enerN
INVESTMENTS

ANNUAL REPORT

ENERN TECH IV

FOR THE YEAR ENDED 31 DECEMBER 2021

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 IV (hereinafter the "Sub-fund")
registered in the list of sub-funds maintained by the Czech National Bank on 29 June 2020

Business registration No. (IČO)

75 161 923

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-funds 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 as amended by Supplement No. 1 of 15 January 2018, Supplement No. 2 of 21 May 2018 and Supplement No. 3 of 16 June 2020. 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 CHAIR OF THE MANAGEMENT BOARD ON BUSINESS ACTIVITIES AND ASSETS OF THE FUND

in the reporting period

a) Sub-fund profile

The ETIV Sub-fund's purpose is to increase the value of the owners' investment shares in a long-term by investing in portfolio companies focusing on areas covered by societal challenges and industry leadership as defined in Horizon 2021 (e.g. life sciences, clean energy, IT or technology), or otherwise focusing on technological, non-technological, organizational or social innovation through investment, inter alia, in enterprises engaged in activities involving the design, creation, renewal and expansion of the range of products and services and their related markets and/or the formation of new ways of design, production, supply and distribution or the introduction of changes in management, work organization and working conditions as well as the skills of the workforce. The investments of the ETIV Sub-fund will primarily include portfolio companies with a growth profile with a dominant focus on Internet business, such as marketplaces (SaaS enabled marketplaces) and so-called SaaS business models in B2B, B2B2C and B2C in the following areas: (i) financial technology ("fintech"), (ii) e-commerce, (iii) healthcare technology, (iv) education technology ("edtech"), (v) real-estate and property technology ("proptech") and (vi) other areas where the technology can be used to reduce transaction costs.

As at 31 December 2021, the investors committed to the Sub-fund total capital commitments of EUR 77,090 million.

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 five 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	CZ0008045150
I2	Investment shares I2	CZ0008045168
C1	Investment shares C1	CZ0008045176
C2	Investment shares C2	CZ0008045143

As at 31 December 2021, the Sub-fund called a total of EUR 12,348 thousand from investors holding Class I investment shares, representing 16.0% of their total capital commitment, and EUR 12 thousand from investors holding Class C investment shares, representing 60.8% of their total capital commitment.

b) Financial results

The Sub-fund's financial results depend on the Sub-Fund's asset appreciation and the amount of operating expenses charged to the Sub-fund's assets. The NAV per share is based on the method of dividing the Sub-fund's share capital between classes of investment stocks. The table below provides an overview of the Sub-fund's investment shares and their valuation as at 31 December 2021:

Class	Number of shares issued as at 31/ 12/ 2021	NAV per share as at 31/ 12/ 2021 (EUR)	NAV per share as at 31/ 12/ 2020 (EUR)
I1	19,430,212	0.3655	0.3390
I2	10,413,882	0.3126	0.2894
C1	100,000,000	0	0
C2	100,000,000	0	0

The Sub-fund has not paid any payouts over its history.

c) Revenues, expenses, profit

As at 31 December 2021, the Sub-fund held ownership interests in portfolio companies from which it had no income in 2021. The Sub-fund's expenses in 2021 include primarily expenses related to asset management and administration of the Sub-fund. In 2021, expenses exceeded revenues and the Sub-fund posted a loss on ordinary activities of CZK 44,669 thousand.

d) Structure of assets and liabilities

Assets of the Sub-fund consist mainly of cash in bank accounts and investments in the form of ownership interests in portfolio companies. The Sub-fund's liabilities comprise in particular net assets attributable to holders of investor shares and other liabilities. The Sub-fund reported positive net assets attributable to holders of investment shares of EUR 257,461 thousand.

e) Investments and future investments

Throughout the next years, the Sub-fund will gradually draw capital commitments from investors by issuing Class I1 and I2 investment shares, and will continue to invest these funds in ownership interests in accordance with the Sub-fund's investment strategy set out in the Fund's Statute.

f) Market description

The Sub-fund invests in ownership interests of companies ranking among leaders in their industries and territories that are established or active mainly in Europe.

E. INFORMATION ON MATERIAL CHANGES IN THE FACTS PROVIDED IN THE STATUTE OF THE MANAGING FUND

which occurred during the reporting period

The information on material changes in the facts provided in the statute of the managing Fund did not change in the reporting period.

F. INFORMATION ON THE SUB-FUND'S DEPOSITARY

in the relevant period and on the period of time for which the entity performed the activities of a depositary

The Sub-fund's depositary for the entire relevant period of 2021 was Česká spořitelna, a.s., with its registered office at Olbrachtova 1929/62, Prague 4, zip code 140 00, business registration No. (IČO) 452 44 782, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1171 (hereinafter the "Depositary" or the "ČS").

G. INFORMATION ON THE ENTITY ENTRUSTED WITH THE CUSTODY OR SAFEKEEPING OF THE SUB-FUND'S ASSETS, provided that more than 1% of the Sub-Fund's assets have been deposited with the entity

The Sub-fund's Depositary has solely been entrusted with the custody or safekeeping of the Sub-fund's assets.

H. INFORMATION ON THE PRIME BROKER

in the relevant period and on the period of time for which the entity performed the activities

The Sub-fund's assets were not entrusted to the prime broker in the relevant period.

I. IDENTIFICATION OF ASSETS THE VALUE OF WHICH EXCEEDS 1% OF THE VALUE OF THE SUB-FUND'S ASSETS

as at the day on which the valuation that was used for the purposes of this Report was carried out, with a specification of the total acquisition price and the fair value at the end of the relevant period

Assets	Acquisition price (in CZK thousands)	**Fair value as at 31 December 2021 (in CZK thousands)**
Shares, unit certificates and other participations	90,148	93,782
Ownership interests constituting a significant influence	10,095	9,944
Ownership interests constituting a controlling influence	133,351	133,785

J. INFORMATION ON SALARIES, CONSIDERATION AND SIMILAR INCOME OF THE STAFF AND MANAGING PERSONS

which may be considered remuneration paid by the manager of an investment fund to the staff members or managing persons in the reporting period, divided into fixed and variable component, information on the number of staff and managing persons of the manager of this fund, and information about remuneration, if any, for the capital appreciation paid by the investment fund or its manager

No salaries, consideration or similar income have been disbursed from the Sub-fund's assets to the Fund's managing persons.

K. INFORMATION ON SALARIES, CONSIDERATION AND SIMILAR INCOME OF THE STAFF AND DIRECTORS

which may be considered remuneration paid by the manager of an investment fund to the staff members or managing persons whose activity has a significant impact on the Sub-fund's risk profile

No salaries, consideration or similar income have been disbursed from the Sub-fund's assets to the Fund's managing persons or other persons whose activity has a significant impact on the Sub-fund's risk profile.

L. SELECTED FINANCIAL HIGHLIGHTS OF THE SUB-FUND

Statement of financial position (in CZK thousands)	Current period 31/ 12/ 2021	Current period 31/ 12/ 2020
Assets		
Due from banks	39,033	47,243
Due from non-banking entities	167	20
Shares, unit certificates and other participations	93,782	0
Ownership interests constituting a significant influence	9,944	0
Ownership interests constituting a controlling influence	133,785	9,021
Other assets	254	0
Prepayments and accrued income	45	0
Total assets	**277,010**	**56,284**
Liabilities		
Liabilities to non-banking entities	7,479	0
Other liabilities	12,070	46,407
Capital funds	0	31,785
Gains or losses on revaluation	3,634	0
Profit / (loss) for the period	(3,634)	(21,908)
Net assets attributable to holders of investor shares	257,461	0
Equity	0	9,877
Total equity and liabilities	**277,010**	**56,284**

Income statement (in CZK thousand)	Current period 31/ 12/ 2021	Current period 31/ 12/ 2020
Interest and similar income	2	0
Interest and similar expense	(688)	0
Fee and commission expense	(41,546)	(21,143)
Gains or losses from financial transactions	(2,155)	(645)
Administrative costs	(282)	(120)
Profit /loss from ordinary activities before taxes	**(44,669)**	**(21,908)**
Change in net assets attributable to holders of investor shares after tax	41,035	0
Income taxes	0	0
Profit or loss for the year after taxes	**(3,634)**	**(21,908)**

II. INFORMATION AND EVENTS

III. Pursuant to Section 21 of Act No. 563/1991 Coll., on Accounting

A. FINANCIAL AND NON-FINANCIAL INFORMATION ON SUBSEQUENT EVENTS WHICH OCCURRED AFTER THE BALANCE-SHEET DATE AND ARE MATERIAL WITH REGARD TO COMPLIANCE WITH THE PURPOSE OF THE ANNUAL REPORT

The Company's management assessed potential impacts of the conflict in Ukraine and considers the event a non-adjusting event after the balance sheet date. Although the quantitative impact cannot be estimated with a reasonable degree of confidence at this time, the Company has analyzed the potential impact of changing micro and macroeconomic conditions on the Company's performance, financial position and operations and has not identified any effect on the going concern assumption or any significant impact on the Company's financial position or operations with respect to this situation as of the date of the financial statements.

B. INFORMATION ON THE PROJECTED DEVELOPMENT OF THE SUB-FUND

In 2022, the Fund plans to continue to seek and carry out investments in line with the Sub-fund's investment strategy. Over the following years, the Sub-fund will gradually draw outstanding capital commitments from investors by issuing Class I1 and I2 investment shares, and will continue to invest these funds in ownership interests in accordance with the Sub-fund's investment strategy set out in the Statute.

C. INFORMATION ON RISKS ARISING FROM INVESTMENT IN THE SUB-FUND

Investments in the Fund or the Sub-fund entail significant risks, specifically:

a. The risk of a volatile current value of securities issued by the Sub-fund as a result of the composition of the assets or the method of managing the Sub-fund's assets. Shareholders need to be aware that, despite the maximum effort for safe management, the value of the Sub-fund's investment stock may fluctuate depending on the developments in the financial markets.

b. Market risk arising from the effects of changes in the overall market developments on the prices and values of the Sub-fund's specific types of assets of. The most significant market risks are foreign exchange risk, interest rate risk, equity risk, commodity risk and the risk of specific investment projects. The level of market risk depends on the specific structure of the Sub-fund's assets.

c. Credit risk arising from a situation where the issuer or counterparty fails to honor their obligations. The manager minimizes the credit risk in particular by selecting counterparties and issuers with regard to their creditworthiness, by setting limits to exposure of individual counterparties and issuers and by non-onerous contractual arrangements.

d. The risk of insufficient liquidity where an asset of the Sub-fund is not monetized within the set time frame and at a reasonable price. Due to the nature of the market for specific types of target assets that may account for an essential portion of the Sub-fund's assets, it is important to note that the monetization of such an asset with the aim to achieve the best price is time consuming. In the extreme case, the liquidity risk may result in

a liquidity crisis. The risk is mitigated by allowing for a sufficient period of 2-5 years after the end of the investment period intended for growth and successful sale of the Sub-fund's assets.

e. The risk related to the Sub-fund's investment focus on certain industries, countries or regions, other market segments, or certain types of assets.

f. Operational risk, consisting in a loss due to deficiencies or failure of internal processes or the human factor or external events. This risk is mitigated by maintaining an adequate management and control mechanism of the manager.

g. The risk that the Fund or the Sub-fund may be canceled for reasons governed by applicable legislation.

h. The risk that the Fund or the Sub-fund may be canceled for other than legislative reasons, such as economic or restructuring reasons.

i. Risks associated with the acquisition of foreign assets. This risk may give rise to unfavorable conditions for the disposal (sale) of the assets.

j. Risks arising from potential failure of legal entities in which the Sub-fund holds ownership interests or from which the Fund records receivables.

k. Risks related to the debtor's receivables or creditworthiness and the quality of securing the receivables.

l. Risks arising from an erroneous valuation of assets by an expert in cases where assets are valued by an expert. This risk is reduced by a strict selection of experts who monitor the condition and use of the assets and other factors that may affect the value of assets, and who also assess the valuation.

m. Risks associated with the possibility of suspending the issue and redemption of investment shares for up to two years.

Further information on the risks arising from investments in the Fund or the Sub-fund is provided in the Notes to the financial statements.

D. INFORMATION ON RESEARCH AND DEVELOPMENT ACTIVITIES

The Sub-fund did not engage in any R&D activities in 2021.

E. INFORMATION ON ACTIVITIES PERTAINING TO ENVIRONMENTAL PROTECTION AND LABOR RELATIONS

Since the Sub-fund invests in ownership interests or financial assets, its activities have no direct impact on the environment. In 2021, the Sub-fund did not report any activities pertaining to environmental protection and labor relations.

F. INFORMATION ON A FOREIGN BRANCH OR A PART OF THE UNDERTAKING ABROAD

The Sub-fund has no foreign branch or a part of the undertaking abroad.

G. INFORMATION ON ACQUISITION OF OWN SHARES OR OWNERSHIP INTERESTS

In 2021, the Sub-fund acquired neither own shares nor ownership interests.

Date of preparation	***Statutory Representative's signature***
12 May 2022	Iva Nováková

ANNEX 1

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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(Translation of a report originally issued in Czech - see Note 3 to the financial statements.)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of subfund ENERN TECH IV podfond:

Opinion

We have audited the accompanying financial statements of subfund ENERN TECH IV podfond (the Subfund) of ENERN Investments, investiční fond s proměnným základním kapitálem, a.s. (the Fund), prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2021, and the income statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Subfund, see Note 3 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Subfund as at 31 December 2021, and of its financial performance in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Subfund in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Management Board of ENERN Investments, investiční fond s proměnným základním kapitálem, a.s. is responsible for the other information.

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 obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- 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 is prepared in compliance with applicable law or regulation.

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In addition, our responsibility is to report, based on the knowledge and understanding of the Subfund obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Management Board for the Subfund's Financial Statements

The Management Board of the fund ENERN Investments, investiční fond s proměnným základním kapitálem, a.s. is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic 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 of fund ENERN Investments, investiční fond s proměnným základním kapitálem, a.s. is responsible for assessing the Subfund'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 Subfund 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 above 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 above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control of the Subfund and fund ENERN Investments, investiční fond s proměnným základním kapitálem, 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 their internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of fund ENERN Investments, investiční fond s proměnným základním kapitálem, a.s.

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- Conclude on the appropriateness of the Management Board's of fund ENERN Investments, investiční fond s proměnným základním kapitálem, a.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 Subfund'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 Subfund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Board of fund ENERN Investments, investiční fond s proměnným základním kapitálem, 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.

Ernst & Young Audit, s.r.o.
License No. 401

Roman Hauptfleisch, Auditor
License No. 2009

12 May 2022
Prague, Czech Republic

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ANNEX 2
FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FOR THE PERIOD

FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

Name of sub-fund:	ENERN TECH IV Sub-fund
Name of fund:	ENERN Investments, investiční fond s proměnným základním kapitálem, a.s.
Registered office:	Türkova 2319/5b, 149 00 Prague 4 – Chodov
Identification No. (IČ):	75 161 923
Accounting period:	1 January 2021 – 31 December 2021

Balance sheet as at 31 December 2021

Assets

In CZK thousands	Note	31/ 12/ 2021	31/ 12/ 2020
Receivables from banks	3.1	**39,033**	**47,243**
of which: payable on demand		*39,033*	*47,243*
Receivables from non-banking entities	3.2	**167**	**20**
Shares, unit certificates and other participations	3.3	**93,782**	**0**
Ownership interests constituting a significant influence	3.4	**9,944**	**0**
Ownership interests constituting a controlling influence	3.4	**133,785**	**9,021**
Other assets	3.3	**254**	**0**
Prepayments and accrued income	3.6	**45**	**0**
Total assets		**277,010**	**56,284**

Liabilities

In CZK thousands	Note	31/ 12/ 2021	31/ 12/ 2020
Liabilities to non-banking entities	3.7	**7,479**	**0**
Other liabilities	3.8	**12,070**	**46,407**
Capital funds	3.9	**0**	**31,785**
Gains or losses on revaluation	3.10	**3,634**	**0**
Profit /loss for the period	3.11	**(3,634)**	**(21,908)**
Net assets attributable to holders of investment shares	3.12	**257,461**	**0**
Equity	3.12	**0**	**9,877**
Total equity and liabilities		**277,010**	**56,284**

Off-balance-sheet items

In CZK thousands		31/ 12/ 2021	31/ 12/ 2020
Assets transferred for management to third parties*	3.13	**237,511**	**9,021**
Total		**237,511**	**9,021**

** fair value of assets transferred for management to ENERN Investments, investiční fond s proměnným základním kapitálem, a.s.*

Income statement for the year ended 31 December 2021

In CZK thousands	Note	31/ 12/ 2021	31/ 12/ 2020
Interest and similar income	3.14	**2**	**0**
Interest and similar expense	3.15	**(688)**	**0**
Fee and commission expense	3.16	**(41,546)**	**(21,143)**
Gains or Losses from Financial Transactions	3.17	**(2,155)**	**(645)**
Administrative expenses	3.18	**(282)**	**(120)**
b) other administrative expenses		**(282)**	**(120)**
Profit /loss from ordinary activities before taxes		**(44,669)**	**(21,908)**
Change in net assets attributable to holders of investment shares after tax		**41,035**	**0**
Income tax	3.19	**0**	**0**
Net profit for the period		**(3,634)**	**(21,908)**

1 General Information

Establishment of the sub-fund

ENERN TECH IV Sub-fund (hereinafter the "Sub-fund") is the sub-fund of ENERN Investments, investiční fond s proměnným základním kapitálem, a.s. (hereinafter the "Fund").

ENERN TECH IV sub-fund was registered in the list of sub-funds maintained by the Czech National Bank on 29 June 2020 and came into existence on the date of commencement of issue of investment shares, i.e. on 1 July 2020.

Sub-fund's characteristics and major activities

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.

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 Fund only issues registered investment shares on the account of its sub-funds, not on the Fund's own account. The Fund's statutory body shall decide about the creation of a sub-fund and shall stipulate in the Statute the sub-fund's investment strategy and other rules governing the sub-fund's operation.

The ET IV Sub-fund issues four classes of investment shares. The investment shares in each class have allocated ISIN (an international securities identification number) as follows:

Class	Description	ISIN
I1	Investment shares I1	CZ0008045150
I2	Investment shares I2	CZ0008045168
C1	Investment shares C1	CZ0008045176
C2	Investment shares C2	CZ0008045143

The ETIV Sub-fund's purpose is to increase the value of the owners' investment shares in a long-term by investing in portfolio companies focusing on areas covered by societal challenges and industry leadership as defined in Horizon 2020 (e.g. life sciences, clean energy, IT or technology).

The investments of the ETIV Sub-fund will primarily include portfolio companies with a growth profile with a dominant focus on Internet business, such as marketplaces (SaaS enabled marketplaces) and so-called SaaS business models in B2B, B2B2C and B2C in the following areas: (i) financial technology ("fintech"), (ii) e-commerce, (iii) healthcare technology, (iv) education technology ("edtech"), (v) real-estate and property technology ("proptech") and (vi) other areas where the technology can be used to reduce transaction costs.

In order to reach both short-term and long-term appreciation of the Sub-fund's assets while maintaining an adequate risk exposure, free funds may also be invested in financial assets. For such investments, the Sub-fund may use for instance money market instruments, e.g. bonds, traded in regulated OECD markets and investment funds focusing on such instruments.

Česká spořitelna, a.s., IČ 452 44 782, Prague 4, Olbrachtova 1929/62, zip code 140 00 carried out the activities of a depositary throughout the entire period of 2021 and 2020.

In compliance with the Fund's Statute, the Fund has entrusted certain activities related to the administration and management 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.

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

Registered office of the Sub-fund:
Türkova 2319/5b
149 00 Prague 4 – Chodov
Czech Republic

Tax identification number:
75,161,923

Legal form
The Sub-fund does not have a legal personality.

2 Accounting Methods and General Accounting Policies

The financial statements comprising the balance sheet, income statement, statement of changes in equity and the accompanying notes have been prepared in accordance with the Czech Act on Accounting, the Czech Ministry of Finance decrees and the Czech accounting standards for financial institutions.

These financial statements have been prepared in accordance with Decree of the Czech Ministry of Finance No. 501/2002, in the wording effective as of 1 January 2018, which regulates the layout and definition of financial statement captions and the extent of disclosures for banks and certain financial institutions. In Section 4a(1), the Decree stipulates that for the purposes of recognition, measurement and disclosure of financial instruments, an entity shall proceed in accordance with International Financial Reporting Standards regulated by directly applicable regulations of the European Union governing the application of international accounting standards (individually "International Accounting Standard" or collectively "IFRS").

The effects of the Decree No. 501/2002, in the wording effective as of 1 January 2018, were reflected as of 1 January 2021; the comparatives as at 31 December 2020 and for the year then ended were not restated and are therefore not comparable.

These financial statements have been prepared under the historical cost convention and on the accruals basis of accounting, the only exception being the Sub-fund's assets and liabilities which are revalued at fair value pursuant to Section 196 of the Act on Investment Companies and Investment Funds.

The financial statements are based on the assumption that the entity will continue as a going concern and that there is no circumstance that would restrict or prevent the entity's ability to continue as a going concern in the foreseeable future.

The financial statements are based on the assumption that the entity will continue as a going concern and that there is no circumstance that would restrict or prevent the entity's ability to continue as a going concern in the foreseeable future.

All figures are in CZK thousands unless stated otherwise.

These financial statements are standalone statements.

The significant accounting policies and methods applied in preparing these financial statements were as follows:

2.1 Foreign Currency Translation

Foreign currencies are translated to Czech crowns at the daily exchange rate published by the Czech National Bank (ČNB) as at the transaction date or the transaction recognition date. During the year, only realized foreign exchange gains and losses are accounted for.

Assets and liabilities denominated in foreign currencies are translated to Czech currency using the foreign exchange rate announced by the Czech National Bank as at the balance sheet date. The resulting exchange rate gains or losses from the translation of foreign denominated assets or liabilities are charged or credited, as appropriate, to income for the year as "Gains or losses from financial operations". The gain or loss on the translation of ownership interests is recognized in Gains or losses on revaluation for the year ended 31 December 2020. In the case of the gain or loss on the translation of financial assets at fair value through other comprehensive income, the exchange rate difference is recognized under liabilities as "Gains or losses on revaluation" as of 1 January 2021.

2.2 Transaction Recognition Date

Depending on the type of transaction, the recognition dates are as follows:

- the date on which money in circulation is paid or received,
- the date on which foreign currency or securities are purchased or sold,
- the date on which a payment is made,
- the date on which (foreign) currency is credited based on a report received from the Fund's correspondent (the report shall mean a SWIFT report, the Bank's notification, a received medium, an account statement or other documents),
- financial assets and liabilities are recognized when the Sub-fund becomes a party to the transaction.

Financial assets and liabilities are recognized at fair value when the Sub-Fund becomes a contracting party to the transaction. Spot purchases and sales of financial assets are recorded in the balance sheet from the settlement date.

The following rules apply to derecognition of financial assets and liabilities:

- The Sub-fund derecognizes a financial asset or part thereof from the balance sheet if it loses control of the contractual rights to the financial asset or part thereof. Financial assets at fair value through profit or loss that are sold are derecognized on the trade date.
- A financial liability or a part thereof is extinguished if the obligation specified in the contract is discharged or cancelled or expires and the entity removes the given liability or part thereof from its balance sheet. The difference between the carrying amount of a liability (or a portion thereof) extinguished or transferred and the amount paid for is recognised net in profit or loss for the period.

The purchase and sale of financial assets is recognized when the spot transaction is settled.

2.3 Financial Instruments – Policies Applied until 31 December 2020

2.3.1 Receivables from banks and non-banking entities

Receivables from banks and non-banking entities are recognized at their nominal value including the accrued accessories, net of allowances. Uncollectible receivables are written off upon the completion of bankruptcy proceedings against the debtor.

2.3.2 Allowances

The Sub-fund must first decide whether a reason exists to reduce the book value of receivables.

Receivables are monitored if they are overdue for more than 90 days or if they involve another default or if the debtor's financial position has deteriorated.

Allowances against receivables and other risk-bearing assets are based on the valuation of the collectible amount of such assets as at the balance sheet date after taking into account the current value of security upon forced sale.

Additions to allowances are recognized in the income statement item, the use of allowances is recognized together with costs or losses relating to the disposal of assets in the income statement.

Allowances that are no longer needed are released to income.

Allowances against assets denominated in foreign currencies are recognized in such foreign currencies. Exchange rate differences are recoded similarly to exchange rate differences arising from the valuation of the underlying assets.

2.3.3 Securities

Initial Measurement
Upon initial recognition, securities are measured at cost that includes direct transaction costs.

Subsequent Measurement
For the purposes of subsequent measurement, securities previously recognized as financial assets that are not considered ownership interests constituting a controlling or significant influence are classified as follows:

- Financial assets measured at fair value against income or expense accounts,
- Financial assets available-for-sale,
- Financial assets held to maturity.

Securities previously recognized as financial liabilities are classified as follows:

- liabilities from securities measured at fair value against income or expense accounts (hereinafter “payables from short-term sale”),
- issued securities.

Available-for-sale Securities
Available-for-sale securities are securities that are designated as available for sale by the Sub-fund or securities that do not meet the definition of another category. They include in particular shares of companies in which the Sub-fund does not hold an ownership interest constituting a controlling or significant influence and debt securities held for liquidity management purposes. Upon initial recognition, available-for-sale securities are measured at cost that includes direct transaction costs and, upon subsequent measurement, they are valued at fair value.

Gains or losses arising from changes in fair value of available-for-sale securities are recognized (after reflecting tax effects) directly in equity until their sale or a decline in their value. In such case, the accumulated gains or losses initially recognized in equity are accounted for through profit or loss. Interest calculated using the effective interest rate, dividends and exchange rate differences arising from debt securities are recognized in profit or loss. Foreign exchange differences arising from equity securities are recognized in gains or losses from the revaluation of assets and liabilities reflected in equity.

If the loss arising from changes in the fair value of available-for-sale securities is recognized in equity and there is objective evidence that the asset is impaired, the loss is reclassified from equity to expenses. Impairment shall mean a decline in value of more than 30% compared to the cost exceeding one year.

2.3.4 Ownership Interests Constituting a Significant or Controlling Influence

As at the date of acquisition, ownership interests constituting a significant or controlling influence are recognized at cost which includes expenses incurred in connection with their acquisition. Ownership interests constituting a significant or controlling influence are revalued to fair value as at the valuation date. The revaluation amounts are recorded in equity through the 'Gain or loss on revaluation of assets and liabilities' caption.

If the loss arising from changes in the fair value of an ownership interest constituting a significant or controlling influence is recognized in equity and there is objective evidence that the asset is impaired, the loss is reclassified from equity to expenses. Impairment shall mean a decline in value of more than 30% compared to the cost exceeding one year.

2.3.5 Fair Value of Securities and Ownership Interests Constituting a Significant or Controlling Influence

The fair value of of securities and ownership interests constituting a significant or controlling influence is determined as (i) its market value or the market value derived from the market values of components of the asset or liability, (ii) the value arising from generally accepted valuation models, methods and recommendations (such as the valuation policies published from time to time by Invest Europe as part of the 'Valuation Guidelines'), as long as these yield an adequate estimate of the market value, (iii) the value determined by a qualified expert or an expert's opinion, if the market value is not available.

2.3.6 Capital Funds

Capital funds are funds created from sources other than the accounting profit. The Sub-fund uses capital funds to record issued investment shares against contributions from investors. Investment shares issued in the first subscription period are issued for their nominal value. In further periods, the Sub-fund shall issue investment shares of the relevant class for an amount equal to the current value of an investment share of the relevant class announced as at the valuation date. Furthermore, the Sub-fund shall issue investment shares against funds received from investors, on the basis of a call for subscription, for which no investment shares have yet been issued. The administrative period for the investment shares issue is up to 6 months from the receipt of the payment from investors. Capital funds further include the current value of repurchased investment shares.

2.4 Financial Instruments – Policies Applied from 1 January 2021

From 1 January 2021, the Sub-fund applies IFRS 9 Financial Instruments to the classification, measurement and impairment of financial assets and financial liabilities.

The classification of Sub-fund's financial assets is based on:

- The business model for managing financial assets;
- The contractual cash flow characteristics of the asset (SPPI – solely payments of principal and interest on the principal outstanding, the "SPPI test").

Business models assess the entity's intention regarding a financial asset, i.e., whether the entity plans to collect contractual cash flows, sell the financial asset or both, or uses another business model. The Sub-fund applies the following business models:

- "Hold and collect" – financial assets at amortized cost (AC);
- "Hold, collect and sell" – financial assets at fair value through other comprehensive income (FVOCI);
- „Fair value management" – fair value through profit or loss (FVTPL);

Financial assets at amortized cost

The "Hold and collect" strategy is aimed at holding financial assets in order to collect contractual cash flows. Examples of such financial assets are loans, securities held to maturity, and trade receivables. Breach of the "Hold and collect" model does not occur even if there is a significant increase in counterparty credit risk during the course of the holding of the financial asset and the Company decided to proceed with the sale of that asset.

This category includes financial assets that meet the SPPI test and are debt instruments.

The "Hold, collect and sell" strategy is aimed at both collecting contractual cash flows from the principal and interest and selling financial assets; the model represents the so called "mixed" business model. This model distinguishes two different types of accounting treatment for equity instruments and for debt instruments.

Financial assets at fair value through other comprehensive income

Debt instruments that meet the criteria of the SPPI test in the "hold, collect and sell" business model are measured at fair value through other comprehensive income. When a financial asset is derecognized, the cumulative gain or loss recognized in the balance sheet caption "Gains or losses on revaluation" is reclassified from equity to profit or loss. Expected credit losses are recognized in profit or loss together with foreign exchange differences arising from remeasurement of financial assets denominated in foreign currencies. Interest income is calculated using the effective interest rate and is presented within "Interest income and similar income".

Equity instruments that are not held for trading and where an entity makes an irrevocable election on initial recognition to classify them as financial assets at fair value through other comprehensive income (FVOCI) are remeasured through other comprehensive income including FX differences from remeasurement. When this financial asset is derecognized, gain or loss from remeasurement is not reclassified from equity to profit or loss.

Financial assets at fair value through profit or loss

The “Fair value management” strategy is used for financial assets included in the portfolio that is managed and whose performance is assessed on a fair value basis. In addition, this category includes financial assets that do not meet the SPPI test, financial instruments acquired for trading, equity instruments that the entity has elected not to classify as financial assets at fair value through other comprehensive income, and all derivatives (the category typically includes debt securities, equity instruments and units, derivatives, loans and receivables). Changes in fair values of these assets including FX differences are recognized in profit or loss. These assets are not subject to ECL calculation. The “Fair Value Management” business model does not meet the conditions for classifying financial assets as at amortized cost (AC) and at fair value through other comprehensive income (FVOCI), and financial assets managed under this model must be remeasured to fair value through profit or loss.

Business model assessment

An entity’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, financial instruments are classified at a higher level of aggregation, i.e., at the portfolio level. The entity considers all relevant information and evidence which is available at the assessment date. The information and evidence considered includes, inter alia, the following:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether entity’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets, or realizing cash flows through the sale of the assets;
- How the performance of the portfolio and of the financial assets held within this business model is evaluated and reported to the entity’s key management personnel;
- The risks that affect the performance of the business model and of the financial assets held within this business model, and how those risk are managed;
- How managers of the entity are compensated, e.g., whether compensation is based on the fair value of the portfolio of the financial assets managed or the contractual cash flows collected;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation but as part of an overall assessment of how the entity’s overall objective for managing the financial assets is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest (the SPPI test)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Sub-fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-fund considers the following:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the entity's claim to cash flows from specified assets;
- Features that modify consideration of the time value of money (e.g., periodical reset of interest rates).

Owing to the nature of the Fund's business and the types of financial instruments it holds, all its financial assets and liabilities are measured at fair value through profit or loss (FVTPL) under the "Fair Value Management" business model, with the exception of financial assets in the 'Shares, unit certificates and other interests' category that are measured at fair value through other comprehensive income (FVOCI).

Initial Measurement
Financial assets at fair value are recognized at the settlement date. From the date the Sub-fund commits to purchase these assets, all costs and income arising from changes in the fair values of these assets are recognized in the income statement and other comprehensive income.

Measurement
Subsequent to initial recognition, all financial instruments measured at fair value through profit or loss and other comprehensive income are remeasured to fair value.

Gains and losses on subsequent measurement
Gains and losses on subsequent measurement of financial assets at fair value through profit or loss are recognized in the income statement. Gains and losses on subsequent measurement of financial assets at fair value through other comprehensive income are recognized under "Gains or losses on revaluation".

Impairment loss on financial assets due to expected credit losses
All of the Sub-fund's financial assets are carried at fair value and, accordingly, the Sub-fund recognizes no impairment losses due to expected credit losses.

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet only when the Sub-fund has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.4.1 Cash and cash equivalents

Cash equivalents of the Sub-fund include cash on hand and deposits with banks payable on demand, treasury bills and government bonds with a residual maturity of three months or less. Cash and demand deposits are measured at their nominal value, which corresponds to their fair value. Treasury bills and government bonds are measured at fair value through profit or loss. Cash and cash equivalents are presented in the 'Receivables from banks' balance sheet caption.

2.4.2 Securities at fair value through profit or loss

Upon initial recognition, securities are measured at cost (transaction price) that includes direct transaction costs, except for securities measured at fair value through profit or loss. If the transaction price differs from the fair value, the security is measured at fair value and the difference is recognized in profit or loss, however only if the fair value is directly determined as the quoted price of an identical asset or determined on the basis of market information. In other cases, the security is measured on the basis of the transaction price.

Securities acquired under the "Fair value management" business model are measured at fair value through profit and loss. Securities measured at fair value through profit or loss are initially recognized at fair value (generally the transaction price) and subsequently measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are charged directly to profit or loss. All related gains and losses are included in profit or loss on financial operations. Spot purchases and sales are recognized on the settlement date. The change in the fair value of the security between the trade date and the settlement date is charged to profit or loss on financial operations. Forward transactions are recognized as derivatives. Interest earned on securities at fair value through profit or loss is reported as interest income from securities under the 'interest and similar income' caption.

2.4.3 Investment shares issued by Sub-fund

Due to the Sub-fund's redemption obligation, securities issued by the Sub-fund (investment shares) do not meet the principal condition under IAS 32 to be classified as equity instruments and are therefore financial liabilities. However, the conditions set out in paragraphs 16A–16B and 16C–16D also allow certain financial liabilities to be classified as equity instruments.

In accordance with IAS 32, the Sub-fund assessed the nature of the instruments issued by the Sub-fund and concluded that the instruments issued did not meet the additional conditions set out in paragraphs 16A–16B and 16C–16D, respectively, and therefore cannot be classified as equity instruments. Accordingly, the financial instruments issued and any other items relating to the measurement of the net asset shares of investment shares holders are recognized within the Sub-fund's liabilities under "Net assets attributable to holders of investment shares".

These liabilities are measured at the carrying amount of the net assets of the Sub-fund attributable to those investment shares and the change in their value is disclosed in the profit or loss statement under "Change in net assets attributable to holders of investment shares after tax". The items "Net assets attributable to holders of investment shares" and "Change in net assets attributable to holders of investment shares after tax" have been added to the balance sheet and income statement beyond the structure prescribed in Appendix No. 1 of Decree No. 501/2002 Coll., separating the effect of transactions relating to the value of issued investment shares from other operations of the Fund and thus improving the overall clarity of financial statements.

Any profit shares distributed are not dividends in the true sense of the word, but rather a financial charge related to the security issued (i.e., a financial liability that is measured at fair value through profit or loss).

2.4.4 Loans and receivables

The Sub-fund's loans and receivables that meet the definition of a financial asset are measured at fair value. Uncollectible receivables are written off upon the completion of bankruptcy proceedings against the debtor. Loans and receivables are presented in the 'Receivables from non-banking entities' caption.

2.4.5 Financial liabilities

The Sub-fund classifies its financial liabilities as at fair value through profit or loss (FVTPL) if they are contingent consideration recognized by the acquirer in a business combination, are held for trading or are designated as instruments at fair value through profit or loss.

Financial liabilities are classified as held for trading if:

- They have been acquired principally for the purpose of repurchasing them in the near term; or

On initial recognition they are part of a portfolio of identified financial instruments that the Sub-Fund manages together and have a recent actual patter of short-term profit-taking.

Financial liabilities may be designated as at fair value through profit or loss (FVTPL) upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Sub-fund's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- They form part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss (FVTPL).

Financial liabilities not at fair value through profit or loss (FVTPL) are subsequently measured at amortized cost using the effective interest rate.

All loans and bonds are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial recognition, the method of determining fair value is determined by the Sub-fund's Administrator.

2.5 Taxes

Current tax expense
The income tax base is calculated using profit for the year before tax adjusted by adding non-deductible expenses and deducting non-taxable income and any tax relief or off-sets.

Value added tax
The Sub-fund is not registered for value added tax (VAT).

Deferred tax
Deferred tax is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base using the full liability method. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which this asset can be utilized.

The tax rate applicable for the period in which the deferred tax is expected to be realized is used for the deferred taxation calculation.

Deferred tax arising from the revaluation of hedging instruments, securities available-for-sale and ownership interests constituting a significant or controlling influence at fair value recognized directly in equity is also recorded in equity.

2.6 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Sub-fund's management prepared these estimates and predictions based on all relevant information available. Nevertheless, these estimates and assumptions may differ from actual future results.

2.7 Changes in Accounting Policies Effective for the Current Period

For the purposes of recognition, measurement and disclosure of financial instruments, since 1 January 2021 the Sub-Fund has followed International Financial Reporting Standards regulated by directly applicable regulations of the European Union governing the application of international accounting standards ("IFRS").

The applications of IFRS 9 and IAS 32 Financial Instruments and of new accounting policies are mainly disclosed in the next section, Initial adoption of IFRS 9.

The effects of the change on equity as at 1 January 2021 are disclosed in the table below.

Initial adoption of IFRS 9

Measurement categories

The following table shows the original measurement categories of financial assets and liabilities under Decree No. 501/2002 that were effective until 31 December 2020 and the new measurement categories under IFRS 9 effective as of 1 January 2021 and the impact of changes in the recognition of financial assets and liabilities arising from the application of IFRS 9 Financial Instruments.

1 January 2021 *In CZK thousands*	**Original classification under Decree No. 501/2002 effective until 31 Dec 2020**	**New classification under IFRS 9**	**Original carrying amount under Decree No. 501/2002 effective until 31 Dec 2020**	**Effects of changes in accounting policies – Reclassi-fication**	**Effects of changes in accounting policies – Remeasure-ment**	**New carrying amount under IFRS 9**
Financial assets						
Receivables from banks	FVTPL	FVTPL	47,243	0	0	47,243
Receivables from non-banking entities	FVTPL	FVTPL	20	0	0	20
Ownership interests constituting a controlling and significant influence	FVTE	FVTPL	9,021	0	0	9,021
Total financial assets			**56,284**	**0**	**0**	**56,284**

FVTE – financial assets measured at fair value through equity

1 January 2021 *In CZK thousands*	**Original classification under Decree No. 501/2002 effective until 31 Dec 2020**	**New classification under IFRS 9**	**Original carrying amount under Decree No. 501/2002 effective until 31 Dec 2020**	**Effects of changes in accounting policies – Reclassi-fication**	**Effects of changes in accounting policies – Remeasure-ment**	**New carrying amount under IFRS 9**
Financial liabilities						
Other liabilities	FVTPL	FVTPL	46,407	0	0	46,407
Net assets attributable to holders of investment shares	FVTE	FVTPL	0	9,877	0	9,877
Total financial liabilities			**46,407**	**9,877**	**0**	**56,284**

All financial assets and liabilities are classified under IFRS 9 as at fair value through profit or loss (FVTPL) since the Sub-fund uses the “Fair value management” business model, with the exception of financial assets in the ‘Shares, unit certificates and other interests’ category that are measured at fair value through other comprehensive income (FVOCI).

Net effects of the transition to IFRS 9 and IAS 32 on equity

The following table shows the net effects of the transition to IFRS 9 and IAS 32 on Capital funds and Retained earnings/accumulated losses:

In CZK thousands	**Effects of adoption of IFRS 9 as of 1 Jan 2021**
Capital funds	
Closing balance as at 31 December 2020 (under Decree No. 501/2002 effective until 31 December 2020)	31,785
Reclassification of issued securities from equity instruments to financial liabilities	(31,785)
Opening balance as at 1 January 2021 (under IFRS 9)	**0**
Retained earnings or accumulated losses	
Closing balance as at 31 December 2020 (under Decree No. 501/2002 effective until 31 December 2020)	(21,908)
Reclassification to financial liabilities – Net assets attributable to the Sub-fund's investment shares	21,908
Opening balance as at 1 January 2021 (under IFRS 9)	**0**

2.8 Subsequent Events

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

If, between the balance sheet date and the financial statements date, significant events occurred that are indicative of conditions that arose after the balance sheet date, the effect of these events is not recognized in the financial statements but disclosed in the notes to the financial statements.

2.9 Corrections of Errors of Previous Accounting Periods

Corrections to prior-period expenses or income are posted to expense or income accounts, as appropriate, in the current year unless they represent corrections of material errors.
Corrections of material errors relating to the recognition of prior-period income or expenses and changes in accounting policies are recognized under "Retained earnings/ accumulated losses" in the Sub-fund's balance sheet.

There were no corrections to previous period errors in 2021.

2.10 Related Parties

The Sub-fund has defined its related parties as follows:
The Fund's key managing persons and their family members, entities controlled or jointly controlled by or under significant influence of these persons or entities or their parent companies in which these persons are members of key management. The statutory director and the Fund's managing persons are considered key managing persons of the Fund.

2.11 Changes in Accounting Policies Arising from Adoption of New and Revised Standards – Impact of Standards and Interpretations Issued but Not Yet Effective

The Fund has considered the use of new standards and interpretations that are not yet effective for the current period but can be early adopted. The new standards and interpretations have not been applied in the preparation of these financial statements.

Standards adopted by the EU

i. Amendments to IFRS 16 Leases, Covid-19-Related Rent Concessions beyond 30 June 2021

(Effective for annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued.)

The amendments extend by one year the period when a lessee may apply the practical expedient when accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic.

The amendments are not expected to have a significant impact on the financial statements.

Annual Improvements – 2018–2021 cycle

(Effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.)

i. Amendments to IFRS 9 Financial Instruments

The amendments clarify that in assessing whether an exchange of debt instruments between an existing debtor and a creditor occurred on terms that are materially different, fees included in the discounted present value of cash flows under the new terms may include only fees paid or received between the debtor and the creditor, including fees paid or received by the debtor or creditor on behalf of the counterparty.

ii. Amendments to Illustrative Examples to IFRS 16 Leases

The amendments remove from illustrative example 13, which is an appendix to IFRS 16, both the reference to compensation to the lessee by the lessor for leasehold improvements and the explanation of how the lessee accounts for that compensation.

New and revised IFRSs issued by the IASB, but not yet Adopted by the European Union:

(Effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.)

i. Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as current and non-current is based on the entity's right to defer settlement in existence at the end of the reporting period. The entity's right to defer settlement for at least 12 months from the balance sheet date need not be unconditional but must be for a material reason. Classification is not affected by management's intentions or expectations as to whether and when the entity intends to exercise that right. The amendments also introduce a definition of "arrangement" to make it clear that the arrangement refers to the transfer of cash from the counterparty, capital instruments, other assets or services.

ii. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting policies

The amendments replace the term "significant accounting policies" with "material accounting policy information" and require entities to disclose material accounting policy information instead of significant accounting policies.

iii. Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments introduce a definition of "accounting estimates" and include further amendments to IAS 8 to clarify how to distinguish changes in accounting policies from changes in estimates. This distinction is important because changes in accounting policies are generally applied retrospectively, whereas changes in estimates are accounted for in the period in which the change occurs.

iv. Amendments to IAS 12 Income taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception so that it does not apply to transactions that give rise to identical temporary differences (taxable and deductible) that are subject to offsetting. Accordingly, entities will not be required to account for deferred tax assets and deferred tax liabilities for temporary differences arising on initial recognition of leases and decommissioning provision.

v. Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(Effective date postponed indefinitely, but earlier application is possible.)
The amendments clarify that, in the case of a transaction involving an associate or joint venture, the extent of recognizing gain or loss depends on whether the assets sold or contributed constitute a business, and:

- a full gain or loss is recognized when a transaction between an investor and its associate or joint venture involves a business (whether it is housed in a subsidiary or not), while
- a partial gain or loss is recognized when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business (even if these assets are housed in

a subsidiary).

The Sub-fund does not expect the adoption of the above standards and amendments to existing standards to have a material impact on the Sub-fund's financial statements in future periods.

Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3 Additional Information on the Balance Sheet and Income Statement

The Sub-fund's financial statements contain data for the period from 1 January 2021 to 31 December 2021.

3.1 Receivables from Banks

As at 31 December 2021 and 2020, receivables from banks of CZK 39,033 thousand and CZK 47,243 thousand, respectively represent balances at current accounts maintained for the Sub-fund by Česká spořitelna, a.s., and UniCredit Bank Czech Republic and Slovakia, a.s.

3.2 Receivables from Non-banking Entities

As at 31 December 2021 and 2020, the Sub-fund had receivables from non-banking entities amounting to CZK 167 thousand and CZK 20 thousand, respectively; these consist of medium- through long-term loans provided to related parties.

(in CZK thousands)

	Maturity	Interest rate (% p.a.)	31/ 12/ 2021	31/ 12/ 2020
Kaya Sapphire s.r.o.	31/ 12/ 2025	2.00	42	20
Kaya Angel s.r.o.	31/ 12/ 2025	2.00	20	0
Kaya Citrine s.r.o.	31/ 12/ 2025	2.00	10	0
Kaya Agate s.r.o.	31/ 12/ 2026	2.00	20	0
Kaya DP GP s.r.o.	31/ 12/ 2026	2.00	20	0
KAYA (fka Enern) s.r.o.	31/ 12/ 2025	2.00	20	0
Kaya Diamond s.r.o.	31/ 12/ 2025	2.00	15	0
Kaya Hematite s.r.o.	31/ 12/ 2025	2.00	20	0
Total receivables from non-banking entities			**167**	**20**

The Sub-fund provides loans to companies through which it holds ownership interests in portfolio companies to finance operating costs and costs related to the acquisition of investments (see Note 3.19.2).

3.3 Securities

As at 31 December 2021 and 2020 the Sub-fund had the following securities:

(in CZK thousands)	Shares, unit certificates and other participations	Shares, unit certificates and other participations
	31/ 12/ 2021	31/ 12/ 2020
Measured at fair value through other comprehensive income	93,782	0
Securities	**93,782**	**0**

3.4 Ownership Interests Constituting a Significant or Controlling Influence

As at 31 December 2021 and 2020, the Sub-fund had the following ownership interests constituting a significant or controlling influence:

(in CZK thousands)	Ownership interests 31/ 12/ 2021	Ownership interests 31/ 12/ 2020
Ownership interests constituting a significant influence	9,944	0
Ownership interests constituting a controlling influence	133,785	9,201

Summary of investments constituting a significant or controlling influence as at 31 December 2021 and 2020:

As at 31 December 2021	Seat	Interest	Acquisition of investment by Sub-fund	Portfolio investment sector	Total indirect interest of Sub-fund in portfolio company
Kaya Sapphire s.r.o.	Türkova 2319/5b, Prague 4	100.00%	2020	Accommodation services	30.53%
Kaya Angel s.r.o.	Türkova 2319/5b, Prague 4	100.00%	2021	Angel investments*	--
Enern Forsterite s.r.o.	Türkova 2319/5b, Prague 4	50.00%	2021	Retail marketplace	5.90%
Kaya (fka Enern) s.r.o.	Türkova 2319/5b, Prague 4	100.00%	2021	Healthtech	4.64%
Kaya Citrine s.r.o.	Türkova 2319/5b, Prague 4	100.00%	2021	Healthtech	9.34%
Kaya Diamond s.r.o.	Türkova 2319/5b, Prague 4	100.00%	2021	Automation of accounting processes	14.47%
Kaya Hematite s.r.o.	Thámova 183/11, Prague 8	100.00%	2021	Retail marketplace	6.42%
Kaya Agate s.r.o.	Thámova 183/11, Prague 8	100.00%	2021	Healthtech	--

*Angel investments represent investments in a few companies and are typically low-ticket investments in the early stage of the company development.

As at 31 December 2020	Seat	Interest	Acquisition of investment by Sub-fund	Portfolio investment sector	Total indirect interest of Sub-fund in portfolio company
Enern Sapphire s.r.o.	Türkova 2319/5b, Prague 4	100.00%	2020	Accommodation services	37.93%

Additional information to the summary of investments constituting a significant or controlling influence as at 31 December 2021 and 2020:

(in CZK thousands)	Basic capital 31/ 12/ 2021	Equity 31/ 12/ 2021	Basic capital 31/ 12/ 2020	Equity 31/ 12/ 2020
Kaya Sapphire s.r.o.	1	13,493	1	8,976
Kaya Angel s.r.o.	1	12,355	0	0
Enern Forsterite s.r.o.	2	285,393	1	88,574
KAYA (fka Enern) s.r.o.	1	43,892	0	0
Kaya Citrine s.r.o.	1	21,069	0	0
Kaya Diamond s.r.o.	1	15,416	0	0
Kaya Hematite s.r.o.	1	7,727	0	0
Kaya Agate s.r.o.	1	19,881	0	0

The ownership interest constituting a significant influence represents an interest of 50.00% in Enern Forsterite s.r.o., which holds, on behalf of the ET IV Sub-fund, an indirect interest of 3.55% in the portfolio company Flexdog s.r.o. operating in the online retail marketplace sector.

Ownership interests constituting a controlling influence represent investments in portfolio companies predominantly from the technology-focused sectors (SaaS, Online Retail Marketplace, Healthtech), in which the Sub-fund acquires interests through special-purpose vehicles (SPVs).

An overview of all Sub-fund's investments as at 31 December 2021, which are recognized as securities or ownership interests constituting a controlling or significant influence measured at fair value, is disclosed in Annex 3 (Investment portfolio scheme).

3.5 Other assets

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Receivables from shareholders	254	0
Total other assets	**254**	**0**

Other assets as at 31 December 2021 mainly comprise receivables from shareholders arising from the shareholders' agreement concluded at the end of 2021 with maturity in 2022.

3.6 Prepayments and accrued income

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Accrued income	45	0
Total prepayments and accrued income	**45**	**0**

3.7 Liabilities to non-banking entities

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Others liabilities	7,479	0
Total liabilities to non-banking entities	**7,479**	**0**

In 2021, the Sub-fund used a bridging loan from Conseq Funds investiční společnost, a.s., in the amount of EUR 3,160 thousand to pre-finance the acquisition of investments in portfolio companies. As at 31 December 2021, the loan balance amounted to CZK 7,479 thousand.

3.8 Other Liabilities

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Settlement with payers	4,622	45,781
Accruals and deferred income	586	540
Trade payables	0	86
Others liabilities	6,862	0
Total other liabilities	**12,070**	**46,407**

Other liabilities as at 31 December 2021 and 2020 include settlement with payers, i.e. advances received from investors for future calls for subscriptions of CZK 4,622 thousand and CZK 45,781 thousand, respectively.

Other liabilities as at 31 December 2021 comprise liabilities from unpaid input fees, fixed fees for administration and management by the Fund.

3.9 Capital Funds

As at 31 December 2021 and 2020, capital funds of the Sub-fund amounted to CZK 0 thousand and CZK 31,785 thousand, respectively, relating to the value of funds provided by the Sub-fund's investors, against which investment shares have been issued, or are prepared for issue, for the period from the Sub-fund's date of incorporation to the financial statements' date. As of 1 January 2021, capital funds are reclassified to Net assets attributable to holders of investment shares.

Class	Nominal value of share (EUR)	Number of shares issued as at 31/ 12/ 2021	NAV per share as at 31/ 12/ 2021 (EUR)	NAV per share as at 31/ 12/ 2020 (EUR)
I1	1.0000	19,430,212	0.3655	0.3390
I2	1.0000	10,413,882	0.3126	0.2894
C1	0.0001	100,000,000	0	0
C2	0.0001	100,000,000	0	0

There was not repurchase of investment shares in 2021 and 2020, respectively.

3.10 Gains or Losses on Revaluation

Gains/losses on revaluation represent the revaluation differences of securities due to the change in the fair value in portfolio companies, along with exchange rate differences of securities measured at fair value through other comprehensive income. Gains or losses on revaluation were CZK 3,634 thousand as at 31 December 2021.

3.11 Profit / (Loss) for the Year and Retained Earnings or Accumulated Losses

In 2021 and 2020, the Sub-fund reported of CZK 3,634 thousand and CZK 21,908 thousand, respectively. Retained earnings/accumulated loss as at 31 December 2021 and 2020 amounted to CZK 0 thousand and CZK 0 thousand, respectively. No decision has yet been made on the 2021 loss compensation.

The 2020 loss of CZK 21,908 thousand was transferred to accumulated loss and, as of 1 January 2021, the item has been presented in the 'Net assets attributable to holders of investment shares' balance sheet caption.

3.12 Net Assets and Equity Attributable to Investment Shares

	31 December 2021	31 December 2020
Net assets attributable to the Sub-fund's investment shares (in CZK thousands)	257,461	9,877
Allocation ratio of the I1 Class: 67.7140%		
Allocation ratio of the I2 Class: 32.2860%		
Allocation ratio of the C1 Class: 50.00%		
Allocation ratio of the C2 Class: 50.00%		
Number of I1 investment shares issued (units)	19,430,212	771,686
Number of I2 investment shares issued (units)	10,413,882	396,492
Number of C1 investment shares issued (units)	100,000,000	0
Number of C2 investment shares issued (units)	100,000,000	0
Net assets per investment share (I1) in EUR	0.3655	0.3390
Net assets per investment share (I2) in EUR	0.3126	0.2894
Net assets per investment share (C1) in EUR	0	0
Net assets per investment share (C2) in EUR	0	0

The Company applied the exchange rate of CZK/EUR 24.860 declared by the Czech National Bank for 31 December 2021 to translate the value of investment shares denominated in EUR into CZK (in the previous period, the Company applied the exchange rate declared by the Czech National Bank for 31 December 2020: CZK/EUR 26.245).

Investment shares sold can be analyzed as follows:

In CZK thousands	Number of Class I investment shares (units)	Number of Class C investment shares (units)	Class I capital funds	Class C capital funds
Balance as at 1 January 2020	0	0	0	0
Investment shares sold	1,168,151	0	31,785	0
FX gains (losses)	0	0	(21,908)	0
Balance as at 31 December 2020	**1,168,151**	**0**	**9,877**	**0**

In CZK thousands	Number of Class I investment shares (units)	Number of Class C investment shares (units)	Class I capital funds*	Class C capital funds*
Balance as at 1 January 2021	1,168,151	0	9,877	0
Investment shares sold	28,675,943	200,000,000	288,619	0
FX gains (losses)	0	0	(41,035)	0
Balance as at 31 December 2021	**29,844,094**	**200,000,000**	**257,461**	**0**

* As of 1 January 2021, Class I and Class C capital funds are reclassified and recognized in Net assets attributable to holders of investment shares.

Gains / losses totaling CZK (41,035) thousand (2020: CZK (21,908) thousand) in the statement of changes in net assets attributable to holders of investment shares shows FX difference arising from the translation of investment shares denominated in foreign currency into Czech crowns and remeasurement of financial assets to fair value.

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

In CZK thousands	Capital funds	Retained earnings/ accumulated losses	Profit/loss for the period	Total
Balance as at 1 January 2020	**0**	**0**	**0**	**0**
Investment shares sold	31,785	0	0	31,785
Net profit/loss for the period	0	0	(21,908)	(21,908)
Balance as at 31 December 2020	**31,785**	**0**	**(21,908)**	**9,877**

*From 1 January 2021, for the purposes of recognition, measurement and disclosure of financial instruments, the Fund applies IFRS 9 Financial Instruments. Due to the fact that the investment shares issued by the Fund are classified as a financial liability under IAS 32 paragraph 16, the statement of changes in the Sub-fund's equity is replaced with the statement of changes in net assets attributable to holders of investment shares.

Statement of changes in equity and net assets attributable to holders of investment shares for the year ended 31 December 2021

In CZK thousands	Net assets attributable to holders of investment shares	Capital funds	Retained earnings/accumulated losses	Profit/loss for the period	FX gains (losses)	Total
Reclassification as at 1 January 2021	9,877	(31,785)	0	21,908	**0**	**0**
Balance as at 1 January 2021	**9,877**	**0**	**0**	**0**	**0**	**9,877**
Investment shares sold	288,619	0	0	0	**0**	**288,619**
Other comprehensive income	0	0	0		**3,634**	**3,634**
Net profit/loss for the period	(41,035)	0	0	(3,634)	**0**	**(44,669)**
Balance as at 31 December 2021	**257,461**	**0**	**0**	**(3,634)**	**3,634**	**257,461**

3.13 Assets provided for management

Net assets attributable to investment shares totaling CZK 237,511 thousand (2020: CZK 9,021 thousand) were managed by the Sub-fund as at 31 December 2021. The fee for the management is disclosed in Note 5.15.

3.14 Interest and Similar Income

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Interest income on loans granted	2	0
Total interest income on loans granted	**2**	**0**

3.15 Interest and Similar Expense

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Interest expense on loans received	688	0
Total interest expense on loans received	**688**	**0**

In 2021, the Sub-fund used a bridging loan from Conseq Funds investiční společnost, a.s., in the amount of EUR 3,160 thousand to pre-finance the acquisition of investments in portfolio companies. As at 31 December 2021, the loan balance amounted to CZK 7,479 thousand.

3.16 Fee and Commission Expense

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Fixed fee for administration and management by the fund	39,795	20,554
Depositary's fee	543	85
Administration fee	840	420
Bank fees	368	84
Total fee and commission expense	**41,546**	**21,143**

3.17 Gains or Losses from Financial Transactions

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Market risk (FX differences)	(2,117)	(645)
Market risk (impact from change to fair value)	(38)	0
Total gains or losses from financial transactions	**(2,155)**	**(645)**
Net interest and similar income	**(686)**	**0**
Gain or loss from financial instruments measured at FVTPL	**(2,841)**	**0**

3.18 Administrative Expenses

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Auditors' fee	157	120
of which: statutory audit of annual financial statements	*157*	*120*
Bookkeeping	124	0
Other administrative expenses	1	0
Total administrative expenses	**282**	**120**

3.19 Income Tax

a) Deferred tax

	2021		2020	
Deferred tax items	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Other temporary differences:				
Gains or losses on revaluation	0	0	0	0
Tax loss carryforward	3,344	0	1,095	0
Total	3,344	0	1,095	0
Net	3,344	**0**	1,095	**0**

As at 31 December 2021 and 2020, the Sub-fund calculated at an income tax rate of 5% a deferred tax asset of CZK 3,344 thousand and CZK 1,095 thousand, respectively; in line with the principle of prudence, the Sub-fund did not record the deferred tax asset as at 31 December 2021 and 2021.

b) Current tax expense

The Sub-fund did not record any tax due. The income tax base was computed as follows:

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Profit /loss from ordinary activities before taxes	**(44,669)**	**(21,908)**
Effect of non-taxable revenue	(29,271)	0
Effect of non-deductible expenses	28,972	0
Tax loss	**(44,968)**	**(21,908)**
Current income tax due at 5% rate	**0**	**0**

3.20 Related Parties

3.20.1 Revenues and Expenses from Transactions with Related Parties

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Interest income	2	0

In 2021, the Company recognized income from loans to related parties.

3.20.2 Receivables from and Payables to Related Parties

(in CZK thousands)	31/ 12/ 2021	31/ 12/ 2020
Receivables from non-banking entities	167	20

All transactions with related parties were carried out on an arm's length basis.

In 2021 and 2020, no loans were granted to members of the statutory bodies, the Management Board or similar bodies or to employees involved in the management of the Sub-fund.

3.21 Fair Value of Assets and Liabilities

The best indication of an asset's or liability's fair value is provided by unadjusted quoted market prices in an active market. Where such prices are available, they are used to measure the fair value (level 1 of the fair value hierarchy).

In case a market quote is used for valuation but due to restricted liquidity the market does not qualify as active (derived from available market liquidity indicators) the instrument is classified as level 2.

If no market prices are available, the fair value is measured by using valuation models which are based on observable market data. If all the significant inputs in the valuation model are observable the instrument is classified as level 2 of the fair value hierarchy. For level 2 valuations typically yield curves, credit spreads and implied volatilities are used as observable market parameters.

In some cases, the fair value can be determined neither on the basis of sufficiently frequent quoted market prices nor of valuation models that rely entirely on observable market data. In these cases individual valuation parameters not observable in the market are estimated on the basis of reasonable assumptions. If any unobservable input in the valuation model is significant or the price quote used is updated infrequently, the instrument is classified as level 3 of the fair value hierarchy. In determining level 3 values, expert opinions using prescribed asset valuation methods (expected cash flows, market development, etc.) and the Administrator's assessment are used to determine fair value.
Transfers between levels of the fair value hierarchy are expected to occur at the end of the reporting period.

a) Cash and cash equivalents

The fair value approximates their carrying amount. These financial assets are classified within level 2 of the fair value hierarchy.

b) Loans and receivables

The fair value approximates their carrying amount. These financial assets are classified within level 2 of the fair value hierarchy. Convertible loans, which are long-term in nature and belong to level 3, represent an exception within the loans granted.

c) *Securities and ownership interests*

The fair value of of securities and ownership interests constituting a significant or controlling influence is determined as (i) its market value or the market value derived from the market values of components of the asset or liability, (ii) the value arising from generally accepted valuation models, methods and recommendations (such as the valuation policies published from time to time by Invest Europe as part of the 'Valuation Guidelines'), as long as these yield an adequate estimate of the market value, (iii) the value determined by a qualified expert or an expert's opinion, if the market value is not available. The valuation of securities and ownership interests falls primarily within level 3.

d) Money market instruments

The fair value of short-term deposit is determined as the sum of the principal value and agreed interest accrued as at the valuation date.

e) Securities issued by investment funds

The fair value of security issued by investment funds will be the value of this security announced as at the valuation date.

If the repurchase of security issued by investment fund has been stopped, an investment manager will determine the fair value of this security with reference to an estimate made with due diligence and with the Fund Depositary's consent.

f) Derivatives

Currency forwards are valued using the standard valuation models, such as discounted cash flow models.

Interest rate swaps are valued at fair value using measurement tools available from Bloomberg, according to currently valid methodology of this company and according to practices widely recognized on markets.

g) Loans received

Short-term loans received are usually measured at amortized cost using the effective interest rate (EIR) method; given the grant date, the amortized cost is considered to be comparable with the fair value determined on the basis of discounting the expected cash flows. The valuation is classified as level 3.

h) Other assets and liabilities at fair value classified as level 3

Position within level 3 comprises one or more significant inputs, which are not observable in the market. The valuation of the position at fair value is the responsibility of the Fund's Administrator.

Fair value hierarchy

In CZK thousands	Level 1	Level 2	Level 3	**Total**
As at 31 December 2021				
Financial assets at fair value through profit or loss				
Receivables from banks	0	39,033	0	**39,033**
Receivables from non-banking entities	0	167	0	**167**
Shares, unit certificates and other participations	0	0	93,782	**93,782**
Ownership interests constituting a significant influence	0	0	9,944	**9,944**
Ownership interests constituting a controlling influence	0	0	133,785	**133,785**
Total	0	39,200	237,511	**276,711**
Financial liabilities at fair value through profit or loss				
Liabilities to non-banking entities	0	7,479	0	**7,479**
Other liabilities	0	11,484	0	**11,484**
Total	0	18,963	0	**18,963**

Sensitivity of fair value to changes in unobservable inputs

In CZK thousands	Shares, unit certificates and other participations	Ownership interests constituting a significant influence	Ownership interests constituting a controlling influence	**Total**
Balance as at 1 January 2021	**0**	**0**	**9,021**	**9,021**
Investment shares sold	90,148	10,095	124,332	**224,575**
Net profit / (loss) for the year recognized in profit/loss	0	(151)	432	**281**
Revaluation to OCI (gain/loss on revaluation)	3,634	0	0	**3,634**
Transfers to/from level 3	0	0	0	**0**
Balance as at 31 December 2021	**93,782**	**9,944**	**133,785**	**237,511**

There were no transfers between levels 1, 2 and 3 in the fair value hierarchy during the year.

Other assets and liabilities, which are not remeasured to fair value

Assets and liabilities, which are not remeasured to fair value, are current assets or current liabilities, accrued income and accrued expenses, deferral account and provisions.

The following table shows the fair value and its analysis by hierarchy level.

In CZK thousands	Carrying amount	Fair value	Level 1	Level 2	Level 3	**Total**
As at 31 December 2021						
Assets						
Other assets	254	254	0	0	254	**254**
Prepayments and accrued income	45	45	0	0	45	**45**
Liabilities						
Other liabilities	586	586	0	0	586	586

There were no transfers between levels 1, 2 and 3 in the fair value hierarchy during the year.

3.22 Classification of Financial Assets and Liabilities

The Fund classifies its financial assets and financial liabilities as measured at:

Assets

- Fair value through profit or loss (FVTPL); or
- Fair value through other comprehensive income.

Liabilities

- Fair value through profit or loss (FVTPL).

The following table provides a reconciliation between balance sheet items and measurement categories of financial assets and financial liabilities:

In CZK thousands	Financial assets at fair value	Financial liabilities at fair value	**Total**
As at 31 December 2021			
Receivables from banks	39,033	0	**39,033**
Receivables from non-banking entities	167	0	**167**
Shares, unit certificates and other participations	93,782	0	**93,782**
Ownership interests constituting a significant influence	9,944	0	**9,944**
Ownership interests constituting a controlling influence	133,785	0	**133,785**
Other assets	254	0	**254**
Prepayments and accrued income	45	0	**45**
Liabilities to non-banking entities	0	7,479	**(7,479)**
Other liabilities	0	12,070	**(12,070)**
Net assets attributable to holders of investment shares	0	257,461	**(277,010)**
Total	**277,010**	**277,010**	**0**

3.23 Financial Risks

Financial risks are risks associated with financial activities of the Fund. Risk management aims at maintaining the risk exposure within some level of tolerance by using suitable methods and tools while maximizing profit within the level of risk exposure.

3.23.1 Market risk

The market risk results from the fluctuation of market prices and their impact on the Sub-fund's profit (equity). The market risk exposure depends on the structure of the balance sheet (the income statement) and the volatility of asset and liability (income and expense) items to changes in market prices. The Sub-fund's major market risks include currency and interest rate risks.

Geographical segmentation of assets

31 December 2021

In CZK thousands	Czech Republic	European Union	Outside EU	**Total**
Receivables from banks	39,033	0	0	**39,033**
Receivables from non-banking entities	167	0	0	**167**
Shares, unit certificates and other participations	0	0	93,782	**93,782**
Ownership interests constituting a significant influence	9,944	0	0	**9,944**
Ownership interests constituting a controlling influence	28,901	93,581	11,303	**133,785**
Other assets	254	0	0	**254**
Prepayments and accrued income	45	0	0	**45**
Total				**277,010**

31 December 2020

In CZK thousands	Czech Republic	European Union	Outside EU	**Total**
Receivables from banks	47,243	0	0	**47,243**
Receivables from non-banking entities	20	0	0	**20**
Ownership interests constituting a controlling influence	9,021	0	0	**9,021**
Total	**56,284**	**0**	**0**	**56,284**

a) Currency risk

The Sub-fund takes on exposure resulting from fluctuations in foreign currency exchange rates on its financial position and cash flows.

The chart below contains an overview of currency risk exposure. The chart contains assets and liabilities at their book value broken down by currencies and only show selected positions from the balance sheet exposed to currency risk.

31 December 2021

(in CZK thousands)	CZK	EUR	USD	GBP	Total
Receivables from banks	162	38,871	0	0	39,933
Receivables from non-banking entities	167	0	0	0	167
Shares, unit certificates and other participations	0	5,030	88,752	0	93,782
Ownership interests constituting a significant influence	0	9,944	0	0	9,944
Ownership interests constituting a controlling influence	28,901	49,689	47,508	7,687	133,785
Other assets	0	254	0	0	254
Prepayments and accrued income	45	0	0	0	45
Total assets	**29,275**	**103,788**	**136,260**	**7,687**	**277,010**
Liabilities to non-banking entities	0	7,479	0	0	7,479
Other liabilities	586	11,484	0	0	12,070
Net assets attributable to holders of investment shares	0	257,461	0	0	257,461
Total equity and liabilities	**586**	**276,424**	**0**	**0**	**277,010**
Net open currency position	**28,689**	**(172,636)**	**136,260**	**7,687**	**0**

31 December 2020

(in CZK thousands)	CZK	EUR	Total
Receivables from banks	228	47,015	47,243
Receivables from non-banking entities	20	0	20
Ownership interests constituting a controlling influence	9,021	0	9,021
Total assets	**9,269**	**47,015**	**56,284**
Other liabilities	0	46,407	46,407
Capital funds	0	31,785	31,785
Total equity and liabilities	**0**	**78,192**	**78,192**
Net open currency position	**9,269**	**(31,177)**	**(21,908)**

b) Interest rate risk

The Fund takes on exposure resulting from fluctuations of interest rates on its financial position and cash flows.

The chart below contains an overview of interest rate exposure; interest-bearing assets and liabilities at book values are broken down by the earliest of the maturity date or interest rate change.

31 December 2021

(in CZK thousands)	Up to 3 months	3-12 months	1-5 years	More than 5 years	No interest	Total
Receivables from banks	39,033	0	0	0	0	39,033
Receivables from non-banking entities	0	0	167	0	0	167
Shares, unit certificates and other participations	0	0	0	0	93,782	93,782
Ownership interests constituting a significant influence	0	0	0	0	9,944	9,944
Ownership interests constituting a controlling influence	0	0	0	0	133,785	133,785
Other assets	0	0	0	0	254	254
Prepayments and accrued income	0	0	0	0	45	45
Total assets	**39,033**	**0**	**167**	**0**	**237,810**	**277,010**
Liabilities to non-banking entities	0	7,479	0	0	0	7,479
Other liabilities	0	0	0	0	12,070	12,070
Net assets attributable to holders of investment shares	0	0	0	0	257,461	257,461
Total equity and liabilities	**0**	**7,479**	**0**	**0**	**269,531**	**277,010**
Difference	**39,033**	**(7,479)**	**167**	**0**	**(31,721)**	**0**

31 December 2020

(in CZK thousands)	Up to 3 months	3-12 months	1-5 years	More than 5 years	No interest	Total
Receivables from banks	47,243	0	0	0	0	47,243
Receivables from non-banking entities	0	0	20	0	0	20
Ownership interests constituting a controlling influence	0	0	0	0	9,021	9,021
Total assets	**47,243**	**0**	**20**	**0**	**9,021**	**56,284**
Other liabilities	**0**	**0**	**0**	**0**	46,407	46,407
Capital funds	0	0	0	0	31,785	31,785
Total equity and liabilities	**0**	**0**	**0**	**0**	**78,192**	**78,192**
Difference	**47,243**	**0**	**20**	**0**	**()69,171**	**(21,908)**

3.23.2 Liquidity Risk

The liquidity risk involves a risk that the Sub-fund will be unable to duly and timely meet its financial liabilities. The Fund's internal policy stipulates the minimum amount of liquid assets necessary to cover satisfaction of liabilities falling due and settlement and contains a liquidity crisis management plan.

The following chart contains a breakdown of assets and liabilities according to maturity bands based on remaining maturity as at the FS date. The chart only contains selected assets and liabilities carried at undiscounted book values broken down according to the earliest of the settlement, valuation or maturity date.

31 December 2021

(in CZK thousands)	Up to 3 months	3-12 months	1-5 years	More than 5 years	Unspecified	Total
Receivables from banks	39,033	0	0	0	0	30,033
Receivables from non-banking entities	0	0	167	0	0	167
Shares, unit certificates and other participations	0	0	0	0	93,782	93,782
Ownership interests constituting a significant influence	0	0	0	0	9,944	9,944
Ownership interests constituting a controlling influence	0	0	0	0	133,785	133,785
Other assets	0	0	0	0	254	254
Prepayments and accrued income	0	0	0	0	45	45
Total assets	**39,033**	**0**	**167**	**0**	**237,810**	**277,010**
Liabilities to non-banking entities	0	7,479	0	0	0	7,479
Other liabilities	0	0	0	0	12,070	12,070
Net assets attributable to holders of investment shares	0	0	0	0	257,461	257,461
Total equity and liabilities	**0**	**7,479**	**0**	**0**	**269,531**	**277,010**
Difference	**39,033**	**(7,479)**	**167**	**0**	**(31,721)**	**0**

31 December 2020

(in CZK thousands)	Up to 3 months	3-12 months	1-5 years	More than 5 years	Unspecified	Total
Receivables from banks	47,243	0	0	0	0	47,243
Receivables from non-banking entities	0	0	20	0	0	20
Ownership interests constituting a controlling influence	0	0	0	0	9,021	9,021
Total assets	**47,243**	**0**	**20**	**0**	**9,021**	**56,284**
Other liabilities	0	0	0	0	46,407	46,407
Capital funds	0	0	0	0	31,785	31,785
Total equity and liabilities	**0**	**0**	**0**	**0**	**78,192**	**78,192**
Difference	**47,243**	**0**	**20**	**0**	**(69,171)**	**(21,908)**

3.23.3 Credit Risk

The credit risk involves a risk of a counterparty failing to meet its liability to the Sub-fund. In the period under review, the Sub-fund only had receivables from short-term loans provided to group companies where the Fund has detailed information available on their financial position and the structure of their assets and liabilities. The maximum exposure to credit risk on financial assets corresponds to their fair values recognized in the balance sheet.

3.23.4 Operational Risk

The operational risk involves losses incurred as a result of inadequate or failed internal processes or people or caused by external events. Operational risk is managed by adequate setup of the Fund's internal processes and selection of external parties.

In the period under review, there were no significant operational risk events that would have a significant impact on the Sub-fund's results, i.e. an impact exceeding 1% of equity.

3.23.5 Sensitivity Analysis

The Company performs, at specified intervals, a sensitivity analysis of funds, mainly in the form of stress testing. The Risk Management is responsible for setting the values of risk factors, both external and internal, of stress testing. A primary purpose of stress testing is to simulate even unlikely events with a negative effect on capital position and to document the resilience of the Fund against the changes in market and economic conditions. The values of risk parameters change on a yearly basis, subject to changes in markets and changes in expectations of regulators (the Czech National Bank).
Due to fact that the assets/liabilities of the Sub-fund are measured at fair value through profit or loss or through other comprehensive income, the sensitivity analysis documents both the change in the value of investment instruments and the impact on equity and revenues and expenses.

3.24 Subsequent Events

The Company's management assessed potential impacts of the conflict in Ukraine and considers the event a non-adjusting event after the balance sheet date. Although the quantitative impact cannot be estimated with a reasonable degree of confidence at this time, the Company has analyzed the potential impact of changing micro and macroeconomic conditions on the Company's performance, financial position and operations and has not identified any effect on the going concern assumption or any significant impact on the Company's financial position or operations with respect to this situation as of the date of the financial statements.

In view of the above, the financial statements for the year ended 31 December 2021 were prepared on the assumption that the Company would be able to continue as a going concern.

In Prague, 12 May 2022

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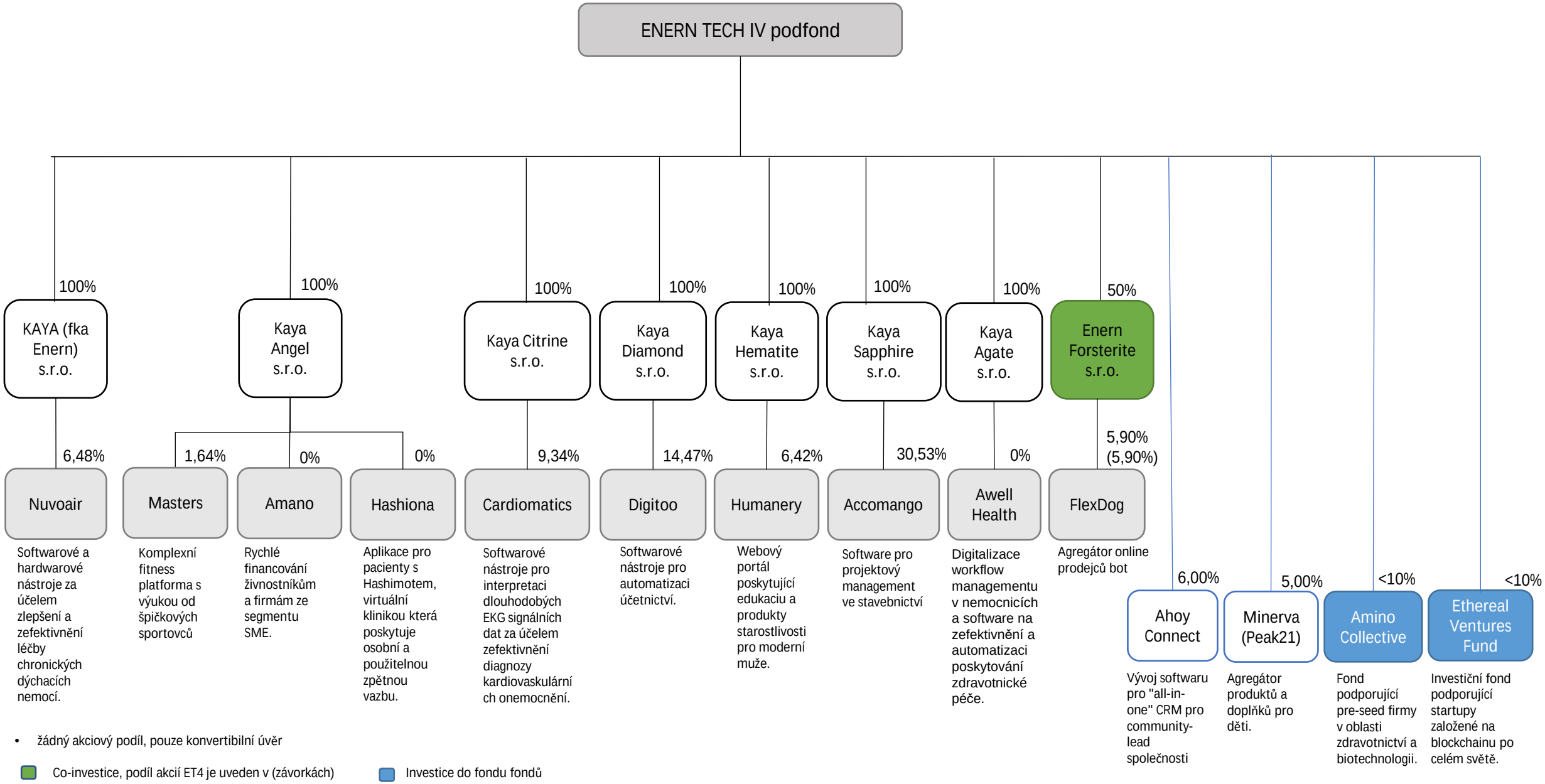
Iva Nováková
Chair of the Management Board

ANNEX 3
PORTFOLIO STRUCTURE OF ENERN TECH IV

organizační struktura

ENERN Investments SICAV

Aktualizace: 31.12.2021



- žádný akciový podíl, pouze konvertibilní úvěr

Co-investice, podíl akcií ET4 je uveden v (závorkách)

Investice do fondu fondů