



# Annual Report 2020

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# Key economic indicators

**62,5**  
GWh

ANNUAL ELECTRICITY  
PRODUCTION

**75**  
ths. tons

ANNUAL CO<sub>2</sub>  
SAVINGS

**300**  
mil. CZK

TOTAL ANNUAL  
SALES

**2,5**  
billion CZK

UNLEVERAGED ASSETS  
UNDER MANAGEMENT



# Report of the Management Board



## Management Board report of NOVA GREEN ENERGY, SICAV, A.S.

Dear shareholders and business partners,

We would like to inform you about the business activities of investment fund NOVA Green Energy, SICAV, a.s. for the period from 1 January 2020 to 31 December 2020, together with the intentions of the Management Board as the management body of the Investment Company acting as manager and administrator on behalf of the Fund. The Fund's priority objective is the continuous appreciation of investors' deposits. At the same time, we focus on thoroughly measuring the performance of individual assets in order to increase internal performance.

The year 2020 will go down in the history of the fund as one of the most challenging was the year of the coronavirus pandemic arrival causing financial crisis in markets around the world. The Fund's entry into 2020 was the best entry in its entire eight-year history. After the first quarter, the Fund's performance indicator was 2.85% and in the first half of the year 4.75%. In the first quarter, the first Hungarian project was acquired in Báracs - a photovoltaic power plant with an installed capacity of 14.5 MW. The PV power plant was put into operation in June 2019 and the Fund took it over as a facility that is already in operation and generates cash flow. In the third quarter, a Hungarian photovoltaic project was acquired in Csabrendek with a total installed capacity of 28.5 MW and a logistics building in Pilsen, where rooftop photovoltaics are planned to be implemented. We took over the Csabrendek PV power plant project in the ready-to-build phase, i.e. a project with all permits, ready for implementation. In the fourth quarter, we started negotiations within the fund on the construction supplier and at the same time on the provider of external financing. In the fourth quarter, we decided to suspend the Fund (for 2 months) and revalue part of the portfolio related to the planned transaction of two biomass heating plants in Slovakia (TeHo Bardejov, s.r.o. and TeHo Topoľčany, s.r.o.). This is a complex project worth approximately EUR 60 million, for which we have provided financing. However, due to the COVID-19 crisis, the refinancing of projects was blocked, which was one of the conditions for the takeover of heating plants by the Fund. During the suspension, refinancing by the new bank was secured for a period of four years with another four-year option.

The fund also pledged a receivable of EUR 15 million from the parent company Arca Capital Slovakia Beteiligungs GmbH, so the project will not be jeopardized by a possible bankruptcy by the Arca Capital group. This means that the fund will be the sole creditor of the parent Arca Capital Slovakia Beteiligungs GmbH. In the next 6 months, together with the bank, we plan to indirectly and actively enter into the management of heating plants in order to optimize operations as much as possible with regard to the Fund's position as a creditor. We will also communicate with the bank about obtaining approval to acquire both heat sources

into the Fund's assets. According to our assumptions, this could be reflected in the unblocking of part of the current valuation discount, i.e. the November decrease in the NAV value. For the reasons mentioned above and in connection with the unfavourable situation of the Arca Capital Group, the Fund, for prudential reasons, revalued special-purpose, outstanding receivables from the Arca Capital Group. These generally accounted for a marginal part of the portfolio among lower percentage units, though. However, we continue to take all steps leading to the maximum benefit of the Fund from these receivables. The base of Fund's other assets remains sound and we expect them to continue to generate the standard appreciation that we anticipate in our valuation models in the future.

The expansion of energy resources portfolio owned by the Fund with new projects, especially in Hungary and Slovakia, brings additional managerial challenges for our team. Strengthening the Fund team with manager Martin Dratva with many years of experience, especially with acquisitions in the field of energy, will be a valuable benefit for our growing team and a great investment in the future.

From the operational point of view, the year 2020 was relatively standard - part of the inverters of our largest PV power plant in the Czech Republic - Rožná PV power plant took place, the remaining part of the inverters will be implemented during 2021. In 2020, we also managed to negotiate a reduction in reserve funds at the Rožná PV power plant, which had a positive effect on the valuation. We also negotiate with financing institutions about possible further optimization measures. The cleaning of panels and removal of solid impurities had a positive effect on the performance of the photovoltaic portfolio as well as a minor technical measure leading to partial efficiencies at individual power plants. The overall excellent condition of our photovoltaic power plants was reflected in the premature fulfilment of the annual production plan already during the October. In total, we exceeded the plan by 5%, which in financial terms is cca. EUR 363,000. We continue to cooperate with our sister fund NOVA Real Estate, with which we plan to implement a 0.5 MW photovoltaic power plant in the Trenčín Industrial Park build. This project is unique because of the fact that it will operate under market conditions without any support. From a technical and economic point of view, the project is feasible, but currently the legislative conditions in Slovakia prevents us from operation. At the beginning of 2020, we tried to push through this project in its entire original size, i.e. 5 MW. The distribution system operator rejected our application, or did not deal with it at all, due to the so-called STOP status for connecting new sources in Slovakia. After the 2020 elections in Slovakia, we expect the situation to relieve and receive a positive opinion on our project. At the end of the year, an application was prepared for the connection of a so-called local source, i.e. a source up to 500 kW, which the legislation in Slovakia allows and we are waiting for the opinion of the distribution system operator.

The fund now has a total installed capacity of 36.5 MW of electrical and 6 MW of thermal. Annual electricity production is at the level of 62,500 MWh, which would cover the consumption of approximately 20,000 households. This volume ranks us among the most important funds in the field of green energy in the region of Central and Eastern Europe.

In 2020, the energy market in Europe and the Czech Republic continues its gradual transformation towards decentralized sources and the strengthening of the importance of renewable energy. Emphasis is placed primarily on energy savings, increasing the share of renewable sources, reducing greenhouse gas emissions, as well as innovative technologies (battery systems, smart technologies, electromobility, etc.). The most important document in the field of European energy remains the so-called EC winter package, which focuses on energy efficiency and CO2 emissions, as well as the EU Green deal. The new "energy" package contains many interesting numbers and goals. One of the most important goals is probably to reduce energy consumption by 30% by 2030. By the same year, Europe also wants to reduce CO2 emissions by at least 40% as well as modernize its economy. By 2030, 50% of electricity should be produced from renewable sources according to the plan. In connection with this goal, coal fuel will be set aside, and coal-fired power plants should be banned from participating in capacity mechanisms. The so-called coal commission was introduced in the Czech Republic, which should make recommendations for the future use of coal, and especially for its potential decline. The Czech Republic has set a target of a 22% share of green energy, which it wants to achieve by 2030. The newly introduced "Green Agreement" sets carbon neutrality as its main goal until 2050. These facts bring investments in renewable energy sources to the forefront of investors' interest, which is illustrated by the increased interest in joining the Fund from smaller shareholders and large institutions.

Due to the attractiveness of the Fund on foreign markets, in the course of 2020 we proceeded with the certification from the Austrian Ministry of the Environment and Energy. This certificate is highly valued in German-speaking countries and the NOVA Green Energy fund would be the first fund in Central and Eastern Europe to receive it. So far, only a few dozen financial products have received this certificate and it is significantly valued especially by institutional clients. Certification is a relatively demanding process, the result of which will be known to us at the beginning of 2021.

For the third year in a row, the Ministry of Industry and Trade of the Czech Republic (MPO) has been preparing an amendment

to energy legislation in accordance with the so-called EU winter energy package. The draft amendment to the Act on Supported Resources and the Energy Act regulates, among other things, the control of overcompensation of existing operating support for energy production. However, the amendment to the Act on Supported Resources also brings positive changes for the sector and sets rules for future operating support, which is to compete in new auctions. Unfortunately, the MPO does not yet consider photovoltaic power plants in these auctions. In connection with the planned inspections of overcompensation, the Fund performed an analysis of both Czech photovoltaic power plants under the supervision of the law firm Frank Bold Advokáti, which focuses on this issue together with the Solar Association. The fund manages two photovoltaic power plants in the Czech Republic, in Rožná (year of construction 2009) and in Kralice na Hané (year of construction 2010). During 2019, data collection for power plants from 2009 was started. During 2020, data collection for power plants from 2010 was originally planned but was not started this year. On 27 April 2020, the MPO presented an amendment that changed the IRR criterion from the original 8.4% to 6.3% at the last minute. We continue to monitor the situation and we will consult with the Solar Association and AK Frank Bold Advokáti about the potential risk of the Fund's exposure to these inspections.

We continue to use structure of a so-called master-feeder structure in Liechtenstein, where the local NOVA Green feeder fund managed by Scarabaeus WM AG invests solely in the Fund's units, and this way perfectly mirrors Fund's investment strategy.

We want to continue to benefit as far as possible from the amended legislation which resulted in the AIFMD directive for a cross-border offer of alternative investment funds based on the so-called single European passport.

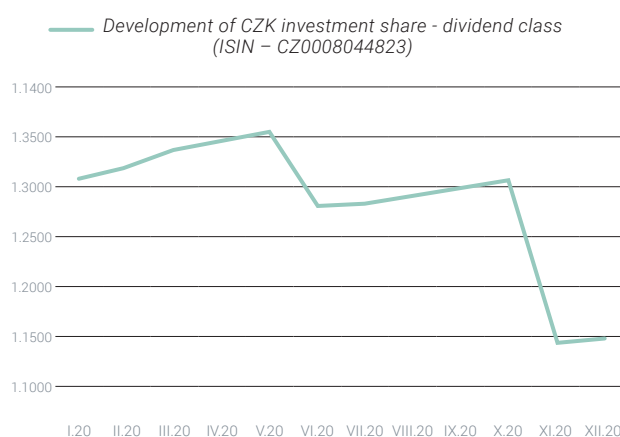
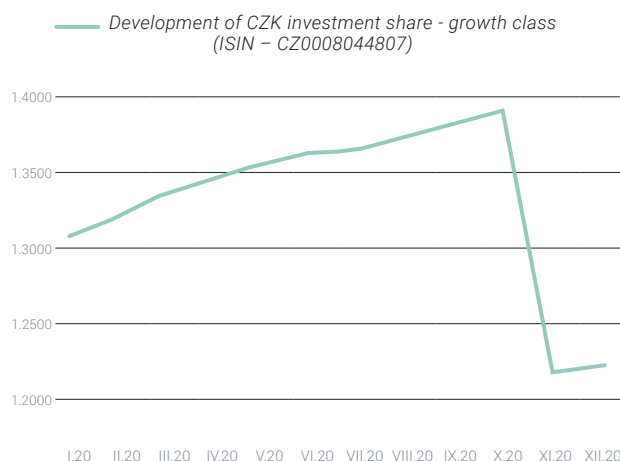
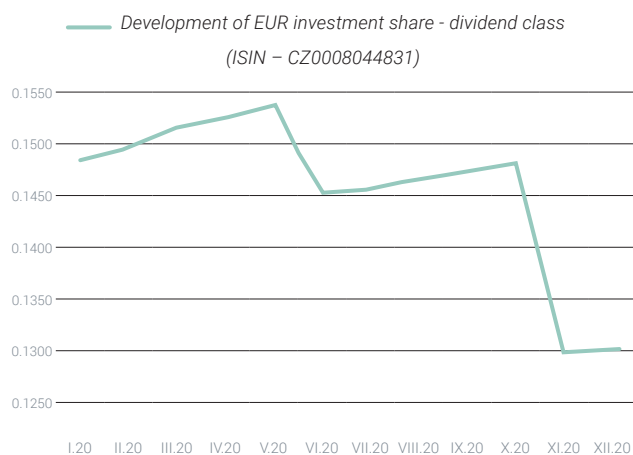
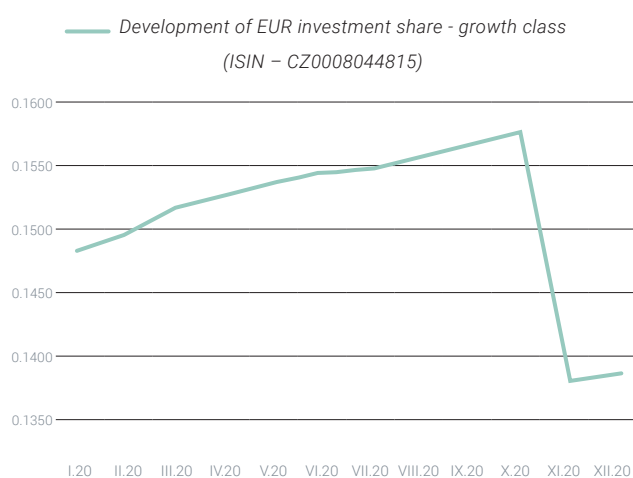
The Fund's ambition is to remain, if possible, the best choice for conservative investors who expect a stable appreciation of their capital in the field of renewable energy, based on long-term state-guaranteed purchase prices and professional asset and portfolio management.

In 2020, after revaluation of part of the assets and deducting all operating and acquisition costs, Fund managed to reduce the value of growth investment shares by 5.97% and dividend investment shares by 11.61%. The goal and priority of the Fund and the investment company REDSIDE in 2021 is to complete the transaction of both biomass heating plants and thus return the value of investment shares back to the value before the November revaluation. Both transactions are still active and both

assets hold their value. This value was also confirmed by an independent expert appraisal or indications by large energy competitors on the Czech and Slovak markets.

### Values of investment shares in 2020

As at 31 December 2020, the NAV value per 1 piece of CZK investment share of the growth class of the Sub-Fund was EUR 0.0466, the NAV value per 1 piece CZK investment share of the dividend class of the Sub-Fund was EUR 0.0438, the NAV value per 1 piece of EUR investment share of the growth class of the Sub-Fund was EUR 0.1385 and the NAV value per 1 piece CZK investment share of the dividend class of the Sub-Fund was EUR 0.1302.



### Fund management in 2020

The Sub-Fund's business activity is a fund of qualified investors pursuant to the provisions of Section 95 (1) (a) of the Act No. 240/2013 Coll., on Investment Companies and Investment Funds (hereinafter referred to as the "Act").

The performance of the Sub-Fund in 2020 ended with a loss of EUR 5,063 ths. The reported loss is due to a conservative decrease in the fair value of assets in November 2020 in connection with the planned acquisition of two biomass heating plants in Slovakia, as described above. The management of the Fund and the Company believe that in 2021 and 2022 the valuation discount will be gradually released, and the value of the investment share will be returned to at least the value before revaluation.

Detailed information about the Fund's results is provided in the financial statements for the period from 1 January 2020 till 31 December 2020.

### Auditor of the Fund

The Fund's results for the period are audited by PricewaterhouseCoopers Audit, s.r.o., with its registered office at Hvězdova 1734/2c, Nusle, 140 00 Prague 4, Czech Republic, ID: 40765521, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 3637, and in the list of auditing companies at the Chamber of Auditors of the Czech Republic under licence No. 021.

### Perspective for 2021

JAs stated above, the primary task of the Fund and the Investment Company is to complete the transaction of both biomass heating plants and thus return part of the value of the investment shares closer to the level before the November revaluation. The most probable appears to be the takeover of business shares as consideration for the Fund's receivables or the standard payment of receivables in the form of cash. Both variants can lead to a sharp increase in the value of the Fund's NAV. In 2021, we will continue to fulfil our investment strategy of increasing the value of the Fund and further diversifying the portfolio, both from a territorial and technological point of view. In the course of 2021, the construction of a photovoltaic project will take place in Csabrendek, Hungary, the completion of which is planned for the third quarter of 2021.

Our intention is therefore to appropriately diversify the investment portfolio of renewable resources, both in terms of assets held and territorial, in order to eliminate as much as possible any political risk that could have an impact on the amount and payment of feed-in tariffs. In cooperation with the NOVA Real Estate fund, we are preparing the installation of a photovoltaic power plant on the roof of the Trenčín industrial park, which in 2020 became part of the NOVA Real Estate fund. The original plan to build 5 MW has now been replaced by a 500 kW pilot project with the aim of gradually adding up to the planned value

of 5 MW. Another project is the building of the Orlice shopping centre in Hradec Králové, where in mid-2020 we applied for a subsidy from the OPPIK of the Ministry of Industry and Trade for the construction of rooftop photovoltaics with an output of 500 kW and battery storage. Furthermore, in cooperation with the NOVA Real Estate fund, we applied for subsidies from the newly opened Modernization Fund in the form of pre-registration calls.

In 2021 the Fund plans to finalize the following acquisitions resp. projects:

- Photovoltaic power plant Csabrendek in Hungary, installed capacity 28.5 MWp,
- Biomass power and heating plants Topolčany and Bardějov, Slovakia, 16 MWe + 53 MWt
- Photovoltaic power plant Trenčín, Slovakia, 0,5 MWp
- Photovoltaic power plant OC Orlice, Hradec Králové, Czech Republic, 0,5 MWp
- Other projects of PV power plants on the roofs of buildings, which would use a standard market mechanism based on PPA (Power Purchase Agreement)

When financing individual projects, we would like to continue with the newly established feeder structure of the Fund in Liechtenstein. We will also continue to actively offer our funds to foreign institutional clients and family offices. Cooperation in Austria and Germany is developing very promisingly.

At the same time, compliance with investment limits and the composition of the portfolio according to the Act will be considered.

Rudolf Vřešťál  
Authorised Representative acting independently  
as the sole member of the Management Board





# Profile of NOVA Green Energy, SICAV

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2002 to 31 December 20. This section of the Annual Report contains information on the administrative centre of the investment fund. The information on Sub-fund is set out in the other parts of this Annual Report.

## 1. Basic information on investment fund

Name:	NOVA Green Energy, SICAV, a.s. (hereinafter referred to as the "Fund")
Short name:	NGE SICAV
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Company identification No.:	08 789 622
Tax identification number:	CZ 08 789 622
Registered capital:	CZK 100,000 fully paid
Shares:	10 pcs founder's registered shares in paper form
Net business assets:	CZK 100 thousand

### 1.1. Other facts

The Company was established with effect from 1 January 2020 as a result of the dissolving fund transformation - open-end mutual fund NOVA Green Energy and open-end mutual fund REDSIDE investiční společnost, a.s., into the newly emerging fund business company NOVA Green Energy, SICAV, a.s. The process proceeded according to the transformation project from 12 December 2019 prepared by the administrator and manager of the mutual fund, the company REDSIDE investiční společnost, pursuant to Section 414 et seq. Act No. 240/2013 Coll., on investment companies and investment funds, as amended.

### 1.2. The license to establish an investment fund with variable registered capital was granted by the ČNB's announcement dated 29 January 2013.

Reference no. 2013/1333/570 - Sp/2012/816/571, which came into force on 29 January 2013.

### 1.3. The Fund is registered in the list of investment funds with legal personality maintained by the ČNB pursuant to Section 597 (b).

### 1.4. The Fund is established for an indefinite period.

### Business activity:

The Fund is a fund of qualified investors pursuant to Section 95 (1) (b) of the Act which may create separate sub funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial resources from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or monetary-valuable items on the basis of a defined investment strategy of the Sub-Fund for the benefit of these qualified investors.

**Authorities of the company** (according to the Commercial Register) as at 31 December 2020:

<b>Statutory Director</b>	<b>REDSIDE investiční společnost, a.s.</b>	
PAuthorized Representative	Rudolf Vřešťál	since 1 January 2020
Authorized Representative	Karel Krhovský	since 1 January 2020
<b>Board of Directors</b>		
Head of the Board of Directors	Ondřej Žídek	since 1 January 2020
Member of the Board of Directors	Rudolf Vřešťál	since 1 January 2020
Member of the Board of Directors	Karel Krhovský	since 1 January 2020

**Authorities of the company** (according to the Commercial Register) as at 1 January 2021:

<b>Board of Directors</b>		
Member of the Board of Directors	REDSIDE investiční společnost, a.s.	since 1 January 2021
Authorized Representative	Rudolf Vřešťál	since 1 January 2021

## 2. Information on changes in the facts recorded in the Commercial Register which took place during the decisive period

In 2020 following changes were recorded in the Commercial Register:

Together with the transformation of the open-end mutual fund NOVA Green Energy and the open-end mutual fund REDSIDE investiční společnost, a.s., into a newly emerging fund, the company NOVA Green Energy, SICAV, a.s., new functions were established effective from 1 January 2020 of: (i) the statutory director, which was the company REDSIDE investiční společnost, as, represented in the performance of the function by the Authorized Representatives Rudolf Vřešťál and Karel Krhovský, ii) members of the Board of Directors, represented by Ondřej Žídek, who was also the Head of the Board of Directors, Karel Krhovský and Rudolf Vřešťál.

As a result of the adoption of the Company's Articles of Association to the new legislation contained in Act No. 90/2012 Coll., on Commercial Companies and Cooperatives and Act No. 240/2013 Coll., on Investment Companies and Investment Funds, which entered into force on 1 January 2021, the position of the statutory director of the company REDSIDE investiční společnost, a.s., ceased to exist on 31 December 2020 (and thus also to the termination of the function of Representatives authorized by him - Rudolf Vřešťál and Karel Krhovský), which was replaced as a statutory body effective from 1 January 2021 by the Board of Directors.

The Company's Board of Directors may only have one member, when its only member is its manager, and thus from 1 January 2021 the function of REDSIDE investiční společnost, a.s. as the only member of the Board of Directors, who is independently represented by his Authorized Representative Rudolf Vřešťál.

## 3. Information on the investment company managing the investment fund

Basic information: **REDSIDE investiční společnost, a.s.**, identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

Registered capital: CZK 8,400,000 (in the words: eight million four hundred thousand Czech crowns), fully paid

Date of establishment: 29 June 2012

Decision on license for operation: Decision of the ČNB ref. No. 2013/5063/570 dated 29 April 2013, which came into force on 29 April 2013.

The investment company is registered in the list of investment companies maintained by the ČNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

## 4. Information on facts with significant influence on the activity of Fund

### 4.1. Main factors which affected the financial result of the Fund:

- The financial statements for the period from 1 January 2020 to 31 December 2020 provide a true and comprehensive view of the Fund's operations, which ended in 2020 with a result of CZK 0 thousand.

## 5. Information on the person who had a qualified ownership interests in the Fund

Name	Identification number	Number of shares	Fund share (%)
REDSIDE investiční společnost, a.s.	242 44 601	10	100
<b>Total</b>		<b>10</b>	<b>100</b>

There was no change In reporting period.

## 6. Information on the persons in which Fund had a qualified ownership interest

In the reporting period, the Fund did not have a qualified ownership interests in any person.

## 7. Persons acting in concert with Fund

In reporting period, the Fund did not act in concert with any person.

## 8. Information on the depositary

Název: UniCredit Bank Czech Republic and Slovakia, a.s.  
 Sídlo: Želetavská 1525/1, Praha 4, 140 92  
 IČO: 64 948 242

The depositary is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.

## 9. Information on all securities dealers who have acted as securities dealers

In the decisive period, the securities dealer of the Sub-Fund was Arca Brokerage House, o.c.p., a.s., with the registered office at Plynářská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register maintained by the District Court Bratislava I, Insert No.: 3228/B, pursuant to the Agreement on delegation the performance of an individual activity, included in the administration of an investment fund dated 3 April 2017 in accordance with the provisions of Section 50 of the Act, as of 3 April 2017, as amended.

## 10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Board of Directors

### 10.1. Statutory Director

The Statutory Director did not receive any other performance from the Fund than the fees arising from the Articles of Association and from the contract on the performance of the function related to the management and administration of the Fund. More detailed information on these transactions can be found in the section of the Annual Report 05 - Financial Section - NOVA Green Energy - Sub-Fund 1 in the note Related party transactions.

### 10.2. Management Board

Members of the Management Board did not receive any consideration from the Sub-Fund.

## 11. Information on the number of Sub-Fund investment shares that are owned by the members of the Statutory Body and the Management Board

### 11.1. Statutory Director

The Statutory Director, REDSIDE investiční společnost, a.s., owned 100% of the Fund's founding shares in the relevant period.

### 11.2. Management Board

Members of the Management Board do not own any investment shares of the Fund.

## 12. Information on litigations or arbitrations the Fund participated or participates in during the decisive period

The Fund was not involved in any litigation or arbitration during the decisive period.

### 13. Depository or other custodians of the Fund

Name: UniCredit Bank Czech Republic and Slovakia, a.s.  
 Registered office: Želetavská 1525/1, Prague 4, 140 92  
 Company identification No.: 64 948 242

The depository is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.

### 14. Information about significant changes of Fund's statute in the relevant period

In the relevant period there were no significant changes to the Fund's statute in regard of strategy and focus of the investing fund, outsourcing matters, the Fund's management and risk profile, except for the fee structure, where the structure of the amount of exit fees according to the length of the investor's stay in the Sub-Fund was introduced.

### 15. Information about salary, considerations and similar income of employees and management, paid by the managing company of the Fund to its employees and management

In thousands of CZK	2020	2019
Wages and bonuses of members of the Board of Directors of the managing company	8,824	5,317
Other wages, personnel costs and employee bonuses	14,897	11,797
Social costs and health insurance	6,656	4,992
<b>Total personnel expenses of the managing company</b>	<b>30,377</b>	<b>22,106</b>

In 2020 no consideration was paid to the members of the Supervisory Board of the managing company. Remuneration of the members of the Board of Directors consists of variable and fixed component. While the variable component depends on the profits of the managing company.

#### Staff statistics of managing company

	2020	2019
Average number of employees	16	12
Number of members of the Board of Directors	3	3
Number of members of the Supervisory Board	3	3

### 16. Information about salary, considerations and similar income of employees and management, paid by managing company of Fund to those employees or management, whose activity significantly influences risk profile of the Fund

In thousands of CZK	2020	2019
Wages and bonuses of members of the Board of Directors of the managing company	8,824	5,317

### 17. Information on the average number of employees of the Fund

In the decisive period, the Fund did not employ any employees.

### 18. Investments in research and development

The Fund did not undertake any research and development activities in the past accounting period.

## 19. Information on environmental and labour-law activities

During 2020, the fund applied for certification according to the Austrian Österreichische Umweltzeichen (in the area of sustainable investment products, so-called UZ 49), which is issued by the Austrian Ministry of Climate Protection, Environment, Energy, Mobility, Innovation and Technology (Das Bundesministerium für Klimaschutz, Umwelt, Energie, Mobilität, Innovation und Technologie). This certification confirms a friendly approach to the environment and at the same time the fulfilment of basic criteria of social responsibility. Overall, it covers an area known worldwide as ESG (E = Environmental, S = Social and G = Governance).

In March 2021, the audit was successfully completed, and the fund received the certificate.

## 20. Information on whether the accounting entity has an organizational unit abroad

The Fund does not have an organizational unit abroad.

## 21. Equity of the Fund

### Fund's capital as at 31. 12. 2020:

Fund's capital	CZK 100 ths.
Number of issued shares	10 pcs.
Fund's capital per 1 share	CZK 10 ths.

In accordance with the Act on Accounting, this Annual Report also includes the financial statements, the Audit Report and the Report on Relations between Related Parties.



# NOVA Green Energy - Sub-fund 1 Profile of

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2020 to 31 December 2020. This part of the Annual Report contains information on the administrative centre NOVA Green Energy Sub-Fund 1.

## 1. Basic information on Sub-Fund

Name:	NOVA Green Energy – podfond 1
Short name:	NGE – PF1
Identification number:	751 61 664
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares:	Types of shares: Growth and dividend investment shares A
Net business assets:	EUR 65,987 thousand

1.1. NOVA Green Energy - Sub-Fund 1 (the "Sub-Fund") is managed and administered by REDSIDE investiční společnost, a.s.

1.2. Since 1 January 2020 NOVA Green Energy - Sub-Fund 1 is registered in the list of investment funds maintained by the ČNB pursuant to Section 597 (b) of Act.

1.3. The Sub-Fund is established for an indefinite period.

### Business activity

The Fund is a fund of qualified investors pursuant to Section 95 (1) (a) of the Act which may, in accordance with its Articles of Association, create separate sub-funds pursuant to Section 165 (1) of the Act. Each sub-fund collects financial means from qualified investors by issuing sub-fund's investment shares and carries out joint investment of collected financial means or monetary-valuable items on the basis of a defined investment strategy of the sub-fund for the benefit of these qualified investors and further manages these assets.

**Authorities of the company** (according to the Commercial Register) as at 31 December 2020:

<b>Statutory Director</b>	<b>REDSIDE investiční společnost, a.s.</b>	
Authorized Representative	Rudolf Vřešťál	since 1 January 2020
Authorized Representative	Karel Krhovský	since 1 January 2020

### Board of Directors

Head of the Board of Directors	Ondřej Žídek	since 1 January 2020
Member of the Board of Directors	Rudolf Vřešťál	since 1 January 2020
Member of the Board of Directors	Karel Krhovský	since 1 January 2020

**Authorities of the company** (according to the Commercial Register) as at 1 January 2021:

### Board of Directors

Member of the Board of Directors	REDSIDE investiční společnost, a.s.	since 1 January 2021
Authorized Representative	Rudolf Vřešťál	since 1 January 2021

## 2. Information on changes in the facts entered in the Commercial Register which occurred during the decisive period

Following changes occurred in the Company's authorities' structure in 2020:

Together with the transformation of the open-end mutual fund NOVA Green Energy and the open-end mutual fund REDSIDE investiční společnost, a.s., into a newly emerging fund, the company NOVA Green Energy, SICAV, a.s., new functions were established effective



from 1 January 2020 of: (i) the statutory director, which was the company REDSIDE investiční společnost, as, represented in the performance of the function by the Authorized Representatives Rudolf Vřešťál and Karel Krhovský and ii) members of the Board of Directors, represented by Ondřej Žídek, who was also the Head of the Board of Directors, Karel Krhovský and Rudolf Vřešťál.

As a result of the adoption of the Company's Articles of Association to the new legislation contained in Act No. 90/2012 Coll., on Commercial Companies and Cooperatives and Act No. 240/2013 Coll., on Investment Companies and Investment Funds, which entered into force on 1 January 2021, the position of the statutory director of the company REDSIDE investiční společnost, a.s., ceased to exist on 31 December 2020 (and thus also to the termination of the function of Representatives authorized by him - Rudolf Vřešťál and Karel Krhovský), which was replaced as a statutory body effective from 1 January 2021 by the Board of Directors.

The Company's Board of Directors may only have one member, when its only member is its manager, and thus from 1 January 2021 the function of REDSIDE investiční společnost, a.s. as the only member of the Board of Directors, who is independently represented by his Authorized Representative Rudolf Vřešťál.

### 3. Information on the investment company managing the Sub-Fund

Basic information:	<b>REDSIDE investiční společnost, a.s.</b> , identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.
Registered capital:	CZK 8,400,000 (in the words: eight million four hundred thousand Czech crowns), fully paid.
Date of establishment:	29 June 2012
Decision to grant a license:	Decision of the ČNB ref. No. 2013/5063/570 dated 29 April 2013, which came into force on 29 April 2013. The investment company is registered in the list of investment companies maintained by the ČNB pursuant to Section 596 (a) of the Act and is authorized to exceed the decisive limit.

### 4. Information on facts with significant influence on the activity of Sub-Fund

#### 4.1. Main factors which affected the financial result of the Sub-Fund:

##### 4.1.1. New classification of investment shares

Together with the transformation of NOVA Green Energy from an open-end mutual fund to the SICAV, which is described in this Annual Report, as at 1 January 2020, a new type of investment shares, the so-called dividend class was introduced, in addition to the original growth class. Shareholders of this new class are entitled to a regular annual dividend payment in the event of the fund profit.

##### 4.1.2. Financial result after revaluation of selected assets

The performance of the Sub-Fund ended in 2020 with a loss of EUR 5,063 ths. The reported loss is recognized due to a decrease in the fair value of assets in November 2020 in connection with the planned acquisition of two biomass heating plants in Slovakia, as described above. The management of the Fund and the Company believe that in 2021 and 2022 the valuation discount will be gradually released and the value of the investment share will be returned to at least the value before revaluation.

Detailed information on the management of the Fund is provided in the annual financial statements for the period from 1 January 2020 to 31 December 2020.

### 5. Information on the person who had a qualified ownership interests (as at 31 December 2020)

In the reporting period, no person had a qualified ownership interests in the Sub-Fund.

## 6. Information on the entities in which Sub-Fund had a qualified ownership interest (as at 31 December 2020)

Company	Share	Identification number	Country
PV-Projekt, s.r.o.	100%	45 281 106	SK
Jakub Solar s.r.o.	100%	46 112 871	SK
CES-SOLAR 33, s.r.o.	100%	46 094 504	SK
CES-SOLAR 42, s.r.o.	100%	46 094 644	SK
FTVE Green Energy 1, s.r.o.	100%	46 025 804	SK
FTVE Green Energy 2, s.r.o.	100%	46 025 553	SK
HK Promotion, s.r.o.	100%	44 707 541	SK
INMADE, s.r.o.	100%	36 689 246	SK
EPSOLAR s.r.o.	100%	44 933 428	SK
SOLARIS one s.r.o.	100%	43 871 917	SK
TECOMA TRAVEL AGENCY, s.r.o.	100%	36 577 537	SK
ENERGOTREND alfa s.r.o.	100%	28 566 408	CZ
CHILOE, a.s.	100%	28 308 883	CZ
Enwo s.r.o.	99%	44 022 751	SK
TFI Slovakia, s.r.o.	99%	50 412 477	SK
Bioplyn HOROVCE 3 s.r.o.	100%	47 168 099	SK
BioElectricity, s. r. o. (16% Through TFI and HOROVCE	80%	47 379 499	SK
DMJ Management Solutions kft	100%	01-09715641	HU
Nyires Solar Napenergia Hasznosító kft	100%	13-09183834	HU
Bárdió Solar Napenergia Hasznosító kft	100%	13-09183836	HU
Darvas Solar Napenergia Hasznosító kft	100%	13-09183838	HU
Csete Solar Napenergia Hasznosító kft	100%	13-09183837	HU
ZXJ Czech s.r.o.	100%	058 66 111	CZ

Furthermore, ENWO s.r.o. owns 100% of TOP PELET, TFI Slovakia s.r.o owns 80% of Bioplyn HOROVCE 2, FTVE Green Energy 1 owns 100% of FTVE Green Energy 3 and Biogas HOROVCE 2 owns 20% of BioElektricity s.r.o.

## 7. Persons acting in concert with the Sub-Fund

In the reporting period the Sub-Fund did not act in concert with any person.

## 8. Information on the depository

Name: UniCredit Bank Czech Republic and Slovakia, a.s.  
Registered office: Želetavská 1525/1, Prague 4, 140 92  
Company identification No.: 649 48 242

The depository is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.

## 9. Information on all securities dealers who have acted as securities dealers for the Sub-Fund

In the decisive period, the securities dealer of the Sub-Fund was Arca Brokerage House, o.c.p., a.s., with the registered office at Plynárenská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register maintained by the District Court Bratislava I, Insert No.: 3228/B, pursuant to the Agreement on delegation the performance of an individual activity, included in the administration of an investment fund dated 3 April 2017 in accordance with the provisions of Section 50 of the Act, as amended.

## 10. Information on all monetary and non-monetary considerations received during the decisive period by the members of the Statutory Body and the Management Board

### 10.1. Statutory Director

The Statutory Director did not receive any other performance from the Fund than the fees arising from the Articles of Association and from the contract on the performance of the function related to the management and administration of the Fund. More detailed information on these transactions can be found in the section of the Annual Report 05 - Financial Section - NOVA Green Energy - Sub-Fund 1 in the note Related party transactions.

### 10.2. Management Board

Members of the Management Board did not receive any consideration from the Sub-Fund.

## 11. Information on the number of Sub-Fund investment shares that are owned by the members of the Statutory Body and the Management Board

### 11.1 Statutory Director

The Statutory Director owned as at 31 December 2020 13,445,873 pcs of investment shares of the CZK class of the Sub-Fund.

### 11.2. Management Board

Members of the Management Board do not own any investment shares of the Sub-Fund.

## 12. Information on litigations or arbitrations Sub-Fund participated or participates during the decisive period

The Sub-Fund was not involved in any litigation or arbitration during the decisive period.

## 13. Depository or other custodians of the Sub-Fund

Name:	UniCredit Bank Czech Republic and Slovakia, a.s.
Registered office:	Želetavská 1525/1, Prague 4, 140 92
Company identification No.:	649 48 242

The depository is a company registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 3608.

## 14. Information about significant changes of the Fund's statute in the relevant period

In the relevant period there were no significant changes to the Sub-Fund's statute in regard of strategy and focus of the Sub-Fund, outsourcing matters, the Sub-Fund's management and risk profile, except for the fee structure, where the structure of the amount of exit fees according to the length of the investor's stay in the Sub-Fund was introduced.

## 15. Information about salary, considerations and similar income of employees and management, paid by managing company of Fund to its employees and management

In thousands of CZK	2020	2019
Wages and bonuses of members of the Board of Directors of the managing company	8,824	5,317
Other wages, personnel costs and employee bonuses	14,897	11,797
Social costs and health insurance	6,656	4,992
<b>Total personnel expenses of the managing company</b>	<b>30,377</b>	<b>22,106</b>

During the year 2020, there was no consideration paid to the members of Supervisory Board of the managing company. Remuneration of the members of the Board of Directors consists of variable and fixed component. The variable component depends on the profits of the managing company.

### Staff statistics of managing company

	2020	2019
Average number of employees	16	12
Number of members of the Board of Directors	3	3
Number of members of the Supervisory Board	3	3

## 16. Information about salary, considerations and similar income of employees and management, paid by managing company of the Fund to those employees or management, whose activity significantly influences risk profile of the Fund

In thousands of CZK	2020	2019
Wages and bonuses of members of the Board of Directors of the managing company	8,824	5,317

## 17. Information on the average number of employees of the Sub-Fund

In the decisive period, the Sub-Fund did not employ any employees.

## 18. Investments in research and development

The Sub-Fund did not undertake any research and development activities in the past accounting period.

## 19. Information on environmental and labour-law activities

The Sub-Fund did not develop any activities in this area in the past accounting period.

## 20. Information on whether the accounting entity has an organizational unit abroad

The Sub-Fund does not have an organizational unit abroad.

## 21. Equity of the Sub-Fund

### Fund's capital as at 31. 12. 2020

Fund's capital	EUR 65,987 thousand
Number of issued growth EUR class investment shares	280,309,957 pcs
Number of issued dividend EUR class investment shares	2,412,651 pcs
Number of issued growth CZK class investment shares	566,958,384 pcs
Number of issued dividend CZK class investment shares	10,249,958 pcs
Fund's capital per 1 growth share /EUR class	0.1385 EUR
Fund's capital per 1 dividend share /EUR class	0.1302 EUR
Fund's capital per 1 growth share /CZK class	0.0466 EUR
Fund's capital per 1 growth share /CZK class	0.0438 EUR

In accordance with the Act on Accounting, this Annual Report also includes the financial statements, the Audit Report and the Report on Relations between Related Parties.

Prague, 30 April 2021




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Rudolf Vřešťál

Authorized Representative of the sole  
member of the Management Board



# Financial statements NOVA Green Energy, SicaV, a.s.



## Independent auditor's report

to the shareholder of fund NOVA Green Energy, SICAV, a.s.

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of fund NOVA Green Energy, SICAV, a.s., with its registered office at V celnici 1031/4, Nové Město, Praha 1 ("the Fund") as at 31 December 2020 and of the Fund's financial performance for the year ended 31 December 2020 in accordance with Czech accounting legislation.

### What we have audited

The Fund's financial statements comprise:

- the balance sheet as at 31 December 2020,
- the income statement for the year ended 31 December 2020,
- the statement of changes in equity for the year ended 31 December 2020, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and Act on Auditors.

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### Other information

The management board is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and auditor's report thereon.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic  
T: +420 251 151 111, [www.pwc.com/cz](http://www.pwc.com/cz)

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

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

In addition, in the light of the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

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### Responsibilities of the management board of the Fund for the financial statements

The management board is responsible for the preparation of the financial statements that give true and fair view in accordance with Czech accounting legislation and for such internal control as the management board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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### Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Fund's internal controls.





- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- conclude on the appropriateness of the management board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

30 April 2021

PricewaterhouseCoopers Audit, s.r.o.  
represented by Director

A handwritten signature in blue ink, appearing to read 'Eva Loulová'.

Eva Loulová  
Statutory Auditor, Licence No. 1981

This report is addressed to the shareholder of fund NOVA Green Energy, SICAV, a.s.

# NOVA Green Energy, Sicav, a.s.

## Financial statements as at 31 December 2020

Identification No.: 08789622

Business activity: The activity of qualified investors' fund pursuant to Section 95, para 1, letter (a) of the Act No. 240/2013 Coll., On Investment Companies and Investment Funds

Date of preparation of the financial statements: 30. April 2021

### BALANCE SHEET As at 31 December 2020

In thousands of CZK	Note	31. 12. 2020
<b>ASSETS</b>		
3 Due from banks – repayable on demand	7	145
4 Due from customers – other receivables	8	76
<b>Total assets</b>		<b>221</b>
<b>LIABILITIES</b>		
4 Other liabilities	9	121
8 Share capital – fully paid	10	100
14 Accumulated losses		-
15 Profit or loss for the period		-
<b>Total liabilities</b>		<b>221</b>
<b>OFF-BALANCE SHEET</b>		
<b>Off-balance sheet assets</b>		
15 Assets under management	11	100

## INCOME STATEMENT

In thousands of CZK	Note	2020
1 Other operating income		75
5 Fee and commission expense		-15
6 Gains or losses on financial activities		1
9 Administrative expense – other	5	-61
19 Profit/loss on ordinary activities before tax		-
23 Income tax		-
24 Net profit/loss for the accounting period		-

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

In thousands of CZK	Registered capital	Restated Total
<b>Balance as at 1. 1. 2020</b>	<b>100</b>	<b>100</b>
Net profit/loss for the accounting period	-	-
<b>Balance as at 31. 12. 2020</b>	<b>100</b>	<b>100</b>

The accompanying notes are an integral part of these financial statements.

# Notes to the financial statements

## 1. General information

### Establishment and characteristic of the Fund

NOVA Green Energy, SICAV, a.s. (hereinafter „Fund“) is managed and administered by REDSIDE investiční společnost, a.s. (hereinafter “Investment company” or the „Company“).

Permission with reference number 2013/1333/570 to Sp/2012/816/571 on establishment of an investment fund was granted by a decision of the Czech National Bank on 29 January 2013, which become enforceable on 29 January 2013. The Fund creates an accounting and property-separated part of the assets - NOVA Green Energy – podfond 1 (hereinafter “Sub-fund”).

With effect from 1 January 2020 the open-end fund NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a. s. was transformed into a joint-stock company with variable share capital NOVA Green Energy, SICAV, a.s., therefore NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a. s. is dissolving fund and NOVA Green Energy, SICAV, a.s. is a newly emerging fund. At the same time, the newly emerging fund decided, through its manager, to create one sub-fund NOVA Green Energy – podfond 1, which takes over all the assets of the dissolving fund.

The Fund is registered in the register of investment funds maintained by the CNB based on Section 597, letter (a) of the Act.

The Fund is a fund of qualified investors following Section 95, para 1, letter (a) of the Act, which collects the financial resources of qualified investors by issue of investment shares and carries joint investments of the collected cash resources or at cash measurable assets based on a determined investment strategy to the benefit of these qualified investors and further manages these assets.

The Fund is established for an indefinite period.

### Fund strategy

The Fund has been set-up in the form of joint stock company with variable share capital. The Fund’s main activity is to provide an umbrella for its sub-funds, which invest based on their individual investment strategies defined by their own Statute.

They invest into renewable energy sources in the Czech Republic and Central Europe and represent separate accounting units.

### Founder’s shares

The Fund was set-up by the REDSIDE investiční společnost, a.s. by 10 pcs of founder’s registered shares in paper form at a nominal value of CZK 10,000 each. All shares are owned by the Investment company.

### Established sub-funds

The Investment fund is an umbrella fund for NOVA Green Energy – podfond 1.

### Organizational structure

The Fund is managed by the Investment company.

### Key information on the Investment company

REDSIDE investiční společnost, a.s., identification No.: 242 44 601, with registered office at Prague 1, Nové Město, V Celnici 1031/4, postcode 110 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362.

### Share capital

CZK 8,400,000 (in the words: eight million four hundred thousand Czech crowns), fully paid

### Date of establishment

29 June 2012

### Decision on license for operation

Decision of the CNB ref. No. 2013/5063/570 dated 29 April 2013, which become enforceable on 29 April 2013. The Investment company is registered in the list of investment companies maintained by the CNB, based on Section 597, letter (a) of the Act and is entitled to exceed the decisive limit.

### The activities of the Investment company in relation to the Fund:

- management of the Fund's assets,
- asset management of the Fund, including investing on the Fund's account,
- investment risk management;
- administration of the Fund, mainly;
- bookkeeping for the Fund;
- providing legal services;
- ensuring compliance;
- dealing with complaints from Fund investors;
- valuation of the Fund's assets and liabilities;
- calculation of the current value of the investment shares of the sub-funds,
- ensuring compliance with duties, taxes or other similar financial obligations;
- maintaining a list of owners of investment shares issued by the Fund;
- distributing and paying out proceeds from the Fund's assets;
- ensuring the issue and repurchase of investment shares issued by the Fund;
- preparing and updating the Fund's annual report;
- preparing the Fund's promotional material;
- publishing, disclosing and supplying data and documents to Fund's shareholders and other persons;
- reporting data and providing documents to the Czech National Bank or the supervisory authority of another Member State;
- performing other activities related to the management of the Fund's assets;
- distributing and paying out cash benefits due liquidation of the Fund;
- keeping records on the issue and repurchase of investment shares issued by the Fund;
- offering investments in the Fund.

### Members of the Board of Directors and the Supervisory Board as at 31 December 2020

#### Board of Directors

Rudolf Vřešťál	Chairman	since 29 June 2012
Michal Zachar		since 9 April 2020
Karel Krhovský		since 1 January 2018

#### Supervisory Board

Petra Rychnovská	Chairman	since 29 June 2012
Petr Studnička		since 10 June 2014
Šárka Burgetová		since 27 November 2020

### Company representation

The Investment company is represented by the Board of Directors, through the Chairman of the Board together with another Board member.

### Shareholders and Shares

As at 31 December 2020, the main shareholders of the Investment company were:

- RVR Czech, s.r.o., identification No.: 24 300 136, 90.48%  
Praha 1, V Celnici 1031/4, postcode 110 00
- Arca Capital Finance Group, a.s., identification No.: 50 108 361, 9.52%  
Plynárenská 7/A, Bratislava, Slovakia, postcode 821 09

### Changes in the Commercial Register

In 2020, the following changes took place in the Company's bodies:

#### Board of Directors

Juraj Dvořák – termination of membership on 8 April 2020, deleted on 14 April 2020.

Michal Zachar – acquisition of membership on 9 April 2020, registered on 14 April 2020.

The following changes took place in the Company's Supervisory Board in the period under review: With effect from 9 April 2020 Juraj Dvořák was appointed as Member of the Supervisory Board, replacing Mrs. Šárka Burgetová, whose membership in the Supervisory Board ended on 8 April 2020. Then Juraj Dvořák was appointed as a Chairman of the Supervisory Board. On 26 November 2020 Juraj Dvořák was recalled as a Member of the Supervisory Board, replaced with Šárka Burgetová. On 27 November 2020 Petra Rychnovská was appointed as new Chairman of the Supervisory Board.

## 2. Basis for preparation of financial statements

The financial statements containing the balance sheet, statement of profit and loss, statement of changes in equity and accompanying notes were prepared on the basis of the accounting records kept in accordance with Accounting Act, Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic and Czech Accounting Standards for financial institutions.

The financial statements have been prepared on an accrual basis of accounting and historical cost.

The financial statements of the Fund have been prepared on the going concern assumption, as there is no fact that would restrict or prevent the Fund from continuing its activities in the foreseeable future.

While completing the financial statements, especially during the valuation of assets and liabilities, the directors of the company considered the impacts of the COVID-19 pandemic.

These financial statements are unconsolidated. All monetary amounts in the financial statements are stated in CZK thousands, unless stated otherwise.

Due to transformation effective from 1 January 2020 of fund NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a. s. into joint-stock company with variable share capital NOVA Green Energy, SICAV, a.s., and creation of one sub-fund NOVA Green Energy – podfond 1, which takes over all the assets of the dissolving fund, the comparative period is not stated in the Fund's statements.

## 3. Summary of significant accounting policies

The financial statements of the Fund were prepared in accordance with the following important accounting policies:

### (a) The date of transaction recognition

Depending on the type, the transactions are recorded on the date of purchase or sale of foreign currency or security, the payment date, the trade or settlement date of a transactions with securities, foreign exchange, options or other derivatives, the date of issue or acceptance of the guarantee or the loan commitment, the day of taking over of values into custody.

Financial assets and liabilities are recognized when the Fund becomes a contractual party of the transaction, thus at the trade date. The Fund derecognises a financial asset or its part in the balance sheet if it loses control of the contractual rights to that financial asset or its part. The Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If a financial liability or part of it ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the Fund ceases to recognise the financial liability or part of it in the balance sheet. The difference between the carrying amount of the financial liability, or its part, that ceased to exist or was transferred to another entity and the settlement amount is charged to the expense or income.

#### **(b) Receivables**

Receivables initially incurred by the Fund are recognized at their nominal value less allowances. Bad debts are written off when they become statute-barred, respectively at the end of the administrative proceedings.

Acquired receivables are recognized at cost, including direct transaction costs (e.g. expert opinions, legal costs).

#### **Trade receivables**

Trade receivables are reviewed for recoverability. On this basis, the Fund determines impairment loss for individual receivables. If the Fund does not directly write-off a portion of the receivable corresponding to the impairment loss, it forms an allowance for this part of the receivable. Allowances are recognized in "Depreciation/amortization, creation and use of provisions and allowances for receivables and guarantees" item in the income statement.

Write-offs of bad debts are included under "Write-offs, creation and use of allowances and provisions for receivables and guarantees" in the income statement. In the case of a write-off of a receivable for which an allowance has been set aside in full, the same amount is written-off in the same line item of the income statement. Revenues from previously written-off receivables are recognised in the income statement in the item "Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables".

#### **(c) Provisions**

Provision represents probable fulfilment of an obligation, with uncertain timing and amount. The provision is charged to the expenses at the best estimate of the resource outflow necessary to settle the existing obligation.

A provision is created if the following criteria are met:

- a) There is an obligation (legal or constructive) to fulfil as a result of past events,
- b) It is probable or certain that the fulfilment will occur and that it will require an outflow of resources representing economic benefits; where "probable" means a probability of more than 50%,
- c) The amount of such fulfilment can be reliably estimated.

#### **(d) Foreign currency translation**

Transactions denominated in a foreign currency are recognised in local currency, translated at the exchange rate published by the Czech National Bank on the date of the transaction or on the date of the accounting event.

Financial assets and liabilities denominated in a foreign currency are translated into the domestic currency at the rate published by the Czech National Bank as at the balance sheet date. The resulting profit or loss on the translation of assets and liabilities denominated in a foreign currency, other than equity investments in foreign currency and receivables from subordinated loans, is recognized in the profit and loss statement as "Profit or loss on financial operations".

#### **(e) Value added tax**

The Fund is registered for value added tax as an identified person ("VAT").

#### **(f) Taxation**

##### **Current tax**

The tax base for income tax is calculated from the profit before tax by adding non-deductible expenses, deducting tax-free income and adjusting for tax rebates and possible credits.

##### **Deferred tax**

Deferred tax is based on all temporary differences between the carrying amount and the tax value of assets and obligations using the expected tax rate applicable for the subsequent period. Deferred tax from revaluation reserve in equity is recognised also directly in equity. A deferred tax asset is recognised only if there is a probability to use it in subsequent accounting periods.

**(g) Related parties**

A party is related to the Fund when the following conditions are met

- a) the party
  - (i) controls or jointly controls the Fund;
  - (ii) has significant influence in the Fund; or
  - (iii) is a member of the key management of the Fund.
- b) the party is an affiliate company of Fund.
- c) the party is a joint venture in which the Fund is a joint venturer
- d) the party is a member of the key management of Fund or its parent company
- e) the party is a close member of the family of an individual defined under a) or d)
- f) the party is an accounting entity that is controlled, jointly controlled or it is under a direct or indirect significant influence of any individual under d) or e) or such an individual has significant voting rights in that party, directly or indirectly; or
- g) the party is a post-employment benefit plan for employees of the accounting entity that is related to the Fund

Related party transactions mean the transfer of resources, services or obligations between the Fund and the related party, regardless of whether any price is charged.

**(h) Cash and cash equivalents**

Cash consists exclusively of current accounts with banks. The Fund does not have any cash equivalents.

**(i) Items from a different accounting period and changes in accounting policies**

Items from a different accounting period than that for which they are attributable and changes in accounting methods are recognized as income or expense in the income statement of the current period, except for correction of fundamental errors in the income and expenses of previous periods that are recognized in the item "Retained earnings from previous periods" in the Fund's balance sheet.

**4. Changes in accounting policies**

There have been no changes in the accounting policies in the current accounting period.

**5. Administrative expenses**

In thousands of CZK	2020
Audit fee	61
Other administrative expenses	–
<b>Total</b>	<b>61</b>

The Fund didn't pay any administrative fee to the managing Investment company. Fees for management and other administrative expenses are charged directly to sub-funds.

**6. Related party transactions**

In thousands of CZK	2020
<b>Assets</b>	
Receivables due from customers - other	76
<b>Income</b>	
Other operating income	75



## 7. Due from banks

In thousands of CZK	31. 12. 2020
Current accounts (nostro accounts)	145
<b>Net receivables from banks</b>	<b>145</b>

## 8. Due from customers

In thousands of CZK	31. 12. 2020
Receivables from related parties	76
<b>Net receivables from customers</b>	<b>76</b>

## 9. Other liabilities

In thousands of CZK	31. 12. 2020
Trade payables and other creditors	61
Estimated payables	60
<b>Total</b>	<b>121</b>

## 10. Equity

Registered share capital of the Fund is CZK 100 thousand. The Fond issued 10 pcs of registered common shares in paper form. The sole shareholder is REDSIDE investiční společnost, a.s.

## 11. Assets under management

In thousands of CZK	31. 12. 2020
Cash	145
Due from customers	76
Other liabilities	-121
<b>Total</b>	<b>100</b>

## 12. Financial instruments

### (a) Market risk

The Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The main purpose of the Fund is to provide an umbrella to its sub-funds.

The value of the assets to which the Fund invests may rise or fall depending on changes in the economic conditions, interest rates, and the way the assets are perceived and evaluated by the market.

### (b) Liquidity risk

The liquidity risk arises from the way the Fund finances its activities and manages its positions. Considering the assessment of the degree of this risk and the overall financial position of the Fund during 2020 and 2019, the liquidity risk was not assessed as material and no extraordinary measures were taken.

### Residual maturity of the Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months To 1 year	Over 1 year	Not specified	Total
<b>As at 31 December 2020</b>					
Due from banks	145	-	-	-	<b>145</b>
Due from customers	76	-	-	-	<b>76</b>
<b>Total</b>	<b>221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221</b>
Other liabilities	121	-	-	-	<b>121</b>
Equity	-	-	-	100	<b>100</b>
<b>Total</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>221</b>
<b>Gap</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-100</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>

The above table represents the residual maturity of the carrying amounts of individual financial instruments, not all gross cash flows arising from these instruments.

#### (c) Interest rate risk

The Fund does not face any interest rate risk as it has no interest-sensitive receivables.

#### (d) Currency risk

The Fund is not exposed to any currency risk. All assets and liabilities are denominated in CZK.

#### (e) Credit risk

The Fund is exposed to credit risk due to its business transactions and investment activities. Credit risk associated with the Fund's trading and investment activities are managed through the Fund's market risk management methods and instruments. No assets of the fund have been collateralized.

#### (f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Fund's Statute and internal regulations. All Fund's investments must be realised in accordance with the applicable Sub-Fund's Statute and subject to the control of the depositary of the Fund, which was over the whole year 2020 UniCredit Bank Czech Republic and Slovakia, a.s.

### 13. Subsequent events

From the balance sheet date to the time of preparation of the financial statements, there were no significant events that would affect the financial statements as at 31 December 2020.

The financial statements were approved by the 30 April 2021 and authorised for issue on the same date.

The financial statements  
were prepared on:  
30 April 2021

Stamp and signature  
of the Statutory Body::




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Rudolf Vřešťál  
Authorized Representative

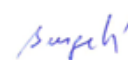
Person responsible  
for accounting  
Name and signature:




---

Karel Krhovský  
CEO  
tel.: 222 500 758

Person responsible  
for financial statements  
Name and signature:




---

Šárka Burgetová  
Head of Finance  
tel.: 222 500 757



# Financial Statements – NOVA Green Energy – podfond 1



## Independent auditor's report

to the shareholders of sub-fund NOVA Green Energy – podfond 1 of fund NOVA Green Energy, SICAV, a.s.

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### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of sub-fund NOVA Green Energy – podfond 1 of fund NOVA Green Energy, SICAV, a.s., with its registered office at V celnici 1031/4, Nové Město, Praha 1 (“the Sub-fund”) as at 31 December 2020, of the Sub-fund's financial performance and cash flows for the year ended 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the European Union.

### What we have audited

The Sub-fund's financial statements comprise:

- the statement of financial position as at 31 December 2020,
- the statement of comprehensive income for the year ended 31 December 2020,
- the statement of changes in net assets attributable to holders of investment shares for the year ended 31 December 2020,
- the statement of cash flow for the year ended 31 December 2020, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the “Audit regulations”). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Sub-fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and Act on Auditors.

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T: +420 251 151 111, [www.pwc.com/cz](http://www.pwc.com/cz)

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## Other information

The board of directors of REDSIDE investiční společnost, a.s. is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Sub-fund obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

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

In addition, in the light of the knowledge and understanding of the Sub-fund and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

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## Responsibilities of the board of directors and supervisory board of REDSIDE investiční společnost, a.s. for the financial statements

The board of directors of REDSIDE investiční společnost, a.s. is responsible for the preparation of the financial statements that give true and fair view in accordance with Czech accounting legislation and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors of REDSIDE investiční společnost, a.s. is responsible for assessing the Sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

The supervisory board of REDSIDE investiční společnost, a.s. is responsible for overseeing the Sub-fund's financial reporting process.

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## Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls of REDSIDE investiční společnost, a.s. 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 Sub-fund'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 of REDSIDE investiční společnost, a.s.
- conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the notes, 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 supervisory board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

30 April 2021

PricewaterhouseCoopers Audit, s.r.o.  
represented by Director



Eva Loulová  
Statutory Auditor, Licence No. 1981

This report is addressed to the shareholders of sub-fund NOVA Green Energy – podfond 1 of fund NOVA Green Energy, SICAV, a.s.

NOVA Green Energy, SICAV, a.s.  
 NOVA Green Energy – podfond 1  
 Financial Statements for the year ended 31 December 2020

**STATEMENT OF FINANCIAL POSITION**

in EUR 1,000	Note	31. 12. 2020	31. 12. 2019
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	6		
Debt securities		3,077	10,571
Equity securities		17,271	12,912
Subordinated loans granted		47,573	41,573
Other assets		2	2
Cash and cash equivalents	7	995	981
<b>Total assets</b>		<b>68,918</b>	<b>66,039</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accepted loans		1,477	-
Short-term liabilities	8	1,324	329
Current income tax liability		130	19
<b>Non-current liabilities</b>			
Deferred tax liability	11	-	170
<b>Liabilities (excluding net assets attributable to holders of investment shares)</b>		<b>2,932</b>	<b>518</b>
<b>Net assets attributable to holders of investment shares</b>		<b>65,986</b>	<b>65,521</b>
<b>Total liabilities</b>		<b>68,918</b>	<b>66,039</b>

The notes on the following pages are an integral part of these financial statements.



## STATEMENT OF COMPREHENSIVE INCOME

in EUR 1,000	Note	2020	2019
<b>INCOME</b>			
Interest from financial assets at fair value through profit or loss	10	4,466	3,608
Income on shares and participations		1,009	-
Net foreign currency gains or losses on cash and cash equivalents		-	-1
Other net changes in fair value on financial assets through profit or loss	3	- 9,216	1,655
<b>Total net income (loss)</b>		<b>-3,741</b>	<b>5,262</b>
<b>EXPENSES</b>			
<b>Interest expense</b>		<b>-7</b>	<b>-</b>
Management fees		-1,103	-853
Custodian fees		-47	-74
Other operating expenses		-119	-32
<b>Total operating expenses</b>		<b>-1,269</b>	<b>-959</b>
<b>Operating profit/(loss)</b>		<b>-5,017</b>	<b>4,303</b>
<b>Profit/(loss) after distributions and before tax</b>		<b>-5,017</b>	<b>4,303</b>
Income tax	11	-46	-191
<b>Increase/(decrease) in net assets attributable to holders of investment shares from operations</b>		<b>-5,063</b>	<b>4,112</b>

The notes on the following pages are an integral part of these financial statements.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTMENT SHARES

in EUR 1,000	Note	2020	2019
Net assets attributable to holders of investment shares at 1 January	9	65,521	53,124
Proceeds from redeemable investment shares issued		7,510	10,894
Redemption cost of redeemed investment shares		-1,941	-958
Dividends paid		-41	-1,651
<b>Net increase from investment share transactions</b>		<b>5,528</b>	<b>8,285</b>
Increase in net assets attributable to holders of investment shares from operations		-5,063	4,112
<b>Net assets attributable to holders of investment shares at 31 December</b>		<b>65,986</b>	<b>65,521</b>

The notes on the following pages are an integral part of these financial statements.

## STATEMENT OF CASH FLOW

in EUR 1,000	Note	2020	2019
<b>Cash flows from operating activities</b>			
Increase in net assets attributable to holders of investment shares		-5,017	4,303
Adjustment for:			
Interest from financial assets at fair value through profit or loss		- 4,467	-3 608
Exchange rate difference from investment shares issued		-1,009	-
Net foreign currency gains or losses on cash and cash equivalents		-	1
Other net changes in fair value on financial assets through profit or loss		9,217	-1,655
		<b>-1,276</b>	<b>-959</b>
Net decrease in other receivables and accrued expenses		996	-62
Acquisition of financial assets at fair value through profit or loss		-9,857	-7,230
<b>Cash used by operations</b>		<b>-10,137</b>	<b>-8,251</b>
Interest received		2,278	788
Income tax paid		-113	-131
<b>Net cash used in operating activities</b>		<b>-7,972</b>	<b>-7,594</b>
<b>Cash flows from financing activities</b>			
Proceeds from redeemable investment shares issued		8,205	10,838
Redemption of redeemable investment shares		-1,655	-958
Dividends paid		-35	-1,651
Loans received		1,471	-
<b>Net cash from financing activities</b>		<b>7,986</b>	<b>8,229</b>
Net increase/(decrease) in cash and cash equivalents		14	635
Cash and cash equivalents at beginning of the year	7	981	347
Exchange gains / (losses) on cash and cash equivalents		-	-1
<b>Cash and cash equivalents at end of the year</b>	<b>7</b>	<b>995</b>	<b>981</b>

The notes on the following pages are an integral part of these financial statements.

# Notes to the financial statements

## 1. General information

### Origin and characteristics of the Fund

NOVA Green Energy, SICAV, a.s. ("The Fund") is managed and administrated by REDSIDE investiční společnost, a.s. ("Investment Company" or "the Company").

Permission to create an investment Fund was granted by the ČNB decision from 29 January 2013, reference number 2013/1333/570 to Sp/2012/816/571, which came into force on 29 January 2013. The fund created has separate books and records and pool of assets - NOVA Green Energy - podfond 1 (hereinafter referred to as the "Sub-Fund").

With effect from 1 January 2020, the open-end mutual fund NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a.s. was transformed into a joint-stock company with variable share capital NOVA Green Energy, SICAV, a.s., therefore NOVA Green Energy otevřený podílový fond REDSIDE investiční společnost, a.s. is the dissolved fund and NOVA Green Energy, SICAV, a.s., is a newly emerging fund. At the same time, the newly emerging fund decided, through its manager, to create one Sub-Fund NOVA Green Energy - podfond 1, which takes over all the assets of the dissolved fund.

Due to the change in the legal form of the Fund, see above, the share certificates of the original open-end mutual fund were delisted from the Regulated Market of the Prague Stock Exchange with effect from 31 December 2019.

The fund has been entered in the list of investment funds maintained by the ČNB pursuant to § 597 (b) of the Act.

The fund has been established for an indefinite period.

The fund is a fund of qualified investors in the sense of § 95 par. 1 (b) of the Act, which collects funds from qualified investors by issuing investment shares and jointly invests the collected funds or money valuables on the basis of a determined investment strategy for the benefit of these qualified investors and further manages these assets.

The address of its registered office is V Celnici 1031/4, 110 00 Praha 1, the Czech Republic.

The investment objective of the Sub-Fund is the continuous appreciation of the funds invested by the shareholders of the Sub-Fund, in particular on the basis of direct or indirect investments in new projects and the development of business plans. The projects focus mainly on the energy sector, and especially on the segment of small and medium-sized enterprises engaged in the production of electricity or heat, especially from renewable sources (photovoltaics, wind and hydropower, biomass, biogas plants and others). The investment income will mainly be provided from interest on loans provided to the project companies in the Sub-Fund's assets and a share in the profit of the project and business plan. Part of the profits from the Sub-Fund's portfolio will also be further reinvested in accordance with the investment objective set out in the previous sentence, or may be paid out in the form of a dividend to its shareholders. As an additional type of investment, the Sub-Fund may invest using investment instruments from both the domestic financial market and foreign financial markets.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

Due to the planned relisting of the Sub-Fund investment shares for trading on the regulated market of the Prague Stock Exchange, the financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

When preparing the financial statements, especially during the assets and liabilities valuation, the directors of the investment company considered the impacts of the COVID-19 pandemic.

### 2.2 Foreign currency translation

#### (a) Functional and presentation currency

The Fund's investors are mainly from the eurozone, with the subscriptions and redemptions of the investment shares denominated in euro. Investment income should be mainly derived from interest on loans granted and profit shares from projects especially in the energy sector. The performance of the Fund is measured and reported to the investors in euro. The Board of Directors considers the euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The financial statements are presented in euro, which is the Fund's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'Net foreign currency gains or losses on cash and cash equivalents'.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within "Other net changes in fair value on financial assets at fair value through profit or loss".

### 2.3 Financial assets at fair value through profit or loss

#### (a) Classification

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

**(b) Exception to consolidation**

Since the Fund meets the definition of an Investment Entity as defined by IFRS 10 "Consolidated financial statements", it does not consolidate controlled investments but recognises them at fair value through profit or loss.

**(c) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised at the trade date - the date on which the Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established. Interest earned on debt securities and loans granted is calculated using the linear interest method and is presented in profit or loss for the year as "Interest from financial assets at fair value through profit or loss".

**(d) Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

If a significant movement in fair value occurs subsequent to the close of trading, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument or currency affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets that are not traded in an active market is determined using valuation performed by an independent certified valuation expert. Valuation techniques used include the application of discounted cash flow analysis based on reliable estimates of future cash flows and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

## 2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

## 2.6 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

## 2.7 Investment shares

The Fund issues the following types of investment shares for the Sub-Fund:

a/ "Dividend investment share A", which is issued to the Sub-Fund NOVA Green Energy – podfond 1, is a share with special rights, all issued dividend investment shares A are shares of one type. Dividend investment shares A are issued as a book-entry security.

b/ "Growth investment share A", which is issued to the Sub-Fund NOVA Green Energy – podfond 1, is a share with special rights, all issued growth investment shares A are shares of one type. Growth investment shares A are issued as a book-entry security. Growth investment shares A do not have the right to a profit share payment, while the value of unpaid profit is reflected in the current value of growth investment shares A. The growth rate of performance of both types of investment shares A, i.e. dividend and growth investment shares A, is identical and even .

Investment shares can be issued in various currency classes, in particular as Czech Crown (CZK class) and Euro (EUR class). The currency class of a share means that the issue price of such shares is redeemed in the relevant currency in which the investment share is issued and all performances by the Fund (profit share, amount for which the share is redeemed, etc.) are paid in the relevant currency, in which the investment share is issued.

Investment shares are reported in the amount paid for the redemption of investment shares, which is due on the reporting date if the holder exercises the right to return the investment share back to the Fund.

Investment shares are issued and redeemed at the fair value of the net assets attributable to these investment shares on the last day of the Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market month preceding the month in which the Investment Company received the request to issue or redeem the investment shares. The value of the net assets per investment share is calculated by dividing the net assets per investment holder for each class and type of investment share by the total number of outstanding investment shares of each type and class.

Advances received for investment shares are kept at a value corresponding to the amount received.

## 2.8 Interest income and dividend income

Dividend income is recognised when the right to receive payment is established. Interest income includes interest on subordinated loans granted and debt securities held. Interest income is reported on an accrual basis using the linear method.

## 2.9 Transaction costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense, because they relate to financial assets at fair value through profit or loss.

## 2.10 Distributions payable to holders of investment shares

Proposed distributions to holders of investment shares are recognised in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the Fund. This typically occurs when proposed distribution is ratified by the Board of Directors of the Investment Company. The distribution on the investment shares is recognised as a finance cost in the statement of comprehensive income.

## 2.11 Increase/decrease in net assets attributable to holders of investment shares from operations

Not distributed income is included in net assets attributable to holders of investment shares. Movements in net assets attributable to holders of investment shares are recognised in the statement of comprehensive income as finance costs.

## 2.12 Taxation

### Current tax

Non tax-deductible expenses are added to, and non-taxable income is deducted from, the profit for the period before tax to arrive at the taxable income, which is further adjusted for tax allowances and relevant credits.

### Deferred tax

Deferred tax is provided on all temporary differences between the carrying and tax value of assets and liabilities multiplied by the income tax rate expected to be valid for the next period. A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

### Withholding tax

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income.

## 2.13 Standards and amendments to existing standards effective from or after 1 January 2020

### Effective from 1 January 2020

The adopted accounting policies are consistent with those used in the Fund's annual financial statements for the year ended 31 December 2019, except for the adoption of the following standards, amendments and interpretations. The adoption of other standards did not have any significant impact on the financial statements of the Fund, unless stated otherwise below.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) is effective for periods on or after 1 January 2019 and was endorsed by the EU. The amendment clarifies that any long-term interests in an associate or joint venture that, in substance, form a part of the entity's net investment are in scope of IFRS 9.

IFRIC 23 Uncertainty over Income Tax Treatments is effective for periods on or after 1 January 2019 and was endorsed by the EU. The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatment.

Annual Improvements to IFRS Standards (2015 - 2017 Cycle), issued in December 2017 with a view to remove inconsistencies and clarify wordThere are separate transitional provisions for each standard, all of which are applicable on or after 1 January 2019 Improvements were endorsed by the EU.

### Effective after 1 January 2020

The following standards, amendments and interpretations have been issued and are effective after 1 January 2020. Unless otherwise stated below, the new standards, amendments and interpretations are not expected to significantly affect the Fund's financial statements.

Definition of a Business (Amendment to IFRS 3) is effective for periods on or after 1 January 2020 and has not yet been endorsed by the EU. The amendment offers guidance how to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. Business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Definition of Material (Amendments to IAS 1 and IAS 8) is effective for periods on or after 1 January 2020 and was endorsed by the EU. The amendment defines that information is material if omitting, misstating or obscuring it could influence decisions that the users of financial statements make on the basis of financial statements. Materiality depends on the nature or magnitude of information, or both.

Amendments to References to the Conceptual Framework in IFRS Standards are effective for periods on or after 1 January 2020 and was endorsed by the EU.



Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance.

Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021). The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The EU has not yet endorsed the amendment.

### 3. Financial risks

#### 3.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both mitigate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options, long equity and debt securities is limited to the fair value of those positions. There are no future positions or other exposures where the maximum loss of capital can be unlimited.

The management of these risks is carried out by the Investment Company under policies defined by the Statute of the Fund and approved by the Board of Directors. The Statute defines principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

### 3.1.1 Market risk

The Fund takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity shares, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted.

#### (a) Currency risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the euro, its functional currency. Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Foreign exchange exposure relating to non-monetary assets and liabilities is considered to be a component of market price risk, not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The table below presents assets and liabilities denominated in **CZK**:

in EUR 1,000	At 31 December 2020	At 31 December 2019
	CZK	CZK
<b>ASSETS</b>		
Monetary assets	3,968	3,112
Non-monetary assets at fair value through profit or loss	10,220	10,518
<b>Liabilities</b>		
Non-monetary liabilities	-	-170
Monetary liabilities	-1,464	-302
<b>Net position</b>	<b>12,724</b>	<b>13,158</b>

The Fund does not enter into any derivative hedging transactions for the purpose of managing its exposure to foreign exchange movements (both monetary and non-monetary). However, is permitted according to the Articles of Association, and in the case of currency risk assessment as significant, the relevant derivative transaction will be concluded to manage this risk.

The table below summarises the sensitivity of the Fund's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

in EUR 1,000	At 31 December 2020		At 31 December 2019	
	Reasonable rate shift	Value movement	Reasonable rate shift	Value movement
<b>CZK</b>				
Monetary	+/- 2.5%	+/- 63	+/- 2.0%	+/- 56
Non-monetary	+/- 2.5%	+/- 255	+/- 2.0%	+/- 207

**(b) Interest rate risk**

The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Fund's exposure to interest rate risks. The table presents the aggregated amounts of the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest change or maturity dates:

Interest rate sensitivity of the Fund's assets and liabilities

in EUR 1,000	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non- monetary	Total
<b>As at 31 December 2020</b>						
Equity securities	-	-	-	-	17,271	17,271
Debt securities	-	3,077	-	-	-	3,077
Subordinated loans granted	-	9,055	19,500	19,018	-	47,573
Other assets	2	-	-	-	-	2
Cash and cash equivalents	995	-	-	-	-	995
<b>Net interest sensitivity gap at 31 December 2020</b>	<b>997</b>	<b>12,132</b>	<b>19,500</b>	<b>19,018</b>	<b>17,271</b>	<b>68,918</b>
<b>As at 31 December 2019</b>						
Equity securities	-	-	-	-	12,912	12,912
Debt securities	-	10,571	-	-	-	10,571
Subordinated loans granted	-	15,985	14,306	11,282	-	41,573
Other assets	2	-	-	-	-	2
Cash and cash equivalents	981	-	-	-	-	981
<b>Net interest sensitivity gap at 31 December 2019</b>	<b>983</b>	<b>26,556</b>	<b>14,306</b>	<b>11,282</b>	<b>12,912</b>	<b>66,039</b>

The overview above includes all assets and liabilities and is coincident to the values presented in the statement of financial position of the Fund.

The Fund is not exposed to cash flow interest rate risk as it does not have variable interest instruments.

**(c) Another price risks**

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where equity securities are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates. See Paragraph (a) 'Currency risk' above sets out how this component of price risk is managed and measured.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. The Fund's policy limits individual equity securities to no more than 25% and investments in other investment funds to no more than 10% of the Fund's assets. In accordance with the Fund's policy asset manager monitors overall market position on a monthly basis and investees performance on a daily basis. Board of Directors reviews investees monitoring on a semi-annual basis. Compliance with the Fund's investment policies are reported to the Board of Directors on a semi-annual basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

### 3.1.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund is mainly exposed to the risk of obligatory cash redemptions of investment shares of its qualified investors.

The table below shows financial assets and liabilities at 31 December 2020 by their remaining contractual maturity. The amounts of liabilities disclosed in the maturity table are the contractual cash flows.

### Residual maturity of Fund's assets and liabilities

in EUR 1,000	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
<b>As at 31 December 2020</b>						
Debt securities	-	3,077	-	-	-	3,077
Equity securities	-	-	-	-	17,271	17,271
Subordinated loans granted	-	9,055	19,500	19,018	-	47,573
Cash and cash equivalents	995	-	-	-	-	995
Other assets	2	-	-	-	-	2
<b>Total</b>	<b>997</b>	<b>12,132</b>	<b>19,500</b>	<b>19,018</b>	<b>17,271</b>	<b>68,918</b>
Short-term liabilities	1,325	1,477	-	-	-	2,802
Current income tax liability	-	130	-	-	-	130
Deferred tax liability	-	-	-	-	-	-
Net assets attributable to holders of redeemable shares	-	65,986	-	-	-	65,986
<b>Total</b>	<b>1,325</b>	<b>67,593</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>66,039</b>
<b>Gap</b>	<b>-328</b>	<b>-55,461</b>	<b>19,500</b>	<b>19,018</b>	<b>17,271</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>-328</b>	<b>-55,789</b>	<b>-36,289</b>	<b>-17,271</b>	<b>-</b>	<b>-</b>
in EUR 1,000	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Not specified	Total
<b>As at 31 December 2019</b>						
Debt securities	-	10,571	-	-	-	10,571
Equity securities	-	-	-	-	12,912	12,912
Subordinated loans granted	-	15,985	14,306	11,282	-	41,573
Cash and cash equivalents	981	-	-	-	-	981
Other assets	2	-	-	-	-	2
<b>Total</b>	<b>983</b>	<b>26,556</b>	<b>14,306</b>	<b>11,282</b>	<b>12,912</b>	<b>66,039</b>
Short-term liabilities	329	-	-	-	-	329
Current income tax liability	-	19	-	-	-	19
Deferred tax liability	-	-	-	170	-	170
Net assets attributable to holders of redeemable shares	-	65,521	-	-	-	65,521
<b>Total</b>	<b>329</b>	<b>65,540</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>66,039</b>
<b>Gap</b>	<b>654</b>	<b>-38,984</b>	<b>14,306</b>	<b>11,112</b>	<b>12,912</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>654</b>	<b>-38,330</b>	<b>-24,024</b>	<b>-12,912</b>	<b>-</b>	<b>-</b>

Redeemable shares are redeemed within the following period depending on the amount of redemption:

- 4 months, if redeemable amount is below or equal to equivalent of CZK 10 million,
- 6 months, if redeemable amount exceeds equivalent of CZK 10 million and does not exceed or equal CZK 30 million,
- 12 months, if redeemable amount exceeds equivalent of CZK 30 million.

In the table above redeemable shares included in the maturity cohort based on the total amount of individual holder redeemable amount as at 31 December 2020, assuming that holder exercised its option at 31 December.

However, the Board of Directors does not presume that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Fund manages its liquidity risk by maintaining cash balance at bank account and investing in debt securities which the management consider as readily realisable.

The Investment Company is entitled to suspend the subscription and redemption of share of the Fund for 3 months at maximum for reasons of insufficient liquidity, that is that certain assets of the Fund will not be sold in time for a reasonable price.

### 3.1.3 Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Fund is exposed arises from the Fund's investments in subordinated receivables and corporate bonds. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances. The Fund's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the statement of financial position.

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. The amount of principal of loans provided to one debtor (one collective investment fund) or bonds issued by a single issuer should not exceed 35% of the Fund's assets.

Exposure to credit risk is also managed by obtaining collateral and corporate and personal guarantees. If the credit or loan is provided to a company in which the Fund holds a controlling ownership interest the Fund may not require this company to secure the credit or loan with regard to the existence of the mutual relationship of the controlling and controlled entity, and in addition the Fund may contractually pledge its receivables from the credits or loans provided owed by this company against the receivable or receivables of other creditors.

The Fund's policy is to carry out technical and financial due diligence of the target before investment decision is taken by the Board of Directors. In recent years, the Fund has provided equity financing for several projects that it planned to acquire - these are mainly projects of two biomass heating plants in Slovakia (TeHo Bardejov, s.r.o. and TeHo Topoľčany, s.r.o.). Due to the coronavirus pandemic crisis, the refinancing of projects stopped, which was a condition for the transfer of the heating plants into the Fund. Due to the currently unclear situation before the end of 2020, the Fund's managers, together with the valuers, revalued the assets related to the projects. Credit risk is still actively managed after the end of 2020, and the Fund's management is succeeding in taking steps that should maximize the return on provided equity financing.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss. At 31 December 2020 and 31 December 2019, all cash and cash equivalents are held with counterparties with a Moody's high BCA rating and are due to be settled on demand. Management consider the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

### 3.2 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of investment shares. The amount of net asset attributable to holders of investment shares can change significantly on a monthly basis, as the Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to perform the following:

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate within redemption periods disclosed in the Note 3.1.2. and adjust the amount of distributions the Fund pays to investment shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors, Investment Manager and Fund's depository monitor capital on the basis of the value of net assets attributable to individual qualified investors.

### 3.3 Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for both financial assets and financial liabilities. If a significant movement in fair value occurs subsequent to the close of trading, valuation techniques will be applied to determine the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardised financial instruments include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund uses the valuations performed by an independent certified valuation expert, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities, receivables and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a valuation is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value of cash and cash equivalents is assumed to approximate fair value.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value as at 31 December 2020.

All fair value measurements disclosed are recurring fair value measurements.

in EUR 1,000	Level 3	Total balance
<b>ASSETS</b>		
<b>Financial assets at fair value through profit or loss:</b>		
Debt securities		
Eurozone corporate	3,077	<b>3,077</b>
Equity securities		
Eurozone corporate		
Green energy	17,271	<b>17,271</b>
Subordinated loans granted		
Eurozone corporate		
Green energy	47,573	<b>47,573</b>
<b>Total assets at fair value through profit or loss</b>	<b>67,921</b>	<b>67,921</b>

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value as at 31 December 2019.

in EUR 1,000	Level 3	Total balance
<b>ASSETS</b>		
<b>Financial assets at fair value through profit or loss:</b>		
Debt securities		
Eurozone corporate	10,571	<b>10,571</b>
Equity securities		
Eurozone corporate		
Green energy	12,912	<b>12,912</b>
Subordinated loans granted		
Eurozone corporate		
Green energy	41,573	<b>41,573</b>
<b>Total assets at fair value through profit or loss</b>	<b>65,056</b>	<b>65,056</b>

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently or are not traded at all. Level 3 instruments include private equity and subordinated loans granted. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.



Level 3 valuations are reviewed at least annually by an independent certified expert opinion, as at 31 December of each calendar year. The fair value of loans provided by the Fund is determined at the value of principal unless the Investment Company is aware of serious reasons concerning the credibility of the debtor allowing the Fund to proceed otherwise. The method for the determination of the fair value of other assets and liabilities of the Fund and the method for determination of the actual value of the share of the Fund is set forth by an implementing legal regulation. The valuation performed by an independent certified valuation expert include the application of discounted cash flow analysis based on reliable estimates of future cash flows and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows:

in EUR 1,000	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
<b>31 December 2020</b>						
<b>Financial assets at fair value through profit or loss</b>						
- Debt securities	3,077	Discounted cash flows ("DCF")	Government bonds yield curve	1.13% (1.13%)	± 0.5%	- 0.57% + 0.24%
			Credit spread	5.53-6.72% (5.65%)	± 1%	- 1.10% + 0.81%
- Equity securities – Green Energy	14,789	Discounted cash flows ("DCF")	Green energy price*	112–619 EUR/MWh (238 EUR/MWh)	± 1%	- 8.01% + 8.00%
			Energy production	882.6 – 8,200 MWh/MW (1,818 MWh/MW)	± 5%	- 39.92% + 40.24%
			Risk free rate	-0.04 – 2.23%	± 0.5%	- 16.75% +17.78%
			Risk premium	4.72% (4.72%)	± 1%	- 30.83% + 34.43%
- Equity securities - Real Estate	2,482		Estimated rent (ERV)	4.45 EUR /m2/month	± 10%	- 52.26% +56.29%
			Risk free rate	1.13%	± 0.5%	-28.16% +28.12%
			Risk premium	5.37%	± 1%	-52.26% +60.31%
- Subordinated loans	47,573	Discounted cash flows ("DCF")	Discount rate	5.61 – 8.93% (7.62%)	± 0.5%	- 0.54% + 0.46%

in EUR 1,000	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measurement
<b>31 December 2019</b>						
<b>Financial assets at fair value through profit or loss</b>						
- Debt securities	10,571	Discounted cash flows ("DCF")	Government bonds yield curve	0.25% (0.25%)	± 0.5%	- 0.04% + 0.03%
			Credit spread	8.13% (8.13%)	± 1%	- 0.55% + 0.09%
- Equity securities	12,912	Discounted cash flows ("DCF")	Green energy price*	112–627 EUR/MWh (434 EUR/MWh)	± 1%	- 5.16% + 5.14%
			Energy production	882.6 – 8,200 MWh/MW (1,851 MWh/MW)	± 5%	- 25.77% + 25.73%
			Risk free rate	0.25 – 1.55% (1.37%)	± 0.5%	- 6.65% + 6.94%
			Risk premium	5.20% (5.20%)	± 1%	- 11.72% + 12.71%
- Subordinated loans	41,573	Discounted cash flows ("DCF")	Discount rate	5.31 – 7.46% (6.89%)	± 0.5%	- 1.13% + 1.17%

The above tables disclose sensitivity to valuation inputs for financial assets, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly. For this purpose, significance was judged with respect to profit or loss and net assets.

Green energy price disclosed in the tables above as one of the most significant inputs depends on the country, type of green energy and date when power plant was put in operation. It is fixed but is subject to government annual re-approval.

There were no changes in valuation technique for level 3 recurring fair value measurements during the year ended 31 December 2020 or 2019.

The sensitivity of fair value measurement disclosed in the above table shows the direction that an increase or decrease in the respective input variables would have on the valuation result. For equity securities, green energy prices are fixed for their period equal to useful life of photovoltaic panels, however it is subject to annual approval by the government.

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments is as:

in EUR 1,000	Debt securities	Equity securities	Subordinated loans granted	Total financial assets at fair value through profit or loss
<b>Fair value as at 1 January 2019</b>	<b>18,767</b>	<b>11,689</b>	<b>22,844</b>	<b>53,300</b>
Gains or losses recognised in profit or loss for the year	72	1,223	360	1,655
Issue or origination	-	-	18,641	18,641
Accrual of interest	1,520	-	2,088	3,608
Repayment of interest	-788	-	-	-788
Settlements	-9,000	-	-2,360	-11,360
<b>Fair value at 31 December 2019</b>	<b>10,571</b>	<b>12,912</b>	<b>41,573</b>	<b>65,056</b>
Gains or losses recognised in profit or loss for the year	-1,157	-3,038	-5,060	-9,255
Issue or origination	5,544	7,397	10,079	23,020
Accrual of interest	661	-	3,821	4,482
Repayment of interest	-1,361	-	-1,640	-3,001
Settlements	-11,181	-	-1,200	-12,381
<b>Fair value at 31 December 2020</b>	<b>3,077</b>	<b>17,271</b>	<b>47,573</b>	<b>67,921</b>

The Fund also considers other liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

No transfers between levels occurred during the year 2020 and 2019.

#### 4. Segment information

The Fund is domiciled in the Czech Republic. All of the Fund's investments are located in the European Union. The Board of Directors considers the business as one portfolio and monitors its investments both individually and according to the geographical location. Currently there are three segments based on geographical location: the Czech Republic, the Slovak Republic and Hungary. There were no changes in the reportable segments during the year.

The segment information is as follows:

for the year ended 31 December 2020

in EUR 1,000	Czech Republic	Slovak Republic	Hungary	Total
Interest income	1,545	1,654	1,267	4,466
Interest expense	-2	-4	-	-6
Other net changes in fair value on financial assets through profit or loss	-7,698	-1,841	323	-9,216
<b>Total net segment income/expense</b>	<b>-6,155</b>	<b>-191</b>	<b>1,590</b>	<b>-4,756</b>
<b>Total segment assets</b>	<b>25,903</b>	<b>18,265</b>	<b>23,753</b>	<b>67,921</b>

Total segment assets include:

in EUR 1,000	Czech Republic	Slovak Republic	Hungary	Total
Debt securities	3,077	-	-	3,077
Equity securities	10,220	2,316	4,735	17,271
Subordinated loans granted	12,606	15,949	19,018	47,573

for the year ended 31 December 2019

in EUR 1,000	Czech Republic	Slovak Republic	Hungary	Total
Interest income	1,364	1,722	522	3,608
Other net changes in fair value on financial assets through profit or loss	1,616	-63	-24	1,655
<b>Total net segment income</b>	<b>2,980</b>	<b>1,785</b>	<b>498</b>	<b>5,263</b>
<b>Total segment assets</b>	<b>27,772</b>	<b>26,112</b>	<b>11,172</b>	<b>65,056</b>

Total segment assets include:

in EUR 1,000	Czech Republic	Slovak Republic	Hungary	Total
Debt securities	4,812	5,759	-	10,571
Equity securities	10,519	2,393	-	12,912
Subordinated loans granted	12,441	17,960	11,172	41,573

There were no transactions between reportable segments.

The Fund's costs which are mainly management and administration fees are not considered to be segment expenses.

A reconciliation of total segmental income to operating profit is provided as follows:

in EUR 1,000	2020	2019
Total segment income	5,475	5,263
Total segment expense	-9,223	-
Net foreign currency gains or losses on cash and cash equivalents	-	-1
Expenses	-1,269	-959
<b>Operating profit/loss</b>	<b>-5,017</b>	<b>4,303</b>

Reportable segments' assets are reconciled to total assets as follows:

in EUR 1,000	31 December 2020	31 December 2019
Segment assets for reportable segments	67,921	65,056
Other assets	2	2
Cash and cash equivalents	995	981
<b>Total assets</b>	<b>68,918</b>	<b>66,039</b>

The Fund's other assets and cash and cash equivalents are not considered to be segment items, neither are any Fund's liabilities.

## 5. Critical accounting estimates and judgements

### 5.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

#### (a) Fair value of financial assets not quoted in an active market

The fair value of such financial assets not quoted in an active market is determined by an independent certified valuation expert. Valuation techniques used include the application of discounted cash flow analysis based on reliable estimates of future cash flows, adjusted as appropriate for liquidity, credit and market risk factors, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The Fund would exercise judgement and estimates quantity and quality of pricing sources used. Valuation methods and techniques used are generally recognised as standard within the industry. The models used to determine fair values are validated and periodically reviewed by Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes "observable" requires significant judgement by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For details on fair value calculation please refer to Note 3.3.

## 5.2 Critical judgements

### Functional currency

The Board of Directors considers the euro as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The euro is the currency in which the Fund measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Fund is compared to other European investment products.

## 6. Financial assets at fair value through profit or loss

in EUR 1,000	31 December 2020		31 December 2019	
	Fair value	% of net assets	Fair value	% of net assets
<b>Debt securities</b>				
Czech Republic	3,077	4.66%	4,812	7.34%
Slovak Republic	-	0.00%	5,759	8.79%
Hungary	-	0.00%	-	0.00%
<b>Total debt securities</b>	<b>3,077</b>	<b>4.66%</b>	<b>10,571</b>	<b>16.13%</b>
<b>Equity securities</b>				
Czech Republic	10,220	15.49%	10,518	16.05%
Slovak Republic	2,316	3.51%	2,399	3.65%
Hungary	4,735	7.18%	-	0.00%
<b>Total equity securities</b>	<b>17,271</b>	<b>26.18%</b>	<b>12,912</b>	<b>19.71%</b>
<b>Subordinated loans granted</b>				
Czech Republic	12,606	19.10%	12,441	18.99%
Slovak Republic	15,949	24.17%	17,960	27.41%
Hungary	19,018	28.82%	11,172	17.05%
<b>Total subordinated loans granted</b>	<b>47,573</b>	<b>72.09%</b>	<b>41,573</b>	<b>63.45%</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>67,921</b>	<b>102.98%</b>	<b>65,056</b>	<b>99.29%</b>

Debt and equity securities are grouped based on their primary market in which the issuer operates.

## 7. Cash and cash equivalents

Cash and cash equivalents include only cash at bank on demand. The Fund holds all his cash in two banks, UniCredit Bank Czech Republic and Slovakia, a.s., which has the BCA Moody's rating of Baa1 as at 31 December 2020 (LTD Moody's rating of Baa1), and Československá obchodní banka, a.s., which has the BCA Moody's rating of Aa3 as at 31 December 2020 (LTD Moody's rating of A1).

## 8. Short-term liabilities

in EUR 1,000	31 December 2020	31 December 2019
Prepayments received for investment shares	896	207
Loans received	1,477	-
Other liabilities	428	122
<b>Total</b>	<b>2,802</b>	<b>329</b>

## 9. Investment shares

The investment shares of the Sub-Fund are considered redeemable shares with a nominal value of CZK 1 or EUR 0.1. None of them hold the voting right. Investment shares issued as dividend shares are entitled to a dividend payment from the profit. All are subject to management fees and all issued investment shares are fully paid. The investment shares of the Sub-Fund are subject to a minimum holding amount and subscribed amount.

The amount of the minimum initial investment per investor is CZK 125 thousand (one hundred and twenty-five thousand euros) or CZK 1 million (EUR 40 thousand).

During the year ended 31 December, the number of shares issued, redeemed and outstanding were as follows:

tis. EUR	2020			2019		
	EUR	CZK	Total	EUR	CZK	Total
<b>At 1 January</b>	288,092,413	451,225,944	739,318,357	280,052,348	273,574,796	553,627,144
Investment shares issued	368,018,743	133,489,063	501,507,806	13,591,432	180,859,897	194,451,329
Growth class	365,606,092	123,239,105	488,845,197	13,591,432	180,859,897	194,451,329
Dividend class	2,412,651	10,249,958	12,662,609	-	-	-
Investment shares redeemed	373,388,548	7,506,665	380,895,213	5,551,367	3,208,749	8,760,116
Growth class	373,388,548	7,506,665	380,895,213	5,551,367	3,208,749	8,760,116
Dividend class	-	-	-	-	-	-
<b>At 31 December</b>	<b>282,722,608</b>	<b>577,208,342</b>	<b>859,930,950</b>	<b>288,092,413</b>	<b>451,225,944</b>	<b>739,318,357</b>
Growth class	280,309,957	566,958,384	847,268,341	<b>288,092,413</b>	<b>451,225,944</b>	<b>739,318,357</b>
Dividend class	2,412,651	10,249,958	12,662,609	-	-	-

The net asset values (NAV) attributable to the Sub-Fund's investment share at the reporting date are as follows:

EUR 0.1385 for growth investment shares in EUR (2019: 0.1473)

EUR 0.1302 for dividend investment shares in EUR (no comparative)

0.0466 EUR for growth investment shares in CZK (2019: 0.0512 EUR)

0.0438 EUR for dividend investment shares in CZK (no comparative)

## 10. Interest income

in EUR 1,000	2020	2019
Income from assets designated at fair value through profit or loss:		
Debt securities	645	1,520
Subordinated loans granted	3,821	2,088
<b>Total</b>	<b>4,466</b>	<b>3,608</b>

## 11. Income tax

(a) Income tax expense comprise the following:

in EUR 1,000	2020	2019
Current tax (rate 5%)	216	124
Deferred tax (rate 5%)	-170	67
<b>Income tax expense for the year</b>	<b>46</b>	<b>191</b>

(b) Movement in deferred tax

The movement on the deferred income tax account is as follows:

in EUR 1,000	2020	2019
<b>At 1 January</b>	<b>-170</b>	<b>-104</b>
Subordinated loans granted (Note 6)		
Fair value change	9	-18
Equity securities (Note 6)		
Fair value change	161	-48
<b>At 31 December</b>	<b>-</b>	<b>-170</b>

As at 31 December 2020, the Fund does not have a deferred tax liability.

(c) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Fund's 2020 and 2019 income is 5%. A reconciliation between the expected and the actual taxation charge is provided below.

in EUR 1,000	2020	2019
<b>Profit after distributions and before tax</b>	<b>5,821</b>	<b>4,303</b>
Theoretical tax charge at statutory rate of 5%	291	215
Tax effect of items which are not deductible or assessable for taxation purposes:	-	-
Income which is exempt from taxation	-51	-91
Non-deductible expenses	-	-
<b>Income tax expense for the year</b>	<b>240</b>	<b>124</b>



## 12. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

### (a) Management and administration fee

The Fund is managed by the Investment Company. Under the terms of the management agreement dated 31 October 2014, the Fund appointed the Investment Company to provide management services to the Fund. The Investment Company receives in return a fee based on the net asset value as of the end of the month using the annual rate of 1.6% (2019: 1.5%). Total management fees for the year amounted to EUR 1,103 thousand (2019: EUR 853 thousand), with EUR 295 thousand (2019: EUR 83 thousand) in outstanding accrued fees due to the Investment Company at the end of the year.

### (b) Subordinated loans granted to subsidiaries and related interest income

Subordinated loans granted to subsidiaries and interest income from these loans are related-party transactions. Subordinated loans granted to subsidiaries as at 31 December 2020 amounted to EUR 38,517 thousand (31 December 2019: EUR 18,460 thousand).

Interest income from subordinated loans granted to related parties recognised in 2020 is EUR 2,761 thousand (2019: EUR 1,457 thousand).

### (c) Acquisitions of subsidiaries

In 2020, the Fund did not acquire any Subsidiaries from related parties.

### (d) Accepted loans from subsidiaries and related costs

Accepted loans from subsidiaries and related interest expense from these loans are considered as transactions with related parties. The amount of the accepted loans, including the accrued interest from subsidiaries as at 31 December 2020 amounted to EUR 1,477 ths. (the sub-fund has not recorded any accepted loans as at 31 December 2019).

## 13. Events After the Reporting Period

From the reporting date to the time of preparation of the financial statements, there were no significant events that would affect the financial statements as at 31 December 2020.

## 14. Approval of financial statements

The financial statements were approved on 30 April 2021 and authorised for issue on the same date.

Financial statements  
were prepared on:

30 April 2021

Stamp and signature  
of the Statutory Body:



Rudolf Vřešťál  
Authorized Representative

Person responsible  
for accounting

Name and signature:



Karel Krhovský  
CEO  
phone: 222 500 758

Person responsible  
for financial statements

Name and signature:



Šárka Burgetová  
Head of Finance  
phone: 222 500 757



# Report on relations – NOVA Green Energy, SICAV, a.s.

# Report on relations

between the Controlling Party and the Controlled Party and between the Controlled Party and the Parties Controlled by the same Controlling Party pursuant to Section 82 of Act No. 90/2012 Coll., the Business Corporations Act, as amended.

## I. Introductory provisions

### 1. The relevant period

This report is prepared for the accounting period from 1 January 2020 to 31 December 2020 (hereinafter referred to as „**the reporting period**“ or „**reference period**“).

### 2. Company name and registered office

NOVA Green Energy, SICAV, a.s., with its registered office at Prague 1 - Nové Město, V Celnici 1031/4, postcode 110 00, Company ID: 087 89 622, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 24997 (hereinafter referred to as „**the Company**“).

### 3. Statutory body

The statutory body of the Company at the end of the reporting period was statutory director:

REDSIDE investiční společnost, a.s., with its registered office at Prague 1 - Nové Město, V Celnici 1031/4, postcode 110 00, Company ID: 242 44 601, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362

in the exercise of the functions represented by the Authorized Representatives:

Rudolf Vřešťál, born 22 February 1977, Prokopova 2849/2a, Prague 3, Žižkov, postcode 130 00;

and

Karel Krhovský, born 25 July 1987, No. 265, Slavkov, postcode 687 64.

As a result of the adoption of the Company's Articles of Association to the new legislation under Act on Commercial Companies and Cooperatives and Act No. 240/2013 Coll., on Investment Companies and Investment Funds, which entered into force on 1 January 2021, the position of the statutory director ceased to exist on 31 December 2020 and was replaced as a statutory body effective from 1 January 2021 by the Board of Directors. The Company's Board of Directors may only have one member, when its only member is its manager, i.e. REDSIDE investiční společnost, a.s. In performing the function of a member of the Board of Directors, the Company is independently represented by an authorized representative Rudolf Vřešťál.

### 4. Shareholders and shares

At the end of the reporting period, the sole shareholder owning 100% of the founding shares was:

REDSIDE investiční společnost, a.s. - a shareholder owning 10 pieces of ordinary registered shares in paper form.

## II. Related parties

### 1. Controlling Parties

**REDSIDE investiční společnost, a.s.**, with its registered office at Prague 1 - Nové Město, V Celnici 1031/4, postcode 110 00, Company ID: 242 44 601, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 18362 (hereinafter referred to as „**the Controlling Party**“).

REDSIDE investiční společnost, a.s. was a shareholder owning 100% of the Company's shares in the reporting period.

**RVR Czech, s.r.o.**, with its registered office in Prague 1, V Celnici 1031/4, postcode 110 00, Company ID: 243 00 136, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 194393.

RVR Czech, s.r.o. was the majority shareholder of REDSIDE investiční společnost, a.s. in the reporting period with 90.48% of share and could through REDSIDE investiční společnost, a.s. exercise an indirect influence on the Company.

**Rudolf Vřešťál**, born 22 February 1977, Prague 3, Žižkov, Prokopova 2849/2a, postcode 130 00

Rudolf Vřešťál was the sole shareholder of RVR Czech, s.r.o. in the reporting period and through RVR Czech, s.r.o. and REDSIDE investiční společnost, a.s. could have an indirect influence on the Company.

(REDSIDE investiční společnost, a.s., RVR Czech, s.r.o. and Rudolf Vřešťál also referred to as „**Controlling Parties**“).

## 2. Parties Controlled by the same Controlling Party (also referred to as „Related Parties“)

List of all companies that were controlled in the reporting period, either directly or indirectly by the Controlling Parties:

### i. List of all companies under REDSIDE investiční společnost, a.s. in the reporting period:

**REDSIDE investiční společnost, a.s.** owned shares and was the manager and administrator of the following investment funds and their sub-funds in the reporting period:

Company	Identification no./NID	Registered office	Share %
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	04331869	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100% Company's shares
NOVA Real Estate - podfond 1	8085331795	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	
NOVA Green Energy, SICAV, a.s.	08789622	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100% Company's shares
NOVA Green Energy - podfond 1	75161664	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	04699017	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100% Company's shares
NOVA Money Market - podfond 3	75159911	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	
NOVA Money Market - podfond 4	75159929	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	
ARCA OPPORTUNITY, SICAV, a.s.	24199591	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100% Company's shares
ARCA OPPORTUNITY - podfond 1	75160404	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	
ARCA OPPORTUNITY CEE EQUITY - podfond 2	75160536	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	

In the reporting period until July 2020, REDSIDE investiční společnost, as was the manager and administrator of the investment fund NOVA Hotels open-end mutual Fund REDSIDE investiční společnost, a.s.

**NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.** owned shares in favour of NOVA Real Estate – podfond 1 accounts in the following companies during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
CXD Czech, s.r.o.	06024271	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Hradec s.r.o.	03818900	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Jablonec s.r.o.	03862984	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Kutil s.r.o.	04607155	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Panorama s.r.o.	05469091	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Penny 1 s.r.o.	05628024	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE North Point 17 s.r.o.	04485874	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE OCCB s.r.o.	04607112	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE OFM s.r.o.	07549849	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Smíchov Gate s.r.o.	05469228	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE South Point 16 s.r.o.	04486048	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Vyšehrad Victoria s.r.o.	04485980	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
NRE Znojmo s.r.o.	03815579	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
ZNO Slovakia s.r.o.	51842173	Laurinská 18 Bratislava - mestská časť Staré Mesto 811 01, SK	100%

**NRE OCCB s.r.o.** owned shares in the following companies in the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
RUQ Czech, s.r.o.	04378024	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

**NOVA Green Energy, SICAV, a.s.** in the reporting period owned shares in favour of NOVA Green Energy - podfond 1 (hereinafter referred to as the "Sub-Fund") accounts in the following companies:

Company	Identification no.	Registered office	Share (%)
BIOPLYN HOROVCE 3, s. r. o.	47168099	106 Horovce 020 62, SK	100%
BioElectricity, s. r. o.	47 379 499	Horovce 106 Horovce 020 62, SK	80%
CES-SOLAR 33, s. r. o.	46 094 504	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
CES-SOLAR 42, s.r.o.	46 094 644	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
ENERGOTREND alfa s.r.o.	28566408	V Celnici 1031/4, Nové Město, 110 00 Praha 1, ČR	100%
ENWO s.r.o.	44 022 751	Hlavná 561 Koliňany 951 78, SK	99%
EPSOLAR s. r. o.	44 933 428	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
FTVE Green Energy 1, s. r. o.	46 025 804	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
FTVE Green Energy 2, s.r.o.	46 025 553	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
HK-Promotion, s. r. o.	44 707 541	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
CHILOE a.s.	28308883	V Celnici 1031/4, Nové Město, 110 00 Praha 1, ČR	100%
INMADE, s.r.o	36 689 246	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
Jakub Solar s. r. o.	46 112 871	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
PV-Projekt, s. r. o.	45 281 106	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
SOLARIS one s.r.o.	43 871 917	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
TECOMA TRAVEL AGENCY, s.r.o.	36 577 537	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%
TFI Slovakia s.r.o.	50 412 477	Laurinská 18 Bratislava - mestská časť Staré Mesto 811 01, SK	99%
ZXJ Czech, s.r.o.	05866111	V Celnici 1031/4, Nové Město, 110 00 Praha 1, ČR	100%
DMJ Management Solutions Korlátolt Felelősségű Társaság	11-09-026180	2921 Komárom, Puskaporosi út 10., HU	100%
Csete Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027388	2921 Komárom, Puskaporosi út 10., HU	100%
Darvas Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027359	2921 Komárom, Puskaporosi út 10., HU	100%
Nyires Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027371	2921 Komárom, Puskaporosi út 10., HU	100%
Bárdió Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027380	2921 Komárom, Puskaporosi út 10., HU	100%

**ENWO s.r.o.** owned shares in the following companies during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
TOP PELET, s.r.o.	36 739 341	Družstevná 501, Krnča 956 19, SK	100%

**TFI Slovakia s.r.o.** owned shares in the following companies during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
BIOPLYN HOROVCE 2 s. r. o.	45 556 521	106 Horovce 020 62, SK	80%

**BIOPLYN HOROVCE 2 s. r. o.** owned shares in the following companies during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
BioElectricity, s. r. o.	47 379 499	Horovce 106 Horovce 020 62, SK	20%

**FTVE Green Energy 1, s. r. o.** owned shares in the following companies during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
FTVE Green Energy 3, s. r. o.	47 236 671	Kukučínova 86/9 Košice - mestská časť Juh 040 01, SK	100%

ii. List of parties controlled by RVR Czech, s.r.o. during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
REDSIDE investiční společnost, a.s.	242 44 601	V Celnici 1031/4, Nové Město, 110 00 Prague 1	90.48%
REDSIDE Investments a.s.	07187939	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
SWISS FUNDS, a.s.	05421721	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

Furthermore, during the reporting period RVR Czech, s.r.o. owned 45% share in the company RSFA, a.s., Identification number: 08579440, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, in which it was not classified as a Controlling Party due to the internal arrangement of shareholders' relations in the company.

## iii. List of parties controlled by Rudolf Vřešťál during the reporting period:

Company	Identification no.	Registered office	Share (%)
BAZ Czech, a.s.	28204298	Prague 1, V Celnici 1031/4, PSČ 11000	50%
RVR Czech, s.r.o.	24300136	Prague 1, V Celnici 1031/4, PSČ 11000	100%
TC VENTURES, s.r.o.	25777581	Prague 3, Krásova č.p. 1027, PSČ 13000	50%
White Express s.r.o.	04378059	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

## iv. List of companies in BAZ Czech, a.s. group during the reporting period:

Company	Identification no.	Registered office	Share (%)
Parties controlled by <b>BAZ Czech, a.s.</b> during the reporting period:			
ASB Czech Republic, s.r.o.	27215849	Prague 1, V Celnici 1031/4, PSČ 11000	100%
ASB Czech SC, s.r.o.	24201235	Prague 1, V Celnici 1031/4, PSČ 11000	100%
ASB Hungary Kft,	01-09-326637, TIN 26369420-2-42	Andrássy út 100. 3. em. 1062 Budapest, Hungary	100%
ASB Poland Sp. z o.o.	0000296560	ul. Zlota 59, Warsaw, Poland	100%
ASB Poland SC Sp. z o.o.	0000300061	ul. Zlota 59, Warsaw, Poland	99%
ASB Slovakia, s.r.o.	36 665 061	Laurinská 18, Bratislava 811 01, SK	90%
MXD Czech, s.r.o	03520005	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
Paříkova Property, s.r.o.	05481953	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
UnitedData a.s.	04201094	V Celnici 1031/4, Nové Město, 110 00 Prague 1	44%

Parties controlled by **ASB Slovakia, s.r.o.** during the reporting period:

Company	Identification no.	Registered office	Share (%)
ASB Slovakia Tax, s.r.o.	50 283 596	Laurinská 18 Bratislava - mestská časť Staré Mesto 811 01, SK	75%

Parties controlled by **ASB Poland SC Sp. z o.o.** during the reporting period:

Company	Identification no.	Registered office	Share (%)
ASB HR Services Sp. z o.o. w likwidacji	0000414060	Złota 59, 00-120 Warsaw, Poland	100%



Parties controlled by **ASB Poland Sp. z o.o.** during the reporting period:

<b>Company</b>	<b>Identification no.</b>	<b>Registered office</b>	<b>Share (%)</b>
ASB Tax Sp. z o.o.	0000423733	Złota 59, 00-120 Warsaw, Poland	74%
Hunter ASB Sp. z o.o. w likwidacji	0000378002	Złota 59, 00-120 Warsaw, Poland	50%
ASB Fiscal Representation Sp. z o.o.	0000319538	Złota 59, 00-120 Warsaw, Poland	100%

The list did not include companies controlled by ASB Czech SC, s.r.o., ASB Poland Sp. z o.o., ASB Hungary Kft and ASB Slovakia, s.r.o., which were established for the purpose of its resale (so-called ready-made companies).

### 3. Relationship between the Controlling Parties and the Company

#### a) Capital connection

REDSIDE investiční společnost, a.s. owns 100% of the Company's shares in the reporting period, RVR Czech, s.r.o. owns 90.48% of the REDSIDE investiční společnost, a.s. shares and Rudolf Vřešťál owns 100% of the shares in RVR Czech, s.r.o.

#### b) Personal connection

The Company and the Controlling Parties are also connected personally, whereas REDSIDE investiční společnost, a.s. was the statutory body, with managing and administrative powers over the Company. Rudolf Vřešťál was an Authorised Representative of the statutory director REDSIDE investiční společnost, a.s. in the Company, Chairman of the Board of Directors of REDSIDE investiční společnost, a.s. and an Executive and the sole shareholder in RVR Czech, s.r.o.

### III. The role of the Company, methods and means of control

The Company was in the reporting period the object of direct control of the Controlling party REDSIDE investiční společnost, a.s., whereas the Company carries out the activities of the fund of qualified investors according to the provisions § 95 paragraph. 1 a) of a Law no. 240/2013 Coll., on investment companies and investment funds, as amended. The Controlling Party also performs the function of the Administrator and Manager of the Company.

REDSIDE investiční společnost, a.s. owned 100% of the Company's shares in the reporting period. RVR Czech, s.r.o. was a major shareholder of the REDSIDE investiční společnost, a.s. in the reporting period and through REDSIDE investiční společnost, a.s. could have an indirect influence on the Company. Rudolf Vřešťál in the reporting period owned 100% of the RVR Czech, s.r.o. shares and through RVR Czech, s.r.o. and REDSIDE investiční společnost, a.s. could have an indirect influence on the Company.

In addition to the above exercise of voting rights REDSIDE investiční společnost, a.s. acted as the Statutory Director of the Company (since 1 January 2021 sole member of the Board of Directors) in the reporting period, whereas Rudolf Vřešťál acted as an Authorized Representative of the Statutory Director (since 1 January 2021 member of the Board of Directors) of the Company.

#### IV. Contracts and Agreements concluded between the Company and the Controlling Parties or the Related Parties, and performance provided

In the reporting accounting period, the following agreements were concluded or valid based on past arrangements between the Company and the Controlling Parties or Related Parties:

1. Agreements concluded between the Company and REDSIDE investiční společnost, a.s.
  - Agreement on the performance of the function of the Statutory Director of the Company as of 1 January 2020
  - Agreement on the performance of the function of member of the Company's Board of Directors as of 31 December 2020
2. Agreements concluded between REDSIDE investiční společnost, a.s. and ASB Czech Republic, s.r.o concerning the administration of the Company and the Sub-Fund:
  - Agreement on delegation the performance of an individual activity, included in the administration of an investment fund between REDSIDE investiční společnost, a.s. as administrator and ASB Czech Republic, s.r.o. as a provider, concluded on 1 January 2015
3. Agreements concluded between the Company acting on behalf of the Sub-Fund and NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
  - Loan agreement concluded on 15 June 2020, as amended
4. Agreements concluded between the Company acting on behalf of the Sub-Fund and BIOPLYN HOROVCE 3, s. r. o.
  - Loan agreement concluded on 16 October 2017
  - Agreement on the provision of financial assistance concluded on 25 November 2019, as amended
5. Agreements concluded between the Company acting on behalf of the Sub-Fund and BioElectricity, s. r. o.
  - Loan agreement concluded on 16 October 2017
  - Loan agreement concluded on 30 October 2020
6. Agreements concluded between the Company acting on behalf of the Sub-Fund and CES-SOLAR 33, s. r. o.
  - Loan agreement concluded on 16 December 2020
7. Agreements concluded between the Company acting on behalf of the Sub-Fund and CES-SOLAR 42, s.r.o.
  - Loan agreement concluded on 16 December 2020
8. Agreements concluded between the Company acting on behalf of the Sub-Fund and ENERGETREND alfa s.r.o.
  - Agreement on receivables assignment concluded on 2 September 2020, as amended
  - Agreement on receivables offsetting concluded on 17 December 2020
  - Loan agreement concluded on 16 December 2020
9. Agreements concluded between the Company acting on behalf of the Sub-Fund and ENWO s.r.o.
  - Agreement on the provision of financial assistance concluded on 3 July 2018, as amended
  - Agreement on the provision of financial assistance concluded on 19 December 2016
10. Agreements concluded between the Company acting on behalf of the Sub-Fund and EPSOLAR s. r. o.
  - Agreement to change the liability concluded on 28 April 2015
11. Agreements concluded between the Company acting on behalf of the Sub-Fund and HK-Promotion, s. r. o.
  - Agreement to change the liability concluded on 20 March 2015
12. Agreements concluded between the Company acting on behalf of the Sub-Fund and CHILOE a.s.
  - Loan agreement concluded on 21 December 2015, as amended
  - Loan agreement concluded on 16 December 2020
13. Agreements concluded between the Company acting on behalf of the Sub-Fund and INMADE, s.r.o.
  - Agreement to change the liability concluded on 20 March 2015
14. Agreements concluded between the Company acting on behalf of the Sub-Fund and PV-Projekt, s. r. o.
  - Agreement on receivables assignment concluded on 2 September 2020,
  - Agreement on receivables offsetting concluded on 2 September 2020,
  - Loan agreement concluded on 16 December 2020
15. Agreements concluded between the Company acting on behalf of the Sub-Fund and SOLARIS one s.r.o.
  - Agreement on receivables assignment concluded on 18 April 2015
16. Agreements concluded between the Company acting on behalf of the Sub-Fund and TECOMA TRAVEL AGENCY, s.r.o.
  - Agreement on receivables assignment concluded on 20 March 2015
17. Agreements concluded between the Company acting on behalf of the Sub-Fund and TFI Slovakia s.r.o.
  - Loan agreement concluded on 16 October 2017

18. Agreements concluded between the Company acting on behalf of the Sub-Fund and ZXJ Czech, s.r.o.

- Loan agreement concluded on 7 October 2020
- Agreement on maturity and interest amount concluded on 30 October 2020

19. Agreements concluded between the Company acting on behalf of the Sub-Fund and DMJ Management Solutions Korlátolt Felelősségű Társaság

- Agreement on the provision of financial assistance concluded on 2 May 2018, as amended

20. Agreements concluded between the Company acting on behalf of the Sub-Fund and Csete Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság

- Agreement on the provision of financial assistance concluded on 2 October 2019
- Agreement on the provision of financial assistance concluded on 3 December 2019
- Loan agreement concluded on 7 October 2020
- Loan agreement concluded on 26 October 2020
- Loan agreement concluded on 30 October 2020
- Agreement on liabilities takeover concluded on 30 October 2020
- Agreement on offsetting concluded on 30 October 2020
- Loan agreement concluded on 30 November 2020

21. Agreements concluded between the Company acting on behalf of the Sub-Fund and Darvas Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság

- Agreement on the provision of financial assistance concluded on 2 October 2019
- Agreement on the provision of financial assistance concluded on 3 December 2019
- Loan agreement concluded on 7 October 2020
- Loan agreement concluded on 26 October 2020
- Loan agreement concluded on 30 October 2020
- Agreement on liabilities takeover concluded on 30 October 2020
- Agreement on offsetting concluded on 30 October 2020
- Loan agreement concluded on 30 November 2020

22. Agreements concluded between the Company acting on behalf of the Sub-Fund and Nyires Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság

- Agreement on the provision of financial assistance concluded on 2 October 2019
- Agreement on the provision of financial assistance concluded on 3 December 2019
- Loan agreement concluded on 7 October 2020
- Loan agreement concluded on 26 October 2020
- Loan agreement concluded on 30 October 2020
- Agreement on liabilities takeover concluded on 30 October 2020
- Agreement on offsetting concluded on 30 October 2020
- Loan agreement concluded on 30 November 2020

23. Agreements concluded between the Company acting on behalf of the Sub-Fund and Bárdió Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság

- Agreement on the provision of financial assistance concluded on 2 October 2019
- Agreement on the provision of financial assistance concluded on 3 December 2019
- Loan agreement concluded on 7 October 2020
- Loan agreement concluded on 26 October 2020
- Loan agreement concluded on 30 October 2020
- Agreement on liabilities takeover concluded on 30 October 2020
- Agreement on offsetting concluded on 30 October 2020
- Loan agreement concluded on 30 November 2020.

## V. Legal acts made in the reporting period that were made at the instigation of or in the interest of the Controlling Parties or the Related Parties, if such an act concerned assets exceeding 10% of the company's equity of Controlled Parties ascertained according to the latest financial statements

In the reporting period, the Company did not, at the instigation or in the interest of the Controlling Parties or the Related Parties, carry out any transactions in respect of assets that exceed 10% of the Company's controlled capital, as determined by the latest financial statements.

## VI. Conclusion

1. In the reporting period the Company has not been subjected to any material or financial detriment by the Controlling Parties or the Related Parties as a result of contractual relations with the Controlling Parties or the Related Parties or any other legal acts or other actions taken or received in the interest or at the instigation of the Controlling Parties or the Related Parties.
2. The advantage of including the Company in the described business group is the benefit from the synergies of the group's activities and the use of the activities of other companies within the group. Possible disadvantage is the more demanding administrative and organizational structure of the group. After an overall assessment of the impact of the company's inclusion in the business group, the benefits prevail. The described potential risks and disadvantages are addressed at the level of control elements of individual group entities.
3. The member of the Board of Directors of the Company declares that (i) it prepared this Report on relation based on all information available to it on the relations between the Controlling Party and the Company and between Company and Related Parties pursuant to Section 82 of the Commercial Corporations Act, (ii) this Report on relation is true according to the information available to it and (iii) it did not conceal any substantial facts which are known and which by law are to be the content of this report.

Prague, 31 March 2021



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Rudolf Vřešťál,  
Authorized Representative of the Management Board,  
of REDSIDE investiční společnost, a.s.,