

ANNUAL REPORT

ENERN TECH III

FOR THE YEAR ENDED 31 DECEMBER 2018

I. INFORMATION AND EVENTS

pursuant to the provisions of Act No. 240/2013 Coll. and Regulation (EU) No. 345/2013

A. INFORMATION ON THE SUB-FUND

Name

ENERN TECH III (hereinafter the “Sub-fund”)
registered in the list of sub-funds maintained by the Czech National Bank on 22 June 2016

Business registration No. (IČO)

75 159 830

B. KEY INFORMATION ABOUT THE MANAGING INVESTMENT FUND

Company

ENERN Investments, investiční fond s proměnným základním kapitálem, a.s.

Registered office

Türkova 2319/5b, Chodov, 149 00 Prague 4, Czech Republic

Business registration No. (IČO)

017 90 765

Other information

The Fund is an autonomous investment fund pursuant to Section 8 of the Act on Investment Companies and Investment Funds holding the Czech National Bank’s (“ČNB”) license to manage itself and being authorized to perform its own administration.

C. INFORMATION ON THE COMPANY AUTHORIZED BY THE FUND TO PERFORM CERTAIN ACTIVITIES

The Fund has entrusted certain activities related to the administration and management of the Fund and the Sub-fund to QI investiční společnost, a.s. (hereinafter the “Investment Company”), entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 11985, Business registration No. (IČO) 279 11 497, registered office at Rybná 682/14, Prague 1, zip code 110 05, under the Agreement on the Performance of Authorized Activities of 2 December 2016. This agreement replaced the previous Agreement on the Performance of Delegated Activities of 29 July 2013.

In addition to the risk management function, activities entrusted to the Investment Company by the Fund include in particular:

- compliance and internal audit,
- communication with the ČNB and meeting the Fund's information and reporting requirements towards the ČNB and other directly related activities,
- issuance and redemption of investment shares of sub-funds and maintaining records of investment stock holders.

The Investment Company performs the full scope of the aforementioned activities either by itself or has entrusted their performance to another entity as set out in the Fund's Statute.

D. REPORT OF THE STATUTORY DIRECTOR ON BUSINESS ACTIVITIES AND ASSETS OF THE SUB-FUND

in the reporting period

a) Sub-fund profile

The Sub-fund's purpose is to increase the value of the owners' investment shares in a long-term by investing in companies with a growth profile particularly focusing on internet business in the area of (i) fintech, (ii) e-commerce, primarily in food, (iii) healthcare, and (iv) other fragmented retail service markets ("marketplaces for local services"). Such investments may be made in the form of ownership interests in companies and/or by the provision of convertible loans and borrowings to companies under the terms of the Statute.

For the short-term and long-term appreciation of the Sub-fund's assets, while maintaining a reasonable level of risk, the ET III Sub-fund may invest disposable cash even in financial assets. For example, the Sub-fund uses for such investments money market instruments, bonds traded on regulated OECD markets and similarly oriented investment funds.

The Fund intends to acquire for the Sub-fund a total capital commitment of up to EUR 60 million. As at 31 December 2018, the investors committed to the Sub-fund total capital commitments of EUR 50.625 million, an increase of EUR 31.5 million year-on-year. The increase resulted from the closing of the second investment round, in which three institutional investors became shareholders of the ET III Sub-fund.

The Sub-fund is intended for qualified investors pursuant to Section 95 and Section 272(1) of the Act on Investment Companies and Investment Funds.

The Sub-fund was established for a seven-year period with the option of extending this period by three years under the terms of the Fund's Statute.

The Sub-fund issues four classes of investment shares.

Class	Description	ISIN
I1	Investment shares I1	CZ0008042157
I2	Investment shares I2	CZ0008042165
C1	Investment shares C1	CZ0008042173
C2	Investment shares C2	CZ0008042181

As at 31 December 2018, the Sub-fund called a total of EUR 23,474 thousand from investors holding Class I investment shares, representing 46.37% of their total capital commitment, and EUR 10 thousand from investors holding Class C investment shares, representing 100% of their total capital commitment.