

Addiko Bank AG Remuneration Report 2022

This remuneration report provides a comprehensive overview of the remuneration paid or granted to current and former members of Addiko Bank AG's Supervisory Board and Management Board members for the business year 2022.

Key highlights of the business year 2022

The year 2022 started tough when the Slovenian Parliament passed a retroactive Swiss Franc law in February. Significant management effort was needed to prevent financial damage from the bank. Addiko created a task force and filed an appeal against this law before the Constitutional Court in Slovenia.

Based on these developments and the feedback from the competent supervisory authority, Addiko suspended the dividend for the successful financial year 2021. At the end of the year, the Constitutional Court rejected the Swiss Franc law, showing that the Slovenian constitution, the country's legislation and European law have prevailed. The efforts of Addiko and its task force were successful.

Just as the world started to recover from the impact of Covid-19, Russia's military invasion of Ukraine resulted in new uncertainties in Europe and all markets where Addiko operates in.

Overall, 2022 was a year like no other and illustrates achievements of the initiated transformation - with strong financial results and a recognisable position as a specialist bank for Consumer and SME customers.

To support Addiko's path towards becoming the leading specialist bank in Consumer and SME lending, Addiko repositioned its brand and introduced a new brand character, called Oskar. With over 120 digital and brand marketing campaigns throughout 2022, the Group successfully opened new sales channels and launched numerous partnerships with retailers across the region to further improved customer experience.

The year 2022 was also a year of intense preparations for Addiko's Croatian subsidiary to get ready for the Eurozone. On 1 January 2023, Croatia joined the Eurozone as its 20th member and also the Schengen area.

Addiko's ability to remain focused on the execution of the final phase of the 18-month Transformation allowed to achieve strong results:

- Net profit almost doubled to EUR 25.7 million
- Operating result was up 34% to EUR 73.6 million
- Focus loan book excluding medium SME loans grew by 17%
- New business in focus areas increased by 24%
- Operating expenses were below guidance with a CIR of 67.5%, down from 72.4% a year earlier - despite Euro implementation costs of EUR 3.9 million in Croatia and significantly higher inflation
- Cost of Risk stood at 0.47% or EUR 15.4 million
- Return on Tangible Equity - at 14.1% CET1 ratio - up to 4.5% vs. 2.5% in 2021

The underlying asset quality and capital position continued to be strong:

- NPE ratio down to 2.4% vs. 2.9% a year earlier - with increased NPE coverage at 75.4%
- CET1 ratio stood at 21.1% on a transitional basis and at 20.0% IFRS 9 fully-loaded, taking into account the profit for the year and deducting the proposed dividend

Given the increasing importance of ESG themes, Addiko has developed and adopted its first ESG strategy during 2022 and committed itself to the respective action plan.

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The dividend proposal of EUR 1.21 per share, which equals 60% of the profits for both the years 2021 and 2022, will be proposed to the AGM 2023 and reflects the success over the past 18 months and Addiko's commitment to shareholders.

Remuneration of Supervisory Board and Management Board members (regulatory framework)

Addiko Group's compensation approach has been defined to be compliant with the most recent international and national regulatory requirements, including the following documents:

- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive IV - "CRD IV")
- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("CRD V")
- § 39(2), 39b and 39c of the Austrian Banking Act (Bankwesengesetz - "BWG") and the Annex to § 39b BWG
- § 78a of the Austrian Stock Corporation Act (Aktengesetzes - "AktG")
- Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive
- EBA Guidelines on internal governance under Directive 2013/36/EU (EBA/GL/2021/05) dated 2 July 2021,
- EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04) dated 2 July 2021,
- FMA-Circular regarding § 39(2), 39b and 39c BWG on the principles of remuneration policies

At Addiko Group, remuneration is generally prescribed by the Addiko Group Remuneration Policy. For the members of the Group's Management Board it is additionally elaborated in the Remuneration Policy of Addiko Bank AG's Management Board ("Vergütungspolitik des Vorstandes der Addiko Bank AG"), while for the members of the Group's Supervisory Board it is additionally elaborated in the Remuneration Policy of Addiko Bank AG's Supervisory Board ("Vergütungspolitik des Aufsichtsrates der Addiko Bank AG").

Supervisory Board Remuneration

The framework for remuneration for the Supervisory Board defines the principles of remuneration of the Supervisory Board members of Addiko Bank AG ("Company") who are elected by the General Assembly pursuant to § 98a in conjunction with § 78a Austrian Stock Corporation Act ("AktG"). This framework and the principles are described in the Remuneration Policy of the Supervisory Board of Addiko Bank AG ("Vergütungspolitik des Aufsichtsrates der Addiko Bank AG").

Members of the Supervisory Board, who are not employed with an Addiko Company, are being compensated for this mandate. Members of the Supervisory Board, who are employed with an Addiko Company, are not being compensated for this mandate, as their supervisory activity is considered to be part of their official duties. This must be adequately regulated in the respective job/role descriptions and employment contracts within each Addiko Company. Works Council representatives, who are members of the Supervisory Board, do not receive payment for this role. According to the Remuneration Policy of the Supervisory Board of Addiko Bank AG, Supervisory Board members' remuneration packages may consist of the following components:

1. Fixed remuneration - function payment, defined on annual level and aliquot to the period of assignment, based on the:
 - a. Role in the Supervisory Board and
 - b. Role in a Committee of a Supervisory Board Committee
2. Attendance fee for participation in a Working Group of the Supervisory Board (per meeting)

Any other components of the Supervisory Board members' remuneration must not be linked to the performance of the subject they supervise.

Supervisory Board remuneration for the business year 2022

The remuneration system for Addiko Bank AG's Supervisory Board in the business year 2022 consisted of:

1. Fixed remuneration based on their role in the Supervisory Board (Figure 1),
2. Fixed remuneration based on their role in a Committee of the Supervisory Board (Figure 2),
3. Attendance fee for participation in a Working Group of the Supervisory Board (EUR 1,000 gross per meeting).

Figure 1 - Fixed remuneration by role in the Supervisory Board in 2022 (EUR gross)

<u>Supervisory Board role</u>	<u>Annual amount</u>
Chair	115,000
Deputy Chair	95,000
Member	75,000

Figure 2 - Fixed remuneration by role in a Committee of the Supervisory Board in 2022 (EUR gross)

<u>Role in a Committee of the Supervisory Board (per Committee)</u>	<u>Annual amount</u>
Chair	20,000
Deputy Chair	10,000

The above-mentioned amounts did not change during the financial year 2022, that is, they remained at the level of the previous period.

The total remuneration paid to the members of Addiko Bank AG's Supervisory Board for the year 2022 amounted to EUR 666,619.45. This sum was divided between the individual Supervisory Board members as presented in Figure 3.

Figure 3 - Remuneration of the members of Addiko Bank AG's Supervisory Board for 2022. (EUR gross)

<u>Name</u>	<u>Supervisory Board role</u>	<u>Fixed remuneration</u>	<u>Other expenses</u>	<u>TOTAL</u>
Kurt Pribil	Chair	155,000.00	1,204.00	156,204.00
Sava Ivanov Dalbokov ¹	Deputy Chair	94,945.21	702.66	95,647.87
Johannes Proksch ²	Member	74,479.45	0.00	74,479.45
Monika Wildner	Member	115,000.00	0.00	115,000.00
Frank Schwab	Member	116,643.84	3,916.82	120,560.66
Pieter van Groos ³	Deputy Chair	35,767.12	4,772.39	40,539.51
Dragica Pilipovic-Chaffey ⁴	Member	30,068.49	1,739.66	31,808.15
Sebastian Prinz Schoenaich-Carolath ⁵	Member	31,917.81	462.00	32,379.81

¹ Deputy Chair from April 2022

² Member from April 2022

³ Deputy Chair until April 2022

⁴ Member until April 2022

⁵ Member until April 2022

In accordance with Remuneration Policy of the Supervisory Board of Addiko Bank AG (“Vergütungspolitik des Aufsichtsrates der Addiko Bank AG”), no Supervisory Board remuneration was paid to the Supervisory Board members delegated by the Works Council, Mr. Christian Lobner and Mr. Thomas Wieser.

Management Board Remuneration

The principles of remuneration for Addiko Bank AG’s Management Board are regulated in accordance with §78a of the Austrian Stock Corporation Act (“AktG”) by the Remuneration Policy of Addiko Bank AG’s Management Board (“Vergütungspolitik des Vorstandes der Addiko Bank AG).

The valid version of the Remuneration Policy of Addiko Bank AG’s Management Board was confirmed by the Supervisory Board’s Nomination and Remuneration Committee and was adopted by a resolution of the Supervisory Board on 8 March 2022 and confirmed by the majority of votes at the Addiko Bank’s Annual General Meeting (AGM) on 14 April 2022.

In addition to all regulatory requirements covered, the Remuneration Policy of Addiko Bank AG’s Management Board is designed to align the Management Board members’ personal objectives with Addiko’s long-term interests and ensure an appropriate balance between fixed and variable remuneration components.

Requirements for the activation of variable remuneration:

Variable remuneration components may only be paid if the financial position of Addiko is sustainable and the variable remuneration is justified. The right to receive a new form of variable remuneration as well as the payment of deferred payments from previous years exists only if the basic conditions are met, as described below.

Variable remuneration can be activated only if the capital requirements are met. The capital requirements are defined by the Addiko Group’s SREP requirements.

If the capital requirements are not met at the end of the relevant performance year, the basic requirement is not met, which is a knock-out criteria. This means that the variable remuneration for the performance year is not capitalized and it is not activated (this applies to any new bonus payments and deferred payments that would be due in the respective year).

Additional knock-out criteria will also be defined for each respective business year in order to activate the variable remuneration. These additional Knock-out criteria are defined by the Supervisory Board each business year and could include measures from the following categories:

- Risk (e.g. Non-performing exposures, Risk-adjusted return on capital / RAROC, ...)
- Financial performance (e.g. Net profit, ...)

Fulfilment of performance criteria for the Annual Bonus scheme:

The Annual bonus scheme, as a form of performance-based variable remuneration, is determined based on the individual’s success (in quantitative and qualitative terms) as well as the success of the Company. When deciding on any form of variable rewards for members of the Management Board, the Committee for Management Board Matters of the Supervisory Board considers performance criteria, the market situation and market trends, the appropriateness of bonus payments and risk trends. In the case of termination, entitlements and claims of members of the Management Board will be agreed on an individual basis.

Board performance targets are set as a balanced combination of quantitative financial targets and non-financial targets, with the total weighting of 100%.

Quantitative targets are based on the approved budget for the respective year from the following categories:

- Business transformation (e.g. Number of customers with active performing loan in focus area, focus revenue growth, etc.)

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- Risk (e.g. Non-performing exposures / NPE ratio, Non-performing loans / NPL stock, Net NPL migration ratio etc.)
- Efficiency (e.g. Cost Income Ratio / CIR, Operating expenses / OPEX, Operating result / NBI - OPEX, Return on equity / ROE, etc.)
- Financial performance (e.g. Net profit, etc.)

Performance Acceleration Incentive Framework (PAIF):

The PAIF is an incentive scheme which is approved by the Supervisory Board of Addiko Bank AG, in addition to the Annual Bonus scheme. It is associated with Addiko Group's transformational performance and the development of value generation for shareholders via share price and capital returns, to ensure an alignment of interests between the senior leadership team and the shareholders of the bank.

In addition to the basic requirements and additional knock-out criteria, further requirements ("scalers") linked to the value generation for shareholders. These scalars reflecting value generation for shareholders and business transformation were defined for the business year 2022. The structure, weightings, floor (entry value) and cap (maximum value) of these two scalars were defined by the Supervisory Board for the year 2022.

The scaler linked to shareholder value generation would be measured by the average volume-weighted total return (VWTR) of Addiko Bank AG's share listed on the Vienna Stock Exchange (ADKO) in the last two months of respective business year.

Risk Assessment for the variable remuneration:

In case the basic and additional requirements for any type of variable remuneration are fulfilled, ex-ante Risk assessments and ex-post Risk assessments are conducted before any pay-out. The following indicators are relevant for these Risk assessments:

- Inflow into Non-Performing Exposures (NPE Inflow)
- Non-Performing Exposure Ratio (NPE ratio)
- Coverage of Non-Performing exposure with provisions (NPE Coverage Ratio)

The material level of risk assessment shows the need for a risk adjustment if the above-mentioned indicators are in an area defined as amber or red, according to the valid recovery plan:

- if an amber level recovery plan threshold is breached for more than 6 months
- if a red level threshold is breached for more than 3 months.

If the material level of risk assessment shows the need for the risk adjustment, the variable remuneration would not be activated for pay-out. The risk assessments would be confirmed at the Credit & Risk Committee of the Supervisory Board of Addiko Bank AG while a decision to not activate the pay out of variable remuneration would be confirmed at the Supervisory Board of Addiko Bank AG.

Remuneration of Management Board members must be clearly defined in the employment contract:

As defined in the Remuneration Policy of Addiko Bank AG's Management Board, the remuneration of Management Board members is to be determined as a combination of fixed, performance-based variable pay and non-monetary remuneration. Fixed remuneration is based on the level of responsibility of the respective Management Board member, which constitutes a relevant part of total pay.

Variable annual remuneration is linked to the achievement of individual targets and risk metrics which, was lower than the fixed remuneration for the business year 2022.

The maximum thresholds determined for variable remuneration:

The separation between the fixed and variable remuneration components must be clearly understandable. The variable remuneration component, including any type of extraordinary benefits, was for 2022 defined in a way not to exceed 100% of the fixed component of the total remuneration for each individual Management Board member.

The remuneration of Management Board member responsible for risk management (CRO) should be predominantly fixed and the individual maximum amount of total variable remuneration for 2022 was defined in the way not to exceed 50% of the Management Board member's annual fixed compensation.

The annual bonus scheme is considered part of the total variable remuneration and ranges between 25% of the annual base salary for the CRO position and between 54% and 60% for other Management Board positions. Compared to the previous year, only material change happened for the CRO position, where the remuneration package is adjusted in accordance to the Article 196. of EBA Guidelines on sound remuneration policies.

Malus and Claw back:

Addiko Bank AG can use ex-post risk adjustments and decrease payment (Malus) or ask the individual to pay back if the payment was not justified (Claw back) under the predefined rules.

Malus and Claw back could be applied on all types of variable remuneration. Malus and Claw back could be applied independently, and the relevant governance bodies of Addiko Group have the possibility and legal right to decide whether a Malus or Claw back situation exists and what the appropriate action is. The period during which Malus can be applied is equal to the defined period of deferral, while Claw back actions can be applied on a part or on the entire variable payment that had been paid out, during a period of 1 year after the end of financial year for which Management Board member was rewarded for the not deferred remuneration and, in case of deferred variable remuneration, during the period of 6 years after the end of financial year for which Management Board member was rewarded

Performance related adjustment as a Malus arrangement will be activated in case:

- the institution suffering a significant downturn in its financial performance - affecting the variable payment of the performance year and the deferrals on an Addiko Group basis. The exception is if a significant downturn was planned and budgeted and no knock-out criteria were triggered. The quantitative definition of significant downturn thresholds is part of the annual KPI target setting, which has to be approved by the Supervisory Board of Addiko Bank AG;
- significant changes in the institution's economic or regulatory capital base - affecting both variable payments of the performance year and deferrals on an Addiko Group basis;
- evidence of misbehaviour or serious error by the Management Board member - affecting both variable payments of the performance year and deferrals on an individual basis,
- the institution suffering a significant failure of risk management - affecting both variable payments of the performance year and deferrals on an individual basis;
- regulatory sanctions where the conduct of the Management Board member contributed to the sanction - affecting both variable payments of the performance year and deferrals on an individual basis.

A Claw back should be used in the case of:

- fraud or contribution to fraud by the Management Board member;
- when a Management Board member has been released from the position upon disciplinary procedure based on a behaviour which had a weak/negative impact on the financial results or triggered a loss;
- the Management Board member has contributed to weak or negative financial results;
- any other wilful or grossly negligent behaviour of a Management Board member, which has led to a significant loss.

The principles of Management Board member's contract termination:

If an employment contract is prematurely terminated by the company without good cause or for a good cause which was not the fault of the Management Board member, as well as in the case of justified premature termination by the Board member for a good cause attributable to the company, Management Board members could be entitled to one-time compensation for the loss of income for the remaining period until the end of the fixed term. Such one-time compensation cannot be higher than (i) nine times the gross monthly base salary plus (ii) the pro-rata Christmas and vacation allowance for six months plus (iii) the variable bonus, calculated based on the most recent target values and parameters (under the assumption of no more than 100% target achievement) for nine months.

The principles and conditions of the company's retirement plan for the Management Board:

No retirement plan has been implemented for the Management Board at Addiko Bank AG so far.

Stock Option Programme

No stock option programme was implemented in business year 2022.

D&O Insurance

Management Board and Supervisory Board members are covered by D&O insurance at the level of Addiko Bank AG.

Remuneration of active members of the Management Board for business year 2022

Fix remuneration

In addition to the Base salary, the fixed remuneration component of members of the Management Board of Addiko Bank AG includes the car allowance and social security contribution amounts.

Variable remuneration

The basic requirement for activation of the variable remuneration in Addiko Group for 2022 was defined by the Addiko Group's SREP requirements.

Variable remuneration - Annual Bonus scheme

The additional Knock-in criteria defined for the activation of Annual Bonus scheme for 2022 was defined as follows:

- Addiko Group's Profit After Tax,
- Addiko Group's RAROC,
- Addiko Groups' NPE volume.

Figure 4 - Achievement of the knock-in criteria for activation of the Annual Bonus scheme for 2022 showing that basic requirement and all three additional knock-in criteria were achieved.

	Target	YE 2022 result
Basic requirement		
Addiko Group's Total Capital Ratio	> 17.2%	21.1%
Additional Knock-in criteria		
Addiko Group's Profit After Tax	> EUR 6.1 million	EUR 25.7 million
Addiko Group's RAROC	> -9.5%	-5.9%
Addiko Groups' NPE volume	< EUR 194,04 million	EUR 163,3 million

The targets for 2022 are based on the approved budget for the year 2022 and thereby closely linked to the Transformation Program, which rested on three pillars:

- boosting growth in the focus areas by new Consumer & SME initiatives, the expansion of digital and hybrid offerings and the acceleration of the loan book transformation towards the defined focus segments
- aligning the group's organisational structure and cost base with its specialist strategy by reducing costs and complexity on the one hand and streamlining the operating model on the other hand, leveraging digital capabilities
- tackling special topics proactively which includes an ambitious reduction of NPEs as well as the exploration of structural opportunities

The individual targets as defined for the business year 2022, together with the achievement of the quantitative targets in the respective period are presented in Figure 5.

Figure 5 - Balanced Scorecard for the business year 2022

KPI Type	KPI Descriptions	weightage	2022 weighted target achievement
Quantitative	Group Net growth focus clients	30%	37.5%
Quantitative	Group NPE Ratio (EBA)	25%	31.3%
Quantitative	Group NBI - OPEX	10%	12.5%
Quantitative	Group Net Profit	10%	12.4%
Qualitative	Cultural transformation	25%	Target evaluated by the Supervisory Board

Figure 6 illustrates the final bonus amounts for each member of the Management Board of Addiko Bank AG, calculated in accordance with the individual achievement for the business year 2022 and considering the maximum bonus amounts defined in their employment contracts.

For Edgar Flaggl, who joined the Management Board as of 1 June 2022, the bonus amount is calculated on a pro-rata basis and the target bonus as defined in his employment contract:

Figure 6 - Bonus calculation for Management Board members in 2022. (EUR gross)

Name	MB member from - to	Pro-rata Target bonus	2022 Annual bonus
Herbert Juranek	01.01.-31.12.2022	350,000	350,000
Tadej Krašovec	01.01.-31.12.2022	156,250	156,250
Ganesh Krishnamoorthi	01.01.-31.12.2022	300,000	300,000
Edgar Flaggl	01.06.-31.12.2022	131,250	131,250

Variable remuneration - Performance Acceleration Incentive Framework (PAIF)

Regarding the PAIF, the additional knock-in criteria were defined for the activation of the PAIF scheme for the year 2022, and defined as follows:

- Addiko Groups' NPE ratio,
- Addiko Group's RAROC,
- Addiko Group's Profit After Tax for PAIF,
- Individual Achievement.

Figure 7 - Achievement of the knock-in criteria for activation of the PAIF scheme for 2022 showing that knock-in criteria was not achieved.

	Target	YE 2022 result
Basic requirement		
Addiko Group's Total Capital Ratio	> 17.2%	21.1%
Additional Knock-in criteria		
Non-Performing Exposures - NPE ratio	< 3,7%	3.25%
Addiko Group's RAROC	> -6.5%	-5.9%
Net Profit for PAIF 2022	> EUR 27,67 million	EUR 25.7 million
Individual Achievement	>= 80%	118.7%

Considering that the activation of the PAIF scheme is possible only in the case when all the indicators included in the knock-in criteria have been achieved, the PAIF scheme for 2022 has not been activated due to not having achieved the Net Profit for PAIF 2022 indicator.

Overview of total remuneration of the active members of the Management Board defined for the business year 2022

For 2022, the Management Board members active during the period of the year received EUR 2,885,143.03 in total, thereof EUR 937,500.00 as performance related variable remuneration.

Figure 10 - Remuneration of the members of Addiko Bank AG's Management Board defined for 2022 (EUR gross) with a comparison to the remuneration paid for 2021

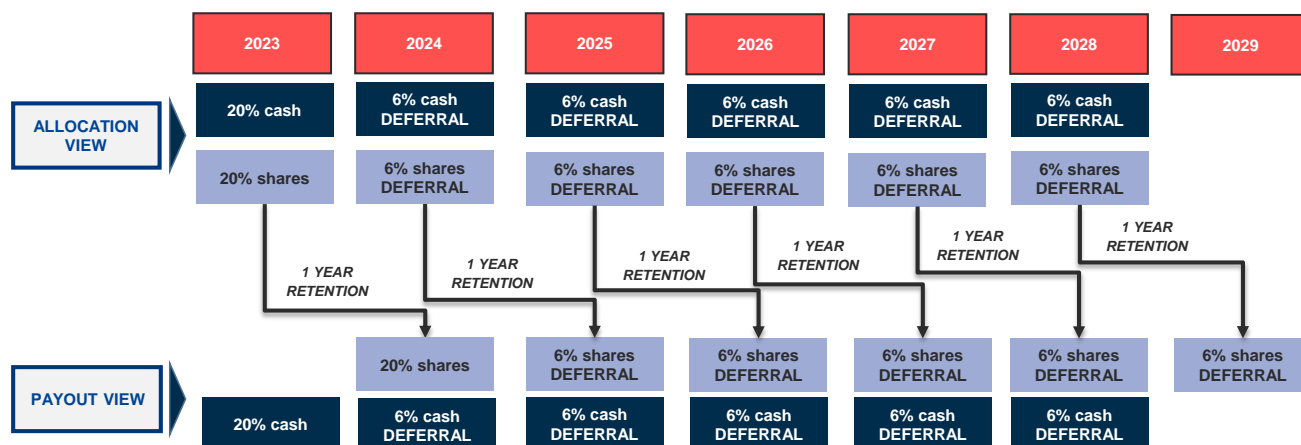
Name	MB member from - to	Base salary	Other fixed ¹	Total fixed	Variable remuneration	Total
Herbert Juranek CEO	01.01.-31.12.2022	650,020.00	31,521.92	681,541.92	350,000.00	1,031,541.92
	01.05.-31.12.2021	433,349.76	21,422.91	454,772.67	200,557.18	655,329.85
Tadej Krašovec CRO	01.01.-31.12.2022	464,288.61	31,521.92	495,810.53	156,250.00	652,060.53
	01.06.-31.12.2021	233,336.10	43,964.61	277,300.71	190,396.09	467,696.80
Ganesh Krishnamoorthi CMO/CIO	01.01.-31.12.2022	500,000.06	31,521.92	531,521.98	300,000.00	831,521.98
	01.01.-31.12.2021	500,000.06	31,256.06	531,256.12	357,797.11	889,053.23
Edgar Flagg CFO	01.06.-31.12.2022	221,427.64	17,340.96	238,768.60	131,250.00	370,018.60

¹ Other fixed includes car allowance and social security

The payment of any performance related variable remuneration defined for 2022 will be initiated only if the Risk Assessment has been completed successfully and in accordance with regulatory requirements as described in the Remuneration Policy of Addiko Bank AG's Management Board ("Vergütungspolitik des Vorstandes der Addiko Bank AG").

The variable remuneration of active Management Board members consists of a payment of 50% in cash and a payment of 50% in Addiko shares as follows:

- (i) In the first half of 2023, the Management Board member is entitled to a variable remuneration instalment amounting to 40% of the total variable remuneration, half of which is payable in cash and the second half in Addiko shares. For the instalment in Addiko shares, a retention period of one year is prescribed.
- (ii) The remaining 60% of the total variable remuneration will be deferred and the pay-out is distributed proportionally over a period of 5 years (12% per year), payable half in cash (6%) and half in company shares (6%). The cash instalments are paid as soon as possible after the end of the first / second / third / fourth / fifth financial year (at the latest by the end of the first half of 2024 / 2025 / 2026 / 2027 / 2028). According to the same scheme, the other half is to be paid out in company shares, with a retention period of one year for each instalment.



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The share price to be used to determine the number of shares corresponds to the average volume weighted share price (VWAP) of Addiko Bank AG (symbol: ADKO) on the Vienna Stock Exchange in the three (3) months prior to the calendar month in which the Supervisory Board approved the remuneration for the business year 2022 (December 2022, January and February 2023).

Based on the information from Vienna Stock Exchange, the average volume weighted share price of Addiko Bank AG in the respective months was 12.0023 EUR.

Considering the variable remuneration amounts defined for the business year 2022, above mentioned mechanism and the average share price as defined above, the 50% of variable remuneration defined for the members of the Management Board will be transferred into Addiko shares as follows:

Figure 11 - Number of shares defined for the 2022 variable remuneration cycle

Name	2022 Variable remuneration	50% to be paid in shares	VWAP for 2022 cycle	Number of shares defined for 2022
Herbert Juranek	350,000	175,000	12.0023	14,577
Tadej Krašovec	156,250	78,125	12.0023	6,508
Ganesh Krishnamoorthi	300,000	150,000	12.0023	12,494
Edgar Flaggel	131,250	65,625	12.0023	5,467

The shares will be allocated to the members of the Management Board of Addiko Bank AG in accordance with the mechanics outlined above.

Comparative information on the change of remuneration and company performance

Figure 12 - Comparative information on the change of remuneration and company performance (2021 & 2022)

Management Board (MB) members' remuneration (fixed + performance related variable remuneration EUR gross)	2021	2022 vs. 2021	2022
TOTAL¹	2,851,248.93	+33,894.10 or +1.2%	2,885,143.03
Addiko Bank AG performance	2021	2022 vs. 2021	2022
Result after tax	13.6 m	+12.1 m or +89.0%	25.7 m
Operating result (new P&L structure)	54.9 m	+18.7 m or +34.1%	73.6 m
Operating expenses	-171.1 m	-3.1 m or -1.8%	-168.0 m
Cost-income ratio	72.4%	- 4.9pp or -6.8%	67.5%
Average remuneration of Addiko Bank AG's employees (fixed + performance bonus EUR gross)	2021	2022 vs. 2021	2022
Addiko Bank AG's employees w/o MB members	92,537.30	+5,275.16 or +5.6%	97,712.46

¹ only relevant on Total Management Board level because Management Board structure was changed in 2022

Remuneration from previous years paid to the Management Board in the business year 2022

Since Addiko Bank AG met the criteria for small and non-complex institution in terms of point 145 of Article 4(1) of Regulation (EU) No 575/2013 and is not a large institution as defined in point 146 of Article 4(1) of Regulation (EU) No 575/2013, in variable remuneration cycles preceding the one for the business year 2021, the following model concerning the payment of variable remuneration was applied to Addiko Group's institutions:

- (i) in the first half of the following financial year, a Management Board member is entitled to a variable remuneration instalment equal to 60% of the variable remuneration, payable in cash. The first instalment is paid as soon as reasonably possible following the end of financial year for which it has been rewarded to the Management Board member (no later than end of the first half of Y+1)
- (ii) the remaining 40% of the variable remuneration shall be deferred and thus paid out and proportionally allocated over a period of 5 years (8% per year), payable as soon as reasonably possible after the end of the first / second / third / fourth / fifth year following the financial year for which it has been rewarded to the Management Board member (no later than the end of the first half of Y+2 / Y+3 / Y+4 / Y+5 / Y+6).

Exceptionally, in the case of the variable remuneration amount exceeding EUR 150,000, first instalment was equal to 40% of the total variable remuneration, while 60% of the total variable remuneration amount was deferred and proportionally allocated over a period of 5 years.

For the business year 2021 the payment of 50% in cash and a payment of 50% in Addiko shares was applied, so in the first half of 2022, the Management Board members were entitled to a variable remuneration instalment amounting to 40% of the total variable remuneration, half of which was payable in cash and half in Addiko shares. For the instalment in Addiko shares, a retention period of one year was prescribed.

By applying the payout models described above in the previous variable remuneration cycles (2016, 2017, 2018, 2019 & 2021), a total amount of EUR 1,449,494.64 was due for payment and paid in 2022 to Addiko Bank AG's Management Board members, of which EUR 298,768.45 was paid to active members (of which 50% in Addiko shares) and EUR 1,150,726.19 to former members of the Management Board.

Figure 13 - Bonus instalments from 2021 bonus cycle paid to active Management Board members in 2022
(EUR gross / number of shares)

Name	Bonus 2021 (cash part)	Bonus 2021 (part in shares)
Herbert Juranek	40,111.44	3,589
Tadej Krašovec	41,595.11	3,722
Ganesh Krishnamoorthi	71,559.42	6,403

In addition to the amounts listed above, former Management Board members Ulrich Kissing, Martin Thomas, Christian Kubitschek, Razvan Munteanu, Johannes Proksch, Csongor Nemeth and Markus Krause received deferred bonus payments of EUR 1,150,726.19 in total during 2022 on account of their previous work in the Management Board of Addiko Bank AG.