Result)	-6,1	97,5
5. Result from participations	13,1	0,1
6. Other interest and similar income	6,5	4,0
7. Income from the valuation of financial assets	0,0	7,0
8. Expenditure from the valuation of financial assets	-12,8	0,0
9. Interest and similar expenditure	0,0	0,0
10. Subtotal 5 to 9 (Financial Result)	6,8	11,0
11. Result before tax (Subtotal 4 and 10)	0,7	108,5
12. Taxes on Income	0,0	0,0
13. Change of provision for risks in liquidation procedure	-0,7	-108,5
14. Profit / Loss of the year	-	-

I HETA in liquidation

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<p>Notes</p>	<ul style="list-style-type: none"> • The present information for the Holders of Imperfect Obligations (as well as for public interest) represents an update of the presentation on the Financial Plan 2023 released in May 2023 • The liquidators of HETA explicitly draw the attention of Holders of Imperfect Obligations and the public to the corresponding disclaimer in connection with the information contained in this company presentation • The company presentation may be updated or supplemented at any time, any such updates and additions can be downloaded from the HETA website under „investor relations / investor information“
<p>Legal Framework Conditions</p>	<ul style="list-style-type: none"> • On 25th August 2016, HETA published the first wind-down plan covering the period from 2016 to 2020 („Abbauplan 2016“) • The wind-down plan was updated on 31st August 2017 („Abbauplan 2017“), 15th June 2018 („Abbauplan 2018“), 23rd May 2019 („Abbauplan 2019“), 14th May 2020 („Abbauplan 2020“), 20th May 2021 („Abbauplan 2021“) and 15th December 2021 („Aktualisierter Abbauplan 2021“) • Due to the BaSAG-exit HETA is no longer legally obliged to prepare a wind-down plan • However, HETA has committed itself in the statute to prepare planning calculations (financial plan) and to publish the most significant parameters • Currently it is intended to prepare and publish an annual update of the financial plan
<p>Main Planning Assumptions</p>	<ul style="list-style-type: none"> • Resolution of remaining liquidation obstacles during the liquidation procedure (liquidation horizon until end of 2027, afterwards maintaining archive with external servicer until 2034) • Execution of liquidation participation payments during the liquidation procedure, if possible • Payment of the then remaining liquidation proceeds in 2027 (closing payment) • Expected recovery-rate: 90,25 % (total) unchanged to financial plan 2023
<p>Liquidation Participation Payment</p>	<ul style="list-style-type: none"> • During the BaSAG-resolution HETA was able to distribute already EUR 10,8 bn to the creditors, achieving the full FMA-quota of 86,32 % • According to the statute–a further distribution via the so-called liquidation participation payments is possible. In 2023 EUR 411m were distributed. • The financial plan 2024 is reflecting payments to the Holders of Imperfect Obligations during the liquidation procedure of around EUR 83,3, the major part of which should be paid in 2024

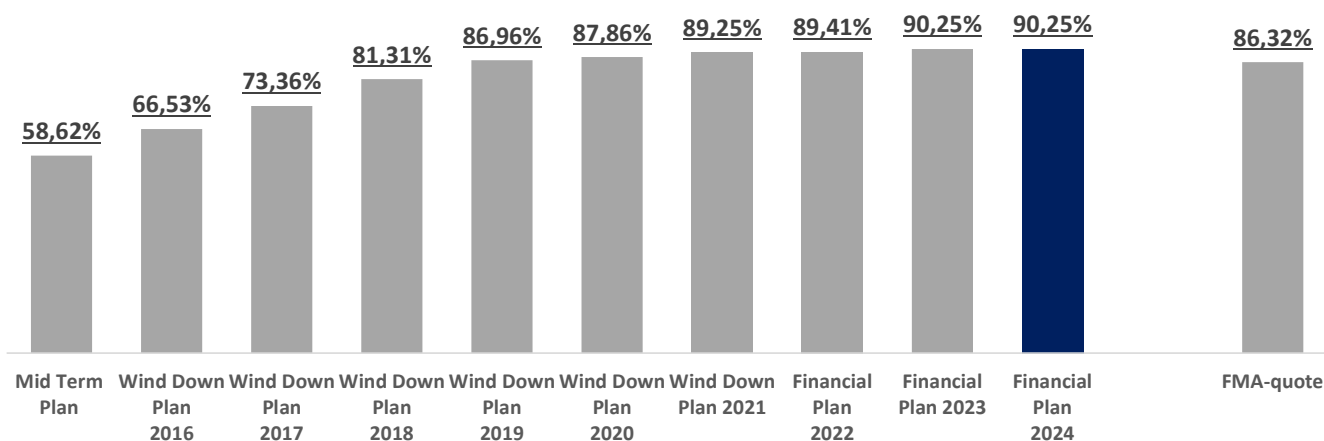
Financial plan 2024

Planned balance sheet and P&L HETA AG i.A.

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Planned Balance Sheet in EURm	Budget	Plan	Plan	Plan	END
	2024	2025	2026	2027	
Financial assets	0,0	0,0	0,0	0,0	0,0
Receivables and other assets	10,5	0,2	0,2	0,2	0,0
Balances with credit institutions	123,6	109,3	67,8	30,0	1,3
TOTAL ASSETS	134,0	109,4	68,0	30,2	1,3
Liquidation capital	0,0	0,0	0,0	0,0	0,0
Provisions	130,0	105,8	64,3	29,9	1,3
<i>thereof "operative" provisions</i>	<i>109,7</i>	<i>94,5</i>	<i>62,9</i>	<i>28,5</i>	<i>0,0</i>
<i>provision for contingent liabilities rel. resolution procedures</i>	<i>20,3</i>	<i>11,3</i>	<i>1,4</i>	<i>1,4</i>	<i>1,3</i>
Liabilities	4,0	3,6	3,7	0,3	0,0
TOTAL LIABILITIES	134,0	109,4	68,0	30,2	1,3

Development recovery quote



Liquidation obstacles and risks (1/2)

Certain obstacles must also be taken into account in the context of liquidation under the Stock Corporation Act (AktG). These arise from the following circumstances:

Contractual obligations or legal disputes

from sales and other resolution agreements as well as settlement agreements

- In the course of the wind-down activities, the HETA Group necessarily entered into new contractual obligations
- These include inter alia customary warranties, security mechanisms or the obligation to provide certain services until the full transfer of legal position to the buyer, whereby an attempt was generally made to keep the contractual obligations at a minimum
- These obligations could also lead to possible security claims in the course of the liquidation of HETA AG or its subsidiaries as a result of creditors' appeals
- Until the end of the contractual obligations, there may therefore be delays in the expected liquidation period of HETA or in the closure of individual HETA companies or there remains a risk that the assertion of warranty claims could lead to new legal disputes, which could also delay the rapid closure of individual companies
- In order to obtain the highest possible liquidation proceeds and a rapid completion of the liquidation, HETA examines such claims carefully and taking into account all relevant considerations, then decides whether such claims are recognized in the context of an out-of-court settlement or clarified in the competent courts in the context of legal proceedings

Court proceedings

- Within the HETA Group, a certain number of court proceedings domestically and abroad are still pending, and new court proceedings may arise at any time
- Since a company cannot be completely liquidated during pending legal proceedings, this can lead to a company being economically closed but legally having to continue to exist until the end of a legal dispute
- In addition, as a condition for the sale of its portfolios, HETA had to undertake that the legal proceedings initiated by HETA against the debtors continue to be pursued by HETA, because e.g. a change of party is only possible with the consent of the debtor or in order to avoid limitation issues
- In the case of sales transactions, HETA had to ensure that the obligations to "front" such legal proceedings are limited in time or that corresponding termination rights were provided to HETA
- Nevertheless, this has an impact on the time horizon for the winding-up of HETA or its participations

Liquidation obstacles and risks(2/2)

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<p>Liquidation risks from the liquidation of participations and HETA AG i.A. itself</p>	<ul style="list-style-type: none">• In the liquidation of HETA companies or HETA itself, legal and tax problems are particularly prevalent• In most jurisdictions, tax audits are also initiated when a company begins the liquidation process• There is a significant risk that such audits may lead to the imposition of previously unconsidered levies or may potentially extend the liquidation period planned by the group• The legally mandatory creditor appeals in the context of liquidations for HETA were published by the company at the end of 2022 and in January and February 2023. So far, no potential claims towards the company were asserted.
<p>Risk of non-recognition of resolution measures</p>	<ul style="list-style-type: none">• Despite the termination of the BaSAG procedure, the FMA's decisions are still valid and applicable• For example, the decisions continue to have an impact on pending legal proceedings of HETA relating to facts prior to 1st March 2015• If HETA is obliged to fulfill its obligations in such proceedings, this obligation may constitute a newly emerged, non-subordinated, eligible liability to which the FMA decisions continue to apply• From today's perspective, it cannot be ruled out that proceedings concerning the non-recognition of resolution measures by courts in other Member States or in non-EU countries could also arise in the future• HETA will continue to take all available legal remedies for the recognition of FMA decisions
<p>future legislative measures</p>	<ul style="list-style-type: none">• In the SEE countries where the assets of the HETA Group were formerly located, there have been repeated legislative proposals and new laws in recent years that have had a negative impact on financial institutions• An example is the so-called Croatian Nullity Act, which had a negative impact on the resolution of the Croatian cross-border portfolio held by HETA and resulted in more than 30 legal proceedings against HETA AG• This law was initially found by the ECJ to be contrary to EU law and was also repealed by the Croatian Constitutional Court at the end of 2020• Such legislative measures may affect the further liquidation of HETA despite the end of the portfolio resolution, as they can lead to new legal proceedings in which former customers make recourse claims