

Annual Report 2022



TABLE OF CONTENTS

- 02** Opening Remarks from the Company Director
- 04** Key Performance Indicators
- 05** Most Important Events in 2022
- 06** Important Events Occurring After the Close of the Fiscal Year
- 07** Company Developments in 2023
- 08** Company Profile
- 09** Products and Services
- 11** AKCENTA CZ a.s. Organizational Structure
- 12** Statement on Risks Undertaken and Indicators
- 16** The Company as an Employer
- 17** Statement on Means of Setting Contributions to the Guarantee Fund for Securities Traders
- 18** Report on Relations Between Controlling and Controlled Entities and on Relations Between the Controlled Entities and Other Entities Controlled by the Same Controlling Entity for the 2022 Accounting Period
- 24** Supervisory Board Report
- 25** Miscellaneous
- 26** Independent Auditor's Report on the Accounting Statement
- 28** Accounting Statement for the Year Ending 31 December 2022
- 34** Appendix to the Accounting Statement for the Year Ending 31 December 2022
- 73** Contacts



OPENING REMARKS FROM THE COMPANY DIRECTOR



Dear ladies and gentlemen:

I had sincerely hoped that I could begin this report in a positive tone. After all, the end of 2021 brought with it some measured optimism and perhaps even hope that our lives would return to “normal.” That in the morning we would no longer have to consider what anti-pandemic measures are currently in effect and whether we have a mask in our pockets. Unfortunately, the course of world events took a different path with the start of the conflict in Ukraine. Russia’s unprecedented aggression toward its neighbour took over all public debate. The latter event was a cold shower for the entire civilized world and it had a fully significant impact on the lives of hundreds of thousands of people, not only in Ukraine. Europe lost the sense of security to which it had grown accustomed and the situation caused a very intense feeling of uncertainty, and this especially on international trade and financial markets, and of course the sensitive derivatives trading market was no exception. In such a short time, businesses suddenly had to deal with other major challenges, and those reliant

on international trade had to come to terms with sharp, sudden growth in market volatility as well. This resulted in growing pressure on the fast execution of derivative trades and massive growth in transaction volumes. This was the same for our clients for whom we carried out in February and March alone trades whose volume was 52% higher year-on-year. I am proud that during this difficult, trying period we were able to hold our own, and during this period AKCENTA remained a solid, reliable partner to its clients. The company proved to be sufficiently robust and strong enough to handle such a sudden jump in trade volumes and that it had properly configured all its control mechanisms, it had quality risk management in place, and it could perform efficiently.

We managed this also thanks to our (pro)client service, which for us is not just an expression. It has always been our competitive advantage, which we proved even more so during this difficult period. One area though where we feel we owe (our clients) a debt and which we hope to expedite is our digital transformation. Of course, we understand this is critical for our company’s planned development. The path we had previously chosen for this process proved not to be fully effective, so in 2022 we decided to discontinue certain projects and to fully revamp our digitalization strategy. We thus, very quickly, created in Prague an agile team of IT developers with the name Akcenta Digital. This group immediately began development of new internal core systems and further digital services which we believe our clients will soon be able to try out and which we hope they will appreciate. This has afforded us possibilities not only to develop necessary digital tools faster and custom-made, but also given us experience with working in a decentralized manner, which is a further necessary condition for our business’ planned expansion and continued growth.

The company’s digitalization and more rapid growth would however be very difficult without a strong partner. AKCENTA has had such a partner since 2021 through its inclusion in the international financial group, Raiffeisen Bank International (RBI). This key change required that we properly configure our business strategy such that we would remain a healthy, fierce competitor on markets where RBI operates while dynamically developing business activities in places where it does not yet have a presence. On the one hand, we efficiently

make use of the possibility to offer our clients further financial products from the Raiffeisenbank group portfolio. On the other hand, we have preserved a maximum possible degree of independence so that we can fully continue to apply our own personalized approach to work with our clients and deliver our valued sales approach. Even our overall financial results for 2022 have shown this to be the right path: our total number of clients exceeded 50,000; the number of trades executed for clients, along with number of hedging operations provided, grew year-on-year on all markets where we operate; and we successfully launched our on-line platform for invoice forward-payment Zalep.to in Slovakia and have pre-paid overall more than 5,000 invoices. All this had a significant impact on AKCENTA's profitability in the given year.

The list of our company's successes in 2022 goes on. However, we would not have achieved any of them without our clients' trust and the hard work and engagement of our employees. For they are the main pillars on which AKCENTA's stability as

a company rests. For this we thank all of them. In closing, I would just like to add a wish for our next Annual Report to begin on a more positive note once the world again returns to something close to a "normal" state. We all deserve this and have for some time now.

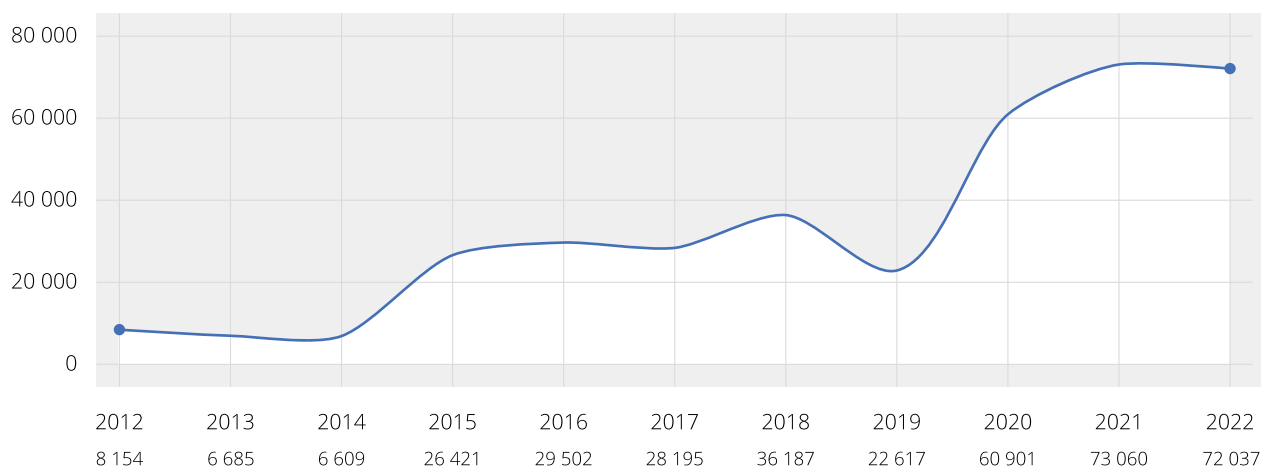


Milan Cerman

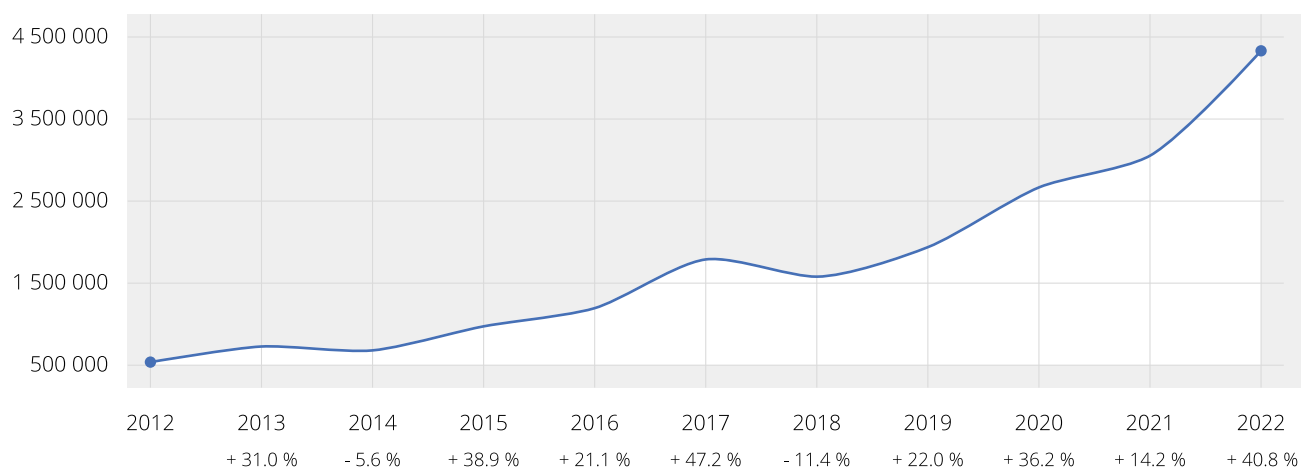
Chairman of the
Board of Directors

KEY PERFORMANCE INDICATORS

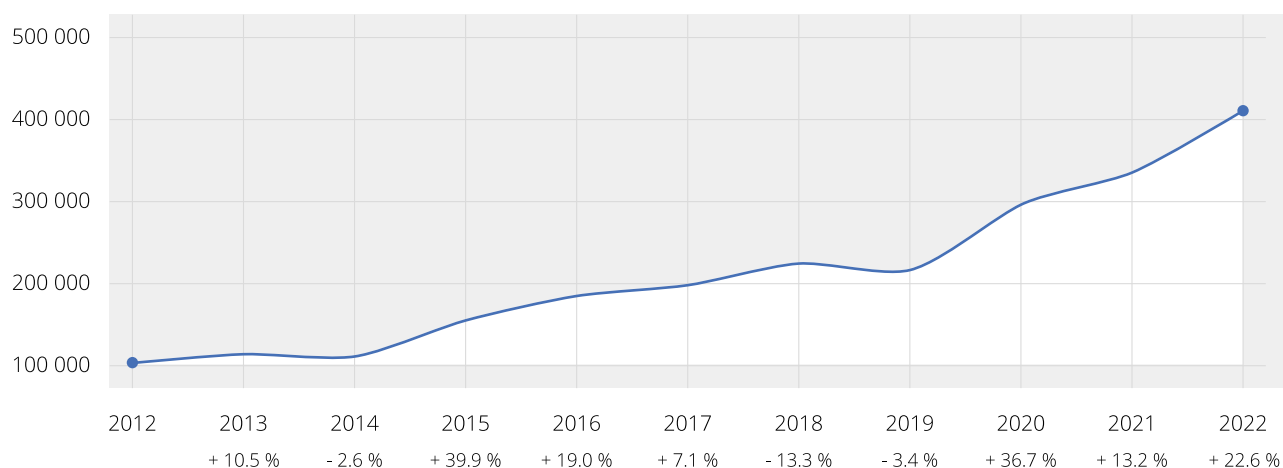
Trends in After-Tax Economic Results in thousands of CZK



Evolution of Balance Sums in thousands of CZK



Evolution of Financial Business Results in thousands of CZK



MOST IMPORTANT EVENTS OF 2022



Key personnel changes

Karel Soukeník resigned from his post on the board of directors.
Martin Krajíček, new sales director for the Czech market
Martin Pátek, new head of the Risk Department



Conflict in Ukraine - impact on currency/derivative markets



Extreme growth in inflation and interest rate growth



Petr Beřák joined the management team to build a new IT development division, Akcenta Digital, to address the company's digital transformation needs.



Launch of the Zalep.to on the Slovak market

IMPORTANT EVENTS OCCURRING AFTER THE CLOSING OF THE FISCAL YEAR



Daniel Bogiu, new country manager for Romania

COMPANY DEVELOPMENTS IN 2023



New product in our portfolio: SEPA Direct Debit - SDD



New service called RETO: interconnecting and creating new business (trading) opportunities for our clients



Launch of the Zalep.to product on the Polish market



New digital identity for the company



Continuation of the company's digital transformation

COMPANY PROFILE

Basic Company Characteristics (status as of 31 Dec. 2022)

| | |
|----------------------------------|---|
| Company Name: | AKCENTA CZ a.s. |
| Headquarters: | Salvátorská 931/8 110 00 Prague 1 Czech Republic |
| Operations Center: | Nerudova 1361/31 500 02 Hradec Králové 2 Czech Republic |
| Organizational ID Number: | 251 63 680 |
| Tax ID Number: | CZ 251 63 680 |
| Registration Court: | Municipal Court in Prague, Section B, Entry 9662 |
| Date of Registration: | 16 June 1997 |
| Share Capital: | 100 125 000 CZK |
| Stocks: | Not publicly traded |
| Statutory Body: | Board of Directors |
| Ave. Number of Employees | 107 employees, 3 board members |

AKCENTA CZ a.s. is the parent company of the following businesses:

| Company Name | Headquarters | Share of Basic Capital (%) | | | |
|--------------------------|--|----------------------------|--------------|--------------|--------------|
| | | 31 Dec. 2022 | 31 Dec. 2021 | 31 Dec. 2020 | 31 Dec. 2019 |
| NERUDOVA property s.r.o. | Nerudova 1361/31 Pražské Předměstí 500 02 Hradec Králové | 100 | 100 | 100 | 100 |
| AKCENTA DIGITAL s.r.o. | Nerudova 1361/31 Pražské Předměstí 500 02 Hradec Králové | 100 | 100 | 100 | 0 |
| AKCENTA DE GmbH | Axel-Springer-Platz 3 20355 Hamburg | 100 | 100 | 0 | 0 |

PRODUCTS AND SERVICES

AKCENTA CZ a.s. provides its clients services in the following fields:

PAYMENT TRANSACTIONS WITH CURRENCY EXCHANGE (FOREIGN EXCHANGE TRADES)

Spot currency sales that include the purchase and sale of currencies with settlement within 2 working days at the latest.

PAYMENT SERVICES (DOMESTIC AND FOREIGN PAYMENTS)

This includes the processing and realization of domestic and foreign payments per clients' requirements. The advantage for our clients is first and foremost the price affordability of our services, the quickness of processing and reliability.

HEDGING CURRENCY RISKS THROUGH TERM OPERATIONS

Forward, swap and option trades – trades with longer due dates than for that of currency spot trades; this serves to mitigate risks deriving from future exchange rate movements.

FURTHER SERVICES

Online Broker (OLB) Platform

It offers clients the option to convert funds at online currency exchange rates, to file and modify fixed orders so as to monitor exchange rates and to realize transactions automatically and nonstop, to send and accept payments both to and from abroad at advantageous terms, to issue permanent and bulk payment orders, to manage trade partners, to generate ad hoc reports, etc.

Dealing Limit

To set a zero-limit for collateral, partial or full compensation for the blocking of funds needed when agreeing term operations.

Orders

Non-binding call orders or automatic trading when the set exchange rate is achieved (fix orders).

Notice (Avizo)

AVIZO significantly expedites settling payments, even in cases where a payment is done at a bank where AKCENTA CZ a.s. does not have a bank account.

Zalep.to

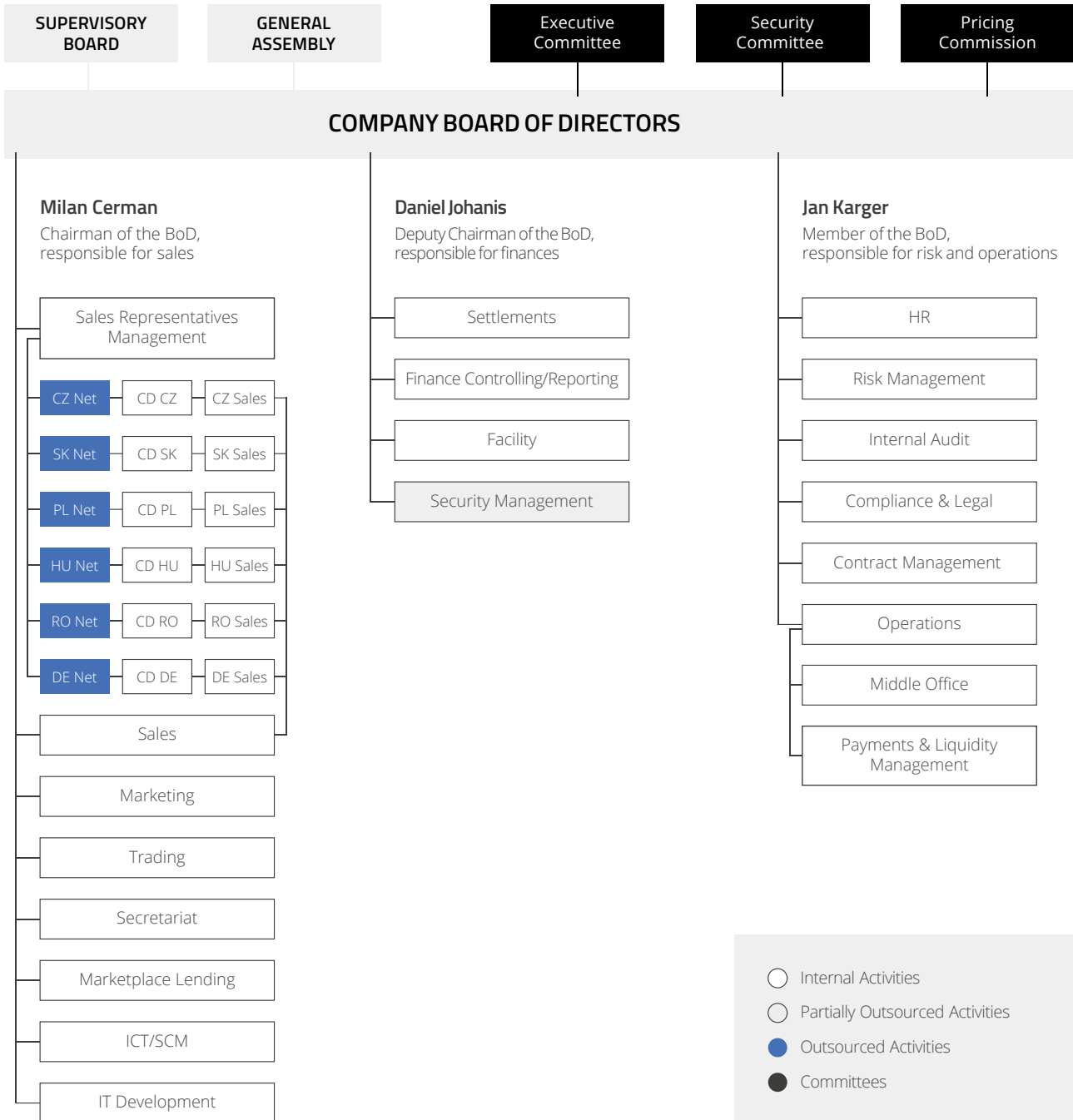
This product focuses on cash-flow management for small- and medium-sized businesses who can sell off their invoices by passing them on to a network of investors and immediately have available funds that would otherwise have been tied to invoices.

Option

A financial instrument for hedging against risks deriving from possible developments (negatively impacting the client) in currency pairs. When purchasing a CURRENCY OPTION the client has the right, never the obligation, to buy or sell the given currency at a pre-agreed exchange rate on a given date in the future.

Other services include a free-of-charge information service for clients (research) – dispatch of daily and weekly reports, dispatch of news on current exchange rates when significant movements on the market occur.

AKCENTA CZ ORGANIZATIONAL STRUCTURE



STATEMENT ON RISKS UNDERTAKEN AND INDICATORS

01 STATEMENT ON RISKS UNDERTAKEN

AKCENTA CZ a.s. (hereafter „Company“) is a hybrid institution as defined by the Decree No. 7/2018 Coll. on certain conditions for performing activities by payment institutions, information management for payment accounts, providers of small-scope payment services, e-money institutions and small-scope e-money issuers. It has a payment institution license and also a securities trading license (also an investment firm) as per the Act No. 256/2004 Coll. Based on these authorizations, the Company is obligated to manage all risks related to the trading environment wherein it operates. The Company conscientiously adheres to all relevant regulatory requirements placed on hybrid institutions operating based on relevant laws and regulatory requirements in the area of risk management.

The Company regularly checks its risk management system against newly-adopted laws in the Czech Republic, with new legal norms and with CNB recommendations, and also now with its parent company Raiffeisenbank. It monitors the updating of regulations with an aim to improve the risk management system in relation to development of its business activities, the state of the legal and economic environment, development of IT and analytical tools.

Per regulations for payment institutions according to Decree 7/2018 Coll., the Company uses payment regulation Approach C to calculate capital requirements.

The Company determines its capital requirements and capital ratios per the European Parliament and Council Directive (EU) 2019/2033 dating from 27 November 2019 on Cautionary Requirements for Investment Firms and on Changes to Directives (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014 (hereafter referred to as the IFR) entered into force on 26 June 2021.

RISKS UNDERTAKEN BY THE COMPANY

Based on the European Parliament and Council Directive (EU) 2019/2033 dating from 27 November 2019 (hereafter referred to as the IFR) on Cautionary Requirements for Investment Firms and on Changes to Directives (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014, the Company separates risks into the following categories: Customer Risk, Market Risk and Company Risk.

Risk to Customer (RtC)

The Company defines Risk to Customer as a risk that arises for customers should the Company go bankrupt. In the case of AKCENTA CZ a.s. this involves putting forward capital deposits to cover (hedge for) derivative trades. This risk is covered by a K-Factor which captures risk for potential losses.

Risk to Market (RtM)

The Company covers (captures) as part of Risk to Market net positional risk in compliance with provisions in the EU Resolution No. 575/2013 regulating market risk (currency, interest rates).

MONETARY RISK

The main market risk in the Company environment is monetary (currency) risk stemming from open positions in foreign currencies. The Company does not trade instruments that would cause a stock, commodities, or other market risk. The Company, as an investment firm, does not acquire instruments with an aim to hold them short term and then sell them (short sales) or with an aim to take advantage of current or expected short-term price differences between purchase and selling prices or other price movements or interest rate fluctuations.

Monetary (currency) risk is managed as follows:

- a) through careful and efficient management of open currency positions (OCPs),
- b) by establishing stop/loss limits,
- c) by establishing (and checks on) internal limits for the maximum amount of open currency positions. These limits and limitations are set for monetary (currency) risk:
 - a) establishing (and checks on) internal limits for maximum OCP/ODP amounts,
 - b) establishing of a daily limit for maximum allowable stop/loss limits.

The Company sets its capital requirement in compliance with the IFR, which derives from Regulation (EU) No. 575/2013.

INTEREST (RATE) RISK

The Company defines Interest Risk as a risk stemming from movement in market interest rates. As part of its activities, the Company does not undertake interest risk to a significant degree. This involves solely risk stemming from the conclusion of forward and swap trades and the interest rate positions deriving therefrom.

The Company manages its Interest Rate position (exposure) based on the PVBPV (present value of basis point value) method, which expresses the sensitivity of current forward and swap trade portfolio values to interest rate changes by a single basis point (equal to 0.01%) for individual currencies.

As a complementary method for managing interest rate risk, the Company carries out stress tests based on the "General Guidelines for Interest Rate Risk Management for Investment Portfolios" dating from 19 July 2018 per the EBA. The Company uses 6 interest rate shock scenarios with an aim to capture parallel and non-parallel risks related to time differences. These scenarios apply to exposure in each currency separately.

The Company sets its capital requirement in compliance with the IFR, which refers to Resolution (EU) No. 575/2013.

Risk to Firm (RtF)

In relation to Risk to Firm, the Company captures (covers) its exposure to counterparty failure in compliance with the simplified provisions on counterparty credit risk based on resolution (EU) No. 575/2013. A further risk as part of Risk to Firm that the Company manages relates to concentration (of risk) toward specific counterparties and it also manages operational risk deriving from the Company's daily trades volume.

The main risk for the Company in this category is counterparty risk. This arises in the company when providing currency/monetary derivatives. Based on maturity, volatility of currency pairs and product type, the Company sets the size (amount) of financial capital that the client must deposit when concluding a trade. The RM Division monitors credit/debt exposure against individual counterparties several times daily as well as their market value/over-valuation. At the same time, it monitors these exposures for individual trades against the actual hedging value. In the case that the ratio between the market value and collateral deposit reaches 85%, the client is asked to add to their collateral (hedging). The Company sets its capital requirement for counterparty trade failure based on the IFR.

OPERATIONAL RISK

The Company defines operational risk as the risk of loss of influence/control arising from inadequate or failed internal processes, due to the human factor or systems, and the risk of loss of control due to external factors, including risks arising from the breach or non-fulfilment of requirements in legal norms.

Operational risk management, in company conditions, includes processes that can be characterized by phases: identification, risk assessment and monitoring, including checks on fulfilment of preventive and other measures for mitigating individual types of risk.

The Company uses the following processes to identify operational risk:

- a) management and control systems;
- b) risk maps;
- c) a database of operational incidents;
- d) internal and external audits.

The Company uses the following methods to limit operational risk:

- a) reducing risk through improved procedures, process changes, organization, introduction of limits and checks, use of technology;
- b) risk transfer through outsourcing or insurance;
- c) system support for processes;
- d) multiple checks for processes with a quantitatively higher impact;
- e) backup plans.

The capital requirement for operational risk is covered as part of the K-DTF factor calculated based on daily trading volume.

LIQUIDITY RISK

The Company defines liquidity risk as its ability to meet the obligations of its clients in a timely and due manner as concerns executing currency conversions and payment transactions related thereto. The Company has in place mechanisms which separate client funds from the Company's operating funds.

The Company is not exposed to liquidity risk to a significant degree, given that the majority of trades it concludes with clients are fully covered by client funds at the moment of settlement. The Avizo product represents a minor liquidity risk. The condition for providing the Avizo product as relates to a payment service is the approval of a client limit; this depending on their credit record and also confirmation of dispatch of funds to cover the payment service from the client's bank. In this case, the Company faces a short-term liquidity risk. Based on the IFR, the Company reports its liquidity requirement.

02 CAPITAL ADEQUACY INDICATORS (CAPITAL RATIO) AND OTHER RATIO INDICATORS

According to regulations in force, the Company has a duty to inform vis-à-vis regulators. The Company reports information regarding management, client assets, qualified participation, etc. on a daily, monthly or quarterly basis.

The Company also quantifies its capital adequacy ratio, which it regularly presents to the regulator, through regular comparisons of the aggregate amount of capital requirements with its capital stocks. The Company's capital adequacy ratio indicates sufficient capital to ensure (cover) its business activities.

Aggregate Information on Terms and Main Characteristics of Capital and Its Components

(as of 31 Dec. 2022)

| | |
|--|---------|
| Aggregate level of starting capital (Tier 1 component) | 212 725 |
| Basic capital | 100 125 |
| Emissions agio | - |
| Reserve funds, non-divided funds, and other funds (from profits) | - |
| Non-distributed profit/loss from prior period – audited | 143 351 |
| Intangible assets (besides goodwill) reduces Tier 1 | 24 437 |
| Aggregate level of supplementary capital (Tier 2 component) | - |
| Aggregate level of capital for covering market risk (Tier 3 component) | - |
| Aggregate level of deductible items from starting and supplementary capital | - |
| Deferred tax obligations | 5 961 |

| | |
|--|---------|
| AVA – Actuarial Value of Assets (caution filters) | 353 |
| Aggregate level of capital after incorporating deductible items | 212 725 |

All regulatory capital items are part of the audited financial statement.

Capital ratios (as of 31 Dec. 2022)

| | |
|---|------|
| Capital ratio for Tier 1 (CET1) equity capital | 425% |
| Capital ratio for Tier 1 (T1) capital | 425% |
| Capital ratio for total capital | 425% |

As of 31 Dec. 2022, the Company met its requirements for amounts of regulatory capital held.

Data on capital requirements (as of 31 Dec. 2022)

| | |
|---|--------|
| Operating Costs | 50 057 |
| Permanent Min. Requirements | 18 086 |
| Overall Requirement based on K-Factors | 21 829 |
| Risk to Customer | 423 |
| K-AUM | - |
| K-CMH | 423 |
| K-ASA | - |
| K-COH | - |
| Risk to Market | 8 706 |
| K-NPR | 8 706 |
| K-CMG | - |
| Risk to Firm | 12 700 |
| K-TCD | 12 651 |
| K-DTF | 49 |
| K-NOC | - |

Average OCP indicators (as of 31 Dec. 2022)

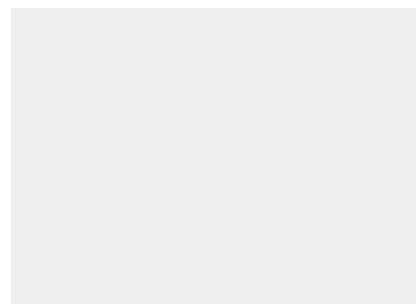
| | |
|---|-----------|
| Indebtedness I (total debt not including customer assets/assets without customer assets) | 29.26% |
| Indebtedness II (overall debt not including customer assets/own capital) | 64.68% |
| Rentability of ave. assets (ROAA not including customer assets) | 10.37% |
| Rentability of ave. starting capital (ROAE) | 37.26% |
| Rentability of turnover (after-tax profits/returns on investment services) | 16.58% |
| Asset ROI (net profits/overall balance sum as of 31 Dec. 2022) | 1.87% |
| Administrative costs per employee (in thousands of CZK) | 2 487 CZK |

THE COMPANY AS AN EMPLOYER

At AKCENTA CZ a.s., we are aware that our success is based on our employees, their hard work, their expertise, and their professionalism. Once again in 2022, a year complicated not only by the continuing COVID-19 pandemic, but also the conflict in Ukraine, our team proved its strength and resolve by keeping our company going and continuing, as is rightly expected, to provide above-standard services to our clients.

Our employees' happiness and health are very important to us, since they make AKCENTA CZ the successful business that it is. So we try to ensure our employees' satisfaction not only through vacation (holiday) benefits that go beyond legally-prescribed standards, but also with options to use 5 extra days off for personal (health) care. We also look after our employees by providing benefits packages and a motivational bonus system.

AKCENTA CZ strives to be not just a good and reliable employer, but also one that is socially responsible. Again this year, we continued our cooperation with the TyfloCentrum Hradec Králové organization which helps persons with vision impairments. TyfloCentrum celebrated the 20th anniversary of its establishment this year, and on that occasion AKCENTA CZ received the Tyflo-donor award as a proud supporter of the organization.



STATEMENT ON MEANS OF SETTING CONTRIBUTIONS TO **THE SECURITIES BROKERS GUARANTEE FUND**

In the framework of providing investment services, AKCENTA CZ a.s. (hereafter referred to as “AKCENTA CZ”) offers its customers exclusive services for trading currency forwards, swaps and options. When concluding these contracts, AKCENTA CZ acts as the customer’s counterparty. We believe that customer assets per § 128, paragraph 12 of the Act No. 256/2004, Coll., on Business Activities on the Capital Market, in its current version (“the CMA”), are money deposited as collateral to cover market risk (“Collateral”) and the principal paid forward by the customer to the appropriate bank account during settlement of the forward.

In connection with entering into forward contracts with customers, AKCENTA CZ does not collect any fees or commissions from them. Revenues, which AKCENTA CZ generates in connection with the arrangement of forwards for customers, derive from the margin (spread) between the exchange rate, which is agreed with the customer as part of the agreed forward and the exchange rate, which AKCENTA CZ manages to obtain on the interbank market as part of transactions that are concluded as open positions when negotiating forward contracts with customers.

Under § 129, paragraph 1 of the CMA, securities brokers are obliged to pay an annual contribution of 2% of the proceeds from fees and commissions received for providing investment services during the past calendar year to the Guarantee Fund. Given the above-stated fact that AKCENTA CZ does not collect any fees or commissions from its customers for providing investment services, nor does it report any fees for providing investment services in its accounting records, the basis for determining the amount of the contribution under § 129, paragraph 1 is null. AKCENTA CZ therefore pays an annual contribution of 10,000 CZK per § 129, paragraph 2 of the CMA.

Due to forwards’ nature as derivative transactions, the volumes of funds deposited by clients as collateral on their bank accounts are very small. The period for which they are deposited to the account for the settlement of forward contracts is also minimal. For these reasons, we believe that the risk of failure of a particular broker in the spirit of § 130 of the CMA and the inability to reclaim customers’ assets is relatively low: especially when compared to trading in securities or to portfolio management. For this reason, the amount of our contribution to the Guarantee Fund has been set up for the minimum allowable amount per § 129, paragraph 2 of the CMA: thus corresponding with the low risk of inability to release client’s assets in the spirit of § 130 of the CMA.

AKCENTA CZ duly pays contributions to the Securities Brokers Guarantee Fund per § 129, paragraph 2 of the CMA (Act No. 256/2004 Coll.).

REPORT ON RELATIONS BETWEEN CONTROLLING AND CONTROLLED ENTITIES AND ON RELATIONS BETWEEN THE CONTROLLED ENTITIES AND OTHER ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY DURING THE 2022 ACCOUNTING PERIOD

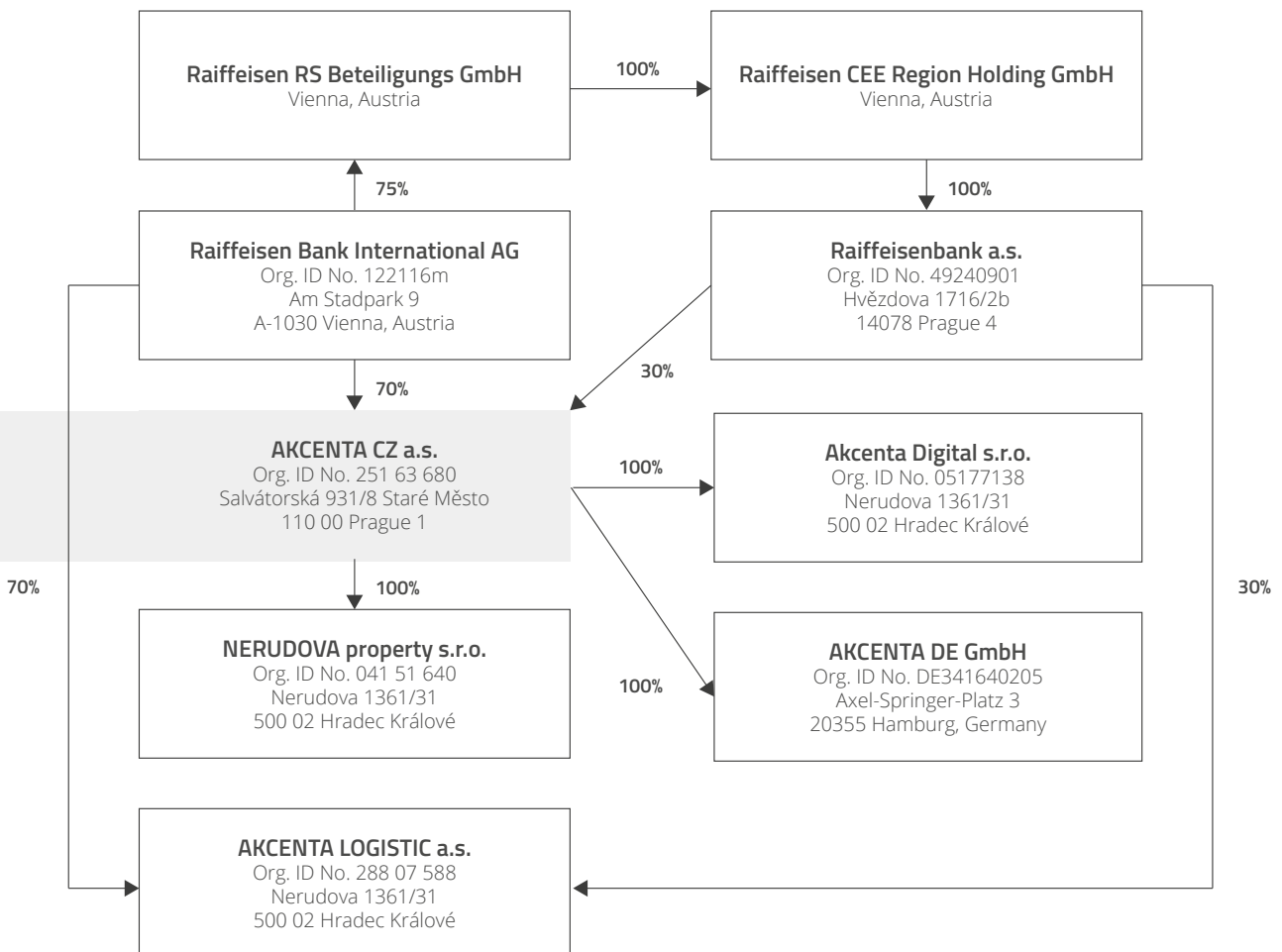
01 REPORT ON RELATIONS

AKCENTA CZ a.s., with headquarters at Salvátorská 931/8, Staré Město, 110 00 Prague 1, Org. ID No. 25163680, recorded in the Commercial Registry administered by the Municipal Court in Prague, Section B, Entry 9662 (hereafter referred to as “author”), is part of an entrepreneurial group wherein there exists the following relations between the author and the controlling entity and furthermore between the author and entities controlled by the same controlling entity (hereafter referred to as “connected entities”).

This report on relations between the entities listed below was compiled for the 2022 fiscal year (accounting period) in compliance with provisions in § 82 of the Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (hereafter referred to as “the Act”) in its valid version for the given accounting period.

The contracts listed below were concluded between the author and the entities shown during that accounting period. Just as the following legal acts and other factual measures listed in this report were approved or carried out.

Structure of Connected Entities in AKCENTA Group



1.1 STRUCTURE OF RELATIONS BETWEEN ENTITIES ACCORDING TO § 82 PAR. 2 A) TO C) OF THE ACT

1.1.1 Controlling Entities and Structural Arrangements

RAIFFEISEN BANK INTERNATIONAL AG

Headquartered at Am Stadtpark 9, Vienna, Austria

Stockholder share of 70% in AKCENTA CZ a.s. (hereafter also "RBI")

RAIFFEISENBANK A.S.

Headquartered at Hvězdova 1716/2b, Prague, Czech Republic

Stockholder share of 30% in AKCENTA CZ a.s. (hereafter also "RB")

The listed entities act in agreement according to § 78 of the Act.

1.1.2 Role of Controlled Entities, Means, and Resources of Control

The author's role as a non-bank payment institution and securities trader is complemented by the service portfolio of the Raiffeisen financial group in the author's jurisdiction. The means of control consist of the existence of an asset or ownership share in the controlled entity. Controlling entities control the author by means of voting at the general assembly (shareholders meeting) in compliance with the author's by-laws.

1.1.3 Other Connected Entities

- **NERUDOVA property s. r. o.**, Org. ID No.: 041 51 640, headquartered in Gočárova třída 227/50, Pražské Předměstí, 500 02 Hradec Králové (hereafter "NP")
- **AKCENTA LOGISTIC a. s.**, Org. ID No.: 288 07 588, headquartered in Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové (hereafter "AL")
- **AKCENTA DIGITAL s.r.o.**, Org. ID No.: 05177138, headquartered in Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové (hereafter "AD"). Until 21 June 2022 operating as True Finance s.r.o. ("TF")
- **AKCENTA DE GmbH**, Org. ID No.: DE341640205, headquartered at Axel-Pringer-Platz 3 c/o WeWork, 20355 Hamburg, Germany (hereafter "AKC DE")

The amount of the commercial share of the controlling entity Raiffeisen Bank International AG in the companies listed was as follows as of 31 Dec. 2022: NP - 92.5% (indirect share), AL - 92.5%, AD - 92.5% (indirect share), and AKC DE - 92.5% (indirect share).

1.1.4 Other Subjects

- **RAIFFEISEN – LEASING, s.r.o.**, Org. ID No.: 61467863, headquartered in Hvězdova 1716/2b, 140 00 Prague 4 (hereafter "RBL")
- **RAIFFEISEN BANK Zrt. Org.**, ID No.: 01-10-041042, headquartered in Váci ut.116-118, 1133 Budapest, Hungary (hereafter "RBHU")
- **RAIFFEISEN BANK S. A.**, Sky Tower Building, 246C Calea Floreasca, Sector 1, Bucharest, Romania, (hereafter "RBRO")
- **Tatra Banka, a. s.**, Org. ID No.: 00 686 930, Hodžovo námestie 3, 811 06, Bratislava, Slovakia ("TB")

1.2 ENUMERATION OF CONTRACTS ACCORDING TO § 82 PAR. 2 ITEM E) OF THE ACT

| Party | Contract | Date entered into |
|-----------------|--|---------------------------------|
| AKCENTA CZ X AL | Contract on Provision of Outsourced Services, in the version of Addendum No. 3 | 1 Aug. 2013 to 31 Dec. 2022 |
| AKCENTA CZ X AL | Agreement on Processing of Personal Data | 28 Dec. 2010 to 31 Dec. 2022 |

| | | |
|-----------------|---|----------------------------|
| AKCENTA CZ X AL | Framework Agreement, currency trade no 41147 | 8 June 2011 to 6 Dec. 2022 |
| AKCENTA CZ X NP | Rental Agreement in the version of Addendum No. 2 | 30 Sept. 2015 |
| AKCENTA CZ X NP | Loan Agreement in the version of Addendum No. 1 | 8 July 2015 |
| AKCENTA CZ X AD | Loan Agreement | 5 May 2022 |
| AKCENTA CZ X AD | Agreement on Provision of Outsourced Services | 1 Jan. 2022 |
| AKCENTA CZ X AD | Agreement on Processing of Personal Data and Agreement on Data Transfer (Handover) | 8 Sept. 2020 |
| AKCENTA CZ X AD | Rental Agreement (zalep.to) | 1 June 2020 |
| AKCENTA CZ X AD | Agreement on Rental of Personal Vehicle - Škoda Karoq | 3 June 2022 |
| AKCENTA CZ X RB | Framework Treasury Agreement | 13 Feb. 2008 |
| AKCENTA CZ X RB | Agreement on Usage of Online Banking (E-Banking) | 9 Oct. 2019 |
| AKCENTA CZ X RB | Agreement on Provision of X-business Online Banking Service | 22 Mar. 2019 |
| AKCENTA CZ X RB | Framework Agreement on Financial Market Trading in the version of Addendum No. CMA/0001/APR405/01/25163680 | 17 Sept. 2019 |
| AKCENTA CZ X RB | Agreement on Commercial Cooperation | 13 Sept. 2022 |
| AKCENTA CZ X RB | Agreement on Commercial Representation | 14 Dec. 2022 |
| AKCENTA CZ X RB | Agreement on Opening and Managing an Account in the version of Addendum No. 1 (5170013798/5500 EUR) | 23 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Opening and Managing an Account in the version of Addendum No. 1 (5170013673/5500 CZK) | 21 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Opening and Managing an Account (5170013771/5500 CZK) | 22 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Opening and Managing an Account (5170013800/5500 EUR) | 21 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Opening and Managing an Account - GBP, CHF, HRK, PLN, HUF, CAD, SEK, NOK, DKK, RON | 27 Sept. 2019 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts in GBP, CHF, HRK, PLN, HUF, CAD, SEK, NOK, DKK, RON | 27 Sept. 2019 |
| AKCENTA CZ X RB | Agreement on Opening and Managing an Account - TRY, RUB, JPY, AUD | 1 Oct. 2019 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts in TRY, RUB, JPY, AUD | 25 Sept. 2019 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (5170013798/5500 EUR) | 21 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (5170013800/5500 EUR) | 21 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (5170013771/5500 CZK) | 22 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (5170013763/5500 CZK) | 21 Mar. 2019 |
| AKCENTA CZ X RB | Agreement on Providing Banking and Other Services (5170014918/5500 BGN) | 7 Sept. 2020 |

| | | |
|-----------------|---|--------------|
| AKCENTA CZ X RB | Agreement on Providing Banking and Other Services (5170014926/5500 BGN) | 7 Sept. 2020 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (136101361/5500) | 27 May 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301337/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301337/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301257/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301265/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301273/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12312310/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301281/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301302/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Handover of Data on Actual (True) Owners of Assets on Accounts (12301329/5500) | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Dissolution of Obligation as of 31 Dec. 2022 (5170014264/5500, 5170014141/5500 HRK) | 6 Dec. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301310/5500 HUF) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301302/5500 PLN) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301281/5500 CHF) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301273/5500 GBP) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301329/5500 RON) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301257/5500 CZK) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301265/5500 EUR) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Provision of Banking and Other Services (12301337/5500 AUD) in the version of Addendum No. 1 | 11 Jan. 2022 |
| AKCENTA CZ X RB | Agreement on Opening and Maintaining an Account (136101361/5500 USD) in the version of Addendum No. 1 | 27 May 2022 |
| AKCENTA CZ X RB | Agreement on Opening and Maintaining an Account (136101371/5500 USD) in the version of Addendum No. 1 | 27 May 2022 |

| | | |
|-------------------|---|---------------|
| AKCENTA CZ X RBI | CMI@WEB CUSTOMER AGREEMENT | 21 Sept. 2021 |
| AKCENTA CZ X RBI | Agreement on Commercial Representation | 14 Dec. 2022 |
| AKCENTA CZ X RBI | FRAMEWORK AGREEMENT | 15 Oct. 2021 |
| AKCENTA CZ X RBI | AGREEMENT ON ORDER PROCESSING IN ACCORDANCE WITH ARTICLE 28 GDPR | 15 Oct. 2021 |
| AKCENTA CZ X RBI | Work Order | 27 Sept. 2022 |
| AKCENTA CZ X RBHU | Payment Account Agreement (HUF, EUR) | 13 Aug. 2021 |
| AKCENTA CZ X RBHU | Payment Account Contract - Supplement (HUF, EUR) | 13 Aug. 2021 |
| AKCENTA CZ X RBHU | Payment Account Contract - Supplement Agreement on Opening and Managing Deposit SUB-ACCOUNT (EUR, HUF, USD) | 22 Feb. 2022 |
| AKCENTA CZ X RBHU | Supplement to Payment Account Agreement (USD) | 22 Feb. 2022 |
| AKCENTA CZ X RBHU | Agreement on the Provision of Raiffeisen Electra Services | 13 Aug. 2021 |
| AKCENTA CZ X RBRO | Raiffeisen Online PLUS Agreement for the Performance of Banking Operations through Raiffeisen Online Plus Service | 25 Aug. 2021 |
| AKCENTA CZ X TB | Agreement on Revision of Fees Different from Those in the Tatra bank a.s. Fee Listing | 11 Oct. 2021 |
| AKCENTA CZ X TB | Agreement on Current Account (EUR) | 2 Nov. 2020 |
| AKCENTA CZ X TB | Agreement on Current Account (GBP) | 2 Nov. 2020 |
| AKCENTA CZ X TB | Agreement on Current Account (HUF) | 2 Nov. 2020 |
| AKCENTA CZ X TB | Agreement on Current Account (CZK) | 27 May 2021 |
| AKCENTA CZ X TB | Agreement on Current Account (CHF) | 8 July 2021 |
| AKCENTA CZ X TB | Agreement on Current Account (USD) | 13 May 2022 |
| AKCENTA CZ X TB | Agreement on Provision of Business Banking Online Banking (E-banking) Services | 2 Nov. 2020 |
| AKCENTA CZ X RBL | Leasing Agreement - ŠKODA Octavia | 15 Dec. 2022 |
| AKCENTA CZ X RBL | Leasing Agreement - VOLKSWAGEN Passat | 15 Dec. 2022 |
| AKCENTA CZ X RBL | Leasing Agreement - ŠKODA Karoq | 19 May 2022 |
| AKCENTA CZ X RBL | Leasing Agreement - BMW | 15 Dec. 2022 |
| AKCENTA CZ X RBL | Agreement on Exclusive Commercial Representation | 23 Nov. 2021 |

1.3 OVERVIEW OF ACTIVITIES UNDERTAKEN DURING THE MOST RECENT ACCOUNTING PERIOD (FISCAL YEAR) TO THE BENEFIT OF CONTROLLING ENTITIES ACCORDING TO § 82 PAR. 2 ITEM D) OF THE ACT

No such activity has been registered.

1.4 ADVANTAGES AND DISADVANTAGES DERIVING FROM RELATIONS BETWEEN CONTROLLING AND CONTROLLED ENTITIES LISTED IN THIS CHAPTER

With respect to our review of legal relations between the author and the connected entities it is clear that as a result of contracts, other legal acts or other measures entered into, executed or approved by the author

during the 2022 fiscal year (accounting period) in the interest or at the direction of individual connected entities, the author has suffered no damages.

1.5 CLOSING DECLARATION BY THE BOARD OF DIRECTORS

Declaration: AKCENTA CZ a.s. hereby declares that it compiled this report based on data available as of the date of drafting the report and during this process it proceeded with care as a due financial steward.

In Hradec Králové, dated 1 March 2023



Milan Cerman
Chairman of the
Board of Directors



Daniel Johanis
Vice-chairman of the
Board of Directors

SUPERVISORY BOARD REPORT

COMPOSITION OF THE SUPERVISORY BOARD

Over the course of 2022, the Supervisory Board met in the following set-up: Jacek Jurczynski – chairman of the Supervisory Board, Tomáš Jelínek – vice-chairman of the Supervisory Board, and further members of the Supervisory Board – Elisabeth Geyer-Schall, Ryan González, Slavoljub Dordevic (until 30 June 2022) and Michael Wittenburg from 8 November 2022.

SUPERVISORY BOARD ACTIVITIES

The Board of Directors regularly informed the Supervisory Board about business operations (finances). It reviewed and checked information related to the set-up of the financial and strategic plan and monitored the fulfillment thereof, including indicators stipulated in current legal norms and regulations. Furthermore, it focused on reviewing the management and monitoring system, mainly through findings from an internal audit, as well as the Company's remuneration (bonus) system. Further checks focused on fulfillment of Board resolutions, compliance with by-laws, and reviews of key indicator compliance with established laws (legal norms) based on documents from the Department for Compliance and Legal Support.

DISCOVERED INSUFFICIENCIES AND THEIR RECTIFICATION

The Board did not uncover any facts that would be in breach of the Company's approved by-laws or valid legislative or legal norms.

ACCOUNTING STATEMENT, BUSINESS OPERATIONS AND PROPOSAL FOR DIVISION OF PROFITS

The Board reviewed the accounting statement for 2022 and familiarized itself with the draft of the Auditor's Report and Statement issued by Deloitte Audit s.r.o. concerning the accounting statement. Based on these documents, the Supervisory Board states that it has no objections to the accounting statement submitted.

The Supervisory Board recommends that the AKCENTA CZ a.s. shareholders meeting approve the standard annual accounting statement for AKCENTA CZ for the fiscal year 2022.

In Prague, dated 21 April 2023



Jacek Jurczynski
Chairman of the
Supervisory Board

MISCELLANEOUS

The activities of AKCENTA CZ a.s. do not have any impact on the environment. The company does not carry out any activities related to the environment nor to research and development. As pertains to the environment, the company adheres to Resolutions 2019/2088 and 2020/852.

The company did not purchase any of its own stocks in 2022.

The company did not have a subsidiary office or any other part of its commercial operations in a foreign country during 2022.

As part of our strategy, we fulfil our obligations set out by legislation. As concerns labour law relations, the company adheres to all legal norms in compliance with the legal code (statutes) of the Czech Republic.

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTING STATEMENT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AKCENTA CZ a.s.

Having its registered office at: Salvátorská 931/8, Staré Město, 110 00 Prague 1

OPINION

We have audited the accompanying financial statements of AKCENTA CZ a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2022, and the profit and loss statement, report on changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AKCENTA CZ a.s. as of 31 December 2022, and of its financial performance and its cash flows for the year ended in accordance with accounting regulations applicable in the Czech Republic.

BASIS FOR OPINION

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

OTHER INFORMATION IN THE ANNUAL REPORT

The other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information, nor do we express any separate opinion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information included in the Annual Report is materially inconsistent with the financial statements or our knowledge obtained in the audit, whether the Annual Report is prepared in compliance with applicable law or regulations, or if the other information appears to be materially misstated. If, as a result of our work, we determine that this is not the case, we are required to state our findings in the report.

We have not identified any such findings in the other information received as part of the procedures performed.

RESPONSIBILITIES OF THE COMPANY'S BOARD OF DIRECTORS AND SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal controls as the

Board of Directors determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a functioning concern; disclosing, where applicable, matters related to functioning concern and using the functioning 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

In Prague on 24 April 2023

Deloitte Audit s.r.o.

Audit firm
registration no. 079

David Batal

Statutory auditor
registration no. 2147

ACCOUNTING STATEMENT

FOR THE YEAR ENDING 31 DECEMBER 2022

COMMERCIAL BUSINESS: AKCENTA CZ a.s.

Headquarters: Salvátorská 931/8

Org. ID No.: 25163680, Subject of Business: securities trader (trading)

Moment of compiling the Accounting Statement: 31 March 2023

BALANCE SHEET

AS OF 31 DEC. 2022

| ASSETS (thousands of CZK) | | Item | 31 Dec. 2022 | 31 Dec. 2021 |
|---------------------------|---|------|------------------|------------------|
| 1 | Cash in hand and balances with central banks | | 27 | 34 |
| 3 | Receivables for banks and credit unions | 12 | 3 565 047 | 2 438 520 |
| | <i>of this: a) payable on demand</i> | | 2 215 862 | 1 720 095 |
| | <i>b) other liabilities</i> | | 1 349 185 | 718 425 |
| 4 | Receivables for non-bank subjects | 13 | 15 123 | 13 918 |
| | <i>of this: b) other liabilities</i> | | 15 123 | 13 918 |
| 8 | Ownership interests with controlling influence | 14 | 15 560 | 15 560 |
| 9 | Long-term intangible assets | 15 | 24 437 | 39 142 |
| 10 | Long-term tangible assets | 16 | 24 470 | 17 069 |
| | <i>of this: land and buildings for operational activities</i> | | 15 530 | 10 095 |
| 11 | Other assets | 17 | 207 812 | 211 060 |
| 13 | Expenditures and earnings for upcoming period | | 2 590 | 2 640 |
| | Total Assets | | 3 855 066 | 2 737 943 |

| LIABILITIES (thousands of CZK) | | Item | 31 Dec. 2022 | 31 Dec. 2021 |
|---------------------------------------|---|-------------|---------------------|---------------------|
| 1 | Liabilities toward banks and credit unions | 18 | 1 | 366 |
| | <i>of this: a) payable on demand</i> | | 1 | 366 |
| 2 | Liabilities toward clients - credit union members | 19 | 3 157 643 | 2 213 232 |
| | <i>of this: a) payable on demand</i> | | 3 157 643 | 2 213 232 |
| 4 | Other liabilities | 20 | 358 425 | 247 220 |
| 5 | Revenues and expenditures for the upcoming period | | 59 | 240 |
| 6 | Reserves | 21 | 23 425 | 33 409 |
| | <i>b) for taxes</i> | | - | 7 478 |
| | <i>c) other</i> | | 23 425 | 25 931 |
| | Total Foreign Sources | | 3 539 553 | 2 494 467 |
| 8 | Share capital | 23 | 100 125 | 100 125 |
| | <i>of this: a) paid (deposited) share capital</i> | | 100 125 | 100 125 |
| | <i>c) from the recalculation of financial instruments</i> | | - | - |
| 14 | Non-distributed profit or unpaid losses from the prior period | 23 | 143 351 | 70 291 |
| 15 | Profit or loss for the accounting period | 23 | 72 037 | 73 060 |
| | Total Ownership Capital | | 315 513 | 243 476 |
| | Total Liabilities | | 3 855 066 | 2 737 943 |

| OFF-BALANCE SHEET ITEMS (thousands of CZK) | | Item | 31 Dec. 2022 | 31 Dec. 2021 |
|---|--|-------------|---------------------|---------------------|
| Off-balance sheet assets | | | | |
| 2 | Collateral provided | | - | - |
| 3 | Liabilities from spot operations | 25 | 1 081 961 | 1 653 609 |
| 4 | Liabilities from fixed term operations | 25 | 6 574 047 | 14 840 437 |
| 5 | Liabilities from options | 25 | 1 496 743 | - |
| 6 | Liabilities write-offs | | - | 35 |
| Off-balance sheet liabilities | | | | |
| 9 | Accepted pledges and guarantees | 28 | - | 20 000 |
| 11 | Liabilities from spot operations | 25 | 1 081 940 | 1 652 992 |
| 12 | Liabilities from fixed term operations | 25 | 6 540 704 | 14 793 486 |
| 13 | Liabilities from options | 25 | 1 496 113 | - |

PROFIT-LOSS STATEMENT

FOR THE YEAR ENDING 31 DECEMBER 2022

| (thousands of CZK) | | Item | 2022 | 2021 |
|---------------------------|---|-------------|------------------|------------------|
| 1 | Interest earnings and similar revenues | 5 | 729 | 213 |
| 2 | Interest costs and similar costs | 5 | (4 549) | (852) |
| 4 | Earnings from fees and commissions | 6 | 22 689 | 20 347 |
| 5 | Costs for fees and commissions | 6 | (26 599) | (24 181) |
| 6 | Profit or loss from financial operations | 7 | 411 103 | 335 363 |
| 7 | Other operating revenues | 8 | 1 953 | 3 477 |
| 8 | Other operating costs | 8 | (27 168) | (1 989) |
| 9 | Administrative costs | 9 | (283 463) | (222 521) |
| | <i>of this: a) cost per employee</i> | | <i>(132 448)</i> | <i>(112 419)</i> |
| | <i>of this: aa) wages and salaries</i> | | <i>(100 128)</i> | <i>(84 726)</i> |
| | <i>ab) social security and health insurance</i> | | <i>(32 320)</i> | <i>(27 693)</i> |
| | <i>b) other administrative costs</i> | | <i>(151 015)</i> | <i>(110 102)</i> |
| 11 | Write-offs, creation and usage of reserves, and adjustment charges for long-term tangible and intangible assets | 15, 16 | (6 774) | (8 550) |
| 13 | Write-offs, creation and usage of adjustment charges and reserves for debts and guarantees | 21 | (57) | (1 267) |
| 16 | Dissolution of other reserves | 21 | 2 618 | - |
| 17 | Creation and usage of other reserves | 21 | (112) | (8 643) |
| 18 | Share of profit or loss through participations with significant influence | | - | - |
| 19 | Profit or loss from regular activities for the accounting period pre-tax | | 90 370 | 91 397 |
| 23 | Income tax | 24 | (18 333) | (18 337) |
| 24 | Profit or loss for the accounting period after-tax | | 72 037 | 73 060 |

OVERVIEW OF CHANGES IN OWNERSHIP CAPITAL FOR THE YEAR ENDING 31 DECEMBER 2022

| (thousands of CZK) | Capital | Share Capital | Emission Agio | Reserve Funds | Capital Funds | Appraised Differences | Profit (loss) | Total |
|-------------------------------------|----------------|----------------------|----------------------|----------------------|----------------------|------------------------------|----------------------|--------------|
| Balance as of 1 Jan. 2021 | 100 125 | | - | - | - | - | 106 950 | 207 075 |
| Correction of fundamental errors | - | - | - | - | - | - | (659) | (659) |
| Net profit/loss for account. period | - | - | - | - | - | - | 73 060 | 73 060 |
| Share of profit | - | - | - | - | - | - | (36 000) | (36 000) |
| Balance as of 31 Dec. 2021 | 100 125 | - | - | - | - | - | 143 351 | 243 476 |
| Balance as of 1 Jan. 2022 | 100 125 | - | - | - | - | - | 143 351 | 243 476 |
| Corrections of fundamental errors | - | - | - | - | - | - | - | - |
| Net profit/loss for account. period | - | - | - | - | - | - | 72 037 | 72 037 |
| Share of profit | - | - | - | - | - | - | - | - |
| Balance as of 31 Dec. 2022 | 100 125 | - | - | - | - | - | 215 388 | 315 513 |

CASHFLOW OVERVIEW

FOR THE YEAR ENDING 31 DECEMBER 2022

| (thousands of CZK) | 2022 | 2021 |
|--|------------------|----------------|
| CASHFLOW FROM OPERATING ACTIVITIES | | |
| Pre-tax profit or loss for the accounting period from regular and extraordinary activities | 90 370 | 91 397 |
| Adjusted for non-cash operations: | | |
| <i>Write-offs and change of status for adjustment charges for long-term tangible and intangible assets</i> | 6 734 | 8 550 |
| <i>Change to state of reserves</i> | -2 506 | 10 363 |
| <i>Change to state of adjustment charges for liabilities and debt write-offs</i> | 57 | 1 267 |
| <i>Change to state of other adjustment charges</i> | - | - |
| <i>Net interest earnings</i> | 3 820 | 639 |
| <i>Net profit/loss from financial assets appraised at real value</i> | - | - |
| <i>Net profit/loss from sale of ownership participations</i> | - | - |
| <i>Net profit/loss from sale of long-term tangible and intangible assets</i> | 40 | -1 113 |
| <i>Eventual adjustments due to other non-monetary (cash) operations</i> | -1 474 | - 953 |
| | 97 041 | 110 150 |
| Changes in: | | |
| Collateral for spot and derivative trades | -141 331 | 23 487 |
| Other liabilities for banks | | 11 267 |
| Liabilities for non-bank subjects | -1 205 | 103 |
| Other profits, costs and income from the upcoming period | 3 298 | -54 432 |
| Liabilities to banks and credit unions | - 365 | 354 |
| Liabilities to non-bank subjects | 944 411 | 209 975 |
| Other liabilities, earnings and expenditures for the upcoming period | 111 024 | 82 476 |
| | 1012 873 | 383 380 |
| Accrued interest | 729 | 213 |
| Accepted (incoming) profit shares | - | - |
| Interest paid out | -4 549 | - 852 |
| Paid income tax | -6 633 | -18 217 |
| Net cashflow related to operating activities | 1 002 420 | 364 524 |

| | | |
|---|------------------|------------------|
| CASHFLOW FROM INVESTMENT ACTIVITIES | | |
| Expenditure related to acquisition of securities tradable (executable) and held to maturity | - | - |
| Expenditure from the sale of securities tradable (executable) and held to maturity | - | - |
| Expenditure related to acquisition of ownership shares | - | - 653 |
| Revenue from sale of equity interests | - | - |
| Expenditure related to acquisition of long-term tangible and intangible assets | -17 235 | -18 957 |
| Expenditure from sale of long-term tangible and intangible assets | 4 | 623 |
| Net cashflow related to investment activities | -17 231 | -18 987 |
| CASHFLOW FROM FINANCIAL ACTIVITIES | | |
| Revenues from issue of debt securities (bonds) | - | - |
| Expenditure related to payoff of debt securities (bonds) | - | - |
| Revenue from issue of sub-prime debt obligations | - | - |
| Expenditure from issue of sub-prime debt obligations | - | - |
| Paid out shares of profit (dividends) | - | -36 000 |
| Payments for leasing obligations - collateral | - | - |
| Net cashflow related to financial activities | - | -36 000 |
| Net increase or decrease of cash stocks and monetary equivalents | 985 189 | 309 537 |
| State of cash stocks and monetary equivalents as of 1 January | 2 383 309 | 2 073 772 |
| State of cash stocks and monetary equivalents as of 31 December | 3 368 498 | 2 383 309 |
| Cash stocks and monetary equivalents include | | |
| Cash on hand and central bank deposits | 27 | 34 |
| Liabilities for (to) banks and credit unions 1 – payable on demand | 3 368 471 | 2 383 275 |
| State of cash stocks and monetary equivalents as of 31 December | 3 368 498 | 2 383 309 |

APPENDIX - FINANCIAL STATEMENT FOR YEAR ENDING 31 DECEMBER 2022

01 GENERAL INFORMATION

A) COMPANY CHARACTERISTICS

AKCENTA CZ a.s. (hereafter referred to as “Company” or “Accounting Unit”) was established on 16 June 1997.

Company Name and Headquarters

AKCENTA CZ a.s.
Salvátorská 931/8
110 00 Prague 1 – Staré Město
Czech Republic
Org. ID No.: 25163680
Tax ID No.: CZ25163680

Information about consolidating accounting units

Commercial name of main parent company:
Raiffeisen Bank International AG, Vienna, Austria

Commercial name of main parent company compiling the consolidated financial statement:
Raiffeisen Bank International AG, Vienna, Austria

The RBI Group consists of the parent company Raiffeisen Bank International and its subsidiary and associated companies that are owned directly or indirectly by RBI Group’s subsidiary companies. Raiffeisen Bank International AG compiles a consolidated financial statement (accounting report).

Raiffeisen Bank International AG’s (hereafter referred to as “RBI Group”) consolidated accounting unit is filed/registered with the Registration Court/ Court of Records Handelsgericht Wien, Marxergasse 1a, 1030 Vienna, Austria. Raiffeisen Bank International AG’s shares are listed on the Vienna Stock Exchange.

Members of the Board of Directors and Supervisory Board up to 31 December 2022

| Board of Directors | Supervisory Board |
|---|------------------------------------|
| Milan Cerman (chairman) | Jacek Jurcynski (chairman) |
| Bc. Daniel Johanis, MBA (vice-chairman) | Ing. Tomáš Jelínek (vice-chairman) |
| Jan Karger | Elisabeth Geyer-Schall |
| | Ryan González |
| | Michael Wittenburg |

Changes in the Commercial Registry

On 15 June 2022, Mr. Karel Soukeník’s term as a member of the Board of Directors expired. This change was recorded in the Commercial Registry on 18 July 2022.

On 1 July 2022, Mr. Slavojlub Dordevic’s membership in the Company’s Supervisory Board expired.

This change was recorded in the Commercial Registry on 30 August 2022.

On 8 November 2022, Mr. Michael Wittenberg was named as a member of the Company's Supervisory Board.

This change was recorded in the Commercial Registry on 5 January 2023.

Subject of business

The Company is authorized as part of its business activities based on its entry in the Commercial Registry to provide the following services:

A) MANUFACTURE, TRADE AND SERVICES NOT SHOWN IN APPENDICES 1-3 IN THE TRADE CONCESSIONS ACT.

The Company is listed in the registry run by the Czech National Bank in these sectors:

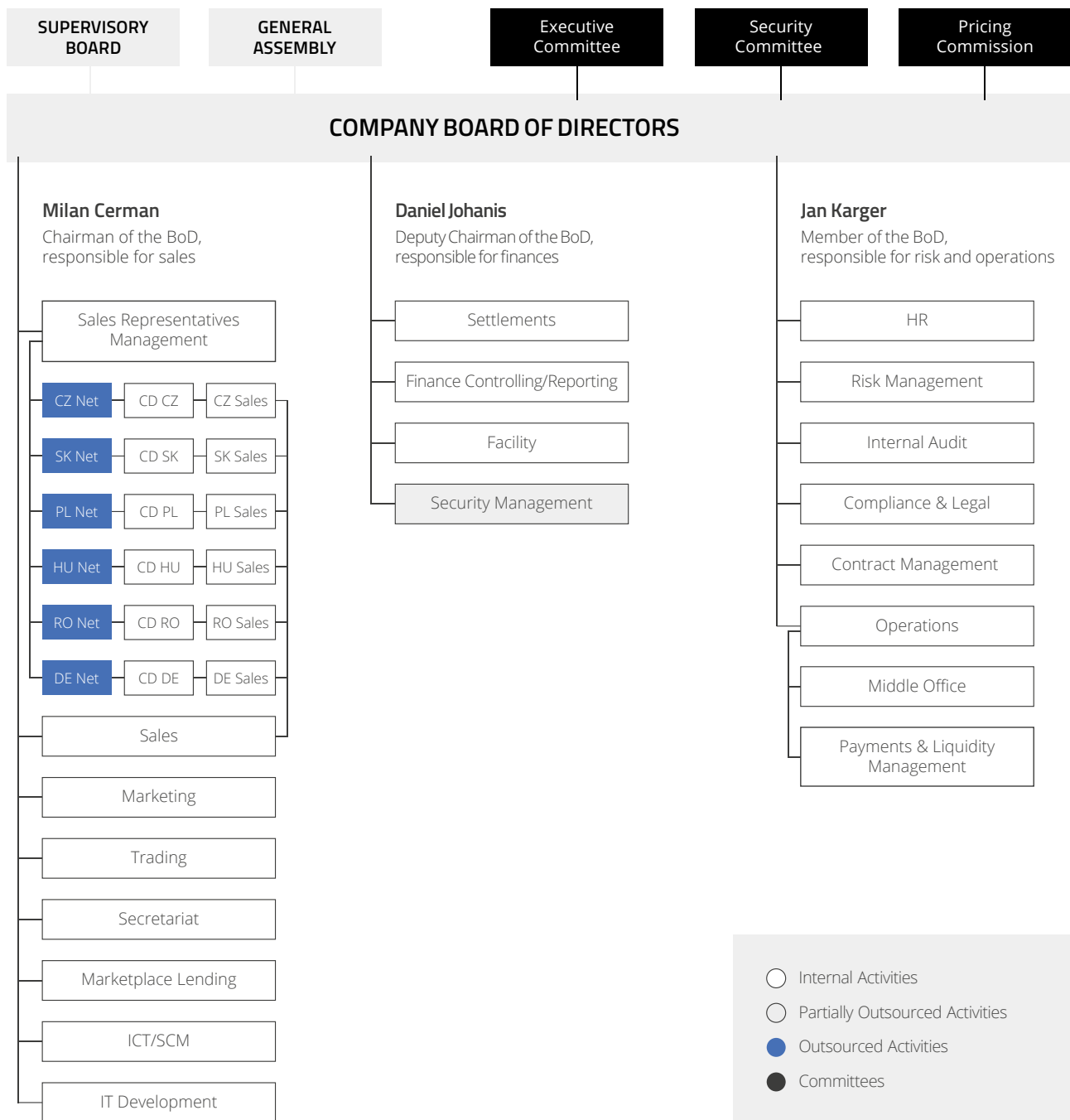
- payment institutions and subsidiaries of foreign payment institutions,
- securities traders and subsidiaries of foreign securities traders.

Based on a decision by the Czech National Bank (CNB) on the issue of a permit for Payment Institution activities dating from 22 February 2011 and a permit for Securities Trading Activities dating from 15 July 2011, the Company is authorized to provide the following services:

- payment services according to the Act No. 370/2017 Coll.:
 - cash deposits on a payment account run by the company per § 3, par. 1, item a) of the aforementioned Act,
 - cash withdrawals from a payment account run by the company per § 3, par. 1, item b) of the aforementioned Act,
 - carrying out transfers of monetary/cash resources per § 3, par. 1, item c) of the aforementioned Act,
 - carrying out transfers of monetary/cash resources from a payment account per § 3, par. 1, item d) of the aforementioned Act for providing transfer of monetary resources as a loan,
 - issue and management of payment resources and devices for acceptance of payment resources per § 3, par. 1, item e) of the aforementioned Act,
 - carrying out transfers of monetary/cash resources per § 3, par. 1, item f) of the aforementioned Act.
 - service for indirect issue/submission of payment orders per items g), h) service informing about payment accounts per item h) of the aforementioned Act,
- Securities trading activities according to the Act No. 256/2004 Coll. in the scope of main investment services, e.g.:
 - accepting and passing on orders relating to investment instruments,
 - carrying out orders related to investment instruments on the customer's account,
 - trading with investment instruments on the company's own account,
 - additional investment services: custody and management of investment instruments including related services, all in relation to investment instruments according to § 3, par. 1, item d) of the aforementioned Act.

The Company carries out these activities in countries throughout Central Europe: in Germany, Hungary, Poland, Romania and Slovakia.

Organizational Structure Valid as of 31 December 2022



B) BASIS FOR PREPARING THE FINANCIAL STATEMENT

The financial statement was prepared based on accounting done in compliance with

- the Act No. 563/1991 on Accounting, in its most recent versions,
- the Decree No. 501/2001 issued by the Czech Finance Ministry in its version that went into effect on 1 January 2018,
- Czech accounting standards for financial institutions issued by the Czech Finance Ministry.

This financial statement has been prepared in compliance with Decree No. 501/2002 in its version that went into effect on 1 January 2018. The latter establishes the structure and labelling of items in financial statements and the definition of content for items (headings) in the financial statement. At the same time, in its § 4a, par. 1, this decree states that an accounting unit, for the purposes of reporting financial instruments, their appraisal and for listing information thereon in an appendix to a financial statement, must proceed according

to international accounting standards as provided for directly in applicable EU regulations on the usage of international accounting standards (hereafter "international accounting standard" or "IFRS").

The financial statement has been processed based on principles for time distinction of costs and revenues and historic prices with the exception of select financial instruments appraised at their fair value.

The financial statement derives from the assumption that the accounting unit will continue its activities uninterrupted and that no event will occur that would limit it in doing so; or prevent it from continuing said activities in the foreseeable future.

The closing date for the financial statement was 31 December 2022. The standard fiscal year runs from 1 January 2022 to 31 December 2022. The prior fiscal year ran from 1 January 2021 to 31 December 2021.

All information shown is listed in thousands of Czech crowns (thousands of CZK), provided it is not stated otherwise. Numbers shown in parentheses represent negative values.

This is a non-consolidated financial statement.

The consolidating unit which compiles the consolidated financial statement for the narrowest group of accounting units that belong to the Company includes the following:

Raiffeisen Bank International AG's (hereafter referred to as "RBI Group") consolidated financial statement is filed/registered with the Registration Court/ Court of Records Handelsgericht Wien, Marxergasse 1a, 1030 Vienna, Austria. Raiffeisen Bank International AG's shares are listed on the Vienna Stock Exchange.

02 IMPORTANT ACCOUNTING METHODS

The Company's financial statement was prepared in compliance with the following important accounting methods:

A) SPOT OPERATIONS AND DERIVATIVES

As part of its activities, the Company carries out (executes)

- Spot operations,
- Derivatives (forwards, swaps, and options).

Spot Operations

CURRENCY SPOT

Purchase or sale of a certain amount of funds in one currency for a certain amount of funds in another currency at a fixed exchange rate, during which the exchange rate is determined based on the current supply and demand situation for the currency pairing on the interbank foreign exchange market (contractual rate).

When concluding a trade, the CNB exchange rate on the settlement date is used. Reporting of profits or losses on currency operations occurs at the time the trade is settled, e.g. at the time of settlement of the liability or receivable. Profits and losses on settlement of foreign exchange currency transactions are reported in the profit and loss statement under the "Profit or loss on financial operations" heading.

Non-settled spot operations existing on the date of the financial statement are reported in the off-balance sheet records. Non-settled trades as of the last day of the month are re-appraised at the CNB exchange rate valid on the last day of the relevant month and the calculated profit or loss is reported in the Profit and Loss Statement under the "Profit or loss from financial operations" heading.

Derivatives

CURRENCY FORWARD

Purchase or sale of a certain amount of funds in one currency for a certain amount of funds in another currency at a fixed exchange rate, during which the exchange rate is determined based on the current supply and demand situation on the foreign exchange market and the interest rates for the currencies involved.

The settlement of currency forwards occurs in the future: at the earliest, on the sixth business day and, at the latest, one year after the trade is closed.

Both the forwards rate and the settlement date are binding; they cannot be changed after entering into the trade. For certain forward the settlement date is a general framework and this allows the client to execute transactions for the full or partial volume at any time during the set period.

CURRENCY SWAP

Exchange of funds in one currency for their value in another currency for a fixed period of time. If this period begins in the future, it is referred to as a Forward FX Swap option.

Settlement will take place in two independent conversions, i.e. the initial sale of funds by the client to the Company for the current Spot (or Forward Rate in the case of a Forward FX Swap) exchange rate and in the future for their buyback by the client from the Company for the Forward Rate.

OPTIONS

The right (in no case the obligation) to buy / sell one currency for another at a pre-arranged exchange rate - the Strike Price and by an agreed date in the future - Expiration Date. For this right, the buyer pays the seller for the option Premium.

An option's (Premium's) market price is payable immediately or on the next working day, based on the prior approval of the Risk Management department and is based on current market supply and demand.

If the option is exercised by the client or the Company, the settlement will take place as a "spot trade" in the Company's trading system.

FAIR VALUE OF DERIVATIVES

The fair value of financial derivatives is determined as the present value of expected cash flows arising from those transactions. To determine the present value, parameters ascertained from the active market, e.g. such as exchange rates, interest rates for a given maturity based on the yield curve, etc. are used.

For derivatives whose settlement date is set as part of framework, the value of the derivative determined by the company will also reflect the anticipated date for execution of the trade by the client. This estimate can have a fundamental influence on the set value for the given derivative.

REPORTING DERIVATIVES

Unsettled derivatives (forwards, swaps and options) are reported at fair value on the balance sheet. Positive fair values of unsettled derivatives are reported as assets under the "Other assets" heading. Negative fair values of unsettled derivatives are reported as liabilities under the "Other liabilities" heading.

In the off-balance sheet items, unsettled derivatives are reported in the undiscounted contractual value lines in the headings:

- "Receivables from fixed-term operations" and "Liabilities from fixed-term operations" in the case of currency forwards and currency swaps,
- "Liabilities from options" and "Debts/obligations from options" in the case of options.

Unrealized profits and losses arising from changes in fair values of unsettled derivatives and realized profits and losses from settled derivatives are reported in the profit and loss statement under the "Profit or loss from financial operations" heading.

EXCHANGE RATE DISCREPANCIES

Assets and liabilities held in a foreign currency at the end of each month (including the accounts reporting date) are re-appraised at the CNB exchange rate valid for the last day of the relevant month. Relevant exchange rates are reported in the profit and loss statement under the "Profit or loss from financial operations" heading.

B) FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Settlement and Initial Appraisal

The accounting unit initially settles financial assets and liabilities at the moment they arise, with the exception of spot trades (purchases) and sales of financial assets, which are settled on the date the trade is executed,

which is the date when the accounting unit becomes a party to contractual provisions for the relevant financial instrument.

A financial asset or a financial liability is initially appraised at a fair value, which is adjusted for transaction costs. This adjustment for transaction costs does not apply to financial instruments appraised at a fair price for profit or loss (FVTPL). Transaction costs are costs that are directly assignable to purchases or emissions.

ii. Classification

FINANCIAL ASSETS

During the initial settlement, a financial asset is classified as appraised by/at

- Actual Cost (AC),
- Fair Value through the Statement of Profit or Loss (FVTPL).

A financial asset is appraised at the actual cost (AC), provided it meets both of the following conditions and meanwhile is not meant for appraisal at the Fair Value through Statement of Profit or Loss (FVTPL):

- the asset is held as part of a trade model, whose aim is to hold the financial asset for the purpose of gaining contractual monetary flows,
- the financial asset's contractual terms set a specific date for monetary flows created solely for instalment payments of principal and interest on the unpaid portion of the principal (i.e. a so-called SPPI Test).

A debt instrument is appraised at a fair value against Fair Value through Other Comprehensive Income (FVOCI) only provided it fulfils both of the conditions below and meanwhile is not meant for appraisal at the Fair Value through Statement of Profit or Loss (FVTPL):

- the asset is held as part of a trade model, whose aim is both to collect contractual monetary flows and to sell financial assets,
- the contractual terms of the financial asset set specific dates for monetary flows created solely for instalment payments of principal and interest on the unpaid portion of the principal (i.e. a so-called SPPI Test).

All other financial assets are appraised at the Fair Value through Statement of Profit or Loss (FVTPL).

FINANCIAL LIABILITIES

The accounting unit classifies its financial liabilities, other than financial guarantees and assurances provided, as appraised

- at the actual cost/value, or
- the Fair Value through the Statement of Profit or Loss (FVTPL).

iii. Deductions

FINANCIAL ASSETS

The accounting unit deducts financial assets, provided

- contractual rights to the monetary flows from financial assets cease, or
- rights to acquire monetary flows in a transaction wherein all risks and benefits related to ownership of the financial capital are transferred, or where the accounting unit neither transfers nor keeps essentially all risks and benefits related to ownership of financial capital and where it does not maintain oversight of the financial asset.

When deducting financial capital, the difference between the

- assets' accounting/balance sheet value (or the part of the accounting value allocated to the part of the deducted asset) and
- the sum (i) of the payment received (including any asset acquired minus the value of any newly accepted liability) and the accumulated profit or loss that were processed as part of the ownership capital is reported in the profit and loss statement.

FINANCIAL LIABILITIES

The accounting unit deducts a financial liability, provided its contractual obligations have been fulfilled or if they have been cancelled or cease to exist.

iv. Depreciation

The accounting unit reports adjustable cost items for expected credit losses (ECL) for the following financial instruments that are not appraised at a fair price reported in the profit and losses (FVTPL):

- Liabilities held for banks and credit unions;
- Liabilities held for non-bank subjects.

ESTABLISHMENT OF EXPECTED CREDIT LOSSES (ECL)

For greater detail, see item 27a.

CREDIT DEPRECIATED FINANCIAL ASSETS

By each financial statement report day, the accounting unit assesses whether the financial assets appraised at the current value and the debt-based financial assets appraised at a fair price against the Fair Value through Other Comprehensive Income (FVOCI) are not depreciated as credit. Financial assets are credit depreciated, provided one or more events have occurred that have a negative impact on anticipated future monetary flows from the financial asset.

Evidence that a financial asset has been credit depreciated includes the following noticeable facts:

- significant financial problems for the debtor or the emitter;
- breach of contract, e.g., failure on part of the debtor or failure to meet payment deadlines;
- it becomes likely that the debtor will file for insolvency, bankruptcy or any other financial reorganization, or;
- the cessation of an active securities market on grounds of financial difficulties.

PRESENTATION OF ADJUSTABLE COST ITEMS FOR ECL IN THE FINANCIAL STATEMENT

Adjustable cost items for ECL are deducted from the assets' gross book (accounting) value.

Adjustable cost items for ECL created to counter expenditures are reported in the profit and loss statement under the "Deductions, creation and usage of adjustable cost items and reserves for liabilities and guarantees" heading. In this item, we also report the subsequent usage of adjustable cost items.

Dissolution of adjustable cost items for ECL due to their lack of necessity is reported in the profit and loss statement under the "Dissolution of adjustable cost items and reserves for liabilities and guarantees, earnings from previously deducted liabilities" heading.

C) TRANSACTION DATE

Depending on the type of transaction, the moment of transaction is set to the date of payment or receipt of cash; the date of purchase or sale of currency, foreign currency or securities; the date of payment or debit from the client's account; the date of the correspondent's payment order; the date of crediting the (foreign) funds according to a notice received from the correspondent of the company (notice means a report in the SWIFT system, a bank notice, an account statement or other documents); the date of the trade and the date of settlement of foreign exchange transactions, other derivatives; the date of issue or acceptance of the guarantee; or the date of service provision.

In the case of incoming invoices in a foreign currency, the date of execution of the taxable transaction is the date of provision of service or the date of issue of the invoice, unless the date of the provision of the service is clearly determined, or in cases such as the date of payment of advance overhead invoices from any European Community country. In the case of invoices received from commercial agents, the date of the taxable transaction is the last day of the month during which the service was provided.

D) PARTICIPATING INTEREST WITH CONTROLLING INFLUENCE

A subsidiary company (participation with controlling influence) is an accounting unit controlled by another accounting unit.

Taking control of a unit, into which the company has invested, means the investor controls the unit it has invested in, provided it can draw on variable earnings or has a right to them based on its engagement in that unit and can use its power, via these earnings, to influence the unit.

Thus an investor controls a unit, into which it has invested, only in the event that all the following points hold true:

- it has power over the unit into which it has invested,
- based on its engagement in the unit into which it has invested, it collects variable earnings or has a right to such earnings,
- it has the ability to use its power over the unit, into which it has invested, to influence the amount of its own earnings.

Participations with controlling influence are appraised at their purchase price.

Participations with controlling influence are appraised at their purchase price which is then lowered by adjustable cost items on grounds of the temporary decrease in the value of this participation. This is done individually for each participation.

Creation, dissolution and usage of related adjustable cost items are reported in the profit and loss statement under the "Dissolution of adjustable cost items for participations with controlling and significant influence" and "Losses from transfer of participation with controlling and significant influence, creation and usage of adjustable cost items for participations with controlling and significant influence" headings.

E) TANGIBLE AND INTANGIBLE ASSETS

Long-term tangible and intangible assets are processed (accounted for) at their historic purchase prices and are deducted fairly.

The deduction periods for individual categories of long-term tangible and intangible assets are as follows:

| | |
|---|---------------|
| Buildings | 10 years |
| Software | 5 years |
| Appraisable rights | 6 years |
| Technical appraisal for rented buildings | 10 years |
| Computers | 3 years |
| Inventory | 3 to 10 years |
| Other | 3 years |
| Vehicles | 5 years |

Accounting and tax deductions are not the same for long-term tangible assets.

LEASING FROM THE RENTER'S PERSPECTIVE

The accounting unit applies the international accounting standard, IFRS 16 Leasing. A contract is considered a leasing (act) provided it transfers the right to control usage of the identified asset for a defined period of time for a payment.

IFRS 16 brings about changes in charging and reporting for the renter. The accounting unit in the role of renter reports an asset based on usage rights for the rented assets and related obligations for the leasing

(contract), with the following exceptions:

- the rental period is less than 12 months,
- or the underlying asset has a low purchase price – the Company set this value at 112 000 CZK.

Assets from usage rights

An asset based on usage rights is initially appraised at its purchase price which includes

- the initial appraisal of the leasing obligation (contract),
- leasing payments made by the start of, or prior to, the date after deducting all leasing incentives received,
- initial direct costs,
- estimated costs that the renters pay for the disassembly and liquidation of the leased asset.

Assets for usage rights are reported in the balance sheet under the heading “Long-term tangible assets” and are evenly deducted for the period until the end of the economic lifecycle of the underlying asset or until the end of their rental: this according to which period ends sooner. The relevant deductions are reported in the profit and loss statement under the heading “Deductions, creation and usage of reserves and adjustable cost items for long-term tangible and intangible assets”.

In the case of the Company, this involves usage rights for the following assets:

- the building and parking spots in Nerudova Street in Hradec Králové,
- the building and parking spots in the Prague - Smíchov district,
- printers,
- automobiles (personal vehicles).

The amortization period is defined in the valid rental agreement, at the Prague-Smíchov building this is determined by the probable length of the lease, which is 7 years.

LEASING LIABILITIES

A leasing obligation is initially appraised for the amount of the current value of the leasing payments that have not been paid as of the date of the first reporting. Leasing payments are discounted by the interest rate that the renter would have to pay were they to borrow money to purchase the underlying asset when taking into consideration conditions related to the leasing process (e.g. duration of the lease, amount of the loan, etc.).

Afterwards, the leasing obligation is re-appraised provided a change in future leasing payments would occur (e.g., on grounds of changes in the appraisal, if and when an extension or premature ending of the lease would occur, etc.). If the leasing obligation is re-appraised as such, then an adjustment to the asset appraisal for usage rights will occur. Provided the asset for usage rights is null, then the given re-appraisal for the leasing obligation is accounted for (reported) in the profit and loss statement.

The leasing obligation is reported in the “Other obligations” item in the balance sheet.

Interest costs arising from the leasing obligation are reported in the profit and loss statement in the item “Costs for interest and similar costs” and are differentiated using an effective interest rate.

F) RESERVES

Reserves represent probable performance, with uncertain timing and amounts. Reserves are created at the expense of costs for an amount that is the best estimate of the expenses necessary to settle existing debt.

Reserves are formed provided the following criteria have been met:

- a) there is a duty (legal or material) to perform (fulfil obligations) as a result of past events,
- b) it is probable or certain that a transaction will occur and will require an outflow of funds representing economic benefits, where “probable” means a likelihood greater than 50%;
- c) it is possible to make a reasonably reliable estimate of performance.

The Company creates a non-tax reserve for annual bonuses that are paid out in the following year. It also creates a reserve for unused vacation (holiday) time. These reserves are created such that they include related social security and health insurance costs.

G) INTEREST

Interest earnings, or interest costs, reported in the profit and loss statement under the “Interest earnings and similar earnings” or “Interest costs and similar costs” headings include interest from financial assets and financial liabilities appraised at their current price and calculated using an effective interest rate.

H) TAXATION

The tax base for income tax is calculated from the company's financial results for the current period by adding non-deductible expenses and deducting income that is not subject to income tax and has been further adjusted for tax rebates and any relevant tax credits paid abroad.

Deferred tax is based on any temporary differences between assets' and liabilities' accounting and tax values while using the expected tax rate applicable for the subsequent period. A deferred tax asset is accounted for (entered into the books) only if there is no doubt about its continued application in subsequent accounting periods.

I) PUBLIC AID (SUPPORT)

The Company did not receive any public aid during the years 2023 and 2022.

J) CLIENT ASSETS

The Company keeps records of client assets in the form of cash held on escrow accounts at banks. Reporting on these client assets is done as follows:

- Assets - Liabilities held for banks and credit unions,
- Liabilities - Obligations to non-bank subjects.

03 CHANGES TO ACCOUNTING METHODS

The accounting department (unit) did not make any changes to its accounting methods in 2022.

04 CORRECTIONS TO PREVIOUS PERIODS

No corrections were made in 2022 to errors from previous periods.

05 NET INTEREST EARNINGS

| thousands of CZK | 2022 | 2021 |
|---|----------------|--------------|
| Interest earnings from bank accounts | 521 | 8 |
| Interest earnings from loans made and credits | 208 | 205 |
| Total interest earnings | 729 | 213 |
| Interest costs and related costs | (3 866) | (304) |
| Interest costs from leasing obligations | (683) | (548) |
| Total interest costs | (4 549) | (852) |
| Net interest earnings | (3 820) | (639) |

Interest earnings from loans provided and credits represent interest from loans made by NERUDOVA property s.r.o., Org. ID No. 04151640 for the amount of 208,000 CZK (2021: 205,000 CZK).

Expense/cost interest represents interest paid to banking institutions for an amount of 3,866,000 CZK (2021: 304,000 CZK).

Furthermore, we report here interest costs from leasing obligations based on application of the IFRS 16 accounting standard: this for an amount of 683,000 CZK (2021: 548,000 CZK).

Interest earnings and interest costs calculated based on the effective interest rate method for the following items are for the following amounts:

| thousands of CZK | 2022 | 2021 |
|--|-------|------|
| Interest costs from financial assets appraised at current value | 729 | 213 |
| Interest costs from financial liabilities appraised at current value | 3 866 | 304 |

06 INCOME AND EXPENSES FROM FEES AND COMMISSIONS

| thousands of CZK | 2022 | 2021 |
|---|-----------------|-----------------|
| Income from fees and commissions | | |
| from spot operations, derivative operations and transfers | 22 689 | 20 347 |
| Total | 22 689 | 20 347 |
| Expenses from fees and commissions | | |
| from spot operations, derivative operations and transfers | (26 599) | (24 182) |
| Total | (26 599) | (24 182) |
| Net income from fees and commissions | (3 910) | (3 835) |

The Company did not realize, neither in 2022 nor in 2021, any income/expenses from fees/commissions for the trading, management, savings or holding of value funds.

07 PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| thousands of CZK | 2022 | 2021 |
|------------------|----------------|----------------|
| Total | 411 103 | 335 363 |

08 OTHER OPERATING INCOME AND EXPENSES

| thousands of CZK | 2022 | 2021 |
|---|-----------------|----------------|
| Turnover from sale of services and assets | 220 | 2 038 |
| Other | 1 733 | 1 439 |
| Total | 1 953 | 3 477 |
| Other operating expenses | (27 168) | (1 989) |
| Total | (27 168) | (1 989) |

Turnover from sales of services and assets consists of income from the sale of unneeded assets. The "Other" heading as part of *Other operating income* represents primarily compensation for damages from insurers, contractual penalties, and interest on delayed payments.

The Other heading represents also mainly failed investments (write-off of the commercial software ALFA and a write-off of Online Onboarding Client Portal software); furthermore membership fees, insurance of property/assets, deficits and gifts.

09 ADMINISTRATIVE COSTS

| thousands of CZK | 2022 | 2021 |
|--|----------------|----------------|
| Wages and employee bonuses | 79 544 | 67 329 |
| Social security and health insurance | 32 320 | 27 693 |
| Wages and bonuses paid to board members | 20 584 | 17 397 |
| Costs per employee | 132 448 | 112 419 |
| Other administrative costs | 151 015 | 110 101 |
| of this: bonuses/commissions for traders/consultants | 73 096 | 57 428 |
| of this: outsourcing costs | 16 779 | 7 040 |
| of this: statutory audit costs | 1 217 | 1 101 |
| of this: tax and legal consulting | 1 705 | 1 516 |
| of this: promotion, events, PR | 12 974 | 10 774 |
| of this: other services – IT, service and software support | 14 132 | 14 224 |
| of this: rent and business expenses | 11 121 | 10 287 |
| Total | 283 463 | 222 520 |

The average adjusted number of employees was as follows:

| thousands of CZK | 2022 | 2021 |
|---------------------------|------|------|
| Employees | 107 | 101 |
| Board members | 3 | 4 |
| Supervisory Board members | 5 | 5 |

Rentals and Leasing

Neither for the year 2022 nor the year 2021 were costs for rentals and leasing reported as administrative costs, because the Company, as of 1 Jan. 2019, reports assets from usage rights for this property, which are written off, and also leasing obligations for which interest costs are reported.

The Rental and other leasing costs heading contains costs relating to leasing payments that were not included in appraisals of leasing obligations for the year 2022. These amount to 262,000 CZK in 2022 (2021: 340,000 CZK). Because the Company, in cases of

- short-term leasing,
- or leasing at a low purchase price,

does not report assets from usage rights for such leasing agreements in its balance sheet, but rather uses the option for reporting costs related to those leasing agreements directly in its profit and loss statement (i.e., under the heading *Other administrative costs*). Thus, the Other heading contains these costs broken down as follows:

| thousands of CZK | 2022 | 2021 |
|--|------|------|
| Costs related to short-term leasing agreements | 87 | 90 |
| Costs related to leasing agreements with low purchase prices | 175 | 250 |
| Total costs related to short-term leasing agreements and leasing agreements with low purchase prices | 262 | 340 |

Total cash expenditure on all leasing agreements for 2022 was for a total amount of 2,289,000 CZK (2021: 1,856,000 CZK).

10 INCOME AND EXPENSES PER REGION OF ACTIVITY

A) Geographic Areas

| thousands of CZK | Czech Republic | | Central & Eastern Europe | |
|--|----------------|---------|--------------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest earnings and similar earnings | 719 | 211 | 10 | 2 |
| Interest costs and similar costs | 4 491 | 804 | 58 | 48 |
| Income from fees and commissions | 4 248 | 5 257 | 18 441 | 15 090 |
| Expenses for fees and commissions | 9 602 | 9 133 | 16 997 | 15 049 |
| Profit or loss from financial operations | 194 457 | 275 459 | 216 646 | 59 904 |

11 TRANSACTIONS WITH RELATED PARTIES

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|------------------|--------------|--------------|
| Debts | 1 177 308 | 738 544 |
| Liabilities | 130 110 | 44 629 |
| Earnings | 336 102 | 134 522 |
| Costs | 324 681 | 140 301 |

Liabilities with related parties as of 31 Dec. 2022 for an amount of 1,177,308 thousand CZK (31 Dec. 2021: 738,544 thousand CZK) consist of the following:

- liability (debt) from a loan for NERUDOVA property s.r.o. for the amount of 11,749 thousand CZK (31 Dec. 2021: 11,541 thousand CZK) based on a loan agreement payable by 9 July 2025. This liability (debt) has a fixed interest rate;
- deposits paid for rental deposits and services related to building rental paid for by NERUDOVA property s.r.o. for the amount of 1,301 thousand CZK (2021: 1,301 thousand CZK);
- liability (debt) for AKCENTA LOGISTICS a.s. on grounds of providing a deposit on services for the amount of 500 thousand CZK (2021: 37 thousand CZK);
- liability (debt) for True Finance s.r.o. for cross-invoicing expenses for upgrading the "zalep.to" portal for the amount of 518 thousand CZK (2020: 451 thousand CZK);
- liability (debt) for Raiffeisenbank Group for balances on bank accounts for the amount of 1,163,746 thousand CZK (2021: 722,881 thousand CZK).

Debts to related parties include debts for unpaid invoices for services from related parties that are already mature (due).

- liability (debt) for Raiffeisenbank Group for derivative trade hedging for the amount of 127,400 thousand CZK (2021: 41,800 thousand CZK).

Earnings from related parties consist mainly of exchange rate profit and interest on loans and collateral:

- exchange rate profits for the amount of 335,753 thousand CZK (2021: 94,214 thousand CZK).

Costs from related parties represent mainly the following:

- outsourcing services for the amount of 16,779 thousand CZK (2021: 7,040 thousand CZK);
- costs stemming from rental of space for the amount of 2,518 thousand CZK (2021: 2,333 thousand CZK) and related services;
- costs for services - data center - for the amount of 1,064,000 CZK (2021: 193 thousand CZK);
- costs related to the rental of a telephone switchboard for the amount of 1,907 thousand CZK (2021: 1,948 thousand CZK);
- cost-related interest for the amount of 3,389 thousand CZK (2021: 68,000 CZK);
- cost-related fees for the amount of 7,065 thousand CZK (2021: 3,342,000 CZK);
- exchange rate losses from trades for the amount of 290,288 thousand CZK (2021: 63,603 thousand CZK).

12 LIABILITIES FOR BANKS

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|--|------------------|------------------|
| Current accounts (nostro accounts) | 3 368 471 | 2 383 276 |
| <i>of this: Client escrow funds (accounts)</i> | 3 320 299 | 2 213 232 |
| <i>Operational funds (accounts)</i> | 48 172 | 170 044 |
| Backing for spot trades | 196 511 | 55 177 |
| Other liabilities | 65 | 67 |
| Liabilities for banks – gross amount | 3 565 047 | 2 438 520 |
| Adjustable cost items | 0 | 0 |
| Liabilities for banks – net amount | 3 565 047 | 2 438 520 |

All liabilities for banks as of 31 Dec. 2022 and 31 Dec. 2021 are appraised at their current value per IFRS 9. Client funds consist of client assets in the form of cash on bank escrow accounts, where in compliance with

par. 1, §12e of the Act No. 256/2004 Coll, the Capital Markets Act, it is forbidden to use these funds for trades on one's own account or that of another customer, see Chapter 6, No. 24 – Rules for Customer Interaction.

The backing for spot trades represents a debt to Saxo Bank a.s., organization unit, for the amount of 196,511,000 CZK as of 31 Dec. 2022 (31 Dec. 2021: 55,177,000 CZK). This is a deposit for ongoing spot trades.

A) Classification of Liabilities for Banks at their Current Value per their Credit Risk Rating Level

| as of 31 Dec. 2022, thousands of CZK | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------------------------|--|--|------------------|
| | 12-month expected credit loss | Expected credit loss for the full period that financial assets are not credit depreciated | Expected credit loss for the full period that financial assets are credit depreciated | |
| Liabilities for banks appraised at current value | | | | |
| Credit rating Aaa to Aa3 | 48 224 | - | - | 48 224 |
| Credit rating A1 to A3 | 2 239 258 | - | - | 2 239 258 |
| Credit rating Baa1 to Baa3 | 828 897 | - | - | 828 897 |
| Credit rating Ba1 to Ba3 | 448 668 | - | - | 448 668 |
| Liabilities for banks – gross amount | 3 565 047 | - | - | 3 565 047 |
| Adjustable cost item(s) | - | - | - | - |
| Liabilities for banks – net amount | 3 565 047 | - | - | 3 565 047 |
| | | | | |
| as of 31 Dec. 2021, thousands of CZK | Level 1 | Level 2 | Level 3 | Total |
| | 12-month expected credit loss | Expected credit loss for the full period that financial assets are not credit depreciated | Expected credit loss for the full period that financial assets are credit depreciated | |
| Liabilities for banks appraised at current value | | | | |
| Credit rating Aaa to Aa3 | 44 535 | - | - | 44 535 |
| Credit rating A1 to A3 | 1 533 230 | - | - | 1 533 230 |
| Credit rating Baa1 to Baa3 | 462 999 | - | - | 462 999 |
| Credit rating Ba1 to Ba3 | 397 756 | - | - | 397 756 |
| Liabilities for banks – gross amount | 2 438 520 | - | - | 2 438 520 |
| Adjustable cost item(s) | 0 | - | - | 0 |
| Liabilities for banks – net amount | 2 438 520 | - | - | 2 438 520 |

B) Liabilities to Banks According to Residual Maturity

Liabilities to banks are contractually payable (become mature) within one month.

C) Analysis of Liabilities for Banks According to Collateral Type

Liabilities for banks do not represent collateral-backed liabilities.

13 LIABILITIES FOR NON-BANK SUBJECTS

A) Appraisal of Liabilities for Non-Bank Subjects

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---------------|---------------|
| Liabilities for client – gross amount | 14 613 | 14 793 |
| Adjustable cost items | (11 740) | (12 452) |
| Liabilities for clients – net amount | 2 873 | 2 341 |
| Liabilities for related parties– gross amount | 12 250 | 11 577 |
| Total liabilities for non-bank subjects – net amount | 15 123 | 13 918 |

All liabilities for non-bank subjects as of 31 Dec. 2022 and 31 Dec. 2021 are appraised at their current value per the IFRS 9.

LIABILITIES FOR CLIENTS

Liabilities for clients consist of liabilities for fees invoiced for trades and debt liabilities from trades.

Part of liabilities for clients also include liabilities on grounds of sending a duplicate payment to a client account for the amount of 5,580,000 CZK (31 Dec. 2021: 5,735,000 CZK) and a liability on the grounds of an exchange rate loss for the amount of 4,487,000 CZK (31 Dec. 2021: 4,356,000 CZK). Adjustable cost items were created for the liabilities listed.

B) Liabilities for Non-Bank Subjects at Current Value per Degree of Depreciation

| as of 31 Dec. 2022, thousands of CZK | Level 1 12-month expected credit loss | Level 2 Expected credit loss for the full period that financial assets are not credit depreciated | Level 3 Expected credit loss for the full period that financial assets are credit depreciated | Total |
|---|--|---|---|---------------|
| Liabilities for non-bank subjects appraised at current value | | | | |
| Liabilities for non-bank subjects – gross amount | - | 12 250 | 14 613 | 26 863 |
| Adjustable cost item(s) | - | - | (11 740) | (11 740) |
| Liabilities for non-bank subjects – net amount | - | 12 250 | 2 873 | 15 123 |

| as of 31 Dec. 2021, thousands of CZK | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------------------------|--|--|---------------|
| | 12-month expected credit loss | Expected credit loss for the full period that financial assets are not credit depreciated | Expected credit loss for the full period that financial assets are credit depreciated | |
| Liabilities for non-bank subjects appraised at current value | | | | |
| Liabilities for non-bank subjects – gross amount | - | 11 577 | 14 793 | 26 370 |
| Adjustable cost item(s) | - | - | (12 452) | (12 452) |
| Liabilities for non-bank subjects – net amount | - | 11 577 | 2 341 | 13 918 |

Given that most of the liabilities for non-bank subjects consist of liabilities for related parties, the Company does not set a rating level for credit risk.

C) Analysis of Liabilities (Debts) for Non-Bank Subjects According to Sector and Hedging Type

Liabilities for non-bank subjects consist mainly of liabilities for related parties who do not have any special form of hedging (backing).

D) Debts written-off for non-bank subjects and income from debt write-offs

Debt write-offs are described in Item No. 22 of this appendix to the financial statement.

14 PARTICIPATIONS WITH CONTROLLING INFLUENCE

Since 10 June 2015, the Company has had a 100% stake in NERUDOVA property s.r.o., ID No. 04151640.

Since 13 March 2020, the Company has had a 100% stake in Akcenta Digital s.r.o. (True Finance s.r.o.), ID No. 05177138. On 29 June 2022, the company name was changed to Akcenta Digital s.r.o. in the Commercial Register.

On 23 February 2021, the Company established a subsidiary company with a 100% stake; this being AKCENTA DE GmbH in Germany.

| Basic information as of 31 Dec. 2022, thousands of CZK | Headquarters | Business activity | Share capital* | Other items OC* | Share of OC | Share of voting rights | Account- ing value |
|---|--|---|-------------------|-----------------------|----------------|------------------------------|-----------------------|
| NERUDOVA property s.r.o. | Gočárova 227/50, Hradec Králové | Rental of real estate, apartments and commercial spaces | 200 | 11 308 | 100 % | 100 % | 9 700 |
| Akcenta Digital s.r.o. | Nerudova 1361/31, Hradec Králové | Electronic marketplace for trading debt | 20 | 199 | 100 % | 100 % | 5 207 |
| AKCENTA DE GmbH | Axel-Springer- Platz 3, Hamburg | Negotiating, arranging contracts with clients in Germany | 653 | 1 278 | 100 % | 100 % | 653 |
| Total | | | 873 | 12 785 | 100 % | 100 % | 15 560 |

| Basic information as of 31 Dec. 2021, thousands of CZK | Headquarters | Business activity | Share capital* | Other items OC* | Share of OC | Share of voting rights | Account- ing value |
|---|--|---|-------------------|-----------------------|----------------|------------------------------|-----------------------|
| NERUDOVA property s.r.o. | Gočárova 227/50, Hradec Králové | Rental of real estate, apartments and commercial spaces | 200 | 11 456 | 100 % | 100 % | 9 700 |
| True Finance s.r.o. | Nerudova 1361/31, Hradec Králové | Electronic marketplace for trading debt | 20 | (41) | 100 % | 100 % | 5 207 |
| AKCENTA DE GmbH | Axel-Springer- Platz 3, Hamburg | Negotiating, arranging contracts with clients in Germany | 653 | (161) | 100 % | 100 % | 653 |
| Total | | | 873 | 11 254 | 100 % | 100 % | 15 560 |

* According to the Company's trial balance sheets.

15 LONG-TERM INTANGIBLE ASSETS

A) Changes to Long-Term Intangible Assets

| thousands of CZK | Software | Appraisable rights | Unassigned assets | Total |
|--|-----------------|-------------------------------|------------------------------|---------------|
| Purchase price | | | | |
| As of 1 Jan. 2021 | 19 134 | 32 540 | 18 819 | 70 493 |
| Add-ons | 4 923 | - | 18 957 | 23 880 |
| Decreases | - | - | (4 923) | (4 923) |
| As of 31 Dec. 2021 | 24 057 | 32 540 | 32 853 | 89 450 |
| As of 1 Jan. 2022 | 24 057 | 32 540 | 32 853 | 89 450 |
| Add-ons | 2 729 | - | 13 944 | 16 673 |
| Decreases | - | - | (28 742) | (28 742) |
| As of 31 Dec. 2022 | 26 786 | 32 540 | 18 055 | 77 381 |
| Adjustments and adjustable cost items | | | | |
| As of 1 Jan. 2021 | 16 259 | 32 540 | - | 48 799 |
| Annual write-offs | 1 509 | - | - | 1 509 |
| As of 31 Dec. 2021 | 17 768 | 32 540 | - | 50 308 |
| As of 1 Jan. 2022 | 17 768 | 32 540 | - | 50 308 |
| Annual write-offs | 2 636 | - | - | 2 636 |
| As of 31 Dec. 2022 | 20 404 | 32 540 | - | 52 944 |

| Balance price | | | | |
|--------------------|-------|---|--------|--------|
| As of 31 Dec. 2021 | 6 289 | - | 32 853 | 39 142 |
| As of 31 Dec. 2022 | 6 382 | - | 18 055 | 24 437 |

The net growth (add-on) under the heading *Unassigned Assets* for the amount of 6,519,000 CZK for 2022 (2021: 14,035,000 CZK) relates mainly to the development and purchase of new business software. In 2022, the Company decided to report a failed investment for the total amount of 24,761,000 CZK. This involved a write-off for the ALFA business software for Online Onboarding of new clients.

16 LONG-TERM TANGIBLE ASSETS

A) Changes to Long-Term Tangible Assets

| thousands of CZK | Land and buildings | Machines and devices | Vehicles | Total |
|--|--------------------|----------------------|--------------|---------------|
| As of 1 Jan. 2021 | 14 085 | 11 349 | 12 210 | 37 644 |
| Add-ons | - | 56 | - | 56 |
| Decreases | - | - | (5 396) | (5 396) |
| As of 31 Dec. 2021 | 14 085 | 11 405 | 6 814 | 32 304 |
| As of 1 Jan. 2022 | 14 085 | 11 405 | 6 814 | 32 304 |
| Add-ons | 7 014 | 3 291 | 1 234 | 11 539 |
| Decreases | (155) | (3 085) | - | (3 240) |
| As of 31 Dec. 2022 | 20 944 | 11 611 | 8 048 | 40 603 |
| Adjustments and adj. cost items | | | | |
| As of 1 Jan. 2021 | 2 745 | 6 737 | 4 108 | 13 590 |
| Add-ons | 1 245 | 1 425 | 4 371 | 7 041 |
| Decreases | - | - | (5 396) | (5 396) |
| As of 31 Dec. 2021 | 3 990 | 8 162 | 3 083 | 15 235 |
| As of 1 Jan. 2022 | 3 990 | 8 162 | 3 083 | 15 235 |
| Add-ons | 1 579 | 1 278 | 1 281 | 4 138 |
| Decreases | (155) | (3 085) | - | (3 240) |
| As of 31 Dec. 2022 | 5 414 | 6 355 | 4 364 | 16 133 |
| Balance price | | | | |
| As of 31 Dec. 2021 | 10 095 | 3 243 | 3 731 | 17 069 |
| As of 31 Dec. 2022 | 15 530 | 5 256 | 3 684 | 24 470 |

B) Long-Term Tangible Assets Reporting in Compliance with IFRS 16

As part of long-term tangible assets (see Item 16a), we report, as of 1 Jan. 2019, usage rights for the following types of assets:

| thousands of CZK | Land and buildings | Machines and devices | Vehicles | Total |
|---------------------------|--------------------|----------------------|--------------|---------------|
| As of 1 Jan. 2021 | 13 456 | 483 | 1 464 | 15 403 |
| Add-ons | - | - | - | - |
| Decreases | - | - | (1 464) | (1 464) |
| As of 31 Dec. 2021 | 13 456 | 483 | - | 13 939 |
| As of 1 Jan. 2022 | 13 456 | 483 | - | 13 939 |
| Add-ons | 7 014 | - | 1 234 | 8 248 |
| Decreases | (155) | - | - | (155) |
| As of 31 Dec. 2022 | 20 315 | 483 | 1 234 | 22 032 |
| As of 1 Jan. 2021 | 2 520 | 195 | 562 | 3 277 |
| Annual deductions | 1 182 | 106 | 902 | 2 190 |
| Decreases | - | - | (1 464) | (1 464) |
| As of 31 Dec. 2021 | 3 702 | 301 | - | 4 003 |
| As of 1 Jan. 2022 | 3 702 | 301 | - | 4 003 |
| Annual deductions | 1 516 | 105 | 121 | 1 742 |
| Decreases | (155) | - | - | (155) |
| As of 31 Dec. 2022 | 5 063 | 406 | 121 | 5 590 |
| Balance price | | | | |
| As of 31 Dec. 2021 | 9 754 | 182 | - | 9 936 |
| As of 31 Dec. 2022 | 15 252 | 77 | 1 113 | 16 442 |

LAND AND BUILDINGS

The Company rents land and buildings for its headquarters, for housing/accommodation and for parking. These rental arrangements usually last for a period of 13 years. Rental fees are denominated in Czech crowns. In 2022, we concluded a contract for office space rental (including parking spaces) in Prague-Smíchov. This is for a group of our IT employees. For IFRS 16 purposes, the management set the rental agreement for a period of 7 years.

MACHINES AND DEVICES

The Company rents printers for operational and commercial purposes. These rental arrangements usually last for a period of 60 months. Rental fees are denominated in Czech crowns.

VEHICLES

This involves personal cars the Company rents for business trips by its sales directors and company employees. Usually, rental agreements are entered into for between 24-60 months. Rental fees are denominated in Czech crowns. In 2022, we concluded contracts for the rental of 3 automobiles.

17 OTHER ASSETS

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|--|----------------|----------------|
| Positive fair value of derivatives and spots | 198 269 | 200 609 |
| Deferred tax liability | 5 961 | 6 731 |
| Other | 3 582 | 3 720 |
| Total | 207 812 | 211 060 |

A) Positive Fair Value of Derivatives

Derivatives are backed by cash collateral for an initial value of 10% of the nominal trade value. From the moment of closing the trade up to its maturity, the fair trade value is monitored using the Marked to Market (MTM) method. Provided the MTM value achieves 85% of the collateral value, the client is asked to add to the collateral such that the MTM value falls below 70% of the collateral value.

B) Other

The "Other" heading represents mainly the following:

- operating deposits provided for an amount of 1,734,000 CZK (31 Dec. 2021: 3,623,000 CZK); and
- liabilities on behalf of employees for an amount of 175,000 CZK (31 Dec. 2021: 36,000 CZK).

18 LIABILITIES TO BANKS AND ACCEPTED PLEDGES AND GUARANTEES

The credit agreement with Komerční banka (KB) with a nominal value of 20 million CZK was cancelled in 2022.

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|------------------------------|--------------|-------------------|
| Type of credit (loan) | none | overdraft account |
| Portion of credit drawn down | - | - |
| Unused balance | - | 20 000 |
| Maturity | - | - |
| Payment calendar | - | one-off renewal |
| Repayable within 1 year | - | - |
| Repayable within 1-5 years | - | - |

19 LIABILITIES TO NON-BANK ENTITIES

A) Analysis of Commitments to Non-Bank Entities Based on Maturity

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|------------------------|------------------|------------------|
| (Re)payable on demand | 3 157 643 | 2 213 232 |
| from client collateral | 68 295 | 76 144 |
| Total | 3 157 643 | 2 213 232 |

Obligations toward non-bank subjects represent balances on company clients' internal payment accounts (IPAs). The latter serve for payment transactions and currency operations.

B) Liabilities to Participations with Controlling Influences

The Company does not have any liabilities to participations with controlling influence.

20 OTHER LIABILITIES

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 |
|---|----------------|----------------|
| Negative fair amounts of derivatives | 154 347 | 133 366 |
| Suppliers | 4 310 | 5 293 |
| Liabilities to employees | 7 542 | 6 936 |
| Liabilities to healthcare and social security (pension) funds | 3 771 | 3 225 |
| Liabilities to the national budget | 1 128 | 1 125 |
| Liabilities from trades | 158 772 | 75 685 |
| Liabilities from leasing | 17 228 | 10 547 |
| Debt cost estimate items | 11 156 | 10 734 |
| Essox obligation (liability) | 171 | 309 |
| Total | 358 425 | 247 220 |

LIABILITIES TO THE HEALTH INSURANCE AND SOCIAL SECURITY FUND

Liabilities to the health insurance and social security fund amounted to 3,771,000 CZK (3,225,000 CZK as of 31 Dec. 2021). None of these liabilities are past their maturity date.

LIABILITIES FROM LEASING

Liabilities from leasing for the amount of 17,228,000 CZK represent obligations for leasing related to the application of the IFRS 16 accounting standard as of 1 Jan. 2019 (10,547,000 CZK as of 31 Dec. 2021).

LIABILITIES FROM TRADING

Growth in the item Liabilities from Trading was caused primarily by an increase in receipt of collateral from commercial banks and credit unions for the amount of 148,862,000 CZK (65,417,000 CZK as of 31 Dec. 2021).

Liabilities from leasing based on maturity are segmented as follows:

| Time frame | 2022 | 2022 | 2022 |
|-----------------------------|-------------------------|--------------|---------------------------------------|
| | Future leasing payments | Interest | Current value of min. leasing payment |
| Payable within 1 year | 3 498 | 1 227 | 2 271 |
| Payable within 1-5 years | 15 582 | 3 375 | 12 207 |
| Payable within over 5 years | 2 846 | 96 | 2 750 |
| Total | 21 926 | 4 698 | 17 228 |

| Time frame | 2021 | 2021 | 2021 |
|-----------------------------|-------------------------|--------------|---------------------------------------|
| | Future leasing payments | Interest | Current value of min. leasing payment |
| Payable within 1 year | 1 626 | 459 | 1 167 |
| Payable within 1-5 years | 7 633 | 1 474 | 6 159 |
| Payable within over 5 years | 3 396 | 175 | 3 221 |
| Total | 12 655 | 2 108 | 10 547 |

21 RESERVES

A) Evolution of Reserves

| thousands of CZK | Other reserves | Reserves for income tax | Total |
|--|----------------|-------------------------|---------------|
| Balance as of 1 Jan. 2021 | 17 288 | 5 758 | 23 046 |
| Creation | 25 931 | 7 478 | 33 409 |
| Dissolution of unnecessary reserves | (794) | - | (794) |
| Usage | (16 494) | (5 758) | (22 252) |
| Reserves balance as of 31 Dec. 2021 | 25 931 | 7 478 | 33 409 |
| Balance as of 1 Jan. 2022 | 25 931 | 7 478 | 33 409 |
| Creation | 24 109 | - | 24 109 |
| Dissolution of unnecessary reserves | (2 618) | - | (2 618) |
| Usage | (23 997) | (7 478) | (31 475) |
| Reserves balance as of 31 Dec. 2022 | 23 425 | - | 23 425 |

Segmentation of creation of other reserves for 2022 for the amount of 24,109,000 CZK (2021: 25,931,000 CZK) consists of the following:

- creation of reserves for bonuses for the amount of 17,850,000 CZK (2021: 19,700,000 CZK);
- a reserve for unused vacation days for the amount of 4,601,000 CZK (2021: 5,068,000 CZK);
- creation of reserves for severance for the amount of 1,658,000 CZK (2021: 663,000 CZK);
- reserves for the anticipated amount of income tax due in 2022 were created for the amount of 17,479,000 CZK; amounts paid in deposits for 2022 for income tax for legal entities equaled 18,830,000 CZ; an income tax reserve is not reported (shown).

22 ADJUSTABLE COST ITEMS FOR LIABILITIES

A) Evolution of Adjustable Cost Items for Liabilities for Non-Bank Subjects and for Liabilities for Banks

| thousands of CZK | Non-tax deductible OP Liabilities for non-bank subjects | Non-tax deductible ACI Liabilities for banks | Total |
|--|---|--|---------------|
| Balance as of 1 Jan. 2021 | 11 802 | 103 | 11 905 |
| Creation | 1 413 | 220 | 1 633 |
| Dissolution | 174 | (322) | - |
| Usage | 355 | - | - |
| Exchange rate difference | (234) | (1) | (235) |
| Adjustable cost item balance as of 31 Dec. 2021 | 12 452 | - | 12 452 |
| Balance as of 1 Jan. 2022 | 12 452 | - | 12 452 |
| Creation | 641 | - | 641 |
| Dissolution | (598) | - | (598) |
| Usage | (701) | - | (701) |
| Exchange rate difference | (54) | - | (54) |
| Adjustable cost item balance as of 31 Dec. 2022 | 11 740 | - | 11 740 |

In 2022, we wrote off liabilities for a total amount of 716,000 CZK (2021: 487,000 CZK).

WRITTEN-OFF UNPAID CONTRACTUAL AMOUNT OF FINANCIAL ASSETS

In 2022, we paid for financial assets that were written off in 2021 and were subject to debt collection. This was for an amount of 34,000 CZK. This amount was reported in the Company account as revenue/earnings.

23 SHARE CAPITAL

Share capital as of 31 Dec. 2022 for an amount of 100,125,000 CZK consisted of 21 shares of common stock in the bearer's name at a nominal value of 1,875,000 CZK per share and 162 shares of common stock in the bearer's name at a nominal value of 375,000 CZK per share.

Company shareholder structure as of 31 Dec. 2022:

| Name | Headquarters | No. of shares (pc) | Share of basic capital (%) |
|--|--|--------------------|----------------------------|
| Raiffeisen Bank International AG, Org. ID No 90004205 | Am Stadtpark 9, 1030 Vienna, Austria | 103 | 70,04 % |
| Raiffeisenbank a.s., Org. ID No 49240901 | Hvězdova 1716/2b, 140 78 Prague 4, Czech Republic | 80 | 29,96 % |
| Total | | 183 | 100 % |

The Company will transfer its profits from 2022 for the full amount of 72,037,000 CZK to its undistributed profits from the prior period (for 2021, this amount was 73,060,000 CZK). The planned distribution (transfer) of profits is subject to approval by the shareholders meeting (general assembly).

24 INCOME TAX

Segmentation of income tax is as follows:

| thousands of CZK | 2022 | 2021 |
|---|---------------|---------------|
| Payable tax | 17 446 | 20 083 |
| Changes to deferred taxes reported in P/L statement | 770 | (1 601) |
| Total income tax | 18 216 | 18 482 |

A) Payable Income Tax (Tax Due)

| thousands of CZK | 2022 | 2021 |
|--|---------------|---------------|
| Pre-tax profit or loss for the fiscal period | 90 370 | 91 397 |
| Non-tax deductible costs increasing the tax base | 30 569 | 35 487 |
| Other items lowering the tax base | (30 104) | (22 225) |
| Subtotal | 90 862 | 104 659 |
| Tax calculated at the 19% rate | 17 264 | 19 885 |
| Tax paid abroad | 4 111 | 3 093 |
| Cumulative taxes paid abroad | (3 929) | (2 895) |
| Total tax liability | 17 446 | 20 083 |

Total costs due to payable income tax for 2022 equaled 17,446,000 CZK (2021: 20,083,000 CZK).

B) Deferred Tax Obligations / Liabilities

Deferred tax obligations and liabilities consist of the following:

| thousands of CZK | 31 Dec. 2022 | 31 Dec. 2021 | Change |
|--|--|--|--------------|
| | Deferred tax liability (+) / debt (-) | Deferred tax liability (+) / debt (-) | |
| Long-term tangible and intangible assets | (720) | (562) | (158) |
| Adjustable cost items for liabilities for non-bank subjects | 2 230 | 2 366 | (136) |
| Bonus and vacation (holiday) reserve fund | 4 451 | 4 927 | (476) |
| Net deferred tax debt/liability for which changes are reported in the Profit and Loss Statement | 5 961 | 6 731 | (770) |

As of 31 December 2022, the Company reported a deferred tax debt in its other assets for the amount of 5,961,000 CZK (31 December 2021: 6,731,000 CZK) calculated with a 19% income tax rate.

The impact of the tax deferral under the Income Tax heading in the profit and loss statement for 2022 equaled a loss amounting to 770,000 CZK (2021: earnings of 1,601,000 CZK).

25 OFF-BALANCE SHEET ITEMS

A) Debts/Liabilities from Spot and Fixed Trade Operations

The Company charges forward and swap trades with clients in its off-balance sheet accounts and records them there until the moment the trades are settled.

Furthermore, spot operations that are not settled neither on the debt side nor on the liability side are transferred to the off-balance sheet accounts.

Off-balance sheet debts and liabilities represent nominal (contractual) non-discount values.

B) Debts/Liabilities from Fixed Trade Operations and Options

| thousands of CZK | 31 Dec. 2022 Off-balance sheet items | | | 31 Dec. 2021 Off-balance sheet items | | |
|----------------------------|---|--------------------|---------------|---|---------------------|---------------|
| | Debt | Oblig. | Diff. | Debt | Oblig. | Diff. |
| Trading instruments | | | | | | |
| Fixed currency operations | 6 574 047 | (6 540 704) | 33 343 | 14 840 437 | (14 793 486) | 46 951 |
| Currency options | 1 496 743 | (1 496 113) | 630 | - | - | - |
| Total | 8 070 790 | (8 036 817) | 33 973 | 14 840 437 | (14 793 486) | 46 951 |

Off-balance sheet debts and liabilities are reported for their nominal (contractual) non-discount value amounts.

The following table contains the division of nominal values for individual types of financial derivatives based on their residual repayment (pay-back) periods.

| As of 31 Dec. 2022 | Within 3 months | 3 months to 1 year | 1-5 years | Over 5 years | Unspecified | Total |
|---|-----------------|--------------------|-------------|--------------|-------------|--------------|
| Trading instruments | | | | | | |
| Fixed currency operations (debts) | 2 724 769 | 2 850 976 | 998 302 | - | - | 6 574 047 |
| Fixed currency operations (liabilities) | (2 693 162) | (2 849 766) | (997 776) | - | - | (6 540 704) |
| Currency options (debts) | 270 162 | 738 363 | 488 218 | - | - | 1 496 743 |
| Currency options (liabilities) | (269 973) | (737 922) | (488 218) | - | - | (1 496 113) |
| As of 31 Dec. 2021 | | | | | | |
| Trading instruments | | | | | | |
| Fixed currency operations (debts) | 6 690 770 | 7 006 542 | 1 143 125 | - | - | 14 840 437 |
| Fixed currency operations (liabilities) | (6 667 595) | (6 974 610) | (1 151 281) | - | - | (14 793 486) |
| Currency options (debts) | - | - | - | - | - | - |
| Currency options (liabilities) | - | - | - | - | - | - |

26 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table provides a matching of items in the financial statement and the appraisal categories for financial instruments as of 31 Dec. 2022 and 31 Dec. 2021:

| 31 Dec. 2022, thousands of CZK | Mandatory in FVTPL | Current value | Purchase price | Total |
|--|--------------------|------------------|----------------|------------------|
| 1 Cash on hand and central bank deposits | | | | |
| 3 Liabilities for banks and credit unions | - | 3 565 047 | - | 3 565 047 |
| 4 Liabilities for non-bank subjects | - | 15 123 | - | 15 123 |
| 8 Participations with controlling influence | - | - | 15 560 | 15 560 |
| 11 Other assets that are financial instruments | 198 269 | 1 794 | - | 200 063 |
| Total financial assets | 198 269 | 3 581 991 | 15 560 | 3 795 820 |

| 31 Dec. 2022, thousands of CZK | Mandatory in FVTPL | Current value | Total |
|--|--------------------|------------------|------------------|
| 1 Liabilities to banks and credit unions | | 1 | 1 |
| 2 Liabilities to clients – credit union members | | 3 157 643 | 3 157 643 |
| 4 Other liabilities that are financial instruments | | 180 481 | 334 828 |
| Total financial liabilities | 154 347 | 3 338 125 | 3 492 472 |

| 31 Dec. 2021, thousands of CZK | Mandatory in FVTPL | Current value | Purchase price | Total |
|--|--------------------|------------------|----------------|------------------|
| 1 Cash on hand and central bank deposits | - | 34 | - | 34 |
| 3 Liabilities for banks and credit unions | - | 2 438 520 | - | 2 438 520 |
| 4 Liabilities for non-bank subjects | - | 13 918 | - | 13 918 |
| 8 Participations with controlling influence | - | - | 15 560 | 15 560 |
| 11 Other assets that are financial instruments | 200 609 | 3 685 | - | 204 294 |
| Total financial assets | 200 609 | 2 456 157 | 15 560 | 2 672 326 |

| 31 Dec. 2021, thousands of CZK | Mandatory in FVTPL | Current value | Total |
|--|--------------------|------------------|------------------|
| 1 Liabilities to banks and credit unions | | | |
| 2 Liabilities to clients – credit union members | | 2 213 232 | 2 213 232 |
| 4 Other liabilities that are financial instruments | | 91 833 | 225 199 |
| Total financial liabilities | 133 366 | 2 305 431 | 2 438 797 |

27 CREDIT RISK

As part of its activities, the Company does not take on, to a significant degree, credit risk.

Settlement of most payment transactions and limited trades for foreign currencies agreed with clients always occurs after money arrives from the client onto the Company's accounts.

Beyond this, the Company asks of most of its clients, with whom it enters into forward and swap trades, for the blocking of client finances for the purpose of covering potential losses from these trades in the future (e.g., cash-collateral). In the event of negative developments during the trade period, the Company asks that this collateral be increased.

The Company's credit risk is also tied to the deposit of free financial resources held by the Company and client financial resources the Company holds onto bank accounts. The Company limits this risk and follows a rule that it chooses only banks (counterparties) who have ratings assigned by international rating agencies; namely, Moody's Investors Service and S&P Global Ratings. Said ratings indicate that these institutions are sufficiently able to meet their own financial liabilities (commitments).

A) Setting Expected Credit Losses (ECL)

For the purpose of setting expected credit losses (ECL), the Company has divided up the *Liabilities for banks and credit unions category* (heading) based on quantitative and qualitative criteria for liabilities:

- not failing and without significant credit risk growth (Stage 1),
- with significant credit risk growth since the initial accounting (Stage 2),
- failing (Stage 3).

Furthermore, for purposes of calculating expected credit losses (ECL), the Company makes use of a simplified approach for the Liabilities for non-bank subjects category (heading), i.e., ECL is always for the amount of the full-life credit loss.

CALCULATION OF EXPECTED CREDIT LOSSES (ECL) FOR LIABILITIES FOR BANKS

The Company calculates expected credit losses (ECL) for liabilities for banks based on the following equation:
 $ECL = PD * EAD * LGD$

Key outputs and requirements for ECL calculation include the following variables/parameters:

a) probability of default (PD)

PD for each exposure has been set dependent on the counterparty's external credit rating based on data from Moody's.

In the event that the counterparty does not have an assigned external credit rating, its rating is calculated based on the following:

- the parent company's rating; provided it involves a subsidiary company or bank subsidiary outside the EU, the counterparty's rating is reduced by one rating level;
- the average external credit rating of the five largest financial institutions in the given country which is reduced by the relevant number of rating levels depending on the counterparty's CET1 capital ratio. Provided the CET1 ratio is not available, the average rating is automatically reduced by three levels.

b) exposure at default (EAD)

The gross accounting value for exposure as of the date of ECL calculation is classified as EAD.

c) loss given default (LGD)

The user of this instrument has the option of choosing an LGD regulator value or a value set dependent on the counterparty's external rating based on data from Moody's.

DIVISION OF LIABILITIES FOR BANKS INTO INDIVIDUAL LEVELS OF DEVALUATION (DEFAULT)

Calculation of ECL for liabilities for banks based on individual levels of devaluation is as follows:

- Level 1 devaluation – for the amount of 12-month credit loss
- Level 2 and 3 devaluation – for the amount of full-life credit loss

Liabilities for banks are divided into individual levels of devaluation dependent on the number of days due (after maturity) with the exception of low credit risk and a credit risk increase following the initial accounting.

Assets in Level 1 devaluation:

- Financial assets less than 30 days overdue (past maturity);
- Financial assets whose counterparty has a credit rating on the Moody's scale of Baa3 or better (assets with a low credit risk for the counterparty).

Assets in Level 2 devaluation:

- Financial assets 30 or more days overdue (past maturity); however, maximum 90 days overdue (past maturity);
- Financial assets that have had a drop in their counterparty's credit rating on the Moody's scale by two or more levels since their initial accounting/processing (a significant increase in their credit risk since the initial accounting) and where the counterparty also has a credit rating of Ba1 or worse on the Moody's scale.

Assets in Level 3 devaluation:

- Financial assets 90 or more days overdue (past maturity);
- Financial assets marked as purchased or where credit devaluation of the financial assets has occurred (POCI);
- Financial assets whose counterparty has a CET1 capital ratio of less than 4.5%.

B) Matching of initial and final balances for adjustable cost items

Liabilities for banks and credit unions appraised at their current value – 31 Dec. 2022

| As of 31 Dec. 2022, thousands of CZK | Level 1 | Level 2 | Level 3 | POCI | Total |
|---|----------------|---|---|--|--------------|
| | 12-month ECL | Full-life ECL for financial assets that are not in credit devaluation (default) | Full-life ECL for financial assets that are in credit devaluation (default) | Purchased or provided credit devaluated financial assets | |
| Balance as of 1 Jan. 2022 | - | - | - | - | - |
| Reappraisals and exchange rate differences | - | - | - | - | - |
| Balance as of 31 Dec. 2022 | - | - | - | - | - |

Liabilities for banks and credit unions appraised at their current value – 31 Dec. 2021

| As of 31 Dec. 2021, thousands of CZK | Level 1 | Level 2 | Level 3 | POCI | Total |
|---|----------------|---|---|--|--------------|
| | 12-month ECL | Full-life ECL for financial assets that are not in credit devaluation (default) | Full-life ECL for financial assets that are in credit devaluation (default) | Purchased or provided credit devaluated financial assets | |
| Balance as of 1 Jan. 2021 | 103 | - | - | - | 103 |
| Reappraisals and exchange rate differences | (103) | - | - | - | (103) |
| Balance as of 31 Dec. 2021 | - | - | - | - | - |

Liabilities for non-bank subjects appraised at their current value – 31 Dec. 2022

| As of 31 Dec. 2022, thousands of CZK | Level 1 | Level 2 | Level 3 | POCI | Total |
|---|-----------------|--|--|---|-----------------|
| | 12-month ECL | Full-life ECL for financial assets that are not in credit devaluation (default) | Full-life ECL for financial assets that are in credit devaluation (default) | Purchased or provided credit devaluated financial assets | |
| Balance as of 1 Jan. 2022 | - | - | (12 452) | - | (12 452) |
| Reappraisals and exchange rate differences | - | - | (712) | - | (712) |
| Balance as of 31 Dec. 2022 | - | - | (11 740) | - | (11 740) |

The nominal value of devalued assets is 13,146,000 CZK, adjustable cost items created equal 11,740,000 CZK. During 2022, no significant changes to adjustable cost items occurred due to changes in the gross accounting value of financial assets.

Liabilities for non-bank subjects appraised at their current value – 31 Dec. 2021

| As of 31 Dec. 2021, thousands of CZK | Level 1 | Level 2 | Level 3 | POCI | Total |
|---|-----------------|--|--|---|-----------------|
| | 12-month ECL | Full-life ECL for financial assets that are not in credit devaluation (default) | Full-life ECL for financial assets that are in credit devaluation (default) | Purchased or provided credit devaluated financial assets | |
| Balance as of 1 Jan. 2021 | - | - | (11 802) | - | (11 802) |
| Reappraisals and exchange rate differences | - | - | (650) | - | (650) |
| Balance as of 31 Dec. 2021 | - | - | (12 452) | - | (12 452) |

The nominal value of devalued assets is 13,270,000 CZK, adjustable cost items created equal 12,452,000 CZK. During 2021, no significant changes to adjustable cost items occurred due to changes in the gross accounting value of financial assets.

C) Maximum exposure to credit risk

| 31 Dec. 2022, thousands of CZK | Balance sheet | Off-balance sheet | Total credit risk exposure | Collateral provided | Main collateral type |
|--|------------------|----------------------|----------------------------------|------------------------|----------------------------|
| Liabilities for banks and credit unions | 3 565 047 | - | 3 565 047 | - | - |
| Liabilities for non-bank subjects | 15 123 | - | 15 123 | - | - |
| Other assets that are financial instruments and appraised at a fair value | 198 269 | - | 198 269 | - | - |
| Other assets that are financial instruments and appraised at current value | 1 794 | - | 1 794 | - | - |
| Total | 3 780 233 | - | 3 780 233 | - | - |

| 31 Dec. 2021, thousands of CZK | Balance sheet | Off-balance sheet | Total credit risk exposure | Collateral provided | Main collateral type |
|--|------------------|----------------------|----------------------------------|------------------------|----------------------------|
| Liabilities for banks and credit unions | 2 438 520 | - | 2 438 520 | - | - |
| Liabilities for non-bank subjects | 13 918 | - | 13 918 | - | - |
| Other assets that are financial instruments and appraised at a fair value | 200 609 | - | 200 609 | - | - |
| Other assets that are financial instruments and appraised at current value | 3 685 | - | 3 685 | - | - |
| Total | 2 656 732 | - | 2 656 732 | - | - |

D) CONCENTRATION BASED ON SECTOR

| 31 Dec. 2022, thousands of CZK | Financial organizations | Non-financial organizations | Total |
|-----------------------------------|----------------------------|--------------------------------|------------------|
| Liabilities for banks | 3 565 047 | - | 3 565 047 |
| Liabilities for non-bank subjects | - | 15 123 | 15 123 |
| Total | 3 565 047 | 15 123 | 3 580 170 |

| 31 Dec. 2021, thousands of CZK | Financial organizations | Non-financial organizations | Total |
|-----------------------------------|----------------------------|--------------------------------|------------------|
| Liabilities for banks | 2 438 520 | - | 2 438 520 |
| Liabilities for non-bank subjects | - | 13 918 | 13 918 |
| Total | 2 438 520 | 13 918 | 2 452 438 |

E) CONCENTRATION BASED ON GEOGRAPHIC AREA

| 31 Dec. 2022, thousands of CZK | Czech Republic | EU w/o CR | Total |
|--------------------------------|------------------|------------------|------------------|
| Liabilities for banks | | | |
| Liabilities for clients | 13 274 | 1 849 | 15 123 |
| Total | 1 895 737 | 1 684 433 | 3 580 170 |

| 31 Dec. 2021, thousands of CZK | Czech Republic | EU w/o CR | Total |
|-----------------------------------|------------------|------------------|------------------|
| Liabilities for banks | | | |
| Liabilities for non-bank subjects | 12 513 | 1 405 | 13 918 |
| Total | 1 131 954 | 1 320 484 | 2 452 438 |

28 CURRENCY RISK

Currency risk is the most noticeable market risk that the Company faces given the nature of its activities.

Currency risk is managed using the following:

- cautious and efficient management of open currency positions,
- setting stop/loss limits,
- setting and checking internal limits for maximum amounts for total open currency positions.

Currency positions for balance sheet and off-balance sheet items based on the main currencies are as follows:

| 31 Dec. 2022, thousands of CZK | EUR | USD | PLN | HUF | CZK | Other | Total |
|--|------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Cash on hand and central bank deposits | - | - | - | 2 | 25 | - | 27 |
| Liabilities for banks | 1 648 522 | 459 230 | 323 090 | 454 081 | 447 310 | 232 814 | 3 565 047 |
| Liabilities for non-bank subjects | 198 | 2 | 646 | 587 | 13 682 | 8 | 15 123 |
| Participations with controlling influence | 653 | - | - | - | 14 907 | - | 15 560 |
| Long-term tangible and intangible assets | - | - | - | - | 48 907 | - | 48 907 |
| Other assets | 322 | 1 | 32 | - | 207 457 | - | 207 812 |
| Expenditure and income for coming period | - | - | - | - | 2 590 | - | 2 590 |
| Total | 1 649 695 | 459 233 | 323 768 | 454 670 | 734 878 | 232 822 | 3 855 066 |
| Liabilities to banks | - | - | - | - | - | 1 | 1 |
| Liabilities to non-bank subjects | 2 025 322 | 533 478 | 120 753 | 185 588 | 150 345 | 142 157 | 3 157 643 |
| Other debts | 28 891 | 1 678 | 817 | 2 243 | 323 386 | 1 410 | 358 425 |
| Revenues and expenditure for coming period | 1 | - | 9 | - | 46 | 3 | 59 |

| | | | | | | | |
|---|------------------|----------------|------------------|------------------|----------------|-----------------|------------------|
| Reserves | - | - | - | - | 23 425 | - | 23 425 |
| Ownership capital | - | - | - | - | 315 513 | - | 315 513 |
| Total | 2 054 214 | 535 156 | 121 579 | 187 831 | 812 715 | 143 571 | 3 855 066 |
| Long positions from FX spots and Derivatives | 4 225 675 | 426 475 | 470 654 | 178 599 | 3 711 449 | 139 899 | 9 152 751 |
| Short positions from FX spots and Derivatives | 3 824 831 | 344 329 | 692 972 | 453 518 | 3 574 328 | 228 779 | 9 118 757 |
| Net currency position | 400 844 | 82 146 | (222 318) | (274 919) | 137 121 | (88 880) | 33 994 |

| 31 Dec. 2021, thousands of CZK | EUR | USD | PLN | HUF | CZK | Other | Total |
|---|------------------|----------------|------------------|------------------|----------------|-----------------|------------------|
| Cash on hand and central bank deposits | 1 | - | - | 2 | 31 | - | 34 |
| Liabilities for banks | 744 276 | 212 455 | 529 186 | 384 152 | 274 877 | 293 574 | 2 438 520 |
| Liabilities for non-bank subjects | 147 | 61 | 1 014 | 64 | 12 628 | 4 | 13 918 |
| Participations with controlling influence | 653 | - | - | - | 14 907 | - | 15 560 |
| Long-term tangible and intangible assets | - | - | - | - | 56 211 | - | 56 211 |
| Other assets | 1 659 | 1 | - | - | 209 400 | - | 211 060 |
| Expenditure and income for coming period | - | - | - | - | 2 640 | - | 2 640 |
| Total | 746 736 | 212 517 | 530 200 | 384 218 | 570 694 | 293 578 | 2 737 943 |
| Liabilities to banks | - | - | - | 26 | 340 | - | 366 |
| Liabilities to non-bank subjects | 1 185 879 | 251 940 | 172 067 | 334 720 | 159 429 | 109 197 | 2 213 232 |
| Other debts | 34 618 | 538 | 1 028 | 1 760 | 208 346 | 930 | 247 220 |
| Revenues and expenditure for coming period | 21 | - | 22 | - | 197 | - | 240 |
| Reserves | - | - | - | - | 33 409 | - | 33 409 |
| Ownership capital | - | - | - | - | 243 476 | - | 243 476 |
| Total | 1 220 518 | 252 478 | 173 117 | 336 506 | 645 197 | 110 127 | 2 737 943 |
| Long positions from FX spots and Derivatives | 7 286 635 | 706 515 | 2 736 952 | 286 244 | 4 880 543 | 597 157 | 16 494 046 |
| Short positions from FX spots and Derivatives | 6 846 676 | 672 177 | 3 054 442 | 461 836 | 4 716 791 | 694 556 | 16 446 478 |
| Net currency position | 439 959 | 34 338 | (317 490) | (175 592) | 163 752 | (97 399) | 47 568 |

The *Other* column includes the following currencies: GBP, CHF, SEK, AUD, JPY, CAD, DKK, RUB, NOK, CNY, RON, HRK and TRY.

29 INTEREST RISK

The Company does not view interest risk to be significant and this mainly due to the fact that 96% of its total trades executed for clients consist of spot trades. Forward trades are usually repayable (mature) within three months.

30 LIQUIDITY RISK

In the Company's case, liquidity is defined as the Company's ability to fulfil its obligations to clients in a timely and due manner as relates to realization of currency conversions and payment transactions related thereto. The Company has mechanisms in place that separate client funds from the Company's operating funds.

The greater portion of spot/forward trades concluded are settled by the Company once the Company receives finances from clients to cover the trades. This means that trades which are not covered (backed) are not carried out; this in fact prevents liquidity risk within the Company. The exception is trades for clients who draw on a short-term credit line (the Company provides credit-based payment services within the scope of its payment institution license; said credits are payable within 1-2 business days), because, since 1 December 2016, the Company has offered eligible clients the possibility to draw on a short-term credit line.

A) Residual Contract Maturity (Amounts Payable)

The following tables show the residual contractual maturity for financial liabilities:

| 31 Dec. 2022, thousands of CZK | Account. values | Non- discret. monetary flows | In 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Over 5 years |
|--|--------------------|---------------------------------------|------------------|---------------|-----------------------|---------------|-----------------|
| FINANCIAL LIABILITIES | | | | | | | |
| Non-derivative liabilities | | | | | | | |
| Liabilities to banks and credit unions | 1 | 1 | 1 | - | - | - | - |
| Liabilities to non-bank subjects | 3 157 643 | 3 157 643 | 3 157 643 | - | - | - | - |
| Other debts that are financial instruments | 180 481 | 180 481 | 162 781 | 581 | 1 637 | 12 732 | 2 750 |
| Total | 3 338 125 | 3 338 125 | 3 320 425 | 581 | 1 637 | 12 732 | 2 750 |
| Derivative liabilities | | | | | | | |
| Instruments for trading | (154 347) | (154 347) | (10 679) | (22 245) | (87 327) | (34 096) | - |

| 31 Dec. 2021, thousands of CZK | Account. values | Non- discret. monetary flows | In 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Over 5 years |
|--|--------------------|---------------------------------------|------------------|---------------|-----------------------|--------------|-----------------|
| FINANCIAL LIABILITIES | | | | | | | |
| Non-derivative liabilities | | | | | | | |
| Liabilities to banks and credit unions | 366 | 366 | 366 | - | - | - | - |
| Liabilities to non-bank subjects | 2 213 232 | 2 213 232 | 2 213 232 | - | - | - | - |
| Other debts that are financial instruments | 91 833 | 91 833 | 80 915 | 322 | 877 | 6 454 | 3 265 |
| Total | 2 305 431 | 2 305 431 | 2 294 513 | 322 | 877 | 6 454 | 3 265 |
| Derivative liabilities | | | | | | | |
| Instruments for trading | (133 366) | (133 366) | (26 731) | (45 720) | (57 786) | (3 129) | - |

The balances shown in the tables above are calculated and reported on as follows:

| Type of financial instrument | Means, requirements and reasons for determining residual contractual maturity |
|---|--|
| Non-derivative financial instruments | Non-discounted monetary flows that include anticipated interest payments |
| Trade derivatives that the accounting unit has concluded with its customers | Contractual non-discounted monetary flows. The reason is that these derivatives are usually not concluded prior to the date of their contractual maturity. Therefore, the accounting unit believes that contractual maturity is critical to understanding the timing of cash flows tied to these derivatives. |

31 OPERATIONAL RISK

The Company defines operational risk as the risk of loss due to the influence of a lack, or failure, of internal processes, human resources or systems and the risk of loss of due to the influence of external factors: including risks arising as a result of breach of, or failure to fulfil, requirements in legal norms.

The process for managing operational risk in Company conditions is expressed in a summary of activities that are carried out regularly (on a quarterly basis). This includes mainly identification, assessment and monitoring of risk, in addition to checks on fulfilment of preventive and other measures meant to mitigate individual types of risk. These activities' outputs are recorded in the internal Risk Matrix document. Operational risk tied to Company activities are mitigated in Company conditions using:

- systemic support for all processes,
- thorough separation of the broker roles, trade settlement and trade accounting,
- configuration of user rights for all systems,
- standardization of work processes,
- multi-tier checks on processes with a quantitatively high impact on the profit and loss statement,
- application of 4-eye checks,
- expert supervision by the Compliance, Internal Audit and Risk Management Departments,
- back-up plans for handling extraordinary circumstances.

32 FAIR VALUE

Appraisal Methods

Appraisal methods include the following:

- net current value and models based on discount cashflows,
- comparisons with similar instruments for which there are observable prices,
- setting of fair values based on net accounting ownership capital (i.e., appraisal according to the subsidiary company NAV).

Requirements and Inputs

Requirements and inputs used in appraisal methods include the following:

- risk-free interest rates (levels),
- currency exchange rates,
- reference interest rates,
- swap rates,
- counterparty's credit risk,
- anticipated settlement date.

Aim of Appraisal Method

The aim of the appraisal method is to establish a fair value that reflects the price obtained through an asset sale or paid for acquisition of an obligation as part of a standard transaction between market participants on the day of appraisal.

Processes and Controls (Checks)

The accounting unit has set up a system of checks (controls) for fair value appraisal. The given controls include the following:

- verifying monitorable/observable inputs and prices;
- cross-check using model-based recalculation;
- checks and approval procedures for new appraisal models and changes thereto;
- analysis and investigation of significant daily differences in appraisals.

Financial Instruments That Are Not Reported at Fair Value in the Balance Sheet

Accounting values and fair values of financial assets and liabilities that are not reported at their real value in the accounting unit's balance sheet are shown in the table below:

| 31 Dec. 2022, thousands of CZK | | Accounting value | Fair value |
|--------------------------------|--|------------------|------------|
| FINANCIAL ASSETS | | | |
| 1 | Cash on hand and central bank deposits | 27 | 27 |
| 3 | Liabilities for banks and credit unions | 3 565 047 | 3 565 047 |
| 4 | Liabilities for non-bank subjects | 15 123 | 15 123 |
| 8 | Participations with controlling influence | 15 560 | n/a |
| 11 | Other assets that are financial instruments | 1 794 | 1 794 |
| FINANCIAL LIABILITIES | | | |
| 1 | Liabilities to banks and credit unions | 1 | 1 |
| 2 | Liabilities to non-bank subjects | 3 157 643 | 3 157 643 |
| 4 | Other financial liabilities that are financial instruments | 180 481 | 180 481 |

| 31 Dec. 2021, thousands of CZK | | Accounting value | Fair value |
|--------------------------------|--|------------------|------------|
| FINANCIAL ASSETS | | | |
| 1 | Cash on hand and central bank deposits | 34 | 34 |
| 3 | Liabilities for banks and credit unions | 2 438 520 | 2 438 520 |
| 4 | Liabilities for non-bank subjects | 13 918 | 13 918 |
| 8 | Participations with controlling influence | 15 560 | n/a |
| 11 | Other assets that are financial instruments | 3 685 | 3 685 |
| FINANCIAL LIABILITIES | | | |
| 1 | Liabilities to banks and credit unions | 366 | 366 |
| 2 | Liabilities to non-bank subjects | 2 213 232 | 2 213 232 |
| 4 | Other financial liabilities that are financial instruments | 91 833 | 91 833 |

The accounting unit uses the following inputs and techniques to determine fair value:

CASH ON HAND AND CENTRAL BANK DEPOSITS

Accounting value equals fair value. These financial assets are ranked at Level 1 in the fair value hierarchy.

LIABILITIES FOR BANKS AND CREDIT UNIONS

Given the short maturity of these liabilities, their accounting value is closer to their fair value. These financial assets are ranked at Level 1 in the fair value hierarchy.

LIABILITIES FOR NON-BANK SUBJECTS

Estimates for the fair value of liabilities come from discounted future expected cashflows while using the counterparty's no-risk interest rate and credit risk (assessment). For devalued credits (loans), we work with the current value of future expected cashflows including expected earnings from possible collateral realization (usage).

These financial assets rank at Level 3 in the fair value hierarchy.

PARTICIPATIONS WITH CONTROLLING INFLUENCE

A fair value for investment in participations with controlling influence cannot be reliably established, given these are non-liquid assets.

FINANCIAL INSTRUMENTS THAT ARE REPORTED AT THEIR FAIR VALUE IN THE FINANCIAL STATEMENT

The following table shows individual levels of fair value for financial assets and financial liabilities which are reported at their fair value in the balance sheet:

| 31 Dec. 2022, thousands of CZK | | Level 1 | Level 2 | Level 3 |
|--------------------------------|--|---------|---------|---------|
| FINANCIAL ASSETS | | | | |
| 11 | Other assets – Positive fair value of derivatives | - | 153 405 | 44 389 |
| FINANCIAL LIABILITIES | | | | |
| 4 | Other liabilities – Negative fair value of derivatives | - | 6 170 | 147 772 |

| 31 Dec. 2021, thousands of CZK | | Level 1 | Level 2 | Level 3 |
|--------------------------------|--|---------|---------|---------|
| FINANCIAL ASSETS | | | | |
| 11 | Other assets – Positive fair value of derivatives | - | 88 851 | 110 392 |
| FINANCIAL LIABILITIES | | | | |
| 4 | Other liabilities – Negative fair value of derivatives | - | 29 492 | 103 328 |

TRANSFERS BETWEEN LEVEL 1 AND LEVEL 2

During 2022 and 2021, no transfers between Level 1 and Level 2 occurred.

APPRAISAL METHODS USED AND INPUT QUANTITIES FOR LEVEL 2 AND LEVEL 3

Fair value for derivatives is set based on the current value of estimated cashflows deriving from transactions with a view to market inputs such as currency spot and forward rates, reference interest rates, swap rates, etc. For certain currency forwards presented in the previous overview such as derivatives with an uncertainty (risk) level of 3, the settlement date is set as a part of a time window and authorizes the client to execute a transaction for the full or partial volume at any time during the set timeframe. When setting/establishing expected cashflows, the company estimates the anticipated date of executing the transaction by the client and related trade volumes. These estimates have a fundamental influence on setting the value for the given derivatives and there is a significant risk that the actual dates and trade volumes will differ during the following accounting period. The resulting profit and loss realized from those trades in the future could therefore significantly differ from the estimated results which are mirrored in the established fair value.

As of 31 Dec. 2022, the company set the fair value for those derivatives using an appraisal model based on the anticipated drawdown of the derivatives at the middle of their life-cycle. This approach, according to the company, reflects the anticipated behavior of clients commensurate with the variability in timing of full or partial settlement of the given trades. The company regularly tests and compares the estimates in this model with the actual state of settlements for the given trades. Valuation of derivatives is extremely sensitive to this variability. If there were a change (adjustment) to the estimated settlement dates for these derivatives existing as of 31 Dec. 2022 (made in the aforementioned way) from 50% of the life-cycle to 40% or 60%, this would lead to a decrease / increase of unrealized profit from the reappraisal of those derivatives, which could amount to roughly 4 million CZK.

33 IMPORTANT EVENTS AFTER THE CLOSING OF THE ACCOUNTING REPORT

As of the date of completing this financial report, there are no other significant subsequent events that are known to us that would influence this financial statement covering the period up to 31 December 2022. This

also includes the Russian Federation's continuing of its war against Ukraine which, on a global level, could lead to a slow-down in economic growth or an increase in inflationary pressures or higher volatility on the currency trading market. Nonetheless, we do not expect these events to have any negative impact on the Company's financial results due to measures already taken and minimal exposure to subjects in Russia, Belarus and Ukraine.

Dispatched on 24 April 2023



Milan Cerman

Stamp and signature of the
statutory body



Daniel Johanis

Person responsible for
accounting



Romana Mašínová

Person responsible for the
financial statement

CONTACTS

COMPANY HEADQUARTERS

AKCENTA CZ a.s.
Salvátorská 931/8
110 00 Prague 1
Czech Republic

CORRESPONDENCE/CONTACT ADDRESS

AKCENTA CZ a.s.
Nerudova 1361/31
500 02 Hradec Králové
Czech Republic

CONTACTS

Tel: +420 498 777 770
Fax: +420 498 777 750
email: info@akcenta.eu
www.akcenta.com

