

# Annual Report 2020

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VIG FUND, a.s.

**VIG  FUND**

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## 2. Basic Company Information

**Company:** VIG FUND, a.s.  
**Company address:** Templová 747/5, Staré Město, 110 00 Praha 1  
**Legal form:** joint-stock company  
**Identification no.:** 24220809  
**Date of balance:** 31<sup>st</sup> December 2020  
**Accounting period:** 1<sup>st</sup> January 2020 – 31<sup>st</sup> December 2020

VIG FUND, a.s. was founded by registration in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17896 on 1<sup>st</sup> March 2012 (hereinafter referred to as "VIG FUND" or the "Company").

VIG FUND is a joint-stock company, managed by VIG Asset Management, a.s., ID no. 24838233, with registered office at Templová 747/5, Staré Město, 110 00 Praha 1, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17131 (hereinafter referred to as "VIG AM").

The company is represented by the sole member of the Board of Directors, VIG AM, which is represented by its statutory body.

The line of business of VIG FUND is the acquisition and the lease of real estates, residential and non-residential premises. The Company primarily deals with management of the real estate assets.

## 3. Report of the Board of Directors on Business Activities and Status of Properties

After a positive start in 2020 the situation changed immediately and significantly in March 2020, when most countries have entered into a state of emergency due to the spread of coronavirus, which significantly reduced economic development. The coronavirus pandemic had significant impact on the Company's activities and the management of its properties in 2020, however, due to diversification of the existing portfolio as well as active management measure, the impact could be limited.

The economic activities of the Company ended with a profit of TEUR 6 983 for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2020.

## The portfolio of VIG FUND

<i>Property</i>	<i>Location</i>
Life-Building C	Prague
Havlíčkova Plaza	Prague
Burzovní Palác	Prague
Revoluční	Prague
Jasna	Warsaw
Libra	Warsaw
Atrium Tower	Warsaw
Europeum	Bratislava
Retail Portfolio	Czech Republic
Retail Portfolio	Slovakia
Retail Portfolio	Hungary
Brivibas Bulavaris 21	Riga
Kalkulela 12	Riga
Kalkulela 15	Riga

The properties are held directly by the Company or by its subsidiaries.

### Status of Properties

#### Assets

In balance sheet as of 31<sup>st</sup> December 2020 the Company reported assets amounting to TEUR 357 073 (out of which TEUR 341 946 represents investment properties and shares).

#### Liabilities

Total liabilities of the Company amounted to TEUR 125 057.

#### Registered share capital

The Company's registered share capital amounts to TEUR 194.

The management of the Company is not aware of any other facts that would significantly affect the financial situation of the Company as of the date of generating the annual report for 2020. The management is furthermore not aware of any substantial lawsuits (active or passive) that could affect the financial situation of the Company for 2020.

## 4. Expected Company development in 2021

The COVID-19 pandemic still dominates the economy and the lives in most countries. It is not foreseeable how the situation will develop in future, the management of the Company will continuously assess the situation.

Despite the difficult present situation the Company will continue its growth strategy by acquiring additional real estate investments in Central and Eastern Europe and on managing the already acquired properties.

## 5. Investment objective and investment policy

The objective of the Company is to increase the value of the managed assets in the long term by investing in the following assets:

- immovable property, including accessories thereof, and in interest in real estate companies that generate regular income, particularly in countries in which VIG Group operates or intends to operate; if VIG Group enters a new market, the Company can also invest in this market.
- liquid assets with lower risk, especially deposits on the bank accounts, money market instruments and bonds.

The Company will reinvest income from investments in accordance with investment objectives.

## 6. Other information

### Activities in the area of research and development

The Company is currently not active in the area of research and development.

### Activities in the area of environmental protection and labor-law relations

With respect to environmental protection and labor-law relations, the Company adheres to the corresponding legally binding regulations.

### Organizational units abroad

The Company has no organizational unit abroad but holds two properties in Poland directly.

The Company holds 100 % of the share capital in its five subsidiaries abroad. SK BM s.r.o. with the registered seat in the Slovak Republic owns two retail properties in Slovakia, the second Slovakian subsidiary EUROPEUM Business Center s.r.o. holds one property. HUN BM Kft. represents VIG FUND's indirect ownership of one retail property in Hungary and Atrium Tower Sp. z o. o., a Polish subsidiary of VIG Fund is the owner of Atrium Tower. The Company's Latvian subsidiary KKB Real Estate SIA holds three real estates in Riga.

**Information on lawsuits or arbitrations**

The Company was not involved in lawsuits or arbitrations in 2020 that would significantly affect the financial situation of the Company. The Board of Directors hereby declares that to its knowledge, the annual report gives a true and fair view of the financial position, business activities and results of the Company for the reported period and a true and fair view of the future outlook for the financial situation, business activities and financial results.

22<sup>th</sup> March 2021



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VIG Asset Management, a.s. (Member of the Board of Directors), *represented by Dipl. Ing. Caroline Mocker, MSc. MRICS and Ing. Luděk Marek*

## 7. Report on relationships between related parties

### The controlled company: VIG FUND, a.s.

The Company is part of the Vienna Insurance Group consolidation group with the ultimate parent company being VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria.

### Company purpose

The Company enables other companies within the VIG Group to invest into real estate market in CEE.

### The controlling companies:

Shareholder	Share on registered capital
VIG-CZ Real Estate GmbH, Vienna	65.51 %
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	13.03 %
VIG RE zajišťovna, a.s., Prague	2.75 %
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	0.69 %
InterRisk Towarzystwo Ubezpieczeń Spolka Akcyjna Vienna Insurance Group, Warsaw	1.34 %
Compensa Towarzystwo Ubezpieczeń Spolka Akcyjna Vienna Insurance Group, Warsaw	1.43 %
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	0.64 %
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	0.84 %
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group, Bratislava	1.01 %
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group, Bratislava	4.32 %
Compensa Life Vienna Insurance Group SE, Tallinn	3.43 %
AAS "BTA Baltic Insurance Company", Riga	1.00 %
Compensa Vienna Insurance Group, akciné draudimo bendrovė, Vilnius	1.38 %
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	2.63 %
<b>Total</b>	<b>100.00 %</b>

**Method and means of controlling**

Company is controlled through ownership of shares. VIG AM is the sole statutory body of the Company.

**Related Parties**

A list of the subsidiaries of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is stated in part 8 of this Annual Report.

**Real concern**

The Company did not conclude any control agreement with Related Parties.

**Contracts and agreements concluded between entities within the Group**

The following contracts between the Company and entities within the group were in force in the reported period:

Contract	Contracting party of the Group
Insurance Policy No. 7720716986 and Amendment no. 1, 2,3, 4, 5 to the Insurance Policy No. 7720716986	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7720794414 and Amendment no. 1,2 and 3 to the Insurance Policy No. 7720794414	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7720826500 and Amendment no. 1 and 2 to the Insurance Policy No. 7720826500	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7720980394 and Amendment no. 1 to the Insurance Policy No. 7720980394	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721133145	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721123312	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721124097	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No.7721134443	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721125078	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721135435	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy Type 9802 No. 96339 (Property insurance against all risks )	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group



Contract	Contracting party of the Group
Insurance Policy Type 1306 No. 001071505 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1306 No. 001071504 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 96338 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 106706 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 106707 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1306 No. 001081642 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1306 No. 001081641 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Loan Agreement 1	InterRisk Lebensversicherung-AG Vienna Insurance Group
Loan Agreement 2	Wiener Städtische Versicherung AG Vienna Insurance Group Donau Versicherung AG Vienna Insurance Group Compensa Life Vienna Insurance Group SE Compensa Vienna Insurance Group InterRisk Versicherung-AG Vienna Insurance Group InterRisk Lebensversicherung-AG Vienna Insurance Group Poist'ovňa Slovenskej sporiteľne, a.s. Vienna Insurance Group Komunálna poisťovňa, a.s. Vienna Insurance Group
Loan Agreement 3	Wiener Städtische Versicherung AG Vienna Insurance Group Donau Versicherung AG Vienna Insurance Group Compensa Vienna Insurance Group ADB Compensa Life Vienna Insurance Group SE AAS "BTA Baltic Insurance Company" VIG RE zajišťovna, a.s.
Loan Agreement 4	KKB Real Estate SIA
Loan Agreement 5	KKB Real Estate SIA
Contract on performance of office	VIG Asset Management, a.s.

Contract	Contracting party of the Group
Sub-lease contract	VIG Asset Management, a.s.
Data processing agreement (GDPR)	VIG Asset Management, a.s.
Liquidity balancing agreement (Liquiditätsausgleich)	VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
Guarantee agreement	SK BM s.r.o
Guarantee agreement	HUN BM Korlátolt Felelősségű Társaság
Guarantee agreement	Atrium Tower Sp.z o.o.
Agreement on subscription and purchase of notes	Kooperativa poisťovňa, a.s., Vienna Insurance Group Komunálna poisťovňa, a.s., Vienna Insurance Group
Agreement on subscription and purchase of notes	Kooperativa pojišťovna, a.s., Vienna Insurance Group Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group Compensa Life Vienna Insurance Group SE InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group Kooperativa poisťovňa, a.s., Vienna Insurance Group Wiener Städtische Versicherung AG Vienna Insurance Group DONAU Versicherung AG Vienna Insurance Group
Insurance Policy No. K4-X581.801-5 and 5 Amendments	Donau Vienna Insurance Group

#### Other proceedings at the instigation or in the interest of Related Parties

The Company executed no other proceedings in the interest of Related Parties and did not receive or realize other provisions in the interest of or based on instructions of Related Parties.

**Transactions with Related Parties**

Transactions with related parties	2020	2019
<b>STATEMENT OF FINANCIAL POSITION</b>		
Accrued assets	41	88
Other payables, current part	(6)	0
Interest bearing liabilities	(33 577)	(34 646)
Bonds and interests	(34 496)	(36 404)
Trade and other payables	(1)	(66)
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Indirect expenditures	(560)	(640)
Operating expenses	(1)	(1)
Interest expenses	(2 298)	(2 691)
Insurance paid	(107)	(107)

Transactions with the subsidiaries	2020	2019
<b>STATEMENT OF FINANCIAL POSITION</b>		
Loans to group entities	3 000	7 500
Other receivables	600	504
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Dividend income	1 351	2 854
Other financing revenues	76	76
Interest income	110	6

## Conclusion

The Company is embedded in the network of Vienna Insurance Group and uses benefits from membership in this international group.

Processing of the Report on relations between Related Parties was ensured by the Board of directors of the Company.

The Board of directors of the Company claims that no damage for the Company was incurred in respect of the contracts listed above, their implementation and relationships with Related Parties.

All agreements with related parties were closed and are performed at arm's length, conditions and all contractual fulfillments, both received and provided, were provided at conditions usual in business relationships.

22<sup>th</sup> March 2021



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VIG Asset Management, a.s. (Member of the Board of Directors),  
*represented by Dipl. Ing. Caroline Mocker, MSc. MRICS and Ing. Luděk Marek*

## 8. Report of the Supervisory Board

The Supervisory Board has received the annual financial statements for 2020 from the Board of Directors as well as the report on business activities and the status of properties of the Company dating to 31<sup>st</sup> December 2020. The Supervisory Board has carefully read and reviewed these documents. Based on this review, the Supervisory Board has unanimously agreed to approve the annual financial statements prepared by the Board of Directors and the Board of Directors' proposal on the distribution of result of 2020.

Furthermore, the Supervisory Board notes that it was able, both as a whole and individually, through its Chairman and deputies, to supervise the activities of the Company. This was also achieved through regular meetings with representatives of the member of the Board of Directors, which provided sufficient explanation and evidence of the business activities of the Company based on official books and written documents.

In 2020, one Shareholder's Meeting was held, as well as four meetings of the Supervisory Board and one circular resolution of the Supervisory Board.

The Supervisory Board hereby informs that the Company's annual financial statements for 2020 are audited by KPMG Česká republika Audit, s.r.o. (registration no. 71), an auditing company; that the Supervisory Board obtained, reviewed and discussed the financial statements of the Company, and that said review and its final result did not give rise to any issues.



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**Mag. Gerhard Lahner**  
Chairperson of the Supervisory Board

## 9. Related Parties and equity participation of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

### VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

affiliated companies and participations as of 31.12.2020

Company	Country	participation %
<b>fully consolidated</b>		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD	Bulgaria	100,00
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H.	Austria	100,00
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A.	Romania	99,72
ATBIH GmbH	Austria	100,00
Andel Investment Praha s.r.o.	Czech Republic	100,00
Anif-Residenz GmbH & Co KG	Austria	100,00
Atrium Tower Sp. z o.o.	Poland	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A.	Romania	93,98
BTA Baltic Insurance Company AAS	Latvia	100,00
Blizzard Real Sp. z o.o.	Poland	100,00
Bulgarski Imoti Asistans EOOD	Bulgaria	100,00
Businesspark Brunn Entwicklungs GmbH	Austria	100,00
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni	Moldova	99,99
CAPITOL, akciova spolocnost'	Slovakia	100,00
CENTER Hotelbetriebs GmbH	Austria	80,00
CP Solutions a.s.	Czech Republic	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	95,00
Central Point Insurance IT-Solutions GmbH	Austria	100,00
Ceská podnikatelská pojist'ovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Compensa Life Vienna Insurance Group SE	Estonia	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group	Poland	99,97
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	99,94
Compensa Vienna Insurance Group, akcine draudimo bendrove	Lithuania	100,00
DBLV Immobesitz GmbH	Austria	100,00
DBLV Immobesitz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00
DBR-Liegenschaften Verwaltungs GmbH	Germany	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	100,00
DV ImmoHolding GmbH	Austria	100,00
DVIB GmbH	Austria	100,00
DVIB alpha GmbH	Austria	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00

EUROPEUM Business Center s.r.o.	Slovakia	100,00
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	100,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
HUN BM Kft.	Hungary	100,00
INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP"	Bulgaria	100,00
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Insurance Company Nova Ins EAD	Bulgaria	100,00
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia and Herzegovina	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje Vienna Insurance Group	North Macedonia	94,26
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	100,00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00
KALVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelőségi Társaság	Hungary	100,00
KAPITOL, a.s.	Czech Republic	100,00
KKB Real Estate SIA	Latvia	100,00
KOMUNALNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	98,47
Kaiserstraße 113 GmbH	Austria	100,00
Kooperativa, poisťovňa, a.s. Vienna Insurance Group	Czech Republic	97,28
LD Vermögensverwaltung GmbH	Austria	100,00
LVP Holding GmbH	Austria	100,00
Limited Liability Company "UIG Consulting"	Ukraine	100,00
MAP-WSV Beteiligungen GmbH	Austria	100,00
MC EINS Investment GmbH	Austria	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	100,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,54
PFG Holding GmbH	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Private Joint-Stock Company "Insurance company" Ukrainian insurance group"	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNAZHA VIENNA INSURANCE GROUP"	Ukraine	99,99
Private Joint-Stock Company "INSURANCE COMPANY "KNAZHA LIFE VIENNA INSURANCE GROUP"	Ukraine	99,81
PROGRESS Beteiligungsges.m.b.H.	Austria	70,00
Palais Hansen Immobilienentwicklung GmbH	Austria	56,55
Passat Real Sp. z o.o.	Poland	100,00
Pension Assurance Company Doverie AD	Bulgaria	92,58
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	100,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	90,00

Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta Anonim Sirketi	Turkey	94,96
SECURIA majetkovospravna a podielova s.r.o.	Slovakia	100,00
SIA "Alauksta 13/15"	Latvia	100,00
SIA "Gertrudes 121"	Latvia	100,00
SIA "Global Assistance Baltic"	Latvia	100,00
SIA "Urban Space"	Latvia	100,00
SIA "Artilerijas 35"	Latvia	100,00
SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A.	Albania	89,05
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	100,00
SVZ GmbH	Austria	100,00
SVZD GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
SK BM s.r.o.	Slovakia	100,00
T 125 GmbH	Austria	100,00
TBI BULGARIA EAD in Liquidation	Bulgaria	100,00
TECHBASE Science Park Vienna GmbH	Austria	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	98,64
Untere Donaulände 40 GmbH & Co KG	Austria	100,00
VIG FUND, a.s.	Czech Republic	100,00
VIG Home, s.r.o.	Slovakia	100,00
VIG ND, a.s.	Czech Republic	100,00
VIG Offices 1, s.r.o.	Slovakia	100,00
VIG Properties Bulgaria AD	Bulgaria	99,97
VIG RE zajist'ovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Serbia	100,00
VIG Services Ukraine, LLC	Ukraine	100,00
VIG-AT Beteiligungen GmbH	Austria	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
VITEC Vienna Information Technology Consulting GmbH	Austria	51,00
Vienibas Gatve Investments OÜ	Estonia	100,00
Vienibas Gatve Properties SIA	Latvia	100,00
Vienna Life Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group	Poland	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100,00
WGPV Holding GmbH	Austria	100,00
WIBG Holding GmbH & Co KG	Austria	100,00
WIBG Projektentwicklungs GmbH & Co KG	Austria	100,00
WIENER RE akcionarsko drustvo za reosiguranje, Beograd	Serbia	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje Beograd	Serbia	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97,75



WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	North Macedonia	100,00
WINO GmbH	Austria	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV Beta Immoholding GmbH	Austria	100,00
WSV Immoholding GmbH	Austria	100,00
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	100,00
WSV Vermögensverwaltung GmbH	Austria	100,00
WSVA Liegenschaftsbesitz GmbH	Austria	100,00
WSVB Liegenschaftsbesitz GmbH	Austria	100,00
WSVC Liegenschaftsbesitz GmbH	Austria	100,00
WWG Beteiligungen GmbH	Austria	87,07
Wiener Osiguranje Vienna Insurance Group ad	Bosnia and Herzegovina	100,00
Wiener Towarzystwo Ubezpiezen Spolka Akcyjna Vienna Insurance Group	Poland	100,00
Wiener osiguranje Vienna Insurance Group dionicko drustvo za osiguranje	Croatia	97,82
arithmetic Consulting GmbH	Austria	100,00
twinformatics GmbH	Austria	100,00
CAL ICAL "Globus"	Ukraine	100,00

Company	Country	Participation %
<b>At equity consolidated companies</b>		
AB Modrice, a.s.	Czech Republic	100,00
AIS Servis, s.r.o.	Czech Republic	100,00
Alpenländische Gemeinnützige WohnbauGmbH	Austria	94,84
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
Bohemia Servis Finance a.s.	Czech Republic	100,00
Bohemika HYPO s.r.o.	Czech Republic	100,00
CPP Servis, s.r.o.	Czech Republic	100,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
ERSTE drustvo s ogranicenom odgovornoscu za upravljanje obveznim i dobrovljnim mirovinskim fondovima	Croatia	25,30
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H.	Austria	99,77
FinServis Plus, s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	99,92
Gewista-Werbegesellschaft m.b.H.	Austria	33,00
Global Expert, s.r.o.	Czech Republic	100,00
Global Partner ČR, a.s.	Czech Republic	65,00
HOTELY SRNI, a.s.	Czech Republic	100,00
Main Point Karlín II., a.s.	Czech Republic	100,00

NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	61,00
Prazska softwarova s.r.o	Czech Republic	100,00
S - budovy, a.s.	Czech Republic	100,00
SCHWARZATAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH	Austria	100,00
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	54,17
SURPMO, a.s.	Czech Republic	100,00
Sanatorium Astoria, a.s.	Czech Republic	100,00
Towarzystwo Ubezpieczen Wzajemnych "TUW"	Poland	52,16
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	51,46
VBV - Betriebliche Altersvorsorge AG (Konzernabschluss)	Austria	25,32
Österreichisches Verkehrsbüro Aktiengesellschaft (Konzernabschluss)	Austria	36,58
<b>Company</b>	<b>Country</b>	<b>Participation %</b>
<b>Non-consolidated companies</b>		
"Assistance Company "Ukrainian Assistance Service" LLC	Ukraine	100,00
"Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20,13
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H.	Austria	79,51
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro	100,00
ALBA Services GmbH	Austria	48,87
Amadi GmbH	Germany	100,00
AQUILA Hausmanagement GmbH	Austria	97,75
AREALIS Liegenschaftsmanagement GmbH	Austria	48,87
Autosig SRL	Romania	99,54
B&A Insurance Consulting s.r.o.	Czech Republic	48,45
Beesafe Spolka z Ograniczona Odpowiedzialnoscia	Poland	99,99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,94
Brunn N68 Sanierungs GmbH	Austria	48,87
Bulstrad Trudova Meditzina EOOD	Bulgaria	100,00
CAPITOL CONSULTANCY SERVICES S.R.L.	Romania	99,15
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L.	Romania	99,15
CARPLUS Versicherungsvermittlungsagentur GmbH	Austria	97,75
CLAIM EXPERT SERVICES S.R.L.	Romania	99,15
Compensa Dystrybcja Spolka z ograniczona odpowiedzialnoscia	Poland	99,98
DELOIS s. r. o.	Slovakia	98,47
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H.	Austria	100,00
EBS Wohnungsgesellschaft mbH Linz	Austria	24,44
EBV-Leasing Gesellschaft m.b.H.	Austria	47,90
EGW Datenverarbeitungs-Gesellschaft m.b.H.	Austria	71,92

EGW Liegenschaftsverwertungs GmbH	Austria	71,92
EGW Wohnbau gemeinnützige Ges.m.b.H.	Austria	71,92
Erste Biztositasi Alkusz Kft	Hungary	98,64
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100,00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99,44
Finanzpartner GmbH	Austria	48,87
Foreign limited liability company "InterInvestUchastie"	Belarus	100,00
GELUP GmbH	Austria	32,58
GGVier Projekt-GmbH	Austria	53,76
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	Austria	28,51
Global Assistance Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SERVICES SRL	Romania	99,21
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	99,22
Global Services Bulgaria JSC	Bulgaria	100,00
Hausservice Objektbewirtschaftungs GmbH	Austria	20,72
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,29
Hotel Voltino in Liquidation	Croatia	97,82
Immodat GmbH	Austria	20,72
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20,72
INSHIFT GmbH & Co. KG	Germany	23,53
InterRisk Informatik GmbH	Germany	100,00
ITIS Spolka z ograniczona odpowiedzialnoscia	Poland	49,01
JAHORINA AUTO d.o.o.	Bosnia and Herzegovina	100,00
Joint Stock Company "Curatio"	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	North Macedonia	100,00
Kitzbüheler Bestattung WV GmbH	Austria	97,75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	48,87
Lead Equities II Auslandsbeteiligungs AG	Austria	21,59
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21,59
LiSciV Muthgasse GmbH & Co KG	Austria	28,51
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	98,64
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	73,69
POLISA - ZYCIE Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,97
Privat Joint-Stock Company "OWN SERVICE"	Ukraine	100,00
Projektbau Planung Projektmanagement Bauleitung GesmbH	Austria	54,51
Renaissance Hotel Realbesitz GmbH	Austria	40,00
Risk Consult Bulgaria EOOD	Bulgaria	51,00
Risk Consult Polska Sp.z.o.o.	Poland	68,15
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	51,00
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi	Turkey	64,19
Risk Experts Risiko Engineering GmbH	Austria	12,24

Risk Experts s.r.o.	Slovakia	51,00
Risk Logics Risikoberatung GmbH	Austria	51,00
Rößlergasse Bauteil Drei GmbH	Austria	100,00
Rößlergasse Bauteil Zwei GmbH	Austria	97,75
S. C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	99,15
S.C. CLUB A.RO S.R.L.	Romania	99,72
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	51,00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
samavu s.r.o	Slovakia	98,47
SB Liegenschaftsverwertungs GmbH	Austria	40,26
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	97,75
serviceline contact center dienstleistungs-gmbh	Austria	97,75
Slovexperta, s.r.o.	Slovakia	98,70
Soleta Beteiligungsverwaltungs GmbH	Austria	28,51
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97,75
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,97
TAUROS Capital Investment GmbH & Co KG	Austria	19,55
TAUROS Capital Management GmbH	Austria	24,93
TBI Info AD	Bulgaria	20,00
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39,10
TOGETHER CCA GmbH	Austria	24,71
twinfaktor GmbH	Austria	74,16
UAB "Compensa Life Distribution"	Lithuania	100,00
UNION-Erted Ellatasszervező Korlátolt Felelőségi Társaság	Hungary	89,69
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47,90
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
Vienna International Underwriters GmbH	Austria	100,00
viesure innovation center GmbH	Austria	98,87
VIG AM Services GmbH	Austria	100,00
VIG Asset Management, a.s.	Czech Republic	100,00
VIG Management Service SRL	Romania	99,15
VIG Offices, s.r.o.	Slovakia	98,47
VIG Polska Real Estate Spolka z Ograniczona Odpowiedzialnosc	Poland	99,97
VIG Services Bulgaria EOOD	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K.	Albania	89,52
VIG ZP, s. r. o.	Slovakia	99,22
VIG/C-QUADRAT Towarzystwo Funduszy Inwestycyjnych SPÓŁKA AKCYJNA	Poland	39,99
VIVECA Beteiligungen GmbH	Austria	100,00
VÖB Direkt Versicherungsagentur GmbH	Austria	48,87
WAG Wohnungsanlagen Gesellschaft m.b.H.	Austria	24,44
Wien 3420 Aspern Development AG	Austria	23,92
Wiener Städtische Donau Leasing GmbH	Austria	97,75
Wiener Verein Bestattungsbetriebe GmbH	Austria	97,75
WOFIN Wohnungsfinanzierungs GmbH	Austria	20,72
WSBV Beteiligungsverwaltung GmbH	Austria	97,75

## 10. Financial statements for 2020



***VIG FUND, a.s.***

Financial Statements

As of 31st December 2020

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

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**VIG FUND, a.s.**

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Non-consolidated Financial Statements as of 31st December 2020

## STATEMENT OF FINANCIAL POSITION

*For the year ended 31st December*

<i>In thousands of euro</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>			
<b>Non-current assets</b>		<b>341 946</b>	<b>338 226</b>
Investment properties	1.2	263 660	259 474
Shares	1.3	78 286	78 752
<b>Current assets</b>		<b>15 127</b>	<b>22 451</b>
Loans to group companies	1.4	3 000	7 500
Trade receivables	1.5	1 183	965
Other receivables	1.6	730	1 060
Cash and cash equivalents	1.7	9 336	11 423
Accrued assets	1.8	878	1 503
<b>Total assets</b>		<b>357 073</b>	<b>360 677</b>

The notes on pages 9 to 35 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION CONTINUED

For the year ended 31st December

<i>In thousands of euro</i>	Note	2020	2019
<b>Equity</b>			
Share capital	2.1	194	194
Capital reserve	2.2	162 553	162 553
Transaction reserve	2.2	41 431	41 431
Profit of the current period		6 983	11 486
Retained earnings	2.3	20 855	14 622
<b>Total equity</b>		<b>232 016</b>	<b>230 286</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans, non-current part	2.4	53 673	63 935
Bonds issued, non-current part	2.5	32 549	*34 518
Other payables, non-current part	2.6	1 674	1 969
Deferred tax liabilities	2.10	20 618	19 213
<b>Current liabilities</b>			
Loans, current part	2.4	10 261	3 905
Bonds issued, current part	2.5	2 101	*2 049
Trade payables	2.7	577	1 456
Provisions	2.8	174	234
Accrued liabilities	2.9	1 242	1 317
Current tax liabilities	2.10	179	379
Other payables, current part	2.11	2 009	1 416
<b>Total liabilities</b>		<b>125 057</b>	<b>130 391</b>
<b>Total equity and liabilities</b>		<b>357 073</b>	<b>360 677</b>

\*restated, refer to Note 2.5

The notes on pages 9 to 35 are an integral part of these financial statements.

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

## STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31st December*

<i>In thousands of euro</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Rental income	3.1	13 328	13 244
Operating costs charged to tenants	3.1	2 704	3 151
Operating expenses	3.2	(3 807)	(4 193)
Other operating income	3.3	0	117
Other operating expenses		(2)	0
<b>Net operating income</b>		<b>12 223</b>	<b>12 319</b>
Indirect expenditures	3.4	(784)	(898)
<b>Earnings before interest, taxes, depreciation, amortization and fair value unrealized gains/losses</b>		<b>11 439</b>	<b>11 421</b>
Valuation gains/(losses) from investment property	1.2	(571)	1 386
<b>Operating result</b>		<b>10 868</b>	<b>12 807</b>
Interest income		112	14
Dividend income	3.5	1 351	2 854
Net other financing revenues		76	76
Interest expenses	3.6	(3 411)	(3 751)
Foreign currency gain/(loss)	3.7	71	(60)
Revaluation of shares	1.3	(267)	1 236
<b>Financial result</b>		<b>(2 068)</b>	<b>369</b>
<b>Net result before taxes</b>		<b>8 800</b>	<b>13 176</b>
Current income tax	3.8	(412)	(683)
Deferred income tax	3.8	(1 405)	(1 007)
<b>Profit after tax</b>		<b>6 983</b>	<b>11 486</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
<b>Other comprehensive income total</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>6 983</b>	<b>11 486</b>

The notes on pages 9 to 35 are an integral part of these financial statements.

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

**CASH FLOW STATEMENT***For the year ended 31st December*

<i>In thousands of euro</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>			
Profit before tax		8 800	13 176
Adjustments to reconcile profit before tax to net cash flows:			
Valuation gains/loss on investment property	1.2	(163)	(1 386)
Change in provisions	2.8	(60)	41
Dividend income	3.5	(1 351)	(2 854)
Revaluation of shares	1.3	267	(1 236)
Interest income		(112)	(14)
Interest expense	3.6	3 411	3 751
Working capital adjustments			
Decrease/(increase) in trade and other receivables and accruals		737	532
(Decrease)/increase in trade, other payables and accruals		(856)	126
Income tax paid		(563)	(256)
<b>Net cash flow from/(used in) operating activities</b>		<b>10 110</b>	<b>11 880</b>
<b>Cash flows from investment activities</b>			
Investments in properties and acquisition of businesses, net of cash acquired		(3 576)	(33 584)
Repayment of loans provided to group companies	1.4	4 500	0
Dividends received	3.5	1 255	2 854
Interest received		112	14
<b>Net cash from/(used in) investment activities</b>		<b>2 291</b>	<b>(30 716)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0	14 500
Redemption of borrowings - repayment of bank loan	2.4	(2 836)	(2 230)
Redemption of borrowings - repayment of other loans from group companies	2.4	(1 069)	(14 898)
Proceeds from issue of share capital		0	28 117
Redemption of bonds	2.5	(1 917)	(1 857)
Dividend paid		(5 254)	(4 736)
Interest paid	3.6	(3 411)	(3 751)
<b>Net cash (used in)/from financing activities</b>		<b>(14 487)</b>	<b>15 145</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2 086)</b>	<b>(3 692)</b>
Cash and cash equivalents at 1 January	1.7	11 423	15 115
<b>Cash and cash equivalents at 31 December</b>	<b>1.7</b>	<b>9 336</b>	<b>11 423</b>

The notes on pages 9 to 35 are an integral part of these financial statements.

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**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

## STATEMENT OF CHANGES IN EQUITY

<i>For the year ended 31st December In thousands of euro</i>	Note	Share capital	Capital reserve	Transaction reserve	Profit/Loss of the current period	Retained earnings	Total equity
<b>Closing balance as of 31st December 2018</b>		<b>171</b>	<b>134 460</b>	<b>41 431</b>	<b>9 035</b>	<b>10 323</b>	<b>195 420</b>
Profit after tax		0	0	0	11 486	0	11 486
Shares issued	2.2	23	28 093	0	0	0	28 116
Prior period profit distribution	2.3	0	0	0	(4 299)	4 299	0
Dividend distribution		0	0	0	(4 736)	0	-4 736
<b>Closing balance as of 31st December 2019</b>		<b>194</b>	<b>162 553</b>	<b>41 431</b>	<b>11 486</b>	<b>14 622</b>	<b>230 286</b>
Profit after tax		0	0	0	6 983	0	6 983
Shares issued	2.2	0	0	0	0	0	0
Prior period profit distribution	2.3	0	0	0	(6 233)	6 233	0
Dividend distribution		0	0	0	(5 253)	0	-5 253
<b>Closing balance as of 31st December 2020</b>		<b>194</b>	<b>162 553</b>	<b>41 431</b>	<b>6 983</b>	<b>20 855</b>	<b>232 016</b>

The notes on pages 9 to 35 are an integral part of these financial statements.

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

## NOTES TO FINANCIAL STATEMENTS

## A. INFORMATION CONCERNING THE COMPANY

**Description of the accounting unit**

Company:	VIG FUND, a.s. („the Company“)
Identification number:	242 20 809
Date of Establishment:	The Company was set up by the Articles of association on 27th November 2011. The Company was registered into the Commercial Register on 1st March 2012.
Registered Office:	Templová 747/5, Prague 1, postcode 110 00
Legal form:	Joint-stock company („akciová společnost“)
Subject of business:	Renting of properties, flats and non-residential premises
Trade Register File Nr:	Section B, entry 17896 of the Commercial Register kept by the Municipal court in Prague
Country of incorporation:	Czech Republic
Accounting period:	1st January 2020 – 31st December 2020

The Company has been established for an indefinite period of time.

The Company has entrusted the management of its assets to investment company VIG Asset Management, a.s., ID no. 248 38 233, having its registered office at Prague 1, Templová 747/5, post code 110 00, registered in the Commercial Register administered by the Municipal court in Prague, section B, insert 17131.

**Establishment of the Company**

The Company has been established on 1st March 2012.

**Statutory bodies in the course of the accounting period**

The Board of Directors members are:

Name	Function	From (date)	To (date)
VIG Asset Management, a.s.	Board of Directors	16. 7. 2014	31. 12. 2020

VIG Asset Management, a.s. is represented by DI Caroline Mocker and Ing. Luděk Marek.

The Supervisory Board members are:

Name	Function	From (date)	To (date)
Mag. Gerhard Lahner	Chairperson of Supervisory Board	13.12.2018	31.12.2020
Mag. Roland Gröll	Deputy chairperson of Supervisory Board	13.6.2019	31.12.2020
Mag. Nicolas Mucherl	Supervisory Board member	27.5.2019	31.12.2020

**Employees**

The Company had no employees in 2020 and 2019. All Company activities are provided by suppliers.

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

**Shareholders**

The Company is a part of the VIG consolidation group with parent company being VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria, the ultimate shareholder.

The shareholders as of 31st December 2020 and 2019 are as follows:

Investor	Share on registered capital (in %)	
	2020	2019
VIG-CZ Real Estate GmbH, Vienna	65.51%	65.51%
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	13.03%	13.03%
Kooperativa poisťovna, a.s. Vienna Insurance Group, Bratislava	4.32%	4.32%
Compensa Life Vienna Insurance Group SE, Tallinn	3.43%	3.43%
VIG RE zajišťovna, a.s., Prague	2.75%	2.75%
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	2.63%	2.63%
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	1.43%	1.43%
Compensa Vienna Insurance Group, akciné draudimo bendrovė, Vilnius	1.38%	1.38%
Interrisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	1.34%	1.34%
Komunálna poisťovna, a.s. Vienna Insurance Group, Bratislava	1.01%	1.01%
AAS „BTA Baltic Insurance Company“, Riga	1.00%	1.00%
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	0.84%	0.84%
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	0.69%	0.69%
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	0.64%	0.64%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**B. ACCOUNTING PRINCIPLES**

The separate financial statements of the Company were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This follows §19a of the Accounting Act as stated in the Articles of Association. The financial statements are presented in thousands of euro (rounded according to the commercial rounding method).

The Company follows the Business Corporations Act as a whole in the process according to Article 777 et seq. 5 of the Act No 90/2012 Coll.

**C. ACCOUNTING POLICIES****Functional currency**

The Company determined Euro as its functional currency in accordance with IAS 21.

**Business operations in foreign currency**

The Company records foreign currency transactions at the exchange rate at the date of the relevant transaction. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant business year. Utilized foreign currencies are CZK, HUF and PLN.



**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2020

The foreign currency translation of business operations (transactions) was based on the current exchange rates. As of reporting dates the following exchange rates were used:

FX rates EUR	quantity	31.12.2020	31.12.2019
HUF	1	363.89	330.53
CZK	1	26.245	25.410
PLN	1	4.5597	4.257

**Investment properties - classification**

The "Investment properties" item consists of investment properties and properties under development that are held neither for own use, nor for sale in the ordinary course of business, but to earn rental income and for capital appreciation.

**Investment properties - valuation**

All investment properties are measured according to the fair value model specified as one of the option under IAS 40. Under this model, the investment properties are measured at fair value at the relevant reporting date. Differences compared with the current book value prior to revaluation (fair value of previous year plus subsequent/additional acquisition) are recognised in the statement of comprehensive income under "Revaluation of investment property".

**Investments - shares**

The Company accounts for investment in subsidiaries (Investment – shares in companies) in accordance with IFRS 9 in its separate financial statements.

The investments in the subsidiaries were initially recognized at their acquisition costs and they are being revaluated to fair value through profit or loss for the purpose of preparation of financial statements.

The change in fair value revaluation of Investment – shares in companies is presented in the Financial result section of the Statement of Comprehensive Income.

**Receivables and other financial assets**

Trade receivables from the provision of services, other receivables and other financial assets are measured initially at fair value, and thereafter at amortised cost, applying the effective interest-rate method with deduction for any reduction for impairments.

**Cash and cash equivalents**

Cash and cash equivalents include cash, as well as bank balances with original maturities of three months or less from the acquisition date. Bank balances with original maturities of more than three months are recognised under the receivables and other assets.

**Finance cost**

Finance costs consist of interest expenses and other costs which occur in connection with the borrowing of funds. Finance cost is recognized using the effective interest method.

**Financial assets**

In accordance with IFRS 9, financial assets shall be classified in three categories: (i) measured at amortised cost, (ii) fair value through other comprehensive income (FVOCI) and (iii) fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. As financial instruments measured at amortized cost qualify only those, whose business model gives rise to cash flows that are solely payments of principal and interests (SPPI – "solely payments of principal and interest"). All other financial assets are measured at fair value through profit or loss. For equity instruments that are not held/managed for trading purposes, an option for recognition of changes in the Other Comprehensive Income we given. The Company does not make use of this option for the securities which were classified as available for sale according to IAS 39.

**Other financial liabilities**

Other financial liabilities, such as trade payables, are assigned to the category "financial liabilities at amortised cost" (FLAC) and measured upon receipt at fair value, and thereafter at amortised acquisition cost.

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**Interest bearing liabilities**

All loans and bonds are initially recognized at fair value less directly attributable transaction cost. After initial recognition, loans and bonds are measured at amortized cost using the effective interest method. Liabilities from the pledge of loans and bonds are set up individually for each property.

**Derivative financial instruments**

The Company uses derivative financial instruments in order to hedge against risks. In particular, the Company entered into a loan agreement with a variable interest rate having the obligation from this agreement to enter into an interest rate swap with the loan creditor to fix the interest rate. The Company considered the swap as embedded derivative as it constitutes one unit with the underlying financial instrument. Therefore, the Company does not account for the swap separately from the underlying loan agreement.

**Impairment**

In accordance with IAS 36, the Company performs impairment tests when there are indications that an asset may be impaired. The Company determines the recoverable amount, which is the higher of the fair value less the cost of selling and value in use. If the carrying amount of an asset exceeds the recoverable amount, the difference is recognised as an impairment loss. If there is an indication that the reasons for impairment no longer exist or have decreased, the impairment loss is reversed to the carrying amount of the respective asset.

**Provisions and contingent liabilities**

Provisions are recognised if the Company has legal or constructive obligations towards a third party due to a past event and the obligation is likely to lead to an outflow of funds. Such provisions are stated at the value which can be determined by the best possible estimate at the time the financial statements are prepared. Long-term provisions (provisions to be settled in more than one year) are discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Current taxes**

The income tax expense for the accounting period is calculated from the taxable income using the tax rate enacted and applicable in the Czech Republic and Poland, respectively, for the Polish investment properties. Current income tax assets and liabilities are measured at amounts which are expected to be received from or paid to the respective tax authority.

**Deferred taxes**

Deferred taxes are recognized on all temporary differences between the tax values of assets and liabilities and their carrying amount in the financial statements. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which it can be utilised.

Deferred tax is measured at the enacted tax rates that are expected to apply to the year when the underlying asset or liability will be settled.

**Operating lease contracts**

The Company has entered into commercial property leases on its investment property portfolio. The Company determined that it retains all significant risks and rewards of ownership of these properties. Therefore, the Company accounts for the leases as operating leases.

**Recognition of revenues**

Rental income is recognised on a straight-line basis over the term of the lease unless a different method is more appropriate to the existing circumstances. Incentives, such as rent-free periods or reduced rents for a certain period are applied for some tenants in accordance with the lease contracts, and recognized on straight line basis.

Income from operating cost charged to tenants is recognized in the period in which the compensation becomes receivables. Service and management charges and other such receipts are included in the revenue gross of the related costs. The Company determined that it does control the services before they are transferred to tenants and therefore that the Company acts rather as a principal in these arrangements.

**Dividend income**

The Company recognizes dividend income when the shareholder's right to receive payment is established.

**New and amended standards in 2020**

For the preparation of the financial statements of the Company, the following new or amended standards and interpretations were considered for the first time for the financial year beginning 1 January 2020. The nature and the effect of these changes are disclosed below. The following amended standards and interpretations are not expected to have significant impact on the Company's financial statements:

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Definition of Material (Amendments to IAS 1 and IAS 8) - the amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

Amendments to References to Conceptual Framework in IFRS Standards - the amendment reflect the changes in Framework's principles, which have implications for how and when assets and liabilities are recognised and derecognised in the Company's financial statements.

Definition of a Business (Amendment to IFRS 3) - the amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business.

**Standards and interpretations announced, but not yet adopted by the EU**

The following changes or revisions to standards and interpretations had been announced as of the balance sheet date, but have not yet been adopted by the EU, and are therefore not applicable:

Standard/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of impending change in accounting policy [IAS 8.31 (b)]	Possible impact on financial statements [IAS 8.30 (b); 31 (e)]
<p><b>Amendments to IFRS 16 Leases COVID-19-Related Rent Concessions</b></p> <p>(Effective for annual periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020)</p>	<p>The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.</p> <p>The practical expedient will only apply if:</p> <ul style="list-style-type: none"> <li>the revised consideration is substantially the same or less than the original consideration;</li> <li>the reduction in lease payments relates to payments due on or before 30 June 2021; and</li> <li>no other substantive changes have been made to the terms of the lease.</li> </ul> <p>This practical expedient is not available for lessors.</p>	<p>The Company does not expect the Amendments to have a material impact on its financial statements when initially applied.</p>
<p><b>Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture</b></p> <p>(Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it</p>	<p>The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that: a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while</p>	<p>The Company expects that the amendments, when initially applied, will not have a material impact on the financial statements of the Company as it currently recognises a full gain or loss in statement of comprehensive income. However, the quantitative impact of the adoption of the Amendments can only be assessed in the year of initial application of the Amendments, as this will depend on the transfer of asset or businesses to the associate or</p>

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will be endorsed by the EU in the foreseeable future)	a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	joint venture that take place during that reporting period.
<b>Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current</b>  (Effective for annual periods beginning on or after 1 January 2023. Early application is permitted)	The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Company's right to defer settlement at the end of the reporting period. The company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance. The classification is not affected by management's intentions or expectations about whether and when the Company will exercise its right. The amendments also clarify the situations that are considered settlement of a liability.	The Company does not expect the Amendments to have a material impact on its financial statements when initially applied.
<b>Amendment to IAS 16 Property, Plant and Equipment Property, Plant and Equipment – Proceeds before Intended Use</b>  (Effective for annual periods beginning on or after 1 January 2022 Early application is permitted)	The amendments to IAS 16 require that the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended must be recognised, together with the cost of those items, in profit or loss and that the Company must measure the cost of those items applying the measurement requirements of IAS 2.	The Company does not expect the Amendments to have a material impact on its financial statements when initially applied.
<b>Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract</b>  (Effective for annual periods beginning on or after 1 January 2022 Early application is permitted)	In determining costs of fulfilling a contract, the amendments require an entity to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.	The Company does not expect the Amendments to have a material impact on its financial statements when initially applied.
<b>Annual Improvements to IFRS Standards 2018-2020</b>  (Effective for annual periods beginning on or after 1 January 2022 Early application is permitted)	<b>Amendment to IFRS 9 Financial Instruments</b> The improvements clarify that, when assessing whether an exchange of debt instruments between an existing borrower and lender are on terms that are substantially different, the fees to include together with the discounted present value of the cash flows under the new terms include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.  <b>Amendment to Illustrative</b>	The Company does not expect the Amendments to have a material impact on its financial statements when initially applied.

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	<b>Examples accompanying IFRS 16 Leases</b> The improvements remove from illustrative Example 13 accompanying IFRS 16 reference to a reimbursement by the lessor to the lessee for leasehold improvements as well as an explanation of a lessee's accounting for such reimbursement.	
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#### D. PRINCIPLES OF VALUATION

The financial statements of the Company are prepared on a historical cost basis, except for the following items, which are measured at their fair value (according to IFRS 13) on each reporting date:

- investment property;
- shares;

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

##### **Use of estimates and judgments**

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that the management believes to be reasonable under the circumstances, the results of which form the basis of judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimates uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in Note:

- 1.2 Investment properties
- 1.3 Investments – shares

##### **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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**E. NOTES TO STATEMENT OF FINANCIAL POSITION – ASSETS****1.1 General information on the financial statements**

The accounting period for 2020 is a twelve month period from 1st January 2020 to 31st December 2020.

All figures are in thousands of euros except when otherwise stated.

The Company's financial statements were approved on 22 March 2021 by the Board of directors.

**1.2 Investment properties**

Investment properties	Total
<b>Closing balance as of 31st December 2018</b>	<b>250 031</b>
New acquisitions of investment properties and other additions	0
Other additions resulting from capitalised expenditure	8 057
Revaluation	1 386
<b>Balance as of 31st December 2019</b>	<b>259 474</b>
New acquisitions of investment properties	0
Other additions resulting from capitalised expenditure	4 757
Revaluation	(571)
<b>Balance as of 31st December 2020</b>	<b>263 660</b>

The market value of the properties assigned as collateral for external financing totals to TEUR 259,474 as of 31st December 2019 and TEUR 263,660 as of 31st December 2020.

As at 31st December 2020, the Company has contracts with third parties and is consequently committed to future capital expenditure or repair in respect of investment property in amount of TEUR 671.

The current occupancy rate of the total portfolio is approximately 80 %. The total rentable area amounts to approximately 121,000 sqm.

Investment property is remeasured at fair value, which is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion. The expert valuations are carried out once a year by independent real estate valuation experts for the purpose of preparing the annual financial statements as at 31 December. The experts apply income valuation method (specifically hard core top-slice method) which is based on discounted cash flow approach and uses current and market rental income and yields obtained by direct or indirect comparison with sales of comparable real estate in the market for the calculation (Level 3 of fair value hierarchy). The valuations are carried out in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS) unless another method is more appropriate. The valuation experts are provided with the necessary information, such as current rentals, rentable space, current vacancy etc. by the Company. The experts also make estimates, among others, for the future occupancy, future rental income, scheduled investments and yields. The final valuation is reviewed and approved by the Company's management.

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

The significant unobservable inputs used in fair value measurement categorized as level 3 of the fair value hierarchy of the Company's investment properties are:

- Equivalent yields
- Estimated rental value

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The applied yields for valuation ranges from 5.16% to 7.95% (from 4.80% to 8.50% in 2019, respectively). Rental levels vary between EUR 5 and EUR 26 per sqm per month.

A change in the underlying inputs can therefore lead to fluctuations in the value of a property. An increase of rental income by 2.5% respectively 5% and unchanged yield will lead to an increase of the value of the properties by TEUR 5,295 respectively TEUR 10,572. On the other side a decline of rental income would lead to an according reduction in the asset values. In case of a yield increase by 0.25% respectively 0.5% and leaving the rental income unchanged the values of the properties would decrease by TEUR 10,613 respectively TEUR 20,461. A yield decrease would result in the opposite effect, namely accordingly higher asset values.

Combination of changes in rental income as well as yield changes and subsequent fair value of the property are shown in the table below.

		Relative change in rental income				
		-5.00%	-2.50%	0.00%	2.50%	5.00%
Relative yield changes	-0.50%	275 992	281 843	287 695	293 546	299 397
	-0.25%	264 085	269 637	275 189	280 741	286 293
	0.00%	253 123	258 400	263 660	268 955	274 232
	0.25%	242 998	248 022	253 047	258 071	263 095
	0.50%	233 617	238 408	243 199	247 990	252 782

The table contains rounded figures.

The management of the Company did not make any adjustments to the external valuation and the carrying amounts of investment properties fully correspond to their values determined by the external valuation experts as at 31 December 2020 respectively as at 31 December 2019.

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**1.3 Investments – shares**

Subsidiary	Field of activity	Country of operation	Equity share			Investment		
			2020	2019	2020	Changes	Revaluations	2019
HUN BM Kft.	rental properties	Hungary	100 %	100 %	4 475	0	486	3 989
SK BM s.r.o.	rental properties	Slovakia	100 %	100 %	21 328	0	2 263	19 065
EBC s.r.o.	rental properties	Slovakia	100 %	100 %	11 809	0	(267)	12 076
Atrium Tower s. z o. o.	rental properties	Poland	100 %	100 %	23 380	-199	(2 097)	25 676
KKB Real Estate SIA	rental properties	Latvia	100 %	100 %	17 294	0	(652)	17 946
<b>Total</b>					<b>78 286</b>	<b>-199</b>	<b>(267)</b>	<b>78 752</b>

In the current period, the purchase price of Atrium Tower s. z o. was reduced by TEUR 199 based on the agreement with the former owner of this subsidiary.

The shares in HUN BM Kft., SK BM s.r.o., EUROPEUM Business Center s.r.o., Atrium Tower s. z o. o. and KKB Real Estate SIA are pledged in favor of the subsidiaries' creditors.

As the subsidiaries of the Company represent the property-holding companies, the adjusted net asset method for the determination of the fair value of the investment was applied. This method involves deriving the fair value of the subsidiaries' equity by reference to the fair value of its assets and liabilities. The fair value of the properties held by the subsidiaries was determined under the same valuation method and process as for the investment property held directly by the Company. The Company applied the relevant adjustments considering the historical and current market transaction for the determination of the deferred tax liabilities of the subsidiaries.

The applied yields for valuation of the properties held by the subsidiaries ranges from from 5.70% to 8.10%. (from 5.49% to 7.49% in 2019, respectively).

The table below illustrates the sensitivity of the property value (respectively valuation of shares) to a change in rental income and yield for properties held by the subsidiaries

		Relative change in rental income				
		-5.00%	-2.50%	0.00%	2.50%	5.00%
Relative yield changes	-0.50%	146 825	149 662	152 498	155 335	158 173
	-0.25%	141 286	143 986	146 686	149 385	152 085
	0.00%	136 148	138 722	141 297	143 868	146 442
	0.25%	131 370	133 827	136 283	138 739	141 196
	0.50%	126 916	129 264	131 611	133 959	136 305



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**1.4 Loans to group companies**

In 2019, the Company provided the newly acquired subsidiary KKB Real Estate SIA with two loans in the total amount of TEUR 7,500.

Loan	Currency	Signed on	Principal amount	Already repaid principal		Interest rate
				2020	2019	
Loan 1	EUR	12.12.2019	4 500	4 500	-	2.05%
Loan 2	EUR	12.12.2019	3 000	0	-	2.35%

The agreed interest rate for both Loans is fixed and is calculated quarterly on the basis of actual/360 days method. For Loan 1, the one-off principal amount repayment was agreed in 30 business days after VAT from acquired buildings is refunded to KKB Real Estate, on 31 December 2020 at the latest. For Loan 2, one-off repayment was agreed 4 years after the loan was drawn down, however the borrower is entitled to repay the loan on request. In 2020, the Loan 1 was fully repaid.

The Loans were both classified as measured at amortized cost as both conditions are met: (i) it is the Company's business model to hold the Loans to collect contractual cash flows and (ii) the contractual terms of the Loans give rise solely to payments of principal and interest. With respect to the interest payments, the Company believes that these payments represent consideration for time value of money and for the credit risk associated with the Loans only.

**1.5 Trade receivables**

The opening balance represents trade receivables in the gross amount of TEUR 1,038 (most not due on 31st December 2019) including advance payments in the amount of TEUR 16. The closing balance represents trade receivables in the gross amount of TEUR 1,355 (most not due on 31st December 2020) including advance payments amounting to TEUR 40.

An impairment is recognised for receivables that are past due, and all uncollectible receivables had been adjusted accordingly as of the reporting date. Change in the impairment is recognized in the statement of comprehensive income in the line "Operating expenses".

**Age structure of trade receivables as of 31st December**

Age structure	2020		2019		2020	2019
	Acquisition costs total	Impairment	Acquisition costs total	Impairment		
before due date	745	0	746	0	745	746
1 - 30 days	182	(27)	190	(16)	155	174
31 - 180 days	136	(70)	27	0	66	27
181 - 360 days	203	(3)	14	0	200	14
overdue more than 1 year	89	(72)	61	(57)	17	4
<b>Total</b>	<b>1 355</b>	<b>(172)</b>	<b>1 038</b>	<b>(73)</b>	<b>1 183</b>	<b>965</b>

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**1.6 Other receivables**

Other receivables	2020	2019
Estimated receivables	130	520
Other receivables	600	540
<b>Total</b>	<b>730</b>	<b>1 060</b>

The closing balance of other receivables includes outstanding dividend payments in the amount of TEUR 600 (2019: TEUR 504).

The closing balance as well as the opening balance of estimated receivables represents estimates for not yet invoiced service charges and operating expenses.

**1.7 Cash and cash equivalents**

Cash and cash equivalents include the credit bank balances of bank accounts in the amount of TEUR 9,336 as of 31st December 2020 and TEUR 11,423 as of 31st December 2019, respectively. The Company has bank accounts with prestigious banking institutions, where no risk is expected. The Company has no cash on hand.

**1.8 Accrued assets**

Accrued assets	2020	2019
Pre-paid expenses	878	959
Accrued income	0	544
<b>Total</b>	<b>878</b>	<b>1 503</b>

The Company records the pre-paid expenses which are mainly represented by accrued expenses for easement for using surrounding land for parking.

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**F. NOTES TO STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES****2.1 Share capital**

Type of shares	Number as of		Nominal value	Unpaid
	2020	2019		
registered	25 013 pcs.	25 013 pcs.	200 CZK	0 CZK

As of 31st December 2020, the Share capital of the Company as recorded in the Commercial Register totalled to TCZK 5,003 (TEUR 194) and consisted of 25,013 shares with a nominal value of CZK 200 per share. All shares are fully paid in and authorised.

All shares are voting shares.

**2.2 Other reserves**

Other reserves	2020	2019	Distribution possibility
Capital reserve	162 553	162 553	Yes
Transaction reserve	41 431	41 431	Yes
<b>Total</b>	<b>203 984</b>	<b>203 984</b>	

As a result of the revaluation associated with mergers carried out in previous periods, the transaction reserve was identified. It represents an item of equity with the possibility of distribution.

The balance of capital reserve as well as the balance of the transaction reserve remained unchanged in 2020.

**2.3 Retained earnings**

The balance of Retained earnings of TEUR 20,855 (2019: TEUR 14,622) was increased by distribution of 2019 profit in the amount of TEUR 6,233.

**2.4 Interest bearing liabilities - loans**

The structure of the loans is as follows:

Loans	2020			2019		
	Principal amount	Interest accrued	Total	Principal amount	Interest accrued	Total
Bank loans	30 357	0	<b>30 357</b>	33 194	0	<b>33 194</b>
Loans - group companies	33 577	0	<b>33 577</b>	34 646	0	<b>34 646</b>
<b>Total</b>	<b>63 934</b>	<b>0</b>	<b>63 934</b>	<b>67 840</b>	<b>0</b>	<b>67 840</b>
thereof: short-term	10 261	0	10 261	3 905	0	3 905
thereof: long-term	53 673	0	53 673	63 935	0	63 935

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As of 31st December 2020 the terms of interest-bearing liabilities are as follows:

Loan	Currency	Signed on	Principal amount	Outstanding principal		Due date	Interest rate
				2020	2019		
Investment Loan 1	EUR	29.11.2011	48 082	13 045	14 972	31.12.2026	4.05%
Investment Loan 2	EUR	19.12.2013	9 000	6 639	7 017	31.12.2025	3.95%
Investment Loan 3	EUR	7.10.2016	24 000	21 481	22 090	30.6.2026	2.30%
Investment Loan 4	EUR	25.7.2018	9 665	9 144	9 436	31.12.2030	2.50%
Investment Loan 5	EUR	9.4.2019	14 500	13 625	14 325	31.3.2029	2.55 %
<b>Total</b>				<b>63 934</b>	<b>67 840</b>		

The agreed interest rate for all Investment Loans is fixed except for the part of bank creditor with whom a variable interest rate was agreed on. For this purpose an interest rate swap was entered into to fix the variable interest rate. The interest is calculated quarterly on the basis of actual/360 days method, resp. semi-annually on the basis of 30/360 days in case of Investment Loan 5. The principal amount repayments are to be made quarterly started on 31st December 2012 (Loan 1), on 30th June 2014 (Loan 2), on 31st December 2016 (Loan 3), semi-annually started on 30th June 2019 (Loan 4) and quarterly started on 31st December 2019 (Loan 5).

During the accounting period, a breach of covenants (DSCR) related to Loan 2 occurs/occurred. The breach was remedied before the financial statements were authorized.

As security for the loans the Company provides the following collaterals:

- Mortgage on the land or the land and building
- Pledge of receivables (from rental agreements, insurance contracts etc.)
- Pledge of bank accounts (accounts for rental payments)

The following table summarizes the carrying amounts of assets pledged as collateral:

Assets pledged as collateral	2020	2019
Investment properties	263 660	259 474
Trade receivables from rental incomes	1 007	805
Cash and cash equivalents	5 690	7 357

## 2.5 Interest bearing liabilities - bonds

On 26th November 2014 the Company issued two bonds in the nominal amount of TEUR 32,000 and TEUR 13,000. The bonds bear interest at a fixed rate. Interest on bonds shall be payable semi-annually on 26th May and 26th November of each year. Part of the nominal value is redeemed semi-annually at the same date as interest. Unless redeemed early or repurchased by the issuer, the bonds shall be fully repaid on 26th November 2034. Bonds are not listed on any regulated market.

The bonds are bearer securities in book-entry form with the nominal amount of TEUR 100 each.

The Company's obligations under the bonds are secured by a first-ranking mortgage over the real estate Jasna and Libra in Poland and Burzovní Palác in the Czech Republic.

Bonds issued	Currency	ISIN	Nominal value	Maturity	Issue price	Number of notes	Coupon
Bond Prague	EUR	CZ0003704298	13 000	26.11.2034	100.8 %	130	3.95 % p.a.
Bond Warsaw	EUR	CZ0003704280	32 000	26.11.2034	101.1 %	320	4.05 % p.a.

The carrying amount of bonds amounts to TEUR 34,650. This value includes the short-term part in the amount of TEUR 1,970 and the accrued interests of TEUR 131. The effective interest rates do not differ significantly from the coupon rates.

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**Reclassification**

During 2020 the Company concluded that the part of liabilities arising from Bonds issued should be presented under current liabilities to better reflect the maturity of bonds and to adhere with IAS 1. Following this conclusion the Company changed the presentation also in the comparative financial statement and reclassified the non-current liabilities in amount of TEUR 2 049 as current.

Bonds issued	2020	2019
Nominal value of bonds	34 529	36 439
Interests on bonds	131	138
Agio	(10)	(10)
<b>Total</b>	<b>34 650</b>	<b>36 567</b>

Financial assets pledged as collateral	2020	2019
Investment properties	99 798	100 418

**2.6 Other payables, non-current part**

The other payables, non-current part includes long-term security deposits of tenants and long-term retentions amounting to TEUR 1,674 and TEUR 1,969 for 2020 and 2019, respectively.

**2.7 Trade payables**

The position is made up of unpaid invoices for provision of services and advance payments for services from tenants. The detailed information is shown in the following tables:

Trade and other payables	2020	2019
Accounts payable – inland	342	969
Accounts payable – foreign	113	166
Advanced payments	122	321
<b>Total</b>	<b>577</b>	<b>1 456</b>

**Age structure of accounts payable as of 31st December**

Age structure	2020			2019		
	Accounts payable - inland	Accounts payable – foreign	Advanced payments	Accounts payable - inland	Accounts payable – foreign	Advanced payments
before due date	269	9	122	926	39	321
< 30 days	34	58	0	0	18	0
<60 days	0	19	0	0	5	0
<90 days	0	23	0	0	1	0
<120 days	0	0	0	0	0	0
overdue more than 120 days	40	4	0	43	103	0
<b>Total</b>	<b>342</b>	<b>113</b>	<b>122</b>	<b>969</b>	<b>166</b>	<b>321</b>

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**2.8 Provisions**

Provisions	Other provisions	Total
	<b>2019</b>	<b>234</b>
Use	0	0
Release	151	151
Creation	90	90
Effect of FX variance	1	1
	<b>2020</b>	<b>174</b>
thereof: short-term	174	174
thereof: long-term	0	0

Other provisions relate mainly to VAT cost related to the planned donation of a part of investment property in the BB C Building C, s.r.o. to the city of Prague.

**2.9 Accrued liabilities**

Accrued liabilities	2020	2019
Accrued revenues	1 242	1 317
<b>Total</b>	<b>1 242</b>	<b>1 317</b>

The accrued revenues represent rent and service charges revenue invoiced in advance.

**2.10 Tax receivables and liabilities, current and deferred**

Deferred tax is recognized on all temporary differences between the tax values of assets and liabilities and their carrying amounts.

Tax receivables and payables	2020	2019
Value added tax	(171)	(193)
Income tax on ordinary activities - due	(8)	(186)
Deferred tax	(20 618)	(19 213)
<b>Total</b>	<b>(20 797)</b>	<b>(19 592)</b>

**2.11 Other payables, current part**

Other payables, current part	2020	2019
Estimated payables	1 801	830
Other payables	208	586
<b>Total</b>	<b>2 009</b>	<b>1 416</b>

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For the breakdown of Estimated payables refer to table below:

Estimated payables	2020	2019
Service charges, media, repairs, investment to properties	1 615	654
Other consultancy	30	43
Accounting	45	41
Legal consulting	44	40
Tax advisory	18	18
Audit	12	13
Interests from loans	13	13
Other services	24	8
<b>Total</b>	<b>1 801</b>	<b>830</b>

The other payables represent mainly short-term retention in the amount of TEUR 208 and TEUR 586 in 2020 and in 2019, respectively.

**2.12 Contingent liabilities**

The Company provided guarantees to its subsidiaries valid during the life of the loans in order to secure the loans granted to these subsidiaries. The carrying amount of the guarantees is TEUR 6,024 and TEUR 7,028 as of 31st December 2020 and 31st December 2019, respectively. Further the loans of SK BM and HUN BM are secured by pledge of shares in the carrying amount of TEUR 25,803 and TEUR 23,055 in 2020 and in 2019, respectively.

The underlying loans for which the guarantee was granted have the following maturity:

Underlying loans	1 year	1 - 5 years	more than 5 years
Interest bearing liabilities SK BM & HUN BM	1 004	4 016	1 004

**2.13 Financial instruments**

The values of financial assets and liabilities are as follows:

Financial instruments	2020		2019	
	carrying amount	fair value	carrying amount	fair value
<b>Financial assets:</b>				
Shares	78 286	78 286	78 752	78 752
Loans to group companies	3 000	3 000	7 500	7 500
Trade receivables	1 183	1 183	965	965
Other receivables	730	730	1 060	1 060
Cash and cash equivalents	9 336	9 336	11 423	11 423
<b>Total</b>	<b>92 535</b>	<b>92 535</b>	<b>99 700</b>	<b>99 700</b>
<b>Financial liabilities:</b>				
Loans, non-current part	53 673	54 846	63 935	65 175
Loans, current part	10 261	10 261	3 905	3 905
Bonds issued, non-current part	32 549	36 219	34 518	37 281
Bonds issued, current part	2 101	2 101	2 049	2 049
Tax liabilities	179	179	379	379
Trade payables	577	577	1 456	1 456
Other payables, non-current part	1 674	1 674	1 969	1 969
Other payables, current part	2 009	2 009	1 416	1 416
<b>Total</b>	<b>103 023</b>	<b>107 866</b>	<b>109 627</b>	<b>113 630</b>

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Shares are originally valued at their acquisition cost and consequently revaluated at fair value. The preparation of the appraisals is based on other observable inputs such as applied yield (Level 3 of fair value hierarchy). As the subsidiaries of the Company represent the property-holding companies, the adjusted net asset method for the determination of the fair value of the investment was applied.

Trade and other receivables are generally considered to be carried net of any necessary valuation adjustments and are short-term instruments. For this reason, the carrying amount reflects the fair value. The same applies to cash and cash equivalents.

The fair value of the loans and bonds was determined based on discounted cash flow calculation. The calculation is based on other observable inputs such as applied interest rates (Level 3 of fair value hierarchy).

Trade and other payables are considered to be current and the carrying amount reflects the fair value.



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**G. NOTES TO STATEMENT OF COMPREHENSIVE INCOME****3.1 Rental income and operating costs**

The Company generates rental income and income from operating costs charged to tenants in connection with investment property:

Revenue	2020	2019
Rental income	13 328	13 244
Operating costs charged to tenants	2 704	3 151
<b>Total</b>	<b>16 032</b>	<b>16 395</b>

Rental income and operating costs charged to tenants in amount of TEUR 10 785 (2019 – TEUR 10 925) related to the investment properties located in the Czech Republic and TEUR 5 247 (2019 – TEUR 5 470) related to the investment properties located in Poland.

The Company has entered into operating lease agreements with business tenants on its investment properties. The lease agreements are denominated in euros and linked to the inflation rate. Future minimum rental income under non-cancellable operating leases as of 31st December is as follows:

Future minimum rental income	2020	2019
Not later than one year	13 840	11 379
Between 1 and 5 years	46 451	36 178
More than 5 years	14 429	20 307

The Company rents several retail and office buildings. COVID-19 cases were first identified in late March 2020 and this resulted in the conclusion of amendments to certain leases.

The Company applied judgements when assessing whether a rent concession occurs as a direct consequence of the COVID-19 pandemic, based on the specific facts and circumstances.

Rent concessions granted as a direct consequence of the COVID-19 pandemic were assessed as a temporary rent reductions and were reflected one-off in the rental income of 2020.

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**3.2 Operating expenses**

Operating expenses represent direct operating expenses arising from the investment property and are mainly recharged to tenants.

Operating expenses	2020	2019
Energy consumption	1 181	1 265
Repairs	590	617
Other service charges	162	151
Property and asset management	321	311
Easement	72	188
Real estate tax	199	188
Legal and other consultancy	83	140
Security	629	530
Insurance	107	107
Brokerage fee	78	67
Facility management	30	16
Valuation adjustment of receivable	99	15
Other	256	598
<b>Total</b>	<b>3 807</b>	<b>4 193</b>

**3.3 Other operating income**

Other operating income	2020	2019
Other income	0	117
<b>Total</b>	<b>0</b>	<b>117</b>

**3.4 Indirect expenditures**

Indirect expenditures	2020	2019
Management fee	556	636
Administration fees	163	172
Audit and legal fees	24	51
Bank charges	36	34
Other services	4	5
<b>Total</b>	<b>784</b>	<b>898</b>

Investment management fees are represented by the management fee of VIG Asset Management, a.s. in the amount of TEUR 556 and TEUR 636 in 2020 and 2019, respectively.

The fees of TEUR 22 and TEUR 21 were charged by KPMG Česká republika Audit, s.r.o. for audit of the Company's financial statements for year 2020 and 2019, respectively. There were no other services provided by auditor to the Company in these years.

**3.5 Dividend income**

Dividend income represents the revenue from long-term financial assets. The share of profit from EUROPEUM Business Center s.r.o. amounted to TEUR 200 in 2020 and TEUR 504 in 2019, the share of profit

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from Atrium Tower s. z o.o. amounted to TEUR 751 in 2020 and TEUR 2,350 in 2019 and the share of profit from SK BM s.r.o. amounted to TEUR 400 in 2020 and TEUR 0 in 2019.

**3.6 Interest expenses**

Interest expenses amounted to TEUR 3,411 and TEUR 3,751 in 2020 and 2019, respectively. Thereof TEUR 2,298 and TEUR 2,691 relate to interest to related parties in 2020 and 2019, respectively. The balance also includes the interest expenses from the bonds issued in the amount of TEUR 1,439 and TEUR 1,514 in 2020 and 2019, respectively.

For further information see also 2.4 and 2.5 Interest bearing liabilities.

**3.7 Foreign currency gain/loss**

Foreign currency gain/loss (+/-) amounts to TEUR 71 and TEUR (60) in 2020 and 2019, respectively.

**3.8 Income tax**

The following table shows details on income tax:

Corporate income tax	2020	2019
Income tax on ordinary activities - due	412	683
Income tax on ordinary activities - deferred	1 405	1 007
<b>Total</b>	<b>1 817</b>	<b>1 690</b>

The following table shows details on movement in deferred tax balances:

Movement in deferred tax balances	Net balance at 1 January	Recognised in profit or loss	Net balance at 31 December
<b>2019</b>			
Investment properties	(17 342)	(1 015)	(18 357)
Other	(865)	9	(856)
<b>Net tax assets (liabilities)</b>	<b>(18 207)</b>	<b>(1 006)</b>	<b>(19 213)</b>
<b>2020</b>			
Investment properties	(18 357)	(1 961)	(20 318)
Other	(865)	556	(300)
<b>Net tax assets (liabilities)</b>	<b>(19 213)</b>	<b>(1 405)</b>	<b>(20 618)</b>

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The following table explains the relationship between accounting profit and tax expense:

Income tax	2020	2019
Net result before tax	8 800	13 176
Corporate income tax rate	19%	19%
Expected tax	1 672	2 503
Tax reconciliation:		
Non-taxable income	(296)	(601)
Non-taxable expense	134	137
Revaluation of shares	(89)	(235)
Other adjusting items	396	(114)
<b>Income tax without influence of tax rate changes</b>	<b>1 817</b>	<b>1 690</b>
<b>Effective tax rate in %</b>	<b>21%</b>	<b>13%</b>
Tax rate changes	0	0
<b>Income tax total</b>	<b>1 817</b>	<b>1 690</b>

Other adjusting items result mainly from the translation of transactions in foreign currencies to the functional currency of the Company.

**3.9 Related party information**

Transactions with related parties are carried out at arm's length conditions.

Transactions with the related parties	2020	2019
<b>STATEMENT OF FINANCIAL POSITION</b>		
Accrued assets	41	88
Accrued liabilities	(6)	0
Interest bearing liabilities - loans	(33 577)	(34 646)
Bonds and interests	(34 496)	(36 404)
Trade payables	(1)	(66)
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Indirect expenditures	(560)	(640)
Operating expenses	(1)	(1)
Interest expenses	(2 298)	(2 691)
Insurance paid	(107)	(107)

The Company has five subsidiaries: SK BM s.r.o., HUN BM Kft., EUROPEUM Business Center s.r.o., Atrium Tower s. z. o. o. and KKB Real Estate SIA.

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Transactions with the subsidiaries	2020	2019
<b>STATEMENT OF FINANCIAL POSITION</b>		
Loans to group entities	3 000	7 500
Other receivables	600	504
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Dividend income	1 351	2 854
Other financing revenues	76	76
Interest income	110	6

Beside the above mentioned the Company does not record any further related party transactions.

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**H. ASSESSMENT OF COVID-19'S IMPACT**

The outbreak of the COVID-19 pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have impacted the Company. The impact of pandemic is incorporated in the Company's financial statements as at and for the year ended 31 December 2020.

The negative impact of pandemic on the Company and its financial stability and performance is expected also in 2021. Given the uncertainties relating to the COVID-19 and the current restrictions on business activities, it is likely that there will be rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact mainly on the cash flow of the Company and also on the fair value of the Investment properties (respectively Shares).

The Company's management considered the potential effects of COVID-19 on its activities and business and has concluded that there are no material uncertainties that may cast significant doubt on its ability to continue as a going concern. Management continues to have a reasonable expectation that the Company has adequate resources to continue in operation and that the going concern basis of accounting remains appropriate. The Company reports the sufficient level of the liquidity. The management incorporated the relevant measurements to reduce the negative impact of COVID-19 on the Company.

**I. INFORMATION ON RISKS, RISK PROFILE****Credit risk**

Credit risk is the risk that an issuer or a counterparty fails to keep their obligations resulting in the financial loss of the Company – The credit risk should be primarily based on the failure by entities with payments to the Company to fulfil their obligations.

The Company primarily minimises those risks by screening its counterparties, by setting the limits on the amounts of receivables due from individual counterparties and by appropriate contractual arrangements.

The maximum credit risk represents the amounts reported under financial assets in the statement of financial position.

The following table summarizes the Company's exposure to credit risk:

Credit risk	Trade receivables		Loans to group companies		Cash and cash equivalents	
	2020	2019	2020	2019	2020	2019
Gross balance, out of which:	1 355	1 038	3 000	7 500	9 336	11 423
- Past due, not impaired	438	219	0	0	0	0
- Neither past due, nor impaired	745	746	0	0	9 336	11 423
- Impaired receivables	172	73	0	0	0	0
Impairment, out of which	(172)	(73)	0	0	0	0
- Specific allowance	(172)	(73)	0	0	0	0
- General allowance	0	0	0	0	0	0
<b>Total</b>	<b>1 183</b>	<b>965</b>	<b>3 000</b>	<b>7 500</b>	<b>9 336</b>	<b>11 423</b>

**Liquidity risk**

Liquidity risk is the risk that financial liabilities cannot be settled at the time they are payable. An important aspect in managing of the liquidity risk is to secure necessary cash position to be able to pay the Company's financial liabilities when they are due. The Company manages its liquidity position by monitoring expected and actual cash inflows and outflows on a regular basis. Further the Company maintains cash and liquid deposits to meet the unexpected liabilities.

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The following table shows the contractually agreed repayments of financial liabilities (excluding interests):

Liquidity risk	1 year		1 - 5 years		more than 5 years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Interest bearing liabilities	12 232	5 953	24 062	24 982	62 291	73 472	98 584	104 407
Trade payables	577	1 456	0	0	0	0	577	1 456
Other payables	2 009	1 416	1 674	1 969	0	0	3 683	3 385
<b>Total</b>	<b>14 818</b>	<b>8 825</b>	<b>25 736</b>	<b>26 951</b>	<b>62 291</b>	<b>73 472</b>	<b>102 844</b>	<b>109 248</b>

**Currency risk**

Currency risk is a subset of market risk, when the value of assets and liabilities is denominated in a foreign currency and may be affected by a change in the exchange rate.

The inflow of rental income, the interest bearing liabilities, as well as other business transactions of the Company, are denominated in euro, which is the Company's functional currency. Inflows from service charges are generated in CZK or PLN, but the related costs are also denominated in CZK or PLN. Therefore, the Company has no significant currency risk exposure.

The following table summarizes the Company's exposure to currency risk:

Currency risk	Assets		Liabilities		Net exposure	
	2020	2019	2020	2019	2020	2019
CZK	1 483	1 179	3 363	3 716	(1 879)	(2 537)
PLN	1 004	608	419	381	585	227
<b>Total</b>	<b>2 488</b>	<b>1 787</b>	<b>3 782</b>	<b>4 097</b>	<b>(1 294)</b>	<b>(2 310)</b>

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The agreed interest rate for the Interest bearing liabilities – bonds and loans is fixed except for the part of bank creditor with whom a variable interest rate was agreed on (refer to point 2.4 Interest bearing liabilities – loans). To hedge against interest rate risk the Company entered into an interest rate swap. The Company considered the swap as embedded derivative as it constitutes one unit with underlying financial instrument. Due to this fact the interest rate risk is mitigated by the Company.

**Market risk and property-specific risk**

The value of investment may decrease or increase, with the return on the initially invested amount not guaranteed. Given possible unforeseeable deviations on financial and real estate markets, the Company cannot guarantee achieving the targets set. A previous performance of the Company does not guarantee the same performance in a future period.

Risks associated with the economic development - The Company's investments may be susceptible to economic slowdowns or recessions, which could lead to financial losses and a decrease in revenues, earnings and assets. An economic slowdown or recession, in addition to other economic and non-economic factors such as an excess supply of properties, low inflation etc. could have a negative impact on the values of the Company's investments.

Risk of the unstable present value of the securities issued by the Company, due to the asset structure or the method of managing the Company's assets – The volatility of the real estate market and other liquid assets may also lead to the volatility of the value of the Company's shares. For further information on the impact of the covid pandemic see also chapter H.

Market risks, arising from the effect of changes of the overall market developments on the prices and values of the individual types of the Company's assets – The development of exchange rates, interest rates, credit spreads and, where appropriate, other market indicators always has an impact on the value of assets in

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general. The degree of this influence depends on the exposure of the Company's assets to those risks (such as the payment of rent in euro, a change in the market value of a bond at the time of an interest rate change, etc.).

Settlement risk – This risk primarily consists of counterparty's failure when a transaction should be settled. These risks are primarily minimised by selecting credible counterparties, by settling investment instrument transactions within reliable settlement systems and, if real estate asset transactions are involved, by using quality legal institutes to govern such transactions.

Risk of insufficient liquidity, based on a certain asset of the Company not being encashed in time at a reasonable price – Given the nature of the real estate market, which may make up a substantial portion of the Company's assets, the Company needs to point out that encashing an immovable property in an effort to obtain the best price requires time. In an extreme scenario, the liquidity risk may lead to a liquidity crisis.

Currency risk, where the value of an investment may be affected by a change in the exchange rate – Currency risk is a subset of market risks, which are described above.

Risk associated with the Company's investment specialisation in certain industries, countries or regions, other parts of the market or certain types of assets – The investment specialisation of the Company in the immovable property in countries in which VIG Group operates or intends to operate involves a systematic risk, when the development in this sector influences a significant portion of the Company's portfolio. This systematic risk is addressed by diversification, i.e. the distribution of investments.

Concentration risk - The Company operates exclusively in the real estate business and its economic results are dependent on continued existence of tenants willing and being able to pay the rent for their leases.

A considerable part of the Company's portfolio is of the same usage (retail – single tenant), which leads to a concentration risk. Acquisitions of multi-tenant properties with different usage and disposal of some retail properties resulted in a decline of the concentration risk already in the past and will be further reduced by additional acquisitions, leading to a higher degree of diversification.

Concentration risk may also arise from the focus of the Company's investments in one country in case the economic situation of this region weakens.

Risks associated with the defects or damage of investment property – Investment property may be affected by defects, for example by hidden defects or defects that occur after a longer period of time. Further, a considerable damage to the real estate caused by natural disasters or other unforeseeable events could occur. This might lead to the necessity of sudden repair works and may, consequently, result in a significant decrease of the real estate market value. This risk may be reduced by (i) hiring good construction supervisors, (ii) contractual liability for defects, (iii) by ensuring that the warranty and post-warranty service is of a good quality and (iv) by proper insurance policy.

Risks associated with the acquisition of foreign immovable property – For foreign immovable property, the Company needs to point out political risks, economic risks or risks of legal instability. These risks may particularly lead to the occurrence of unfavourable conditions in respect of using (selling) the immovable property, for example because of foreign or legal restrictions, economic recession or, in the extreme scenario, nationalisation or expropriation.



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**J. SUBSEQUENT EVENTS**

No significant events that could have a significant impact on the financial position of the Company incurred between the financial statement date and the date of financial statements approval.

22 March 2021



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VIG Asset Management, a.s. (Member of the Board of Directors), represented by DI Caroline Mocker and Ing. Luděk Marek

