

# Annual Report 2022

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VIG FUND, a.s.



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*The financial statements have been prepared in Czech and in English language versions. In case of any discrepancies between the language versions, the Czech version prevails.*

## 2. Basic Company Information

<b>Company:</b>	VIG FUND, a.s.
<b>Company address:</b>	Templová 747/5, Staré Město, 110 00 Praha 1
<b>Legal form:</b>	joint-stock company
<b>Identification no.:</b>	24220809
<b>Date of balance:</b>	31 <sup>st</sup> December 2022
<b>Accounting period:</b>	1 <sup>st</sup> January 2022 – 31 <sup>st</sup> December 2022

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 AM Real Estate, a.s. (former: 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 RE”).

Until 26<sup>th</sup> May 2021 VIG AM Real Estate, a.s. (formerly VIG Asset Management, a.s.) served as the sole director of the Company, since 26<sup>th</sup> May 2021 Caroline Mocker and Luděk Marek represent the company as members of the management board.

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

In 2022, the Company focused on the management of its existing portfolio.

The military conflict between Russia and the Ukraine and high inflation causing increase in prices - especially energy prices - had significant impact on the Company's activities and the management of the properties in 2022. However, due to diversification of the existing portfolio as well as active management measures, the impact could be limited.

The economic activities of the Company ended with a profit of TEUR 7 581 for the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2022.

### The portfolio of VIG FUND

<i>Property</i>	<i>Ownership</i>	<i>Location</i>
Life-Building C	Direct	Prague
Havlíčkova Plaza	Direct	Prague
Burzovní Palác	Direct	Prague
Revoluční	Direct	Prague
Jasna	Direct	Warsaw
Libra	Direct	Warsaw
Atrium Tower	Via subsidiary	Warsaw
Norway House	Via subsidiary	Warsaw
Chmielna 25	Via subsidiary	Warsaw
Nowogrdzka 21	Via subsidiary	Warsaw
Europeum	Via subsidiary	Bratislava
Retail Portfolio	Direct	Czech Republic
Retail Portfolio	Via subsidiary	Slovakia
Retail Portfolio	Via subsidiary	Hungary
Brivibas Bulavaris 21	Via subsidiary	Riga
Kalku Iela 12	Via subsidiary	Riga
Kalku Iela 15	Via subsidiary	Riga
Valnu Iela	Via subsidiary	Riga

### Status of Properties

#### Assets

In balance sheet as of 31<sup>st</sup> December 2022 the Company reported assets amounting to TEUR 399 393 (out of which TEUR 383 898 represents investment properties and shares).

#### Liabilities

Total liabilities of the Company amounted to TEUR 123 766.

#### Registered share capital

The Company's registered share capital amounts to TEUR 221.

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 preparation of the annual report for

2022. The management is furthermore not aware of any substantial lawsuits (active or passive) that could affect the financial situation of the Company for 2022.

#### **4. Expected Company development in 2023**

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. 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.

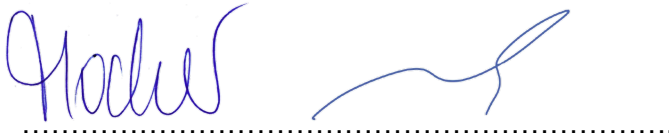
The Company holds 100 % of the share capital in its six subsidiaries abroad. SK BM s.r.o. with the registered seat in the Slovak Republic owns two retail properties in Slovakia, the second Slovakian subsidiary EUROPEUM Business Center s.r.o. holds one property. HUN BM Kft. represents VIG FUND's indirect ownership of one retail property in Hungary. In Poland the Company has two subsidiaries: Atrium Tower Sp. z o. o., which is the owner of Atrium Tower and NNC Real Estate Sp. z o.o. (formerly Hymel Sp. z o.o.), which holds three properties in Warsaw. The Company's Latvian subsidiary KKB Real Estate SIA holds four real estates in Riga.

##### **Information on lawsuits or arbitrations**

The Company was not involved in lawsuits or arbitrations in 2022 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.

8<sup>th</sup> March 2023



*Dipl. Ing. Caroline Mocker, MSc. MRICS (Chairwoman of the Board of Directors) and Ing. Luděk Marek (Member of the Board of Directors)*

## 6. 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 in registered capital
VIG-CZ Real Estate GmbH, Vienna	60.20 %
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	11.44 %
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group, Bratislava	5.24 %
Compensa Life Vienna Insurance Group SE, Tallin	3.67 %
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	3.07 %
VIG RE zajišťovna, a.s.	3.13 %
Compensa Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group	1.39 %

InterRisk Towarzystwo Ubezpieczen S.A.Vienna Insurance Group	1.31 %
Compensa Vienna Insurance Group, ADB	1.93 %
BTA Baltic Insurance Company AAS	1.72 %
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group	1.20 %
InterRisk Lebensversicherungs-AG Vienna Insurance Group	1.56 %
InterRisk Versicherungs-AG Vienna Insurance Group	1.38 %
Česká podnikatelská pojišťovna, a.s., VIG	0.60 %
Wiener Towarzystwo Ubezpieczen S.A. Vienna Insurance Group	0.72 %
“BULSTRAD LIFE VIENNA INSURANCE“ EAD	0.36 %
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	1.08 %
<b>Total</b>	<b>100.00 %</b>

### Method and means of controlling

The Company is controlled through ownership of shares. VIG AM RE served as the sole director of the Company until 26.05.2021. From 26.5.2021 the Company is managed by DI CAROLINE MOCKER and Ing. LUDĚK MAREK.

### 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, 6 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

<b>Contract</b>	<b>Contracting party of the Group</b>
Insurance Policy No. 7720826500 and Amendment no. 1, 2, 3 and 4 to the Insurance Policy No. 7720826500	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7720980394 and Amendment no. 1 and 2 to the Insurance Policy No. 7720980394	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721154972	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721145235	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721156413	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721145574	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721146453	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy No. 7721157290	Kooperativa pojišťovna, a.s., Vienna Insurance Group
Insurance Policy Type 1306 No.1101746 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 2131 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 145124 and Amendment no.1 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 7011221 and Amendment no. 1 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1306 No.1101764 and Amendment no. 1 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1306 No. 1101762 and Amendment no. 1 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 1306 No. 1101745 (Insurance of Third Party Liability)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Insurance Policy Type 9802 No. 2132 (Property insurance against all risks)	Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group
Loan Agreement 1	InterRisk Lebensversicherung-AG Vienna Insurance Group



Contract	Contracting party of the 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
Loan Agreement 6	Donau Versicherung AG Vienna Insurance Group VIG RE zajišťovna, a.s. Kooperativa poisťovňa, a.s. VIG Compensa Life VIG SE InterRisk Towarzystwo Ubezpieczen S.A. VIG
Management Service contract	VIG AM Real Estate, a.s. (former: VIG Asset Management, a.s.)
Sub-lease contract	VIG AM Real Estate, a.s. (former: VIG Asset Management, a.s.)
Data processing agreement (GDPR)	VIG AM Real Estate, a.s. (former: VIG Asset Management, a.s.)
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

Contract	Contracting party of the 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 Ubezpieczeń 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 8 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	2022	2021
STATEMENT OF FINANCIAL POSITION		
Accrued assets	0	47
Other payables, current part	0	0
Interest bearing liabilities	(37 350)	(32 478)
Bonds and interests	(30 636)	(32 474)
Trade and other payables	0	0
STATEMENT OF COMPREHENSIVE INCOME		
Indirect expenditures	(671)	(573)
Operating expenses	(1)	(1)
Interest expenses	(2 089)	(2 191)
Insurance paid	(124)	(108)

## Conclusion

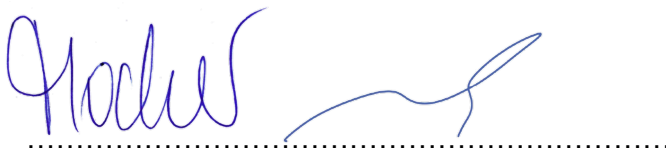
The Company is embedded in the network of Vienna Insurance Group and uses benefits from membership in this international group.

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.

8<sup>th</sup> March 2023



Dipl. Ing. Caroline Mocker, MSc. MRICS (Chairwoman of the Board of Directors) and Ing. Luděk Marek (Member of the Board of Directors)

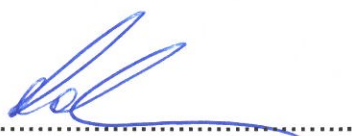
## 7. Report of the Supervisory Board

The Supervisory Board has received the annual financial statements for 2022 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 2022. 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 2022.

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 2022, 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 2022 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.



**Mag. Gerhard Lahner**

Chairperson of the Supervisory Board

## 8. 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 31.12.2022		
Companies - fully consolidated	Country	Share (%) of Participation
"BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD	Bulgaria	100.00
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H.	Austria	97.75
365.life, d. s. s., a. s.	Slovakia	98.47
AB Modrice, a.s.	Czech Republic	97.28
AEGON Magyarország Általános Biztosító Zártkörűen Működő Reszvénytársaság	Hungary	55.00
AEGON Magyarország Befektetési Alapkezelő Zártkörűen Működő Reszvénytársaság	Hungary	55.00
AEGON Magyarország Pénztárszolgáltató Zártkörűen Működő Reszvénytársaság	Hungary	55.00
Andel Investment Praha s.r.o.	Czech Republic	97.75
Anif-Residenz GmbH & Co KG	Austria	97.75
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A.	Romania	99.79
ATBIH GmbH	Austria	100.00
Atrium Tower spolka z ograniczona odpowiedzialnoscia	Poland	99.42
Atzlergasse 13-15 GmbH	Austria	97.75
Atzlergasse 13-15 GmbH & Co KG	Austria	97.75
AUTODROM SOSNOVA u Ceske Lipy a.s.	Czech Republic	97.28
BCR Asigurari de Viata Vienna Insurance Group S.A.	Romania	93.98
Blizzard Real Sp. z o.o.	Poland	97.75
Brockmanngasse 32 Immobilienbesitz GmbH	Austria	97.75
BTA Baltic Insurance Company AAS	Latvia	100.00
Bulgarski Imoti Asistans EOOD	Bulgaria	99.97
Businesspark Brunn Entwicklungs GmbH	Austria	97.75

CAPITOL, akciová spoločnosť	Slovakia	98.47
CENTER Hotelbetriebs GmbH in Liqu.	Austria	78.95
Central Point Insurance IT-Solutions GmbH	Austria	100.00
Ceská podnikatelská poisťovňa, a.s., Vienna Insurance Group	Czech Republic	100.00
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni	Moldova	99.99
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	99.95
Compensa Vienna Insurance Group, akcine draudimo bendrove	Lithuania	100.00
CP Solutions a.s.	Czech Republic	97.28
DBLV Immobesitz GmbH & Co KG	Austria	100.00
DBR-Liegenschaften GmbH & Co KG	Germany	97.75
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	97.75
Donau Brokerline Versicherungs-Service GmbH	Austria	100.00
DONAU Versicherung AG Vienna Insurance Group	Austria	100.00
DV ImmoHolding GmbH	Austria	100.00
DVIB alpha GmbH	Austria	100.00
DVIB GmbH	Austria	100.00
ELVP Beteiligungen GmbH	Austria	100.00
EUROPEUM Business Center s.r.o.	Slovakia	99.42
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	97.75
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	97.75
GLOBAL ASSISTANCE, a.s.	Czech Republic	98.91
Hansenstraße 3-5 Immobilienbesitz GmbH	Austria	97.75
HUN BM Korlatolt Felelőssegű Társaság	Hungary	99.42

Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia	100.00
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	Bulgaria	100.00
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
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89.98
Joint Stock Company Insurance Company GPI Holding	Georgia	90.00
Joint Stock Company International Insurance Company IRAO	Georgia	100.00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	North Macedonia	100.00
Kaiserstraße 113 GmbH	Austria	100.00
KALVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelőségi Társaság	Hungary	54.25
KAPITOL, a.s.	Czech Republic	98.10
KKB Real Estate SIA	Latvia	99.42
KOMUNALNA poistovna, a.s. Vienna Insurance Group	Slovakia	100.00
KOOPERATIVA poist'ovna, a.s. Vienna Insurance Group	Slovakia	98.47
Kooperativa, pojist'ovna, a.s. Vienna Insurance Group	Czech Republic	97.28
LVP Holding GmbH	Austria	100.00
MAP-WSV Beteiligungen GmbH	Austria	97.75
MC EINS Investment GmbH	Austria	97.75
Merlot Investment Spółka z ograniczoną odpowiedzialnością	Poland	97.75
MH 54 Immobilienanlage GmbH	Austria	97.75
NNC Real Estate spolka z ograniczona odpowiedzialnoscia	Poland	99.42
Nordbahnhof Projekt EPW8 GmbH & Co KG	Austria	97.75
Nordbahnhof Projekt EPW8 Komplementär GmbH	Austria	97.75
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG	Austria	100.00

Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH	Austria	100.00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	97.75
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99.54
OÜ LiveOn Paevalille	Estonia	70.00
Palais Hansen Immobilienentwicklung GmbH	Austria	55.27
Passat Real Sp. z o.o.	Poland	97.75
Pension Assurance Company Doverie AD	Bulgaria	82.59
PFG Holding GmbH	Austria	87.76
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	81.72
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	97.75
Private Joint Stock Company "Insurance Company "USG"	Ukraine	100.00
Private Joint-Stock Company "INSURANCE COMPANY "KNAZHA LIFE VIENNA INSURANCE GROUP"	Ukraine	99.81
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNAZHA VIENNA INSURANCE GROUP"	Ukraine	100.00
PROGRESS Beteiligungsges.m.b.H.	Austria	68.42
Projektbau GesmbH	Austria	98.38
Projektbau Holding GmbH	Austria	98.38
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	97.75
Ray Sigorta Anonim Sirketi	Turkey	94.96
Rößlergasse Bauteil Drei GmbH	Austria	100.00
Rößlergasse Bauteil Zwei GmbH	Austria	97.75
S - budovy, a.s.	Czech Republic	97.28
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	98.50
SECURIA majetkovospravna a podielova s.r.o.	Slovakia	100.00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	97.75
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	65.20



SIA "Alauksta 13/15"	Latvia	100.00
SIA "Gertrudes 121"	Latvia	100.00
SIA "Global Assistance Baltic"	Latvia	100.00
SIA "LiveOn Stirnu"	Latvia	70.00
SIA "LiveOn Terbatas"	Latvia	70.00
SIA "LiveOn"	Latvia	70.00
SIA "Urban Space"	Latvia	100.00
SIA "Artilerijas 35"	Latvia	100.00
SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A.	Albania	89.05
SK BM s.r.o.	Slovakia	99.42
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	95.14
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	North Macedonia	94.36
SVZ GmbH	Austria	97.75
SVZD GmbH	Austria	100.00
SVZI GmbH	Austria	97.75
T 125 GmbH	Austria	100.00
TECHBASE Science Park Vienna GmbH	Austria	97.75
twinformatics GmbH	Austria	98.87
UAB LiveOn Linkmenu	Lithuania	70.00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	54.25
Untere Donaulände 40 GmbH & Co KG	Austria	98.65
Vienibas Gatve Investments OÜ	Estonia	100.00
Vienibas Gatve Properties SIA	Latvia	100.00
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99.99
Vienna Life Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group	Poland	100.00

Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100.00
VIENNALIFE EMEKLILIK VE HAYAT A.S.	Turkey	100.00
VIG FUND, a.s.	Czech Republic	99.42
VIG Home, s.r.o.	Slovakia	98.47
VIG Hungary Holding B.V.	Netherlands	55.00
VIG Hungary Holding B.V. II	Netherlands	55.00
VIG Magyarország Befektetési Zártkörűen Működő Reszvénytársaság	Hungary	55.00
VIG ND, a.s.	Czech Republic	97.60
VIG Offices, s.r.o.	Slovakia	98.47
VIG Properties Bulgaria AD	Bulgaria	99.97
VIG RE zajist'ovna, a.s.	Czech Republic	99.24
VIG REAL ESTATE DOO	Serbia	97.75
VIG Services Ukraine, LLC	Ukraine	100.00
VIG Türkiye Holding B.V.	Netherlands	100.00
VIG-AT Beteiligungen GmbH	Austria	100.00
VIG-CZ Real Estate GmbH	Austria	99.83
VIVECA Beteiligungen GmbH	Austria	100.00
WGPV Holding GmbH	Austria	97.75
WIBG Holding GmbH & Co KG	Austria	97.75
WIBG Projektentwicklungs GmbH & Co KG	Austria	97.75
Wiener Osiguranje Vienna Insurance Group a.d.	Bosnia	100.00
Wiener osiguranje Vienna Insurance Group dionicko drustvo za osiguranje	Croatia	97.82
WIENER RE akcionarsko drustvo za reosiguranje, Beograd	Serbia	99.24
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje Beograd	Serbia	100.00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97.75

Wiener Towarzystwo Ubezpiezen Spolka Akcyjna Vienna Insurance Group	Poland	100.00
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	97.75
WILA GmbH	Austria	97.75
WINO GmbH	Austria	97.75
WNH Liegenschaftsbesitz GmbH	Austria	87.07
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	97.75
WSV Beta Immoholding GmbH	Austria	97.75
WSV Immoholding GmbH	Austria	97.75
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	97.75
WSV Vermögensverwaltung GmbH	Austria	97.75
WSVA Liegenschaftbesitz GmbH	Austria	97.75
WSVB Liegenschaftbesitz GmbH	Austria	97.75
WSVC Liegenschaftbesitz GmbH	Austria	97.75
WWG Beteiligungen GmbH	Austria	87.07
<b>Companies - at equity consolidated</b>	<b>Country</b>	<b>Share (%) of Participation</b>
Alpenländische Gemeinnützige Wohnbau GmbH	Austria	76.03
Beteiligungs- und Immobilien GmbH	Austria	24.44
Beteiligungs- und Wohnungsanlagen GmbH	Austria	24.44
CROWN-WSF spol. s.r.o.	Czech Republic	29.32
EGW Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	71.92
ERSTE drustvo s ogranicenom odgovornoscu za upravljanje obveznim i dobrovoljnim mirovinskim fondovima	Croatia	25.30
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	54.00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	53.96
Gewista-Werbegesellschaft m.b.H.	Austria	22.58
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs-und SiedlungsgesmbH	Austria	83.42

Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	23.37
Österreichisches Verkehrsbüro Aktiengesellschaft	Austria	35.78
SCHWARZATAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH	Austria	54.04
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	40.26
Towarzystwo Ubezpieczen Wzajemnych "TUW"	Poland	52.16
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	20.72
VBV - Betriebliche Altersvorsorge AG	Austria	24.83
<b>Companies - not consolidated</b>	<b>Country</b>	<b>Share (%) of Participation</b>
Nadacia poisťovne KOOPERATIVA	Slovakia	98.47
"Assistance Company "Ukrainian Assistance Service" LLC	Ukraine	100.00
"Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20.13
"Lifetrust" EOOD	Bulgaria	100.00
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H.	Austria	83.42
AEGON Magyarorszag Közvetítő es Marketing Zártkörűen működő Reszvenytársasag	Hungary	55.00
AIS Servis, s.r.o.	Czech Republic	98.10
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
arithmetic Consulting GmbH	Austria	98.31
AUTONOVA BRNO s.r.o.	Czech Republic	98.10
Autosig SRL	Romania	99.54
B&A Insurance Consulting s.r.o.	Czech Republic	48.45
BB Parking s.r.o.	Slovakia	98.47

Beesafe Spolka z Ograniczona Odpowiedzialnoscia	Poland	99.99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99.95
Bohemika a.s.	Czech Republic	100.00
Bohemika HYPO s.r.o.	Czech Republic	100.00
BSA + OFK Germany Real Estate Immobilien 4 GmbH	Germany	97.75
Bulstrad Trudova Meditzina EOOD	Bulgaria	100.00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	92.86
CARPLUS Versicherungsvermittlungsgesellschaft GmbH	Austria	97.75
Chrastany komercni areal a.s.	Czech Republic	97.28
CLAIM EXPERT SERVICES S.R.L.	Romania	99.16
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia	Poland	99.97
CPP Servis, s.r.o.	Czech Republic	100.00
DBLV Immobesitz GmbH	Austria	100.00
DBR-Liegenschaften Verwaltungs GmbH	Germany	97.75
DELOIS II s. r. o.	Slovakia	98.47
DELOIS s. r. o.	Slovakia	98.47
Domaci pece Hana s.r.o.	Czech Republic	63.23
DV Asset Management EAD	Bulgaria	100.00
DV CONSULTING EOOD	Bulgaria	100.00
DV Invest EAD	Bulgaria	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-NOE Erste gemeinnützige Wohnungsgesellschaft mbH	Austria	71.92

EKG UW Nord GmbH	Austria	24.46
Első Maganegeszsegügyi Halozat Zrt.	Hungary	26.58
Erste Biztositasi Alkusz Kft	Hungary	54.25
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100.00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99.44
Finanzpartner GmbH	Austria	48.87
FinServis Plus, s.r.o.	Czech Republic	100.00
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	42.76
GLOBAL ASSISTANCE D.O.O. BEOGRAD	Serbia	100.00
Global Assistance Georgia LLC	Georgia	95.00
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	99.23
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	99.22
Global Expert, s.r.o.	Czech Republic	98.10
Global Partner Pece, z.u.	Czech Republic	63.23
Global Partner Zdravi, s.r.o.	Czech Republic	63.23
Global Partner, a.s.	Czech Republic	63.23
Global Repair Centres, s.r.o.	Czech Republic	98.10
Global Services Bulgaria JSC	Bulgaria	100.00
Hausservice Objektbewirtschaftungs GmbH	Austria	20.72
Help24 Assistance Korlatolt Felelőssegü Tarsasag	Hungary	55.00

HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98.29
Hotel Voltino in Liquidation	Croatia	97.82
HOTELY SRNI, a.s.	Czech Republic	97.28
Immodat GmbH	Austria	20.72
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20.72
INSHIFT GmbH & Co. KG	Germany	23.53
insureX IT GmbH	Austria	98.87
InterRisk Informatik GmbH	Germany	100.00
ITIS Spolka z ograniczona odpowiedzialnoscia spolka komandytowa	Poland	99.99
ITIS Spolka z ograniczona odpowiedzialnoscia	Poland	99.99
JAHORINA AUTO d.o.o.	Bosnia	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
LD Vermögensverwaltung GmbH	Austria	98.65
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21.59
LiSciV Muthgasse GmbH & Co KG	Austria	42.76
Main Point Karlín II., a.s.	Czech Republic	97.28
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	54.25
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
S. C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	99.16
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
Sanatorium Astoria, a.s.	Czech Republic	97.28
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	42.76
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97.75
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99.97
SURPMO, a.s.	Czech Republic	97.28
TAUROS Capital Investment GmbH & Co KG	Austria	19.55
TAUROS Capital Management GmbH	Austria	25.30
TeleDoc Holding GmbH	Austria	25.01
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39.10



TOGETHER CCA GmbH	Austria	24.71
UAB "Compensa Life Distribution"	Lithuania	100.00
UNION-Erted Ellatasszervező Korlatolt Felelőségi Társaság	Hungary	54.25
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47.90
Vienna International Underwriters GmbH	Austria	100.00
viesure innovation center GmbH	Austria	98.87
VIG AM Real Estate, a.s.	Czech Republic	100.00
VIG AM Services GmbH	Austria	100.00
VIG IT - Digital Solutions GmbH	Austria	100.00
VIG Management Service SRL	Romania	99.16
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 SPOLKA AKCYJNA	Poland	50.99
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
Wohnquartier 11b Immobilienbesitz GmbH	Austria	100.00
Wohnquartier 12b Immobilienbesitz GmbH	Austria	97.75
WSBV Beteiligungsverwaltung GmbH	Austria	97.75
zuuri s.r.o.	Slovakia	98.47

## **9. Financial statements for 2022**



**KPMG Česká republika Audit, s.r.o.**  
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This document is an English translation of the Czech auditor's report.  
Only the Czech version of the report is legally binding.

## **Independent Auditor's Report to the Shareholders of VIG FUND, a.s.**

### ***Opinion***

We have audited the accompanying financial statements of VIG FUND, a.s. ("the Company"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note A to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### ***Basis for Opinion***

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

### ***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.



Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

#### ***Responsibilities of the Statutory Body, Supervisory Board for the Financial Statements***

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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



As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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



***Statutory Auditor Responsible for the Engagement***

Pavel Dolák is the statutory auditor responsible for the audit of the financial statements of VIG FUND, a.s. as at 31 December 2022 based on which this independent auditor's report has been prepared.

Prague  
8 March 2023

*KPMG Česká republika Audit, s.r.o.*

KPMG Česká republika Audit, s.r.o.  
Registration number 71

A handwritten signature in blue ink, appearing to read 'P. Dolák', with a stylized flourish at the end.

Pavel Dolák  
Director  
Registration number 2293

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

Financial Statements

As of 31st December 2022

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2022

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**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

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*The financial statements have been prepared in Czech and in English language versions. In case of any discrepancies between the language versions, the Czech version prevails.*

**VIG FUND, a.s.**

Templová 747/5, Prague 1, 110 00

Non-consolidated Financial Statements as of 31st December 2022

## STATEMENT OF FINANCIAL POSITION

*For the year ended 31st December*

<i>In thousands of euro</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
<b>Non-current assets</b>		<b>383 898</b>	<b>372 520</b>
Investment properties	1.2	274 150	270 180
Shares	1.3	109 748	102 340
<b>Current assets</b>		<b>15 495</b>	<b>21 950</b>
Loans to group companies	1.4	1 500	2 250
Trade receivables	1.5	1 455	521
Other receivables	1.6	328	355
Cash and cash equivalents	1.7	10 998	17 966
Accrued assets	1.8	1 214	858
<b>Total assets</b>		<b>399 393</b>	<b>394 470</b>

The notes on pages 9 to 33 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 2022

## STATEMENT OF FINANCIAL POSITION CONTINUED

*For the year ended 31st December*

<i>In thousands of euro</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Equity</b>			
Share capital	2.1	221	221
Capital reserve	2.2	196 396	196 396
Transaction reserve	2.2	41 431	41 431
Profit of the current period		7 581	14 448
Retained earnings	2.3	29 998	21 960
<b>Total equity</b>		<b>275 627</b>	<b>274 456</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>112 753</b>			
Loans, non-current part	2.4	57 547	55 788
Bonds issued, non-current part	2.5	28 430	30 520
Other payables, non-current part	2.6	2 209	1 636
Deferred tax liabilities	2.10	24 567	21 413
<b>Current liabilities</b>			
<b>11 013</b>			
Loans, current part	2.4	4 240	4 129
Bonds issued, current part	2.5	2 206	2 154
Trade payables	2.7	772	672
Provisions	2.8	271	656
Accrued liabilities	2.9	1 907	1 250
Current tax liabilities	2.10	422	345
Other payables, current part	2.11	1 195	1 451
<b>Total liabilities</b>		<b>123 766</b>	<b>120 014</b>
<b>Total equity and liabilities</b>		<b>399 393</b>	<b>394 470</b>

The notes on pages 9 to 33 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 2022

## STATEMENT OF COMPREHENSIVE INCOME

<i>For the year ended 31st December</i>			
<i>In thousands of euro</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Rental income	3.1	13 798	15 782
Operating costs charged to tenants	3.1	3 667	2 724
Operating expenses	3.2	(4 838)	(4 563)
Other operating income/(expenses)	3.3	231	24
<b>Net operating income</b>		<b>12 858</b>	<b>13 967</b>
Indirect expenditures	3.4	(973)	(862)
<b>Earnings before interest, taxes, depreciation, amortization and fair value unrealized gains/losses</b>		<b>11 885</b>	<b>13 105</b>
Valuation gains/(losses) from investment property	1.2	(923)	2 741
<b>Operating result</b>		<b>10 962</b>	<b>15 846</b>
Interest income		70	100
Dividend income	3.5	300	200
Net other financing revenues		80	77
Interest expenses	3.6	(2 978)	(3 193)
Foreign currency gain/(loss)	3.7	(156)	(20)
Revaluation of shares	1.3	3 406	3 049
Other financing expenses	3.10	(4)	0
<b>Financial result</b>		<b>718</b>	<b>213</b>
<b>Net result before taxes</b>		<b>11 680</b>	<b>16 059</b>
Current income tax	3.8	(945)	(816)
Deferred income tax	3.8	(3 154)	(795)
<b>Profit after tax</b>		<b>7 581</b>	<b>14 448</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>7 581</b>	<b>14 448</b>

The notes on pages 9 to 33 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 2022

**CASH FLOW STATEMENT***For the year ended 31st December**In thousands of euro*

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit before tax		11 680	16 059
Adjustments to reconcile profit before tax to net cash flows:			
Valuation gains/loss on investment property	1.2	923	(2 741)
Change in provisions	2.8	(385)	482
Dividend income	3.5	(300)	(200)
Revaluation of shares	1.3	(3 406)	(3 049)
Interest income		(70)	(100)
Interest expense	3.6	2 978	3 193
Working capital adjustments			
Decrease/(increase) in trade and other receivables and accruals		(1 263)	1 057
(Decrease)/increase in trade, other payables and accruals		1 151	(327)
Income tax paid		(814)	(649)
<b>Net cash flow from/(used in) operating activities</b>		<b>10 494</b>	<b>13 725</b>
<b>Cash flows from investment activities</b>			
Investments in properties and acquisition of shares, net of cash acquired		(9 098)	(25 296)
Repayment of loans provided to group companies	1.4	750	750
Dividends received	3.5	200	600
Interest received		70	100
<b>Net cash from/(used in) investment activities</b>		<b>(8 078)</b>	<b>(23 846)</b>
<b>Cash flows from financing activities</b>			
Redemption of borrowings - repayment of bank loan	2.4	(3000)	(2 918)
Proceeds from borrowings	2.4	6 000	0
Redemption of borrowings - repayment of other loans from group companies	2.4	(1 128)	(1 099)
Proceeds from issue of share capital	2.1, 2.2	0	33 870
Redemption of bonds	2.5	(2 090)	(2 029)
Dividend paid		(6 186)	(5 880)
Interest paid	3.6	(2 978)	(3 193)
<b>Net cash (used in)/from financing activities</b>		<b>(9 383)</b>	<b>18 751</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6 968)</b>	<b>8630</b>
Cash and cash equivalents at 1 January	1.7	17 966	9 336
<b>Cash and cash equivalents at 31 December</b>	1.7	<b>10 998</b>	<b>17 966</b>

The notes on pages 9 to 33 are an integral part of these financial statements.

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## 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 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>
Profit after tax		0	0	0	14 448	0	<b>14 448</b>
Shares issued	2.2	27	33 843	0	0	0	<b>33 870</b>
Prior period profit distribution	2.3	0	0	0	(1 105)	1 105	<b>0</b>
Dividend distribution		0	0	0	(5 878)	0	<b>(5 878)</b>
<b>Closing balance as of 31st December 2021</b>		<b>221</b>	<b>196 396</b>	<b>41 431</b>	<b>14 448</b>	<b>21 960</b>	<b>274 456</b>
Profit after tax		0	0	0	7 581	0	<b>7 581</b>
Shares issued	2.2	0	0	0	0	0	<b>0</b>
Prior period profit distribution	2.3	0	0	0	(7 384)	7 384	<b>0</b>
Dividend distribution		0	0	0	(6 410)	0	<b>(6 410)</b>
<b>Closing balance as of 31st December 2022</b>		<b>221</b>	<b>196 396</b>	<b>41 431</b>	<b>8 235</b>	<b>29 344</b>	<b>275 627</b>

The notes on pages 9 to 33 are an integral part of these financial statements.

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## 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 2022 – 31st December 2022

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

The Company has entrusted the management of its assets to investment company VIG AM Real Estate, 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)
DI Caroline Mocker	Board of Directors	26.05.2021	31.12.2022
Ing. Luděk Marek	Board of Directors	26.05.2021	31.12.2022

The Supervisory Board members are:

Name	Function	From (date)	To (date)
Mag. Gerhard Lahner	Chairperson of Supervisory Board	13.12.2018	31.12.2022
Mag. Roland Gröll	Deputy chairperson of Supervisory Board	13.6.2019	31.12.2022
Mag. Nicolas Mucherl	Supervisory Board member	27.5.2019	31.12.2022

**Employees**

The Company had no employees in 2022 and 2021. All Company activities are provided by suppliers.

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**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 2022 and 2021 are as follows:

Investor	Share on registered capital (in %)	
	2022	2021
VIG-CZ Real Estate GmbH, Vienna	60,20 %	60,20 %
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	11,44 %	11,44 %
Kooperativa poisťovna, a.s. Vienna Insurance Group, Bratislava	5,24 %	5,24 %
Compensa Life Vienna Insurance Group SE, Tallinn	3,67 %	3,67 %
VIG RE zajišťovna, a.s., Prague	3,13 %	3,13 %
Wiener Osiguranje Vienna Insurance Group d.d., Zagreb	3,07 %	3,07 %
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	1,39 %	1,39 %
Compensa Vienna Insurance Group, akciné draudimo bendrovė, Vilnius	1,93 %	1,93 %
Interrisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	1,31 %	1,31 %
Komunálna poisťovna, a.s. Vienna Insurance Group, Bratislava	1,20 %	1,20 %
AAS „BTA Baltic Insurance Company“, Riga	1,72 %	1,72 %
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	1,56 %	1,56 %
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	0,60 %	0,60 %
Wiener Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	0,72 %	0,72 %
"BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD	0,36 %	0,36 %
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	1,08 %	1,08 %
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	1,38 %	1,38 %
<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.



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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:

<b>FX rates EUR</b>	<b>quantity</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
HUF	1	400.87	369.19
CZK	1	24.115	24.86
PLN	1	4.6808	4.5969

### **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 options 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 these 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.

### **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.

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**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.

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**New and amended standards in 2022**

The amendments to IAS 1, IFRS Practice Statement 2, IAS 8, IAS 12 and “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” that were applicable for the first time on 1 January 2023 had no or no material effect on these financial statements.

**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>Amendments to IFRS 10 and IAS 28 <i>Sale or contribution of assets between an investor and its associate or joint venture</i> (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 will be endorsed by the EU in the foreseeable future)</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:</p> <ul style="list-style-type: none"> <li>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</li> </ul> <p>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.</p>	<p>The Company expects that the amendments will not have a material impact on its financial statements.</p>
<p>Amendments to IAS 1 <i>Presentation of Financial Statements</i> Classification of Liabilities as Current or Non-current</p> <p>(Effective for annual periods beginning on or after 1 January 2024<sup>1</sup> Early application is permitted)</p>	<p>See description below.</p>	<p>See description below.</p>
<p>Amendments to IAS 1 <i>Presentation of Financial Statements</i> Non-Current Liabilities with Covenants</p> <p>(Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively.</p> <p>Early application is permitted. Specific transition requirements apply for companies that have early-adopted the previously</p>	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments, as issued in 2020, has removed the requirement for a right to be unconditional and instead requires that a right to defer settlement must exist at the reporting date and have substance (the classification of liabilities is unaffected by management’s intentions or expectations about whether the company will exercise its right to defer settlement or will</p>	<p>The Company plans to apply the amendments from 1 January 2024. The Company expects that the amendments, when initially applied, will not have a material impact on its financial statements.</p>

<sup>1</sup> On 31 October 2022 the IASB has issued an amendment deferring the effective date to 1 January 2024.

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<p>issued but not yet effective 2020 amendments.)</p>	<p>choose to settle early)</p> <p>.</p> <p>The amendments, as issued in 2022, further clarify that when the right to defer settlement is subject to a company complying with conditions (covenants) specified in a loan arrangement, only covenants with which the company must comply <i>on or before</i> the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply <i>after</i> the reporting date do not affect a liability's classification at that date. However, the amendments require companies to disclose information about these future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt).</p>	
<p>Amendments to IFRS 16 <i>Leases</i> Lease Liability in a Sale and Leaseback</p> <p>(Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted)</p>	<p>Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.</p> <p>The amendments confirm the following:</p> <ul style="list-style-type: none"> <li>• on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction;</li> <li>• after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.</li> </ul> <p>A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.</p> <p>These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction.</p>	<p>The Company plans to apply the amendments from 1 January 2024.</p> <p>The Company expects that the amendments, when initially applied, will not have a material impact on its financial statements.</p>

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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 properties;
- investments - 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.

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.

### **E. NOTES TO STATEMENT OF FINANCIAL POSITION – ASSETS**

#### **1.1 General information on the financial statements**

The accounting period for 2022 is a twelve-month period from 1st January 2022 to 31st December 2022.

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

The Company's financial statements were approved on 8 March 2023 by the Board of directors.

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**1.2 Investment properties**

<b>Investment properties</b>	<b>Total</b>
<b>Closing balance as of 31st December 2020</b>	<b>263 660</b>
New acquisitions of investment properties and other additions	0
Other additions resulting from capitalised expenditure	3 779
Revaluation	2 741
<b>Balance as of 31st December 2021</b>	<b>270 180</b>
New acquisitions of investment properties	0
Other additions resulting from capitalised expenditure	4 893
Revaluation	-923
<b>Balance as of 31st December 2022</b>	<b>274 150</b>

The market value of the properties assigned as collateral for external financing totals to TEUR 270,180 as of 31st December 2021 and TEUR 274,150 as of 31st December 2022.

As at 31st December 2022, 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 426.

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.

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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

The applied yields for valuation ranges from 4.75% to 8.26% (from 5.16% to 7.70% in 2021, respectively). Rental levels vary between EUR 5 and EUR 26 per sqm per month (between EUR 5 and EUR 26 per sqm per month in 2021, respectively).

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 5,554, respectively TEUR 11,104. 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 11,112, respectively TEUR 21,384. 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%	287 044	293 204	299 363	305 521	311 677
	-0.25%	274 531	280 374	286 217	292 059	297 898
	0.00%	263 045	268 599	274 150	279 704	285 254
	0.25%	252 463	257 751	263 038	268 324	273 608
	0.50%	242 681	247 724	252 766	257 807	262 846

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 2022 respectively as at 31 December 2021.

**1.3 Investments – shares**

Subsidiary	Field of activity	Country of operation	Equity share		Investment			
			2022	2021	2022	Changes	Revaluations	2021
HUN BM Kft.	rental properties	Hungary	100 %	100 %	5 462	0	633	4 829
SK BM s.r.o.	rental properties	Slovakia	100 %	100 %	26 198	0	3 124	23 074
EBC s.r.o.	rental properties	Slovakia	100 %	100 %	12 887	2 000	(1 163)	12 050
Atrium Tower Sp. z o.o.	rental properties	Poland	100 %	100 %	20 719	2 000	(3 210)	21 929
KKB Real Estate SIA	rental properties	Latvia	100 %	100 %	20 755	0	302	20 453
NNC Real Estate Sp. z o.o. (formerly HYMEL Sp. z o.o.)	rental properties	Poland	100 %	100 %	23 727	0	3 722	20 005
<b>Total</b>					<b>109 748</b>	<b>4 000</b>	<b>3 408</b>	<b>102 340</b>

The shares in HUN BM Kft., SK BM s.r.o., EUROPEUM Business Center s.r.o., Atrium Tower Sp. z o.o., KKB Real Estate SIA and NNC Real Estate Sp. z o.o. 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



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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 5.40% to 8.06%. (from 5.05% to 7.55% in 2021, 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%	209 798	214 484	219 170	223 856	228 543
	-0.25%	200 880	205 338	209 796	214 255	218 713
	0.00%	192 674	196 923	201 172	205 421	209 670
	0.25%	185 098	189 154	193 210	197 267	201 323
	0.50%	178 081	181 959	185 837	189 715	193 593

**1.4 Loans to group companies**

In 2019, the Company provided a new loan 2 to the subsidiary KKB Real Estate SIA in total amount of TEUR 3,000. The outstanding amount of the loan as of December 31, 2022 is TEUR 1,500.

Loan	Currency	Signed on	Principal amount	Already repaid principal		Interest rate
				2022	2021	
Loan 2	EUR	12.12.2019	3 000	750	750	2,35 %

The agreed interest rate for the Loan is fixed and is calculated quarterly based on actual/360 days method. 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 both 2022 and 2021, parts of principal were repaid.

The Loan is 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 to cash flows 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 893 (most not due on 31st December 2021) including advance payments in the amount of TEUR 28. The closing balance represents trade receivables in the gross amount of TEUR 1,719 (most not due on 31st December 2022) including advance payments amounting to TEUR 33.

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".



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

Age structure	2022		2021		2022	2021
	Acquisition costs total	Impairment	Acquisition costs total	Impairment	Net book value	
before due date	1 155	(3)	610	(232)	1 152	378
1 - 30 days	241	(13)	108	(7)	228	101
31 - 180 days	120	(88)	40	(25)	32	15
181 - 360 days	139	(119)	74	(53)	20	21
overdue more than 1 year	64	(41)	61	(55)	23	6
<b>Total</b>	<b>1 719</b>	<b>(264)</b>	<b>893</b>	<b>(372)</b>	<b>1 455</b>	<b>521</b>

**1.6 Other receivables**

Other receivables	2022	2021
Estimated receivables	11	155
Other receivables	317	200
<b>Total</b>	<b>328</b>	<b>355</b>

The closing balance of other receivables includes outstanding dividend payments in the amount of TEUR 300 in 2022, respectively TEUR 200 in 2021.

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 10,998 as of 31st December 2022 and TEUR 17,966 as of 31st December 2021, respectively. The Company has bank accounts with prestigious banking institutions, where no risk is expected. The Company has no cash on hand.

The Company has no restricted cash.

**1.8 Accrued assets**

Accrued assets	2022	2021
Pre-paid expenses	1 214	858
<b>Total</b>	<b>1 214</b>	<b>858</b>

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

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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
	2022	2021		
registered	28 487 pcs.	28 487 pcs.	200 CZK	0 CZK

As of 31st December 2022, the Share capital of the Company as recorded in the Commercial Register totalled to TCZK 5,697 (TEUR 221) and consisted of 28,487 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	2022	2021	Distribution possibility
Capital reserve	196 396	196 396	Yes
Transaction reserve	41 431	41 431	Yes
<b>Total</b>	<b>237 827</b>	<b>237 827</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.

**2.3 Retained earnings**

The balance of Retained earnings was increased by distribution of 2021 profit in the amount of TEUR 7,384 (2021: TEUR 1,105) to TEUR 29,344.

In the accounting period, there was a dividend payment of TEUR 6,410.

**2.4 Interest bearing liabilities - loans**

The structure of the loans is as follows:

Loans	2022			2021		
	Principal amount	Interest accrued	Total	Principal amount	Interest accrued	Total
Bank loans	24 438	0	<b>24 438</b>	27 439	0	<b>27 439</b>
Loans - group companies	37 342	7	<b>37 349</b>	32 478	0	<b>32 478</b>
<b>Total</b>	<b>61 780</b>	<b>7</b>	<b>61 787</b>	<b>59 917</b>	<b>0</b>	<b>59 917</b>
thereof: short-term	4 233	7	4 240	4 129	0	4 129
thereof: long-term	57 547	0	57 547	55 788	0	55 788

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As of 31st December 2022 the terms of interest-bearing liabilities are as follows:

Loan	Currency	Signed on	Principal amount	Outstanding principal		Due date	Interest rate
				2022	2021		
Investment Loan 1	EUR	29.11.2011	48 082	8 973	11 046	31.12.2026	4.05%
Investment Loan 2	EUR	19.12.2013	9 000	5 834	6 245	31.12.2025	3.95%
Investment Loan 3	EUR	7.10.2016	24 000	20 217	20 857	30.6.2026	2.30%
Investment Loan 4	EUR	3.10.2018	9 665	8 538	8 844	31.12.2030	2.50%
Investment Loan 5	EUR	9.4.2019	14 500	12 225	12 925	31.3.2029	2.55 %
Investment Loan 6	EUR	15.12.2022	6 000	6 000	0	30.6.2033	4.20 %
<b>Total</b>				<b>61 787</b>	<b>59 917</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 (Loan 1 and 2). 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 4. 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) and on 31st March 2024 (Loan 6).

During the accounting period, a breach of covenants (DSCR) related to Loan 2, Loan 4 and Loan 5 occurs/occurred. The breach was accepted by the creditors before the end of the balance sheet date.

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	2022	2021
Investment properties	274 150	270 180
Trade receivables from rental incomes	1 032	759
Cash and cash equivalents	10 129	15 670

## 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.

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 30,636 in 2022 (TEUR 32,674 in 2021). This value includes

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the short-term part in the amount of TEUR 2,090 in 2022 (TEUR 2,030 in 2021) and the accrued interests of TEUR 116 in 2022 (TEUR 124 in 2021). The effective interest rates do not differ significantly from the coupon rates.

Assets pledged as collateral	2022	2021
Investment property	96 769	100 748

**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 2,209 respectively TEUR 1,636 for 2021.

**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	2022	2021
Accounts payable – inland	489	467
Accounts payable – foreign	283	60
Advanced payments	0	145
<b>Total</b>	<b>772</b>	<b>672</b>

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

Age structure	2022			2021		
	Accounts payable - inland	Accounts payable – foreign	Advanced payments	Accounts payable - inland	Accounts payable – foreign	Advanced payments
before due date	333	280	0	400	40	145
< 30 days	111	0	0	66	6	0
<60 days	16	0	0	0	0	0
<90 days	0	0	0	0	6	0
<120 days	0	0	0	0	0	0
overdue more than 120 days	29	3	0	1	8	0
<b>Total</b>	<b>489</b>	<b>283</b>	<b>0</b>	<b>467</b>	<b>60</b>	<b>145</b>

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**2.8 Provisions**

<b>Provisions</b>	<b>Other provisions</b>	<b>Total</b>
	<b>2021</b>	<b>656</b>
Use	0	0
Release	519	519
Creation	133	133
Effect of FX variance	1	1
	<b>2022</b>	<b>271</b>
thereof: short-term	271	271
thereof: long-term	0	0

Other provisions relate 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 and to costs related to the pre-lease agreements.

**2.9 Accrued liabilities**

<b>Accrued liabilities</b>	<b>2022</b>	<b>2021</b>
Accrued revenues	1 907	1 250
<b>Total</b>	<b>1 907</b>	<b>1 250</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.

<b>Tax receivables and payables</b>	<b>2022</b>	<b>2021</b>
Value added tax	(143)	(185)
Income tax on ordinary activities - due	(279)	(160)
Deferred tax	(24 567)	(21 413)
<b>Total</b>	<b>(24 989)</b>	<b>(21 758)</b>

**2.11 Other payables, current part**

<b>Other payables, current part</b>	<b>2022</b>	<b>2021</b>
Estimated payables	993	1 110
Other payables	202	341
<b>Total</b>	<b>1 195</b>	<b>1 451</b>

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For the breakdown of Estimated payables refer to table below:

Estimated payables	2022	2021
Service charges, media, repairs related to investment properties	723	949
Other consultancy	28	11
Accounting	57	26
Legal consulting	17	1
Tax advisory	18	17
Audit	23	18
Interests from loans	123	13
Other services	4	75
<b>Total</b>	<b>993</b>	<b>1 110</b>

The other payables represent mainly short-term retention in the amount of TEUR 202, respectively TEUR 341 in 2021.

**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 4,016 and TEUR 5,020 as of 31st December 2022 and 31st December 2021, respectively. Further the loans of SK BM and HUN BM are secured by pledge of shares in the carrying amount of TEUR 31,660 and TEUR 27,903 in 2022 and in 2021, 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	3 012	0

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**2.13 Financial instruments**

The values of financial assets and liabilities are as follows:

Financial instruments	2022		2021	
	carrying amount	fair value	carrying amount	fair value
<b>Financial assets:</b>				
Shares	109 748	109 748	102 340	102 340
Loans to group companies	1 500	1 500	2 250	2 250
Trade receivables	1 455	1 455	521	521
Other receivables	328	328	355	355
Cash and cash equivalents	10 998	10 998	17 966	17 966
<b>Total</b>	<b>124 029</b>	<b>124 029</b>	<b>123 432</b>	<b>123 432</b>
<b>Financial liabilities:</b>				
Loans, non-current part	57 547	51 472	55 788	56 593
Loans, current part	4 240	4 240	4 129	4 129
Bonds issued, non-current part	28 430	25 504	30 520	32 750
Bonds issued, current part	2 206	2 206	2 154	2 154
Tax liabilities	422	422	345	345
Trade payables	772	772	672	672
Other payables, non-current part	2 209	2 209	1 636	1 636
Other payables, current part	1 195	1 195	1 451	1 451
<b>Total</b>	<b>97 021</b>	<b>88 020</b>	<b>96 695</b>	<b>99 730</b>

Shares are originally valued at their acquisition cost and consequently revaluated at fair value. The appraisal 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	2022	2021
Rental income	13 798	15 782
Operating costs charged to tenants	3 667	2 724
<b>Total</b>	<b>17 465</b>	<b>18 506</b>

Rental income and operating costs charged to tenants in amount of TEUR 12,118 (2021 – TEUR 11,546) related to the investment properties located in the Czech Republic and TEUR 5,347 (2021 – TEUR 6,960) 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	2022	2021
Not later than one year	12 769	13 735
Between 1 and 5 years	29 430	33 732
More than 5 years	12 393	16 959

**3.2 Operating expenses**

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

Operating expenses	2022	2021
Energy consumption	2 214	1 177
Repairs	841	1 026
Other service charges	229	243
Property and asset management	355	332
Easement	60	60
Real estate tax	202	195
Legal and other consultancy	68	30
Security	721	659
Insurance	124	108
Brokerage fee	106	72
Facility management	3	30
Valuation adjustment of receivable	(100)	200
Other	15	431
<b>Total</b>	<b>4 838</b>	<b>4 563</b>



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**3.3 Other operating income**

<b>Other operating income</b>	<b>2022</b>	<b>2021</b>
Other income	231	24
<b>Total</b>	<b>231</b>	<b>24</b>

Other operating income mainly includes contractual penalties and interest on late payments.

**3.4 Indirect expenditures**

<b>Indirect expenditures</b>	<b>2022</b>	<b>2021</b>
Management fee	667	570
Administration fees	186	193
Audit and legal fees	56	37
Bank charges	60	56
Other services	4	6
<b>Total</b>	<b>973</b>	<b>862</b>

Investment management fees are represented by the management fee of VIG AM Real Estate, a.s. in the amount of TEUR 667 and TEUR 570 in 2022 and 2021, respectively.

The fees of TEUR 34 and TEUR 28 were charged by KPMG Česká republika Audit, s.r.o. for audit of the Company's financial statements for year 2022 and 2021, 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 SK BM s.r.o. amounted to TEUR 300 in 2022 and TEUR 200 in 2021.

**3.6 Interest expenses**

Interest expenses amounted to TEUR 2,978 and TEUR 3,193 in 2022 and 2021, respectively. Thereof TEUR 2,089 and TEUR 2,191 relate to interest to related parties in 2022 and 2021, respectively. The balance also includes the interest expenses from the bonds issued in the amount of TEUR 1,281 and TEUR 1,361 in 2022 and 2021, 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 (156) and TEUR (20) in 2022 and 2021, respectively.

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**3.8 Income tax**

The following table shows details on income tax:

Corporate income tax	2022	2021
Income tax on ordinary activities - due	945	816
Income tax on ordinary activities - deferred	3 154	795
<b>Total</b>	<b>4 099</b>	<b>1 611</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
2021			
Investment properties	(20 318)	(214)	(20 532)
Other	(300)	(581)	(881)
<b>Net tax assets (liabilities)</b>	<b>(20 618)</b>	<b>(795)</b>	<b>(21 413)</b>
2022			
Investment properties	(20 532)	(2 817)	(23 349)
Other	(881)	(337)	(1 218)
<b>Net tax assets (liabilities)</b>	<b>(21 413)</b>	<b>(3 154)</b>	<b>(24 567)</b>

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

Income tax	2022	2021
Net result before tax	11 680	16 059
Corporate income tax rate	19%	19%
Expected tax	2 219	3 051
Tax reconciliation:		
Non-taxable income	(271)	(71)
Non-taxable expense	122	226
Revaluation of shares	(647)	(579)
Effect of a difference in deferred tax calculation*	2 172	0
Other adjusting items**	503	(1 016)
<b>Income tax without influence of tax rate changes</b>	<b>4 099</b>	<b>1 611</b>
<b>Effective tax rate in %</b>	<b>35%</b>	<b>10%</b>
Tax rate changes	0	0
<b>Income tax total</b>	<b>4 099</b>	<b>1 611</b>

\*The Company accounts for a deferred tax liability resulting from the properties held directly by the Company but located in Poland. The liability arises from the difference between the (i) Properties' fair value and (ii) their tax residual value. Taxable income generated by these properties is subject of taxation in both Poland and the Czech Republic. The income tax paid in Poland is then offset against the income tax determined in the Czech Republic.

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The function currency of the Company is EUR. For determination of deferred tax liability the Company used the tax residual value based on Czech tax legislation. Mainly due to the diverse development of FX rates CZK/EUR and PLN/EUR the Czech residual value in EUR was significantly higher than Polish residual value in EUR.

Considering this fact and to show more relevant information on Company's tax position, the company reflected this in its deferred tax calculation and used the Polish tax residual value for the calculation of the deferred tax in the financial statements as of 31 December 2022.

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

The above-mentioned facts had an impact on the effective tax rate in the current accounting period.

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**3.9 Related party information**

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

<b>Transactions with the related parties</b>	<b>2022</b>	<b>2021</b>
<b>STATEMENT OF FINANCIAL POSITION</b>		
Accrued assets	0	47
Accrued liabilities	0	0
Interest bearing liabilities - loans	(37 350)	(32 478)
Bonds and interests	(30 636)	(32 474)
Trade payables	0	0
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Indirect expenditures	(671)	(573)
Operating expenses	(1)	(1)
Interest expenses	(2 089)	(2 191)
Insurance paid	(124)	(108)

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

<b>Transactions with the subsidiaries</b>	<b>2022</b>	<b>2021</b>
<b>STATEMENT OF FINANCIAL POSITION</b>		
Loans to group entities	1 500	2 250
Other receivables	300	200
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Dividend income	300	200
Other financing revenues	76	76
Interest income	43	98

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

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**H. 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	
	2022	2021	2022	2021	2022	2021
Gross balance, out of which:	1 719	893	1 500	2 250	10 998	17 966
- Past due, not impaired	300	144	0	0	0	0
- Neither past due, nor impaired	1 155	377	0	0	10 998	17 966
- Impaired receivables	264	372	0	0	0	0
Impairment, out of which	(264)	(372)	0	0	0	0
- Specific allowance	(264)	(372)	0	0	0	0
- General allowance	0	0	0	0	0	0
<b>Total</b>	<b>1 455</b>	<b>521</b>	<b>1 500</b>	<b>2 250</b>	<b>10 998</b>	<b>17 966</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.

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	
	2022	2021	2022	2021	2022	2021	2022	2021
Interest bearing liabilities	6 448	6 283	46 048	47 850	39 927	38 458	92 423	92 591
Trade payables	772	672	0	0	0	0	772	672
Other payables	1 195	1 451	2 209	1 636	0	0	3 404	3 087
<b>Total</b>	<b>8 415</b>	<b>8 406</b>	<b>48 257</b>	<b>49 486</b>	<b>39 927</b>	<b>38 458</b>	<b>96 599</b>	<b>96 350</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.

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

Currency risk	Assets		Liabilities		Net exposure	
	2022	2021	2022	2021	2022	2021
CZK	2 094	1 924	3 981	3 744	(1 886)	(1 820)
PLN	733	1 244	570	384	163	860
<b>Total</b>	<b>2 827</b>	<b>3 168</b>	<b>4 551</b>	<b>4 128</b>	<b>(1 724)</b>	<b>(960)</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 have an impact on the value of assets in 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.

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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.

Risks associated with the increasing prices of energy - In the current period, the Czech Republic saw a significant increase in energy prices. One of the main drivers was the surge in global energy demand, as most countries emerged from the Covid-19 pandemic. Following Russia's invasion of Ukraine on 24 February 2022 and the deliberate attempt to use energy as a political weapon since then, gas and electricity prices reached record levels in 2022. The Commission EU carried out several actions and measures to address the problem, phase out the dependency of Russian fossil fuels and help tackle the rising prices.

**I. SUBSEQUENT EVENTS**

No significant events occurred in the period, that could have a negative impact on the financial position of the Company.

8 March 2023



DI Caroline Mocker



Ing. Luděk Marek