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Remuneration report on the remuneration of the members of the Management Board and Supervisory Board of Warimpex Finanz- und Beteiligungs Aktiengesellschaft for the financial year 2023

1. Introduction

1.1. General information

This remuneration report on the remuneration of the members of the Management Board and the Supervisory Board in the financial year 2023 was prepared by the Management Board and the Supervisory Board of Warimpex Finanz- und Beteiligungs Aktiengesellschaft ("**Warimpex**" or "**Company**") in accordance with section 78c AktG in order to provide a comprehensive overview from the Company's perspective of the remuneration granted or owed to the members of the Management Board and the members of the Supervisory Board in the financial year 2023 on the basis of the applicable remuneration policy (section 78a AktG and section 98a AktG), including all benefits in any form.

In preparing this remuneration report, the requirements set out in Section 78c AktG and Section 98a AktG were implemented, the guidelines in the opinion of the Austrian Financial Reporting and Auditing Committee ("**AFRAC opinion**") were used as a guide and the principles of completeness, reliability, clarity and transparency as well as comparability were taken into account.

The remuneration report was reviewed and approved by the company's Supervisory Board.

The remuneration report must be submitted to the company's Annual General Meeting for a vote in accordance with Section 78d. The vote is of a recommendatory nature, whereby the subsequent remuneration report must explain how this voting result was taken into account.

The vote on the 2022 remuneration report resulted in almost 100% approval, meaning that there was no need for any changes.

1.2. Economic development in the past financial year - Warimpex Group earnings position

Sales development

The 11% increase in revenue from the letting of office properties (revenue from investment properties) from EUR 33.2 million to EUR 39.9 million is due to the higher occupancy rate of the Polish office properties and additional revenue from the Avior Tower, which has been fully let since the beginning of 2023.

Revenue in the hotel sector increased by 22% to EUR 11.3 million in 2023 compared to the same period of the previous year. Revenue development in the first half of the previous year was still impacted by the Covid-19 pandemic.

Total sales improved by 10% to EUR 49.7 million, while expenses directly attributable to sales rose by 6% to EUR 17.1 million. This resulted in a 12% increase in gross profit to EUR 32.6 million (previous year: EUR 29.0 million).

Result from the sale of real estate

No real estate transactions took place in the Group in 2023. In the prior-year period, the B52 property in Budapest was sold at a profit.

EBITDA

EBITDA (earnings before interest, taxes, depreciation and amortization and the valuation result from investment properties) increased from EUR 16.5 million to EUR 21.6 million. This was due to both the

increase in sales and lower operating expenses, which, in addition to the absence of one-off costs in the previous year, were also attributable to the fall in the rouble exchange rate.

Depreciation, amortization and changes in value

Depreciation and changes in value resulted in a net loss of EUR 38.2 million (previous year: profit of EUR 42.6 million). The net valuation result from investment property amounted to EUR -38.3 million in 2023, while valuation gains of EUR 45.9 million were recognized in the previous year. The valuation losses are due to higher interest rates and, in some cases, lower expected rental income. Valuation gains resulted from the completion of the Mogilska 35 Office in Krakow and the newly dedicated development plan in Darmstadt.

In the hotel segment, there were net reversals of impairment losses of EUR 2.1 million (previous year: impairment losses of EUR 0.8 million).

EBIT

EBIT decreased from EUR 59.1 million to EUR -16.8 million. This is primarily due to the negative result from depreciation, amortization and impairment losses in the amount of EUR -38.4 million (previous year: valuation gain of EUR 42.6 million).

Financial result

The financial result (including the result from joint ventures) changed from EUR -6.5 million to EUR -10.5 million. Financial expenses remained almost unchanged year-on-year, while income from exchange rate changes in the financial result and from joint ventures was lower.

Profit for the period

The Warimpex Group's profit for the period fell from EUR 42.9 million in the previous year to EUR -23.8 million.

2. Main features of the remuneration policy

Warimpex operates in the business area of real estate portfolio management and development. This business area is characterized by the fact that it is subject to cycles and is project-driven. Warimpex's income comes from the rental of properties and hotel operations on the one hand, and from the sale of developed properties on the other. For this reason, Warimpex's earnings are not stable in a linear fashion, but rather fluctuate to a large extent depending on transactions. Warimpex always strives for the optimal time to sell a property, i.e. the time at which - in Warimpex's opinion - the most attractive sales proceeds can be achieved. In particular, the company's remuneration policy aims to take these special features of the business strategy into account in the remuneration of the members of the Management Board and Supervisory Board.

The following presentation of the main features of the remuneration policy provides an overview of the individual remuneration elements and their link to the company's objectives and long-term development and is intended to give the reader a comprehensive understanding of the framework conditions for the total remuneration presented in the remuneration report.

2.1. Management Board remuneration

The aim of the remuneration policy for the members of the Management Board is to ensure that the total remuneration of the members of the Management Board is commensurate with the company's situation and the remuneration customary in comparable companies, provides behavioral incentives for sustainable corporate development and promotes the business strategy and long-term development of the company.

At the same time, overall remuneration must be competitive and in line with the market in a national and international comparison so that suitably qualified individuals can be recruited and retained within the company in the interests of the desired continuity in corporate management. The remuneration corresponds to the overall responsibility of the Management Board associated with the task, but also takes into account the individual responsibility of the individual Management Board members, which results from the allocation of responsibilities, as well as special requirements arising from the respective task.

The members of the Management Board receive the fixed (non-performance-related) and variable (performance-related) remuneration components listed below:

- Each member of the Management Board shall receive a fixed annual remuneration. The Supervisory Board is entitled to determine the specific amount in the respective Management Board contract at its own discretion, taking into account in particular seniority, experience, length of service with the company and function on the Management Board.

The Management Board contracts should provide for an annual, inflation-related adjustment of the respective amount of the fixed remuneration, whereby the respective value of the Consumer Price Index 2015 (CPI 2015) or a comparable index of the respective year in which the contract was concluded should be applied.

- Each member of the Management Board shall receive annual variable remuneration in a range between 1.0% and 1.5% of the consolidated and audited profit for the period in accordance with IFRS for the previous financial year of the company (share of profit attributable to the shareholders of the parent company), whereby the variable remuneration is capped at three times the annual fixed remuneration of the Management Board. The Supervisory Board is entitled to determine the specific percentage in the respective Management Board contract, whereby in particular seniority, experience, length of service with the company and the function on the Management Board should be taken into account accordingly. No additional, non-financial criteria are currently set for the variable remuneration of the Management Board. There are no special options for reclaiming variable parts of the Management Board remuneration granted that go beyond the statutory regulations.

As it is not possible to determine in advance whether and to what extent variable remuneration will be paid to the respective members of the Management Board, a fixed ratio of the respective remuneration components to each other cannot be specified.

The members of the Management Board are to receive additional benefits, namely inclusion in a D&O insurance policy, a severance payment, a company pension, inclusion in an accident and surviving dependants' pension insurance policy and the provision of a company car:

- **Company car** (including private use) in the upper mid-range category with appropriate equipment. In 2022, the Supervisory Board issued company car regulations that are binding for all members of

the Executive Board, according to which the use of company cars must be based exclusively on the principles of economic expediency and economy and - where technically expedient and economical - the best possible consideration must be given to environmental concerns (in particular low emissions). This means, among other things, that the company car must be used for at least three years or for a useful mileage of 150,000 km, whichever comes first. If a company car is not used, the company car regulations provide for the granting of 10 additional days of leave per year.

- **Pension scheme:** For each member of the Executive Board, an appropriate amount (based on the amounts previously granted) can be paid into a pension reinsurance policy or an equivalent pension model, so that the respective Executive Board member receives a company pension of EUR 5,000.00 (as at 2020) 14 times a year from reaching the retirement age of 65, which is adjusted annually in the same way as the fixed remuneration (CPI 2015). In addition to (early) retirement pensions, this pension reinsurance also covers occupational disability pensions and surviving dependants' claims. The pension entitlement does not arise if the respective Management Board contract is terminated for good cause or the Management Board member resigns from the Management Board relationship with immediate effect without good cause, analogous to the reasons listed in Section 26 of the Austrian Salaried Employees Act. In addition, customary regulations regarding the expiry of pension entitlements, their vesting, their upper limits and possible lump-sum settlements must also be stipulated in the Executive Board contracts. In 2021, existing pension commitments were revised so that they are no longer classified as defined benefit plans but as defined contribution plans, for which provisions are no longer required.
- **D&O insurance:** Each member of the Management Board is to be included in Warimpex's D&O insurance policy at its own expense.
- **Severance pay:** Each member of the Management Board shall be granted a severance payment analogous to Section 23 of the Austrian Salaried Employees Act. The date on which the respective Management Board member joined the company is to be used as the reference date for determining and calculating the severance payment entitlement.
- **Accident insurance:** Accident insurance is to be taken out for each member of the Executive Board at Warimpex's expense. The sums insured are limited to a maximum of EUR 300,000.00 per insured Executive Board member in the event of death and a maximum of EUR 600,000.00 in the event of permanent 100% disability. Note: There is no separate accident insurance for members of the Executive Board. Members of the Management Board are included in the group accident insurance policy that exists for a group of employees. The sum insured in the event of death is EUR 300,000.00 per person.

2.2. Supervisory Board remuneration

The remuneration policy is designed to ensure that the members of the Supervisory Board receive remuneration that is commensurate with their duties and responsibilities and the economic situation of the company. The remuneration policy also takes into account the size of the company, the international orientation and business model of Warimpex as well as the tasks and qualifications of the Supervisory Board members.

The remuneration policy is designed in such a way that suitably qualified individuals can be recruited to serve on the Supervisory Board of an internationally active listed company. The remuneration must therefore be competitive and in line with the market overall and be commensurate with the usual remuneration in comparable companies. It should also allow for a balanced composition of the Board in terms of professional and personal skills. The remuneration policy supports a balanced and qualified composition of the Supervisory Board and appropriately rewards the tasks and responsibilities associated with the mandate. In this way, the remuneration policy promotes the implementation of the business strategy and the long-term positive development of the company.

Each member of the Supervisory Board may receive fixed annual remuneration. The amount to be paid to all members of the Supervisory Board shall be proposed by the Supervisory Board and the Management Board to the Annual General Meeting, whereby the distribution of this amount to the individual Supervisory Board members shall be the responsibility of the Chairman of the Supervisory Board.

The members of the Supervisory Board do not receive any variable remuneration, but do receive an attendance fee per Supervisory Board meeting depending on attendance. The same applies to attendance at meetings of the Supervisory Board committees and for the Chairman of the Supervisory Board and his deputy for attendance at the company's Annual General Meeting. The amount of the attendance fee shall vary depending in particular on the function and scope of duties and responsibilities (Chair, Deputy Chair). The attendance fee is EUR 3,000.00 per meeting for each Supervisory Board member attending the meeting and half of this amount for attending meetings of Supervisory Board committees. The Deputy Chairman receives double and the Chairman receives three times the respective attendance fee. For attendance at the Annual General Meeting, the Chairman receives the attendance fee stipulated for attendance at a Supervisory Board meeting and the Deputy Chairman receives the Supervisory Board attendance fee stipulated for the latter.

3. Remuneration report for the remuneration of the members of the Executive Board

3.1. Presentation of total remuneration

3.1.1. Fundamentals

In order to provide Warimpex shareholders with a clear and comprehensible overview of the total remuneration of Management Board members based on the requirements of section 78c AktG, the total remuneration of Management Board members is presented in Table 1 (Management Board

remuneration) , which is based on the proposed form of presentation in AFRAC Opinion 37 (Austrian Reporting and Auditing Committee).

In the past financial year 2023, which covered the period from 01.01.2023 to 31.12.2023, there were only

- Dr. Franz Jurkowitsch, Chairman of the Management Board,
- Dr. Daniel Folian, Deputy Chairman of the Executive Board,
- Dr. Alexander Jurkowitsch, Member of the Executive Board,
- Florian Petrowsky, Member of the Management Board,

Members of the Management Board of Warimpex (collectively the "**members of the Management Board**", the "**Management Board members**" or the "**Management Board**").

3.1.2. Fixed remuneration components

Taking into account the requirements of the remuneration policy, the following remuneration was granted in the 2023 financial year

A fixed remuneration of EUR 406,877 (previous year: EUR 350,424) was paid to Dr. Franz Jurkowitsch, Chairman of the Executive Board, in 14 installments. In addition, the following fringe benefits were paid to Dr. Franz Jurkowitsch:

- D&O insurance and accident insurance: The company has concluded contracts for these insurance policies and pays flat-rate premiums for them, which are not allocated to individual persons.
- No remuneration from affiliated companies was paid to Dr. Franz Jurkowitsch.
- Company car in accordance with the remuneration policy

For Dr. Daniel Folian, Deputy Chairman of the Executive Board, fixed remuneration of EUR 292,211 (previous year: 259,704) was paid out in 14 installments. In addition, the following fringe benefits were paid to Dr. Daniel Folian:

- Contributions to pension reinsurance: EUR 67,912 (previous year: EUR 63,325)
- D&O insurance and accident insurance: The company has concluded contracts for these insurance policies and pays flat-rate premiums for them, which are not allocated to individual persons.
- No remuneration was paid to Dr. Daniel Folian by affiliated companies.
- No company car, instead additional leave in accordance with remuneration policy

A fixed remuneration of EUR 292,211 (previous year: EUR 259,704) was paid to Dr. Alexander Jurkowitsch, member of the Executive Board, in 14 installments. In addition, the following fringe benefits were paid to Dr. Alexander Jurkowitsch:

- Contributions to pension reinsurance: EUR 63,263 (previous year: EUR 38,632)
- D&O insurance and accident insurance: The company has concluded contracts for these insurance policies and pays flat-rate premiums for them, which are not allocated to individual persons.
- No remuneration from affiliated companies was paid to Dr. Alexander Jurkowitsch.
- Company car in accordance with the remuneration policy

A fixed remuneration of EUR 292,211 (previous year: EUR 259,704) was paid in 14 installments for Florian Petrowsky, member of the Executive Board. In addition, the following fringe benefits were paid to Florian Petrowsky:

- Contributions to pension reinsurance: EUR 83,446 (previous year: EUR 79,616)
- D&O insurance and accident insurance: The company has concluded contracts for these insurance policies and pays flat-rate premiums for them, which are not allocated to individual persons.
- No remuneration from affiliated companies was paid to Florian Petrowsky.
- Company car in accordance with the remuneration policy

3.1.3. Variable remuneration components

For the 2023 financial year, the consolidated net result for the period attributable to shareholders amounted to EUR -23,807 thousand. Taking into account the requirements of the remuneration policy, this resulted in no variable remuneration (annual bonus) for the Management Board for 2023.

In the 2022 financial year, consolidated net profit for the period attributable to shareholders amounted to EUR 42,864 thousand. Taking into account the requirements of the remuneration policy, this resulted in variable remuneration (annual bonus) of EUR 1,927,764, which is to be paid out to the Management Board in the 2024 or 2025 financial years depending on the Group's earnings and financial position. This amount is distributed among the members of the Executive Board as follows:

Dr. Franz Jurkowitsch: EUR 642,588

Dr. Daniel Folian, Dr. Alexander Jurkowitsch, Florian Petrowsky: EUR 428,392 each

Note on the annual bonus: As the respective annual bonus relates to the Group result, this is only determined when the consolidated financial statements are prepared, i.e. in the following year. The bonus is therefore usually paid out in the following year or, in some cases, spread over several years.

The 2022 annual bonus has not yet been paid out to the members of the Executive Board.

3.1.4. Long-term variable remuneration components (long-term incentive programs)

There are currently no long-term incentive programs for members of the Management Board.

3.1.5. Compliance of the total remuneration with the remuneration policy

According to the remuneration policy, the total remuneration of the members of the Management Board must be commensurate with the situation of the company and the remuneration customary in comparable companies.

The following picture emerges in this respect:

Warimpex is listed on the Vienna and Warsaw stock exchanges and operates primarily outside Austria. A study by the Chamber of Labor and Employees for Vienna from September 2023 shows that the average Management Board remuneration for the 2022 financial year amounted to EUR 2.3 million. Variable remuneration is mostly linked to the financial success of the company. In relation to the average ATX Management Board salary of EUR 2.3 million in 2022, the basic or fixed salary accounts for 36.7 %, 48.9 % comes from the variable remuneration component and 14.4 % comes from other salary components (such as termination payments, contributions to pension funds, insurance benefits, benefits in kind such as company cars, etc.).¹ Warimpex is not listed on the ATX, but a study of all listed companies is not available. Based on this information, it can be seen that the remuneration of the Management Board at Warimpex is significantly below the average remuneration of this benchmark.

¹ Executive Board remuneration in the ATX companies 2022, August 2023
https://wien.arbeiterkammer.at/service/betriebsrat/ifam/dividendenpolitik_und_vorstandsverguetung/Vorstandsverguetung-in-den-ATX-Unternehmen-2022-August-2023.pdf

3.2. Information on share-based payments

Warimpex does not have a share option program and the members of the Management Board were neither offered nor granted shares.

3.3. Deviations from the remuneration policy

In the 2023 financial year, there were no deviations from the remuneration policy or from the procedure for its implementation described therein.

3.4. Reclaiming variable remuneration components

No variable remuneration components were reclaimed in the 2023 financial year.

Table 1: Management Board remuneration

<i>(in EUR thousand)</i>	2022			
	Jurkowitsch F.	Folian	Jurkowitsch A.	Petrowsky
<i>Fixed remuneration</i>				
- Fixed annual salary	350	260	260	260
- Pension reinsurance contributions	-	63	39	80
Subtotal	350	323	299	340
<i>Variable remuneration</i>				
- Annual bonus	643	428	428	428
<i>Payment of previous year's bonus</i>	184	123	123	123
Total	993	751	727	768
<i>Relative share of fixed components (in %)</i>	35%	43%	41%	44%
<i>Relative share of variable components (in %)</i>	65%	57%	59%	56%
Total Managing Board		3.239		
<i>(in EUR thousand)</i>	2023			
	Jurkowitsch F.	Folian	Jurkowitsch A.	Petrowsky
<i>Fixed remuneration</i>				
- Fixed annual salary	407	292	292	292
- Pension reinsurance contributions	-	68	63	83
Subtotal	407	360	355	375
<i>Variable remuneration</i>				
- Annual bonus				
<i>Payment of previous year's bonus</i>				
Total	407	360	355	375
<i>Relative share of fixed components (in %)</i>	100%	100%	100%	100%
<i>Relative share of variable components (in %)</i>	0%	0%	0%	0%
Total Managing Board		1.497		

4. Remuneration report for the remuneration of Supervisory Board members

4.1. Presentation of total remuneration

4.1.1. Fundamentals

In order to provide Warimpex shareholders with a clear and comprehensible overview of the total remuneration of Supervisory Board members based on the requirements of section 98a AktG in conjunction with section 78c AktG, the total remuneration of Supervisory Board members is presented in Table 2 (Supervisory Board remuneration), which is based on the proposed form of presentation in AFRAC Opinion 37.

In the past financial year 2023, which covered the period from 01.01.2023 to 31.12.2023, the capital representatives were

- Dipl.Kfm. Günter Korp, Chairman of the Supervisory Board,
- Dr. Thomas Aistleitner, Deputy Chairman of the Supervisory Board,
- Harald Wengust, member of the Supervisory Board,
- Gina Goëss, Member of the Supervisory Board,
- Hubert Staszewski, member of the Supervisory Board,

as members of the Supervisory Board of Warimpex (collectively the "**members of the Supervisory Board**", the "**Supervisory Board members**" or the "**Supervisory Board**").

4.1.2. Fixed remuneration components

Each member of the Supervisory Board may receive a fixed annual remuneration. The amount to be paid to all members of the Supervisory Board is proposed annually by the Supervisory Board and the Executive Board to the Annual General Meeting for approval, whereby the distribution of this amount to the individual Supervisory Board members is the responsibility of the Chairman of the Supervisory Board.

No fixed remuneration was paid to the members of the Supervisory Board in the 2023 financial year.

4.1.3. Variable remuneration components

The members of the Supervisory Board do not receive performance-related variable remuneration, but rather an attendance fee per meeting of the Supervisory Board depending on attendance. The same applies to attendance at meetings of the Supervisory Board committees and for the Chairman of the Supervisory Board and his deputy for attendance at the company's Annual General Meeting. The amount of the attendance fee shall vary depending in particular on the function and scope of duties and responsibilities (chair, deputy chair). The attendance fee is EUR 3,000.00 per meeting for each Supervisory Board member attending the meeting and half of this amount for attending meetings of Supervisory Board committees. The Deputy Chairman receives double and the Chairman receives three times the respective attendance fee. For attendance at the Annual General Meeting, the Chairman receives the attendance fee stipulated for attendance at a Supervisory Board meeting, while the Deputy Chairman receives the Supervisory Board attendance fee stipulated for the latter.

Employee representatives delegated in accordance with § 110 ArbVG are not members of the Supervisory Board.

In accordance with the remuneration policy, no performance-related variable remuneration components were paid to Supervisory Board members in the 2023 financial year.

The amount of attendance fees to which the Supervisory Board members were entitled in the 2023 financial year, but which were not yet paid out or only partially paid out in 2023, can be seen in Table 2 (Supervisory Board remuneration).

4.1.4. Additional components of the remuneration

The members of the Supervisory Board are not to receive any additional benefits other than inclusion in the D&O insurance and collective accident insurance taken out by the company.

4.1.5. Ratio of the respective components of the remuneration

As the members of the Supervisory Board only receive variable remuneration in the form of attendance-related attendance fees, there is no need to disclose the relative proportions of the various remuneration components.

4.1.6. Long-term variable remuneration components (long-term incentive programs)

There is currently no long-term incentive program for members of the Supervisory Board.

4.1.7. Compliance of the total remuneration with the remuneration policy

The total remuneration for the members of the Supervisory Board in the past financial year 2022 was in line with the remuneration policy. The remuneration of the members of the Supervisory Board must be in line with the market and attractive enough to attract suitably qualified individuals to work for an internationally active listed company with a diversified investment portfolio. It must also allow for a balanced composition of the Board in terms of professional and personal skills. Particular attention is paid to a balanced age structure as well as the internationality and professional background of the members. By promoting a balanced and broadly qualified composition of the Supervisory Board, the remuneration policy also supports sustainable corporate development. Gender-specific diversity is to be given greater consideration when new members are elected to the Supervisory Board.

4.2. Information on share-based payments

No share option program is currently in place at Warimpex and no shares have been offered or granted to members of the Supervisory Board.

4.3. Deviations from the remuneration policy

In the 2023 financial year, there were no deviations from the remuneration policy or from the procedure for its implementation described therein.

4.4. Reclaiming variable remuneration components

No variable remuneration components were reclaimed in the past financial year 2023.

Table 2: Supervisory Board remuneration

<i>(in EUR thousand)</i> 2022 *)	Corp	Aistleitner	Wengust	Goëss	Staszewski
Attendance fees (entitlement)	64,5	48,0	23,3	15,0	15,0
Attendance fees for 2021 (disbursement)	63,0	36,0	6,0	3,0	3,0
Total paid out in 2022	0,0	36,0	0,0	12,0	12,0

<i>(in EUR thousand)</i> 2023 *)	Corp	Aistleitner	Wengust	Goëss	Staszewski
Attendance fees (entitlement)	73,5	49,5	27,0	15,0	15,0
Attendance fees for 2022 (disbursement)	64,5	12,0	23,3	3,0	3,0
Total paid out in 2023	0,0	37,5	0,0	12,0	12,0

*) The Supervisory Board members concerned are entitled to attendance fees based on their participation in the relevant meetings. The attendance fees had not yet been paid, or only partially paid, by the end of the financial year.

5. Other information

The annual change in total remuneration, the economic success of the company and the average remuneration of the company's other employees is presented below:

<i>(in EUR thousand)</i>	2022	2023	Change in %
Consolidated net income attributable to shareholders *)	42.839	-23.794	n/a
Total remuneration Executive Board	3.239	1.497	-54%
Average remuneration of other employees in Austria **)	118	123	4%

*) The consolidated net profit attributable to shareholders is used as the key indicator of the company's economic success, as this is also the reference figure for the variable remuneration of the Management Board.

***) Due to the very different wage levels in the individual countries in which Warimpex operates, the figures are based on full-time employees in Austria.