

HETA ASSET RESOLUTION AG i.A.**Publication of individual and consolidated financial statements 2021, liquidation opening balance sheet as per 1st January 2022 and financial plan 2022**Wien/Klagenfurt am Wörthersee, on 24th March 2022

- The **individual financial statements** for 2021 show a positive result on ordinary items (EGT) in amount of **EUR +62m** (2020: EUR +106m).
- The **consolidated financial statements** have been prepared for the last time and contain a result on ordinary items of **EUR +61m** (2020: EUR +53m).
- The **declaration decision** (Feststellungsbescheid) of FMA became effective with end of 2021 leading to the **exit of HETA from BaSAG-regime** and the transfer of HETA's shares and related **administrative rights** to **ABBAG (100 % subsidiary of the Republic of Austria)**.
- Since 1st January 2022 the company is being wound down in a **liquidation procedure pursuant to AktG** leading to the addition of "i.A." (in Abwicklung = in liquidation) in the company name.
- The **liquidation opening balance sheet** is based on **liquidation values**.
- The published **financial plan 2022** is considering a liquidation horizon until 2030 and further distributions to creditors (liquidation participation payments / Liquidationsbeteiligungszahlungen); the expected total **recovery rate** is at **89,41 %** (so far 89,25% were forecasted).

About HETA

HETA ASSET RESOLUTION AG i.A. (HETA) is the successor of the former Hypo Alpe-Adria-Bank-International AG and since 1st March 2015 a moratorium for most of its liabilities was in place. With the last issued FMA-decree from 13th September 2019 the quota for the eligible non-subordinated liabilities was written up to 86,32 %, which has been fully reached in the last distribution in 4th quarter 2021. A declaration decision has been issued by the FMA on 29th December 2021 and was effective as of 31st December 2021 leading to an initiation of a liquidation procedure pursuant to AktG for HETA.

Individual and consolidated financial statements (UGB/BWG) as of 31st December 2021

The result on ordinary items in the individual financial statements is amounting to EUR +62m (2020: EUR +106m). The main drivers are releases of provisions due to lower impact of the underlying risks. Furthermore, the possibility of future liquidation participation payments is decreasing the provisions for negative interest and is leading to a positive effect on the results.

The administrative expenses of HETA are at EUR -15,2m, showing that costs could be reduced significantly compared to the previous year (EUR -21,4m). Due to the initiated staff-reduction the personnel costs were lowered from EUR -10,8m to EUR -7,5m. In addition, the non-personnel costs were decreased substantially from EUR -10,6m to EUR -7,7m.

Also, in 2021 HETA continued the consistent resolution of its assets and after the successful closing of several larger M&A-transactions almost the entire wind-down portfolio could be realized. In October 2021 the final distribution (Endverteilung) was completed, whereby further EUR 149m were transferred to creditors of eligible non-subordinated liabilities achieving a full recovery of the FMA-quota of 86,32 % already in 2021.

The provision for contingent liabilities relating to resolution procedures (Rückstellung für ungewisse Verbindlichkeiten im Zusammenhang mit Abwicklungsverfahren) is built in HETA in the amount by which assets exceed liabilities. As per 31st December 2021 this provision is at EUR 476m and increased by EUR +63m compared to the previous year (EUR 413m).

In 2021 twelve participations were sold or liquidated and a high number of pending legal proceedings could be closed. Based on this the headcount in the entire HETA group was lowered from 115 to 54 by year-end 2021 (in FTE/ fulltime equivalents).

The consolidated result is above previous year (EUR +53m) and amounts to EUR +61m. As a preparation of consolidated financial statements is no longer mandatory during the liquidation procedure and a voluntary preparation is not foreseen (due to only minor scope of the group and high costs), the consolidated financial statements 2021 are the last one prepared as such.

Liquidation opening balance sheet as per 1st January 2022 (UGB)

With effectiveness of the dissolution resolution (Auflösungsbeschluss) HETA has initiated the liquidation procedure pursuant to AktG as of 1st January 2022. The liquidation opening balance sheet as per 1st January 2022 (Liquidationseröffnungsbilanz) had to be prepared based on this due date, considering liquidation values for the identification of the “net value of the physical assets” (Abwicklungsreinvermögen), which in HETA’s case should go to the creditors of eligible non-subordinated liabilities. In the specific case of HETA this value is visible in the “provision for contingent liabilities relating to resolution procedures”.

The differences to the final statements (Schlussbilanz) as per 31st December 2021 are resulting from the non-application of discounting effects for receivables, participations and provisions and furthermore the consideration of additional provisions and haircuts based on an internal risk assessment of cash flows. These effects are decreasing the provision for contingent liabilities relating to resolution procedures from EUR 476m to EUR 385m. In the financial plan 2022 the impact of the internal risk assessment has been also included (in-line with former planning assumptions) leading to a consistency between plan and balance sheet.

Financial plan 2022

The financial plan 2022 has been approved by the Supervisory Board assuming that the liquidation procedure will be closed by 2030. Until then all remaining liquidation obstacles – particularly legal proceedings, contractual obligations and remaining participations – should be solved or closed and the company should be prepared for the deletion from the company register. In the financial plan 2022 it is expected that a recovery rate in amount of 89,41 % can be achieved, which is a slight improvement compared to the updated wind-down plan 2021 (“Aktualisierter Abbauplan 2021” – last wind-down plan pursuant to GSA from December 2021). In accordance with the new statute the financial plan 2022 is also reflecting liquidation participation payments (Liquidationsbeteiligungszahlungen) to the creditors of eligible non-subordinated liabilities, which will be possible from 2023 onwards.

HETA-liquidator Mag. Alexander Tscherteu: *“In the course of the final distribution HETA was able to pay another EUR 149m to the creditors and cover the full FMA-quota of 86,32 % already two years before the due date as per 31st December 2023. HETA has furthermore met the legal requirements to leave the BaSAG-regime and to continue the resolution in a liquidation procedure pursuant to AktG. Before the initiation of the liquidation procedure the company bodies have set the necessary legal measures allowing HETA to distribute further excess liquidity to the creditors and thus reaching the best-possible recovery. We want to continue the focused approach together with our employees also in the next phase of the company in order to reach a recovery rate of at least 89,41 %. These results prove that the resolution of the complex Hypo-topic could be managed effectively and successfully, and I want to thank all of HETA’s employees for their contribution in this process.”*

HETA-liquidator Mag. Martin Handrich: *„The wind-down of assets in an amount of ca. EUR 10 bn has been started in 2015 with an extremely motivated team. Our hard and focused work made it possible to conduct the wind-down more effectively and most of all to achieve a significantly higher recovery than initially expected. In 2021 we left the markets in Croatia and*

Bosnia and additionally sold the last customer receivable portfolio of HETA in order to execute the last wind-down steps needed for the BaSAG-exit. This was accomplished two years in advance.”

Publications

The individual and consolidated financial statements 2021, the liquidation opening balance sheet as of 1st January 2022 and a short summarizing presentation (incl. financial plan 2022) will be published on the website of HETA (www.heta-asset-resolution.com → investor relations → financial reports & presentations).

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