

Independent Auditor's Report

VIG Asset Management, a.s.

Accounting period
from 1.1.2019 to 31.12.2019

Identification of the Accounting Unit

Company: **VIG Asset Management, a.s.**
Identification No.: 248 38 233
Registered Office: Templová 747/5, 110 00 Praha 1
Legal Form: Joint Stock Company
File Number: B 17131, Trade Register Court Prague

The auditor's report is determined for shareholders of the company

Auditor's Opinion

We have audited the accompanying the financial statements of the company VIG Asset Management, a.s. prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise of the balance sheet as of 31.12.2019, and the income statement, statement of changes in equity, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company VIG Asset Management, a.s. see Note 1 to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the company VIG Asset Management, a.s. as of 31.12.2019, and of its financial performance for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

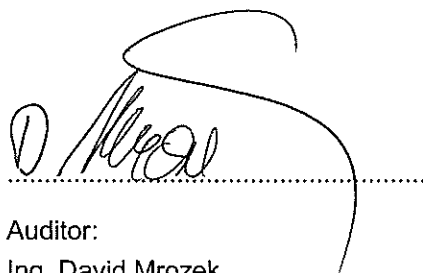


- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

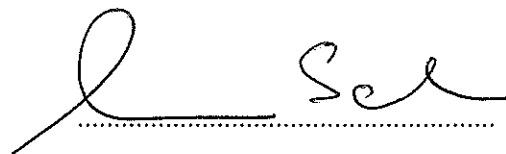
We communicate with the Board of Directors and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



In Prague, on 21.2.2020



Auditor:
Ing. David Mrozek
Certificate No. 2309 KAČR



TPA Audit s.r.o.
Antala Staška 2027/79, Praha 4
Certificate No. 080 KAČR

FINANCIAL STATEMENTS

from 1.1.2019 to 31.12.2019

VIG Asset Management, a.s.

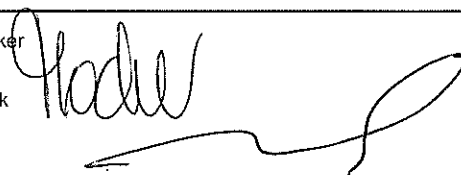
Date 21.2.2020



Statutory body

DI Caroline Mocker

Ing. Luděk Marek



BALANCE SHEET
full version

VIG Asset Management, a.s.

Corporate ID 24838233

As of
31.12.2019
(in CZK thousand)

Templová 747/5
110 00 Praha 1

		31.12.2019			31.12.2018
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	23 418		23 418	18 747
B.	Fixed assets	889		889	900
B.III.	Non-current financial assets	889		889	900
B.III.1.	Equity investments in controlled or controlling entities	889		889	900
C.	Current assets	22 525		22 525	17 844
C.II.	Receivables	1 066		1 066	1 396
C.II.1.	Long-term receivables	395		395	366
C.II.1.4	Deferred tax asset	395		395	366
C.II.2	Short-term receivables	671		671	1 030
C.II.2.1	Trade receivables	671		671	566
C.II.2.4	Other receivables				464
C.II.2.4.3	State - tax receivables				207
C.II.2.4.5	Estimated receivables				257
C.IV.	Cash resources	21 459		21 459	16 448
C.IV.1.	Cash on hand	28		28	29
C.IV.2.	Cash at bank	21 431		21 431	16 419
D.	Other assets	4		4	3
D.i	Deferred expenses	4		4	3



		31.12.2019	31.12.2018
	TOTAL LIABILITIES & EQUITY	23 418	18 747
A.	Equity	15 679	13 210
A.I.	<i>Share capital</i>	3 300	3 300
A.I.1.	Share capital	3 300	3 300
A.II.	<i>Share premium and capital funds</i>	-88	-77
A.II.2.	Capital funds	-88	-77
A.II.2.2	Gains or losses from the revaluation of assets and liabilities	-88	-77
A.III.	<i>Retained earnings funds</i>	307	307
A.III.1.	Other reserve funds	307	307
A.IV.	<i>Retained earnings (+/-)</i>	9 680	9 067
A.IV.1.	Accumulated profits brought forward	9 680	9 067
A.V.	<i>Profit or loss for the current period (+ -)</i>	2 480	613
B. + C.	Provisions and liabilities	7 739	5 537
B.	<i>Provisions</i>	2 076	1 926
B.4.	Other provisions	2 076	1 926
C.	<i>Liabilities</i>	5 663	3 611
C.II.	<i>Short-term liabilities</i>	5 663	3 611
C.II.4.	Trade payables	4 422	2 999
C.II.8.	Other payables	1 241	612
C.II.8.3	Payables to employees	285	305
C.II.8.4	Social security and health insurance payables	143	150
C.II.8.5	State - tax payables and subsidies	759	157
C.II.8.6	Estimated payables	54	



PROFIT AND LOSS ACCOUNT
structured by the nature of expense method

VIG Asset Management, a.s.

Corporate ID 24838233

Year ended
31.12.2019
(in CZK thousand)

Templova 747/5
110 00 Praha 1

		Period to 31.12.2019	Period to 31.12.2018
I.	Sales of own products and services	21 764	17 477
II.	Sales of goods		
A.	Purchased consumables and services	10 045	9 145
A.2.	Consumed material and energy	21	20
A.3.	Services	10 024	9 125
D.	Staff costs	8 203	8 090
D.1.	Payroll costs	6 822	6 697
D.2.	Social security and health insurance costs and other cost	1 381	1 393
D.2.1.	Social security and health insurance costs	1 329	1 348
D.2.2.	Other cost	52	45
E.	Other operating expenses	161	284
F.3.	Taxes and fees	3	1
F.4.	Change in provisions related to operating activities and complex deferred expenses	150	273
F.5.	Other operating expenses	8	10
*	Operating profit or loss	3 355	-42
IV.	Revenues from long-term financial assets - shares		592
IV.1.	Revenues from shares - controlled and controlling entity		592
VII.	Other financial revenues	30	156
K.	Other financial expenses	314	136
*	Financial profit or loss	-284	612
**	Profit or loss before tax	3 071	570
L.	Income tax	591	-43
L.1.	- due	619	9
L.2.	- deferred	-28	-52
**	Profit (+) or loss (-) after tax	2 480	613
***	Profit (+) or loss (-) for the current period	2 480	613
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	21 794	18 225



**STATEMENT OF
CHANGES IN EQUITY**

VIG Asset Management, a.s.
Corporate ID 24838233

Year ended
31.12.2019
(in CZK thousand)

Templová 747/5
110 00 Praha 1

	Share capital	Capital funds	Retained earnings funds	Other result of previous years	Retained earnings	Valuation differences	TOTAL EQUITY
Balance at 31.12.2017	3 300		307		9 067	-83	12 591
FX differences and revaluations not included in the profit						6	6
Profit or loss for the current period					613		613
Balance at 31.12.2018	3 300		307		9 680	-77	13 210
FX differences and revaluations not included in the profit						-11	-11
Profit or loss for the current period					2 480		2 480
Balance at 31.12.2019	3 300		307		12 160	-88	15 679



lw

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2019

Name of the Company: VIG Asset Management, a.s.

Registered Office: Templová 747/5, 110 01 Praha 1-Staré Město

Legal Status: Joint-stock company

Corporate ID: 248 38 233



1. GENERAL INFORMATION

VIG Asset Management, a.s. (hereinafter "VIG" or the "company") is a joint-stock company with its registered seat located at Templová 747/5, 110 01 Praha 1 – Staré Město, ID no. 248 38 233. The Company is registered in the Register of Companies held by the Municipal Court in Prague, insert 17131, section B.

The principal activities of the Company include rental of property, residential and non-residential premises.

The shareholders of the Company as of 31. 12. 2019 and as of 31. 12. 2018:

- VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe with registered seat at Schottenring 30, 1010 Vienna, Austria (33pcs of common shares with a nominal value of CZK 100 000 per share, i. e. 100% of the shares)

Company VIENNA INSURANCE GROUP AG The Wiener Versicherung Gruppe is the sole shareholder.

Statutory bodies as of 31. 12. 2019 and overview of changes made in 2019:

Procuration:

Mag. Birgit Weber, residence: Angoraweg 13/2, 1220 Vienna, Austria

Board of Directors members:

DI Caroline Mocker, residence: Kaiserstrasse 91/1, 1070 Vienna, Austria, duration: from 28. 4. 2016

Ing. Luděk Marek, residence: Počernická 3226 / 2g, 100 00 Prague 10-Strašnice, duration: from 28. 4. 2016

Membership expiring as of 30. 6. 2019 for member: Wolfgang M. Hajek, residence: Argentinierstrasse 29/23, 1040 Vienna, Austria, duration: from 29. 4. 2016

The Board of Directors is responsible for the company. Two members of the Board of Directors act jointly on behalf of the company.

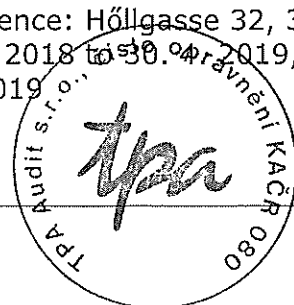
Supervisory Board:

Mag. Gerhard Lahner, residence: Garengasse 21, 2130 Mistelbach, Austria, member from 24. 6. 2017, chairman of supervisory board from 13. 12. 2018

Mag. Roland Gröll, residence: Spinozagasse 12/25, 1170 Vienna, Austria, member from 27. 4. 2011, vice-chairman of supervisory board from 13. 6. 2019

Mag. Nicolas Mucherl, residence: Breitenfurter Strasse 372D/9/17, 1230 Vienna, Austria, member from 27. 5. 2019

Membership and post expiring: Elisabeth Stadler, residence: Höllgasse 32, 3550 Langenlois, Austria, membership duration: from 1. 10. 2018 to 30. 04. 2019, vice-chairman post duration: from 13. 12. 2018 to 30. 4. 2019



lev

2. ACCOUNTING PRINCIPLES AND POLICIES

The Company's accounting books and records are maintained and the standalone financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll., which provides the arrangement and content definition of the financial statements and the scope of the data for publication for banks and other financial institutions, and the Czech Accounting Standards for financial institutions.

The Company's financial statements have been prepared as of the balance sheet date, i.e. 31. 12. 2019, for the year ended 31. 12. 2019. Comparative figures are presented as of 31. 12. 2018, for the year ended 31. 12. 2018.

These financial statements are presented in thousands of Czech crowns (CZK), unless stated otherwise.

2.1. Tangible and Intangible Fixed Assets

Fixed assets include assets with an estimated useful life greater than one year and an acquisition cost of tangible fixed asset greater than CZK 40 thousand and intangible fixed asset greater than CZK 60 thousand.

Purchased tangible and intangible fixed assets are stated at cost less accumulated depreciation and provisions, if any.

The cost of tangible and intangible fixed asset improvements increases the acquisition cost of the related fixed asset. Repairs and maintenance are expensed.

Low value tangible fixed assets are tangible fixed assets with an acquisition cost from CZK 3 thousand up to 40 thousand CZK with estimated useful life greater than one year.

Low value intangible fixed assets are intangible fixed assets with an acquisition cost from CZK 3 thousand up to 60 thousand CZK with estimated useful life greater than one year.

Depreciation is charged so as to write off the cost of tangible and intangible fixed assets, other than land and assets under construction, over their estimated useful lives according to the Income Tax Act.

The residual value of the asset and its lifetime shall be assessed and, where appropriate, adjusted at each balance sheet date.

2.2. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate allowances. Doubtful and bad receivables are subsequently reduced by appropriate provisions.

Receivables are divided into short-term (maturity within 12 months or less) and long-term (maturity longer than 12 months). The portion of long-term receivables maturing within one year from the balance sheet date is included in short-term receivables.



2.3. Equity

The share capital of the Company is stated at the amount recorded in the Register of Companies. The share capital is fully paid. Any increase or decrease of the share capital on the basis of a decision of the General Meeting, which was not registered on the balance sheet date, is recorded through changes in share capital.

2.4. Provisions and Liabilities

Long-term and short-term liabilities are stated at their nominal values.

Long-term and short-term liabilities to credit institutions are stated at their nominal value. The portion of long-term liabilities to credit institutions maturing within one year from the balance sheet date is included in short-term liabilities to credit institutions.

Interest owed to credit institutions and other financial liabilities, if their maturity is not expected within 12 months from the balance sheet date, are recorded as long-term liabilities.

Provisions are intended to cover future risks and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions represent probable performance with uncertain timing and amount. Provisions are made if a) there is an obligation to perform as a result of previous events; b) it is probable that the transaction will occur and will require the outflow of funds representing economic benefits, whereas "probable" means a higher than 50% probability; c) it is possible to make a reliable estimation of performance.

Provisions are charged to cost in the amount which is the best estimate of expenses necessary to settle an existing liability. For the best estimate of the provision all risks and uncertainties that inevitably accompany many related events and circumstances are considered.

2.5. Foreign Currency Translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank.

At the balance sheet date, the relevant assets and liabilities denominated in foreign currencies are translated at the Czech National Bank's exchange rate prevailing as of that date.



2.6. Revenues and Costs

Revenues and expenses are recognized in the period to which they relate to.

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax.

2.7. Use of Estimates

The presentation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcome in the future may differ from these estimates.

2.8. Income Tax

Income tax comprises income tax due for current period and change of deferred tax.

Tax due is based on tax estimate calculated by tax rate effective on the first date of the accounting period applied to the accounting profit increased or decreased by permanently or temporarily tax non-deductible expenses and non-taxable revenues. Furthermore, items reducing the tax base, tax reliefs and income tax discounts are taken into consideration.

In case the financial statements date precedes the final calculation of income tax, the Company creates an income tax provision.

Deferred tax is accounted for using the balance sheet liability method and reflects the net tax effects of temporary differences between the accounting and tax carrying amounts of assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the related deferred tax is also dealt with in equity.

2.9. Participation with decisive or substantial influence

The company is the sole owner of VIG AM Services GmbH with a capital of EUR 35 000.

2.10. Year-on-Year Changes in Accounting Policies

No change of accounting policies took place in the accounting period.



2.11. Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation, are reflected in the financial statements in the case that these events provide further evidence that existed at the balance sheet date.

In case important events occurred between the balance sheet date and the date of the financial statements preparation taking into consideration facts that occurred after the balance sheet date, the effects of these events are disclosed in the notes to financial statements but are not recorded in the financial statements.

3. ADDITIONAL INFORMATION

3.1. Receivables from banks

As of 31. 12. 2019, the Company recorded receivables from banks in the total amount of CZK 21 431 thousand from current accounts (as of 31. 12. 2018: CZK 16 419 thousand).

3.2. Receivables

As of 31. 12. 2019 the Company recorded deferred tax receivable in the amount of CZK 395 thousand (as of 31. 12. 2018: CZK 366 thousand). The deferred tax is calculated from accounting reserves.

As of 31. 12. 2019 the Company had short-term trade receivables in the amount of CZK 671 thousand (as of 31. 12. 2018: CZK 566 thousand).

As of 31. 12. 2019 the Company recorded CIT payables in the amount of CZK 619 thousand (as of 31. 12. 2018 the Company recorded CIT receivable in the amount of CZK 207 thousand).

Receivables do not carry maturity exceeding 5 years as of the balance sheet date.

The Company has no pledged receivables.

3.3. Current Financial Assets and Cash resources

Cash resources financial assets are represented solely by cash in hand and cash on bank account.

As of 31. 12. 2019, the Company has no pledged current financial assets.

3.4. Other assets

Prepaid expenses are represented mainly by insurance and webhosting and are charged to expenses in the period they relate to.



les

3.5. Equity

The registered capital of the Company as of 31. 12. 2019 represents 33pcs of common shares, publicly non-negotiable, with a nominal value of CZK 100 thousand per piece, i.e. in total of CZK 3 300 thousand. The share capital is fully paid.

3.6. Provisions

As of 31. 12. 2019 the Company created provisions for unused holidays, expected invoices and bonuses including social and health insurance in the amount of CZK 2 076 thousand (as of 31. 12. 2018: CZK 1 926 thousand).

3.7. Liabilities

The most important part of short-term liabilities as of 31. 12. 2019 represent trade liabilities in the amount of CZK 4 422 thousand (as of 31. 12. 2018: CZK 2 999 thousand).

As of 31. 12. 2019 the Company records VAT liability of CZK 71 thousand (as of 31. 12. 2018: CZK 83 thousand).

Liabilities do not have a maturity longer than 5 years at the balance sheet date.

The Company had no liabilities pledged or used as guarantees in favour of the lender as of 31. 12. 2019 and 31. 12. 2018.

3.8. Payroll expenses

The average number of full-time equivalent employees during the period up to 31. 12. 2019 was 3 persons.

No loans, borrowings or other non-financial benefits were granted to the members of management and supervisory bodies in the year 2019, 2018 respectively.

3.9. Significant Items of Income Statement

Significant revenues consist of lease of premises and revenues arising from contracts between related parties.

Significant expenses consist of payroll expenses and expenses arising from contracts between related parties.

Other financial revenues are mainly represented by foreign exchange gains.

Other financial expenses consist primarily of bank charges and foreign exchange losses.

3.10. Related Party Transactions

The members of the VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe and VIG FUND, a. s., VIG AM Service GmbH, SK BM s. r. o., HUN BM KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG, EUROPEUM Business Center s.r.o. a ATRIUM TOWER Sp. z o.o. are considered as related parties.

Transactions were carried out under standard market conditions.



3.11. Off-balance Sheet Items

The Company had no assets and liabilities that are not recorded in the balance sheet as of 31. 12. 2019.

3.12. Subsequent Events

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

