

**KBC IFIMA Société Anonyme
R.C.S. Luxembourg B 193 577
4 Rue du Fort Wallis
L – 2714 Luxembourg
Annual accounts as at 31 December 2022**

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Management report of the Board of Directors ***dated 31/12/2022***

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2022 to 31 December 2022. In accordance with the law and our articles of association, we hereby submit the accounts for your information. The annual accounts are presented in Euros.

2. The Company recorded a profit of EUR 304 236

Total assets amounted to EUR 352 669 689 as at 31 December 2022, compared to EUR 787 343 961 as at 31 December 2021.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 340 065 807
- accrued interests: EUR 3 022 579

The cash at bank amounts to EUR 7 026 958

Because of unfavorable economic conditions, the new investments were put in stand-by between the second quarters 2020 and 2022. The new investments have started again but the volume is not enough yet to compensate the items matured during this time slot. This explains the significant decrease of loans to affiliated undertakings.

New products have been launched in 2017 (tRACER) and 2018 (tJUMPER) using KBC IFIMA S.A. as a vehicle of warrant issuance. The first items have been issued in December 2017 for tRACER and September 2018 for tJUMPER. This year another new product, called tOPTIMISER, also based on warrant issuance has been launched in September 2022.

3. Risks and uncertainties facing the Company:

- The Company is actively managing risk on its existing portfolio by ensuring that the entity maintains a market risk neutral position. These risks are overseen by an independent risk management function and a risk committee which are in turn overseen by the risk management function, committees and audit functions at KBC Bank NV level, in accordance with outsourcing agreements taken out by the Company.
- The counterparty risk of KBC Ifima S.A. is limited to KBC Bank NV as well as its liquidity, treasury and credit risks, except for local operational expenses. Local Operational Risk Management (LORM) functions are divided between KBC Bank NV and the Company, depending on the services performed by each entity. The Company aims to ensure continuity in terms of outsourced risks as laid down in the Service Level Agreements.
- The credit risk covers the possibility that an issuer may default by failing to repay principal or interest. The Company is not exposed to any significant credit risk.
- The market risk embodies the potential for both losses and gains and includes currency risk and interest rate risk. The Company's exposure to such risks is outlined below.
- The currency risk covers the potential for both losses and gains as a result of changes in external rates. The Company is not exposed to any significant net currency risk.

- The interest rate risk covers the potential for a change in the value of assets resulting from the change in interest rates. No sensitivity analysis is required as, from the point of view of the Company, all the transactions are perfectly hedged. The Company is not exposed to any significant net interest rate risk.
 - The other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factor specific to an individual instrument, its issuer or all factors affecting all instruments traded in the market. The Company is not exposed to any significant net other price risk.
 - Derivatives are implemented so as to hedge the following risks:
 - o Interest rate risk
 - o Credit risk
 - At the time this report was being prepared, the invasion of Russia in Ukraine required additional attention at group level and in our home markets in Central and Eastern Europe. KBC Group has very limited direct exposure to Ukraine and Belarus (less than EUR 10 mln combined) and only limited direct exposure to Russia of less than 50 million euros, mainly stemming from trade financing. KBC Group is keeping a very close eye on the related macroeconomic impact (e.g., impact of high gas and oil prices on inflation and economic growth) and on spillover effects to KBC Group and its clients, both financially and operationally, among other things with high focus on information security threats. Economic and financial sanctions by the West might further impact the European economy. Continuous monitoring and reporting of the situation is in place.
 - Climate-related and other ESG risks are gradually integrated in existing management frameworks and in risk management processes.
4. Rising rates make the coupons for Notes typically more appealing to the retail clients, therefore the Company is expecting a positive correlation between the higher level of the interest rates and the issuance activity as pointed out in Ifima's previsions.
 5. Activities in research and development, as provided for by law, are not applicable to the Company.
 6. The Company did not purchase any of its own shares nor holds any own shares.
 7. The Company has no branch offices.
 8. The total income from loans and other investments is EUR 8 087 290. The total interest payable amount is EUR 7 595 396.
 9. A dividend of EUR 676 878 has been distributed on 28 June 2022.
 10. No subsequent event has occurred since 31 December 2022.
 11. The Company is included in the consolidated accounts drawn up by the KBC Group.

12. The Board of Directors proposes:

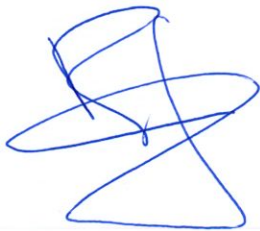
- To approve annual accounts as disclosed hereafter;
- To discharge Directors from their current mandate with the period of 1 January 2022 to 31 December 2022;

- To affect the profit of EUR 304 236
 - o Legal Reserve to be constituted (5% of the net result): EUR 15 212
 - o WHT Reserve 2022: EUR 175 625
 - o WHT Reserve 2018 to be liberated: 315 475 EUR
 - o Dividend to be distributed: EUR 428 875

Luxembourg, 27 March 2023

The Board of Directors:

Ivo BAUWENS
Fatima BOUDABZA
Damien DEBBAUT
Rik JANSSEN
Sabrina GOCKEL



KBC IFIMA SA
4, Rue du Fort Wallis
L-2714 Luxembourg

(the “**Company**”)

R.C.S. Luxembourg N° B 193 577

Corporate governance statement

The corporate object of the Company is the holding of investments, in any form whatsoever, in Luxembourg companies and foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, debentures, notes and other security of any kind.

The Company may carry intragroup or other investing activities and cash management.

The Company may borrow in any form and proceed to the issue of bonds, warrants, debentures or any other financial instruments.

In general fashion the Company may grant assistance (by way of loans, advances, guarantees of securities or otherwise) to companies or other enterprises in which the Company has an interest or which form part of the group of Companies to which the Company belongs. The Company may carry on any industrial activity and maintain a commercial establishment open to the public.

In general, it may take any controlling and supervisory measures and carry out any operation, which it may deem useful in the accomplishment and development of its purpose. The Company may carry out all its activities either directly or through one or more branches.

In the relation to the financial reporting process, internal control and risk management procedures are maintained:

- Proper books and records are maintained in accordance with the group guidelines,
- All financial products (ie, loans, bonds) are governed by contractual agreements and calculation of payments/receipts and interest accruals are driven by the group in their system,
- All risks and uncertainties facing the Company are listed in the management report.

Other information

The Company doesn't own quoted participations, directly or indirectly owned.

Rules for appointment or replacement of board members or management team or for modification of deed of incorporation:

Art 7 of the by laws states: “ The *General Meeting* appoints the directors. Directors cannot be appointed for more than 6 years and are re-eligible. Directors may be removed at any time (with or without cause) by a resolution of the General Meeting. If the office of a director becomes vacant, the majority of the

remaining directors may fill the vacancy on a provisional basis until the final appointment is made by the next *General Meeting*.”

There are no restrictions on voting rights or shareholders who hold special rights. The board members do not have the right to issue or buy back shares.

The Directors hereby confirm that the statements made by the persons responsible within the Company, to the best of their knowledge, and the annual accounts prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. The Directors also confirm that the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Luxembourg, 27 March 2023



Ivo Bauwens



Fatima Boudabza



Audit report

To the Shareholder of
KBC Ifima S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of KBC Ifima S.A. (the "Company") as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2022;
 - the profit and loss account for the year then ended;
 - the cash flow statement as at 31 December 2022; and
 - the notes to the annual accounts, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Recoverability of loans to and deposits with affiliated undertakings</i> Financial assets are recorded at the lowest amount between their repayment value and their fair value (see Note 2.b). Note 3 to the annual accounts indicates that as at 31 December 2022, the loans to and deposits with affiliated undertakings (included in the captions “Loans to affiliated undertakings” and “Amounts owed by affiliated undertakings becoming due and payable within one year”) amount to EUR 340,065,807 (excluding accrued interests). We focused our audit on their recoverability because these items are the most significant ones on the balance sheet and a recoverability issue could have a significant impact on the earnings of the Company and its ability to continue as a going concern.	As part of our audit we have, among other things: <ul style="list-style-type: none">• Ensured compliance of the valuation policy with the valuation methods and rules permitted under applicable Luxembourg legal and regulatory requirements;• Assessed the financial position and performance of the loans’ counterpart by obtaining relevant information (including quarterly accounts, credit rating checks). We also analyzed Management’s assessment relating to the recoverability of the loans, and its conclusion thereon; finally, we engaged in discussion with the Group auditor in respect of the creditworthiness of this loans’ counterpart.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

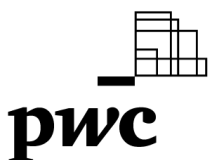
The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts 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 audit 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 annual accounts, including the disclosures, and whether the annual accounts 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

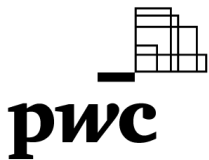
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the annual accounts have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on pages 6 to 7 to these annual accounts. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual



accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholder on 27 May 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2022, identified as KBC Ifima Annual Accounts 2022 HTML, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 7 April 2023

Anthony Dault

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B193577

Matricule : 2014 2226 732

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2022 **to** ⁰² 31/12/2022 (in ⁰³ EUR)

KBC IFIMA S.A.

4, rue du Fort Wallis
L-2714 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>235.178.030,00</u>	110 <u>541.585.236,00</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	235.178.030,00	541.585.236,00
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139 Note 3	139 235.178.030,00	140 541.585.236,00
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147	148
D. Current assets	1151	115.192.052,00	240.947.372,00
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	108.165.094,00	233.869.137,00
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 108.165.094,00	172 233.380.763,00
a) becoming due and payable within one year	1173 Note 3	173 108.165.094,00	174 233.380.763,00
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 0,00	184 488.374,00
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187 0,00	188 488.374,00

RCSL Nr. : B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>7.026.958,00</u>	198 <u>7.078.235,00</u>
E. Prepayments	1199 <u>Note 4</u>	199 <u>2.299.606,00</u>	200 <u>4.811.353,00</u>
TOTAL (ASSETS)		201 <u>352.669.688,00</u>	202 <u>787.343.961,00</u>

RCSL Nr. : B193577

Matricule : 2014 2226 732

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>Note 5</u>	301 <u>7.025.213,00</u>	302 <u>7.397.855,00</u>
I. Subscribed capital	1303 _____	303 <u>5.296.266,00</u>	304 <u>5.296.266,00</u>
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>1.424.711,00</u>	310 <u>1.737.827,00</u>
1. Legal reserve	1311 _____	311 <u>358.261,00</u>	312 <u>340.073,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 <u>1.066.450,00</u>	430 <u>1.397.754,00</u>
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>1.066.450,00</u>	434 <u>1.397.754,00</u>
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>304.236,00</u>	322 <u>363.762,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions			
	1331 _____	331 <u>419.626,00</u>	332 <u>381.741,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 <u>Note 6</u>	335 <u>379.513,00</u>	336 <u>368.236,00</u>
3. Other provisions	1337 _____	337 <u>40.113,00</u>	338 <u>13.505,00</u>
C. Creditors			
	1435 _____	435 <u>343.010.438,00</u>	436 <u>775.228.822,00</u>
1. Debenture loans	1437 _____	437 <u>342.953.340,00</u>	438 <u>775.210.767,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 <u>342.953.340,00</u>	446 <u>775.210.767,00</u>
i) becoming due and payable within one year	1447 <u>Note 7</u>	447 <u>107.775.310,00</u>	448 <u>233.625.531,00</u>
ii) becoming due and payable after more than one year	1449 <u>Note 7</u>	449 <u>235.178.030,00</u>	450 <u>541.585.236,00</u>
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	379	380
a) becoming due and payable within one year	1381	381	382
b) becoming due and payable after more than one year	1383	383	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	451	452
a) Tax authorities	1393	393	394
b) Social security authorities	1395	395	396
c) Other creditors	1397	397	398
i) becoming due and payable within one year	1399	399	400
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
	Note 8	2.214.411,00	4.335.543,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	352.669.688,00	406
		787.343.961,00	

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B193577

Matricule : 2014 2226 732

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2022 **to** ⁰² 31/12/2022 (in ⁰³ EUR)

KBC IFIMA S.A.

4, rue du Fort Wallis
L-2714 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>36.234,00</u>	672 <u>-276.052,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>Note 9</u>	603 <u>36.234,00</u>	604 <u>-276.052,00</u>
6. Staff costs	1605 _____ <u>Note 11</u>	605 <u>-295.591,00</u>	606 <u>-52.863,00</u>
a) Wages and salaries	1607 _____	607 <u>-257.105,00</u>	608 <u>-43.808,00</u>
b) Social security costs	1609 _____	609 <u>-34.626,00</u>	610 <u>-5.546,00</u>
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-34.626,00</u>	656 <u>-5.546,00</u>
c) Other staff costs	1613 _____	613 <u>-3.860,00</u>	614 <u>-3.509,00</u>
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 _____	622 _____

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	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

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CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31 2022

	2022	2021
Net profit	304.236	363.762
Adjustments for:		
Interests income/charges	-491.894	-603.730
Net amortization on loans and bonds	447.986	-479.928
Other provision	26.608	-27.059
Other - adjustment		
	286.936	-746.955
Other advance	-128.952	1.248
Change in other assets and liabilities	39.048	6.374
Taxes (paid)/received	488.374	0
Tax provision	11.277	12.045
Net cash flow from operational activities	696.683	-727.288
Distribution on liquidation of subsidiaries		
Financial fixed assets - issued	-58.276.936	0
Financial fixed assets - repaid	490.502.263	321.325.012
Interest received	7.556.418	16.071.245
Net cash flow from investment activities	439.781.745	337.396.257
Bonds issued	58.276.936	0
Bonds repaid	-490.502.263	-320.010.948
Dividend paid	-676.878	-691.012
Interest Paid	-7.627.494	-14.412.499
Net cash flow from financing activities	-440.529.700	-335.114.459
Net cash flow	-51.272	1.554.510
Cash balance as at January 1st	7.078.235	5.523.726
Cash balance as at December 31st	7.026.963	7.078.235
Net cash flow	-51.272	1.554.509

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Notes to the annual accounts
As at 31 December 2022

Note 1 - General information

KBC IFIMA S.A. ("The Company") is a wholly-owned subsidiary of KBC Bank NV, Brussels. The Company carried out a cross-border transfer of its legal seat from The Netherlands to Luxembourg, effective at midnight on 31 December 2014. At the same time, the name of the Company was changed to KBC IFIMA S.A. (previous name: KBC International Financieringsmaatschappij n.v.).

The registered office of the Company is established 4, rue du Fort Wallis, L-2714 Luxembourg.

The activities of the Company remain unchanged after the transfer of legal seat.

KBC IFIMA S.A. was incorporated on 15 April 1982 as a "société anonyme".

The Company is established for an unlimited period.

The accounting year of the Company begins on the 1st January of each year and terminates on the 31 December of the same year.

The purpose of KBC IFIMA S.A. is the issue of bonds and on-lending the proceeds to KBC Bank NV. The principal activity of the company since a few years consists of the administration of the retail bonds and warrants issued and the loans made. The retail notes issued by the company are fully guaranteed by KBC Bank NV.

The annual accounts of the Company are fully consolidated in the consolidated accounts of KBC Bank NV Brussels, which forms the smallest body of undertakings of which the Company forms a part as a subsidiary and in the consolidated accounts of KBC Group NV, which forms the largest body of undertakings of which the Company forms a part as a subsidiary. Group accounts and consolidated management reports are available at its head office Havenlaan 2, B - 1080 Brussels.

As at 28 June 2016, the Sole Shareholder had approved the merger (the "Merger") by acquisition between KBC IFIMA S.A. (the acquiring company) and KBC FINANCIAL PRODUCTS INTERNATIONAL S.A., a société anonyme, incorporated under the laws of Luxembourg (formerly a Cayman company named KBC Financial Products International Limited.) having its registered office at 5, Place de la gare, L-1616 Luxembourg and registered with the Luxembourg trade and companies register under number B 184.148, incorporated by a deed enacted by Maître Francis KESSELER, notary residing in Esch-sur-Alzette, on 31 December 2013, published in the Memorial , Recueil des Sociétés et Associations number 810 of 29 March 2014 ("KBC FPI" and together with the Company the "Merging Companies") as the acquired company.

Several new products have been launched. This year another new product, called tOPTIMISER also based on warrant issuance has been launched in September 2022.

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Note 2 - Summary of significant accounting policies

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as amended, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting policies are as follows:

a) Foreign currency translation

Annual accounts are expressed in EUR.

Transactions, income and charges denominated in currencies other than Euro are translated at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities items denominated in currencies other than Euro are translated in Euro at exchange rate prevailing as at the date of the balance sheet. Realized exchange gains and losses and unrealized exchange gains and losses are recorded in the profit and loss account.

Non-monetary assets and liabilities items denominated in currencies other than Euro are translated in Euro at the exchange rate prevailing at the date of the balance sheet. Realized gains or losses and unrealized losses are recorded in the profit and loss account while the unrealized exchange gains are not recorded.

b) Financial assets

Loans to affiliated undertakings are recorded on the assets side of the balance sheet at the lowest amount between their nominal value and their approximate fair value. Value adjustments are only taken into consideration when, according to the Board of Directors, the depreciation is deemed permanent.

These value adjustments are not continued if the reasons for which they were made have ceased to apply.

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c) Provisions for other risks and charges

Provisions for other risks and charges are included in order to cover losses or debts whose nature is clearly defined and are, at the balance sheet date, either likely or certain to be incurred but amounts or timing are indeterminable.

d) Prepayments

Prepayments include discounted amounts such as commissions, premiums or pension benefits, tax advances paid to the Administration and income to be received during the next financial year.

e) Non-convertible bonds

Non-convertible bonds are recorded on the liabilities side of the balance sheet at the repayment value. The bonds are issued on the Luxembourg Stock Exchange market.

f) Discounts on non-convertible bonds

The discounts related to these non-convertible bonds (i.e. the difference between the issue price and the repayment value) are booked in the caption "prepayments". These discounts are taken to financial expenses on the duration of the non-convertible bonds .

g) Deferred income on bonds

The deferred income related to these bonds (i.e. the difference between the issue price and the repayment value) are booked in the caption "deferred income" in liabilities. These deferred income are taken to financial income on the duration of the bonds.

Some of these contracts can be subject to an early redemption.

h) Income and expenses recognition

Interest income and expenses are recorded on an accrual basis.

i) Taxes

Taxes are charged to the profit and loss account on an accrual basis and not in the year in which the payment occurs. Accordingly, provisions for taxation have been recorded for the financial years for which no final assessment has been issued by the tax authorities. Since the 28th December 2018, KBC IFIMA S.A. has been integrated in a Luxembourg tax unity. The other entities in scope are KBC Lease Luxembourg SA, KBC Real Estate and KBC Group Re, which is the integrating company.

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j) Derivative financial instruments

The Company may enter into financial instruments such as options, swaps, futures or foreign exchange contracts.

In the case of hedging of an asset or a liability which is not recorded at fair value, unrealized gains or losses are deferred until recognition of the realized gains or losses on the hedged item.

Commitments relating to options/swaps/futures/warrants/foreign exchange contracts transactions are recorded in the off-balance sheet accounts.

k) Cash flow statement

The Cash Flow Statement shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds.

The Company presents its cash flows using the indirect method. The indirect method adjusts accrual basis net profit or loss for the effects of non-cash transactions. Differentiation is made between cash flows from operating activities, from investing activities and from financing activities. Cash flow from operating activities is the cash and cash equivalents raised as a result of the main revenue-producing activities of the Company that are not investing or financing activities, so operating cash flows include cash received from customers and cash paid to suppliers and employees. It is determined on the basis of net profit. As part of the indirect determination of cash flow, the changes in balance sheet items due to operating activities were applied where necessary. Cash flow from investing activities is the cash and cash equivalents raised as a result of acquisition and disposal of long-term assets and other investments that are not considered to be cash equivalents. Cash flow from financing activities is the cash and cash equivalents raised as a result of activities that alter the equity capital and borrowing structure of the Company.

Interest and dividends received and paid are classified as financing cash flows consistently from period to period.

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short-term financial assets which can be converted into cash at any time and which are only subject to minor value fluctuation risks.

Note 3 – Amounts and loans owed by affiliated undertakings

The caption relates to the loans granted by the Company to its parent, KBC Bank NV, and is composed of:

- Long term loans: EUR 235 178 030 (2021: EUR 541 585 236);
- Short term loans: EUR 104 887 777 (2021: EUR 230 705 898);
- Accrued interest on loans and related derivatives: EUR 3 022 579 (2021: EUR 2 674 865);

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- Margin adjustment receivable : EUR 254 738 (2021: 0)

All the above transactions for the financial assets relate to our parent, KBC Bank N.V.
The loans granted can be disclosed as follows:

31/12/2022:

Maturity	AUD	CZK	EUR	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	1.098.000	-	70.000.000	325.780.000	4.286.000	694.000	104.887.777
Between 1 and 5 years	3.224.000	1.625.000	41.051.000	311.440.000	4.618.000	165.466.000	230.678.030
More than 5 years	-	-	4.500.000	-	-	-	4.500.000
TOTAL	4.322.000	1.625.000	115.551.000	637.220.000	8.904.000	166.160.000	340.065.807

31/12/2021:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	5.326.000	3.100.000	114.500.000	-	747.120.000	2.958.000	40.876.000	230.705.898
Between 1 and 5 years	1.098.000	-	355.894.000	-	410.220.000	8.904.000	138.794.000	525.580.403
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.004.833
TOTAL	6.424.000	3.100.000	474.894.000	1.500.000.000	1.157.340.000	11.862.000	179.670.000	772.291.134

As at 31 December 2022, the Board of Directors is of the opinion that no impairment is necessary.

Note 4 – Prepayments

EUR	31/12/2022	31/12/2021
Discounted premiums	2.141.794	4.450.258
Discounted commission	70.669	331.323
Discounted pension benefit	29.807	28.722
CRED MTM	-70.529	1.050
Other	127.865	0
TOTAL	2.299.606	4.811.353

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Note 5 - Capital and reserves

EUR	Subscribed capital	Legal reserve	Other non-available reserves	Result of the financial year
31/12/2021	5.296.266	340.073	1.397.754	363.762
AGM 27/05/2022		18.188	-331.304	313.116
Dividend				-676.878
Result 31/12/2022				304.236
	5.296.266	358.261	1.066.450	304.236

Subscribed capital

The subscribed share capital is set at EUR 5 296 266 divided into 22 679 shares with no designation of a nominal value.

Reserve

The Company is required under Luxembourg law to allocate a minimum of 5% of its annual statutory net profit to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution, except in case of dissolution.

A special Net Wealth Tax reserve has been created in order to reduce the Net Wealth Tax of the Company. This special reserve amounts to five times the envisaged Net Wealth Tax credit. This special Net Wealth Tax reserve has to remain unavailable for distribution for five years, to take advantage of the reduction in Net Wealth Tax liability.

Note 6 – Provisions for taxation

Since the Company is registered in Luxembourg, the Company is subject to all taxes applicable to a fully taxable company in Luxembourg.

The Tax provision concerns the fiscal debts to KBC Group Re, head of the fiscal unity.

Note 7 – Debenture bonds - Non convertible bonds

The caption relates to notes issued by the Company and is composed of:

- Long term notes: EUR 235 178 030 (2021: EUR 541 585 236);
- Short term notes: EUR 104 887 777 (2021: EUR 230 705 899);
- Accrued interests on notes and related derivatives: EUR 2 887 533 (2021: EUR 2 919 632).

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- Long term notes: EUR 235 178 030 (2021: EUR 541 585 236);
- Short term notes: EUR 104 887 777 (2021: EUR 230 705 899);
- Accrued interests on notes and related derivatives: EUR 2 887 533 (2021: EUR 2 919 632).

The Debenture bonds - Non convertible bonds are broken down as follows:

31/12/2022:

Maturity	AUD	CZK	EUR	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	1.098.000	-	70.000.000	325.780.000	4.286.000	694.000	104.887.777
Between 1 and 5 years	3.224.000	1.625.000	41.051.000	311.440.000	4.618.000	165.466.000	230.678.030
More than 5 years	-	-	4.500.000	-	-	-	4.500.000
TOTAL	4.322.000	1.625.000	115.551.000	637.220.000	8.904.000	166.160.000	340.065.807

31/12/2021:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	5.326.000	3.100.000	114.500.000	-	747.120.000	2.958.000	40.876.000	230.705.899
Between 1 and 5 years	1.098.000	-	355.894.000	-	410.220.000	8.904.000	355.894.000	525.580.403
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.004.832
TOTAL	6.424.000	3.100.000	474.894.000	1.500.000.000	1.157.340.000	11.862.000	396.770.000	772.291.134

Note 8 – Deferred income

This account includes the sum of the accrued premium amount from liabilities side.

EUR	31/12/2022	31/12/2021
Premiums accruals	2.214.411	4.335.543

Note 9 - Other external expenses

The Company and its affiliates provide to each other certain support and other services for which they compensated each other on a monthly basis pursuant to service agreements. Other external charges refer to other professional service providers fees.

EUR	31/12/2022	31/12/2021
Net intra group charges*	115.145	-190.340
External charges	-78.911	-85.712
TOTAL	36.234	-276.052

*The gross amount of the income is EUR 308.474 and the expense is EUR 193.329

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Note 10 - Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

The Directors did not receive any remuneration as at 31 December 2022.

Note 11 – Staff costs

The Company has an average of 3.60 employee on 31 December 2022 (2021: 0.60 full time employees) represented by the following categories:

- Directors: 0 FTE
- Management: 0 FTE
- Employees: 3.60 FTE

EUR	31/12/2022	31/12/2021
Salaries and wages	252.627	42.638
Social security on salaries and wages	34.626	5.546
Pensions	3.860	3.509
Other social costs	4.478	1.170
TOTAL	295.591	52.863

Note 12 – Income from other investments and loans forming part of the fixed assets and interest payable and similar expenses

Income from fixed interest investments results from a fixed interest deposit placed with KBC Bank NV. The interest receivable income results from the loans granted by KBC IFIMA S.A. to KBC Bank NV, Brussels, Belgium and the related derivatives. The interest expense relates to bonds issued and related derivatives.

EUR	31/12/2022	31/12/2021
Interest income* from:	8.087.290	12.843.018
fixed interest deposit	0	-3.128
granted loans and related derivatives	8.087.290	12.846.146
Interest expenses** from:	-7.595.396	-12.239.288
bonds and related derivatives	-7.585.159	-12.235.046
other	-10.237	-4.242

* the interest income account does not include any amortization of the premiums on the non-convertible bonds.

** the interest expenses account does not include any amortization on the discounts on the non-convertible bonds.

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Note 13 - Auditor's fees

The accrued fees (excluding VAT and out-of-pocket Expenses) of the auditor of the Company are detailed as per below:

	2022	2021
Audit fees	29.254	27.142
Consent letter	2.000	2.000
TOTAL	31.254	29.142

Note 14 - Subsequent event

No subsequent significant events occurred after the balance sheet date.
The Company is expected to continue its normal development.

Note 15 - Off-balance sheet

The fair value and notional value of the Company's derivative financial instruments at 31 December 2022 is reflected in the table below (base currency is EUR):

Derivatives Assets

Derivative	Notional (EUR)	Fair-value (EUR)
Equity Option	278.815.488	271.557.560
Equity Swap	47.000.000	1.423.322
Interest Option	650.666	21
Interest Rate Swap	360.345.506	22.291.564
TOTAL	686.811.660	295.272.467

Derivatives Liabilities

Derivative	Notional (EUR)	Fair-value (EUR)
Equity Option	278.815.488	271.557.560
Equity Swap	47.000.000	1.423.322
Interest Rate Swap	364.095.740	24.396.437
TOTAL	689.911.228	297.377.319

The difference in notional between assets and liabilities is EUR 3 099 569 as an interest option only has one leg, this implies there is no offsetting balance.

The derivative products are linked to the main issuance contract for hedging purpose.