



# Annual Report 2022

# Annual Report content

*This version of the financial statements is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over this translation.*



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## Key economic indicators

**12.9** billion CZK

UNLEVERAGED ASSETS  
UNDER MANAGEMENT

**19**

NUMBER OF  
BUILDINGS IN  
PORTFOLIO

**90+**

NUMBER OF  
TENANTS IN  
BUILDINGS

**17**

PEOPLE IN REDSIDE TEAM

**6**

FUND'S PORTFOLIOS

**75** GWh

ANNUAL ELECTRICITY  
PRODUCTION





# Report of the Board of Directors

01

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

Dear Shareholders, Investors and Business Partners,

please allow us to look back at the tenth anniversary year of existence of our investment company and at the same time, as every year, acquaint you with our plans and strategic intentions for the following period.

While in early 2022 the world was slowly recovering from the coronavirus epidemic, which itself had changed our view of the contemporary world and of business itself, in February of that year we watched, perhaps with even greater concern, the Russian invasion of Ukraine. On 24 February, we woke up to a different world, which made us think again about true values, and we were able to observe again, practically live, the fragility and interconnectedness of the modern world. The exodus of Ukrainians from their insidiously invaded homeland has become the fastest growing refugee crisis on European soil since the end of the Second World War. Estimates of the material damage in Ukraine are astronomical, as are the effects on the economies of the 'West'. Russia's aggression in Ukraine has fundamentally affected the world economy, leading, among other things, to a sharp rise in energy prices and further disruptions in the already crisis-ridden supply and demand chains, all followed by the necessary but unprecedented rise in inflation and interest rates over the last many years.

The uncertainty that arises in investor decisions always occurs at first in the financial sector and capital markets, where virtually all asset classes were under pressure throughout the year. Despite such an unfavourable economic climate, we managed to maintain a positive performance, both in the NOVA Real Estate fund (+8.10 %) and in the energy fund NOVA Green Energy (+5.36 % in Sub-Fund 1 and +3.58 % for 7 months of existence of Sub-Fund 2). REDSIDE manages total assets of approximately EUR 332 million (CZK 7.998 billion) through private equity funds.

The Russian invasion of Ukraine in February plunged the European energy industry into a new era where many axioms suddenly collapsed. In addition to the need to diversify the fuel base, there has been an unprecedented increase in demand for renewable energy sources, including photovoltaic power stations. One of the unfortunate consequences of the military conflict was unprecedented rise in the price of all energy, affecting perhaps every part of the economy and industry, including the electricity sector. Governments in various European countries have raced to provide investment incentives for the construction of new sources of green electricity, resulting in increased investment in that segment, not excluding our funds.

A concomitant of the high energy prices has been the protectionist tendencies of legislators across Europe, consisting, among other things, in the so-called capping of energy prices for consumers. These massive state aids represent a significant fiscal burden and governments have resorted to the introduction of new sectoral taxes, such as the windfall tax, in an attempt to find sources to cover such subsidies. In the Czech Republic, it has been decided that 90%

of the market revenues above EUR 180/MWh for PV plants will be paid to the state. Poland set the threshold much lower, temporarily destabilising and slowing down investment in PV. However, neither of these restrictions had a negative impact on the performance of NOVA Green Energy in the three European countries.

In view of the ongoing insolvency proceedings of the Arca Capital group, we have already started to take steps during 2021 to remove the minority shareholder Arca Capital Finance Group, a.s., which held less than 10 % of REDSIDE, from REDSIDE's shareholder structure. This was achieved at the general meeting of REDSIDE held on 29 March 2022. Since 2022, RVR Czech, s.r.o. is again the sole shareholder of REDSIDE.

Recognising the enormous green potential of the NOVA Green Energy fund and its exceptional position in the regional market, our goal is to resume accepting new investments into the Fund and further expanding its portfolio as soon as possible. For this purpose, a "side pocket" fund restructuring project was implemented in the second half of the year. Under the "side-pocket" project, all liquid assets (approximately 70% of the Fund's NAV) were transferred from Sub-Fund 1 to Sub-Fund 2 against the issue of investment shares of Sub-Fund 2 at an aliquot market value (approximately EUR 53 million).

At NOVA Green Energy we focused on asset management of biomass power plants in Slovakia, whose performance is currently affected by instability in the market for wood chips as a key feedstock for electricity and heat production. In 2022, work also continued on the development of several additional rooftop PV plants, mainly in the Czech and Slovak Republics. During 2022, the NGE Fund commissioned studies for an additional 12 rooftop installations on the roofs of buildings owned by NOVA Real Estate.

Our largest fund is by far the NOVA Real Estate fund, which, after seven years of existence, manages assets worth over EUR 175 million (approximately CZK 4.2 billion) and has an above standard quality and stable real estate portfolio that we created in 2015-2018. Over the last year, the fund has brought its investors value of 8.10%, while since 2016 the fund has developed its assets by almost 58.78% and thus steadily exceeds its target yield of 6-7% p.a. In addition to entering the logistics and industrial real estate segment, where the fund holds a giant industrial park in Trenčín, the NOVA Real Estate fund also allocated a part of portfolio in the retail sector with essential goods such as hyper and super markets (Tesco, Ahold, Penny) and hobby markets such as OBI and Baumax. The third pillar of the fund's stability consists of the so-called "A" office buildings in the centre of Prague, long-term leased mainly to multinational tenants such as Google, Pfizer, Cemex, BNP Paribas, Mercedes-Benz and others.

Within REDSIDE, we were able to maintain momentum in all key financial indicators and once again increase our equity, which amounts to CZK 207 million. As REDSIDE, we also significantly

increased our own investment in NOVA Real Estate, making us one of the largest shareholders in our real estate fund. Together with our significant investment in NOVA Green Energy, this demonstrates our confidence in our work and our funds.

### Business activities

The main focus of our work during 2022 continued to be the management and administration of qualified investor investment funds, of which we had a total of four under management at the end of the year. All of the investment funds we manage are open-ended investment funds with a variable capital base forming individual Sub-Funds.

At the end of 2022, we managed and administrated 6 fund portfolios in total, with fund assets ("AUM") in total amount of CZK 12,858 million, with NOVA Real Estate fund accounting for 65%, NOVA Green Energy fund 31%, Arca Opportunity fund 2.5% and NOVA Money Market funds 1.5% of this total

### Further development of business activities

We will still intend to provide administration and management services mainly to the funds, which we manage. The main principle in fulfilling our goals and strategy of REDSIDE is to respect ethical values and compliance with all legal and regulatory obligations associated with the company's business.

The bankruptcy of the Arca Capital group had a significant impact on the further business of this group, which was the ideological founder of two investment funds managed by us Arca Opportunity 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) of AMCIF.

In the case of Arca Opportunity - Sub-Fund 1, after almost 10 years of the Sub-Fund's existence, we have decided to dissolve the Sub-Fund with liquidation, aimed at selling all the Fund's assets and paying out proceeds to the Arca Opportunity - Sub-Fund 1 shareholders. The fund has shown a cumulative appreciation of almost 40% since its inception, with half of the net asset value already paid out to investors in 2022, which in total amounted to CZK 170 million. The remaining net asset value to be paid out amounts to CZK 178 million.

NOVA Money Market Fund, through the company Credit One, has filed claims in both Arca Investments proceedings, i.e. in the Czech Republic where the main proceedings are pending, and in Slovakia where so-called secondary insolvency proceedings are being conducted. At the same time, it claims its collateral behind the sub-debtor, Silverside, a.s. The Fund's overall outlook today is therefore dependent on the development of AI's insolvency proceedings and the Fund's ability to realise the performance from the duly concluded collateral, which consists of a EUR 35 million receivable from Silverside, a non-bank consumer credit provider. The collateral is duly registered in the Slovak Central Register of Pledges under

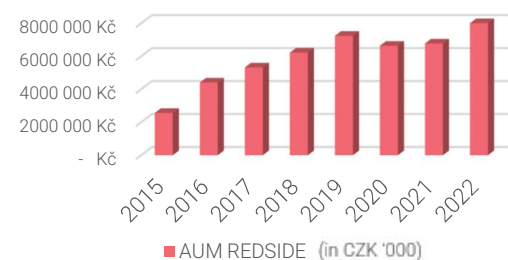
reference NCRzp 11112/2020.

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

REDSIDE ended 2022 with a profit before tax of CZK 62,663 thousand and revenues of CZK 142,900 thousand, out of which by far the most important component is the income from the management of the investment fund NOVA Real Estate - Sub-Fund 1.

Revenues were realised almost exclusively from the administration and management of investment funds of qualified investors. The most significant cost of the Company is associated with staff costs, which remain at a similar value as in the previous financial year i.e. less than CZK 29 million year-on-year. Administrative expenses decreased by 3.4% compared to 2021 and amounted to CZK 49 million.

Equity amounted to CZK 207,034 million at the end of the year 2022, which is significantly above the CNB's capital requirements. The Company's total assets exceed CZK 457 million and consist mainly of investments within the funds we manage NOVA Real Estate and NOVA Green Energy and by which we present our confidence in these funds. Specific and detailed information on the management of REDSIDE investiční společnost, a.s. is provided in the annual financial statements for 2022.



### Other significant events in 2022

At the request of RVR Czech, s.r.o., ID: 24300136, as the main shareholder of REDSIDE, a General Meeting was convened pursuant to Section 375 of Act No. 90/2012 Coll., which took place on 29 March 2022. The General Meeting decided to transfer all remaining shares issued by companies that were owned by Arca Capital Financial Group, a.s. to the main shareholder of RVR Czech, s.r.o.



The transfer concerned 8 registered ordinary shares in paper form in the nominal amount of CZK 100,000, which were transferred to the main shareholder RVR Czech, s.r.o. for consideration determined by expert opinion No. 1248-25/2022 dated 25 January 2022, prepared by an expert Apelen Valuation, a.s.

### Expected development in 2023

Our primary goal remains the development the fund portfolios under our management and their protection, especially against the negative effects of rising key interest rates or the bankruptcy of the Arca financial group. We still want to respond flexibly and smartly to the new challenges and opportunities that non-standard conditions bring. The partial goal is to obtain financing for new projects exclusively in the energy and real estate sectors.

Prague, 26 April 2023



#### 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.



#### Martin Dratva

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



# Profile of the Company

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# 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 207,034 thousand
License to operate:	29 April 2013
Internet website:	www.redsidefunds.com

The composition of shareholders with a qualifying holding in the share capital as at 31 December 2022 was as follows:

- RVR Czech, s.r.o., with registered office at Prague 1 - Nové Město, V Celnici 1031/4, postal code 110 00, company ID: 243 00 136 represented by the sole shareholder and statutory representative Mr. Rudolf Vřešťál
- A direct share of 100%

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 authorisation 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 authorised to exceed the decisive limit.

Authorised activities pursuant to Act No. 240/2013 Coll., on Management Companies and Investment Funds (hereinafter „the Act“) as at 31 December 2022:

- 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 2022 was as follows:**

Rudolf Vřešťál	Chairman of the Board of Directors	CFO
Karel Krhovský	Member of the Board of Directors	CEO
Martin Dratva	Member of the Board of Directors	CIO

### 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 capitalise 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.

## Martin Dratva

Martin Dratva is an investment director and member of the Board of Directors of Redside. In his position he is responsible for energy business. Prior to joining Redside, he was at GGE Energy Group, where he was Head of Strategic Development, Investments and Acquisitions, and also represented shareholders on the boards of portfolio companies where he was responsible for setting new strategy and turnaround. During his tenure at the group, he was involved in new acquisitions worth EUR 70 million. Prior to GGE group, he was an investment banker at Patria Corporate Finance, where he was involved in transactions in the total amount of EUR 400 million, primarily in the energy sector. Martin graduated from the University of Economics in Prague with a specialisation in business and asset valuation, and during his studies he also completed an MBA internship abroad at the University of North Carolina with a focus on valuation, M&A and strategic consulting.

## Karel Krhovský

Karel Krhovský is currently the CEO and Member of the Board of Directors of REDSIDE, where he is directly responsible for managing investment funds for qualified investors. Karel started as a project manager in REDSIDE in 2013 and directly participated in the establishment of the Company and obtaining a license from the CNB. Subsequently he underwent various risk and portfolio management positions within REDSIDE to be able to obtain approval from the Czech National Bank for the performance of the position of an executive officer and member of the Board of Directors in 2017. Prior to joining REDSIDE, Karel worked as a valuation consultant at ASB Appraisal, a company specialising in business valuation. He is a graduate of the University of Economics in Prague, specialising 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 2022 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 recognised qualification in financial management, management and accounting.

## Portfolio managers

- Pavel Kadera (performed his function since 1 January 2018 – until now)
- Jan Mathy (performed his function since 1 January 2018 – until now)
- Martin Dratva (performed his function since 1 October 2020 – until now)
- Petr Horák (performed his function since 14 July 2021 – until now)

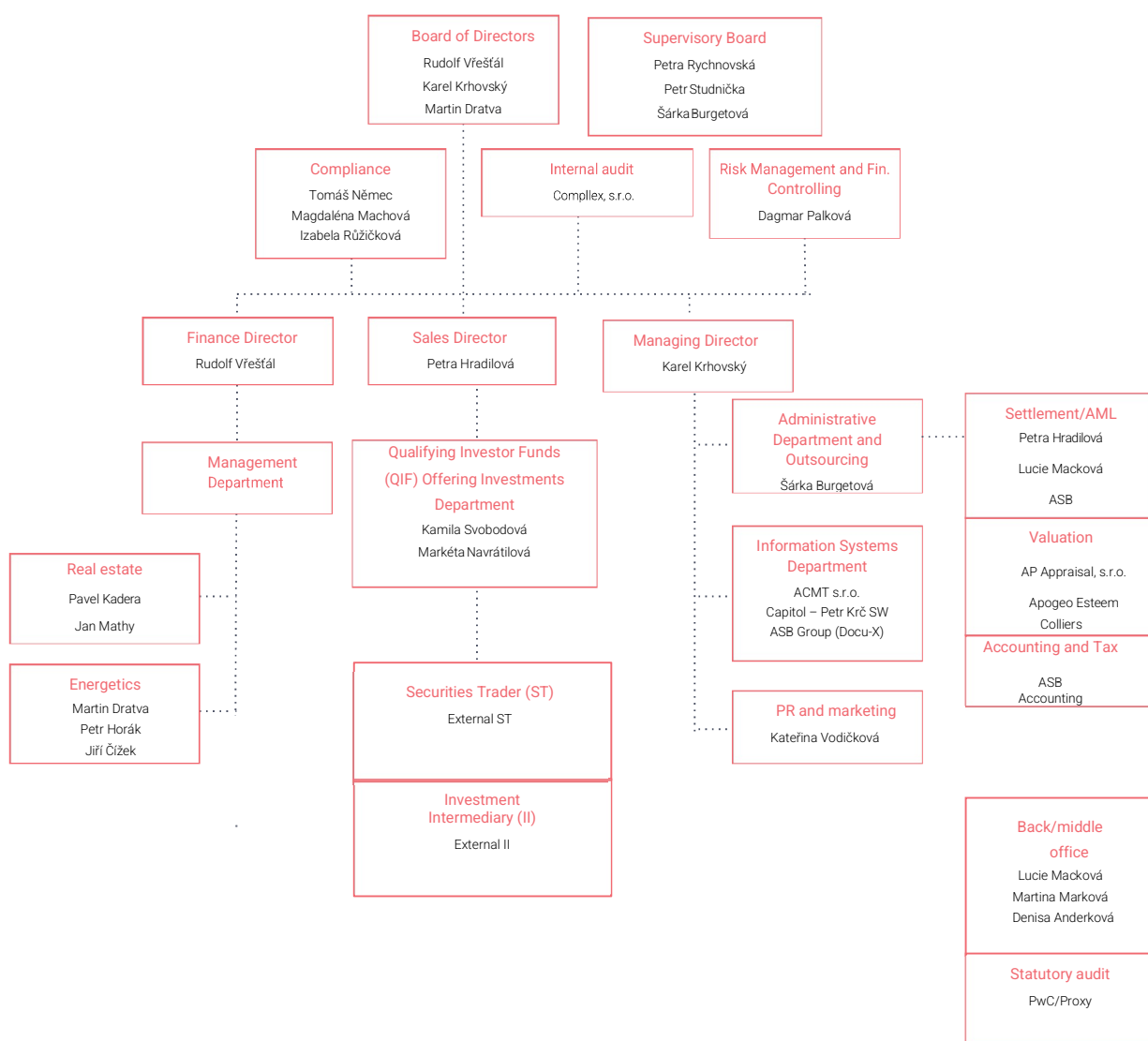
## Internal audit and compliance

Complex, s.r.o.  
Tomáš Němec

Internal auditor  
Compliance Officer

## Organisational chart of the Company as at 31 December 2022

The organisational chart of the Investment Company with the designation of individual positions as at 31 December 2022 is as follows:



## 2. Funds under management and administration of the Investment Company in 2022

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

Name: **NOVA Real Estate, SICAV, a.s.**  
Sub-Fund: 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 - podfond 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. Podfond 1 primarily invests in the real estate market of the Czech Republic with possible expansion to Central European markets.

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

The NOVA Green Energy, SICAV, a.s. was established on 1 January 2020 due to the transformation of the dissolving fund NOVA Green Energy open-end mutual fund of REDSIDE investiční společnost, a.s. At the same time, the newly-established fund created the Sub-Fund NOVA Green Podfond 1, which took over all the assets of the dissolving fund. Podfond 1, same as the dissolving fund, invests in capital investments in companies building and exploiting energy sources that produce energy from renewable sources in the region of Central and Eastern Europe. In 2022, the Sub-Fund NOVA Green Energy – podfond 2 was created as part of the side-pocket project.

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

The objective of Sub-Fund was to achieve return on the price movement of investment shares, from dividends, interest income on fixed income financial instruments, price movement of investments in bonds, bond coupons paid and return on risky investments in receivables. After almost 10 years of its existence, the Sub-Fund went into liquidation and began to pay advances to its shareholders on the liquidation balance. The objective of the Sub-Fund is to effectively sell its assets, or to obtain its claims from investment funds for the construction and operation of logistics facilities, consumer loans or funds of qualified investors, and subsequently to cease its activities. During 2022, a further advance on the liquidation balance was paid to the shareholders of the Sub-Fund.

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

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

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

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

### **4. Changes in the Commercial Register**

The following changes took place in the investment company's bodies in 2022:

Entry of changes in the Commercial Register on 31 March 2022:

At the request of the main shareholder, the general meeting of the investment company approved the transfer to the main shareholder of all other shares issued by the company that are held by shareholders other than the main shareholder.

Entry of changes in the Commercial Register on 5 May 2022:

As at 1 May 2022, Michal Zachar was removed from the position of a member of the Board of Directors and replaced by Martin Dratva who was elected a to the position of a member of the Board of Directors. Furthermore, in connection with the transfer of the other shares to the main shareholder, a change in the ownership structure of the investment company was registered; the main shareholder became the sole shareholder of the investment company.

Entry of changes in the Commercial Register on 23 June 2022:

On 23 June 2022, a change in the method of representation was made. The investment company is represented by the Board of Directors, always by two members of the Board of Directors acting jointly.

Entry of changes in the Commercial Register on 29 June 2022:

Change of address of a member of the Board of Directors, Martin Dratva.

After the date of the financial statements and before the issuance of the auditor's report, the registered office of the Company was changed on 1 February 2023. The new registered office of REDSIDE investiční společnost, a.s. is located at Na příkopě 854/14, Nové Město, 110 00 Prague 1.

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

In the decisive period, there is an ongoing dispute with Safiro WM s.r.o on the return of the due amount of CZK 174 thousand in respect of incidental double payment for the commission, which was not returned by the counterparty. The investment company acts a claimant.

### **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 13.

### **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 organisational unit abroad**

Investment Company does not have an organisational unit abroad.

## Annex

### Annex No. 1: Personal interconnection

	Company name	Position	Identification No.
<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
	NRE Jablonec s.r.o.	Statutory Representative	03862984
	NRE Hradec s.r.o.	Statutory Representative	03818900
	NRE Znojmo s.r.o.	Statutory Representative	03815579
	NRE South Point 16 s.r.o.	Statutory Representative	04486048
	NRE North Point 17 s.r.o.	Statutory Representative	04485874
	NRE Vyšehrad Victoria s.r.o.	Statutory Representative	04485980
	NRE OCCB s.r.o.	Statutory Representative	04607112
	NRE Kutil s.r.o.	Statutory Representative	04607155
	NRE Smíchov Gate s.r.o.	Statutory Representative	05469228
	NRE Panorama s.r.o.	Statutory Representative	05469091
	NRE Penny 1 s.r.o.	Statutory Representative	05628024
	NRE OFM s.r.o.	Statutory Representative	07549849
	RUQ Czech, s.r.o.	Statutory Representative	04378024
	CXD Czech, s.r.o.	Statutory Representative	06024271
	ZXJ Czech, s.r.o.	Statutory Representative	05866111
	ARCA OPPORTUNITY, SICAV, a.s.	Authorised Representative of the member of the Board of Directors	24199591
	NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	Authorised Representative of the Statutory Director and Member of the Management Board	04331869
	NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	Authorised Representative of the Statutory Director and Member of the Management Board	04699017
	BBE Slovakia, a.s.	Member of the Supervisory Board	36784974
	ZNO Energy a.s.	Member of the Supervisory Board	54017840
	ZNO Slovakia s.r.o.	Statutory Representative	51842173
<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
<b>Martin Dratva</b>	REDSIDE investiční společnost, a.s.	Member of the Board of Directors	24244601
	NOVA Green Energy, SICAV, a.s.	Authorised Representative of the Statutory Director and Member of the Management Board	08789622
	DMJ Management Solutions Korlátolt Felelősségű Társaság	Statutory Representative	11-09-026180



Csete Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	Statutory Representative	11-09-027388
Darvas Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	Statutory Representative	11-09-027359
Nyires Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	Statutory Representative	11-09-027371
Bárdió Solar Napenergia Hasznosító Korlátolt Felelősségű Társaság	Statutory Representative	11-09-027380
ENWO s.r.o.	Statutory Representative	44 022 751
NGE TEHO s.r.o.	Statutory Representative	05866111
CES-SOLAR 33, s. r. o.	Statutory Representative	46 094 504
CES-SOLAR 42, s.r.o.	Statutory Representative	46 094 644
ENERGOTREND alfa s.r.o.	Statutory Representative	28 566 408
EPSOLAR s. r. o.	Statutory Representative	44 933 428
FTVE Green Energy 1, s. r. o.	Statutory Representative	46 025 804
FTVE Green Energy 2, s.r.o.	Statutory Representative	46 025 553
FTVE Green Energy 3, s.r.o.	Statutory Representative	47 236 671
FVE Orlice s.r.o.	Statutory Representative	117 47 218
HK-Promotion, s. r. o.	Statutory Representative	44 707 541
CHILOE a.s.	Statutory Representative	28 308 883
INMADE, s.r.o	Statutory Representative	36 689 246
Jakub Solar s. r. o.	Statutory Representative	46 112 871
PV-Projekt, s. r. o.	Statutory Representative	45 281 106
SOLARIS one s.r.o.	Statutory Representative	43 871 917
TECOMA TRAVEL AGENCY, s.r.o.	Statutory Representative	36 577 537
Rooftop PV CZ 01, s.r.o.	Statutory Representative	11 983 795
Rooftop PV CZ 02, s.r.o.	Statutory Representative	11 983 761
Rooftop PV CZ 03, s.r.o.	Statutory Representative	11 977 141
DAD Consulting, s.r.o.	Statutory Representative	36 489 514
FVE NZ 1, s.r.o.	Statutory Representative	54 561 442
FVE NZ 2, s.r.o.	Statutory Representative	54 552 834
MDR Consulting, s. r. o.	Statutory Representative	53 997 794
RQS s.r.o.	Statutory Representative	46 951 351
TOP PELET, s.r.o.	Statutory Representative	36 739 341
ZNO Energy a.s.	Member of the Supervisory Board	54 017 840



# Financial Statements

03



## Independent Auditor's Report

To the shareholder 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 Na příkopě 854/14, Nové Město, Praha 1 (the "Company") as at 31 December 2022, and of the Company's financial performance and cash flows for the year ended 31 December 2022 in accordance with Czech accounting legislation.

### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022,
- the income statement for the year ended 31 December 2022,
- the statement of changes in equity for the year ended 31 December 2022, 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 the 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 our 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 a 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and 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.

26 April 2023

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



Jakub Kolář  
Statutory Auditor, Licence No. 2280

# Financial statements for the year 2022

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

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


Date of preparation of the financial statements: 26 April 2023

## BALANCE SHEET

As at 31 December 2022

In thousands of CZK		Note	31. 12. 2022	31. 12. 2021
<b>ASSETS</b>				
3	Receivables from banks	5	6,833	13,984
	of which: a) repayable on demand		4,833	11,984
	b) other receivables		2,000	2,000
6	Shares, share certificates and other equity interests	6	347,048	81,893
8	Equity investments with controlling influence	7	4,114	4,114
9	Intangible fixed assets	8	-	58
10	Tangible fixed assets	8	6,259	27,994
	of which: Right-of-use		5,470	27,468
11	Other assets	9	92,544	87,384
13	Prepaid expenses and accrued income		746	39,205
<b>Total assets</b>			<b>457,544</b>	<b>254,632</b>
<b>LIABILITIES</b>				
1	Liabilities to banks	12	212,586	278
	of which: a) repayable on demand		18	278
	b) other liabilities		212,568	-
2	Liabilities to non-bank institutions other than those payable on demand		8,904	4,341
4	Other liabilities	13	16,160	35,958
	of which: Liability arising from Right-of-use		5,397	28,322
5	Accrued expenses and deferred income		2,635	1,433
6	Provisions	14	10,225	14,021
	of which: a) taxes		150	3,343
	b) others		10,075	10,678
8	Share capital – fully paid	15	8,400	8,400
14	Retained earnings from previous periods		147,773	129,865
15	Profit for the accounting period		50,861	60,336
<b>Total liabilities</b>			<b>457,544</b>	<b>254,632</b>





In thousands of CZK		Note	31. 12. 2022	31. 12. 2021
<b>OFF-BALANCE SHEET ITEMS</b>				
Off-balance sheet liabilities				
15	Assets under management	16	6,607,397	5,488,137
<b>Total off-balance sheet liabilities</b>			<b>6,607,397</b>	<b>5,488,137</b>

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

## INCOME STATEMENT

For the year ended 31 December 2022

	In thousands of CZK	Note	1. 1. 2022 – 31. 12. 2022	1. 1. 2021 – 31. 12. 2021
2	Interest expense and similar expenses	1 7	(7,093)	(1,755)
4	Fee and commission income	18	129,443	139,837
5	Fee and commission expenses	19	(11,759)	(8,840)
6	Gain or loss from financial operations	20	10,840	4,162
7	Other operating income		1,940	4
8	Other operating expenses		(2,372)	(2,564)
9	Administrative expenses	21	(49,058)	(50,786)
	of which: a) personnel expenses		(28,745)	(28,851)
	of which: aa) wages and salaries		(22,664)	(22,399)
	bb) social and health insurance		(6,081)	(6,452)
	b) other administrative expenses		(20,313)	(21,935)
	of which: ba) rent		-	-
	bb) accounting		(4,053)	(4,367)
	bc) custody		(4,434)	(5,360)
11	Depreciation/amortisation, creation and use of provisions and allowances for tangible and intangible fixed assets		(5,124)	(4,807)
12	Release of provisions and reserves for receivables, securities and guarantees, income from receivables previously written off		74	-
13	Amortisation, creation and use of provisions and allowances for receivables and guarantees		(4,831)	-
17	Additions to and utilisation of other provisions		603	(2,277)
<b>19</b>	<b>Profit on ordinary activities before tax</b>		<b>62,663</b>	<b>72,974</b>
23	Income tax	22	(11,802)	(12,638)
<b>24</b>	<b>Net profit for the accounting period</b>		<b>50,861</b>	<b>60,336</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

In thousands of CZK	Share capital	Retained earnings	Accumulated losses	Profit	Total
<b>Balance as at 1 January 2021</b>	<b>8,400</b>	<b>87,564</b>	-	<b>42,301</b>	<b>138,265</b>
Profit distribution (prior period)	-	42,301	-	(42,301)	-
Profit for the accounting period	-	-	-	60,336	60,336
<b>Balance as at 31 December 2021</b>	<b>8,400</b>	<b>129,865</b>	-	<b>60,336</b>	<b>198,601</b>
Profit distribution (prior period)	-	17,908	-	(17,908)	-
Profit for the accounting period	-	-	-	50,861	50,861
Dividends paid	-	-	-	(42,428)	(42,428)
<b>Balance as at 31 December 2022</b>	<b>8,400</b>	<b>147,773</b>	-	<b>50,861</b>	<b>207,034</b>

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

## 1. GENERAL INFORMATION

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

On 13 May 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 April 2013, which came into force on 29 April 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 December 2022:

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

The Depositories of the above-mentioned investment funds, which were managed by the Investment Company as at 31 December 2022 are UniCredit Bank Czech Republic and Slovakia, a.s. and Česká spořitelna, a.s. (hereinafter „Depository“).

### Shareholders of the Investment Company as at 31 December 2022 and as at 31 December 2021

#### As at 31 December 2022

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 May 2012	100.00%	84 pcs of ordinary registered shares in paper form with a nominal value of CZK 100 thousands, in total CZK 8,400 thousands

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

#### As at 31 December 2021

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 May 2012	90.48%	76 pcs of ordinary registered shares in paper form with a nominal value of CZK 100 thousands, in total CZK 7,600 thousands
<b>Arca Capital Finance Group, a.s.</b> SK - Bratislava, Plynárenská 7/A, Postcode 821 09 Identification No.: 50 108 361 registered: 22 December 2015	9.52%	8 pcs of ordinary registered shares in paper form with a nominal value of CZK 100 thousands, in total CZK 800 thousands

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

At the request of RVR Czech, s.r.o., identification No. 24300136, as the main shareholder of the Company, a General Meeting was convened in accordance with § 375 of Act No. 90/2012 Coll., which took place on 29 March 2022. The General Meeting decided on transfer of all other shares issued by the Company, which are owned by shareholders other than the main shareholder, i.e. 8 registered ordinary shares in paper form with a nominal value of CZK 100,000, to the main shareholder for a consideration determined by an expert opinion.

## Statutory bodies at the balance sheet date

### BOARD OF DIRECTORS

Rudolf Vřešťál	Chairman	from 29 June 2012
Karel Krhovský		from 1 January 2018
Martin Dratva		from 1 May 2022

### 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 two members of the Board of Directors together.

## Changes in the commercial register

In 2022, the following changes were recorded in the bodies of the investment company:

The following changes were recorded in Commercial Register as at 31 March 2022:

At the request of the Principal Shareholder, the General Meeting of the investment company approved the transfer to the Principal Shareholder of all other shares issued by the Company that are held by shareholders other than the Principal Shareholder.

The following changes were recorded in Commercial Register as at 5 May 2022:

Michal Zachar was removed from the position of a member of the Board of Directors as of 1 May 2022 and replaced by Martin Dratva. Furthermore, in connection with the transfer of other shares to the main shareholder, a change in the ownership structure of the investment company was registered, the main shareholder became the sole shareholder of the investment company.

The following changes were recorded in Commercial Register as at 23 June 2022:

On 23 June 2022, a change in the method of negotiation was made. The investment company is represented by the Board of Directors, always two members of the Board of Directors together.

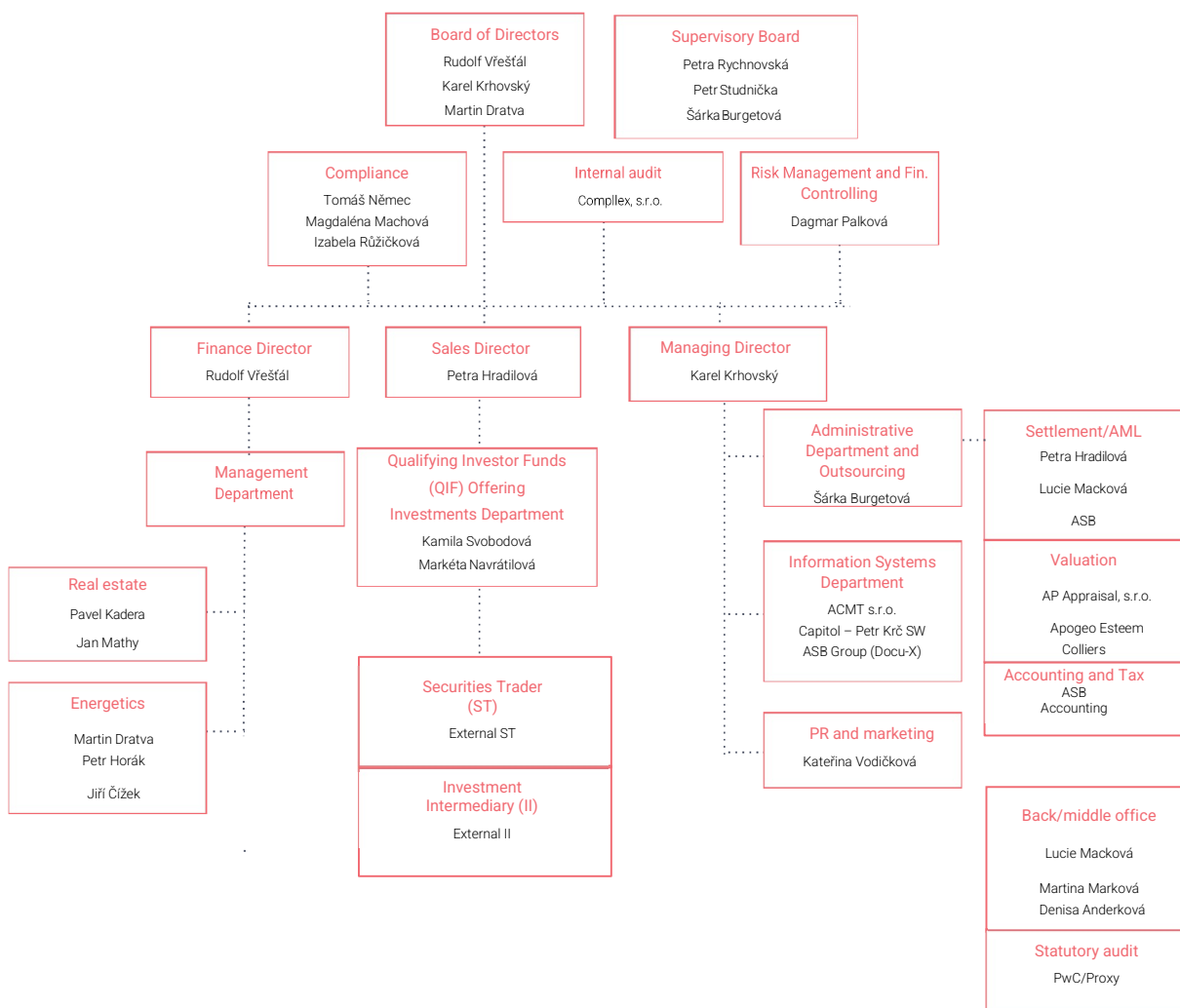
The following changes were recorded in Commercial Register as at 29 June 2022:

Change of address of a member of the Board of Directors, Ing. Martin Dratva.

After the date of the financial statements and before the issuance of the auditor's report, the registered office of the company was changed as at 1 February 2023. The new registered office of REDSIDE investiční společnost, a.s. is located at the address Na příkopě 854/14, Nové Město, 110 00 Prague 1.

## Organisational structure of the Investment Company

The organisational chart of the Investment Company designating individual positions as at 31 December 2022 is as follows:





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

## 2. GENERAL INFORMATION AND BASIS FOR PREPARING THE FINANCIAL STATEMENTS

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

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

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

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

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

Several exogenous shocks hit both the global and Czech economies in 2022, weakened by the pandemic. The war in Ukraine has reduced global economic growth and intensified inflationary pressures, especially in the prices of food and energy. In many countries, inflation rate in the second half of last year was the highest since the 1980s, and central banks are responding by gradually increasing interest rates, often to historic highs. However, consumer price growth seems to have peaked in a number of countries, but it is still a question of how quickly inflation will return to the inflation targets of individual central banks. While the Czech economy grew in the first half of last year despite unfavourable circumstances, the economy is going through a slight recession in the second half of 2022 and the beginning of 2023. Nevertheless, Czech GDP for the full year 2022 was forecast by the Ministry of Finance to increase by an estimated 2.3%. Growth was mainly driven by fixed capital investment and increased inventory accumulation. Household final consumption expenditure decreased slightly despite a number of fiscal stimulus measures, due to a sharp increase in the cost of living, especially energy prices, and tighter monetary policy. Rising inflation across all countries in the CEE region in which the Fund is active has led to sharp increases in interest rates. In particular, the increase in EURIBOR interest rates and cost increases related to general price growth across the Czech economy are negatively impacting the Company's performance on account of the borrowing.

Balance sheet date:	31 December 2022
Date of preparation of the financial statements:	26 April 2023
Accounting period:	from 1 January 2022 to 31 December 2022
Previous accounting period:	from 1 January 2021 to 31 December 2021

## 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 recognised 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 recognised when the Investment Company becomes a contractual party of the transaction, thus at the trade date.

The Investment Company shall derecognise 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 recognise the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

## **(b) Financial instruments**

### **a. Financial instruments - measurement**

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

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

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

Amortised cost ("AC") is the amount at which a financial instrument was measured on initial recognition after deducting all principal payments, plus accrued interest and, for financial assets, less any allowances for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs capitalised at initial recognition and accrued premium or discount, i.e. the difference between the initial value and the value at maturity, amortised using the effective interest rate method. Accrued interest income and accrued interest expense, including accrued coupon and amortised discount or premium (including any capitalised accrued charges at inception), are not recognised separately and are included in the carrying amount of related items in the financial statements.

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

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

### **b. Financial instruments - initial recognition**

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

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

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

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

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

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

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

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

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

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

**f. Financial instruments – reclassification**

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

**g. Financial assets – depreciation**

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

**h. Financial assets – derecognition**

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

**i. Financial liabilities – measurement categories**

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

**j. Financial liabilities – derecognition**

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

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

**k. Cash and cash equivalents**

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

**l. Receivables from non-banking institutions**

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

**m. Equity investments with controlling influence**

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

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

Controlling influence is the ability of the Investment Company to manage the financial and operational policies of another company, thereby

benefiting from its activities.

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

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

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

#### **n. Leasing**

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

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

##### **Initial measurement**

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

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

##### **Subsequent measurement**

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

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

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

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

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

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

A provision is created if the following criteria are met:

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

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

Transactions denominated in 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 recognised in the income statement as "Gain or loss on financial operations".

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

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

#### **(f) 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 recognised 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 realise it.

#### **(g) 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.

In order to evaluate the affinity of REDSIDE and the Funds or Sub-Funds, in addition to the regulation of controlled and controlling parties under the Business Corporations Act, it is necessary to take into consideration the specific regulation and nature of investment funds pursuant to Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended (hereinafter referred to as the "AMCIF"), as amended (hereinafter referred to as the "ICAV") and to view this regulation teleologically, as the legislator intended when regulating joint stock companies with variable share capital (hereinafter referred to as "SICAV") as investment funds, which are fundamentally different in nature and purpose from traditional commercial corporations.

Therefore, in order to assess the affinity between REDSIDE and the Funds or Sub-Funds, this relationship needs to be seen in the context of three levels (and these levels need to be distinguished):

1. Relationship between REDSIDE and the Funds or Sub-Funds from the position of manager or statutory body
2. The relationship between REDSIDE and the Funds from the position of ownership of the founder shares issued in relation to the SICAV as the non-investment part of the Funds
3. The relationship between REDSIDE and the Sub-Funds as the investment part of the Funds.

In summary, the relationship between REDSIDE and the Sub-Funds cannot, by its nature, be considered to be a related party relationship in any of the above cases, whereas the relationship between REDSIDE and the non-investment part of the Fund, the SICAV, is a related party relationship due to REDSIDE's ownership of 100% of the founder shares of the Fund. Further, for similar reasons, the relationship between the SICAV and its Sub-Funds cannot be viewed as a related party relationship.

#### **(h) Shares, share certificates and other equity interests**

Shares consist of investment shares held in funds managed and administered by the investment company. Investment shares are valued at Level 1 of the fair value hierarchy, i.e. they are valued at the current fair value published at the time of acquisition and revalued monthly at the current published fair value.

#### (i) Cash and cash equivalent

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

#### (j) Due to banks

Liabilities to banks consist of borrowings from banks based in the Czech Republic. The Company measures and classifies these liabilities in the AC (accrued value) category, where the carrying (accrued) value is considered to be the best approximation of fair value. Interest expense is recognised on an accrual basis using the straight-line method in the income statement on the line 'Interest expense and similar charges'.

#### (k) Interest income and expense

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

#### (l) Fee and commission income

Fees and commissions are recognised 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 recognised when the transaction to which they relate is completed. Asset management, administration fees and advisory fees are recognised on an accrual basis based on contracts on provision of these services.

#### (m) 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 amortised applying the straight-line method over their estimated useful lives as follows:

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

## 4. CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies in the current financial year.

## 5. RECEIVABLES FROM BANKS

Receivables from banks represent only cash in banks, payable on demand. The Company holds its cash in Česká spořitelna, a.s., with BCA rating at Moody's A3 as at 31 December 2022 (Moody's LTD rating is A1 - announced 27 April 2022).

In thousands of CZK	31. 12. 2022	31. 12. 2021
Current bank accounts	4,833	11,984
Other receivables - pledges	2,000	2,000
<b>Net carrying value of receivables from banks</b>	<b>6,833</b>	<b>13,984</b>

## 6. SHARES, SHARE CERTIFICATES AND OTHER EQUITY INTERESTS

In thousands of CZK	31. 12. 2022	31. 12. 2021
Shares, share certificates and other equity interests	347,048	81,893
<b>Total shares, share certificates and other equity interests</b>	<b>347,048</b>	<b>81,893</b>

As at 31 December 2022, the investment company held:

- Investment shares of the fund NOVA Real Estate – podfond 1, 59,834,640 pcs with a total value of CZK 85,264 thousand ("NRE Shares") (as at 31 December 2021: 32 309 045 pcs, total value CZK 42,771 thousand). The NRE Shares are pledged to J&T BANKA, a.s. under a pledge agreement dated 28 June 2022 to secure the loan between REDSIDE and J&T BANKA, a.s. no. EUR 11/OAO/2022 dated 28 June 2022.
- Investment shares of the fund NOVA Green Energy – podfond 1, 13,445,873 pcs with a total value of CZK 18,117 thousand (as at 31 December 2021: 13,445,873 pcs, total value CZK 17,193 thousand).
- Investment shares of the fund ARCA OPPORTUNITY – podfond 1, 13,037 units, total value of CZK 18,235 thousand (as at 31 December 2021: 13,037 units, total value CZK 21,929 thousand).
- Investment shares in foreign currency (EUR) of the fund NOVA Real Estate - podfond 1, 1,300,382 pcs with a total value of CZK 225,432 thousand ("NRE EUR Shares") CZK (as at 31 December 2021: 0 pcs, total value CZK 0 thousand).
- The NRE EUR Shares are pledged by J&T BANKA, a.s. under the pledge agreement dated 22 December 2022 to secure the loan between NOVA Real Estate – podfond 1 and J&T BANKA a.s. No. EUR 30/OAO/2020 dated 31 July 2020, as amended.

## 7. EQUITY INVESTMENTS WITH CONTROLLING INFLUENCE

### Equity investments with controlling influence

In thousands of CZK

As at 31 December 2022

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

In thousands of CZK

As at 31 December 2021

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

As at the balance sheet date, all of the above companies have their registered office at V Celnici 1031/4, 110 00 Prague 1, from 1 February 2023 at Na příkopě 854/14, 110 00 Prague 1.

## 8. TANGIBLE AND INTANGIBLE FIXED ASSETS

### Intangible fixed assets

#### Acquisition cost

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance
Software	887	-	-	-	887
<b>Celkem 2022</b>	<b>887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>887</b>
Software	887	-	-	-	887
<b>Celkem 2021</b>	<b>887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>887</b>

## Impairments

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance	Impairments	Carrying amount
Software	(829)	(58)	-	-	(887)	-	-
<b>Celkem 2022</b>	<b>(829)</b>	<b>(58)</b>	<b>-</b>	<b>-</b>	<b>(887)</b>	<b>-</b>	<b>-</b>
Software	(771)	(58)	-	-	(829)	-	58
<b>Celkem 2021</b>	<b>(771)</b>	<b>(58)</b>	<b>-</b>	<b>-</b>	<b>(829)</b>	<b>-</b>	<b>58</b>

## Operating tangible fixed assets

### Acquisition cost

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance
Non-depreciable tangible fixed assets – Paintings	78	-	-	-	78
Depreciable operating tangible fixed assets – Equipment	2,161	744	(170)	-	2,735
Acquisition of operating tangible fixed assets	-	-	-	-	-
<b>Total 2022</b>	<b>2,082</b>	<b>744</b>	<b>(170)</b>	<b>-</b>	<b>2,813</b>
Non-depreciable operating tangible fixed assets – Paintings	78	-	-	-	78
Depreciable operating tangible fixed assets – Equipment	2,004	157	-	-	2,161
Acquisition of operating tangible fixed assets	-	-	-	-	-
<b>Total 2021</b>	<b>2,082</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>2,239</b>

### Provisions and corrections

In thousands of CZK	Opening balance	Additions	Disposals	Transfers	Closing balance	Impairments	Carrying amount
Non-depreciable operating tangible fixed assets – Painting	-	-	-	-	-	-	78
Depreciable operating tangible fixed assets - Equipment	(1,713)	(415)	105	-	(2,023)	-	712
<b>Total 2022</b>	<b>(1,713)</b>	<b>(415)</b>	<b>105</b>	<b>-</b>	<b>(2,023)</b>	<b>-</b>	<b>790</b>
Non-depreciable operating tangible fixed assets – Painting	-	-	-	-	-	-	78
Depreciable operating tangible fixed assets - Equipment	(1,359)	(354)	-	-	(1,713)	-	448
<b>Total 2021</b>	<b>(1,359)</b>	<b>(354)</b>	<b>-</b>	<b>-</b>	<b>(1,629)</b>	<b>-</b>	<b>526</b>

### Right-of-use

In thousands of CZK	Opening balance	Additions	Disposals	Closing balance
Right-of-use - buildings	31 864	-	(22,844)	9 020
Right-of-use - SMV	-	5,496	-	5,496
<b>Total 2022</b>	<b>31,864</b>	<b>5,496</b>	<b>(22,844)</b>	<b>14,517</b>
Right-of-use - buildings	31 864	-	-	31,864
<b>Total 2021</b>	<b>31,864</b>	<b>-</b>	<b>-</b>	<b>31,864</b>



## Provisions and corrections

In thousands of CZK	Opening balance	Additions	Disposals	Closing balance	Impairments	Carrying amount
Right-of-use - buildings	(4,395)	(4,191)	-	(8,586)	-	434
Right-of-use - SMV	-	(460)	-	(460)	-	5,036
<b>Total 2022</b>	<b>(4,395)</b>	<b>(4,651)</b>	<b>-</b>	<b>(9,046)</b>	<b>-</b>	<b>5,470</b>
Right-of-use - buildings	-	(4,395)	-	(4 395)	-	27,469
<b>Total 2021</b>	<b>-</b>	<b>(4 395)</b>	<b>-</b>	<b>(4 395)</b>	<b>-</b>	<b>27,469</b>

## Non-operating tangible fixed assets

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

## Depreciation/amortisation of tangible and intangible fixed assets

In thousands of CZK	31. 12. 2022	31. 12. 2021
Depreciation of tangible fixed assets	415	354
Amortisation of intangible fixed assets	58	58
Right-of-use depreciation – buildings	4,191	4,395
Right-of-use depreciation – SMV	460	-
<b>Total depreciation</b>	<b>5,124</b>	<b>4,807</b>

## 9. OTHER ASSETS

Receivables from the funds

In thousands of CZK	31. 12. 2022	31. 12. 2021
Receivables from the funds – management fee	67,880	71,238
Receivables from the funds – performance and other fund management fees	25,458	-
Receivables from the funds – loans	392	74
<b>Total receivables from the funds</b>	<b>93,730</b>	<b>71,312</b>
Impairment	(4,831)	(74)
<b>Net carrying value of other receivables</b>	<b>88 899</b>	<b>71,238</b>

As at 31 December 2022 the Investment Company recognised an impairment for receivables from the NMM PF4 in amount CZK 4,800 thousand and from NMM PF3 in amount CZK 31 thousand.

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

Receivables from the Funds consist of:

- CZK 1.8 million receivable from Nova Green Energy – podfond 1 (NGE PF1) - receivables from the invoiced not yet paid management fee.
- CZK 3.3 million receivable from Nova Green Energy – podfond 2 (NGE PF2) (receivables from the invoiced, not yet paid management fee.
- CZK 21 million receivable from Nova Money Market – podfond 4 (NMM PF4) (receivables from invoiced management fee. NMM PF4 does not pay its obligations to the Company as NMM PF4 does not have cash as it has claims on Arca Investments, which is insolvent. These claims are filed in both the Czech insolvency proceedings, where the main insolvency proceedings are pending, and in Slovakia, where the secondary insolvency proceedings are pending. At the same time, it claims its collateral from the sub-debtor, Silverside, a.s..
- AI's creditors, nearly two years after the company's bankruptcy, approved a reorganisation plan in the Czech Republic in the summer of 2022, promising unsecured creditors about 37% of the value. Similarly, in Slovakia, where the so-called secondary insolvency proceedings are taking place, a reorganisation plan was approved on 16 January 2023. According to the proposed reorganisation plans, the yield for unsecured creditors is going to be 50%.

- However, NOVA Money Market Fund, through Credit One, has a registered secured claim in Slovak insolvency proceedings, both in the AI proceedings and in the proceedings of the Fund's sub-debtor, Silverside, where assets will be monetised, which, according to Silverside's extraordinary financial statements as of 9/2022, amounted to EUR 43 million. The collateral is duly registered in the Slovak Central Register of Pledges under reference No. NCRzp 11112/2020.
- CZK 3 million receivable from Nova Money Market – podfond 3 (NMM PF3) (receivables from invoiced management fee. NMM PF3 has no cash as it has receivables from Arca Investments, which is insolvent. These claims are filed both in the insolvency proceedings in the Czech Republic, where the so-called main proceedings are being conducted, and in Slovakia, where the so-called secondary insolvency proceedings are being conducted. At the same time, it claims its collateral from the sub-debtor, Silverside, a.s.
- AI's creditors, nearly two years after the company's bankruptcy, approved a reorganisation plan in the Czech Republic in the summer of 2022, promising unsecured creditors about 37% of the value. Similarly, in Slovakia, where the so-called secondary insolvency proceedings are taking place, a reorganisation plan was approved on 16 January 2023. According to the proposed reorganisation plans, the yield for unsecured creditors is to be 50%.
- However, NOVA Money Market Fund, through Credit One, has a registered secured claim in Slovak insolvency proceedings, both in the AI proceedings and in the proceedings of the Fund's sub-debtor, Silverside, where assets will be monetised, which, according to Silverside's extraordinary financial statements as of 9/2022, amounted to EUR 43 million. The collateral is duly registered in the Slovak Central Register of Pledges under No. NCRzp 11112/2020.
- CZK 38 million receivable from Nova Real Estate – podfond 1 (NRE PF1) - receivables from the invoiced management fee due to conscious management of cash flows. Subsequent to the date of the financial statements and prior to the date of the auditor's report, a large portion of the fund management fees had already been paid.
- CZK 25 million - receivable from Nova Real Estate – podfond 1 (NRE PF1) - receivable from the performance fee for fund management, which is due after the date of the auditor's report.

For the reasons stated above, the Company makes impairments to receivables for funds overdue for more than 18 months. Due to the maturity of all receivables for funds within one year and the above-mentioned facts, the Company considers the accrued value of these receivables to be the best estimate of their fair value.

#### Other receivables

In thousands of CZK	31. 12. 2022	31. 12. 2021
Advances and prepayments	-	-
Receivables from shareholders	-	15,000
Receivables from other related parties	3,315	-
Receivable from state institutions - tax	117	975
Deferred tax asset	170	160
Other receivables	43	11
<b>Net carrying amount of other receivables</b>	<b>3,645</b>	<b>16,146</b>

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

## 10. SEGMENT INFORMATION

The investment company is headquartered in the Czech Republic. All its investments are realised within the Czech Republic.

## 11. RELATED PARTY TRANSACTION

In thousands of CZK	2022	2021
<b>ASSETS</b>		
Other assets	392	15,000
<b>LIABILITIES</b>		
Other liabilities	6,008	1,133
Liabilities to shareholders	8,904	4,341
<b>REVENUES</b>		
Other operating income	1,734	-
Profit from financial operations	141	-

## COSTS

Interest and similar costs	467	-
Other operating costs	4	-
Administrative costs - other	5,689	4,530
Amortisation/depreciation, creation of provisions and impairment for fixed assets	3,935	-

## 12. LIABILITIES TO BANKS

In thousands of CZK	31. 12. 2022	31. 12. 2021
EUR Due to banks other than on demand - principal	206,320	-
EUR due from banks other than payable on demand - interest	6,248	-
Liabilities to banks - other	18	278
<b>Total liabilities to banks</b>	<b>212,586</b>	<b>278</b>

## 13. OTHER LIABILITIES

In thousands of CZK	31. 12. 2022	31. 12. 2021
Trade payables and other creditors	2,316	1,028
Liabilities to employees	857	1,182
Social security and health insurance costs	388	534
State – tax liabilities	126	176
Estimated payables*	7,076	4,715
Long-term liability - lease agreement	5,397	28,322
Deferred tax liability	-	-
<b>Total other liabilities</b>	<b>16,160</b>	<b>35,957</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.

## 14. PROVISIONS

### Income tax provision

In thousands of CZK	2022	2021
Opening balance as at 1 January	14,075	10,034
Additions to provision in the amount of expected tax	11,848	14,075
Utilisation of tax provision	(14,075)	(10,034)
<b>Closing balance as at 31 December</b>	<b>11,848</b>	<b>14,075</b>

The provision for income tax created in 2022 is presented in the balance sheet reduced by advances paid in the amount of CZK 11,698 thousand, i.e. CZK 150,000 (2021: 3,343 – provision CZK 14,075 thousand less CZK 10,732 thousand advances paid of CZK 10,732 thousand. CZK).

### Other provisions - bonuses

In thousands of CZK	2022	2021
Opening balance as at 1 January	10,677	8,400
Creation of the provision	8,075	10,677
Use of the provision	(10,677)	(8,400)
<b>Closing balance as at 31 December</b>	<b>8,075</b>	<b>10,677</b>

### Other provisions - for legal or other risks

In thousands of CZK	2022	2021
Opening balance as at 1 January	-	-
Creation of the provision	2,000	-
Use of the provision	-	-
<b>Closing balance as at 31 December</b>	<b>2,000</b>	<b>-</b>

## 15. EQUITY AND PROFIT DISTRIBUTION

### Share capital

The share capital in the amount of CZK 8,400 thousand was and fully paid as at 31 December 2022. Company did not acquire its own shares during the reference period.

At the request of RVR Czech, s.r.o., identification No. 24300136, as the main shareholder of the Company, a General Meeting was convened in accordance with § 375 of Act No. 90/2012 Coll., which took place on 29 March 2022. The General Meeting decided on transfer of all other shares issued by the Company, which are owned by shareholders other than the main shareholder, i.e. 8 registered ordinary shares in paper form with a nominal value of CZK 100,000, to the main shareholder for a consideration determined by an expert opinion.

### Profit distribution

Net profit of CZK 50,861 thousand for the year 2022 is proposed to be transferred to retained earnings.

## 16. VALUES TAKEN OVER FOR MANAGEMENT

The values taken over for management for the individual funds managed and administered as at 31 December were as follows:

In thousands of CZK	31. 12. 2022	31. 12. 2021
ARCA OPPORTUNITY – podfond 1	348,124	361,843
NOVA Green Energy – podfond 1	1 899,314	1,832,770
NOVA Green Energy – podfond 2	1 226,142	-
NOVA Real Estate – podfond 1	2 929,730	2,975,778
NOVA Money Market – podfond 3	45,674	67,786
NOVA Money Market – podfond 4	158,413	249,960
<b>Total net assets</b>	<b>6,607,397</b>	<b>5,488,137</b>

## 17. INTEREST AND SIMILAR COSTS

In thousands of CZK	2022	2021
Interest from bank loans	6,325	-
Interest arising from lease contracts accounted for under IFRS 16	768	1,755
<b>Total interest and similar charges</b>	<b>7,093</b>	<b>1,755</b>

## 18. FEE AND COMMISSION INCOME

In thousands of CZK	2022	2021
Asset management fees	103,985	102,521
Performance and other fees	25,458	37,316
<b>Total fee and commission income</b>	<b>129,443</b>	<b>139,837</b>

Fee and commission income primarily represents fund management fees and performance fees based on management contracts.

## 19. FEES AND COMMISSIONS EXPENSES

In thousands of CZK	2022	2021
Brokerage fees	11,644	8,686
Bank charges	115	154
<b>Total fee and commission expenses</b>	<b>11,759</b>	<b>8,840</b>

Fee and commission expenses primarily represent charges to investment intermediaries for arranging investments in managed funds.

## 20. PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS

In thousands of CZK	2022	2021
Profit or loss on revaluation of assets at fair value	6,287	4,676
Profit or loss on revaluation of bank liabilities	4,269	-
Profit or loss - other	284	(514)
<b>Total profit or loss from financial transactions</b>	<b>10,840</b>	<b>4,162</b>

## 21. ADMINISTRATIVE EXPENSES

In thousands of CZK	2022	2021
Personnel expenses	28,745	28,851
Cost of legal and tax advice	1,595	407
Statutory auditor fees (statutory audit of financial statements)	285	252
Cost of accounting services	4,053	4,367
Rent related services	1,548	1,110
Custody	4,435	5,360
Other administrative expenses	8,397	10,439
<b>Total administrative costs</b>	<b>49,058</b>	<b>50,786</b>

Employee costs can be analysed as follows:

### Employee costs

In thousands of CZK	2022	2021
Wages and bonuses of members of the Board of Directors	9,907	8,260
Other wages, personnel costs and employee bonuses	12,757	14,139
Social costs and health insurance	6,081	6,452
<b>Total personnel expenses</b>	<b>28,745</b>	<b>28,851</b>

No remuneration was paid to the members of the Supervisory Board in 2022 and 2021. Remuneration of the members of the Board of Directors consists of variable and fixed component while the variable component is linked to the profits of the Company.

#### Employee statistics

	2022	2021
Average number of employees	13	15
Number of members of the Board of Directors	3	3
Number of members of the Supervisory Board	3	3

## 22. INCOME TAX

#### The tax expense includes:

In thousands of CZK	2022	2021
Current tax expense	11,812	12,833
Deferred tax income (+) / expense (-)	(10)	(195)
<b>Total tax expense</b>	<b>11,802</b>	<b>12,638</b>

#### Current tax was calculated as follows:

In thousands of CZK	2022	2021
Profit before tax	62,663	72,974
Tax non-deductible expenses	17,774	19,847
Amounts decreasing tax base	(17,876)	(18,242)
Deduction of gifts granted	(200)	(500)
<b>Tax base</b>	<b>62,361</b>	<b>74,079</b>
<b>Current income tax rate of 19%</b>	<b>11,848</b>	<b>14,075</b>

## 23. FINANCIAL RISKS

#### (a) Capital adequacy and risk of insufficient liquidity

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

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

#### (b) Liquidity risk

Residual maturities of assets and liabilities of the Investment Company

In thousands of CZK	Up to 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 2022</b>						

Receivables from banks	4,833	-	2,000	-	-	<b>6,833</b>
Tangible and intangible fixed assets	-	-	-	-	6,259	<b>6,259</b>
Shares, share certificates and other equity interests	-	347,048	-	-	-	<b>347,048</b>
Equity investments with controlling influence	-	-	-	-	4,114	<b>4,114</b>
Other assets	89,370	417	2,757	-	-	<b>92,544</b>
Prepaid expenses and accrued income	746	-	-	-	-	<b>746</b>
<b>Total</b>	<b>94,949</b>	<b>347,465</b>	<b>4,757</b>	<b>-</b>	<b>10,373</b>	<b>457,544</b>
Liabilities to banks	18	212,568	-	-	-	<b>212,586</b>
Liabilities to non-banking institutions	8,904	-	-	-	-	<b>8,904</b>
Other liabilities	10,763	-	-	-	-	<b>10,763</b>
Liability arising from Right-of-use	547	756	4,094	-	-	<b>5,397</b>
Accrued expenses and deferred income	2,635	-	-	-	-	<b>2,635</b>
Provisions	-	10,225	-	-	-	<b>10,225</b>
Equity	-	-	-	-	207,034	<b>207,034</b>
<b>Total</b>	<b>22,867</b>	<b>223,549</b>	<b>4,094</b>	<b>-</b>	<b>207,034</b>	<b>457,544</b>
<b>Gap</b>	<b>72,082</b>	<b>123,916</b>	<b>663</b>	<b>-</b>	<b>(196,661)</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>72,082</b>	<b>195,998</b>	<b>196,661</b>	<b>196,661</b>	<b>-</b>	<b>-</b>

<b>In thousands of CZK</b>	<b>Up to 3 months</b>	<b>From 3 months to 1 year</b>	<b>From 1 year to 5 years</b>	<b>Over 5 years</b>	<b>Not specified</b>	<b>Total</b>
<b>As at 31 December 2021</b>						
Receivables from banks	11,984	-	2,000	-	-	<b>13,984</b>
Tangible and intangible fixed assets	-	-	-	-	28,052	<b>28,052</b>
Shares, share certificates and other equity interests	-	81,893	-	-	-	<b>81,893</b>
Equity investments with controlling influence	-	-	-	-	4,114	<b>4,114</b>
Other assets	72,384	15,000	-	-	-	<b>87,384</b>
Prepaid expenses and accrued income	39,205	-	-	-	-	<b>39,205</b>
<b>Total</b>	<b>123,573</b>	<b>96,893</b>	<b>2,000</b>	<b>-</b>	<b>32,166</b>	<b>254,632</b>
Liabilities to banks	278	-	-	-	-	<b>278</b>
Liabilities to non-banking institutions	4,341	-	-	-	-	<b>4,341</b>
Other liabilities	7,635	-	-	-	-	<b>7,635</b>
Liability arising from Right-of-use	947	2,842	17,931	6,602	-	<b>28,322</b>
Accrued expenses and deferred income	1,433	-	-	-	-	<b>1,433</b>
Provisions	-	14,021	-	-	-	<b>14,021</b>
Equity	-	-	-	-	198,602	<b>198,602</b>
<b>Total</b>	<b>14,634</b>	<b>16,863</b>	<b>17,931</b>	<b>6,602</b>	<b>198,602</b>	<b>254,632</b>
<b>Gap</b>	<b>108,939</b>	<b>80,030</b>	<b>(15,931)</b>	<b>(6,602)</b>	<b>(166,436)</b>	<b>-</b>
<b>Cumulative Gap</b>	<b>108,939</b>	<b>188,969</b>	<b>173,038</b>	<b>166,436</b>	<b>--</b>	<b>-</b>

### (c) Interest rate risk

The Investment Company does not recognise any loans in its assets as at the balance sheet date, therefore the interest rate risk is assessed as insignificant. On the liability side, the Company holds a loan denominated in EUR and bearing interest at a floating rate, where interest rates are monitored regularly. Due to the current financial market conditions, it was decided not to hedge the loan using IRS.

### (d) Foreign currency risk

The Investment Company's currency risk is generally minimal. The Company accounts for the majority of all transactions in local currency, except for the EUR denominated loan which the Company holds on the liability side and for which exchange rate movements and forecasts are monitored regularly. Here again, in view of the developments in the financial markets, a non-derivative hedging of the loan for exchange rate movements has been adopted. At the same time, on the asset side, the Company has made significant investments in EUR-denominated investment shares and this position is used as a partially natural hedge.

### (e) Geographical concentration risk

All assets and liabilities are located in the Czech Republic.

## 24. SUBSEQUENT EVENTS

On 1 February 2023, the investment company changed its registered office. The current address is Na příkopě 854/14, 110 00 Prague 1.

At the time of preparing the financial statements, the Company's management is not aware of any other significant subsequent events that would affect the financial statements as at 31 December 2022.

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

#### The financial statements were prepared on:

26 April 2023

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



Rudolf Vřešťál  
Chairman of the Board  
of Directors

#### Person responsible for accounting:



Karel Krhovský  
CEO  
phone.: 222 500 758

#### Person responsible for the financial statements:



Šárka Burgetová  
Head of Finance  
phone.: 222 500 757



Karel Krhovský  
Member of the Board of Directors





# Report on relations

# Report on relations

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

## I. Introductory provisions

### 1. The relevant period

This report is prepared for the accounting period from 1 January 2022 to 31 December 2022 (hereinafter referred to as **"the reporting period"** or **"the 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, 130 00 (Chairman of the Board of Directors);

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

Martin Dratva, born 28 May 1987, 05801 Gánovce, Gánovská 211/16, Slovakia (Member of the Board of Directors).

The Company is represented by the Board of Directors, always by two members of the Board of Directors acting jointly.

### 4. Shareholders and shares

At the end of the reporting period, the Company's sole shareholder was:

**RVR Czech, s.r.o.**, with its registered office at 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 - a shareholder owning 84 pieces of ordinary registered shares in paper form with a nominal value of CZK 100,000.

## II. Related parties

### 1. Controlling Parties

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

RVR Czech, s.r.o. was the majority shareholder of REDSIDE Investment Company, a.s. with 90.48% of share in the period from 1 January 2022 to 30 April 2022 and could have an exercise influence on the Company through REDSIDE Investment Company, a.s. During the period from 1 May 2022 to 31 December 2022, RVR Czech, s.r.o. was the shareholder holding 100% of the founder shares of REDSIDE.

**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 could exercise an indirect influence on the Company through RVR Czech, s.r.o.

(RVR Czech, s.r.o. and Rudolf Vřešťál hereinafter referred to also as **"Controlling Parties"**).

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

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

Company	Identification No.	Registered office	Share (%)
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	04331869	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100% Company's shares
NOVA Green Energy, SICAV, a.s.	08789622	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100% Company's shares
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
ARCA OPPORTUNITY, SICAV, a.s.	24199591	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100% Company's shares
Purple Green a.s. v likvidaci	07187939	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
ZNO Energy a.s.	54017840	Laurinská 18, Bratislava – mestská časť Staré Město 811 01	60%
BAZ Czech, a.s.	28204298	Prague 1, V Celnici 1031/4, 110 00	50%
TC VENTURES, s.r.o.	25777581	Prague 3, Krásava No. 1027, 130 00	50%
White Express s.r.o.	04378059	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

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

Company	Identification No.	Registered office	Share (%)
REDSIDE investiční společnost, a.s.	242 44 601	Prague 1 - Nové Město, V Celnici 1031/4, 11000	100%
Purple Green a.s. v likvidaci	07187939	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
ZNO Energy a.s.	54017840	Laurinská 18, Bratislava – mestská část Staré Město 811 01	60%

Furthermore, during the reporting period RVR Czech, s.r.o. owned 45% share in the company RSFA, a.s., Identification No.: 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.

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

Company	Identification No.	Registered office	Share (%)
BAZ Czech, a.s.	28204298	Prague 1, V Celnici 1031/4, 110 00	50%
RVR Czech, s.r.o.	24300136	Prague 1, V Celnici 1031/4, 110 00	100%
TC VENTURES, s.r.o.	25777581	Prague 3, Krásava 1027, 130 00	50%
White Express s.r.o.	04378059	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

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

Company	Identification No.	Registered office	Share (%)
Parties controlled by <b>BAZ Czech, a.s.</b> during the reporting period:			
ASB Czech Republic, s.r.o.	27215849	Prague 1, V Celnici 1031/4, 110 00	100%
ASB Czech SC, s.r.o.	24201235	Prague 1, V Celnici 1031/4, 110 00	100%
ASB Hungary Kft,	01-09-326637	1122 Budapest, Mures utca	100%
ASB Poland Sp. z o.o.	0000296560	Zlota 59, Warsaw, Poland	100%
ASB Poland SC Sp. z o.o.	0000300061	Zlota 59, Warsaw, Poland	100%
ASB Slovakia, s.r.o.	36 665 061	Laurinská 18 Bratislava 811 01	92.47%
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	100%

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

Company	Identification No.	Registered office	Share (%)
ASB Slovakia Tax, s.r.o.	50283596	Laurinská 18, Bratislava – mestská část Staré Město 811 01	85%

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

Company	Identification No.	Registered office	Share (%)
ASB Tax Sp. z o.o.	0000423733	Zlota 59, 00-120 Warsaw, Poland	74%
Hunter ASB Sp. z o.o. w likwidacji	0000378002	Zlota 59, 00-120 Warsaw, Poland	50%
ASB Fiscal Representation Sp. z o.o.	0000319538	Zlota 59, 00-120 Warsaw, Poland	100%
PGA Accounting Sp. z o.o.	0000714645	Zajecza 15, 00-351 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

As at 31 December 2022, RVR Czech, s.r.o. owed 100% of the Company's shares and Rudolf Vřešťál owned 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 sole shareholder of the Company as at 31 December 2022 and could exercise a direct influence on the Company. Rudolf Vřešťál in the reporting period was the sole shareholder of the RVR Czech, s.r.o. shares and through RVR Czech, s.r.o. could exercise an indirect influence on the Company.

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

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

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

- 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
  - Electric vehicle lease agreement dated 9 December 2022
- 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;
- 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
- Agreements concluded between the Company and NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.
  - Agreement on the performance of the function of the Statutory Director of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. as of 20 January 2016, as amended
  - Agreement on the performance of the function of Management Board's member of NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s. as of 31 December 2020, as amended
- 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, as amended
  - Agreement on the performance of the liquidator function as of 30 April 2021.
6. Agreements concluded between the Company and RVR Czech, s.r.o.
- Agreement as of 29 October 2021 on the assignment of the loan agreement (as of 6 March 2019 between Rudolf Vřešťál and the Company, see Note 7).
7. Agreements concluded between the Company and Rudolf Vřešťál
- Loan agreement concluded on 6 March 2019
  - Supplement as of 16 September 2021 to the loan agreement as of 6 March 2019

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

On 23 June 2022, the General Meeting unanimously adopted a resolution of the General Meeting of the Company on the profit distribution for the accounting period of 2022 in the amount of CZK 60,336,201.2, so that part of the profit of CZK 42,428,400, i.e. CZK 505,100 per share, was paid to RVR Czech, s.r.o. as the sole shareholder. This payment was set off against the Company's receivables from the Sole Shareholder in the amount of CZK 42,421,169.24 arising from the loan documentation entered into between the Company and the Sole Shareholder. Amount of CZK 7,230.76 was paid to the Sole Shareholder. The remaining accounting profit was transferred to the retained earnings account for further future development of the Company's activities.

## **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 organisational 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 2023.



Rudolf Vřešťál  
Chairman of the Board of Directors



Karel Krhovský  
Member of the Board of Directors