

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 2021

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Management report of the Board of Directors dated 31/12/2021

1. We are pleased to report to you on the activities of KBC Ifima S.A. (the “company”) during the period from 1 January 2021 to 31 December 2021. 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 363 762

Total assets amounted to EUR 787 343 961 as at 31 December 2021, compared to EUR 1 110 293 276 as at 31 December 2020.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 772 291 134
- accrued interests: EUR 2 674 865

The cash at bank amounts to EUR 7 078 235

The matured items have not been replaced by new investments.

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. There is no new product launched as at 31 December 2021.

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 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 loss 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 loss 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. 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.

The Company is expected to continue its normal development. COVID-19 is a constantly evolving situation which is leading to a global recession. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the execution of our daily operations. At this stage, the impact on our business and results has not been significant, and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people. The Board of Directors will continue to monitor this going forward and will take any action they deem necessary.

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.

4. Activities in research and development, as provided for by law, are not applicable to the Company.
5. The Company did not purchase any of its own shares nor holds any own shares.
6. The Company has no branch offices.
7. The total income from loans and other investments is EUR 12 843 018. The total interest payable amount is EUR 12 239 288.
8. A dividend of EUR 691 012 has been distributed on 17 June 2021.
9. The activity of the issuing of the notes has started again in February 2022.
10. The Company is included in the consolidated accounts drawn up by the KBC Group.

11. 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 2021 to 31 December 2021
- To affect the profit of EUR 363 762
 - o Legal Reserve to be constituted (5% of the net result): EUR 18 188
 - o WHT Reserve 2022: EUR 184 946
 - o WHT Reserve 2017 to be liberated: 516 250 EUR
 - o Dividend to be distributed: EUR 676 878

Luxembourg, 23 March 2022

The Board of Directors:

Ivo BAUWENS
Fatima BOUDABZA
Frank CAESTECKER
Rik JANSSEN
Sabrina GOCKEL

Rik Janssen

Rik Janssen (Apr 1, 2022 16:28 GMT+2)

Ivo Bauwens

Ivo Bauwens (Apr 1, 2022 16:34 GMT+2)



Fatima Boudabza

Fatima Boudabza (Apr 4, 2022 09:28 GMT+2)

Sabrina Gockel

Sabrina Gockel (Apr 1, 2022 15:56 GMT+2)

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 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, 23 March 2022


Ivo Bauwens (Apr 1, 2022 15:28 GMT+2)
Ivo Bauwens


Fatima Boudabza (Apr 4, 2022 09:27 GMT+2)
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 2021, 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 2021;
 - the profit and loss account for the year then ended;
 - the cash flow statement as at 31 December 2021; 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.

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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
<p><i>Recoverability of loans to and deposits with affiliated undertakings</i></p> <p>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 2021, 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 772,291,134 (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.</p>	<p>As part of our audit we have, among other things:</p> <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 Shareholders on 27 May 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

We have checked the compliance of the annual accounts of the Company as at 31 December 2021 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 2021, identified as KBC Ifima Annual Accounts 2021 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, 7th April, 2022

A handwritten signature in blue ink, appearing to read 'ADault', is written over a faint, light blue circular stamp.

Anthony Dault

KBC IFIMA S.A.
Société Anonyme

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Annual Accounts Helpdesk :
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RCSL Nr. : B193577 **Matricule :** 2014 2226 732
eCDF entry date :

BALANCE SHEET

Financial year from 01/01/2021 **to** 31/12/2021 (in 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	1101	101	102
II. Subscribed capital called but unpaid	1106	106	106
B. Formation expenses	1107	107	108
C. Fixed assets	1108	108	110
I. Intangible assets	1111	111	112
1. Costs of development	1111	111	111
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were:	1113	113	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
		541.585.236,00	764.547.826,00

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

KBC IFIMA S.A.
Société Anonyme

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	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	541.585.236,00	764.547.826,00
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139 Note 3	541.585.236,00	764.547.826,00
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	240.947.372,00	340.977.167,00
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	233.869.137,00	335.453.441,00
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	233.380.763,00	334.965.067,00
a) becoming due and payable within one year	1173 Note 3	233.380.763,00	334.965.067,00
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	488.374,00	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	488.374,00	488.374,00

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

KBC IFIMA S.A.
Société Anonyme

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RCSL Nr.: B193577

Matricule: 2014 2226 732

	Reference(s)	Current year	Previous year
III. Investments	1180 _____	180 _____	290 _____
1. Shares in affiliated undertakings	1101 _____	101 _____	192 _____
2. Own shares	1200 _____	300 _____	210 _____
3. Other investments	1105 _____	105 _____	146 _____
IV. Cash at bank and in hand	1107 _____	107 <u>7.078.235,00</u>	108 <u>5.523.726,00</u>
E. Prepayments	1190 _____ Note 4	100 <u>4.811.353,00</u>	200 <u>4.768.283,00</u>
TOTAL (ASSETS)		207 <u>787.343.961,00</u>	202 <u>1.110.293.276,00</u>

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

KBC IFIMA S.A.
Société Anonyme

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RC SL Nr. : B193577

Matricule : 2014 2226 732

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>Note 5</u>	7.397.855,00	7.725.105,00
II. Share premium account	1303	5.296.266,00	5.296.266,00
III. Revaluation reserve	1307		
IV. Reserves			
1. Legal reserve	1306	1.737.827,00	1.794.984,00
2. Reserve for own shares	1311	340.073,00	308.380,00
3. Reserves provided for by the articles of association	1312		
4. Other reserves, including the fair value reserve			
a) other available reserves	1315		
b) other non available reserves	1316	1.397.754,00	1.486.604,00
V. Profit or loss brought forward	1410	1.397.754,00	1.486.604,00
VI. Profit or loss for the financial year	1411	363.762,00	633.855,00
VII. Interim dividends	1412		
VIII. Capital investment subsidies	1413		
B. Provisions			
1. Provisions for pensions and similar obligations	1221	381.741,00	396.755,00
2. Provisions for taxation	1222 <u>Note 6</u>	368.236,00	356.191,00
3. Other provisions	1223	13.505,00	40.564,00
C. Creditors			
1. Debenture loans			
a) Convertible loans			
i) becoming due and payable within one year	1414	775.228.822,00	1.097.406.608,00
ii) becoming due and payable after more than one year	1415	775.210.767,00	1.097.394.926,00
b) Non convertible loans			
i) becoming due and payable within one year	1416	775.210.767,00	1.097.394.926,00
ii) becoming due and payable after more than one year	1417 <u>Note 7</u>	233.625.531,00	332.847.100,00
iii) becoming due and payable after more than one year	1418 <u>Note 7</u>	541.585.236,00	764.547.826,00
2. Amounts owed to credit institutions			
a) becoming due and payable within one year	1351		
b) becoming due and payable after more than one year	1352		

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

KBC IFIMA S.A.
Société Anonyme

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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	1303	303	302
a) becoming due and payable within one year	1303	303	304
b) becoming due and payable after more than one year	1303	300	306
4. Trade creditors	1307	307	308
a) becoming due and payable within one year	1309	309	270
b) becoming due and payable after more than one year	1311	311	322
5. Bills of exchange payable	1313	313	314
a) becoming due and payable within one year	1315	315	310
b) becoming due and payable after more than one year	1317	317	310
6. Amounts owed to affiliated undertakings	1319	319	381
a) becoming due and payable within one year	1321	321	352
b) becoming due and payable after more than one year	1323	323	389
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1325	325	386
a) becoming due and payable within one year	1327	327	388
b) becoming due and payable after more than one year	1329	328	397
8. Other creditors	1401	401	412
a) Tax authorities	1403	303	394
b) Social security authorities	1405	306	396
c) Other creditors	1407	307	398
i) becoming due and payable within one year	1409	309	400
ii) becoming due and payable after more than one year	1411	401	412
D. Deferred income	1401 Note 8	401	404
		4.335.543,00	4.764.808,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	787.343.961,00	1.110.293.276,00

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

KBC IFIMA S.A.
Société Anonyme

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RCSL Nr. : B193577	Matricule : 2014 2226 732
eCDF entry date :	

PROFIT AND LOSS ACCOUNT

Financial year from at 01/01/2021 to at 31/12/2021 (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	705
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	706
4. Other operating income	1711	711	714
5. Raw materials and consumables and other external expenses	1601	601	602
a) Raw materials and consumables	1601	601	602
b) Other external expenses	1603 Note 9	603	604
6. Staff costs	1605 Note 11	605	606
a) Wages and salaries	1607	607	608
b) Social security costs	1608	608	610
i) relating to pensions	1603	603	604
ii) other social security costs	1605	605	606
c) Other staff costs	1611	611	614
7. Value adjustments	1602	602	603
a) in respect of formation expenses and of tangible and intangible fixed assets	1602	602	603
b) in respect of current assets	1601	601	602
8. Other operating expenses	1621	621	622

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

KBC IFIMA S.A.
Société Anonyme

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RCSL Nr.: B193577

Matricule : 2014 2226 732

	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 12.843.018,00	722 25.716.068,00
a) derived from affiliated undertakings	1723 Note 12	723 12.843.018,00	724 25.716.068,00
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727 112.298,00	728 0,00
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731 112.298,00	732 0,00
12. Share of profit or loss of undertakings accounted for under the equity method	1643	643	644
13. Value adjustments in respect of financial assets and of investments held as current assets	1645	645	646
14. Interest payable and similar expenses	1627	627 -12.239.288,00	628 -24.593.549,00
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631 Note 12	631 -12.239.288,00	632 -24.593.549,00
15. Tax on profit or loss	1635	635 -23.351,00	636 -52.070,00
16. Profit or loss after taxation	1667	667 363.762,00	668 633.855,00
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669 363.762,00	670 633.855,00

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

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CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31 2021		
	2021	2020
Net profit	363.762	633.856
Adjustments for:		
Interests income/charges	-603.730	-1.122.520
Net amortization on loans and bonds	-479.928	-40.821
Other provision	-27.059	10.055
Other - adjustment		
	-746.955	-519.430
Other advance	1.248	2.056
Change in other assets and liabilities	6.374	742
Tax provision	12.045	50.406
Net cash flow from operational activities	-727.288	-466.226
Financial fixed assets - issued	0	-255.093.916
Financial fixed assets - repaid	321.325.012	492.476.225
Interest received	16.071.244	29.260.284
Net cash flow from investment activities	337.396.256	266.642.593
Bonds issued	0	253.779.852
Bonds repaid	-320.010.948	-491.156.028
Dividend paid	-691.012	-555.819
Interest Paid	-14.412.499	-28.220.416
Net cash flow from financing activities	-335.114.459	-266.152.411
Net cash flow	1.554.509	23.956
Cash balance as at January 1st	5.523.726	5.499.770
Cash balance as at December 31st	7.078.235	5.523.726
Net cash flow	1.554.509	23.956

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

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Notes to the annual accounts
As at 31 December 2021

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.

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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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.

In the context of the "Covid-19" pandemic, since the first half of 2020, Management has paid particular attention to the possible impacts linked to the health crisis on certain significant elements of its balance sheet and its income statement, and more particularly to aspects of valuation and recoverability of investments and receivables. Indeed, as mentioned above, forward-looking and / or estimated elements may enter into the calculation of certain items in the financial statements and be impacted by the pandemic and its related events, in particular greater volatility of the financial markets, as well as potential difficulties of loans' counterparts. Based on its monitoring, Management has not identified any major impacts on the annual accounts requiring additional mention in the annual accounts.

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 realized losses are recorded in the profit and loss account while the unrealized exchange gains are not recorded.

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b) Financial assets

Loans are recorded on the assets side of the balance sheet at the lowest amount between their nominal value and their estimated 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 the value adjustments were made have ceased to apply.

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 accrued 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.

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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.

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 off-balance sheet.

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 - Financial assets and amounts owed by affiliated undertakings

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

- Long term loans: EUR 541 585 236 (2020: EUR 764 547 826);

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- Short term loans: EUR 230 705 898 (2020: EUR 327 754 257);
- Short term bank deposits: EUR 0 (2020: EUR 1 314 064);
- Accrued interest on loans and related derivatives: EUR 2 674 865 (2020: EUR 5 898 057);
- Accrued interest on deposit: EUR 0 (2020: EUR -1 311);
- Margin adjustment receivable : EUR 0 (2020 : EUR 560 858)

The loans granted can be broken-down as follows:

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

31/12/2020:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	70.122.000	-	120.325.064	-	68.310.000	-	194.012.000	329.068.321
Between 1 and 5 years	6.424.000	3.100.000	470.394.000	-	1.157.340.000	11.862.000	191.570.000	748.189.181
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.358.645
TOTAL	76.546.000	3.100.000	595.219.064	1.500.000.000	1.225.650.000	11.862.000	385.582.000	1.093.616.147

All the above transactions for the financial assets relate to our parent, KBC Bank N.V. As at 31 December 2021, the Board of Directors is of the opinion that no impairment is necessary.

Note 4 – Prepayments

The prepayments account includes some accrued amounts.

EUR	31/12/2021	31/12/2020
Accrued premiums	4.450.258	3.732.218
Accrued commission	331.323	998.700
Accrued pension benefit	28.722	29.970
CRED MTM	1.050	7.395
TOTAL	4.811.353	4.768.283

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Note 5 - Capital and reserves

EUR	Subscribed capital	Legal reserve	Other non-available reserves	Result of the financial year
31/12/2020	5.296.266	308.380	1.486.604	633.855
AGM 27/05/2021		31.693	-88.850	57.157
Dividend				-691.012
Result 31/12/2021				363.762
	5.296.266	340.073	1.397.754	363.762

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 is 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 to which the company belongs.

Note 7 – Debenture bonds - Non convertible bonds

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

- Long term notes: EUR 541 585 236 (2020: EUR 764 547 826);
- Short term notes: EUR 230 705 899 (2020: EUR 327 754 257);
- Accrued interests on notes and related derivatives: EUR 2 919 632 (2020: EUR 5 092 843).

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

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	138.794.000	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	179.670.000	772.291.135

31/12/2020:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	70.122.000	-	119.011.000	-	68.310.000	-	194.012.000	327.754.257
Between 1 and 5 years	6.424.000	3.100.000	470.394.000	-	1.157.340.000	11.862.000	191.570.000	748.189.181
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.358.645
TOTAL	76.546.000	3.100.000	593.905.000	1.500.000.000	1.225.650.000	11.862.000	385.582.000	1.092.302.083

None of these bonds are held by group companies.

Note 8 – Deferred income

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

EUR	31/12/2021	31/12/2020
Premiums accruals	4.335.543	4.764.808

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	31/12/2021	31/12/2020
Net intra group charge	-190.340	-31.703
External charges	-85.712	-159.136
TOTAL	-276.052	-190.839

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 2021 and the company has no commitments related to pension to former members of those bodies.

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Note 11 – Staff costs

The Company has an average of 0.60 employee on 31 December 2021 (2020: 3 full time employees) represented by the following categories:

- Directors: 0 FTE
- Management: 0 FTE
- Employees: 0.60 FTE

EUR	31/12/2021	31/12/2020
Salaries and wages	42.638	206.349
Social security on salaries and wages	5.546	24.336
Pensions	3.509	9.734
Other social costs	1.170	5.336
TOTAL	52.863	245.755

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	31/12/2021	31/12/2020
Interest income from:	12.843.018	25.716.068
fixed interest deposit	-3.128	4.961
granted loans and related derivatives	12.846.146	25.711.107
Interest expenses from:	-12.239.288	-24.582.449
bonds and related derivatives	-12.235.046	-24.576.437
other	-4.242	-6.012

Note 13 - Auditor's fees

The fees excluding V.A.T. of the auditor of the Company are detailed as per below:

	2021	2020
Audit fees	27.142	44.000
Consent letter	2.000	4.000
TOTAL	29.142	48.000

Note 14 - Subsequent event

The activity of the issuing of the notes has started again in February 2022.

The Company is expected continue its normal development.

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Note 15 - Off-balance sheet

The fair value and notional value of the Company's derivative financial instruments at 31 December 2021 is reflected in the table below (base currency is EUR):

Derivatives Assets

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3.500.000	15.012
Equity Option	291.346.106	301.507.743
Equity Swap	70.009.664	6.932.927
Interest Option	3.459.297	128.802
Interest Rate Swap	466.534.615	36.427.962
TOTAL	834.849.682	345.012.446

Derivatives Liabilities

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3.500.000	15.012
Equity Option	291.346.106	301.507.743
Equity Swap	70.009.664	6.932.927
Interest Option	0	0
Interest Rate Swap	466.534.615	22.924.157
TOTAL	831.390.385	331.379.839

The difference in notional between assets and liabilities is EUR 3 459 297 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.