



Annual Report 2021

Annual report content

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of Directors

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Key economic indicators

11.2 CZK

UNLEVERAGED ASSETS UNDER MANAGEMENT

19

NUMBER OF BUILDINGS IN PORTFOLIO

90+

NUMBER OF TENANTS IN BUILDINGS

19

PEOPLE IN REDSIDE TEAM

5

FUND'S PORTFOLIOS

77 GWh

ANNUAL ELECTRICITY PRODUCTION





01

Report of the Board of Directors

Report of the Board of Directors on the REDSIDE business activities

Dear Shareholders, Investors and Business Partners,

please allow me to look back at the past, already ninth, year of existence of our investment company and at the same time acquaint you with our plans and strategic intentions for the following period. It will come as no surprise that the first half of last year was still largely affected by the coronavirus pandemic, which has gradually changed not only our expectations and priorities since 2020. The uncertainty that arises in investor decisions always occurs at first in the financial sector and capital markets. These factors, reinforced by inefficient capital allocation, also led to the bankruptcy of the Arca Capital financial group, which for a long time has been our trading partner, a major investor of the funds under our management and also a 9.5% shareholder in the investment company itself. The fact that REDSIDE has worked with Arca has done a disservice to investment company, and we are aware that reputation is everything to fund managers.

With respect to the financial problems and the protracted course of the insolvency proceedings of the Arca Capital Group, during 2021 we began to take steps to crowd out the minority shareholder Arca Capital Finance Group, a.s. from the REDSIDE shareholder structure, which became a fact at the REDSIDE General Meeting held on 29 March 2022. We are convinced that this step, along with other planned projects, will restore the trust of our business partners and investors and will confirm the honesty of our intentions and the hard work of the entire REDSIDE team.

REDSIDE manages total assets of approximately EUR 470 million (CZK 11.9 billion) through private equity funds. Our largest fund is by far the NOVA Real Estate fund, which, after seven years of existence, manages assets worth over EUR 337 million (approximately CZK 8.4 billion) and has a high-quality and stable real estate portfolio that we created in 2015-2018. Over the last year, the fund has brought its investors value of almost 10%, while since 2016 the fund has developed its assets by almost 45% and thus steadily exceeds its target yield of 6-7% p.a. In addition to entering the logistics and industrial real estate segment, where the fund holds a giant industrial park in Trenčín, the NOVA Real Estate fund also allocated a part of portfolio in the retail sector with essential goods such as hyper and super markets (Tesco, Ahold, Penny) and hobby markets such as OBI and Baumax. These establishments showed stability and growth even in a non-standard situation due to government restrictions during the pandemic. The third pillar of the fund's stability consists of the so-called "A" office buildings in Prague's Anděl and the center of Prague, long-term leased mainly to multinational tenants such as Google, Pfizer, Cemex, BNP Paribas, Mercedes-Benz and others. Building the long-term and fair relationships and excellent creditworthiness of our tenants means occupancy exceeding 97.5% of the total leasable area (250 thousand m²) of the NOVA Real Estate fund. Despite the rise of a higher proportion of work from home, we are succeeding in concluding new leases and extending existing ones and there is no indication that anything will change in the future due to the high occupancy of our offices.

Our second fund, the largest fund of qualified investors investing directly in renewable energy sources in the region of Central and Eastern Europe, called NOVA Green Energy, has had a relatively turbulent year, but with a clear positive outlook, which is compounded by the renewable energy boom and extreme increase in electricity prices. This is reflected, among other things, in the fact that individual projects are already deviating from state-guaranteed purchase prices and, on the contrary, are building their business models purely on market conditions.

Unfortunately, in 2020 the fund recorded a loss of more than 5% due to the revaluation of part of the assets related to the indirect impact of the coronavirus pandemic in the context of financing biomass heating plants in Slovakia, which the fund was to acquire from Arca Capital. Last year, however, the fund already recorded an appreciation of 4.62% and is gradually returning to its growth trajectory due to the very fundamentals of the portfolio. We plan to restore the fund to normal operation in mid-2022. In the second half of 2021, REDSIDE undertook a number of actions leading to the stabilization of the fund and its further development, but due to extreme administrative delays in insolvency proceedings of Arca Capital Slovakia, it is still not possible to objectively eliminate all risks affecting part of the Sub-Fund's portfolio. In order to protect current and future investors, we analyzed in detail the possibility of allocating part of the temporarily less liquid assets and the subsequent reopening of the fund and decided for restructuralization of the fund with the working name "side-pocket", which will separate the less liquid part of the portfolio from the fully liquid one. Aware of the fund's huge green potential, its exceptional position in a regional market, where it has almost no competition, and our lead in green energy investment know-how, our clear goal is to obtain new fund investments and further expand its portfolio. I believe that we have demonstrated our long-term ability to achieve this in the past year, when we completed and successfully put into operation our largest photovoltaic power plant with an output of 30 MW and a total value of EUR 32 million in Hungary.

Within our REDSIDE company, we managed to maintain the dynamics of all key financial indicators and significantly increase our equity, which amounts to CZK 199 million. At the same time, we have strengthened the existing team, which today includes almost 20 experienced professionals taking care of a total of 5 fund portfolios within 4 investment funds of qualified investors.

We continue to put great emphasis on an individual client approach. The trust of our clients has long enabled us to enter into even larger and more interesting projects. At the same time, however, after our experience with Arca Capital, we are more aware than ever that it is precisely the trust of our investors that is by far our most precious and fragile asset.

Business activities

The main focus of our work during 2021 continued to be management and administration of investment funds of qualified investors, of which at the end of the year we managed a total of four. All investment funds managed by us are open-end investment funds with variable share capital forming individual sub-funds.

At the end of 2021 we managed resp. administrated 5 fund portfolios in total, with fund assets ("AUM") in total amount of CZK 11,880 million, with NOVA Real Estate fund accounting for 70%, NOVA Green Energy fund 24%, Arca Opportunity fund 3% and NOVA Money Market funds 3% of this total.

Further development of business activities

We will still intend to provide administration and management services mainly to the funds, which we manage.

The main principle in fulfilling our goals and strategy of REDSIDE is to respect ethical values and compliance with all legal and regulatory obligations associated with the company's business.

The coronavirus pandemic had a significant impact on the further business of Arca Capital, which was the ideological founder of two Arca Opportunity investment funds managed by us – Sub-Fund 1 and NOVA Money Market. The bankruptcy of the parent company Arca Investments, a.s., due to coronavirus resulted in a significant outflow of investors from these two funds, which subsequently resulted in the suspension of the issue and redemption of investment shares of the sub-funds in accordance with Section 139 (1) (b) ZISIF.

However, the position of NOVA Money Market as a participant in insolvency proceedings and a secured creditor has been repeatedly questioned, both by Arca Investments, a.s. and by other creditors. NOVA Money Market is intentionally listed as an unsecured creditor, or a creditor having the status of a related party, or even forming a group with Arca Investments, a.s., which in turn creates additional legal uncertainty on the part of NOVA Money Market shareholders, supported by some activist law firms. As part of the NOVA Money Market investment fund, acting as a secured creditor, we have registered receivables from Arca Investments, a.s. in insolvency proceedings in the Czech Republic and subsequently decided, based on an economic profitability analysis, to assign the receivable to Credit One, a.s.

In the case of Arca Opportunity - Sub-Fund 1, after almost 10 years of the Sub-Fund's successful existence, we have decided to close the Sub-Fund in liquidation, aimed at selling all the Fund's assets and paying out proceeds in the form of a liquidation balance to the Arca Opportunity – Sub-Fund 1 shareholders. Based on the Sub-Fund's interim financial statements as at 31 August 2021, which at the date of this decision reflect a true and fair view of the facts necessary to decide on the advance payment for the liquidation balance share, the liquidator assessed that the liquidity of Arca Opportunity - Sub-Fund 1 was sufficient to pay an advance of CZK 333 per investment share, a total of CZK 82,880,703, considering the expected costs of Arca Opportunity - Sub-Fund 1.

The ARCA OPPORTUNITY CEE EQUITY investment fund, which

started its activities in mid-2018 and focused on direct investments in equities in Central and Eastern Europe, decided, in agreement with investors and in view of the strong competition of equity funds on the Czech market, to pay out all investors and request the Czech National Bank to remove them from the list of investment funds.

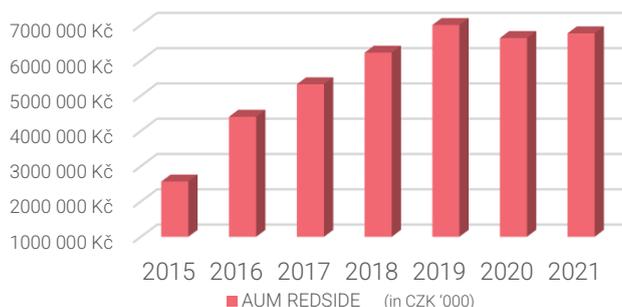
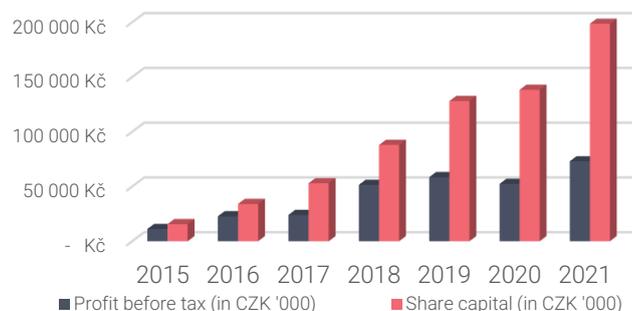
The overall financial position of the Company and the state of its assets

REDSIDE ended 2021 with a profit of CZK 60,336 thousand and revenues of CZK 139,837 thousand, out of which by far the most important component is the income from the management of the investment fund NOVA Real Estate - Sub-Fund 1.

Revenues were realized almost exclusively from the administration and management of investment funds of qualified investors. Due to the suspension of trading in shares of some funds, the costs of fees and commissions decreased, amounting almost CZK 9 million in year 2021, which means a year-on-year decrease by almost 60%.

The most significant cost of the Company is associated with staff costs, which remain at a similar value of less than CZK 29 million year-on-year. Administrative expenses decreased by 25% compared to 2020 and amounted to CZK 22 million.

Equity amounted to CZK 198,601 million at the end of the year 2021, which is significantly above the CNB's capital requirements. The Company's assets exceed CZK 255 million and consist mainly of investments within the funds we manage and by which we present our confidence in these funds. Specific and detailed information on the management of REDSIDE investiční společnost, a.s. is provided in the annual financial statements for 2021.



Other significant events in 2021 and changes effective after the date of preparation of the financial statements

At the request of RVR Czech, s.r.o., ID: 24300136, as the main shareholder of the Company, a General Meeting was convened pursuant to Section 375 of Act No. 90/2012 Coll., which took place on 29 March 2022. The General Meeting decided to transfer all remaining shares issued by companies that belong to Arca Capital Financial Group, a.s. to the main shareholder of RVR Czech, s.r.o. The transfer concerns 8 registered ordinary shares in paper form in the nominal amount of CZK 100,000 to the main shareholder RVR Czech, s.r.o. for consideration determined by expert opinion No. 1248-25/2022 dated 25 January 2022, prepared by an expert Apelen Valuation, a.s.

Expected development in 2022

Our primary goal remains to protect and develop the fund portfolios under our management, especially from the negative effects of rising key interest rates or the bankruptcy of the Arca financial group. We still want to respond flexibly and smartly to the new challenges and opportunities that non-standard conditions bring. The partial goals are to obtain financing for new projects in the field of energy and real estate and to integrate the securities trader REDSIDE Investments, a.s. into the structure of the REDSIDE group.

Prague, 28 April 2022



Rudolf Vřešťál

Chairman of the Board of Directors
REDSIDE investiční společnost, a.s.



Karel Krhovský

Member of the Board of Directors
REDSIDE investiční společnost, a.s.





Company profile

02

REDSIDE investiční společnost, a.s.

1. General Company data

Name:	REDSIDE investiční společnost, a.s.
Registered office:	Prague 1 - Nové Město, V Celnici 1031/4, postal code 110 00
Company identification No.:	242 44 601
LEI:	315700AT346N3I3RWE49
Registered capital:	CZK 8,400,000; fully paid
Share capital:	CZK 198,601 thousand
License to operate:	29 April 2013
Internet website:	www.redsidefunds.com

The composition of shareholders with a qualifying holding in the share capital as at 31 December 2021 was as follows:

- RVR Czech, s.r.o., with registered office at Prague 1 - Nové Město, V Celnici 1031/4, postal code 110 00, company ID: 243 00 136 represented by the sole shareholder and statutory representative Mr. Rudolf Vřešťál
- A direct share of 90.48%

A description of all personnel connections during the relevant period is part of Appendix no. 1 of this Annual Report.

Auditor of the Company

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 Chamber of Auditors of the Czech Republic under the license number 021.

Establishment of the Company and licensed activities

REDSIDE investiční společnost, a.s. was created on 29 June 2012 by registration in the Commercial Register, while the Company was granted authorization to operate as an investment company within the meaning of the relevant provisions of the Collective Investment Act by the Czech National Bank on 26 April 2013 and became legally effective on 29 April 2013. The Company is authorized to exceed the decisive limit.

Authorized activities pursuant to Act No. 240/2013 Coll., investment companies and investment funds (hereinafter „the Act“) as of 31 December 2021:

- Management and administration of investment funds or foreign investment funds (i.e. activity under § 11/1 /a of the Act):
 - qualified investors' funds (with the exception of qualified venture capital funds and qualified funds for social entrepreneurship)
 - foreign investment funds comparable to a qualified investors' funds (with the exception of foreign investment funds comparable to those of qualified venture capital funds and qualified funds for social entrepreneurship)

Statutory bodies and management of Investment Company

The composition of the Company's Board of Directors as at 31 December 2021 was as follows:

Rudolf Vřešťál	Chairman of the Board of Directors	CFO
Karel Krhovský	Member of the Board of Directors	CEO
Michal Zachar	Member of the Board of Directors	Business director

Rudolf Vřešťál

Rudolf established in 2002 the company ASB Group and managed it successfully for almost 12 years. This company through its offices in the Czech Republic, Slovakia, Poland and Hungary provides comprehensive advisory services in the areas of corporate governance, accounting, financial reporting and transaction advisory, especially to foreign institutional investors in the CEE region. Rudolf has decided to capitalize on the experience gained in managing foreign investments by establishing the investment company REDSIDE, where he is primarily responsible for the set-up and management of investment products, portfolio management and financing of acquisitions.

Michal Zachar

Michal Zachar acts as a sales director and a member of the Board of Directors of the investment company REDSIDE, where he is responsible for the distribution of qualified investors' funds and business relations with key clients and investment intermediaries. Michal joined REDSIDE in 2020. He began his professional career with one of the largest securities dealers on the Czech market, Patria Finance. He worked there for almost 12 years in various trading positions and in 2017 he left as a leading securities trading broker. Prior to joining REDSIDE, he worked for over 2 years as an executive and sales director of Traficon's investment intermediary. He is a graduate of the Mathematics and Physics Faculty of Charles University in Prague and the College of Bank Institute. Michal is married and has two daughters. In his free time, he likes to play sports, travel and spend time with his family.

Karel Krhovský

Karel Krhovský is currently the CEO and Member of the Board of Directors of REDSIDE, where he is directly responsible for managing investment funds for qualified investors. Karel started as a project manager in REDSIDE in 2013 and directly participated in the establishment of the Company and obtaining a license from the CNB. Subsequently he underwent various risk and portfolio management positions within REDSIDE to be able to obtain approval from the Czech National Bank for the performance of the position of an executive officer and member of the Board of Directors in 2017. Prior to joining REDSIDE, Karel worked as a valuation consultant at ASB Appraisal, a company specializing in business valuation. He is a graduate of the University of Economics in Prague, specializing in business and asset valuations and a participant in the prestigious CFA program (Chartered Financial Analyst).

The composition of the Company's Supervisory Board as at 31 December 2021 was as follows:

Petra Rychnovská	Chairman of the Supervisory Board
Petr Studnička	Member of the Supervisory Board
Šárka Burgetová	Member of the Supervisory Board

Petra Rychnovská

Petra is a co-founder, Partner and an executive of the Czech payroll team in ASB Group. As a Partner, she is in charge of strategic planning and business development for the entire Group. She is a successful entrepreneur who has more than 17 years of experience in consulting a wide range of clients from different industries. She provides advice to local and international companies on international expansion, investment opportunities and payroll issues. She also has extensive experience in advising real estate clients. Petra actively cooperates with the Association for Foreign Investment (AFI), where she holds the position of Vice Chairman of the Steering Committee and also with the Association for Real Estate Market Development (ARTN).

Petr Studnička

Petr is Managing Partner of ASB Group and is responsible for corporate strategy, development of new services and business development of ASB Group offices in the Czech Republic, Poland, Hungary and Slovakia. For more than 15 years, Petr has been providing consultancy in the areas of mergers and acquisitions, transactions, structuring of investments and corporate services. He provides comprehensive advisory to international investors on entering the Czech market. Petr works closely with the Czech Private Equity & Venture Capital Association, with the international association INAA Group (International Association of Independent Accounting firms), and as an expert in finance and accounting, he works as a mentor in the AI Startup Incubator project.

Šárka Burgetová

Šárka Burgetová is a graduate of the University of Economics in Prague, majoring in Finance and Account. During her studies, she spent a one-year stay in Germany and the USA, also she gained an experience in TPA Audit as a member of the audit team. After graduating she joined audit department of international company KPMG. In KPMG, she worked on positions from audit assistant to audit supervisor, where she was in charge of audit teams during financial audits in commercial and industrial businesses. After 5 years in KPMG, she moved as a Reporting and Controlling manager to one of the leading communication agencies in the Czech Republic, McCANN-ERICKSON PRAGUE, which is a part of the McCANN Worldgroup. After 7 years she accepted an offer for a Managing Director from 6K spol. s r.o., which is engaged in the development and sale of accounting software and providing accounting outsourcing. After 6K changed its owner, Šárka decided to continue working with the original owners and took up a new position in Redside, where she is involved in the financial management of both the investment company and all investment funds managed by the Company. During her practice, Šárka also completed ACCA (The Association of Chartered Certified Accountants), which is a globally recognized qualification in financial management, management and accounting.

Portfolio managers

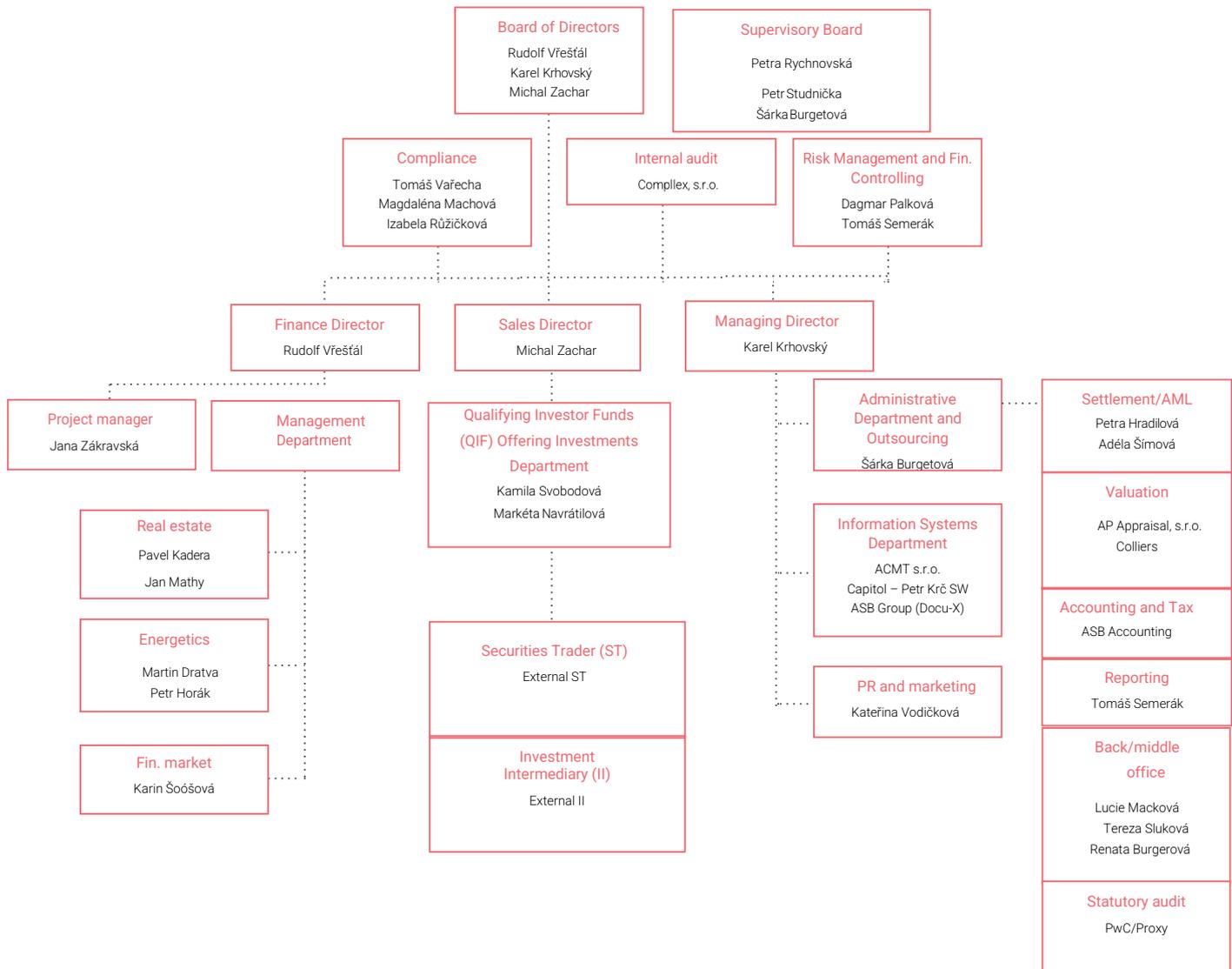
- Karin Šoóšová (performed her function since 1 February 2020 – until now)
- Pavel Kadera (performed his function since 1 January 2018 – until now)
- Ondřej Židek (performed his function since 1 January 2018 – 31 August 2021)
- Jan Mathy (performed his function since 1 January 2018 – until now)
- Martin Dratva (performed his function since 1 October 2020 – until now)
- Petr Horák (performed his function since 14 July 2021 – until now)

Internal audit and compliance

Compllex, s.r.o.	Internal auditor
Tomáš Vařecha, PhD.	Compliance Officer

Organizational chart of the Company as at 31.12.2021

The organizational chart of the Investment Company with the designation of individual positions as at 31 December 2021 is as follows:



The staffing of individual positions and outsourced processes is ensured in accordance with the requirements of the law.

2. Funds under management and administration of the Investment Company in 2021

Pursuant to the management contract resp. the performance contract, the Company, in accordance with Section 9 (1) of the Act, managed the following investment funds of qualified investors:

Name: **NOVA Real Estate, SICAV, a.s.**
Sub-Funds: NOVA Real Estate – podfond 1
Registered office: V Celnici 1031/4, Nové Město, 110 00 Prague 1
Company identification No.: 043 31 869
Date of business license: 20 August 2015
Depository: UniCredit Bank Czech Republic and Slovakia, a.s.
Investment focus: Real estate companies, subordinated receivables

Commercial real estate as an investment asset class is considered to be an appropriate tool to diversify portfolio. Real estate is perceived as a resilient asset preserver providing a stable return for the investor. Premium properties are selected for acquisition to the portfolio of NOVA Real Estate - Sub-Fund 1. When assessing the value of transactions, consideration is paid in particular to the length of the lease, the location and the overall condition of the property. These aspects significantly influence the value and potential market liquidity in the future. Sub-Fund 1 primarily invests in the real estate market of the Czech Republic with possible expansion to Central European markets.

Name: **NOVA Green Energy, SICAV, a.s.**
Registered office: V Celnici 1031/4, Nové Město, 110 00 Prague 1
Company identification No.: 087 89 622
Date of business license: 1 January 2020
Depository: UniCredit Bank Czech Republic and Slovakia, a.s.
Investment focus: Private equity (energy / renewable energy sources)

The NOVA Green Energy, SICAV, a.s. was established on 1 January 2020 due to the transformation of the dissolving fund NOVA Green Energy open-end mutual fund of REDSIDE investiční společnost, a.s. At the same time, the newly-established fund created the sub-fund NOVA Green Sub-Fund 1, which took over all the assets of the dissolving fund. Sub-Fund 1, same as the dissolving fund, invests in capital investments in companies building and exploiting energy sources that produce energy from renewable sources in the region of Central and Eastern Europe.

Name: **ARCA OPPORTUNITY, SICAV, a.s.**
Sub-Funds: ARCA OPPORTUNITY – podfond 1
Registered office: V Celnici 1031/4, Nové Město, 110 00 Prague 1
Company identification No.: 241 99 591
Date of business license: 19 December 2011
Depository: UniCredit Bank Czech Republic and Slovakia, a.s.
Investment focus: Venture capital, private equity, shares, bonds

The objective of Sub-Fund 1 was to achieve return on the price movement of investment shares, from dividends, interest income on fixed income financial instruments, price movement of investments in bonds, bond coupons paid and return on risky investments in receivables. After almost 10 years of its existence, due to the bankruptcy of the fund's founder, the Sub-Fund went into liquidation and began to pay advances to its shareholders on the liquidation balance. The objective of the Sub-Fund is to effectively sell its assets, or to obtain its claims from investment funds for the construction and operation of logistics facilities, consumer loans or funds of qualified investors, and subsequently to cease its activities.

Name: **NOVA Money Market, SICAV, a.s.**
Sub-Funds: NOVA Money Market – podfond 3 NOVA Money Market – podfond 4
Registered office: V Celnici 1031/4, Nové Město, 110 00 Prague 1
Company identification No.: 04699017
Date of business license: 20 January 2016
Depository: Česká spořitelna, a.s.
Investment focus: Corporate securities, targeted loans (consumer and mortgages)

Considering the bankruptcy of the Arca Capital investment group, as the founder of Sub-Funds 3 and 4, the Sub-Funds are not engaged in further investment activities, which in the past were focused on financing projects related primarily to the non-bank consumer loan provider Silverside, a.s., which belongs to the Arca Investments, a.s. group. The Fund makes every effort to protect the interests and rights of shareholders as much as possible and to obtain performance from the loans provided.

3. Persons in which the Investment Company had more than 10% of the voting rights

The Company holds 100% of all of shares registered in the Commercial Register of NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s., with registered office at V Celnici 1031/4, Prague 1 - Nové Město, Company Identification Number: 043 31 869 with effect from 20 August 2015, NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s., with its registered office at V Celnici 1031/4, Prague 1 - Nové Město, Identification Number: 046 990 17 with effect from 20 January 2016 and ARCA OPPORTUNITY, SICAV, a.s. with its registered office in V Celnici 1031/4, Prague 1 - Nové Město, Identification Number: 241 99 591 with effect from 24 May 2017, and NOVA Green Energy, SICAV, a.s., with its registered office at V Celnici 1031/4, Prague 1 – Nové Město, Identification Number: 087 89 622 with effect from 1 January 2020.

4. Changes in the Commercial Register

The following changes took place in the Company's bodies in 2021:

Juraj Dvořák was removed from the position of a member of the Supervisory Board on 26 November 2020 and replaced by Šárka Burgetová who was elected to the position of a member of a Supervisory Board. Subsequently, Petra Rychnovská was elected to the position of the new Chairwoman of the Supervisory Board on 27 November 2020.

These changes were registered in the Commercial Register on 8 January 2021.

5. Court and arbitration disputes

In the decisive period, a dispute was initiated with Safiro WM s.r.o on the return of the due amount of CZK 174 thousand in respect of incidental double payment for the commission, which was not returned by the counterparty.

6. Information on the average number of employees

The recalculated average number of employees in the monitored period according to the methodology of the Czech National Bank was 15.

7. Information on environmental and labour-law activities

The Investment Company fulfils all its legal obligations under labour law and environmental protection legislation.

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

Investment Company does not have an organizational unit abroad.

Annex

Annex No. 1: Personal interconnection

	Company name	Position	Identification number
Rudolf Vřešťál	REDSIDE investiční společnost, a.s.	Chairman of the Board of Directors	24244601
	ASB Czech Republic, s.r.o.	Statutory Representative	27215849
	BAZ Czech, a.s.	Chairman of the Board of Directors	28204298
	RVR Czech, s.r.o.	Statutory Representative	24300136
	UnitedData a.s.	Vice Chairman of the Board of Directors	4201094
	TC VENTURES, s.r.o.	Statutory Representative	25777581
	White Express s.r.o.	Statutory Representative	4378059
	Paříkova Property, s.r.o.	Statutory Representative	5481953
	REDSIDE Investments a.s.	Chairman of the Board of Directors	7187939
	RSFA, a.s.	Chairman of the Board of Directors	08579440
	NRE Jablonec s.r.o.	Statutory Representative	03862984
	NRE Hradec s.r.o.	Statutory Representative	03818900
	NRE Znojmo s.r.o.	Statutory Representative	03815579
	NRE South Point 16 s.r.o.	Statutory Representative	04486048
	NRE North Point 17 s.r.o.	Statutory Representative	04485874
	NRE Vyšehrad Victoria s.r.o.	Statutory Representative	04485980
	NRE OCCB s.r.o.	Statutory Representative	04607112
	NRE Kutil s.r.o.	Statutory Representative	04607155
	NRE Smíchov Gate s.r.o.	Statutory Representative	05469228
	NRE Panorama s.r.o.	Statutory Representative	05469091
	NRE Penny 1 s.r.o.	Statutory Representative	05628024
	NRE OFM s.r.o.	Statutory Representative	07549849
	RUQ Czech, s.r.o.	Statutory Representative	04378024
	CXD Czech, s.r.o.	Statutory Representative	06024271
	ZXJ Czech, s.r.o.	Statutory Representative	05866111
	ARCA OPPORTUNITY, SICAV, a.s.	Authorized Representative of the member of the Board of Directors	24199591
	NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	Authorized Representative of the Statutory Director and Member of the Board of Directors	04331869
	NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	Authorized Representative of the Statutory Director and Member of the Board of Directors	04699017
	NOVA Green Energy, SICAV, a.s.	Authorized Representative of the Statutory Director and Member of the Board of Directors	08789622
	BBE Slovakia, a.s.	Member of the Supervisory Board	36784974
	ZNO Energy a.s.	Member of the Supervisory Board	54017840
ZNO Slovakia s.r.o.	Statutory Representative	51842173	
Karel Krhovský	REDSIDE investiční společnost, a.s.	Member of the Board of Directors	24244601
	REDSIDE Investments, a.s.	Member of the Board of Directors	7187939
	KJU Czech, s.r.o.	Statutory Representative	08123853
	RSFA, a.s.	Member of the Board of Directors	08579440
Michal Zachar	REDSIDE investiční společnost, a.s.	Member of the Board of Directors	24244601



Financial Statements



Independent auditor's report

to the shareholders of REDSIDE investiční společnost, a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of REDSIDE investiční společnost, a.s., with its registered office at V celnici 1031/4, Nové Město, Praha 1 (the "Company") as at 31 December 2021 and of the Company's financial performance for the year ended 31 December 2021 in accordance with Czech accounting legislation.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2021,
- the income statement for the year ended 31 December 2021,
- the statement of changes in equity for the year ended 31 December 2021, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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 Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted 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.

Other information

The board of directors 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 Company 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

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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.



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 Company 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.

Responsibilities of the board of directors and supervisory board of the Company for the financial statements

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

The supervisory board of the Company is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 Company's internal controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.



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

29 April 2022

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

A handwritten signature in blue ink that reads 'Jakub Kolář'.

Jakub Kolář
Statutory Auditor, Licence No. 2280

Financial statements for the year ended 31 December 2021

Company name: **REDSIDE investiční společnost, a.s.**
Registered office: V Celnici 1031/4, Prague 1, 110 00
Company Identification No.: 242 44 601

Business activity: The activity of an investment company pursuant to Act No. 240/2013 Coll., on Investment Companies and Investment Funds

Date of preparation of the financial statements: 28 April 2022

BALANCE SHEET

As at 31 December 2021

	In thousands of CZK	Note	31. 12. 2021	31. 12. 2020
ASSETS				
3	Receivables from banks	5	13,984	21,150
	of which: a) repayable on demand		11,984	21,150
	b) other receivables		2,000	-
6	Shares, share certificates and other equity interests	6	81,893	77,216
8	Equity investments with controlling influence	7	4,114	4,114
9	Intangible fixed assets	8	58	116
10	Tangible fixed assets	8	27,994	723
	of which: Right-of-use		27,468	-
11	Other assets	9	87,384	55,448
13	Prepaid expenses and accrued income		39,205	3,427
Total assets			254,632	162,194
LIABILITIES				
1	Liabilities to banks - payable on demand		278	-
2	Liabilities to non-bank institutions other than those payable on demand		4,341	-
4	Other liabilities	12	35,958	44,802
	of which: Liability arising from Right-of-use		28,322	-
5	Accrued expenses and deferred income		1,433	2,591
6	Provisions	13	14,021	8,400
	of which: a) taxes		3,343	-
	b) others		10,678	8,400
8	Share capital – fully paid	14	8,400	8,400
14	Retained earnings from previous periods		129,865	87,564
15	Profit for the accounting period		60,336	42,301
Total liabilities			254,632	162,194

	In thousands of CZK	Note	31. 12. 2021	31. 12. 2020
OFF-BALANCE SHEET ITEMS				
	Off-balance sheet assets			
15	Assets under management		6,767,141	6,632,205
Total off-balance sheet assets			6,767,141	6,632,205

Values taken over for management of the individual funds (Total assets) are as follows:

	In thousands of CZK	31. 12. 2021	31. 12. 2020
	Arca Opportunity – podfond 1	364,199	411,516
	Arca Opportunity CEE EQUITY – podfond 2	-	24,866
	Nova Green Energy – podfond 1	1,918,991	1,808,761
	Nova Real Estate – podfond 1	4,114,267	4,048,998
	Nova Money Market – podfond 3	69,565	65,629
	Nova Money Market – podfond 4	300,119	272,435
Total		6,767,141	6,632,205

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

INCOME STATEMENT

For the year ended 31 December 2021

	In thousands of CZK	Note	1. 1. 2021 – 31. 12. 2021	1. 1. 2020 – 31. 12. 2020
1	Interest income and similar income		-	369
2	Interest expense and similar expenses		(1,755)	-
4	Fee and commission income	15	139,837	131,220
5	Fee and commission expenses		(8,840)	(21,843)
6	Gain or loss from financial operations		4,162	2,486
7	Other operating income		4	-
8	Other operating expenses		(2,564)	(1,309)
9	Administrative expenses	16	(50,786)	(59,820)
	of which: a) personnel expenses		(28,851)	(30,377)
	of which: aa) wages and salaries		(22,399)	(23,721)
	bb) social and health insurance		(6,452)	(6,656)
	b) other administrative expenses		(21,935)	(29,443)
	of which: ba) rent		-	(7,129)
	bb) accounting		(4,367)	(5,242)
	bc) custody		(5,360)	(4,791)
11	Depreciation/amortization, creation and use of provisions and allowances for tangible and intangible fixed assets		(4,807)	(463)
12	Release of provisions and reserves for receivables, securities and guarantees, income from receivables previously written off		-	990
17	Additions to and utilisation of other provisions		(2,277)	700
19	Profit before tax		72,974	52,330
23	Income tax	17	(12,638)	(10,029)
24	Profit for the accounting period		60,336	42,301

The accompanying notes set out on the following pages form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

In thousands of CZK	Share capital	Retained earnings	Accumulated losses	Profit	Total
Balance as at 1 January 2020	8,400	72,924	-	46,693	128,017
Profit distribution	-	14,640	-	-14,640	-
Profit for the accounting period	-	-	-	42,301	42,301
Dividends paid	-	-	-	(32,053)	(32,053)
Balance as at 31 December 2020	8,400	87,564	-	42,301	138,265
Profit distribution	-	42,301	-	(42,301)	-
Profit for the accounting period	-	-	-	60,336	60,336
Balance as at 31 December 2021	8,400	129,865	-	60,336	198,601

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

1. GENERAL INFORMATION

REDSIDE investiční společnost, a.s. (hereinafter „Investment Company“) was registered as at 29. 6. 2012 under file No. B 18362 in the Commercial Register maintained by the Municipal Court in Prague.

On 13. 5. 2013, REDSIDE, a.s. changed its name to REDSIDE investiční společnost, a.s., on the basis of a licence to perform activities of an investment company based on Act No 240/2013 Coll., on Investment Companies and Investment Funds (hereinafter referred to as the „Act“), carried out pursuant to the licence of the Czech National Bank under No. 2013/5063/570 dated 26. 4. 2013, which came into force on 29. 4. 2013.

The Investment Company's business activity is the management of funds and their administration.

Funds, which are managed by the Investment Company as at 31. 12. 2021:

- 1) NOVA Green Energy, SICAV, a.s.
- 2) ARCA OPPORTUNITY, SICAV, a.s.
- 3) NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.
- 4) NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.

The Depositories of the above-mentioned investment funds, which were managed by the Investment Company as at 31. 12. 2020 are UniCredit Bank Czech Republic and Slovakia, a.s. and Česká spořitelna, a.s. (hereinafter „Depositary“).

Shareholders of the Investment Company as at 31. 12. 2021 and 31. 12. 2020

Shareholder	Business share	Number of shares owned
RVR Czech, s.r.o. Prague 1 - Nové Město, V Celnici 1031/4, Postcode 110 00 Identification No.: 243 00 136 registered 3. 5. 2012	90.48%	76 pcs of ordinary registered shares in paper form with a nominal value of CZK 100 thousands, in total CZK 7,600 thousands
Arca Capital Finance Group, a.s. SK - Bratislava, Plynárenská 7/A, Postcode 821 09 Identification No.: 50 108 361 registered: 22. 12. 2015	9.52%	8 pcs of ordinary registered shares in paper form with a nominal value of CZK 100 thousands, in total CZK 800 thousands

The Investment Company's registered share capital amounts to CZK 8,400 thousands and is fully paid.

Statutory bodies at the balance sheet date

BOARD OF DIRECTORS

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

SUPERVISORY BOARD

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

Company representation

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

Changes in the commercial register

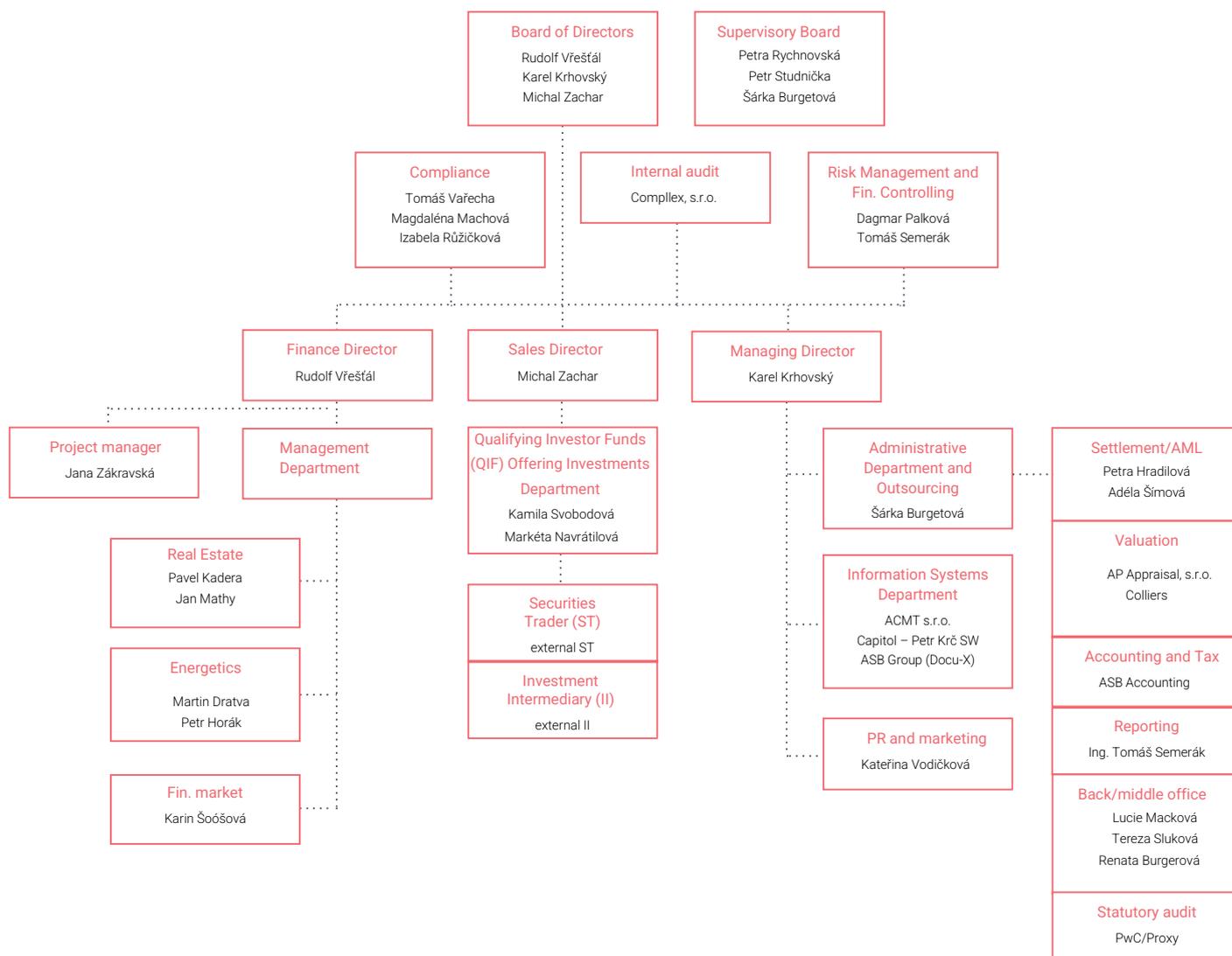
The following changes were recorded in Commercial Register in 2021:

On 26 November 2020, Juraj Dvořák was recalled as a member of the Supervisory Board, replaced with Šárka Burgetová. Subsequently, on 27 November 2020 Petra Rychnovská was appointed as new Chairman of the Supervisory Board.

These changes were registered in the Commercial Register on 8 January 2021.

Organizational structure of the Investment Company

The organizational chart of the Investment Company designating individual positions as at 31. 12. 2021 is as follows:



Personnel occupation of individual positions and outsourced processes is ensured in accordance with the requirements of the Act.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements comprising of the balance sheet, income statement, statement of changes in equity and accompanying notes were prepared on the basis of Act No. 563/1991 Coll., On Accounting, as amended, and Decree No. 501/2002 Coll., as amended and Czech Accounting Standards for Financial Institutions.

The arrangement and labelling of financial statement items and the content definition of items are in accordance with Decree No. 501/2002 Coll.

The financial statements have been prepared on the accrual basis of accounting, with the exception of selected financial instruments measured at fair value through profit or loss ("FVTPL").

The financial statements are based on the going concern assumption since there is no fact that would restrict it or prevent it from continuing its activities in the foreseeable future.

The Company is also not aware of the significant effects of the COVID-19 pandemic on the Company's operations or on its going concern assumption.

These financial statements are not consolidated and at the same time there are no other financial statements prepared by the Company. All figures are in thousands CZK, unless otherwise stated.

Balance sheet date: 31 December 2021

Date of preparation of the financial statements: 28 April 2022

Accounting period: from 1 January 2021 to 31 December 2021

Previous accounting period: from 1 January 2020 to 31 December 2020

3. SIGNIFICANT ACCOUNTING METHODS

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

(a) The date of transaction recognition

Depending on the type of transaction, investments are recognized on the date of purchase or sale of foreign currency or securities, 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 the values into custody.

Financial assets and liabilities are recognized when the Investment Company becomes a contractual party of the transaction, thus at the trade date.

The Investment Company shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Investment Company 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 the financial liability or part thereof 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 accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

(b) Financial instruments – valid until 31 December 2020

a) Classification

The Company classifies its financial instruments on the basis of the business models used for the management of these financial assets and on the basis of the characteristics of the contractual cash flows arising from these financial assets. The Company generates income from management fees, which are charged to the funds for the provision of services in the area of administration and management of these funds. If the criteria for entitlement to a performance fee have been met, the Company also has income from these fees. The income obtained is used to cover its own costs. Excess resources are then invested in equity and investment shares of the funds, which the Company itself administers and manages. The rest of the cash is held in bank accounts.

The above description of the Company's activities and objectives shows that some financial instruments are managed and measured in accordance with the Hold to Collect ("HtC") business model and part is managed and measured at fair value, which corresponds to the business model "Fair value through profit and loss ("FVPL"), i.e. "Fair value recognized in the income statement".

b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised at the trade date - the date the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognized at fair value. Transaction costs are charged directly to expenses in the income statement.

Financial assets are derecognised when the cash flows have been collected or the Company has transferred all material 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 recognized in the income statement under 'Gain or loss from financial operations'.

Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as 'Gain or loss from financial operations' when a right to it is established.

c) Fair value

Fair value used for the measurement of securities is determined as the market price announced at the measurement date, provided that the accounting entity demonstrates that the security can be sold at the market price.

In the case of publicly traded debt and equity securities, the fair values are equal to the prices observed in the OECD public market, provided the liquidity requirements of the securities are met.

If it is not possible to determine the fair value as the market price (for example, an accounting entity cannot demonstrate that the security can be sold at the market price), the fair value is determined as the adjusted value of the security.

The adjusted value of the security may be equal to:

- the ownership share on the equity of a public limited company, in the case of shares,
- the ownership share on the equity of a mutual fund, in the case of fund units,
- the present value of the future cash flows arising from the security, in the case of debt securities.

Fair value estimation

Financial assets and liabilities at fair value traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the end of trading at the year end date. The Company uses the last traded market price for financial assets and financial liabilities. If there is a significant change in fair value after the closure of trading, valuation methods are used to determine fair value.

An active market is a market in which transactions in assets or liabilities are carried out with sufficient frequency and volume to provide price information on an ongoing basis.

Financial assets and liabilities at fair value that are not traded in an active market are determined using valuation techniques. The Company uses various methods and makes assumptions based on market conditions that exist at the end of each year. Valuation methods used for non-standard financial instruments include the use of comparable recent market transactions at regular prices, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation methods commonly used by market participants that make maximum use of market inputs and rely on as little as possible for entity-specific inputs.

The accrued value of cash and cash equivalents is considered to be the most accurate estimate of 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 market 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 fair value hierarchy level within which the fair value measurement is classified is determined based on the lowest level inputs that are significant to the fair value measurement. For this purpose, the significance of the input is assessed on the basis of its significance for determining total fair value. If fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is considered a Level 3 measurement. Assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment based on factors specific to the asset or liability.

Determining what constitutes "observability" requires significant judgment by the Company. The Company considers market data to be observable data that are readily available, regularly distributed or updated, reliable and verifiable, public and provided by independent sources that are actively involved in the relevant market.

(c) Financial instruments – valid from 1 January 2021

a. Financial instruments - measurement

Fair value is the price that would be received from sale of an asset or settlement of a liability in an orderly transaction between market participants at the measurement date. The best proof of fair value is an active market price. An active market is one in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the amount held by the entity. This is the case even if the normal daily trading volume on the market is not able to absorb the quantity held and entering a sale of the entire position held in a single transaction could affect the quoted price.

Valuation techniques, such as discounted cash flow models or models based on recent market transactions or an assessment of investment financial data, are used to determine the fair value of certain financial instruments for which external market price information is not available. Fair value measurement is analysed based on the fair value hierarchy as follows: (i) Level 1 is a valuation based on quoted prices from active markets for identical assets or liabilities; (ii) Level 2 is a valuation technique with all significant inputs for the asset or liability observable on the market, either directly (i.e. from price) or indirectly (i.e. derived from prices), and (iii) Level 3 are valuations that are not based solely on observable market data (i.e. the valuation requires significant unobservable inputs and estimates). Transfers between levels of fair values are assumed to have occurred at the end of the reporting period.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. An incremental cost is an expense that would not have been incurred if the entity had not acquired, disposed of or issued the financial instrument. Transaction costs include fees and commissions to sales representatives, advisors, brokers and dealers, as well as fees to regulators and stock exchanges, transfer taxes and other fees. Transaction costs, on the other hand, do not include premiums or discounts, financing costs, internal administrative costs or maintenance costs.

Amortized cost ("AC") is the amount at which a financial instrument was measured on initial recognition after deducting all principal payments, plus accrued interest and, for financial assets, less any allowances for expected credit losses ("ECL"). Accrued interest includes amortization of transaction costs capitalized at initial recognition and accrued premium or discount, i.e. the difference between the initial value and the value at

maturity, amortized using the effective interest rate method. Accrued interest income and accrued interest expense, including accrued coupon and amortized discount or premium (including any capitalized accrued charges at inception), are not recognised separately and are included in the carrying amount of related items in the financial statements.

The effective interest rate method is a method of allocating interest income or interest expense over a relevant period so as to achieve a constant periodic interest rate (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the gross carrying amount of the financial assets or the carrying amount of the financial liabilities.

The effective interest rate discounts the cash flows of floating rate instruments on the next interest fixing date, except for a premium or discount that reflects the credit spread above the floating interest rate specified in the instrument or other variables that are not adjusted to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

b. Financial instruments - initial recognition

Financial instruments carried at fair value in the FVTPL category are initially recognized at fair value. All other financial instruments are initially recognized at fair value adjusted for transaction costs. The fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is recognized only if there is a difference between the fair value and the transaction price that is evidenced by other observable market transactions of the same instrument or by a valuation technique whose inputs include only observable market data. After the initial recognition of a financial instrument, the expected credit loss for financial assets valued in category AC is calculated and reported, resulting in an immediate accounting loss.

IFRS initially recognizes financial instruments on the trade date or on the trade settlement date at initial recognition. An entity may use the same method consistently for purchases and sales of financial instruments classified in the same valuation category. All purchases and sales of financial assets that require delivery within the timeframe specified by regulation or market convention (regular delivery purchases) are recognized on the trade date, i.e. the date the Company commits to purchase or sell the financial assets. All other purchases are recognised as soon as the trades are settled. Spot operations are operations of buying and selling financial assets with a usual delivery date. Transactions with a longer than usual delivery date are accounted for as financial derivatives.

c. Financial instruments - classification and subsequent measurement – measurement categories

The classification and subsequent measurement of financial assets depends on: i) the business model and ii) the contractual cash flow characteristics of the asset.

d. Financial instruments - classification and subsequent measurement – business model

The Company classifies its financial instruments on the basis of the business model for the management of these financial assets and on the basis of the characteristics of the contractual cash flows arising from these financial assets. The Company generates income from management fees, which it charges the funds for the provision of services in the area of administration and management of these funds. If the criteria for entitlement to a performance fee have been met, the Company also has income from these fees. The income obtained is used to cover its own costs. Excess funds are then invested in the equity and investment shares of the funds, which the Company itself administers and manages. The rest of the cash is held in bank accounts.

The above description of the Company's activities and objectives shows that some financial instruments are managed and measured in accordance with the Hold to Collect ("HtC") business model and part is managed and measured at fair value, which corresponds to the business model "Fair value management" with the valuation "Fair value through profit and loss ("FVTPL")", i.e. "Fair value recognized in the income statement".

e. Financial instruments - classification and subsequent measurement – characteristics of cash flows

In the case of the business model "held for collection of contractual cash flows" or "held for collection of contractual cash flows and sales", the Company assesses whether these cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered for these purposes as a whole.

If the contractual terms give rise to exposure to risk or volatility, the financial asset is classified and valued within the FVTPL. The SPPI is assessed at the initial recognition of the asset and is not reassessed subsequently.

f. Financial instruments – reclassification

Financial instruments are only reclassified when the business model for portfolio management as a whole changes. The reclassification has a prospective effect and is applied from the beginning of the first reporting period following the change in the business model. The entity has not changed its business model and has not made any reclassifications during the current period, except for reclassifications due to the initial application of IFRS 9 on 1 January 2021, which are described in the section "Changes in accounting policies".

g. Financial assets – depreciation

Financial assets are fully or partially depreciated when the Company has exhausted all practical means of recovering the receivable and has concluded that there is no reasonable expectation that the outstanding receivable will be recovered. Depreciation represents the moment of derecognition.

h. Financial assets – derecognition

The Company derecognises a financial assets if (a) the assets are repaid or the cash flow rights from the assets have otherwise expired, or (b) it has transferred the cash flow rights from the financial assets or entered into an asset transfer agreement and (i) substantially all the risks and rewards of ownership of the assets have been transferred to the counterparty, or (ii) substantially all the risks and rewards of ownership have not been transferred but the Company has not retained control according to the asset transfer agreement. Control is maintained if the counterparty to such an agreement has no real ability to sell the asset in its entirety to a third party without restricting the sale by any limitations.

i. Financial liabilities – measurement categories

Financial liabilities are valued in category AC, except for financial liabilities in category FVTPL: this classification applies to derivatives, financial liabilities held for trading (e.g. short positions in securities) and other financial liabilities that were classified as such at initial recognition.

j. Financial liabilities – derecognition

Financial liabilities are derecognised at the time of termination (i.e. when the obligation specified in the contract is terminated, cancelled or expires).

Changes in liabilities that do not result in their termination are accounted for as a change in the estimate using the cumulative adjustment method with a gain or loss recognized in profit or loss.

k. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits in current bank accounts and other short-term investments in an active market with a maturity of three months or less, and overdrafts. Bank overdrafts are recognized in the statement of financial position in current liabilities. Cash and cash equivalents, in accordance with the business model, are compulsorily classified as FVTPL.

l. Receivables from non-banking institutions

Receivables from non-banking institutions consist mainly of trade receivables arising from management fees charged by the Company to funds for the provision of services in the area of administration and management of these funds. The Company measures and classifies these receivables in the AC (amortized cost) category, with the carrying amount being considered to be the best approximation of fair value.

m. Equity investments with controlling influence

Equity investments with controlling influence represent holdings of ordinary shares in the Funds (Sicav).

Equity investments with controlling influence mean interests in a subsidiary in which the Investment Company, de facto or legally, directly or indirectly exercises controlling influence over its management or operations.

Controlling influence is the ability of the Investment Company to manage the financial and operational policies of another company, thereby benefiting from its activities.

The Company exercises controlling influence whenever it meets at least one of the following conditions:

- a) it is a majority shareholder, or
- b) it has a majority of voting rights on the basis of an agreement entered into with another shareholder or shareholders, or
- c) it may enforce the appointment, election or dismissal of a majority of persons who are a statutory body or its member or a majority of the persons who are members of the supervisory body of the legal entity of which it is a shareholder.

Equity investments with controlling influence are measured at acquisition cost less any impairment.

n. Leasing

The Company, in connection with the amendment 501/2002 Coll. from 1 January 2021, implemented the "IFRS 16 - Leasing" standard in its accounting as part of the implementation of IFRS for financial instruments.

The Company acts in a leasing relationship only as a lessee. The Company has one lease agreement in accordance with IFRS 16, relating to the lease of office space. The effects of the initial application of IFRS 16 are set out in section 3.7.

Initial measurement

Leases are recognized as a Right-of-use in the balance sheet under 'Tangible assets' in the relevant line item according to the nature of the leased asset. At the same time, the financial lease liability is recognized in "Other liabilities" (under "Liability arising from Right-of-use") in an amount equal to the present value of the lease payments that are not paid at the time of the contract and are discounted using the implicit interest rate in the lease or, if this rate cannot be easily determined, the lessee's incremental borrowing rate.

Lease payments include fixed lease payments, variable lease payments depending on the index or rate, and the estimated payment of the guaranteed residual value of the asset. For valuation purposes, lease payments in the amount without value added tax are taken into account. The lease term for standard leases includes the non-cancellable lease term, the period covered by the lease extension option, if it is sufficiently certain that the Company will exercise this option and the period covered by the termination option, if it is certain that the Company will not exercise the option. For leases of indefinite duration, the lease term is determined as the expected lease term based on an estimated lease term.

Subsequent measurement

The right-of-use asset is subsequently subject to similar accounting policies as to own property of the same nature. The right of use asset is recognized at cost less accumulated depreciation and any accumulated impairment losses. The right of use asset is depreciated on a straight-line basis over the lease term and depreciation and any impairment of leased premises are recognized in the income statement in the category "Depreciation, creation and use of provisions and impairments".

Subsequently, the carrying amount of the lease liability is increased by interest using the relevant discount rate, reduced by the lease payments made and revalued to reflect any revaluation or adjustment of the lease. The incremental borrowing rate for real estate leases is generally determined on the basis of two components - the market rate and the specific rate for each property. The market rate takes into account the rental period, credibility and the basic Pribor rate. The specific property rate is a mark-up to the market rate based on the quality of the individual property.

Lease payments are divided by the Company into amortization recognized as a reduction of the outstanding lease liability and interest recognized in the income statement under "Interest expense and similar expenses".

The amount of the lease liability may be adjusted if there is a change in the lease, a reassessment of the lease term or a reflection of changes in future lease payments resulting from a change in the index or rate. If a lease liability is revalued, the carrying amount of the right-of-use asset is adjusted accordingly or recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

The comparable period of 2020 is not affected by the newly applied methodology of accounting for lease liabilities according to IFRS 16. The lease was charged to expenses on an ongoing basis in accordance with the Accounting Act and the Implementing Decree. In the case of short-term leases up to one year and insignificant leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the term of the lease in the category "Other operating expenses".

(d) 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.

(e) Foreign currency translation

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

Assets and liabilities denominated in foreign currency are translated to the domestic currency at the rate announced 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 foreign currency is recognized in the income statement as "Gain or loss on financial operations".

(f) Value added tax

The Investment Company is a registered Value Added Tax ("VAT") payer.

(g) Taxation

Current tax

The tax base for income tax is calculated from the profit before tax for the current period 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 liabilities using the full liability method. A deferred tax asset is recognized only at the amount which is probable to be realised against taxable profits in subsequent accounting periods.

For the calculation of deferred tax, the enacted tax rate is used for the period in which the Company expects to realize it.

(h) Related parties

A related party is a person or entity that is related to the entity that prepares the financial statements.

- a. the party
 - (i.) controls or jointly controls the Investment Company; (ii) controls or jointly controls the Investment company: or (iii) is a member of the key management of the Investment Company.
- b. the party is an affiliate company of the Investment Company.
- c. the party is a joint venture in which the Investment Company is a co-owner
- d. the party is a member of the key management of the Investment 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
- h. the party is a post-employment benefit plan for employees of the accounting entity that is related to the Investment Company.

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

(i) Cash and cash equivalent

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

(j) Interest income and expense

Interest income and expense are recognized by the Investment Company on the basis of interest on bank balances and provided loans.

(k) Fee and commission income

Fees and commissions are recognized on an accrual basis at the date of provision of the service. Fees and commissions for the negotiation of a transaction for a third party or a share in that negotiation are recognized when the transaction to which they relate is completed. Asset management, administration fees and advisory fees are recognized on an accrual basis based on contracts on provision of these services.

(l) Tangible and intangible fixed assets

Tangible fixed assets comprise fixed assets with an estimated useful life longer than one year and an acquisition cost greater than CZK 40 thousands.

Tangible fixed assets are initially recognised at cost, which includes all costs related to its acquisition. Internally generated fixed assets are capitalised at cost. Costs for technical improvements of tangible fixed assets over CZK 40 thousands increase the asset's acquisition cost. Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred.

Equipment with a useful life longer than one year is included in tangible fixed assets if its value exceeds CZK 40 thousands.

Impairment provisions reflect a temporary impairment of an asset.

Interest on loans and borrowings received for the acquisition of tangible fixed assets is expensed and does not increase the acquisition cost of the asset.

Acquisition cost of tangible and intangible fixed assets, with the exception of land and assets under construction, is amortized applying the straight-line method over their estimated useful lives as follows:

Asset type	Depreciation method (straight-line, accelerated, annuity)	Number of years
Equipment	Straight-line	2–8 years
Software	Straight-line	3 years

4. CHANGES IN ACCOUNTING POLICIES

Amendment to the Decree No. 501/2002 and financial instruments recognition according to IFRS from 1 January 2021.

Based on Decree No. 501/2002 Coll. effective from 1 January 2021, which was amended by Decree No. 442/2017 Coll. of 7 December 2017, since 1 January 2021 the Company has complied with international accounting standards, as amended by the directly applicable European Union regulations on the application of international accounting standards (hereinafter the "International Financial Reporting Standards" or "IFRS"), for the purposes of reporting, valuing and disclosing financial instruments in the notes to financial statements.

From the point of view of the application of IFRS 9 Financial Instruments, the impact of this change has been insignificant for the Company since 1 January 2021.

Impact of the application of IFRS 16 Leases:

In accordance with the requirement of IFRS 16 to report a lease as a liability and leased assets as its own assets, the Company recorded the following balances as at 1 January 2021:

Fixed assets – Right-of-use – rental of office space CZK 31,864 thousands

Long-term liability – lease agreement CZK (31,864) thousands

Overview of the effects of changes in the classification of financial instruments as at 1 January 2021:

In thousands of CZK	Measurement category before changes	Measurement category after changes	Book value before changes 31. 12. 2020	Impact of accounting policies - reclassification	Impact of accounting policies - revaluation	Book value after changes 1.1. 2021
Receivables from banks	AFS	FVTPL	21,150	-	-	21,150
Shares, share certificates	AFS	FVTPL	77,216	-	-	77,216

5. RECEIVABLES FROM BANKS

Receivables from banks represent only cash in banks, payable on demand. The Company holds its cash in Česká spořitelna, a.s., with BCA rating at Moody's A3 as at 31 December 2021 (Moody's LTD rating is A1).

In thousands of CZK	31. 12. 2021	31. 12. 2020
Current bank accounts	11,984	21,150
Other receivables - pledges	2,000	-
Net carrying value of receivables from banks	13,984	21,150

6. SHARES, SHARE CERTIFICATES AND OTHER EQUITY INTERESTS

Funds held by the Investment Company as at 31. 12. 2021:

- Investment shares of the NOVA Real Estate – podfond 1; 32,309,045 pcs in the total amount of CZK 42,771 thousands.
- Investment shares of the NOVA Green Energy – podfond 1; 13,445,873 pcs in the total amount of CZK 17,193 thousands.
- Investment shares of the ARCA OPPORTUNITY – podfond 1; 13,037 pcs in the total amount of CZK 21,929 thousands.

7. EQUITY INVESTMENTS WITH CONTROLLING INFLUENCE

Equity investments with controlling influence

In thousands of CZK

As at 31 December 2021

Share in the	Business activity	Share capital in CZK '000	Share in the equity	Share of voting rights	Carrying amount in CZK '000
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	Qualified investors fund	2,000	100%	100%	2,000
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	Qualified investors fund	2,000	100%	100%	2,000
ARCA OPPORTUNITY, SICAV, a.s.	Qualified investors fund	10	100%	100%	14
NOVA Green Energy, SICAV, a.s.	Qualified investors fund	100	100%	100%	100
Carrying amount		4,110			4,114

In thousands of CZK

As at 31 December 2020

Share in the	Business activity	Share capital in CZK '000	Share in the equity	Share of voting rights	Carrying amount in CZK '000
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	Qualified investors fund	2,000	100%	100%	2,000
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	Qualified investors fund	2,000	100%	100%	2,000
ARCA OPPORTUNITY, SICAV, a.s	Qualified investors fund	10	100%	100%	14
NOVA Green Energy, SICAV, a.s.	Qualified investors fund	100	100%	100%	100
Carrying amount		4,110			4,114

All above listed companies have their registered office at V Celnici 1031/4, 110 00 Prague 1.

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

Intangible fixed assets

Acquisition cost

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance
Software	887	-	-	-	887
Total 2021	887	-	-	-	887
Software	714	173	-	-	887
Total 2020	714	173	-	-	887

Accumulated amortization

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance	Accumulated amortisation	Carrying value
Software	(771)	(58)	-	-	(829)	-	58
Total 2021	(771)	(58)	-	-	(829)	-	58
Software	(664)	(107)	-	-	(771)	-	116
Total 2020	(664)	(107)	-	-	(771)	-	116

Operating tangible fixed assets

Acquisition cost

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance
Non-depreciable operating tangible fixed assets – Paintings	78	-	-	-	78
Depreciable operating tangible fixed assets – Equipment	2,004	157	-	-	2,161
Acquisition of operating tangible fixed assets	-	-	-	-	-
Total 2021	2,082	157	-	-	2,239
Non-depreciable operating tangible fixed assets – Paintings	78	-	-	-	78
Depreciable operating tangible fixed assets – Equipment	1,928	76	-	-	2,004
Acquisition of operating tangible fixed assets	5	-	(5)	-	-
Total 2020	2,011	76	(5)	-	2,082

Accumulated depreciation and impairment

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance	Accumulated depreciation	Carrying amount
Non-depreciable operating tangible fixed assets – Painting	-	-	-	-	-	-	78
Depreciable operating tangible fixed assets - Equipment	(1,359)	(352)	-	-	(1,713)	-	448
Total 2021	(1,359)	(354)	-	-	(1,629)	-	526
Non-depreciable operating tangible fixed assets – Painting	-	-	-	-	-	-	78
Depreciable operating tangible fixed assets - Equipment	(1,003)	(356)	-	-	(1,359)	-	645
Total 2020	(1,003)	(356)	-	-	(1,359)	-	723

Right-of-use

In thousands of CZK	Opening balance	Additions	Disposals	Closing balance
Right-of-use	31,864	-	-	31,864
Total 2021	31,864	-	-	31,864

Accumulated depreciation and impairment

In thousands of CZK	Opening balance	Additions	Disposals	Closing balance	Accumulated depreciation	Carrying amount
Right-of-use	-	(4,395)	-	(4,395)	-	27,469
Total 2021	-	(4,395)	-	(4,395)	-	27,469

Non-operating tangible fixed assets

The Investment Company did not hold such assets in the reporting period.

Depreciation/amortization of tangible and intangible fixed assets

In thousands of CZK	31. 12. 2021	31. 12. 2020
Depreciation of tangible fixed assets	354	356
Amortization of intangible fixed assets	58	107
Right-of-use depreciation	4,395	-
Total depreciation/amortization	4,807	463

9. OTHER ASSETS

Receivables from the funds

In thousands of CZK	31. 12. 2021	31. 12. 2020
Receivables from the funds – management fee	71,238	43,182
Receivables from the funds – loans	74	74
Total receivables from the funds	71,312	43,256
Allowance	(74)	(74)
Net carrying value of other receivables	71,238	43,182

As at 31. 12. 2021 the Investment Company recognized an allowance for receivables from the Virtus Fund of CZK 74 thousands. The Virtus fund is not managed by the Investment Company as at 31. 12. 2021.

In accordance with the requirements of IFRS 9, the Company performed a liquidity analysis of receivables with the following result:

Receivables from the funds consist of:

- CZK 39 million receivable from the Nova Green Energy – podfond 1 (NGE PF1) - receivables from the invoiced management fee. The NGE PF1 temporarily did not pay the Company due to conscious cash flow management and thus the temporary prioritization of NGE PF1 investments in a newly developing project (construction of the Csabrendek photovoltaic power plant in Hungary) for the period of securing bank financing for this project. In the meantime, companies owned by the NGE PF1 building a photovoltaic power plant have negotiated a loan with the bank. As at the date of preparation of the financial statements, the bank financing is already secured and the Company's receivables from the NGE PF1 have been paid in full.
- CZK 14 million receivable from the Nova Money Market – podfond 4 (NMM PF4) - receivables from the invoiced management fee. NMM PF4 does not pay its liabilities to the Company because NMM PF4 has no cash as it has receivables from Arca Investments, which is insolvent. According to the reorganization plan, Arca's assets are expected to monetize approximately 50%. Given that NMM PF4 is a secured AI creditor, it is expected that the receivable will be repaid preferentially from the monetised assets and that the value of the AI assets sufficiently covers the amount of this receivable.
- CZK 1 million receivable from the Nova Money Market – podfond 3 (NMM PF3) - receivables from the invoiced management fee. NMM PF3 has no cash as it has receivables from Arca Investments, which is insolvent. According to the reorganization plan, Arca's assets are expected to monetize approximately 50%. Given that NMM PF3 is a secured AI creditor, it is expected that the receivable will be repaid preferentially from the monetised assets and that the value of the AI assets sufficiently covers the amount of this receivable.

For the reasons stated above, the Company does not create provisions for receivables from funds. Given the maturity of all receivables from the funds within one year and the above facts, the Company considers the accrued value of these receivables to be the best estimate of their fair value.

Other receivables

In thousands of CZK	31. 12. 2021	31. 12. 2020
Advances and prepayments	-	-
Receivables from shareholders	15,000	10,000
Receivable from state institutions - tax	975	1,129
Deferred tax asset	160	-
Other receivables	11	1,137
Net carrying value of other receivables	16,146	12,266

Due to the maturity of other receivables within one year the Company considers the accrued value of these receivables to be the best estimate of their fair value.

10. SEGMENT INFORMATION

The Investment company is based in the Czech Republic. All its investments are made within the Czech Republic.

11. RELATED PARTY TRANSACTION

In thousands of CZK	2021	2020
ASSETS		
Other assets	86,238	53,181
Prepaid expenses and accrued income	37,316	-
LIABILITIES		
Other liabilities	298	376
Liabilities to shareholders	4,341	-
Income		
Fee and commission income from managed funds	139,937	131,220
Expense		
Administrative expenses – other	4,530	242

12. OTHER LIABILITIES

In thousands of CZK	31. 12. 2021	31. 12. 2020
Trade payables and other creditors	1,028	7,755
Liabilities to employees	1,182	2,266
Social security and health insurance costs	534	791
State – tax liabilities	176	623
Estimated payables*	4,715	1,468
Long-term liability - lease agreement	28,322	-
Deferred tax liability	-	35
Total other liabilities	35,957	12,938

*Estimated payables payable are reduced by accountable advances recorded in account 344 due to the application of the interpretation of the National Accounting Council (NUR) No. I-43 in 2020 - for more details see Other receivables.

13. PROVISIONS

Income tax provision

In thousands of CZK	2021	2020
As at 1 January	10,034	11,711
Additions to provision in the amount of expected tax	14,075	10,034
Utilisation of tax provision	(10,034)	(11,711)
As at 31 December	14,075	10,034

The provision for income tax created in 2021 was netted off with advances for income tax of CZK 10,732 thousand, i.e. CZK 3,343 thousand (2020: CZK (1,121) – provision CZK 10,034 thousand minus advances paid in the amount of CZK 11,155 thousand).

Other provisions - bonuses

In thousands of CZK	2021	2020
As at 1 January	8,400	9,100
Additions to provision	10,677	8,400
Utilisation of provision	(8,400)	(9,100)
As at 31 December	10,677	8,400

14. EQUITY AND PROFIT DISTRIBUTION

Share capital

The share capital in the amount of CZK 8,400 thousand was on 31. 12. 2021 and 2020 fully paid and Company did not acquire its own shares during the reference period.

Profit distribution

Net profit of CZK 60,336 thousands for the year 2021 is proposed to be transferred to retained earnings.

15. FEE AND COMMISSION INCOME

In thousands of CZK	2021	2020
Asset management fees	102,521	106,376
Performance and other fees for fund administration	37,316	24,844
Total fee and commission income	139,837	131,220

All income as well as profits and losses from the Company's financial operations flow from the Czech Republic.

16. ADMINISTRATIVE EXPENSES

In thousands of CZK	2021	2020
Personnel expenses	28,851	30,377
Cost of legal and tax advice	407	533
Statutory auditor fees (statutory audit of financial statements)	252	215
Cost of accounting services	4,367	5,242
Rental services	1,110	7,129
Custody	5,360	4,791
Other administrative expenses	10,439	11,533
Total administrative expenses	50,786	59,820

Personnel expenses analysis:

Personnel expenses

In thousands of CZK	2021	2020
Wages and bonuses of members of the Board of Directors	8,260	8,824
Other wages, personnel costs and employee bonuses	14,139	14,897
Social costs and health insurance	6,452	6,656
Total personnel expenses	28,851	30,377

No remuneration was paid to the members of the Supervisory Board in 2020 and 2021. Remuneration of the members of the Board of Directors consists of variable and fixed component while the variable component is linked to the profits of the Company.

Staff statistics

	2021	2020
Average number of employees	15	16
Number of members of the Board of Directors	3	3
Number of members of the Supervisory Board	3	3

17. INCOME TAX

The tax expense includes:

In thousands of CZK	2021	2020
Current tax expense	12,833	10,020
Deferred tax income (+)/ expense (-)	(195)	9
Total tax expense	12,638	10,029

Current tax was calculated as follows:

In thousands of CZK	2021	2020
Profit before tax	72,974	52,330
Tax non-deductible expenses	19,847	10,369
Amounts decreasing tax base	(18,242)	(9,368)
Deduction of gifts granted	(500)	(520)
Tax base	74,079	52,811
Current income tax rate of 19%	14,075	10,034

18. FINANCIAL RISKS

(a) Capital adequacy and risk of insufficient liquidity

Pursuant to the provisions of Section 30 of the ZISIF, the Investment Company is obliged to maintain a minimum level of capital in the amount of ¼ administrative costs, ¼ depreciation of tangible and intangible fixed assets reported in the previous accounting period and additional capital requirements for excess assets. REDSIDE continuously maintains the required amount of capital in accordance with the CRR Regulation (Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms) and Decree No. 244/2013 Coll.

The rules for placing capital in the Company are regulated by the provisions of Section 32 of Act No. 240/2013 Coll., ZISIF, which stipulates that the capital of an investment company entitled to exceed the decisive limit may be placed only in liquid assets, which do not contain a speculative element. From the Company's point of view, (a) funds in bank accounts and (b) investments in managed funds, which can be realized in a shorter period of 12 months, are considered to be liquid assets convertible into cash in the short term.

(b) Liquidity risk

Residual maturities of assets and liabilities of the Investment Company

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2021						
Receivables from banks	11,984	-	2,000	-	-	13,984
Tangible and intangible fixed assets	-	-	-	-	28,052	28,052
Shares, share certificates and other equity interests	-	81,893	-	-	-	81,893
Equity investments with controlling influence	-	-	-	-	4,114	4,114
Other assets	72,384	15,000	-	-	-	87,384
Prepaid expenses and accrued income	39,205	-	-	-	-	39,205
Total	123,573	96,893	2,000	-	32,166	254,632
Liabilities to banks	278	-	-	-	-	278

Liabilities to non-banking institutions	4,341	-	-	-	-	4,341
Other liabilities	7,635	-	-	-	-	7,635
Liability arising from Right-of-use	947	2,842	17,931	6,602	-	28,322
Accrued expenses and deferred income	1,433	-	-	-	-	1,433
Provisions	-	14,021	-	-	-	14,021
Equity	-	-	-	-	198,602	198,602
Total	14,634	16,863	17,931	6,602	198,602	254,632
Gap	108,939	80,030	(15,931)	(6,602)	(166,436)	-
Cumulative Gap	108,939	188,969	173,038	166,436	-	-

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	Not specified	Total
As at 31 December 2020						
Receivables from banks	21,150	-	-	-	-	21,150
Tangible and intangible fixed assets	-	-	-	-	839	839
Shares, share certificates and other equity interests	-	77,216	-	-	-	77,216
Equity investments with controlling influence	-	-	-	-	4,114	4,114
Other assets	54,523	925	-	-	-	55,448
Prepaid expenses and accrued income	3,427	-	-	-	-	3,427
Total	79,100	78,141	-	-	4,953	162,194
Other liabilities	12,938	-	-	-	-	12,938
Accrued expenses and deferred income	2,591	-	-	-	-	2,591
Provisions	-	8,400	-	-	-	8,400
Equity	-	-	-	-	138,265	138,265
Total	15,529	8,400	-	-	138,265	162,194
Gap	63,571	69,741	-	-	(133,312)	-
Cumulative Gap	63,571	133,312	133,312	133,312	-	-

(c) Interest rate risk

The Investment Company does not recognize any loans in its assets as at the balance sheet date, therefore the interest rate risk is assessed as insignificant.

Foreign currency risk

The Investment Company exposure to foreign currency risk is minimal. Almost 100 percent of its transactions are denominated in local currency.

(e) Geographical concentration risk

All assets and liabilities are located in the Czech Republic.

19. SUBSEQUENT EVENTS

At the request of RVR Czech, s.r.o., identification No.: 24300136, as the main shareholder of the Company, the General Meeting was convened on 29 March 2022, in accordance with Section 375 of Act No. 90/2012 Coll. The General Meeting decided to transfer all other shares issued by Company, owned by Arca Capital Financial Group, a.s., to the main shareholder the company RVR Czech, s.r.o. The transfer concerns 8 registered ordinary shares in paper form in the nominal amount of CZK 100,000 to the main shareholder RVR Czech, s.r.o. for consideration determined by expert opinion No. 1248-25 / 2022 of 25.1.2022 prepared by Apelen Valuation, a.s.

At the end of February 2022, the problematic relations between Russia and Ukraine escalated into a military conflict, which negatively affects the global political scene and represents a significant degree of uncertainty for the global economy. Currently this fact has no direct impact on the Company, due to the nature of its assets, and is considered by the Company as a non-adjusting subsequent event.

There have been no other significant events affecting the financial statements from the balance sheet date as at 31. 12. 2021 to the date of the financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf.

**The financial statements
were prepared on:**

28 April 2022

**Stamp and signature
of the Statutory Body:**



Rudolf Vřešťál
Chairman of the Board
of Directors

**Person responsible
for accounting:**



Karel Krhovský
CEO
phone: 222 500 758

**Person responsible for
the financial statements:**



Šárka Burgetová
Head of Finance
phone: 222 500 757



Karel Krhovský
Member of the Board
of Directors



Report on relations

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 2021 to 31 December 2021 (hereinafter referred to as **"the reporting period"** or **"reference period"**).

2. Company name and registered office

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 Company"**).

3. Statutory body

The statutory body of the Company at the end of the reporting period was Board of Directors composed of 3 members:

Rudolf Vřešťál, born 22 February 1977, Prague 3, Žižkov, Prokopova 2849/2a, postal code 130 00 (Chairman of the Board of Directors);

Karel Krhovský, born 25 July 1987, No. 265, 687 64 Slavkov (Member of the Board of Directors); and

Michal Zachar, born 26 September 1983, U jezera 2045/6, Stodůlky, 155 00 Prague 5 (Member of the Board of Directors).

The Company is represented by the Board of Directors, always by the Chairman of the Board of Directors together with another member of the Board of Directors.

4. Shareholders and shares

At the end of the reporting period, the shareholders were:

RVR Czech, s.r.o., with its registered office at Prague 1, V Celnici 1031/4, postal code 110 00, Company ID: 243 00 136, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 194393 - a shareholder owning 76 pieces of ordinary registered shares in paper form with a nominal value of CZK 100,000.

Arca Capital Finance Group, a.s., with its registered office at Plynárenská 7/A, Bratislava - mestská časť Ružinov, postal code 821 09, Slovak Republic, Company ID: 50 108 361, registered in the Commercial Register maintained by the District Court Bratislava I., Section Sa, Insert 6297/B - shareholder owning 8 pieces of ordinary registered shares in paper form at a nominal value of CZK 100,000.

II. Related parties

1. Controlling Parties

RVR Czech, s.r.o., with its registered office in Prague 1, V Celnici 1031/4, postcode 110 00, Company ID: 24300136, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 194393 (hereinafter referred to as **"Controlling Party"**).

RVR Czech, s.r.o. was the majority shareholder of the Company in the reporting period with 90.48% of share and could 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. could have an indirect influence on the Company.

(RVR Czech, s.r.o. and Rudolf Vřešťál hereinafter referred to also 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:

Company	Identification No.	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	100% Company's shares
NOVA Real Estate – podfond 1	71508651/8085331795	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	
NOVA Green Energy, SICAV, a.s. ¹	08789622	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100% Company's shares
NOVA Green Energy – podfond 1	75161664	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	04699017	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100% Company's shares
NOVA Money Market – podfond 3	75159911	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	
NOVA Money Market – podfond 4	75159929	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	
ARCA OPPORTUNITY, SICAV, a.s.	24199591	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100% Company's shares
ARCA OPPORTUNITY – podfond 1	75160404	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	
ARCA OPPORTUNITY CEE EQUITY – podfond 2 ²	75160536	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	

(NOVA Real Estate – podfond 1 hereinafter referred to as the "Sub-Fund")

¹ The company was established as a result of the transformation of the dissolving fund - the open-end mutual fund NOVA Green Energy, the open-end mutual fund REDSIDE investiční společnost, a.s., to the newly arising fund trading company NOVA Green Energy, SICAV, a.s. according to the transformation project dated 12 December 2019, prepared by the administrator and manager of the mutual fund, of the company REDSIDE investiční společnost, a.s. within the meaning of Section 414 et seq. Act No. 240/2013 Coll., on investment companies and investment funds, as amended.

² In the reporting period, REDSIDE investiční společnost, a.s. was the manager and administrator of the ARCA OPPORTUNITY CEE EQUITY investment fund - podfond 2, **which was inactivated without liquidation in the reporting period.**

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:

Company	Identification No.	Registered office	Share %
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 Smichov 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	100%

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

RUQ Czech, s.r.o.	04378024	V celnici 1031/4, Nové Město, 110 00 Prague 1	100 %
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NOVA Green Energy, SICAV, a.s. in the reporting period owned shares in favour of NOVA Green Energy - podfond 1 accounts in the following companies:

Company	Identification No.	Registered office	Share %
BIOPLYN HOROVCE 3, s. r. o.	47168099	106 Horovce 020 62	100%
BioElectricity, s. r. o.	47379499	Horovce 106 Horovce 020 62	80%
BGZ Slovakia s.r.o.	52 728 382	Laurinská 18 Bratislava – mestská časť Staré Mesto 811 01	100%
BTH Slovakia s.r.o.	52 957 781	Laurinská 18 Bratislava – mestská časť Staré Mesto 811 01	100%
BZQ Slovakia s.r.o.	53 093 259	Laurinská 18 Bratislava – mestská časť Staré Mesto 811 01	100%
CES-SOLAR 33, s. r. o.	46094504	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
CES-SOLAR 42, s.r.o.	46094644	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
ENERGOTREND alfa s.r.o.	28566408	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	100%
ENWO s.r.o.	44022751	Hlavná 561 Koliňany 951 78	99%
EPSOLAR s. r. o.	44933428	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
FTVE Green Energy 1, s. r. o.	46025804	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
FTVE Green Energy 2, s.r.o.	46025553	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
FVE Orlice s.r.o.	117 47 218	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
HK-Promotion, s. r. o.	44707541	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
CHILOE a.s.	28308883	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	100%
INMADE, s.r.o	36689246	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
Jakub Solar s. r. o.	46112871	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
PV-Projekt, s. r. o.	45281106	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
SOLARIS one s.r.o.	43871917	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
TECOMA TRAVEL AGENCY, s.r.o.	36577537	Kukučínova 86/9 Košice – mestská časť Juh 040 01	100%
TFI Slovakia s.r.o.	50412477	Laurinská 18 Bratislava – mestská časť Staré Mesto 811 01	99%
ZXJ Czech, s.r.o.	05866111	V Celnici 1031/4, Nové Město, 110 00 Prague 1,	100%

Company	Identification No.	Registered office	Share %
DMJ Management Solutions Korlátolt Felelősségű Társaság	11-09-026180	2921 Komárom, Puskaporosi út 10.	100%
Csete Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027388	2921 Komárom, Puskaporosi út 10.	100%
Darvas Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027359	2921 Komárom, Puskaporosi út 10.	100%
Nyires Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027371	2921 Komárom, Puskaporosi út 10.	100%
Bárdió Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027380	2921 Komárom, Puskaporosi út 10.	100%

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

Company	Identification No.	Registered office	Share %
TOP PELET, s.r.o.	36739341	Družstevná 501 Krňa 956 19	100%

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

Company	Identification No.	Registered office	Share %
BIOPLYN HOROVCE 2 s. r. o.	45556521	106 Horovce 020 62	80%

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

Company	Identification No.	Registered office	Share %
BioElectricity, s. r. o.	47379499	Horovce 106 Horovce 020 62	20%

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

Company	Identification No.	Registered office	Share %
FTVE Green Energy 3, s.r.o.	47236671	Kukučínova 86/9, Košice – mestská časť Juh 040 01	100%

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

Company	Identification No.	Registered office	Share %
REDSIDE investiční společnost, a.s.	24244601	Prague 1 - Nové Město, V Celnici 1031/4, postcode 11000	90.48%
REDSIDE Investments a.s.	07187939	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
SWISS FUNDS, a.s. ¹	05421721	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
ZNO Energy, a.s.	54017840	Laurinská 18, Bratislava – mestská časť Staré Město 811 01	60%

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.

¹RVR Czech s.r.o. during the reporting period owned 100% share in the company SWISS FUNDS, a.s., Identification number: 05421721, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1. The share during the reporting period was sold on the basis of a contract from 7 December 2021.

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

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

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

Company	Identification No.	Registered office	Share %
Parties controlled by BAZ Czech, a.s. during the reporting period:			
ASB Czech Republic, s.r.o.	27215849	Prague 1, V Celnici 1031/4, postcode 11000	100%
ASB Czech SC, s.r.o.	24201235	Prague 1, V Celnici 1031/4, postcode 11000	100%
ASB Hungary Kft,	01-09-326637, daň číslo 26369420-2-42	Andrássy út 100. 3. em. 1062 Budapest, Hungary	100%
ASB Poland Sp. z o.o.	0000296560	ul. Złota 59, Warsaw, Poland	100%
ASB Poland SC Sp. z o.o.	0000300061	ul. Złota 59, Warsaw, Poland	99%
ASB Slovakia, s.r.o.	36 665 061	Laurinská 18 Bratislava 811 01	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.	50283596	Laurinská 18, Bratislava – mestská časť Staré Město 811 01	85%

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 ¹	0000414060	Złota 59, 00-120 Warsaw, Poland	100%

¹ ASB HR Services Sp. z o.o. w likwidacji was liquidated during the reporting period.

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

Company	Identification No.	Registered office	Share %
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 does 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

RVR Czech, s.r.o. owns 90.48% of the Company's shares and Rudolf Vřešťál owns 100% of the shares in RVR Czech, s.r.o.

b) personal connection

Rudolf Vřešťál was Chairman of the Board of Directors of the Company and an Executive and the sole shareholder in RVR Czech, s.r.o.

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

RVR Czech, s.r.o. was a major shareholder (90.48%) of the Company in the reporting period and could have a direct 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. could have an indirect influence on the Company.

In addition to the above exercise of voting rights, Rudolf Vřešťál still acted as the Chairman of the Board of Directors of the Company in the reporting period.

IV. 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 ASB Czech Republic, s.r.o.
 - Agreement on delegation the performance of an individual activity, included in the administration of an investment fund between the Company as an administrator and ASB Czech Republic, s.r.o. as a provider, concluded on 1 January 2015
2. Agreements concluded between the Company and NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.
 - Agreement on the performance of the function of the Statutory Director of NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s., as of 20 August 2015, as amended
 - Agreement on the performance of the function of the Management Board's member of NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s. as of 31 December 2020;
3. Agreements concluded between the Company and NOVA Green Energy, SICAV, a.s.
 - Agreement on the performance of the function of the Statutory Director of NOVA Green Energy, SICAV, a.s., as of 1 January 2020
 - Agreement on the performance of the function of the Management Board's member of NOVA Green Energy, SICAV, a.s., as of 31 December 2020
4. Agreements concluded between the Company and NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
 - Agreement on the performance of the function of the Statutory Director of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. as of 20 January 2016, as amended
 - Agreement on the performance of the function of Management Board's member of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. as of 31 December 2020, as amended
5. Agreements concluded between the Company and ARCA OPPORTUNITY, SICAV, a.s.
 - Agreement on the performance of the function of the Board of Directors' member of ARCA OPPORTUNITY, SICAV, a.s. ze dne as of 3 November 2014
 - Agreement on the performance of the function of Management Board's member of ARCA OPPORTUNITY, SICAV, a.s. as of 31 December 2020, as amended

- Agreement on the performance of the liquidator function as of 30 April 2021.
6. Agreements concluded between the Company and RVR Czech, s.r.o.
- Agreement as of 29 October 2021 on the assignment of the loan agreement (as of 6 March 2019 between Rudolf Vřešťál and the Company, see Note 7).
7. Agreements concluded between the Company and Rudolf Vřešťál
- Loan agreement concluded on 6 March 2019
 - Supplement as of 16 September 2021 to the loan agreement as of 6 March 2019

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

On 30 June 2021, the General Meeting unanimously adopted a resolution of the General Meeting of the Company on the profit distribution for the accounting period of 2020 in the amount of CZK 42,301,342.25 so that the accounting profit of the Company for the year 2020 was transferred to the retained earnings account.

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.

This Report on Relations was discussed and approved by the Board of Directors in Prague on 31 March 2022.



Rudolf Vřešťál
Chairman of the Board of Directors



Karel Krhovský
Member of the Board of Directors