

NRE

Nova Real Estate

Annual report 2020



NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.

Annual report content

01

Report
of the Management Board

04

Financial statements
NOVA Real Estate,
investment fund

02

Profile of NOVA Real Estate,
investment fund

05

Financial statements
NOVA Real Estate,
sub-fund 1

03

Profile NOVA Real Estate –
sub-fund 1

06

Report
on relations

Key economic indicators

8,8

billion CZK

INVESTMENT VOLUME IN THE
LAST 4 YEARS

21

NUMBER OF TRANSACTIONS
FOR THE LAST 5 YEARS

715

million CZK

TOTAL ANNUAL
SALES

6,61

% per annum

APPRECIATION
FOR 2020

90+

NUMBER
OF TENANTS
IN 2020



Report of the Management Board



REPORT OF THE MANAGEMENT BOARD OF NOVA REAL ESTATE, INVESTIČNÍ FOND S PROMĚNNÝM ZÁKLADNÍM KAPITÁLEM, A.S.

Dear shareholders and business partners,

The NOVA Real Estate investment fund, together with NOVA Real Estate – podfond 1 („Sub-fund“), was established in 2015 with a clearly defined investment strategy focused primarily on the real estate market in the Central and Eastern European region.

Investment property in the Sub-Fund's portfolio represents an opportunity for investors to participate in stable income from long-term leases. At a time of low interest rates this return significantly outperforms the returns of standard monetary market instruments. By their nature, investing in real estate is suitable for conservative investors. Historically, investing in real estate always has been of a medium to rather long-term nature, overcoming a sudden crisis or short-term fluctuations in the values of other types of property by its very nature. It is an indisputable fact that in the long run, the value of quality, maintained, well-located real estate is growing steadily.

As for the practice of a stable and standardly used division of classic income real estate, we are talking about four main classes of commercial real estate. These are: office buildings, retail buildings (shopping centres and smaller retail units), industrial real estate (warehouses and production) and hotels.

With regard to the Golden Rule of Investing, which is diversification, we do not focus only on one property class, but under the Sub-Fund we buy and manage the income real estate of the first three aforementioned classes i.e. office buildings in Prague, regional shopping centres and significant local retail units as well as since 2019 industrial real estate. The fund currently does not invest in the last class of income real estate – hotels, neither plan to invest in the future.

The location in which the property is placed, the length of leases in combination with tenant's creditworthiness and finally the technical condition of buildings are taken into account when assessing and evaluating the suitability of transactions in relation to the current composition of the portfolio and the plan for its further development. These factors significantly affect the real estate's ability to generate rental income in good and bad times and obviously affect the profitability at the time of a possible future sale.

Events in the Fund's real estate portfolio

In the first quarter of the year, the Fund entered the logistics-industrial hall segment. By completing the acquisition of a giant industrial park Trenčín, Slovakia, we have made another significant step towards diversifying the portfolio in both sectoral and

geographical areas. It is a building of above-standard technical parameters with an area of 120 ths. m², rented to 8 multinational tenants from production and logistics. Long-term senior financing of this project was provided by a significant German bank Helaba Landesbank Hessen-Thüringen.

At the end of the first quarter of the year, the Europe was struck by the wave of pandemic of disease caused by Covid-19. Along with government measures this had a negative impact on economic activity not only in the region on which the Fund focuses. Despite this unprecedented event, the Fund still shows a planned, stable performance and its economic resistance, which is due to its robustness, length and institutional quality of lease contracts, tenant financial force and their sectoral diversity.

Especially at this time the diversification of the real estate portfolio and its relative size shows its significance since the impact of governments' regulations differently affected various segments of the economy.

The retail part of our portfolio consists of a crushing majority from real estate, which have been leased for long-term to operators of hypermarkets, supermarkets, or hobby markets, considering the regionality of the position of the property project. It is therefore a seller of the so-called essential goods. Operation of this market segment was affected by government measures either at least or at all. Due to the limitations and narrowing of the market for the end consumer even some of our tenants show non-negligible turnover growth.

Certain restrictions on operations of, especially office buildings, implemented by government regulations in connection with the global pandemic of Covid-19, we have grasped as an opportunity to invest in real estate of the existing portfolio. We have conducted a revitalization of the main reception and lobby of Angel 17 building, where the international Pfizer and Google are based. Within revitalization, we focused on design and functionality with the accent on socialization functions. In the Panorama building, we installed modern, ecological LED light. In the retail segment, during the time of spring government restrictions we used the chance to modernize the food court in Orlice shopping centre in Hradec Kralove.

The portfolio concluded 2020 with a great result of 97.8% of the rented premises, of which the office is 94.7%, retail 99.8% and a logistics-industrial segment of 97.5%.

Thanks to the acquisition of industrial park in Trenčín, the structure of the portfolio during 2020 grouped into three almost equally large segments. In terms of fund asset value, 38% of the portfolio consists of regional retail, 35% consists of Premium office buildings in central locations of Prague and 27% form a logistics-industrial segment currently represented by a park in Trenčín.

During July 2020 the Fund received a request to reduce the exposure of one major investor, on which we have flexibly received bank funding at the Fund level, so we could meet this commitment without any need to divest the portfolio part.

Company Management in 2020

During the year, the Sub-Fund continued with activities of collective investments in the Czech Republic, specifically with activity of a fund of qualified investors under the provisions of Section 95 (1) (a) of Act No. 240/2013 Coll., on Investment Companies and Investment Funds (the „Act“).

The performance of the Sub-Fund ended in 2020 with a profit of CZK 2,360 ths. This also contributed to the appreciation of investors' investments by 6.61%, i.e. to meet the targeted revenue.

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

Audit of financial statements

The financial results of the Fund and the Sub-Fund for the year 2020 were audited by PricewaterhouseCoopers Audit, s.r.o., audit license issued by KAČR (Czech Chamber of Auditors) under No. 021.

Outlook for 2021

We expect the economic fluctuation caused by the global covid-19 pandemic will remain in the first half of the year, but with regard to the prediction of epidemiological experts, we are more optimistic about the second half of the year. The level of savings of households is unprecedentedly high. Record values are achieved by cash balances on corporate and household accounts that are forced or casually putting consumption and create reserves. We believe that the retail area will benefit from this postponed consumption in the second half of the year.

At the same time, we perceive gradually rising activity among tenants of office space, especially in central locations of Prague. Companies and especially their employees realize that for long-term functioning of companies, the concept of home-office has its difficulties and limitations. Based on the ongoing massive „home-office“ experience, a certain adjustment of employers' approach to work from home can be expected, however, with regard to this experience we do not expect a massive slowdown in demand for office space. Employees and employers want and

need offices for their development, which is why we do not plan to withdraw the fund from this real estate segment.

The logistics and industrial real estate segment will continue to benefit from increased demand from e-commerce and other segments of the modern economy. At the same time, European industry is experiencing a realignment of supply chains in favour of local producers, which is also a consequence of the epidemic situation.

From the Redside investiční společnost, a.s. perspective and position as the member of the Management Board, after successfully completed acquisition processes in recent years, the work and effort has been focused on the long-term development of the managed investments and the market monitoring in order to maintain continual growth so the current results and its benefits are sustainable for investors in the future as well.

Despite the unprecedented socio-economic situation, we continue to look very selectively in the entire CEE region for the possibility of acquiring additional income assets as part of further portfolio replenishment. The Fund wants to grow within its already defined segments. We are actively monitoring the market and plan to selectively participate in tenders for the sale of real estate in the areas of industry, essential retail (especially hobby and supermarkets) and offices.

Our primary goal is to maintain a stable and predictable cash flow for investors by maintaining the highest possible tenancy rates of individual properties through the appropriate combination and choice of creditworthy tenants, long-term lease agreements, and active work with the rental profile of individual buildings in relation to the portfolio as a whole. This is, always was and will be, considered in all acquisitions, regardless of the chosen sector of investment properties.

From a territorial point of view, the Sub-Fund will continue to invest in the Czech Republic with the possibility of diversification in the Central and Eastern European region (mainly Slovakia and Poland).

Subsequently, Redside investiční společnost, a.s. will participate actively in offering investments in the fund exclusively to qualified investors in accordance with the principles of collective investment.



Rudolf Vřešťál
Authorized Representative



Profile of NOVA Real Estate, investment fund

Profile of NOVA Real Estate, investment fund

The decisive period for the purposes of this Annual Report is the accounting period from 1 January 2020 to 31 December 2020. This section of the Annual Report contains information on the administrative centre of the investment fund. The information on Sub-fund is set out in the other parts of this Annual Report.

1. Basic information on investment fund

Name:	NOVA Real Estate, investiční fond s proměnným základním kapitálem a.s. (hereinafter referred to as the "Fund")
Short name:	NOVA Real Estate
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Company identification No.:	04 331 869
Tax identification number:	CZ 04 331 869
Registered capital:	CZK 2,000,000 fully paid
Shares:	20 pcs founder's registered shares in paper form
Net business assets:	CZK 1,922 ths

1.1. The license to establish an investment fund with variable registered capital was granted by the ČNB's announcement dated 13 August 2015, reference no.2015/088423/ČNB/2015, which came into force on 20 August 2015.

1.2. The fund is registered in the list of investment funds with legal personality maintained by the ČNB pursuant to Section 597 (a).

1.3. The Fund is established for an indefinite period.

Business activity:

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

Authorities of the company (according to the Commercial Register):

Statutory director and members of the Board of Directors as at 31 December 2020

Statutory Director		REDSIDE investiční společnost, a.s.
Authorized Representative	Rudolf Vřešťál	since 20 August 2015
Authorized Representative	Karel Krhovský	since 22 February 2018
Board of Directors		
Chairman of the BoD	Šárka Burgetová	since 1 January 2018
Member of the BoD	Rudolf Vřešťál	since 20 August 2015
Member of the BoD	Karel Krhovský	since 28 February 2020

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

In 2020 following changes were recorded in the Commercial Register:

- As a result of the adoption of the Company's Articles of Association to the new legislation contained in Act No. 90/2012 Coll., on Commercial Companies and Cooperatives and Act No. 240/2013 Coll., on Investment Companies and Investment Funds, which entered into force on 1 January 2021, the position of the statutory director of the company REDSIDE investiční společnost, a.s., ceased to exist on 31 December 2020 (and thus also to the termination of the function of authorized representatives - Rudolf Vřešťál and Karel Krhovský), which was replaced as a statutory body effective from 1 January 2021 by the Management Board.
- The Company's Management Board may only have one member, when its only member is its manager, and thus from 1 January 2020 the function of REDSIDE investiční společnost, a.s. as the only member of the Management Board, who is independently represented by his Authorized Representative Rudolf Vřešťál.
- Furthermore, during the reporting period, Karel Krhovský, was elected to the function of a member of the Board of Directors effective from 28 February 2020, who replaced the former member of the Board of Directors Jakub Trčka. Effective from 21 August 2020, Rudolf Vřešťál was re-elected to the position of a member of the Board of Directors. As at 31 December 2020, the functions of all members of the Board of Directors, i.e. Šárka Burgetová, Karel Krhovský and Rudolf Vřešťál were terminated, pursuant the adoption of the Company's Articles of Association effective from 1 January 2021.

3. Information on the investment company managing the investment fund

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

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

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

- A true and fair view of the economic activities of the Fund is provided in the annual financial statements for the period from 1 January 2020 to 31 December 2020.
- The result of the Fund ended in 2020 in the amount of CZK 0 thousand.

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

Name	Identification No.	Number of shares	Fund's share (%)
REDSIDE investiční společnost, a.s.	242 44 601	20	100
Total		20	100

There was no change during the reporting period.

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

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

7. Persons acting in concert with Fund

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

8. Information on the depositary

Name: UniCredit Bank Czech Republic and Slovakia, a.s.

Registered office: Želetavská 1525/1, Praha 4, 140 92

Company identification No.: 64 948 242

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

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

In the decisive period, a securities dealer of the Fund was Arca Brokerage House, o.c.p. a.s., (formerly SALVE INVESTMENTS, o. c. p., a.s., renamed on 18 August 2017) with the registered office at Plynárenská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register maintained by the District Court Bratislava I, Insert No.: 3228/B, pursuant to the Delegation Agreement dated 3 April 2017 in accordance with the provisions of Section 50 of the Act.

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

10.1. Statutory Director

The Statutory Director did not receive any consideration from the Fund.

10.2. Board of Directors

Members of the Board of Directors did not receive any consideration from the Fund.

11. Information on the number of Fund investment shares that are owned by the members of the Statutory Body and the Board of Directors

11.1. Statutory Director

The Statutory Director does not own any investment shares of the Fund.

11.2. Board of Directors

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

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

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

13. Depositary or other custodians of the Fund

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

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

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

In the relevant period there were no significant changes in the Fund's statute in regard of strategy and focus of the Fund, fee structure, outsourcing matters, Fund's management and risk profile.

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

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

In 2020 and 2019 there was no consideration paid to the members of the Supervisory Board of the managing company. Remuneration of the members of the Board of Directors consists of variable and fixed component. While the variable component depends on the profits of the managing company.

Staff statistics of managing company

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

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

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

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

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

18. Investments in research and development

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

19. Information on environmental and labour-law activities

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

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

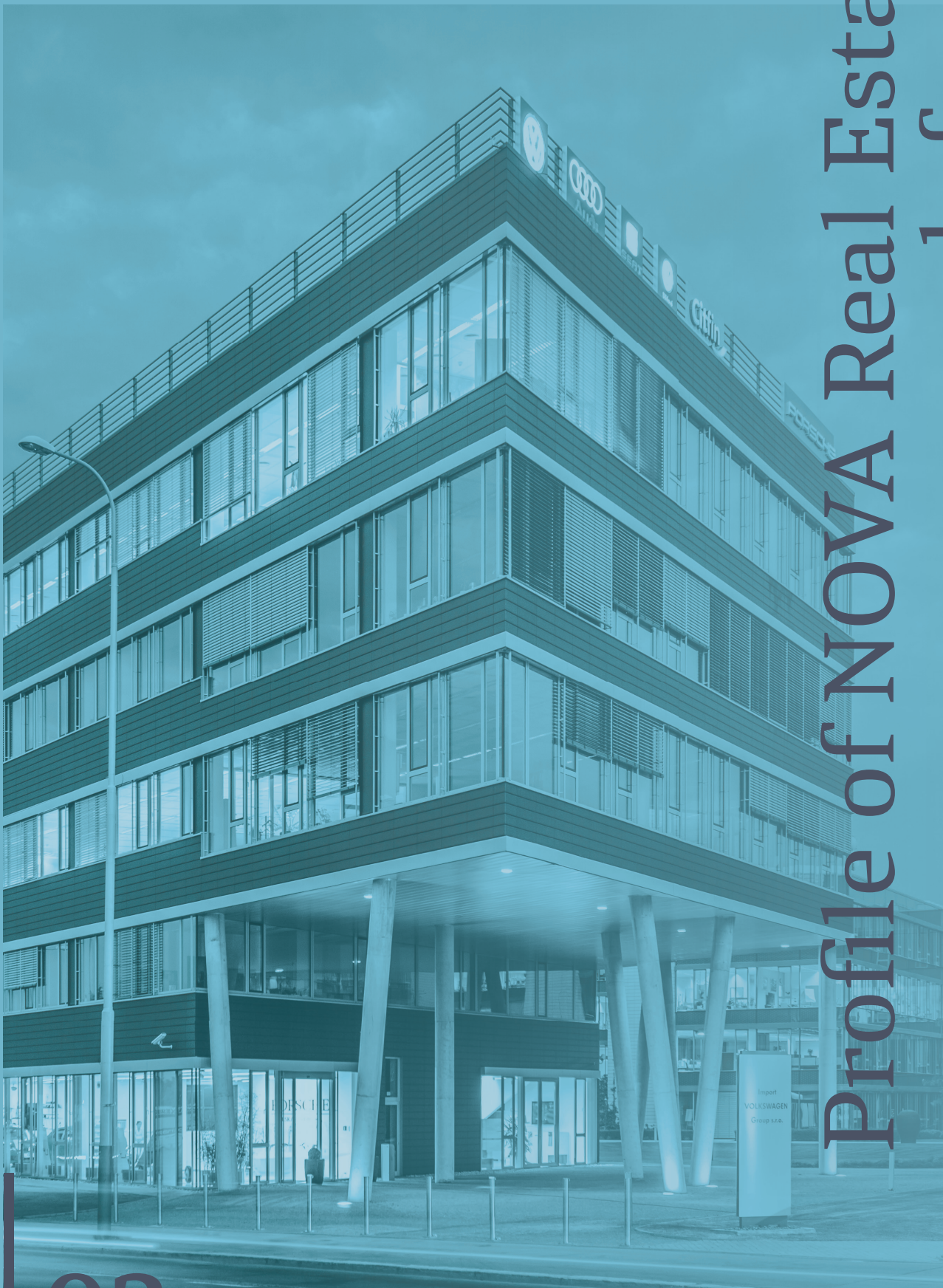
The Fund does not have an organizational unit abroad.

21. Equity of the Fund

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

Fund's capital	CZK 1,921 ths.
Number of issued investment shares	20 pcs.
Fund's capital per 1 share	CZK 96 ths.

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



Profile of NOVA Real Estate, sub-fund 1

Profile of NOVA Real Estate, sub-fund 1

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

1. Basic information on Sub-Fund

Name:	NOVA Real Estate – podfond 1
NID:	8085331795
Short name:	NRE – PF1
Registered office:	V Celnici 1031/4, Prague 1, postcode 110 00, Czech Republic
Shares:	registered investment shares without a nominal value
Net business assets:	CZK 3,019,604 ths.

- 1.1. NOVA Real Estate Sub-Fund 1 (the „Sub-Fund“) is managed and administered by REDSIDE investiční společnost, a.s., with Sub-Fund being established on the basis of the announcement of the Czech National Bank under ref. No. 2015/094553/570 dated 28 August 2015, which came into force on same day.**
- 1.2. The Sub-Fund is registered in the list of investment funds without legal personality maintained by the ČNB pursuant to Section 597 (b) of Act.**
- 1.3. The Sub-Fund is established for an indefinite period.**

Business activity

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

Authorities of the company (according to the Commercial Register)

Information on the Company's bodies and other entries in the Commercial Register is provided in Section 2 Profile of NOVA Real Estate, investment fund.

2. Information on the investment company managing the Sub-Fund

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

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

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

A true and fair view of the economic activities of the Sub-Fund is provided in the annual financial statements for the period from 1 January 2020 to 31 December 2020.

4. Information on the person who had a qualified ownership interests in the Sub-Fund

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

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

Name	Identification No.	Registered capital (CZK ths.)	Fund's share (%)
NRE Jablonec s.r.o.	03 862 984	4,010	100
NRE Hradec s.r.o.	03 818 900	210	100
NRE Znojmo s.r.o.	03 815 579	210	100
NRE OFM s.r.o.	075 49 849	20	100
NRE Vyšehrad Victoria s.r.o.	04 485 980	210	100
NRE South Point 16 s.r.o.	04 486 048	210	100
NRE North Point 17 s.r.o.	04 485 874	210	100
NRE Kutil s.r.o.	046 07 155	20	100
NRE Panorama s.r.o.	054 69 091	20	100
NRE Smíchov Gate s.r.o.	054 69 228	20	100
NRE Penny 1 s.r.o.	056 28 024	30	100
CXD Czech, s.r.o.	060 24 271	10	100
NRE OCCB s.r.o.	046 07 112	10	100
ZNO Slovakia s.r.o.	51 842 173	131	100
Total		5,321	

6. Persons acting in concert with the Sub-Fund

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

7. Information on the depositary

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

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

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

In the decisive period, the securities dealer of the Sub-Fund was Arca Brokerage House, o.c.p., a.s., (formerly SALVE INVESTMENTS, o. c. p., a.s., renamed on 18 August 2017) with the registered office at Plynárenská 7/A, Bratislava 824 63, Slovak Republic, company identification No.: 35 871 211, registered in the Commercial Register maintained by the District Court Bratislava I, Insert No.: 3228/B, pursuant to the Delegation Agreement dated 3 April 2017 in accordance with the provisions of Section 50 of the Act.

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

9.1. Statutory Director

In 2020, the Statutory Director received a dividend from the investment shares held in the Sub-Fund in the amount of CZK 0 thousand (in 2019 CZK 706 thousand).

9.2. Board of Directors

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

10. Identification of assets, if their value exceeds 1% of the fund value on the day the valuation for the purpose of this report was conducted, including the total acquisition cost and the real value at the end of the accounting period

Thousands CZK

Identification of funds assets	Type of asset	Acquisition cost	Total fair value
NRE Hradec, s.r.o.	Loan	92,302	93,353
NRE Hradec, s.r.o.	Share	101,331	348,291
NRE Jablonec, s.r.o.	Loan	121,452	141,532
NRE Jablonec, s.r.o.	Share	65,331	229,889
NRE Kutil, s.r.o.	Loan	65,650	75,039
NRE North Point 17, s.r.o.	Loan	88,052	108,776
NRE North Point 17, s.r.o.	Share	50,578	64,982
NRE OCCB, s.r.o.	Loan	207,854	254,318
NRE OCCB, s.r.o.	Share	105,434	151,212
NRE OFM, s.r.o.	Loan	73,000	80,549
NRE OFM, s.r.o.	Share	22,055	42,050
NRE Panorama, s.r.o.	loan	117,508	145,918
NRE Panorama, s.r.o.	Share	26,486	82,174
NRE Penny, s.r.o.	Loan	71,450	81,668
NRE Penny, s.r.o.	Share	40,294	56,618
NRE Smíchov Gate, s.r.o.	Loan	271,297	341,181
NRE Smíchov Gate, s.r.o.	Share	25,715	86,017
NRE South Point 16, s.r.o.	Loan	171,920	212,106
NRE South Point 16, s.r.o.	Share	74,029	42,392
NRE Vyšehrad Victoria, s.r.o.	Loan	81,725	98,494
ZNO Slovakia, s.r.o.	Loan	374,218	366,689
ZNO Slovakia, s.r.o.	Share	489,821	567,601
NRE Znojmo, s.r.o.	Loan	62,843	67,946
NRE Znojmo, s.r.o.	Share	5,131	69,588

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

11.1. Statutory Director

The Statutory Director owned as at 31 December 2020 32,309,045 pcs of investment shares of the CZK class of the Sub-Fund (as at 31 December 2019: 27,896,372 shares).

11.2. Board of Directors

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

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

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

13. Depository or other custodians of the Sub-Fund

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

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

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

In the relevant period there were no significant changes to the Sub-Fund's statute in regard of strategy and focus of the Sub-Fund, fee structure, outsourcing matters, the Sub-Fund's management and risk profile.

By the decision of the general meeting of NOVA Real Estate from 28 February 2020 it was ruled that for the sub-fund 1 there will be two types of investment shares emitted – growth investment shares class A and dividend investment shares class A, effective from 1 April 2020. All existing investment shares emitted prior to this effective day were transformed into growth investment shares class A. Effective from 1 April 2020 a new type of investment shares was created – dividend investment shares class A, which can be purchased from this day.

In accordance to the current accounting legislative, the dividend class of the investment shares was stopped immediately and there were no shares emitted up to 31 December 2020.

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

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

In 2020 and 2019, there was no consideration paid to the members of Supervisory Board of the managing company. Remuneration of the members of the Board of Directors consists of variable and fixed component. While the variable component depends on the profits of the managing company.

Staff statistics of managing company

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

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

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

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

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

18. Investments in research and development

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

19. Information on environmental and labour-law activities

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

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

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

21. Equity of the Sub-Fund

Fund's capital as at 31. 12. 2020

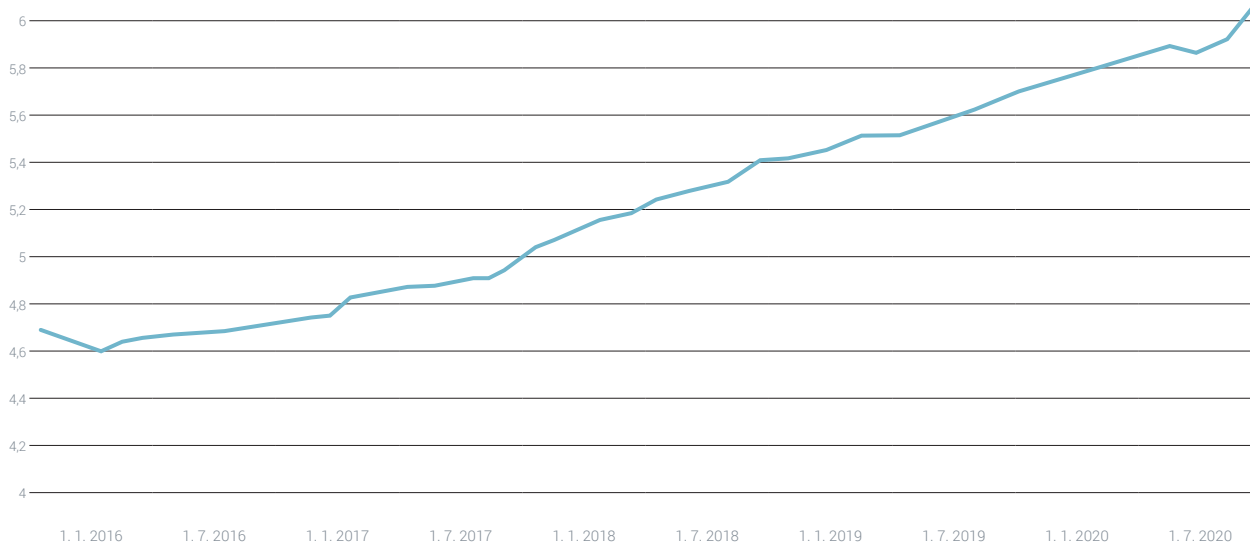
Fund's capital	CZK 3,019,604 ths.
Number of issued EUR class investment shares	13,877,686 pcs.
Number of issued CZK class investment shares	674,522,239 pcs.
Fund's capital per 1 share /CZK class	CZK 1.2021
Fund's capital per 1 share /EUR class	CZK 159.1590

In the year 2020 there was no earnings payout for the investment shares neither in the CZK nor the EUR class. In the year 2019 a dividend of CZK 0.0253 for the CZK class and EUR 0.1273 for the EUR class was payed out per 1 share.

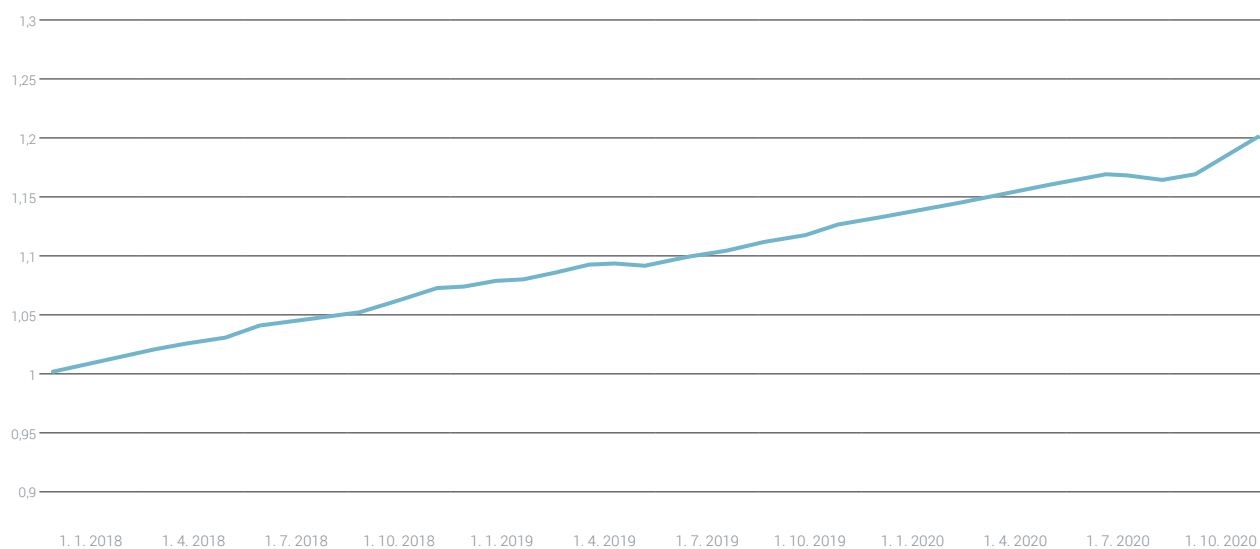
22. Investment share values for the year 2020

As at 31 December 2020 the NAV per 1 investment share of the CZK growth class was CZK 1.2021 and the NAV per 1 investment share of the EUR growth class was CZK 159.1601 (2019: CZK 1.1277 and CZK: 144.5397).

The evolution of the CZK investment share



The evolution of the EUR investment share



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

In Prague, 29 April 2021

Rudolf Vřešťál
 Authorised Representative
 REDSIDE investiční společnost, a.s.



Financial statements NOVA Real Estate, investment fund



Independent auditor's report

to the shareholder of fund NOVA Real Estate, investiční fond s proměnným kapitálem, a.s.

Our opinion

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

What we have audited

The Fund's financial statements comprise:

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

Basis for opinion

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

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

Independence

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

Other information

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

29 April 2021

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



Eva Loulová
Statutory Auditor, Licence No. 1981

This report is addressed to the shareholder of fund NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.

NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.
Financial statements for the year ended 31 December 2020

Identification No.: 04331869

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

Date of preparation of the financial statements: 29 April 2021

BALANCE SHEET

As at 31 December 2020

In thousands of CZK	Note	31. 12. 2020	31. 12. 2019
ASSETS			
3 Due from banks – repayable on demand	7	1,955	1,656
4 Due from customers – other receivables	8	103	385
Total assets		2,058	2,041
LIABILITIES			
4 Other liabilities	9	137	120
8 Share capital – fully paid	10	2,000	2,000
14 Accumulated losses		-79	-79
15 Profit or loss for the period		–	–
Total liabilities		2,058	2,041
OFF-BALANCE SHEET			
Off-balance sheet assets			
15 Assets under management	11	1,921	1,921

INCOME STATEMENT

for the year ended 31 December 2020

In thousands of CZK	Note	2020	2019
1 Other operating income	13	90	159
5 Fee and commission expense		-11	-9
6 Gains or losses on financial activities		-23	-8
9 Administrative expense – other	5	-56	-142
19 Profit/loss on ordinary activities before tax		–	–
23 Income tax		–	–
24 Net profit/loss for the accounting period		–	–

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

In thousands of CZK	Note	Registered capital	Restated Accumulated losses	Restated Total
Balance as at 1. 1. 2019		2,000	-79	1,921
Net profit/loss for the accounting period		–	–	–
Balance as at 31. 12. 2019		2,000	-79	1,921
Net profit/loss for the accounting period		–	–	–
Balance as at 31. 12. 2020		2,000	-79	1,921

The accompanying notes on pages 4 to 11 are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characteristic of the Fund

NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s. (the "Investment Fund" or the "Fund") is managed and administered by REDSIDE investiční společnost, a.s. (the "Investment company"). The Fund has been established on the basis of the announcement of the Czech National Bank ref. No. 2015/088423/CNB/2015 dated 13 August 2015, which came into force on 20 August 2015.

The Fund is registered in the register of investment funds with legal subjectivity maintained by the CNB based on Section 597, letter (a) of the Act No. 240/2013 Coll., on Investment Companies and Investment Funds (the "Act").

The Fund is a fund of qualified investors following Section 95, para 1, letter (a) of the Act, which allows the Fund to create sub-funds in accordance with Section 165, para 1 of the Act. Each sub-fund collects the financial resources of qualified investors by issue of investment shares of the sub-fund and carries joint investments of the collected cash resources or at cash measurable assets based on a determined investment strategy of the sub-fund to the benefit of these qualified investors.

The Fund is established for an indefinite period.

Fund strategy

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

They invest into real estates in the Czech Republic and Central Europe and represent separate accounting units.

Founder's shares

The Fund was set-up by the Investment company by 20 pcs of founder's shares at a nominal value of CZK 100,000 each. All shares are owned by the Investment company.

Established sub-funds

The Investment fund is an umbrella fund for NOVA Real Estate, podfond 1.

Organizational structure

The Fund is managed by the Investment company.

Key information on the Investment company

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

Share capital

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

Date of establishment

29 June 2012

Decision on license for operation

Decision of the CNB ref. No. 2013/5063/570 dated 29 April 2013.

The Investment company is registered in the list of investment companies maintained by the CNB.

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

- management of the Fund's assets,
- asset management of the Fund, including investing on the Fund's account,
- investment risk management;
- administration of the Fund, mainly;

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

Business activity of the Investment company

Activity of an investment company pursuant to the Act, carried out pursuant to the license of the Czech National Bank dated 26 April 2013.

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

Board of Directors

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

Supervisory Board

Petra Rychnovská	Chairman	since 29 June 2013
Petr Studnička		since 10 June 2014
Šárka Burgetová		since 27 November 2020

Company representation

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

Shareholders and Shares

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

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

Changes in the Commercial Register

In 2020, the following changes were entered into the Commercial Register:

Board of Directors

Juraj Dvořák – day of termination of membership 8 April 2020, deleted on 14 April 2020.
Michal Zachar – acquisition day of membership 9 April 2020, registered on 14 April 2020.

The following changes took place in the Company's Supervisory Board in the period under review: With effect from 9 April 2020 Juraj Dvořák was appointed as Member of the Supervisory Board, replacing Mrs. Šárka Burgetová, whose membership in the Supervisory

Board ended on 8 April 2020. Juraj Dvořák was then appointed as a Chairman of the Supervisory Board. On 26 November 2020 Juraj Dvořák was recalled as a Member of the Supervisory Board, replaced with Šárka Burgetová. On 27 November 2020 Petra Rychnovská was appointed as new Chairman of the Supervisory Board.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) The date of transaction recognition

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

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

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

(b) Receivables

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

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

Trade receivables

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

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

(c) Provisions

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

A provision is created if the following criteria are met:

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

(d) Foreign currency translation

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

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

(e) Value added tax

The Fund is not a registered Value Added Tax ("VAT") payer.

(f) Taxation

Current tax

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

Deferred tax

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

(g) Related parties

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

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

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

(h) Cash and cash equivalents

Cash consists exclusively of current accounts with banks.

The Fund does not have any cash equivalents.

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

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

4. CHANGES IN ACCOUNTING POLICIES

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

5. ADMINISTRATIVE EXPENSES

In thousands of CZK	2020	2019
Audit fee	17	142
Depository fee	36	–
Other administrative expenses	3	–
Total	56	142

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

6. RELATED PARTY TRANSACTIONS

In thousands of CZK	2020	2019
Assets		
Receivables due from customers - other	46	385
Income		
Other operating income	90	159

7. DUE FROM BANKS

In thousands of CZK	31. 12. 2020	31. 12. 2019
Current accounts (nostro accounts)	1,955	1,656
Net receivables from banks	1,955	1,656

8. DUE FROM CUSTOMERS

In thousands of CZK	31. 12. 2020	31. 12. 2019
Receivables from related parties	103	385
Net receivables from customers	103	385

9. OTHER LIABILITIES

In thousands of CZK	31. 12. 2020	31. 12. 2019
Trade payables and other creditors	–	40
Estimated payables	137	80
Total	137	120

10. EQUITY

Registered share capital of the Fund is CZK 2,000 thousand. The Fund issued 20 pcs of registered common shares in paper form. The sole shareholder is REDSIDE investiční společnost, a.s.

11. ASSETS UNDER MANAGEMENT

In thousands of CZK	31. 12. 2020	31. 12. 2019
Cash	1,955	1,656
Due from customers	103	385
Other liabilities	-137	-120
Total	1,921	1,921

12. FINANCIAL INSTRUMENTS

(a) Market risk

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

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

(b) Liquidity risk

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

Residual maturity of the Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	Over 1 year	Not specified	Total
As at 31 December 2019					
Due from banks	1,656	–	–	–	1,656
Due from customers	385	–	–	–	385
Total	2,041	–	–	–	2,041
Other liabilities	120	–	–	–	120
Equity	–	–	–	1,921	1,921
Total	120	–	–	1,921	2,041
Gap	1,921	–	–	-1,921	–
Cumulative gap	1,921	1,921	1,921	–	–

In thousands of CZK	Within 3 months	From 3 months to 1 year	Over 1 year	Not specified	Total
As at 31 December 2020					
Due from banks	1,955	–	–	–	1,955
Due from customers	46	57	–	–	103
Total	2,001	57	–	–	2,058
Other liabilities	137	–	–	–	137
Equity	–	–	–	1,921	1,921
Total	137	–	–	1,921	2,058
Gap	1,864	57	–	-1,921	–
Cumulative gap	1,864	1,921	1,921	–	–

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

(c) Interest rate risk

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

(d) Currency risk

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

(e) Credit risk

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

(f) Operational, legal and other risks

The management of operational, legal and other risks is regulated by the Fund's Statute and internal regulations. All Fund's investments must be realised in accordance with the applicable Fund's Statute and subject to the control of the depositary of the Fund, which was over the whole year 2020 and 2019 UniCredit Bank Czech Republic and Slovakia, a.s.

The past year 2020 felt very uncertain and in the history books it will be remembered as the year, when the COVID-19 pandemic took over the world. Individual European countries including the Czech Republic and Slovakia utilised restrictive measures throughout the year, with the goal of restricting mobility of the citizens and managing the spread of the illness. Most European countries struggled with several waves of the disease throughout the year. Throughout the entire year 2020 the investment company closely monitored the fund exposure to COVID-19 and its consequences including:

- i) Operational impact on the company's and the fund's business,
- ii) Impacts of the worsened macroeconomic conditions and the slowing down of the flow of people, goods and services,
- iii) The change of asset prices and financial conditions (including interest rates).

13. SUBSEQUENT EVENTS

In regard to legislative changes the accounting methods will be adjusted from 1 January 2021 for the Monetary instruments fund. The accounting law, specifically the implementing decree requires the utilisation of the European IFRS standards for monetary instruments. The impact on the 2021 financial statements is being evaluated by the Investment company and will be demonstrated in the Fund's financial statements for the year 2021.

No other significant events have occurred between balance sheet date and the financial statements preparation date, that would have a material impact on the financial statements as at 31 December 2020.

The financial statements
were prepared on:

29 April 2021

Stamp and signature
of Statutory Body:



Rudolf Vřešťál
Authorized representative

Person responsible
for accounting

Name and signature:



Karel Krhovský
Authorized representative
phone no.: 222 500 758

Person responsible for
the financial statements

Name and signature:



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

Financial statements NOVA Real Estate – sub-fund 1



Independent auditor's report

to the shareholders of sub-fund NOVA Real Estate – podfond 1 of fund NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of sub-fund NOVA Real Estate – podfond 1 of the fund NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s., with its registered office at V celnici 1031/4, Nové Město, Praha 1 (“the Sub-fund”) as at 31 December 2020 and of the Sub-fund's financial performance for the year ended 31 December 2020 in accordance with Czech accounting legislation.

What we have audited

The Sub-fund's financial statements comprise:

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

Basis for opinion

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

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

Independence

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

Other information

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- obtain an understanding of internal controls of REDSIDE investiční společnost, a.s. relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-fund's internal controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors of REDSIDE investiční společnost, a.s.
- conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-fund to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and supervisory board of REDSIDE investiční společnost, a.s. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

29 April 2021

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



Eva Loulová
Statutory Auditor, Licence No. 1981

This report is addressed to the shareholders of sub-fund NOVA Real Estate – podfond 1 of the fund NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.

NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.
NOVA Real Estate – sub-fund 1
Financial statements for the period ended 31 December 2020

Identification no.: 71508651

Business activity: The activity of an investment fund

Date of preparation of the financial statements: 29 April 2021

BALANCE SHEET

As at 31 December 2020

In thousands of CZK	Note	31. 12. 2020	31. 12. 2019
ASSETS			
3 Due from banks – repayable on demand	10	37,049	116,731
4 Due from customers – other receivables	11	2,193,265	2,152,718
8 Equity interests with controlling influence	12	1,816,393	1,077,947
Other assets		1,595	–
Prepaid expenses		2,291	–
Total assets		4,050,593	3,347,396
LIABILITIES			
2 Due to customers – other	13	962,619	31,301
4 Other liabilities	14	68,370	103,545
6 Provisions for taxes	15	–	1,363
12 Capital funds	16	2,335,985	2,745,231
13 Revaluation reserve		659,533	444,230
14 Retained earnings from previous periods		21,726	43,371
15 Profit for the accounting period	17	2,360	-21,645
Total liabilities		4,050,593	3,347,396
OFF-BALANCE SHEET			
Off-balance sheet liabilities			
15 Assets under management	19	3,019,604	3,211,187

INCOME STATEMENT

for the year ended 31 December 2020

In thousands of CZK	Note	2020	2019
1 Interest income and similar income	5	144,094	133,296
2 Interest and similar expense	6	-27,219	-1,302
5 Fee and commission expenses		-630	-56
6 Gains or losses on financial operations	7	-40,580	8,073
9 Administrative expenses – other	8	-70,487	-62,370
Creation and use of provisions		-1,116	–
15 Losses from the transfer of participations		-779	-95,541
19 Profit (loss) before tax		3,283	-17,899
23 Income tax	18	-923	-3,746
24 Net profit (loss) for the accounting period		2,360	-21,645

The notes on pages 4 to 19 are an integral part of these financial statements.

1. GENERAL INFORMATION

Establishment and characteristics of the Sub-Fund

NOVA Real Estate – sub-fund 1 (hereinafter „Sub-Fund“) is managed and administered by REDSIDE investiční společnost, a.s. (hereinafter „Investment Company“). The Sub-Fund has been established on the basis of the announcement of the Czech National Bank (hereinafter „ČNB“) ref. No. 2015/094553/570 dated 28 August 2015, which came into force on the same date.

The Sub-Fund was set-up in accordance with Act No. 240/2013 Coll. (the “Act”), on Investment Companies and Investment Funds. In particular, sub-funds are covered by Section 165 of the Act, where the investment fund - NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s. - may create sub-funds provided that the Articles of Association allow this. The Sub-Fund has its own investment strategy.

The Sub-Fund has no legal personality, has no employees and is established for an indefinite period.

The depositary of the Sub-Fund is UniCredit Bank Czech Republic and Slovakia, a.s.

Sub-Fund strategy

The investment objective of the Sub-Fund is to achieve a stable asset appreciation above the long-term interest rate yield through long-term investments in real estate companies. If short-term investments are economically viable for the Sub-Fund, the Sub-Fund is also authorized to make such short-term investments.

Investment shares in 2020

Issue of Sub-Fund's investment shares commenced on 18 December 2015, with ISIN CZ0008041845 at a nominal value of EUR 1. Issue of Sub-Fund's investment shares in CZK commenced on 16 February 2018 with ISIN CZ0008043049 at a nominal value of CZK 1. As at 31 December 2020 13,877,686 pcs (2019: 17,805,278) of investment shares in book-entry form with a nominal value of EUR 1 and 674,522,239 pcs (2019: 565,416,720) of investment shares in book-entry form with a nominal value of CZK 1.

Organizational structure

The Sub-fund is managed by the Investment Company.

Key information on the Investment Company

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

Registered capital

CZK 8,400,000; fully paid.

Date of establishment

29 June 2012

Decision on licence for operations

Decision of the CNB ref. No. 2013/5063/570 dated 29 April 2013.

The Investment Company is registered in the list of investment companies maintained by the ČNB pursuant to Section 596 (a) of the Act.

The activities of the Investment Company in relation to the Sub-Fund:

- Asset management of the Sub-Fund,
- Asset administration of the Sub-Fund, including investment on behalf of the Sub-Fund,
- Managing the risks associated with investing,
- Administration of the Sub-Fund, in particular
- The Sub-Fund's bookkeeping
- Providing legal services,
- Compliance,

- Handling complaints from investors of the Sub-Fund,
- Valuation of assets and liabilities of the Sub-Fund,
- Calculation of the current value of the Sub-Fund's investment share
- Ensuring compliance with obligations relating to taxes, fees or other similar cash consideration,
- Maintaining a list of owners of investment shares issued by the Sub-Fund,
- Distribution and payment of the return from the Sub-Fund's assets,
- Ensuring the issue and redemption of investment shares issued by the Sub-Fund,
- Preparing, updating and issuing the Annual Report of the Sub-Fund,
- Preparing and issuing the Sub-Fund's promotional communication,
- Publishing, making available and providing data and documents to the Sub-Fund's shareholders and other persons,
- Reporting information and providing documents to the CNB or the supervisory authority of another Member State,
- Performance of other activities related to the management of the assets in the Sub-Fund
- Distribution and payment of cash consideration in connection with the dissolution of the Sub-Fund,
- Keeping records on the issue and redemption of investment shares issued by the Sub-Fund,
- Offering investments in the Sub-Fund.

Members of Investment Company bodies as at 31 December 2020

Board of Directors

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

Supervisory Board

Petra Rychnovská	Chairman of the Supervisory Board	since 29 June 2013
Petr Studnička		since 10 June 2014
Šárka Burgetová		since 27 November 2020

Company representation

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

Shareholders and Shares

As at 31 December 2020, the main shareholders were:

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

Changes in the Commercial Register

In 2020, the following changes were entered into the Commercial Register:

Board of Directors

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

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

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

2. BASIS FOR PREPARATION OF 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 the accounting records kept in accordance with Accounting act, Decree 501/2002 Coll. issued by the Ministry of Finance of the Czech Republic and Czech Accounting Standards for Financial Institutions.

The financial statements were prepared on an accrual basis of accounting and historical cost, except for selected financial instruments measured at fair value. The financial statements are based on the going concern assumption since there is no fact that would restrict it or prevent it from continuing its activities in the foreseeable future.

The impacts of the COVID-19 pandemic were taken into account by the investment company's management when preparing the financial statements, especially for the assets and liabilities valuation.

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

3. SIGNIFICANT ACCOUNTING METHODS

The financial statements of the Sub-Fund have been prepared in accordance with the following significant accounting methods:

(a) The date of transaction recognition

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

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

The Sub-Fund shall derecognize a financial asset or part thereof in the balance sheet if it loses control of the contractual rights to that financial asset or part thereof. The Sub-Fund will lose that control if it exercises the rights to the benefits defined by the contract, these rights cease to exist or it waives these rights.

If a financial liability or part thereof ceases to exist (e.g. by fulfilling or cancelling the obligation defined in the contract or if the obligation defined in the contract expires), the accounting entity will no longer recognize the financial liability or part thereof in the balance sheet. The difference between the carrying amount of the financial liability, or part thereof, that has ceased to exist or has been transferred to another entity and the amount of the relevant debt repaid is charged to the expense or income.

Fair values

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

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

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

The adjusted value of the security may be equal to:

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

(b) Equity interests with controlling and significant influence

Equity interests with controlling influence

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

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

The Sub-Fund exercises controlling influence whenever it meets at least one of the following conditions:

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

Equity interests with significant influence

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

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

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

Valuation of equity interests

Equity interests with controlling and significant influence are recognised at acquisition cost, which includes costs associated with the acquisition (e.g. expert opinions, legal services). At the balance sheet date, equity interests with controlling and significant influence are measured at fair value based on an expert opinion. Gains and losses from this valuation are recognized directly in the equity within „Revaluation reserve“.

(c) Receivables

Receivables initially incurred by the accounting entity are recognized at their nominal value less allowances. Bad debts are written off when they become barred by the statute of limitation, respectively at the end of the administrative proceedings. Acquired receivables are recognized at cost, including direct transaction costs (e.g. expert opinions, legal costs).

Trade receivables

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

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

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

Receivables from loans

Receivables from provided loans not held for trading are measured at fair value.

Changes in fair value are recognized in "Revaluation reserve" in equity and are recycled to "Profit or loss on financial operations" in the income statement on the settlement date.

(d) Creation of provisions

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

A provision is created if the following criteria are met:

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

(e) Foreign currency translation

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

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

(f) Value added tax

The Sub-Fund is not a registered Value Added Tax ("VAT") payer.

(g) Taxation

Current tax

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

Deferred tax

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

(h) Leasing

The Sub-Fund does not use any assets acquired by financial or operating leases.

(i) Related parties

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

- a) the party
 - (i) controls or jointly controls the Sub-Fund;
 - (ii) has significant influence in the Sub-Fund; or
 - (iii) is a member of the key management of the Sub-Fund.
- b) the party is an affiliate company of the Sub-Fund.
- c) the party is a joint venture in which the Sub-Fund is a co-owner
- d) the party is a member of the key management of the Sub-Fund or its 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 Sub-Fund.

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

(j) Cash and cash equivalent

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

(k) Items from a different accounting period and changes in accounting methods

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

4. CHANGES IN ACCOUNTING POLICIES

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

5. INTEREST INCOME

In thousands of CZK	2020	2019
Interest income and similar income from loans	144,094	133,296
Net interest income	144,094	133,296

Geographical segmentation of interest income

In thousands of CZK	31. 12. 2020	31. 12. 2019
Interest income CZ	116,749	107,884
Interest income EU	27,346	25,412

6. INTEREST EXPENSE

In thousands of CZK	2020	2019
Interest and similar expense	27,219	1,302
Net interest expense	27,219	1,302

7. GAINS OR LOSSES ON FINANCIAL OPERATIONS

In thousands of CZK	2020	2019
Gains on foreign exchange operations	613,792	143,555
Loss on foreign exchange operations	-654,372	-135,482
Total	-40,580	8 073

Geographical segmentation of financial operations revenue

In thousands of CZK	31. 12. 2020	31. 12. 2019
Interest income CZ	303,470	41,942
Interest income EU	310,322	101,613

8. ADMINISTRATIVE EXPENSES

In thousands of CZK	2020	2019
Management of the Sub-Fund	52,535	45,513
Management fees	14,464	14,114
Depositary and custody fees	1,262	1,183
Audit, legal and tax advice fees	789	655
Other (expert opinions, translations, marketing)	1,437	905
Total	70,487	62,370

The Sub-Fund pays management fees to the Investment Company, which are calculated in accordance with the contract on the performance of the function of the statutory body. The fee is set at 1.6% p.a. of the Sub-Fund's equity annually plus 30% of the achieved appreciation in excess of 6%.

The Sub-Fund pays the depositary fees for the performance of the depositary's function in the amount of CZK 651 thousand (2019: CZK 653 thousand).

9. RELATED PARTY TRANSACTIONS

In thousands of CZK	2020	2019
Assets		
Due from customers – receivables from subsidiaries	2,181,153	1,636,593
Equity interests with controlling influence	1,816,393	1,077,947
Liabilities		
Due to customers – other payables	–	–
Other liabilities	–	–
Other liabilities – estimated payables	15,571	24,222
Income		
Interest and similar income from loans granted to entities with controlling influence	143,234	133,001
Expenses		
Administrative expenses – management fees	52,535	45,513
Performance fees	14,464	14,114

10. DUE FROM BANKS

In thousands of CZK	31. 12. 2020	31. 12. 2019
Current accounts (nostro accounts)	37,049	116,731
Net receivables from banks	37,049	116,731

11. DUE FROM CUSTOMERS

In thousands of CZK	31. 12. 2020	31. 12. 2019
Receivables from loans granted (including interest and exchange rate revaluation)	2,193,265	2,152,715
Net receivables due from customers	2,193,265	2,152,718

Loans are granted to subsidiaries at interest rate of 6-9% p.a. and are due between 2020-2024. Loans are granted to other companies at interest rate of 5-8% p.a. The Company's management believes that the principal and accrued interest will be paid-out from the cash flows generated in the ordinary course of business of the subsidiaries in accordance with the loan agreements. Accrued interest is also due on the maturity date of the loans. According to the Act and the Statute, the Sub-Fund is required to perform revaluation of the Sub-Fund's assets and debts to fair value on an annual basis. Receivables are recognised at fair value at the balance sheet date.

12. EQUITY INTERESTS WITH CONTROLLING INFLUENCE

As at 31 December 2020

Company name	Share in equity	Acquisition cost	Fair Value
NRE Znojmo s.r.o. (původně OPX Czech, s.r.o.)	100%	5,131	69,588
NRE Jablonec s.r.o. (původně OUA Czech, s.r.o.)	100%	65,331	229,889
NRE Hradec s.r.o. (původně OQT Czech, s.r.o.)	100%	101,331	348,291
ZNO Slovakia s.r.o.	100%	489,821	567,601
NRE OFM s.r.o. (původně HMX Czech s.r.o.)	100%	22,055	42,050
NRE North Point 17 s.r.o.	100%	50,578	64,982
NRE South Point 16 s.r.o.	100%	74,029	42,392
NRE Vyšehrad Victoria s.r.o.	100%	64,663	21,909
CXD Czech, s.r.o.	100%	25,055	16,724
NRE Smíchov Gate s.r.o.	100%	25,715	86,017
NRE Panorama s.r.o.	100%	26,486	82,174
NRE Penny 1 s.r.o.	100%	40,294	56,618
NRE OCCB s.r.o.	100%	105,434	151,212
NRE Kutil s.r.o.	100%	25,595	36,946
Total		1,121,518	1,816,393

As at 31 December 2019

Company name	Share in equity	Acquisition cost	Fair Value
NRE Znojmo s.r.o. (původně OPX Czech, s.r.o.)	100%	5,131	56,369
NRE Jablonec s.r.o. (původně OUA Czech, s.r.o.)	100%	65,331	184,190
NRE Hradec s.r.o. (původně OQT Czech, s.r.o.)	100%	101,331	303,963
NRE North Point 17 s.r.o.	100%	50,578	52,234
NRE South Point 16 s.r.o.	100%	74,029	34,049
NRE Vyšehrad Victoria s.r.o.	100%	64,663	21,441
CXD Czech, s.r.o.	100%	25,055	14,612
NRE Smíchov Gate s.r.o.	100%	25,715	110,274
NRE Panorama s.r.o.	100%	26,486	74,735
NRE Penny 1 s.r.o.	100%	40,294	49,483
NRE Kutil s.r.o.	100%	25,595	33,854
NRE OCCB s.r.o.	100%	105,434	133,055
NRE OFM s.r.o.	100%	65	9,688
Total		609,707	1,077,947

All equity interests with controlling influence, except for the company ZNO Slovakia s.r.o., which has its registered office in Slovakia, have their registered office in the Czech Republic.

Under the Act and Statute, the Sub-Fund is required to revalue the Sub-Fund's assets at fair value on an annual basis.

During 2015 and 2016, the Sub-Fund purchased 100% of shares in companies owning and operating large-scale shopping malls in the district towns of the Czech Republic. In 2017 and 2019, there were further successful acquisitions and the Sub-Fund became the owner of 100% of the shares in companies owning and operating both administrative buildings in Prague and regional retail outlets. In 2020, an industrial park was purchased in Slovakia. In all cases, the purchases of these companies were wholly financed by external funds and therefore the equity of the Sub Fund's subsidiaries is very low.

The fair value of equity interest with a controlling influence as at balance sheet day was determined on the basis of an expert valuation. This valuation was based on discounted cash flow projections, which were based on estimates of future cash flows based on existing lease and service contracts. Consideration was given to independent external data from the rental market in the Czech Republic, which mainly assesses historical and current market rentals for similar or type-comparable properties in a given location, condition and as close as possible to the rental profile. The valuation also considers discount rates that reflect current market assessment of the uncertainties of the amount and timing of cash flows. The main assumptions on which the fair value is based are:

- currently contracted rent;
- expected future market rents;
- vacancies;
- technical condition of the building and location;
- and corresponding discount rates.

These valuations are regularly compared to actual market yield data and actual market transactions for the period. Estimated fair value is sensitive to the main assumptions underlying the estimate, namely the discount factor used in the range of 5.00% to 6.83% for individual real estates. The increase of the discount factor in the future would mean a significant reduction in fair value.

The revaluation reserve of CZK 694,875 thousand, which is the difference between the fair value at balance sheet day and the cost (as at 31 December 2019: CZK 468,241 thousand) represents, in particular, the difference between the fair value of individual business and administrative centres and industrial parks according to the valuation and the price at which these business and administrative centres and industrial parks were acquired (including related acquisition costs) and is caused mainly by the difference between the input parameters of the valuation models used by the expert and the parameters used in the calculation of the acquisition cost for these business and administrative centres and industrial parks over the time.

13. DUE TO CUSTOMERS

In thousands of CZK	31. 12. 2020	31. 12. 2019
EUR due to customers - other than payable on demand	845,115	–
CZK due to customers - other than payable on demand	117,504	31,302
Total due to customers	962,619	31,302

14. OTHER LIABILITIES

In thousands of CZK	31. 12. 2020	31. 12. 2019
Trade payables and other creditors	10,550	55,938
Estimated payables	23,105	24,223
Deferred tax liability	34,715	23,384
Total	68,370	103,545

15. INCOME TAX PROVISIONS

In thousands of CZK	2020	2019
Opening balance as at 1.1.	1,363	742
Additions to provision in the amount of expected tax	931	3,140
Utilisation of tax provision	-2,294	-2,519
Closing balance as at 31.12	–	1,363

16. EQUITY

In thousands of CZK	31. 12. 2020	31. 12. 2019
Equity in CZK class (in thousands of CZK)	810,845	637,619
Equity in EUR class (in thousands of CZK)	2,208,759	2,573,568
Equity in total (in thousands of CZK)	3,019,604	3,211,187
Number of issued investment shares CZK (pcs)	674,522,239	565,416,720
Number of issued investment shares EUR (pcs)	13,877,686	17,805,278
NAV per share (CZK)	1.2021	1.1277
NAV per share (EUR)	159.1590	144.5397

The Sub-Fund's capital fund consists of investment shares. The Sub-Fund issued 105,177,927 pcs (2019: 230,939,483 pcs) of investment shares during the accounting period.

The current value of the Sub-Fund's investment share is derived from the equity of the Sub-Fund for the relevant calendar month, as of the last day of the relevant calendar month.

The revaluation reserve recognized in equity can be analysed as follows:

In thousands of CZK	31. 12. 2020	31. 12. 2019
Revaluation of equity interest	694,248	467,614
Revaluation of receivables	–	–
Deferred tax liability from revaluations	-34,715	-23,384
Total	659,533	444,230

Statement of changes in equity for the year ended 31 December 2020

In thousands of CZK	Capital funds	Revaluation reserve	Retained earnings	Total
Balance as at 1. 1. 2019	2,155,911	207,478	110,890	2,473,879
Revaluation differences not included in net profit	–	236,752	–	236,752
Net loss for the period	–	–	-21,645	-21,645
Dividends paid	–	–	-67,519	-67,519
Shareholders contributions	589,720	–	–	589,720
Balance as at 31. 12. 2019	2,745,231	444,230	21,726	3,211,187
Revaluation differences not included in net profit	–	215,303	–	215,303
Net profit for the period	–	–	2,360	2,360
Shareholders contributions	-409,246	–	–	-409,246
Balance as at 31. 12. 2020	2,335,985	659,533	24,086	3,019,604

17. RETAINED EARNINGS

The distribution of the profit earned in 2019 is presented in the Statement of Changes in Equity.

Profit for 2020 of CZK 2,360 thousand is proposed to be transferred to retained earnings.

18. INCOME TAX AND DEFERRED TAX LIABILITY

(a) Current income tax

In thousands of CZK	2020	2019
Profit (loss) before taxation	3,283	-17,899
Tax base	18,619	77,652
Tax calculated at the rate of 5%	931	3,883

(b) Deferred tax

The deferred tax liability of CZK 34,715 thousand as at 31 December 2020 (as at 31 December 2019: CZK 23,384 thousand) represents 5% of the revaluation reserve recognized in the Sub-Fund's equity.

19. ASSETS UNDER MANAGEMENT

In thousands of CZK	31. 12. 2020	31. 12. 2019
Cash	37,049	116,731
Equity interests with controlling influence	1,816,393	1,077,947
Due from customers	2,193,265	2,152,718
Other assets and prepaid expenses	3,886	–
Due to customers	-962,619	-31,301
Provision for income tax	–	-1,363
Other liabilities	-68,370	-103,545
Total	3,019,604	3,211,187

20. FINANCIAL INSTRUMENTS

(a) Market risk

The Sub-Fund is exposed to market risk as a result of its general investment strategy in accordance with its statute. The Sub-Fund acquires resources from the shareholders and invests them through direct or indirect investments in premium class real estate projects in major cities in the Czech Republic and Central Europe.

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

(b) Liquidity risk

The liquidity risk arises from the way the Sub-Fund finances its activities and manages its positions. In view of the assessment of the degree of this risk and the overall financial position of the Sub-Fund, the liquidity risk was not assessed as material and no extraordinary measures were taken until 2019. Due to the pandemic crisis with the consequent impact on the economy as a whole, the Sub-Fund faced a liquidity crisis in mid-2020 due to requests to repurchase investment shares from several major investors. After evaluating the scenarios of economic viability of possible solutions to the situation, the option of drawing a loan at the level of the Sub-Fund was chosen in order to pay out the repurchased investment shares. At the end of 2020, the sub-fund is already in a stable situation despite the turbulent development of the market situation and in society as a whole.

Residual maturity of the Sub-Fund's assets and liabilities

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	No specification	Total
As at 31 December 2019						
Due from banks	116,731	–	–	–	–	116,731
Due from customers	20,183	138,757	1,993,778	–	–	2,152,718
Equity interests with controlling influence	–	–	–	–	1,077,947	1,077,947
Total	136,914	138,757	1,993,778	–	1,077,947	3,347,396
Other liabilities	80,160	–	–	–	23,385	103,545
Due to customers	–	–	31,301	–	–	31,301
Provisions	–	1,363	–	–	–	1,363
Equity	–	–	–	–	3,211,187	3,211,187
Total	80,160	1,363	31,301	–	3,234,572	3,347,396
Gap	56,754	137,394	1,962,477	–	-2,156,625	–
Cumulative gap	56,754	194,148	2,156,625	2,156,625	–	–

In thousands of CZK	Within 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	No specification	Total
As at 31 December 2020						
Due from banks	37,049	–	–	–	–	37,049
Other assets, prepaid expenses and accrued income	362	2,680	844	–	–	3,886
Due from customers	–	495,551	1,697,714	803,124	–	2,193,265
Equity interests with controlling influence	–	–	–	–	1,816,393	1,816,393
Total	37,411	498,231	1,698,558	803,124	1,816,393	4,050,593
Other liabilities	36,013	367	–	–	34,715	68,370
Due to customers	–	–	962,619	–	–	962,619
Provisions	–	–	–	–	–	–
Equity	–	210,858	–	–	2,808,746	3,019,604
Total	33,288	211,225	962,619	–	2,843,461	4,050,593
Gap	4,123	287,006	735,939	–	-1,027,068	–
Cumulative gap	4,123	291,129	1,027,068	–	–	–

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

The fund is obliged to repurchase the investment share from the shareholder within:

a) 4 months from the last calendar day of the month in which the sub-fund/company received the request for repurchase of the investment shares, given the shareholder in question is requesting a repurchase of the investment shares at the current value and up to the 10,000,000 CZK total value threshold, or an EUR equivalent;

b) 6 months from the last calendar day of the month in which the sub-fund/company received the request for repurchase of the investment shares, given the shareholder in question is requesting a repurchase of the investment shares at the current value and above the 10,000,000 CZK total value threshold but only up to 30,000,000 CZK total value threshold, or an EUR equivalent;

c) 12 months from the last calendar day of the month in which the sub-fund/company received the request for repurchase of the investment shares, given the shareholder in question is requesting a repurchase of the investment shares at the current value and above the 30,000,000 CZK total value threshold, or an EUR equivalent.

(c) Interest rate risk

The sub-fund recognised in its assets fixed interest receivables from non-bank entities of CZK 2,193 million (31 December 2019: CZK 2,153 million). The interest rates on these receivables are significantly above the two-week repo rate set by the Czech National Bank. In the near future, a significant increase in the interest rates that would mean an increase in potential opportunity cost, is not expected. Interest rate risk is considered insignificant.

(d) Currency risk

The currency risk means that the value of monetary assets and liabilities could be affected by a change in the exchange rate. Mismatch on the asset and liability sides may affect cash flows.

Foreign currency position of the Sub-Fund

In thousands of CZK	EUR	CZK	Total
As at 31 December 2019			
Due from banks	1,931	114,800	116,731
Due from customers	1,499,945	652,773	2,152,718
Total	1,501,876	767,573	2,269,449
Provisions	–	1,363	1,363
Due to customers	–	31,302	31,302
Other liabilities	–	103,545	103,545
Equity	2,573,568	637,619	3,211,187
Total	2,573,568	773,828	3,347,396
Net currency position	-1,071,692	-6,255	-1,077,947

In thousands of CZK	EUR	CZK	Total
As at 31 December 2020			
Due from banks	5,828	31,221	37,049
Other assets, prepaid expenses	–	3,886	3,866
Due from customers	1,622,082	571,183	2,193,265
Total	1,627,910	606,290	2,234,180
Provisions	–	–	–
Other liabilities	–	68,370	68,370
Due to customers	845,115	117,504	962,619
Equity	2,208,759	810,845	3,019,604
Total	3,053,874	996,719	4,050,593
Net currency position	-1,425,964	-390,429	-1,816,413

(e) Credit risk

The Sub-Fund is exposed to credit risk due to its business activity, lending, hedging and investment activities. Credit risks associated with the Sub-Fund's trading and investment activities are managed through the Sub-Fund's market risk management methods and instruments.

Collateral assessment

For collateralization of its credit claims, the Sub-Fund considers as an acceptable collateral the following: cash; securities; creditworthy receivables; bank guarantee; third-party creditworthy guarantee; real estate; machinery and equipment.

The existing receivables arising from loans granted to non-bank entities are not secured by any of the above types of collateral, due to the fact that the borrower is 100% owned by the lender, which as a controlling entity controls all risks, if any, which might occur on the side of the borrower and lead to impairment of receivables.

(f) Operational, legal and other risks

Management of operational, legal and other risks is regulated by the Sub-Fund's Statute and internal regulations. All Sub-Fund's investments are executed in accordance with the applicable Sub-Fund's Statute and subject to the control by the depositary, which was for the whole period of 2020 and 2019 UniCredit Bank Czech Republic and Slovakia, a.s.

21. SUBSEQUENT EVENTS

No significant events have occurred between balance sheet date and the financial statements preparation date, that would have a material impact on the financial statements as at 31 December 2020.

The financial statements
were prepared on:

29 April 2021

Stamp and signature
of Statutory Body:



Rudolf Vřešťál
Authorised representative

Person responsible
for accounting

Name and signature:



Karel Krhovský
Authorized representative
Phone no.: 222 500 758

Person responsible for
the financial statements

Name and signature:



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

Report on relations



Report on relations

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

I. Introductory provisions

1. The relevant period

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

2. Company name and registered office

NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s., with its registered office at Prague 1 - Nové Město, V Celnici 1031/4, postcode 110 00, Company ID: 043 31 869, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 20886 (hereinafter referred to as **“the Company”**).

3. Statutory body

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

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

Rudolf Vřešťál, born 22 February 1977, Prague 3, Žižkov, Prokopova 2849 / 2a, postcode 130 00;
and
Karel Krhovský, born 25 July 1987, No. 265, 687 64 Slavkov,

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

4. Shareholders and shares

At the end of the reporting period, the sole shareholder owning 100% of the founding shares was:
REDSIDE investiční společnost, a.s. - a shareholder owning 20 pieces of ordinary registered shares in paper form.

II. Related parties

1. Controlling Parties

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

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

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

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

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

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

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

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

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

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

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

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

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

NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s. owned shares in favour of NOVA Real Estate – podfond 1 (hereinafter referred to as the “**Sub-Fund**”) accounts in the following companies during the reporting period:

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

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

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

NOVA Green Energy, SICAV, a.s. owned shares in favour of NOVA Green Energy - podfond 1 accounts in the following companies:

Company	Identification no./NID	Registered office	Share %
BIOPLYN HOROVCE 3, s. r. o.	47168099	106 Horovce 020 62	100%
BioElectricity, s. r. o.	47 379 499	Horovce 106 Horovce 020 62	80%
CES-SOLAR 33, s. r. o.	46 094 504	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
CES-SOLAR 42, s.r.o.	46 094 644	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
ENERGOTREND alfa s.r.o.	28566408	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100%
ENWO s.r.o.	44 022 751	Hlavná 561 Kolíňany 951 78	99%
EPSOLAR s. r. o.	44 933 428	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
FTVE Green Energy 1, s. r. o.	46 025 804	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
FTVE Green Energy 2, s.r.o.	46 025 553	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
HK-Promotion, s. r. o.	44 707 541	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
CHILOE a.s.	28308883	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100%
INMADE, s.r.o	36 689 246	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
Jakub Solar s. r. o.	46 112 871	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
PV-Projekt, s. r. o.	45 281 106	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
SOLARIS one s.r.o.	43 871 917	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
TECOMA TRAVEL AGENCY, s.r.o.	36 577 537	Kukučínova 86/9 Košice - mestská část Juh 040 01	100%
TFI Slovakia s.r.o.	50 412 477	Laurinská 18 Bratislava - mestská část Staré Mesto 811 01	99%
ZXJ Czech, s.r.o.	05866111	V Celnici 1031/4, Nové Město, 110 00 Prague 1, Czech Republic	100%

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

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

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

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

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

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

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

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

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

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

Company	Identification no./NID	Registered office	Share %
REDSIDE investiční společnost, a.s.	242 44 601	Prague 1 - Nové Město, V Celnici 1031/4, PSČ 11000	90,48%
REDSIDE Investments a.s.	07187939	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%
SWISS FUNDS, a.s.	05421721	V Celnici 1031/4, Nové Město, 110 00 Prague 1	100%

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

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

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

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

Parties controlled by **BAZ Czech, a.s.** during the reporting period:

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

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

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

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

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

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

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

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

3. Relationship between the Controlling Parties and the Company

a) Capital connection

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

b) Personal connection

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

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

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

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

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

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

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

1. Agreements concluded between the Company and REDSIDE investiční společnost, a.s.
 - Agreement on the performance of the function of the Statutory Director of the Company as of 20 August 2015 as amended
 - Agreement on the performance of the function of member of the Company's Management Board as of 31 December 2020;
2. Agreements concluded between REDSIDE investiční společnost, a.s. and ASB Czech Republic, s.r.o concerning the administration of the Company and the Sub-Fund:
 - Agreement on delegation the performance of an individual activity, included in the administration of an investment fund between REDSIDE investiční společnost, a.s. as administrator and ASB Czech Republic, s.r.o. as a provider, concluded on 1 January 2015
3. Agreements concluded between the Company acting on behalf of the Sub-Fund and ARCA OPPORTUNITY, SICAV, a.s. acting on behalf of ARCA OPPORTUNITY - podfond 1
 - Loan agreement concluded on 9 October 2019
4. Agreements concluded between the Company acting on behalf of the Sub-Fund and CXD Czech, s.r.o.
 - Loan agreement concluded on 21 December 2017
5. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Hradec s.r.o.
 - Loan agreement concluded on 31 March 2020, as amended
 - Loan agreement concluded on 26 April 2016
6. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Jablonec s.r.o.
 - Loan agreement concluded on 28 April 2016
 - Loan agreement concluded on 1 December 2015, as amended
7. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Kutil s.r.o.
 - Loan agreement concluded on 21 December 2017
8. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Panorama s.r.o.
 - Loan agreement concluded on 20 February 2020, as amended
 - Agreement on receivables offsetting concluded on 1 September 2020
 - Loan agreement concluded on 21 December 2017
9. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Penny 1 s.r.o.
 - Loan agreement concluded on 21 December 2017
10. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE North Point 17 s.r.o.
 - Loan agreement concluded on 20 February 2020, as amended
 - Agreement on receivables offsetting concluded on 1 September 2020
 - Loan agreement concluded on 8 August 2016
11. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE OCCB s.r.o.
 - Loan agreement concluded on 26 June 2018, as amended
 - Loan agreement concluded on 29 June 2018, as amended
12. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE OFM s.r.o.
 - Agreement on the provision of a surcharge outside the share capital concluded on 1 February 2020;
 - Agreement on receivables offsetting concluded on 1 February 2020;
 - Loan agreement concluded on 20 June 2019, as amended;
13. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Smíchov Gate s.r.o.
 - Loan agreement concluded on 20 February 2020, as amended
 - Agreement on receivables offsetting concluded on 1 September 2020
 - Loan agreement concluded on 21 December 2017
14. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE South Point 16 s.r.o.
 - Loan agreement concluded on 20 February 2020, as amended
 - Agreement on receivables offsetting concluded on 1 September 2020
 - Loan agreement concluded on 8 August 2016, as amended
15. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Vyšehrad Victoria s.r.o.
 - Loan agreement concluded on 8 August 2016
16. Agreements concluded between the Company acting on behalf of the Sub-Fund and NRE Znojmo s.r.o.
 - Loan agreement concluded on 28 April 2016

17. Agreements concluded between the Company acting on behalf of the Sub-Fund and ZNO Slovakia s.r.o.

- Loan agreement concluded on 25 October 2019
- Loan agreement concluded on 14 February 2020
- Loan agreement concluded on 24 February 2020
- Loan agreement concluded on 24 February 2020

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

- Loan agreement concluded on 18 September 2018, as amended.

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

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

VI. Conclusion

1. In the reporting period the Company has not been subjected to any material or financial detriment by the Controlling Parties or the Related Parties as a result of contractual relations with the Controlling Parties or the Related Parties or any other legal acts or other actions taken or received in the interest or at the instigation of the Controlling Parties or the Related Parties.

2. The advantage of including the Company in the described business group is the benefit from the synergies of the group's activities and the use of the activities of other companies within the group. Possible disadvantage is more demanding administrative and organizational structure of the group. After an overall assessment of the impact of the company's inclusion in the business group, the benefits prevail. The described potential risks and disadvantages are addressed at the level of control elements of individual group entities.

3. The member of the Management Board of the Company declares that (i) it prepared this Report on relation based on all information available to it on the relations between the Controlling Party and the Company and between Company and Related Parties pursuant to Section 82 of the Commercial Corporations Act, (ii) this Report on relation is true according to the information available to it and (iii) it did not conceal any substantial facts which are known and which by law are to be the content of this report.

Prague, 31 March 2021



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