



# Annual report 2020

# Annual report content



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# Key economic indicators

12,0

**CZK billion**

UNLEVERAGED ASSETS  
UNDER MANAGEMENT

19

NUMBER OF  
BUILDINGS IN  
PORTFOLIO

90+

NUMBER  
OF TENANTS

19

PEOPLE  
IN REDSIDE  
TEAM

6

FUND'S  
PORTFOLIOS

62

**GWh**

ANNUAL ELECTRICITY  
PRODUCTION





# Report of the Board of Directors

## Report of the Board of Directors on the REDSIDE business activities

Dear Shareholders, Investors and Business Partners,

The past year 2020 can be boldly described as one of the most challenging in the history of investment company REDSIDE for more than eight years. Although in January and February everything indicated that we would have another regular year ahead of us, at least marked by a gradual, cyclical slowdown in the economy, the beginning of the coronavirus pandemic in March began to fundamentally change all expectations and priorities. Practically day by day, the question of „when will the crisis come“ became the question of „how long and deep will this crisis be“, or what signs will characterize the future recovery of economic activity.

The initial uncertainty of the unknown situation can be inherently seen in the financial sector, where financial institutions find themselves under pressure from their depositors or investors, and on the other hand, as credit institutions, they are reluctant to provide new loans or postpone planned investments. It leads to a liquidity crisis.

Restrictions on services and population mobility, together with industrial downtime caused by supply chain breakdowns, knocked the Czech economy down in the second quarter more than the last financial crisis triggered by the collapse of Lehman Brothers bank in 2008. Given the global scale, this was the same or similar in other economies close to us.

Individual governments sought to appease the panic through massive fiscal expansion combined with monetary policy of central banks relieved to maximum, which to a large extent distorted basic market principles and mechanisms. The imaginary gap between the value of assets and the price on the market continued to open regardless of the particular business foundation.

From the perspective of the really high volatility and the decrease in share markets at the end of the first quarter, it was clear that the bet on alternative assets that are not so tied to the economic cycle was right in the long run, as evidenced by development of our private equity investment funds NOVA Green Energy and NOVA Real Estate during most of the year. These funds have fully demonstrated the honesty of our intentions and the quality of our work over the years, invested in building strong and resilient portfolios of real estate and energy resources. Building long-term and fair relationships with our tenants has resulted in that despite these difficult times, the occupancy of the total leasable area (250 thousand m<sup>2</sup>) of the NOVA Real Estate fund remained at a level exceeding 97.5%, which is an unprecedented result in the industry.

In addition to entering the logistics and industrial real estate segment, where the fund holds a huge industrial park in Trenčín, it is also profitable for NOVA Real Estate to allocate portfolio to the retail sector with essential goods such as hyper and super markets (Tesco, Ahold, Penny) and hobby markets such as OBI and Baumax. These facilities show stability and growth in this non-standard situation due to government restrictions on retail. All this led to the fact that the NOVA Real Estate fund achieved an appreciation of 6.61% even in such a difficult year.

The largest fund of qualified investors, investing in renewable energy sources in the CEE region, called NOVA Green Energy, has had a relatively turbulent year, but with a clear positive outlook for the future. In December 2020, the fund realized the first real monthly loss in its long history, due to the revaluation of part of the assets related to the indirect impact of the coronavirus pandemic in the context of financing one of the long-term projects in the fund's portfolio. In the end, this event ended the very promisingly started year 2020 with -5.97% of annual performance. The assets mentioned are two unique biomass sources in Slovakia worth approximately CZK 1.5 billion, which the fund plans to acquire into its assets in the long term. Due to the coronavirus crisis, negotiations on the refinancing of the project were interrupted, which was one of the conditions for the takeover of the heating plants by the fund. As part of risk management in the fund's portfolio, we were forced to apply a discount. We fully believe in the positive development of this business case and we plan to enter the heating plants this year and subsequently unblock the discount in this year.

This less pleasant event did not stop our efforts to build an energy portfolio, as we prove especially in Hungary, where in 2020 we started the construction of a photovoltaic power plant with an output of almost 30 MW. We expect the start of its operation in the summer of this year and the number of assets installed and owned by the fund will thus exceed 30.

We are pleased that, despite the coronavirus crisis, qualified investors' funds enjoy the popularity of both Czech and foreign investors, which can be declared by their growing number (259) and the volume of assets invested in these investment structures (CZK 208 billion). According to the report issued by the Capital Market Association, of which we have been a member since 2015, REDSIDE participates in almost 3% of this volume.

Within our company, we have managed to maintain the dynamics of basically all key financial indicators and at the same time strengthen the existing REDSIDE team, which already includes almost 20 experienced professionals taking care of a total of 6 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 ever larger and more interesting projects, both in real estate and energy industry. At the same time, however, we know very well that the confidence of our investors is by far our most precious and fragile asset, which we must not jeopardize even in the case of the most self-evident business opportunities.

We aim to continue to offer investments in real estate and energy funds as a long-term, conservative and transparent investment, meeting all compliance criteria, especially for professional investors, including foreign banks, insurance companies and other financial institutions. We also want to enable interesting long-term sustainable projects to develop their investment activities through regulated funds of qualified investors.

In order to meet this goal, in June, after a nearly two-year licensing process, we received permission from the Czech National Bank to operate as a securities dealer for our sister company REDSIDE Investments, a.s. With REDSIDE Investments support, we would like to ensure a better distribution system for our investment funds investment intermediaries and offer our investors other services such as investment advice and individual portfolio management.

The year 2020 was a challenge not only in the area of asset and portfolio management. It was also a challenge from the point of view of the work commitment of all colleagues, who due to a very non-standard social situation had to overcome a lot of work and personal obstacles. Although these work barriers, or we can name it challenges, were completely new to individual colleagues, as well as to our team as a whole, it is now clear that through their enormous hard work and commitment, we have been able to overcome these obstacles and transform the potential threats into future opportunities.

We strongly believe that we did not disappoint you in 2020 either. We remain committed to building our Company's reputation, contributing to the satisfaction of our current and potential clients at home and abroad through the development of the portfolios of our investment funds NOVA Green Energy and NOVA Real Estate.

### Business activities

The main focus of our work during 2020 thus 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 investing funds managed by us are open-end investment funds with variable share capital forming individual sub-funds. We thus continue to adhere to the original idea of collective investment to create and manage large, transparent funds that will be attractive both to Czech individual investors and to foreign institutional clients.

At the end of 2020 we managed resp. administrated 6 fund portfolios in total, with fund assets ("AUM") in total amount of CZK 6,632 million.

As an additional service, in cooperation with ČSOB, as, we also offered our investors services related to the safekeeping and administration of securities issued by investment funds under our management.

### Further development of business activities

We will continue to provide administration and management services, whereas we provide and will continue to provide administration services only to funds which we manage at the same time.

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. Within the NOVA Money Market investment fund, after the date of preparation of the financial statements, we, as a secured creditor, registered receivables from Arca Investments, a.s. in insolvency proceedings in the Czech Republic.

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 Sub-Fund's shareholders.

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

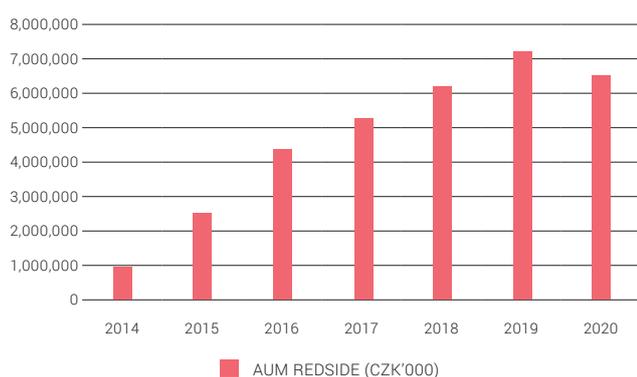
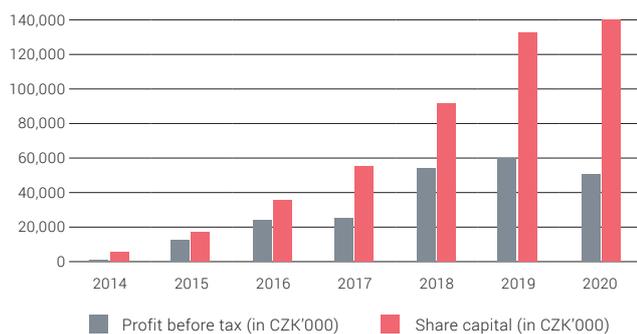
The Company ended 2020 with a profit of CZK 42,301 thousand and revenues of CZK 131,220 thousand, which represents an increase of 13% compared to 2019. Revenues were realized almost exclusively from the administration and management of investment funds of qualified investors.

With the development of the distribution network, the costs of fees and commissions grew the most year-on-year, reaching more than CZK 22 mil, which represents a year-on-year increase of more than 41%. However, the most significant cost is associated with staff costs, which increased by more than 37% year-on-year to a total of more than CZK 30 mil. This increase is due

to the significant strengthening of the team both in the position of risk management and in positions related to compliance and management. Administrative expenses reached the similar amounts (CZK 29,443 thousand), which represents year-on-year increase by almost 45%. In general, the increase in administrative costs reflected higher costs for the asset management and compliance processes themselves, but also the growth of our investors' core. This generates an increasing number of transactions, client and legislative requirements in addition to the distribution costs already mentioned, which puts further pressure to increase personnel and technical capacities.

Equity amounted to CZK 138,265 million at the end of the year, which is significantly above the ČNB's capital requirements. The company's assets exceed CZK 160 million and consist mainly of investments within the funds we manage and cash in bank accounts.

Specific and detailed information on the management of REDSIDE investiční společnost, a.s. is provided in the annual financial statements for 2020.



#### Other significant events in 2020 and changes realized after the date of preparation of the financial statements

On 21 September 2020, a dividend was paid to the shareholders RVR Czech, s.r.o. and Arca Capital Finance Group, a.s. in the total gross value of CZK 32,052,636.

There were also changes in the Company's internal control system, where Izabela Růžičková was joined by Jana Zákravská.

Internal audit was continuously entrusted to the company Complex, s.r.o., ensuring independent and objective internal control of the Company's activities.

With effect from 9 April 2020, commercial manager Michal Zachar was appointed as a member of the Board of Directors following a prior consent of the Czech National Bank. In this position, he replaced Juraj Dvořák, who became the chairman of the Company's Supervisory Board, which he has left and has been replaced by Šárka Burgetová in the course of 2020.

In 2020, Arca Investments, a.s., which is the sole shareholder of Arca Capital Finance Group, a.s., which is a minority shareholder of the Company with a share of 9.52%, ended in bankruptcy. Due to the low shareholder share and especially due to the completely separate position of the management and control system from the voting parameters at the General Meeting, this fact has no effect on the Company in terms of its operational position resp. compliance with capital requirements.

#### Expected development in 2021

Considering that 2021 will also be significantly affected by the global coronavirus pandemic, our primary goal remains to protect the Company's managed fund portfolios from the negative effects of the pandemic and to respond flexibly and smartly to new challenges and opportunities that non-standard conditions bring. The partial goals are to obtain financing for new projects in the field of real estate and energy industry and to integrate the securities trader REDSIDE Investments, a.s. into the structure of the REDSIDE group.

Prague, 29 April 2021



**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

# 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 138,265 thousand
License to operate:	29 April 2013
Internet website:	www.redsidefunds.com

### Parties with a qualifying holding in the Company

The composition of shareholders with a qualifying holding in the share capital as at 31 December 2020 was as follows:

- RVR Czech, s.r.o., with registered office at Prague 1, 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 2019:

- 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 2020 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	CSO

### 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 ČNB. 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 2020 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.

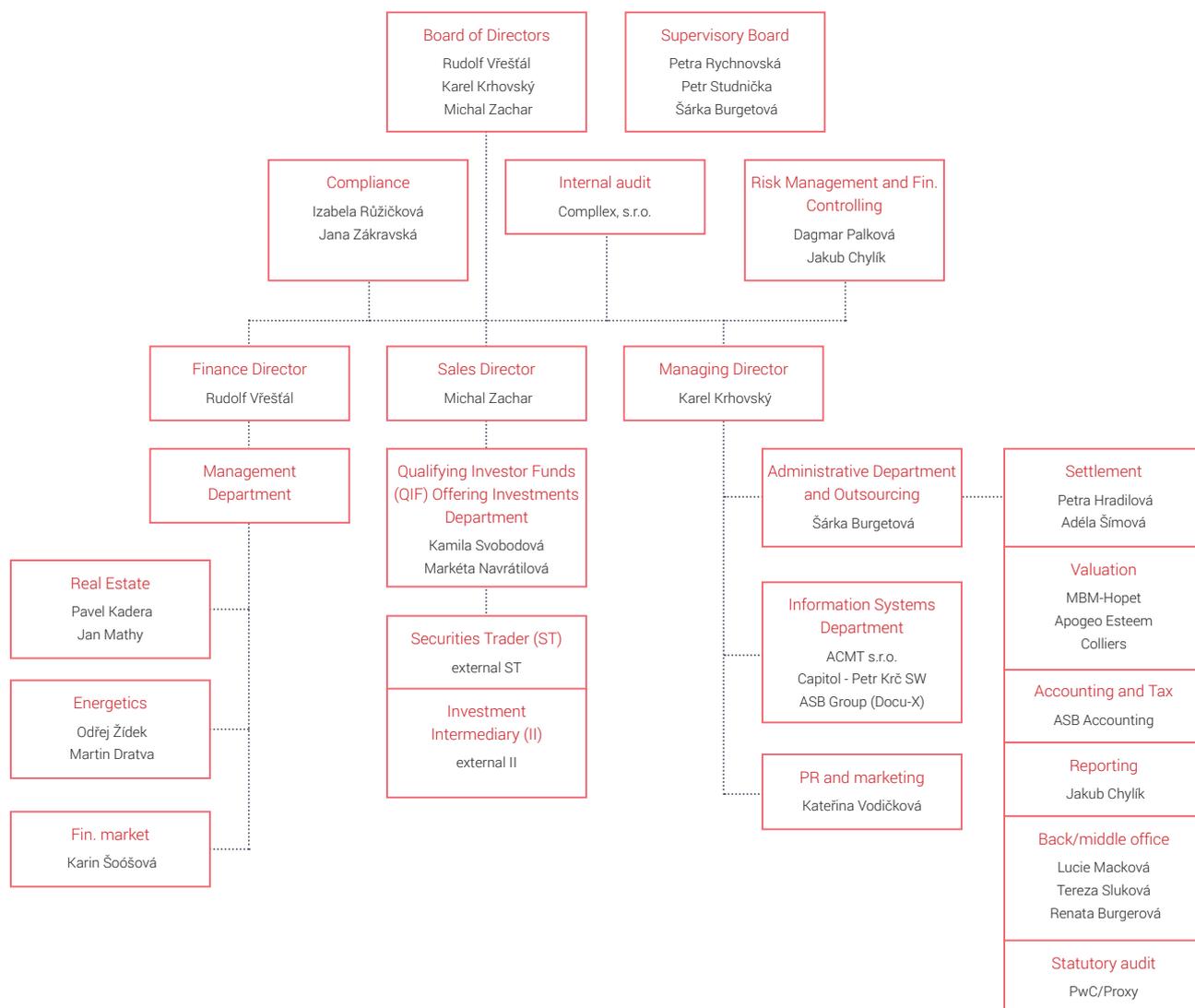
## Portfolio managers

- Karin Šoóšová (performed her function continuously since 1 February 2020)
- Pavel Kadera (performed his function continuously since 1 January 2018)
- Ondřej Žídek (performed his function continuously since 1 January 2018)
- Jan Mathy (performed his function continuously since 1 January 2018)
- Martin Dratva (performed his function continuously since 1 October 2020)

## Internal audit and compliance

Complex, s.r.o.	Internal auditor
Mgr. Izabela Růžičková	Compliance officer

Organizational chart of the Company as at 31.12.2020



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 2020

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:

<b>Name:</b>	<b>NOVA Real Estate, SICAV, a.s.</b>
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.

<b>Name:</b>	<b>NOVA Green Energy, SICAV, a.s.</b>
Registered office:	V Celnici 1031/4, Nové Město, 110 00
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)

NOVA Green Energy is an open-ended mutual fund of qualified investors, which invests in equity investments in small and medium-sized plants (1-4 MW) producing energy from renewable energy sources in the Central and Eastern European region, mainly in the Czech Republic and Slovakia.

<b>Name:</b>	<b>ARCA OPPORTUNITY, SICAV, a.s.</b>
Sub-funds:	ARCA OPPORTUNITY – podfond 1 ARCA OPPORTUNITY CEE EQUITY – podfond 2
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 is to achieve return on the price movement of investments in 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. The Sub-Fund 2 focuses primarily on investment in listed companies in the CEE region, incl. Russia, whose shares are underestimated in the market and have the prospect for long-term growth. The fund only invests in the top 10-15 investment types. Occasionally, the fund may open several short positions.

<b>Name:</b>	<b>NOVA Money Market, SICAV, a.s.</b>
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)

Sub-Fund 3 and 4 provides targeted short-term and medium-term loans to finance projects implemented within the Arca Capital investment group, which are capable to generate sustainable cash-flow paid on a quarterly basis. Among the implemented projects there are mainly investments in private equity, portfolio of defaulted mortgages and consumer loans. The Sub-Fund may also acquire other financial assets (bills of exchange, bonds, etc.) and realize opportunistic investments denominated in EUR. The investment strategy of Sub-Fund 4 is the same, except that the investments are denominated in CZK.

### **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 2020:

The position of a member of the Company's Board of Directors held by Juraj Dvořák has ceased to exist as at 8 April 2020. Effective from 9 April 2020, the position of a member of the Company's Board of Directors has been acceded by Michal Zachar.

Effective from 9 April 2020 Juraj Dvořák was elected to the position of a member of the Supervisory Board, replacing Ms. Šárka Burgetová, whose position of a member of the Supervisory Board has ceased to exist as at 8 April 2020. Juraj Dvořák was subsequently elected to the position of the Chairman of the Supervisory Board. Juraj Dvořák was removed from the position of a member of the Supervisory Board on 26 November 2020 and replaced by Šárka Burgetová. Subsequently, Petra Rychnovská was elected to the position of the new Chairwoman of the Supervisory Board on 27 November 2020.

### **5. Court and arbitration disputes**

During the decisive period, the Investment Company did not have any judicial or arbitration disputes.

### **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 16.

### **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
<b>Rudolf Vřešťál</b>	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
	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
SWISS FUNDS, a.s.	Member of the Supervisory Board	05421721	
<b>Karel Krhovský</b>	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
	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
<b>Michal Zachar</b>	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.

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### 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 2020 and of the Company's financial performance for the year ended 31 December 2020 in accordance with Czech accounting legislation.

### What we have audited

The Company's financial statements comprise:

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

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### Basis for opinion

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

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

### Independence

We are independent of the 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.

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### 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.

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

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

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the 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 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.

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### 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.

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2021

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

A handwritten signature in blue ink, appearing to read 'Eva Loulová', is written over the printed name.

Eva Loulová  
Statutory Auditor, Licence No. 1981

This report is addressed to the shareholders of REDSIDE investiční společnost, a.s.

# Financial statements for the year ended 31 December 2020

Company name: REDSIDE investiční společnost, a.s.

Registered office: V Celnici 1031/4, Praha 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: 29 April 2021

## BALANCE SHEET

As at 31 December 2020

In thousands of CZK	Note	31. 12. 2020	31. 12. 2019
<b>ASSETS</b>			
3 Receivables from banks - repayable on demand	5	21,150	18,357
6 Shares, share certificates and other equity interests	6	77,216	69,872
8 Equity investments with controlling influence	7	4,114	4,114
9 Intangible fixed assets	9	116	50
10 Tangible fixed assets	9	723	1,008
11 Other assets	6	55,448	32,497
13 Prepaid expenses and accrued income		3,427	24,668
<b>Total assets</b>		<b>162,194</b>	<b>150,566</b>
<b>LIABILITIES</b>			
4 Other liabilities	10	12,938	6,630
5 Accrued expenses and deferred income		2,591	3,122
6 Provisions	12	8,400	12,796
of which: a) taxes		0	3,696
b) others		8,400	9,100
8 Share capital – fully paid	13	8,400	8,400
14 Retained earnings from previous periods		87,564	72,925
15 Profit for the accounting period		42,301	46,693
<b>Total liabilities</b>		<b>162,194</b>	<b>150,566</b>

In thousands of CZK	Note	31. 12. 2020	31. 12. 2019
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Off-balance sheet assets</b>			
15 Assets under management		6,632,205	7,235,302
<b>Total off-balance sheet assets</b>		<b>6,632,205</b>	<b>7,235,302</b>

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

In thousands of CZK	31. 12. 2020	31. 12. 2019
Arca Opportunity – podfond 1	411,516	510,589
Arca Opportunity CEE EQUITY – podfond 2	24,866	27,258
Nova Green Energy – podfond 1	1,808,761	1,678,050
Nova Hotels	0	981,604
Nova Real Estate – podfond 1	4,048,998	3,347,396
Nova Money Market – podfond 3 (before audit)	65,629	140,463
Nova Money Market – podfond 4 (before audit)	272,435	549,942
<b>Total</b>	<b>6,632,205</b>	<b>7,235,302</b>

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

## INCOME STATEMENT

For period from 1 January 2020 till 31 December 2020

In thousands of CZK	Note	2020	2019
1 Interest income and similar income		369	101
3 Income from shares and equity interests - other		0	750
4 Fee and commission income	14	131,220	116,273
5 Fee and commission expenses		-21,843	-15,452
6 Gain or loss from financial operations		2,486	2,774
8 Other operating expenses		-1,309	-122
9 Administrative expenses	15	-59,820	-42,424
of which: a) personnel expenses		-30,377	-22,106
of which: aa) wages and salaries		-23,721	-17,114
ab) social and health insurance		-6,656	-4,992
b) other administrative expenses		-29,443	-20,318
of which: ba) rent		-7,129	-8,021
bb) accounting		-5,242	-4,767
bc) custody		-4,791	-1,857
11 Depreciation/amortization, creation and use of provisions and allowances for tangible and intangible fixed assets		-463	-425
12 Release of provisions and reserves for receivables, securities and guarantees, income from receivables previously written off		990	42
13 Write-offs, additions and utilisation of allowances and provisions for loans and guarantees		0	0
17 Additions to and utilisation of other provisions		700	-3,012
<b>19 Profit before tax</b>		<b>52,330</b>	<b>58,505</b>
23 Income tax	15	-10,029	-11,812
<b>24 Profit for the accounting period</b>		<b>42,301</b>	<b>46,693</b>

## STATEMENT OF CHANGES IN EQUITY

For period from 1 January 2020 till 31 December 2020

In thousands of CZK	Share capital	Retained earnings	Accumulated losses	Profit	Total
<b>Balance as at 1 January 2019</b>	<b>8,400</b>	<b>40,611</b>	<b>-1,691</b>	<b>40,636</b>	<b>87,956</b>
Profit transfer	0	32,313	1,691	-34,004	0
Profit for the accounting period	0	0	0	46,693	46,693
Dividends paid	0	0	0	-6,632	-6,632
<b>Balance as at 31 December 2019</b>	<b>8,400</b>	<b>72,924</b>	<b>0</b>	<b>40,693</b>	<b>128,017</b>
Profit transfer	0	14,640	0	-14,640	0
Profit for the accounting period	0	0	0	42,301	42,301
Dividends paid	0	0	0	-32,053	-32,053
<b>Balance as at 31 December 2020</b>	<b>8,400</b>	<b>72,924</b>	<b>0</b>	<b>42,301</b>	<b>138,265</b>

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

## 1. GENERAL

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. 2020:

- 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 Depositaries 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 31.12.2020 and 31.12.2019

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

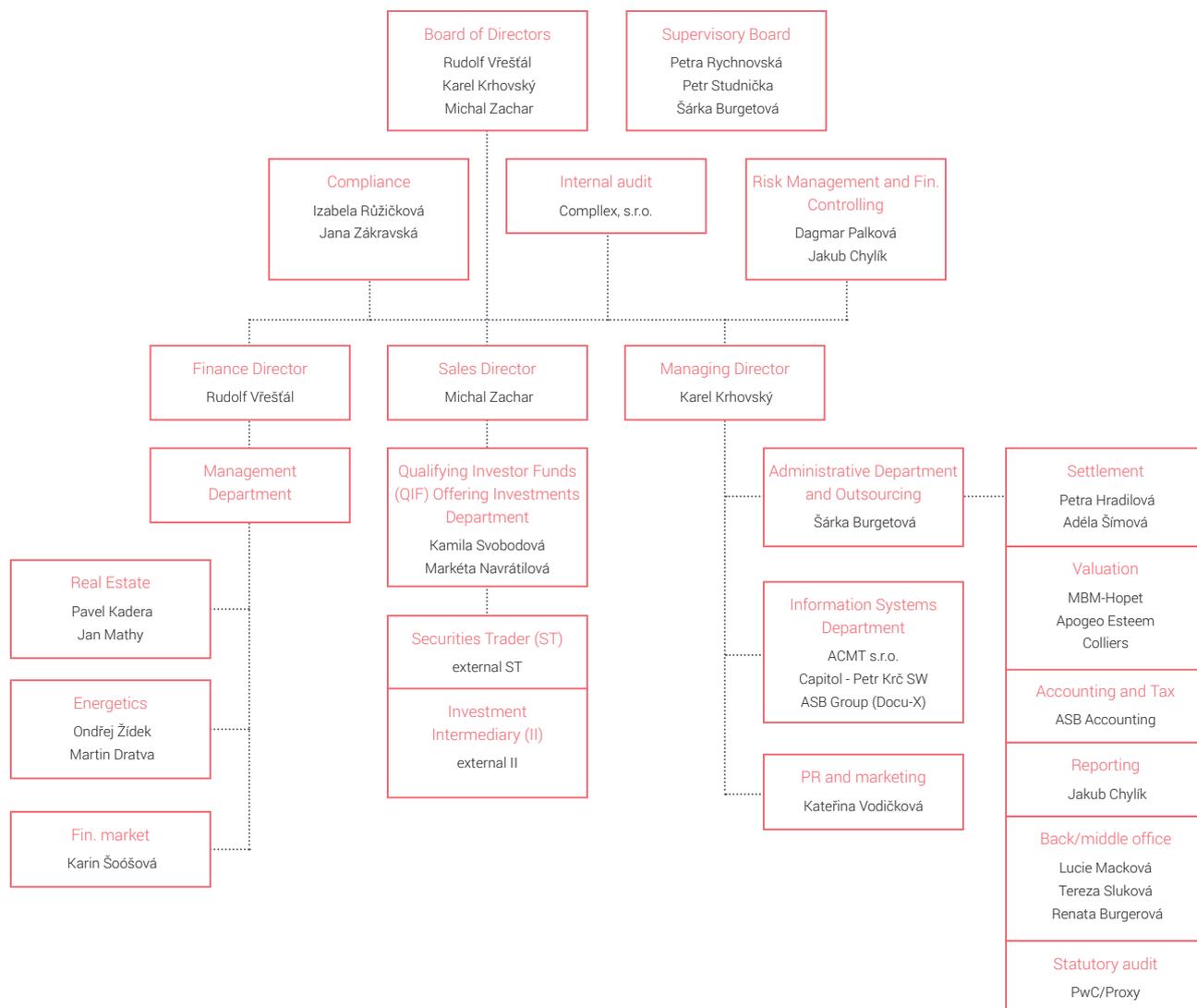
The following changes were recorded in Commercial Register in 2020:

On 8 April 2020 the role of Juraj Dvorak on the Board of Directors was terminated and effective from 9 April 2020 the role of Michal Zachar on the Board of Directors was created.

Within the Supervisory Board effective from 9 April 2020, Juraj Dvorak was elected as a member of the Supervisory Board instead of Sarka Burgetova, who's function was terminated on 8 April 2020. Juraj Dvorak was later elected as the head of the supervisory board. Juraj Dvorak's membership on the Supervisory Board was terminated on 26 November 2020 and Sarka Burgetova was elected instead of him. Later, Petra Rychnovska was chosen as the head of the Supervisory Board on 27 November 2020.

## Organizational structure of the investment company

The organizational chart of the Investment Company designating individual positions as at 31. 12. 2020 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 financial statements were prepared on accrual basis of accounting and historical cost, except for selected financial instruments measured at fair value.

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.

These financial statements are not consolidated. All figures are in thousands of CZK unless otherwise stated.

While preparing the financial statements, especially during the valuation of assets and liabilities, the directors of the investment company took the impacts of the COVID-19 pandemic into account.

### 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.

#### 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

#### (b) Equity interests with controlling and significant influence

##### Equity interests with controlling influence

Equity interests 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 Investment 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 a member thereof or a majority of the persons who are members of the supervisory body of the legal entity of which it is a shareholder.

### Equity interests with significant influence

Equity interests with significant influence mean interests in an affiliate company that is not a subsidiary and in which the Investment Company exercises significant influence.

Significant influence is the ability of the Investment Company to participate in the financial and operational policies of another company, but without the ability to exercise controlling influence.

The Company exercises significant influence when it has a direct or indirect share of at least 20% of the registered capital or voting rights in another company, and if it does not exercise controlling influence in that company or does not clearly demonstrate that it is not capable of exercising the significant influence. Under a share of less than 20%, no significant influence is assumed unless it factually exists.

### Valuation of equity interests

Equity interests with controlling and significant influence are measured at acquisition cost, which includes costs associated with the acquisition (e.g. expert opinions, legal services).

### (c) Receivables

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

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

### Trade receivables

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

The tax-deductible part of the total allowances for loss on receivables for the accounting period is calculated according to the Act No. 593/1992 Coll., On Provisions for Determining the Income Tax Base, as amended.

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

### (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
- g) 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 thousand.

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 thousand 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 thousand.

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:

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

#### **(m) Personnel expenses and pension insurance**

Personnel expenses are part of the administrative expenses and include remuneration of members of the Board of Directors and the Supervisory Board.

The Investment Company currently does not provide any pension insurance for its employees.

#### **(n) Items from a different accounting period and changes in accounting methods**

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

#### **(o) Subsequent events**

The effect of events that occurred between the balance sheet date and the date of preparation of the financial statements is recognized in the financial statements, if these events provide additional evidence of the conditions that existed at the balance sheet date.

In the case that significant events occurred between the balance sheet date and the date of preparation of the financial statements, which take into account the conditions that took place after the balance sheet date, the effects of those events are disclosed in the Notes to the Financial Statements, but they are not themselves recognized in the financial statements.

## **4. CHANGES IN ACCOUNTING POLICIES**

There were no changes in accounting policies in the current accounting period.

## **5. RECEIVABLES FROM BANKS**

<b>In thousands of CZK</b>	<b>31. 12. 2020</b>	<b>31. 12. 2019</b>
Current bank accounts	21,150	18,357
<b>Net carrying value of receivables from banks</b>	<b>21,150</b>	<b>18,357</b>

## 6. OTHER ASSETS

### Receivables from funds

In thousands of CZK	31. 12. 2020	31. 12. 2019
Receivables from the funds – management fee	43,182	5,457
Receivables from the funds – loans	74	74
<b>Total receivables from funds</b>	<b>43,256</b>	<b>5,531</b>
Allowance	-74	-1,064
<b>Net carrying value of receivables from funds</b>	<b>43,182</b>	<b>4,467</b>

As at 31. 12. 2020 the Investment Company recognized an allowance for receivables from the Virtus Fund of CZK 74 thousand.

The Virtus fund is not administered by the Investment Company as at 31. 12. 2020.

### Other receivables

In thousands of CZK	31. 12. 2020	31. 12. 2019
Advances and prepayments	0	938
Receivables from shareholders*	10,000	26,087
Deferred tax asset	1,129	0
Other receivables	1,137	989
<b>Net carrying value of other receivables</b>	<b>12,266</b>	<b>28,014</b>

\*The entire amount consists of a loan to a related party.

In accordance with the interpretation of the National Accounting Council (NAC) No. I-43, in 2020 we proceeded to change the reporting of billable advances on account 344 - Provided operating advances by so-called "netting" against account 354 - Estimated liabilities. In the comparative year 2019, the values would look as follows: Account 344 – CZK 938 thousands Balance sheet - Other assets CZK nil thousands account 354 – CZK 2,058 thousands, Balance sheet - Other liabilities CZK 1,570 thousands.

### Shares, share certificates and other equity interests

As at 31. 12. 2020, the Investment Company held:

- Investment shares of the NOVA Real Estate – podfond 1, 32,309,045 pcs in the total amount of CZK 38,839 thousands.
- Investment shares of the NOVA Green Energy, otevřený podílový fond REDSIDE investiční společnost, a. s., 13,445,873 pcs in the total amount of CZK 16,432 thousands.
- Investment shares of the ARCA OPPORTUNITY – podfond 1, 13,037 pcs in the total amount CZK 21,945 thousands.

## 7. Equity investments with controlling influence

### Equity investments with controlling influence

In thousands of CZK  
As at 31 December 2020

Company name	Business activity	Registered capital	Share in the equity	Share of voting rights	Carrying amount
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
<b>Carrying amount</b>		<b>4,110</b>			<b>4,114</b>

In thousands of CZK  
As at 31 December 2019

Company name	Business activity	Registered capital	Share in the equity	Share of voting rights	Carrying amount
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
<b>Účetní hodnota</b>		<b>4,110</b>			<b>4,114</b>

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

## 8. Related party transactions

In thousands of CZK	2020	2019
<b>Assets</b>		
Other assets	53,181	31,457
Prepaid expenses and accrued income	0	24,503
<b>Income</b>		
Fee and commission income from managed funds	131,220	116,273
<b>Expense</b>		
Administrative expenses – other	5,242	4,767

## 9. Tangible and intangible fixed assets

### Intangible fixed assets

#### Acquisition cost

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance
Software	714	173	0	0	887
<b>Total 2020</b>	<b>714</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>887</b>
Software	714	0	0	0	714
<b>Total 2019</b>	<b>714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>714</b>

#### Accumulated amortization and impairment

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance	Accumulated amortisation	Carrying value
Software	-664	-107	0	0	-771	0	116
<b>Total 2020</b>	<b>-664</b>	<b>-107</b>	<b>0</b>	<b>0</b>	<b>-771</b>	<b>0</b>	<b>116</b>
Software	-610	-54	0	0	-664	0	50
<b>Total 2019</b>	<b>-610</b>	<b>-54</b>	<b>0</b>	<b>0</b>	<b>-664</b>	<b>0</b>	<b>50</b>

### 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	0	0	0	78
Depreciable operating tangible fixed assets – Equipment	1,928	76	0	0	2,004
Acquisition of operating tangible fixed assets	5	0	-5	0	0
<b>Total 2020</b>	<b>2,011</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>2,082</b>
Non-depreciable operating tangible fixed assets – Paintings	78	0	0	0	78
Depreciable operating tangible fixed assets – Equipment	1,758	170	0	0	1,958
Acquisition of operating tangible fixed assets	0	5	0	0	5
<b>Total 2019</b>	<b>1,836</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>2,011</b>

#### Accumulated amortisation and impairment

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance	Accumulated depreciation	Carrying value
Non-depreciable operating tangible fixed assets – Paintings	0	0	0	0	0	0	78
Depreciable operating tangible fixed assets - Equipment	-1,003	-356	0	0	-1,359	0	645
<b>Total 2020</b>	<b>-1,003</b>	<b>-356</b>	<b>0</b>	<b>0</b>	<b>-1,359</b>	<b>0</b>	<b>723</b>
Non-depreciable operating tangible fixed assets – Paintings	0	0	0	0	0	0	78
Depreciable operating tangible fixed assets - Equipment	-632	-371	0	0	-1,003	0	925
<b>Total 2019</b>	<b>-632</b>	<b>-371</b>	<b>0</b>	<b>0</b>	<b>-1,003</b>	<b>0</b>	<b>1,003</b>

### 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. 2020	31. 12. 2019
Depreciation of tangible fixed assets	356	371
Amortization of intangible fixed assets	107	54
<b>Total depreciation/amortization</b>	<b>463</b>	<b>425</b>

## 10. OTHER LIABILITIES

In thousands of CZK	31. 12. 2020	31. 12. 2019
Trade payables and other creditors	7,755	2,730
Liabilities to employees	2,266	818
Social security and health insurance costs	791	362
State – tax liabilities	623	186
Estimated payables*	1,468	2,508
Deferred tax liability	35	26
<b>Total other liabilities</b>	<b>12,938</b>	<b>6,630</b>

\*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**.

## 11. Provisions

### Income tax provision

In thousands of CZK	2020	2019
As at 1 January	11,711	10,640
Additions to provision in the amount of expected tax	10,034	11,711
Utilisation of tax provision	-11,711	-10,640
<b>As at 31 December</b>	<b>10,034</b>	<b>11,711</b>

The provision for income tax created in 2020 was netted off with advances for income tax of CZK 11,155 thousands, i.e. CZK -1,121 thousands (2019: CZK 3,696 – provision CZK 11,711 thousands minus advances paid in the amount of CZK 8,015 thousands).

### Other provisions - bonuses

In thousands of CZK	2020	2019
As at 1 January	9,100	6,088
Additions to provision	8,400	9,100
Utilisation of provision	-9,100	-6,088
<b>As at 31 December</b>	<b>8,400</b>	<b>9,100</b>

## 12. Equity and profit distribution

### Registered capital

The registered capital in the amount of CZK 8,400 thousands was on 31. 12. 2020 and 2019 fully paid and Company did not acquire its own shares during the reference period.

### Profit distribution

Net profit of CZK 42,301 thousands for the year 2020 is proposed to be transferred to retained earnings.

## 13. Fee and commission income

In thousands of CZK	2020	2019
Asset management fees	106,376	92,565
Performance and other fees for fund administration	24,844	23,708
<b>Total fee and commission income</b>	<b>131,220</b>	<b>116,273</b>

## 14. Administrative expenses

In thousands of CZK	2020	2019
Personnel expenses	30,377	22,106
Cost of legal and tax advice	533	270
Statutory auditor fees (statutory audit of financial statements)	215	206
Cost of accounting services	5,242	4,767
Rent incl. services	7,129	8,021
Custody	4,791	1,857
Other administrative expenses	11,533	5,197
<b>Total administrative expenses</b>	<b>59,820</b>	<b>42,424</b>

Personnel expenses analysis:

### Personnel expenses

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

No remuneration was paid to the members of the Supervisory Board in 2019 and 2020. 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**

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

**15. INCOME TAX****The tax expense includes:**

In thousands of CZK	2020	2019
Current tax expense	10,020	11,682
Deferred tax credit (-)/ expense (+)	9	130
<b>Total tax expense</b>	<b>10,029</b>	<b>11,812</b>

**Current tax was calculated as follows:**

In thousands of CZK	2020	2019
<b>Profit before tax</b>	<b>52,330</b>	<b>58,505</b>
Tax non-deductible expenses	10,369	10,587
Amounts decreasing tax base	-9,368	-7,489
Deduction of gifts granted	-520	0
<b>Tax base</b>	<b>52,811</b>	<b>61,603</b>
<b>Current income tax rate of 19%</b>	<b>10,034</b>	<b>11,705</b>

**16. Financial risks****(a) Strategy of using financial instruments**

The Investment Company is exposed to market risks arising from open positions of transactions with interest rate instruments that are sensitive to changes in financial market conditions. Until now, the Investment Company has deposited its funds to current accounts with banks.

Taking into account maturity of its current and expected liabilities in the near future and amount of currently available resources, the Investment Company did not choose other forms of investment in order to control the volatility of cash flows needed to close market positions.

**(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
<b>As at 31 December 2020</b>						
Receivables from banks	21,150	0	0	0	0	<b>21,150</b>
Tangible and intangible fixed assets	0	0	0	0	839	<b>839</b>
Shares, share certificates and other shareholding interests	0	77,216	0	0	0	<b>77,216</b>
Equity investments with controlling influence	0	0	0	0	4,114	<b>4,114</b>
Other assets	54,523	925	0	0	0	<b>55,448</b>
Prepaid expenses and accrued income	3,427	0	0	0	0	<b>3,427</b>
<b>Total</b>	<b>79,100</b>	<b>78,141</b>	<b>0</b>	<b>0</b>	<b>4,953</b>	<b>162,194</b>
Other liabilities	12,938	0	0	0	0	<b>12,938</b>
Accrued expenses and deferred inco	2,591	0	0	0	0	<b>2,591</b>
Provisions	0	8,400	0	0	0	<b>8,400</b>
Equity	0	0	0	0	138,265	<b>138,265</b>
<b>Total</b>	<b>15,529</b>	<b>8,400</b>	<b>0</b>	<b>0</b>	<b>138,265</b>	<b>162,194</b>
<b>Gap</b>	<b>63,571</b>	<b>69,741</b>	<b>0</b>	<b>0</b>	<b>-133,312</b>	<b>0</b>
<b>Cumulative Gap</b>	<b>63,571</b>	<b>133,312</b>	<b>133,312</b>	<b>133,312</b>	<b>0</b>	<b>0</b>

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
<b>As at 31 December 2019</b>						
Receivables from banks	18,357	0	0	0	0	<b>18,357</b>
Tangible and intangible fixed assets	0	0	0	0	1,058	<b>1,058</b>
Shares, share certificates and other shareholding interests	0	69,872	0	0	0	<b>69,872</b>
Equity investments with controlling influence	0	0	0	0	4,114	<b>4,114</b>
Other assets	31,619	878	0	0	0	<b>32,497</b>
Prepaid expenses and accrued income	24,668	0	0	0	0	<b>24,668</b>
<b>Total</b>	<b>74,644</b>	<b>70,750</b>	<b>0</b>	<b>0</b>	<b>5,172</b>	<b>150,566</b>
Other liabilities	6,630	0	0	0	0	<b>6,630</b>
Accrued expenses and deferred in- come	3,122	0	0	0	0	<b>3,122</b>
Provisions	0	12,796	0	0	0	<b>12,796</b>
Equity	0	0	0	0	128,018	<b>128,018</b>
<b>Total</b>	<b>9,752</b>	<b>12,796</b>	<b>0</b>	<b>0</b>	<b>128,018</b>	<b>150,566</b>
<b>Gap</b>	<b>64,892</b>	<b>57,954</b>	<b>0</b>	<b>0</b>	<b>-122,846</b>	<b>0</b>
<b>Cumulative Gap</b>	<b>64,892</b>	<b>122,846</b>	<b>122,846</b>	<b>122,846</b>	<b>0</b>	<b>0</b>

**(c) Interest rate risk**

The Investment Company recognizes in its assets interest-bearing loans provided to shareholder in the amount of CZK 10,000 thousands and an interest-bearing loan provided to third parties in the amount of EUR 34 thousands. Interest rate risk is assessed as insignificant.

**(d) Foreign currency risk**

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

**17. Subsequent events**

There have been no significant events affecting the financial statements from the balance sheet date as at 31. 12. 2020 to the date of the financial statements.

## 18. APPROVAL

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

The financial statements  
were prepared on:

29 April 2021

Stamp and signature  
of the statutory body:



Rudolf Vřešťál  
Chairman of the Board  
of Directors



Karel Krhovský  
Managing Director

Person responsible  
for accounting

Name and signature:



Karel Krhovský  
Member of the Board  
of Directors  
phone no.: 222 500 758

Person responsible for  
the financial statements

Name and signature:



Šárka Burgetová  
Head of Finance  
phone no.: 222 500 757



# 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 2020 to 31 December 2020 (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.

During the reporting period, the position of a member of the Company's Board of Directors held by Juraj Dvořák, has ceased to exist with effect from 8 April 2020. Effective from 9 April 2020, the position of a member of the Company's Board of Directors has been acceded by Michal Zachar.

### 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 (hereinafter referred to as "RVR Czech, s.r.o.") - 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 - městská část 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: 243 00 136, 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:

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

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

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

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

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

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

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

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

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

<b>Company</b>	<b>Identification no./NID</b>	<b>Registered office</b>	<b>Share</b>
BIOPLYN HOROVCE 3, s. r. o.	47168099	Horovce 106 020 62	100%
BioElectricity, s. r. o.	47 379 499	Horovce 106 Horovce 020 62	80%
CES-SOLAR 33, s. r. o.	46 094 504	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
CES-SOLAR 42, s.r.o.	46 094 644	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.	44 022 751	Hlavná 561 Koliňany 951 78	99%
EPSOLAR s. r. o.	44 933 428	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
FTVE Green Energy 1, s. r. o.	46 025 804	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
FTVE Green Energy 2, s.r.o.	46 025 553	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
HK-Promotion, s. r. o.	44 707 541	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	36 689 246	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
Jakub Solar s. r. o.	46 112 871	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
PV-Projekt, s. r. o.	45 281 106	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
SOLARIS one s.r.o.	43 871 917	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
TECOMA TRAVEL AGENCY, s.r.o.	36 577 537	Kukučínova 86/9 Košice - mestská časť Juh 040 01	100%
TFI Slovakia s.r.o.	50 412 477	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%
DMJ Management Solutions Korlátolt Felelősségű Társaság	11-09-026180	2921 Komárom, Puszkaporosi út 10.	100%
Csete Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027388	2921 Komárom, Puszkaporosi út 10.	100%
Darvas Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027359	2921 Komárom, Puszkaporosi út 10.	100%
Nyires Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027371	2921 Komárom, Puszkaporosi út 10.	100%
Bárdió Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	11-09-027380	2921 Komárom, Puszkaporosi út 10.	100%

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

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

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

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

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

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

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

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

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

<b>Company</b>	<b>Identification no./NID</b>	<b>Registered office</b>	<b>Share</b>
REDSIDE investiční společnost, a.s.	242 44 601	Prague 1 - Nové Město, V Celnici 1031/4, PSČ 11000	90.48%
REDSIDE Investments a.s.	07187939	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
SWISS FUNDS, a.s.	05421721	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

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

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

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

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

Company	Identification no./NID	Registered office	Share
Osoby ovládané společností <b>BAZ Czech, a.s.</b> ve sledovaném období:			
ASB Czech Republic, s.r.o.	27215849	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
ASB Czech SC, s.r.o.	24201235	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
ASB Hungary Kft,	01-09-326637, daň číslo 26369420-2-42	Andrássy út 100. 3. em. 1062 Budapest, Maďarsko	100%
ASB Poland Sp. z o.o.	0000296560	ul. Złota 59, Varšava, Polská republika	100%
ASB Poland SC Sp. z o.o.	0000300061	ul. Złota 59, Varšava, Polská republika	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./NID	Registered office	Share
ASB Slovakia Tax, s.r.o.	50 283 596	Laurinská 18 Bratislava - mestská časť Staré Mesto 811 01	75%

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

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

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

Company	Identification no./NID	Registered office	Share
ASB Tax Sp. z o.o.	0000423733	Złota 59, 00-120 VWarsaw, 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. and REDSIDE investiční společnost, a.s. could have an indirect influence on the Company.

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

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

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

1. Agreements concluded between the Company and 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
  - 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
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., 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
6. Agreements concluded between the Company and RVR Czech, s.r.o.
  - Loan agreement concluded on 27 November 2019
  - Loan agreement concluded on 29 May 2019
  - Loan agreement concluded on 2 January 2020
  - Agreement on receivables offsetting concluded on 30 June 2020
7. Agreements concluded between the Company acting and Rudolf Vřešťál
  - Loan agreement concluded on 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

1. On 30 June 2020, the General Meeting unanimously adopted a resolution of the General Meeting of the Company on the profit distribution for the accounting period of 2019 in the amount of CZK 46,692,535.19 so that the amount of CZK 32,052,636 was paid to the Company's shareholders in the form of dividends. The residual amount of CZK 14,639,899.19 was transferred to the retained earnings account.
2. Offsetting of receivables between the Company and RVR Czech, a.s. (see Note IV. 6).

## 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 2021.




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Rudolf Vřešťál  
Chairman of the Board of Directors




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Karel Krhovský  
Member of the Board of Directors