enern
INVESTMENTS

# ANNUAL REPORT

## ENERN TECH IV

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# 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 2023, the investors committed to the Sub-fund total capital commitments of EUR 87,190 thousand.

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 of 31 December 2023, the Sub-fund called a total of EUR 40,475 thousand from investors holding Class I investment shares, representing 46.4% of their total capital commitment, and EUR 20 thousand from investors holding Class C investment shares, representing 100% 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 of 31 December 2023:

| Class | Number of shares issued as at 31/ 12/ 2023 | NAV per share as at 31/ 12/ 2023 (EUR) | NAV per share as at 31/ 12/ 2022 (EUR) |
|---|---|---|---|
| I1 | 68,994,870 | 0.3201 | 0.3538 |
| I2 | 44,354,601 | 0.2616 | 0.2952 |
| 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 of 31 December 2023, the Sub-fund held ownership interests in portfolio companies from which it had income in the form of a positive revaluation to fair value in 2023. The Sub-fund's expenses in 2023 include primarily expenses related to the revaluation to fair value and asset management and administration of the Sub-fund. In 2023, expenses exceeded revenues and the Sub-fund posted a loss on ordinary activities of CZK 30,654 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 CZK 832,976 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**

During the reporting period, Amendment No. 2 to the statute of the managing Fund was amended in the field of sustainability.

## 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 2022 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 2023 (in CZK thousands)** |
|---|---|---|
| Receivables from banks | 9,591 | 9,591 |
| Receivables from non-banking entities | 135,956 | 133,128 |
| Shares, unit certificates and other participations | 227,012 | 207,789 |
| Ownership interests constituting a significant influence | 177,896 | 193,189 |
| Ownership interests constituting a controlling influence | 274,212 | 287,829 |

## 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

### Assets

| In CZK thousands | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| **Due from banks and cooperative savings associations** | **9,591** | **8,605** |
| *of which: payable on demand* | *9,591* | *8,605* |
| **Receivables from non-banking entities** | **133,128** | **34,139** |
| *of which: other receivables* | *133,128* | *34,139* |
| **Shares, unit certificates and other participations** | **207,789** | **180,082** |
| **Ownership interests constituting a significant influence** | **193,189** | **46,807** |
| **Ownership interests constituting a controlling influence** | **287,829** | **227,014** |
| **Other assets** | **3,575** | **1,207** |
| **Total assets** | **835,101** | **497,854** |

### Liabilities

| In CZK thousands | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| **Liabilities to non-banking entities** | **0** | **3,676** |
| *of which: other liabilities* | *0* | *3,676* |
| **Other liabilities** | **2,125** | **4,841** |
| **Gains or losses on revaluation** | **(18,677)** | **5,203** |
| *of which: of assets and liabilities* | *(18,677)* | *5,203* |
| **Profit /loss for the period** | **23,879** | **(1,569)** |
| **Retained earnings / accumulated loss** | **(5,202)** | **(3,634)** |
| **Net assets attributable to holders of investment shares** | **832,976** | **489,337** |
| **Total equity and liabilities** | **835,101** | **497,854** |

### *Income statement for the year ended 31 December 2023*

| In CZK thousands | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| **Interest and similar income** | **6** | **4** |
| **Interest and similar expense** | **(202)** | **(773)** |
| **Fee and commission expense** | **(46,589)** | **(47,964)** |
| **Gains or Losses from Financial Transactions** | **17,484** | **4,216** |
| **Other operating expenses** | **(19)** | **0** |
| **Administrative expenses** | **(1,334)** | **(526)** |
| **b) other administrative expenses** | **(1,334)** | **(526)** |
| **Profit / loss from ordinary activities before taxes** | **(30,654)** | **(45,043)** |
| **Change in net assets attributable to holders of investment shares after tax** | **54,533** | **43,474** |
| **Income tax** | **0** | **0** |
| **Net profit for the period** | **23,879** | **(1,569)** |

# 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 Fund's management has analyzed the potential impact of changing micro and macroeconomic conditions on the Fund's/Sub-funds' performance, financial position and operations and has not identified any effect on the going concern assumption or any significant impact on the Fund' and Sub-funds' 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 2024, 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 2023.

## 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 2023, 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 2023, the Sub-fund acquired neither own shares nor ownership interests.

| ***Date of preparation*** | ***Statutory Representative's signature*** |
| --- | --- |
| 29 April 2024 | Iva Nováková |

# ANNEX 1
# INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

# ANNEX 2
# FINANCIAL STATEMENTS

# ANNEX 3
# PORTFOLIO STRUCTURE OF ENERN TECH IV

(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 2023, and the income statement for the year ended and notes to the financial statements, including a material accounting policy information. For details of the Subfund, see Note 1 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 2023, 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.

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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.

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.



A member firm of Ernst & Young Global Limited
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has been incorporated in the Commercial Register administered by the Municipal Court in Prague,
Section C, entry no. 88504, under Identification No. 26704153.

- 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

29 April 2024
Prague, Czech Republic



A member firm of Ernst & Young Global Limited
Ernst & Young Audit, s.r.o. with its registered office at Na Florenci 2116/15, 110 00 Prague 1 – Nove Mesto,
has been incorporated in the Commercial Register administered by the Municipal Court in Prague,
Section C, entry no. 88504, under Identification No. 26704153.

# FINANCIAL STATEMENTS

# FOR THE PERIOD

# FROM 1 JANUARY 2023 TO 31 DECEMBER 2023

| | |
|---|---|
| **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 2023 – 31 December 2023 |

## *Balance sheet as at 31 December 2023*

### Assets

| In CZK thousands | Note | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|---|
| **Due from banks and cooperative savings associations** | 3.1 | **9,591** | **8,605** |
| *of which: payable on demand* | | *9,591* | *8,605* |
| **Receivables from non-banking entities** | 3.2 | **133,128** | **34,139** |
| *of which: other receivables* | | *133,128* | *34,139* |
| **Shares, unit certificates and other participations** | 3.3 | **207,789** | **180,082** |
| **Ownership interests constituting a significant influence** | 3.4 | **193,189** | **46,807** |
| **Ownership interests constituting a controlling influence** | 3.4 | **287,829** | **227,014** |
| **Other assets** | 3.5 | **3,575** | **1,207** |
| **Total assets** | | **835,101** | **497,854** |

### Liabilities

| In CZK thousands | Note | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|---|
| **Liabilities to non-banking entities** | 3.6 | **0** | **3,676** |
| *of which: other liabilities* | | *0* | *3,676* |
| **Other liabilities** | 3.7 | **2,125** | **4,841** |
| **Gains or losses on revaluation** | 3.8 | **(18,677)** | **5,203** |
| *of which: of assets and liabilities* | | *(18,677)* | *5,203* |
| **Profit /loss for the period** | 3.9 | **23,879** | **(1,569)** |
| **Retained earnings / accumulated loss** | | **(5,202)** | **(3,634)** |
| **Net assets attributable to holders of investment shares** | 3.10 | **832,976** | **489,337** |
| **Total equity and liabilities** | | **835,101** | **497,854** |

## *Off-balance-sheet items*

| In CZK thousands | | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|---|
| **Assets transferred for management to third parties*** | 3.11 | **821,597** | **487,820** |
| **Total** | | **821,597** | **487,820** |

** 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 2023*

| In CZK thousands | Note | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|---|
| **Interest and similar income** | 3.12 | **6** | **4** |
| **Interest and similar expense** | 3.13 | **(202)** | **(773)** |
| **Fee and commission expense** | 3.14 | **(46,589)** | **(47,964)** |
| **Gains or Losses from Financial Transactions** | 3.15 | **17,484** | **4,216** |
| **Other operating expenses** | 3.16 | **(19)** | **0** |
| **Administrative expenses** | 3.17 | **(1,334)** | **(526)** |
| **b) other administrative expenses** | | **(1,334)** | **(526)** |
| **Profit / loss from ordinary activities before taxes** | | **(30,654)** | **(45,043)** |
| **Change in net assets attributable to holders of investment shares after tax** | | **54,533** | **43,474** |
| **Income tax** | 3.18 | **0** | **0** |
| **Net profit for the period** | | **23,879** | **(1,569)** |

## *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 2023 and 2022.

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.

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.

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.

Monetary 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". 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".

### *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 according to the settlement date outside the spot purchases and sales of related currency conversions that are recognized on the trade 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 and financial assets at fair value through other comprehensive income 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.

### *2.3 Financial instruments*

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 Sub-fund 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 (under “Gains or losses on revaluation”) 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 and liabilities measured at fair value are recognized according to the settlement date outside the spot purchases and sales of related currency conversions that are recognized on the trade 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.
As at the settlement date, a financial asset or financial liability is initially measured at fair value, which is adjusted for transaction costs, except for the financial instruments measured at fair value through profit or loss (FVTPL).

**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 under Gains or losses from financial transactions. 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.

### *2.3.1 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 ‘Due from banks and cooperative savings associations’ balance sheet caption.

### *2.3.2 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 (FVTPL). 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.
Securities at fair value through profit or loss are presented under Ownership interests constituting a significant influence and Ownership interests constituting a controlling influence in the accompanying balance sheet.

### *2.3.3 Securities at fair value through other comprehensive income*

Other securities not designated as held-for-trading are classified as securities at fair value through other comprehensive income (FVOIC).
Securities measured at fair value through other comprehensive income are initially recognized at fair value (generally the transaction price) and subsequently measured at fair value. Transaction costs directly attributable to the acquisition of a financial asset are capitalized. Subsequent changes in the fair value of financial assets measured at fair value through other comprehensive income are reflected in gains or losses on revaluation in equity.
Securities at fair value through other comprehensive income are presented in the balance sheet caption Shares, unit certificates and other participations.

### *2.3.4 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).

### *2.3.5 Loans and receivables*

The Sub-fund's loans and receivables that meet the definition of a financial asset are measured at fair value through profit or loss (FVTPL). Bad debts are written-off after the completion of debtor´s bankruptcy proceedings. Loans and receivables are presented in the 'Receivables from non-banking entities' caption.

### *2.3.6 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).

All financial liabilities are initially recognized at fair value through profit or loss (FVTPL). Transaction costs that are directly attributable to the acquisition or issue of a financial liability are charged directly to profit or loss. All related gains and losses are included in profit or loss on financial operations. Subsequent to initial recognition, the method of determining fair value is determined by the Sub-fund's Administrator.

### *2.4 Other assets and liabilities*

Other assets and liabilities consist of receivables and liabilities classified as financial instruments and recognized at fair value in Other assets and Other liabilities.

### *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 on the revaluation of hedging instruments and other financial assets at fair value through other comprehensive income 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*

There were no changes in accounting policies and procedures in 2023.

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").

### *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.

There were no corrections to previous period errors in 2023 and 2022, respectively.

### *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.

**Annual Improvements – 2018-2022 cycle**

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

**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 2024, with earlier application permitted.)

**i. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure – Supplier Finance Arrangements**

The amendments to IAS 7 add a disclosure objective stating that an entity is required to disclose information about its supplier finance arrangements that enables users of its financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. The amendments to IFRS 7 add supplier finance arrangements as an additional disclosure requirement about an entity's exposure to liquidity risk. The disclosures concerning supplier finance arrangements should include the following:

- The approach to the presentation of significant supplier finance arrangements and the judgements made in applying that policy,
- How supplier financing transactions have been reflected in the statement of cash flows,
- The carrying amount of the liabilities in question and the line items in which they are presented,
- Liquidity risk.

**ii. Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback**

The amendments contain additional requirements concerning subsequent measurement of sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as an asset sale. The amendments require the seller-lessee to establish "lease payments" or "revised lease payments" in a way that the seller-lessee does not recognize any gain or loss that relates to the right of use it retains. The amendments do not affect a gain or loss recognized by the seller-lessee in connection with the partial or full termination of a lease. The amendments include a new illustrative example that illustrates the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that are not index or rate dependent. The illustrative example explains that a liability arising from a sale and leaseback transaction that is classified as a sale under IFRS 15 is a lease liability.

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.

## 3 *Additional Information on the Balance Sheet and Income Statement*

The Sub-fund's financial statements contain data for the 2023 period, i.e. from 1 January 2023 to 31 December 2023, and for the 2022 period, i.e. from 1 January 2022 to 31 December 2022.

### *3.1 Due from Banks and Cooperative Savings Associations*

As at 31 December 2023 and 2022, receivables from banks of CZK 9,591 thousand and CZK 8,605 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.

**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.

### *3.2 Receivables from Non-banking Entities*

As at 31 December 2023 and 2022, the Sub-fund had receivables from non-banking entities amounting to CZK 338 thousand and CZK 222 thousand, respectively; these consist of medium-term loans. Loans to Caresend, Foundrylabs, Weiestrass Limit, Sensible Biotechnologies, Supernova, Upheal and Zeta AI represent interest-free convertible loans.

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Convertible loans | 132,790 | 33,917 |
| Loans provided to non-banking entities | 338 | 222 |
| **Receivables from non-banking entities** | **133,128** | **34,139** |

| (in CZK thousands) | Maturity | Interest rate (% p.a.) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|---|---|
| Kaya Sapphire s.r.o. | 31/12/2025 | 2.00 | 88 | 47 |
| Kaya Angel s.r.o. | 31/12/2025 | 2.00 | 21 | 21 |
| Kaya Citrine s.r.o. | 31/12/2025 | 2.00 | 46 | 21 |
| Kaya Agate s.r.o. | 31/12/2026 | 2.00 | 36 | 20 |
| Kaya Dioptase s.r.o. (Kaya DP GP s.r.o.) | 31/08/2026 | 2.00 | 48 | 37 |
| KAYA (fka Enern) s.r.o. | 31/12/2025 | 2.00 | 32 | 31 |
| Kaya Diamond s.r.o. | 31/12/2025 | 2.00 | 36 | 15 |
| Kaya Hematite s.r.o. | 30/09/2026 | 2.00 | 21 | 20 |
| Enern Ruby s.r.o. | 31/08/2026 | 2.00 | 10 | 10 |
| Assetario Inc. | – | 0.00 | 224 | 0 |
| CareSend Inc. | 10/01/2024 | 0.00 | 22,376 | 22,605 |
| Foundrylabs Inc. (E2B) | – | 0.00 | 16,770 | 0 |
| Weierstrass Limit Inc. (Medisearch) | – | 0.00 | 8,391 | 0 |
| Sensible Biotechnologies Inc. | – | 0.00 | 22,376 | 0 |
| Supernova Inc. | – | 0.00 | 55,940 | 0 |
| Upheal Inc. | – | 0.00 | 0 | 11,313 |
| Zeta AI Inc. | – | 0.00 | 6,713 | 0 |
| **Total receivables from non-banking entities** | | | **133,128** | **34,139** |

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 2023 and 2022, the Sub-fund had the following securities:

| (in CZK thousands) | Shares, unit certificates and other participations 31/ 12/ 2023 | Shares, unit certificates and other participations 31/ 12/ 2022 |
|---|---|---|
| Measured at fair value through other comprehensive income | 207,789 | 180,082 |
| **Securities** | **207,789** | **180,082** |

### *3.4 Ownership Interests Constituting a Significant or Controlling Influence*

As at 31 December 2023 and 2022, the Sub-fund had the following ownership interests constituting a significant or controlling influence:

| (in CZK thousands) | Ownership interests 31/ 12/ 2023 | Ownership interests 31/ 12/ 2022 |
|---|---|---|
| Ownership interests constituting a significant influence | 193,189 | 46,807 |
| Ownership interests constituting a controlling influence | 287,828 | 227,014 |

Summary of investments constituting a significant or controlling influence as at 31 December 2023 and 2022:

| As at 31 December 2023 | 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 | 6.50% |
| 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 | 16.18% |
| Kaya Hematite s.r.o. | Thámova 183/11, Prague 8 | 100.00% | 2021 | Retail Marketplace | –** |
| Kaya Agate s.r.o. | Thámova 183/11, Prague 8 | 100.00% | 2021 | Healthtech | 5.87% |
| Kaya Dioptase s.r.o. | Thámova 183/11, Prague 8 | 100.00% | 2022 | Healthtech | 5.78% |
| Enern Ruby s.r.o. | Türkova 2319/5b, Prague 4 | 50.00% | 2022 | Retail Marketplace | 3.35% |
| Kaya Topaz s.r.o. | Thámova 183/11, Prague 8 | 46.00% | 2023 | | –*** |

* Angel investments represent investments in a few companies and are typically low-ticket investments in the early stage of the company development.
** In 2023, the Sub-fund wrote off the value of its investment in the portfolio company in full and no longer owns a share in the company.
*** The company invested in the form of a SAFE instrument, which assumes the future conversion into equity of the portfolio company.

| As at 31 December 2022 | 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 | 6.56% |
| Kaya (fka Enern) s.r.o. | Türkova 2319/5b, Prague 4 | 100.00% | 2021 | Healthtech | 6.50% |
| 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 | --** |
| Kaya Dioptase s.r.o. | Thámova 183/11, Prague 8 | 100.00% | 2022 | Healthtech | 5.78% |
| Enern Ruby s.r.o. | Türkova 2319/5b, Prague 4 | 50.00% | 2022 | Retail Marketplace | 2.91% |

* Angel investments represent investments in a few companies and are typically low-ticket investments in the early stage of the company development.
** The Sub-fund invested through Kaya Agate s.r.o. in the form of a convertible loan.

Additional information to the summary of investments constituting a significant or controlling influence as at 31 December 2023 and 2022:

| (in CZK thousands) | Basic capital 31/ 12/ 2023 | * Equity 31/ 12/ 2023 | Basic capital 31/ 12/ 2022 | * Equity 31/ 12/ 2022 |
|---|---|---|---|---|
| Kaya Sapphire s.r.o. | 1 | 13,470 | 1 | 13,461 |
| Kaya Angel s.r.o. | 1 | 16,596 | 1 | 13,298 |
| Enern Forsterite s.r.o. | 2 | 153,415 | 2 | 231,852 |
| KAYA (fka Enern) s.r.o. | 1 | 142,699 | 1 | 103,290 |
| Kaya Citrine s.r.o. | 1 | 23,285 | 1 | 20,429 |
| Kaya Diamond s.r.o. | 1 | 35,580 | 1 | 23,839 |
| Kaya Hematite s.r.o. | 1 | 0 | 1 | 11,150 |
| Kaya Agate s.r.o. | 1 | 27,810 | 1 | 19,278 |
| Kaya Dioptase s.r.o. | 1 | 28,388 | 1 | 22,268 |
| Enern Ruby s.r.o. | 2 | 455,436 | 2 | 287,428 |
| Kaya Topaz s.r.o. | 1 | 223,866 | – | – |
| Kaya Jade s.r.o. | 10 | 8 | – | – |

* Equity amounts are based on unaudited financial statements.

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 5.90% in a portfolio company Flexdog s.r.o. operating in the Online Retail Marketplace sector; and an interest of 50.00% in Enern Ruby s.r.o., which holds, on behalf of the ET IV Sub-fund, an indirect interest of 3.35% in a portfolio company Woltair s.r.o. operating in the 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 2023, 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/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Receivables from shareholders | 3,576 | 1,207 |
| **Total other assets** | **3,576** | **1,207** |

Other assets as at 31 December 2023 and 2022 mainly comprise receivables from shareholders arising from the non-payment of calls for subscription of investment shares.

### *3.6 Liabilities to non-banking entities*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Others liabilities | 0 | 3,676 |
| **Total liabilities to non-banking entities** | **0** | **3,676** |

In 2023, the Sub-fund used a bridge loan facility from Česká spořitelna, a.s., in the amount of EUR 1,090 thousand to bridge investments in the portfolio companies. In 2022, the Sub-fund used a bridge loan facility from Conseq Funds investiční společnost, a.s., in the amount of EUR 2,260 thousand. The loan balance as at 31 December 2023 and 2022 was CZK 0 thousand and CZK 3,676 thousand, respectively.

### *3.7 Other Liabilities*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Settlement with payers | 932 | 4,254 |
| Accruals and deferred income | 751 | 540 |
| Trade payables | 440 | 46 |
| Others liabilities | 2 | 1 |
| **Total other liabilities** | **2,125** | **4,841** |

Other liabilities as at 31 December 2023 and 2022 include settlement with payers, i.e. advances received from investors for future capital calls for subscriptions of CZK 932 thousand and CZK 4,254 thousand, respectively.

### *3.8 Gains or Losses on Revaluation*

Gains/losses on revaluation represent the revaluation differences of securities due to the change in the fair value through other comprehensive income in portfolio companies, along with exchange rate differences of equity securities measured at fair value through other comprehensive income. Gains or losses on revaluation were CZK (18,677) thousand and CZK 5,203 thousand, respectively as at 31 December 2023 and 2022.

### *3.9 Profit / (Loss) for the Year and Retained Earnings or Accumulated Losses*

In 2023 and 2022, the Sub-fund reported loss from ordinary activities before tax totaling CZK 30,654 thousand and CZK 45,043 thousand, respectively. After taking into account the change in the net assets attributable to holders of investment shares and the tax liability, the Sub-fund reported a profit of CZK 23,879 thousand and a loss of CZK 1,569 thousand, respectively for 2023 and 2022. Retained earnings/accumulated loss as at 31 December 2023 and 2022 amounted to CZK 5,202 thousand and CZK 3,634 thousand, respectively. No decision has yet been made on the 2023 profit distribution.

The 2022 and 2021 loss of CZK 5,202 thousand and CZK 3,634 thousand, respectively was transferred to retained earnings/accumulated loss.

### *3.10 Net Assets and Equity Attributable to Investment Shares*

| | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Net assets attributable to the Sub-fund's investment shares (in CZK thousands) | 832,977 | 489,337 |
| 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) | 68,994,870 | 37,497,698 |
| Number of I2 investment shares issued (units) | 44,354,601 | 23,801,135 |
| Number of C1 investment shares issued (units) | 100,000,000 | 100,000,000 |
| Number of C2 investment shares issued (units) | 100,000,000 | 100,000,000 |
| Net assets per investment share (I1) in EUR [NAV per I1 share] | 0.3201 | 0.3538 |
| Net assets per investment share (I2) in EUR [NAV per I2 share] | 0.2616 | 0.2952 |
| Net assets per investment share (C1) in EUR [NAV per C1 share] | 0 | 0 |
| Net assets per investment share (C2) in EUR [NAV per C2 share] | 0 | 0 |

The Company applied the exchange rate of CZK/EUR 24.725 declared by the Czech National Bank for 31 December 2023 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 2022: CZK/EUR 24.115).

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 2023 | 61,298,833 | 200,000,000 | 489,337 | 0 |
| Investment shares sold | 52,050,638 | 0 | 398,172 | 0 |
| FX gains (losses) | 0 | 0 | (23,879) | 0 |
| Profit / loss from ordinary activities before taxes | 0 | 0 | (30,654) | 0 |
| **Balance as at 31 December 2023** | **113,349,471** | **200,000,000** | **832,976** | **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.

| 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 2022 | 29,844,094 | 200,000,000 | 257,461 | 0 |
| Investment shares sold | 31,454,739 | 0 | 275,350 | 0 |
| FX gains (losses) | 0 | 0 | 1,569 | 0 |
| Profit / loss from ordinary activities before taxes | 0 | 0 | (45,043) | 0 |
| **Balance as at 31 December 2022** | **61,298,833** | **200,000,000** | **489,337** | **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.

Other comprehensive income totaling CZK 23,879 thousand (2022: CZK (1,569) thousand) in the statement of changes in net assets attributable to holders of investment shares shows FX difference and remeasurement of financial assets measured at fair value through other comprehensive income.

**Statement of changes in equity and net assets attributable to holders of investment shares for the year ended 31 December 2023**

| In CZK thousands | Net assets attributable to holders of investment shares | Retained earnings/accumulated losses | Profit/loss for the period | FX gains (losses) | Total |
|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **489,337** | **(5,203)** | **0** | **5,203** | **489,337** |
| Investment shares sold | 398,172 | 0 | 0 | 0 | **398,172** |
| Net profit / loss from ordinary activities for the period | (30,654) | 0 | 0 | 0 | **(30,654)** |
| Other comprehensive income | 0 | 0 | 0 | (23,879) | **(23,879)** |
| Change in net assets attributable to holders of investment shares (FVOCI revaluation) | (23,879) | 0 | 23,879 | 0 | **0** |
| **Balance as at 31 December 2023** | **832,976** | **(5,203)** | **23,879** | **(18,676)** | **832,976** |

**Statement of changes in equity and net assets attributable to holders of investment shares for the year ended 31 December 2022**

| In CZK thousands | Net assets attributable to holders of investment shares | Retained earnings/accumulated losses | Profit/loss for the period | FX gains (losses) | Total |
|---|---|---|---|---|---|
| **Balance as at 1 January 2022** | **257,461** | **(3,634)** | **0** | **3,634** | **257,461** |
| Investment shares sold | 276,918 | 0 | 0 | 0 | **276,918** |
| Other comprehensive income | 0 | 0 | 0 | 1,569 | **1,569** |
| Net profit / loss from ordinary activities for the period | (45,043) | 0 | (1,568) | 0 | **(46,611)** |
| **Balance as at 31 December 2022** | **489,336** | **(3,634)** | **(1,568)** | **5,203** | **489,337** |

### *3.11 Assets provided for management*

As at 31 December 2023, net assets attributable to investment shares totaling CZK 821,597 thousand (2022: CZK 487,820 thousand) were managed by the Fund. The fee for the management is disclosed in Note 3.14.

### *3.12 Interest and Similar Income*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Interest income on loans granted | 6 | 4 |
| **Total interest income on loans granted** | **6** | **4** |

### *3.13 Interest and Similar Expense*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Interest expense on loans received | 202 | 773 |
| **Total interest expense on loans received** | **202** | **773** |

### *3.14 Fee and Commission Expense*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Fixed fee for administration and management by the fund | 45,043 | 46,258 |
| Depositary's fee | 587 | 552 |
| Administration fee | 900 | 840 |
| Bank fees | 59 | 314 |
| **Total fee and commission expense** | **46,589** | **47,964** |

### *3.15 Gains or Losses from Financial Transactions*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Market risk (currency revaluation) | (621) | (4,473) |
| Market risk (price differences) | 18,105 | 8,689 |
| **Total gains or losses from financial transactions** | **17,484** | **4,216** |
| **Net interest and similar income** | **(196)** | **(769)** |
| **Gain or loss from financial instruments measured at FVTPL (mandatory)** | **17,288** | **3,447** |

### *3.16 Other Operating Expenses*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Other operating expenses | 19 | 0 |
| **Other operating expenses** | **19** | **0** |

### *3.17 Administrative Expenses*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Auditors' fee | 708 | 282 |
| *of which: statutory audit of annual financial statements* | *708* | *282* |
| Bookkeeping | 205 | 99 |
| Legal expenses | 193 | 0 |
| Other administrative expenses | 228 | 145 |
| **Total administrative expenses** | **1,334** | **526** |

### *3.18 Income Tax*

#### a) Deferred tax

| | 2023 | | 2022 | |
|---|---|---|---|---|
| **Deferred tax items** | Deferred tax asset | Deferred tax liability | Deferred tax asset | Deferred tax liability |
| Other temporary differences: | | | | |
| Tax loss carryforward | 8,390 | 0 | 5,979 | 0 |
| Total | 8,390 | 0 | 5,979 | 0 |
| Net | 8,390 | **0** | 5,979 | **0** |

As at 31 December 2023 and 2022, the Sub-fund calculated at an income tax rate of 5% a deferred tax asset of CZK 8,390 thousand and CZK 5,979 thousand, respectively; in line with the principle of prudence, the Sub-fund did not record the deferred tax asset as at 31 December 2023 and 2022.

**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/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| **Profit / loss from ordinary activities before taxes** | **(30,654)** | **(45,043)** |
| Effect of non-taxable revenue | (66,475) | (30,338) |
| Effect of non-deductible expenses | 48,912 | 22,682 |
| **Tax loss** | **(48,217)** | **(52,699)** |
| **Current income tax due at 5% rate** | **0** | **0** |

### *3.19 Related Parties*

#### *3.19.1 Revenues and Expenses from Transactions with Related Parties*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Interest income | 6 | 4 |

In 2023, the Sub-fund recognized income from loans to related parties.

#### *3.19.2 Receivables from and Payables to Related Parties*

| (in CZK thousands) | 31/ 12/ 2023 | 31/ 12/ 2022 |
|---|---|---|
| Receivables from non-banking entities | 338 | 222 |

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

In 2023 and 2022, 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.

### *3.20 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/transaction price 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 may be 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 2023** | | | | |
| **Financial assets at fair value through profit or loss** | | | | |
| Receivables from banks | 0 | 9,591 | 0 | **9,591** |
| Receivables from non-banking entities | 0 | 338 | 132,790 | **133,128** |
| Ownership interests constituting a significant influence | 0 | 0 | 193,189 | **193,189** |
| Ownership interests constituting a controlling influence | 0 | 0 | 287,829 | **287,829** |
| Other assets | 0 | 3,575 | 0 | **3,576** |
| **Financial assets at fair value through other comprehensive income** | | | | |
| Shares, unit certificates and other participations | 0 | 0 | 207,789 | **207,789** |
| **Total** | 0 | 13,504 | 821,597 | **835,101** |
| **Financial liabilities at fair value** | | | | |
| Liabilities to non-banking entities | 0 | 0 | 0 | **0** |
| Other liabilities | 0 | 0 | 2,125 | **2,125** |
| **Total** | 0 | 0 | 2,125 | **2,125** |

### *Fair value hierarchy*

| In CZK thousands | Level 1 | Level 2 | Level 3 | **Total** |
|---|---|---|---|---|
| **As at 31 December 2022** | | | | |
| **Financial assets at fair value through profit or loss** | | | | |
| Receivables from banks | 0 | 8,605 | 0 | **8,605** |
| Receivables from non-banking entities | 0 | 222 | 33,917 | **34,139** |
| Ownership interests constituting a significant influence | 0 | 0 | 46,807 | **46,807** |
| Ownership interests constituting a controlling influence | 0 | 0 | 227,014 | **227,014** |
| Other assets | 0 | 1,207 | 0 | **1,207** |
| **Financial assets at fair value through other comprehensive income** | | | | |
| Shares, unit certificates and other participations | 0 | 0 | 180,082 | **180,082** |
| **Total** | 0 | 10,034 | 487,820 | **497,854** |
| **Financial liabilities at fair value** | | | | |
| Liabilities to non-banking entities | 0 | 3,676 | 0 | **3,676** |
| Other liabilities | 0 | 0 | 4,843 | **4,843** |
| **Total** | 0 | 3,676 | 4,843 | **8,519** |

### *Fair value movements over the period for Level 3 financial instruments*

| In CZK thousands | Receivables from non-banking entities – level 3 | Shares, unit certificates and other participations | Ownership interests constituting a significant influence | Ownership interests constituting a controlling influence | **Total** |
|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **33,917** | **180,082** | **46,807** | **227,014** | **487,820** |
| Purchases of financial instruments | 123,818 | 29,334 | 129,929 | 57,012 | **340,093** |
| Change in classification | (22,252) | 22,252 | 0 | 0 | **0** |
| Net profit / (loss) for the year recognized in profit/loss from ordinary activities* | (2,693) | 0 | 16,453 | 3,803 | **17,563** |
| Revaluation to OCI (gain/loss on revaluation) | 0 | (23,879) | 0 | 0 | (23,879) |
| Transfers to/from level 3 | 0 | 0 | 0 | 0 | **0** |
| **Balance as at 31 December 2023** | **132,790** | **207,789** | **193,189** | **287,829** | **821,597** |

* Net profit / (loss) for the year recognized in profit/loss from ordinary activities represents an unrealized profit/loss for the year.

At the end of 2023, the classification of Receivables from banking entities changed to Shares, unit certificates and other participations due to the completion of a qualifying financing round whereby the convertible loan provided to Upheal was converted into equity of the portfolio company.

| In CZK thousands | Receivables from non-banking entities – level 3 | Shares, unit certificates and other participations | Ownership interests constituting a significant influence | Ownership interests constituting a controlling influence | Total |
|---|---|---|---|---|---|
| **Balance as at 1 January 2022** | **0** | **93,782** | **9,944** | **133,785** | **237,511** |
| Investment shares sold | 34,602 | 84,731 | 37,904 | 83,847 | **241,080** |
| Net profit / (loss) for the year recognized in profit/loss from ordinary activities* | (685) | 0 | (1,041) | 9,382 | **7,656** |
| Revaluation to OCI (gain/loss on revaluation) | 0 | 1,569 | 0 | 0 | **1,569** |
| Transfers to/from level 3 | 0 | 0 | 0 | 0 | **0** |
| **Balance as at 31 December 2022** | **33,917** | **180,082** | **46,807** | **227,014** | **487,820** |

* Net profit / (loss) for the year recognized in profit/loss from ordinary activities represents an unrealized profit/loss for the year.

There were no transfers between levels 1, 2 and 3 in the fair value hierarchy during 2023 and 2022.

Financial assets at fair value classified within Level 3 use inputs that are not directly observable in the market to determine the fair value. Level 3 assets are valued at acquisition cost and are subsequently measured based on the transaction price of the most recent qualifying financing round. In the event that a period of more than 12 months has elapsed since the last qualifying financing round, the Sub-fund shall assess whether the valuation of such asset continues to be consistent with the estimated realizable value of the underlying portfolio company based on current developments and projected outlook.

***Sensitivity of fair value to changes in unobservable inputs***

Key factors that may affect the fair value of financial assets in venture capital, although unobservable or difficult to quantify, include the experience, skills and abilities of the management team, market trends and future events such as regulatory changes, changes in customer behavior or the entry of new competitors, innovation potential, corporate culture and team politics.

### *3.21 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 (FVPL) (mandatory) | Financial assets at fair value (FVOCI) | Financial liabilities at fair value | Total |
|---|---|---|---|---|
| **As at 31 December 2023** | | | | |
| Receivables from banks | 9,591 | 0 | 0 | **9,591** |
| Receivables from non-banking entities | 133,128 | 0 | 0 | **133,128** |
| Shares, unit certificates and other participations | 0 | 207,789 | 0 | **207,789** |
| Ownership interests constituting a significant influence | 193,189 | 0 | 0 | **193,189** |
| Ownership interests constituting a controlling influence | 287,829 | 0 | 0 | **287,829** |
| Other assets | 3,575 | 0 | 0 | **3,575** |
| Liabilities to non-banking entities | 0 | 0 | 0 | **0** |
| Other liabilities | 0 | 0 | 2,125 | **(2,125)** |
| Net assets attributable to holders of investment shares | 0 | 0 | 832,976 | **(832,976)** |
| **Total** | **627,311** | **207,789** | **835,101** | **0** |

| In CZK thousands | Financial assets at fair value (FVPL) (mandatory) | Financial assets at fair value (FVOCI) | Financial liabilities at fair value | Total |
|---|---|---|---|---|
| **As at 31 December 2022** | | | | |
| Receivables from banks | 8,605 | 0 | 0 | **8,605** |
| Receivables from non-banking entities | 34,139 | 0 | 0 | **34,139** |
| Shares, unit certificates and other participations | 0 | 180,082 | 0 | **180,082** |
| Ownership interests constituting a significant influence | 46,807 | 0 | 0 | **46,807** |
| Ownership interests constituting a controlling influence | 227,014 | 0 | 0 | **227,014** |
| Other assets | 1,207 | 0 | 0 | **1,207** |
| Liabilities to non-banking entities | 0 | 0 | 3,676 | **(3,676)** |
| Other liabilities | 0 | 0 | 4,843 | **(4,843)** |
| Net assets attributable to holders of investment shares | 0 | 0 | 489,336 | **(489,336)** |
| **Total** | **317,772** | **180,082** | **497,854** | **0** |

### *3.22 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.

#### *3.22.1 Market Risk*

The market risk results from the fluctuation of market prices and their impact on the Sub-fund's net assets attributable to holders of investment shares. 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, interest rate and price risks.

## Geographical segmentation of assets and liabilities

**31 December 2023**

| In CZK thousands | Czech Republic | European Union | Outside EU | **Total** |
|---|---|---|---|---|
| Receivables from banks | 9,591 | 0 | 0 | **9,591** |
| Receivables from non-banking entities | 73,048 | 15,104 | 44,976 | **133,128** |
| Shares, unit certificates and other participations | 96,937 | 32,626 | 78,226 | **207,789** |
| Ownership interests constituting a significant influence | 193,189 | 0 | 0 | **193,189** |
| Ownership interests constituting a controlling influence | 54,500 | 90,630 | 142,699 | **287,829** |
| Other assets | 0 | 0 | 3,575 | **3,575** |
| **Total** | **427,265** | **138,360** | **269,476** | **835,101** |

| In CZK thousands | Czech Republic | European Union | Outside EU | **Total** |
|---|---|---|---|---|
| Other liabilities | 2,125 | 0 | 0 | **2,125** |
| **Total** | **2,125** | **0** | **0** | **2,125** |

**31 December 2022**

| In CZK thousands | Czech Republic | European Union | Outside EU | **Total** |
|---|---|---|---|---|
| Receivables from banks | 8,605 | 0 | 0 | **8,605** |
| Receivables from non-banking entities | 222 | 0 | 33,917 | **34,139** |
| Shares, unit certificates and other participations | 0 | 18,086 | 161,996 | **180,082** |
| Ownership interests constituting a significant influence | 46,807 | 0 | 0 | **46,807** |
| Ownership interests constituting a controlling influence | 37,301 | 178,563 | 11,150 | **227,014** |
| Other assets | 0 | 0 | 1,207 | **1,207** |
| **Total** | **92,935** | **196,649** | **208,270** | **497,854** |

| In CZK thousands | Czech Republic | European Union | Outside EU | **Total** |
|---|---|---|---|---|
| Other liabilities | 4,843 | 0 | 0 | **4,843** |
| **Total** | **4,843** | **0** | **0** | **4,843** |

### *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 Sub-fund may hold investments in currencies other than its reference currency and their value may therefore rise or fall as a result of changes in exchange rates; adverse movements in exchange rates may result in a loss of capital.

The currency risk is associated with foreign currency transactions and the resulting foreign currency balances. The functional currency of the Sub-fund is CZK and if a transaction is denominated in another currency, it is converted, as are the balances. The Sub-fund monitors exchange rate movements and seeks to eliminate the currency risk by using spot transactions. In addition, the Sub-fund sells and buys investment shares from investors in EUR. Investments in portfolio companies are mainly in USD and EUR. As a result, the currency risk is partially eliminated by natural hedging.

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 2023**

| (in CZK thousands) | CZK | EUR | USD | GBP | Total |
|---|---|---|---|---|---|
| Receivables from banks | 44 | 9,547 | 0 | 0 | 9,591 |
| Receivables from non-banking entities | 338 | 0 | 132,789 | 0 | 133,128 |
| Shares, unit certificates and other participations | 0 | 32,626 | 175,163 | 0 | 207,789 |
| Ownership interests constituting a significant influence | 0 | 90,211 | 102,978 | 0 | 193,189 |
| Ownership interests constituting a controlling influence | 49,050 | 96,080 | 142,699 | 0 | 287,829 |
| Other assets | 0 | 3,575 | 0 | 0 | 3,575 |
| **Total assets** | **49,432** | **232,039** | **450,428** | **0** | **835,101** |
| Liabilities to non-banking entities | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 1,193 | 932 | 0 | 0 | 2,125 |
| Net assets attributable to holders of investment shares | 0 | 832,977 | 0 | 0 | 832,977 |
| **Total equity and liabilities** | **1,193** | **833,909** | **0** | **0** | **835,101** |
| **Net open currency position** | **48,239** | **(601,870)** | **450,428** | **0** | **0** |

**31 December 2022**

| (in CZK thousands) | CZK | EUR | USD | GBP | Total |
|---|---|---|---|---|---|
| Receivables from banks | 74 | 8,530 | 0 | 0 | 8,605 |
| Receivables from non-banking entities | 222 | 0 | 33,917 | 0 | 34,139 |
| Shares, unit certificates and other participations | 0 | 28,791 | 151,291 | 0 | 180,082 |
| Ownership interests constituting a significant influence | 0 | 46,807 | 0 | 0 | 46,807 |
| Ownership interests constituting a controlling influence | 37,301 | 75,274 | 103,290 | 11,150 | 227,014 |
| Other assets | 0 | 1,207 | 0 | 0 | 1,207 |
| **Total assets** | **37,597** | **160,609** | **288,498** | **11,150** | **497,854** |
| Liabilities to non-banking entities | 0 | 3,676 | 0 | 0 | 3,676 |
| Other liabilities | 587 | 4,254 | 0 | 0 | 4,841 |
| Net assets attributable to holders of investment shares | 0 | 489,337 | 0 | 0 | 489,337 |
| **Total equity and liabilities** | **587** | **497,267** | **0** | **0** | **497,854** |
| **Net open currency position** | **37,010** | **(336,659)** | **288,498** | **11,150** | **0** |

### Sensitivity analysis of currency risk

An appreciation (depreciation) of the Czech crown (CZK) against the euro (EUR) and the US dollar (USD) as at the balance sheet date would decrease (increase) the asset values by the amounts shown in the table below. The analysis quantifies the impact on profit or loss from ordinary activities and on other comprehensive income. The analysis assumes that all other variables, especially interest rates, remain constant. The table shows the impact of the change in the CZK/EUR and CZK/USD exchange rates.

| | Effect on profit/loss from ordinary activities | | Effect on other comprehensive income | |
|---|---|---|---|---|
| In CZK thousands | +5% | (5%) | +5% | (5%) |
| EUR | (9,924) | 9,924 | (1,631) | 1,631 |
| USD | (18,923) | 18,923 | (8,758) | 8,758 |

The change in the fair value of financial assets measured at fair value through profit or loss (FVTPL) due to the change in the CZK/EUR and CZK/USD exchange rates will have a nil impact on the Sub-fund's profit/loss as the change in exchange rates is offset by the change in the value of net assets attributable to shareholders. In the case of financial assets measured at fair value through other comprehensive income (FVOCI), the change in exchange rates is reflected in profit/loss but does not affect total equity.

### *b) Interest rate risk*

The Fund takes on exposure resulting from fluctuations of interest rates on its financial position and cash flows. As the Sub-fund has interest-bearing assets and liabilities with mainly short- or medium-term maturity, the interest rate risk was assessed as insignificant.

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 2023**

| (in CZK thousands) | Up to 3 months | 3-12 months | 1-5 years | More than 5 years | No interest | Total |
|---|---|---|---|---|---|---|
| Receivables from banks | 9,591 | 0 | 0 | 0 | 0 | 9,591 |
| Receivables from non-banking entities | 0 | 0 | 133,128 | 0 | 0 | 133,128 |
| Shares, unit certificates and other participations | 0 | 0 | 0 | 0 | 207,789 | 207,789 |
| Ownership interests constituting a significant influence | 0 | 0 | 0 | 0 | 193,189 | 193,189 |
| Ownership interests constituting a controlling influence | 0 | 0 | 0 | 0 | 287,829 | 287,829 |
| Other assets | 0 | 0 | 0 | 0 | 3,576 | 3,576 |
| **Total assets** | **9,591** | **0** | **133,128** | **0** | **692,383** | **835,102** |
| Liabilities to non-banking entities | 0 | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 0 | 0 | 0 | 0 | 2,125 | 2,125 |
| Net assets attributable to holders of investment shares | 0 | 0 | 0 | 0 | 832,977 | 832,977 |
| **Total equity and liabilities** | **0** | **0** | **0** | **0** | **835,102** | **835,102** |
| **Difference** | **9,591** | **0** | **133,128** | **0** | **(142,719)** | **0** |

**31 December 2022**

| (in CZK thousands) | Up to 3 months | 3-12 months | 1-5 years | More than 5 years | No interest | Total |
|---|---|---|---|---|---|---|
| Receivables from banks | 8,605 | 0 | 0 | 0 | 0 | 8,605 |
| Receivables from non-banking entities | 0 | 0 | 34,139 | 0 | 0 | 34,139 |
| Shares, unit certificates and other participations | 0 | 0 | 0 | 0 | 180,082 | 180,082 |
| Ownership interests constituting a significant influence | 0 | 0 | 0 | 0 | 46,807 | 46,807 |
| Ownership interests constituting a controlling influence | 0 | 0 | 0 | 0 | 227,014 | 227,014 |
| Other assets | 0 | 0 | 0 | 0 | 1,207 | 1,207 |
| **Total assets** | **8,605** | **0** | **34,139** | **0** | **455,110** | **497,854** |
| Liabilities to non-banking entities | 0 | 3,676 | 0 | 0 | 0 | 3,676 |
| Other liabilities | 0 | 0 | 0 | 0 | 4,841 | 4,841 |
| Net assets attributable to holders of investment shares | 0 | 0 | 0 | 0 | 489,337 | 489,337 |
| **Total equity and liabilities** | **0** | **3,676** | **0** | **0** | **494,178** | **497,854** |
| **Difference** | **8,605** | **(3,676)** | **34,139** | **0** | **(39,068)** | **0** |

### *c) Price Risk*

A financial institution's risk management policies and objectives for price risk include identifying, measuring, monitoring and managing the impact of price fluctuations on financial instruments. Any significant changes in risk management policies or strategies are disclosed, along with concentrations of price-related risk, such as exposures to specific market segments or geographic regions. These qualitative information provides transparency on the Sub-fund's approach to risk management and allows for a better understanding of its exposure to price risk. The values of risk parameters change at least on a yearly basis (or more often), 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 the change in the value of investment instruments affecting the net assets attributable to the holders of investment shares. In the case of ownership interests, the value of investment instruments is primarily based on the price of the most recent qualifying financing round of the portfolio company. In the event that a period of more than 12 months has elapsed since the last qualifying financing round, the Sub-fund shall assess whether the valuation of such asset continues to be consistent with the estimated realizable value of the underlying portfolio company based on current developments and projected outlook. The Sub-fund manages price risk through regular monitoring of portfolio investments. Based on an evaluation of this information, the Sub-fund eliminates price risk by reacting in a timely manner to any significant changes.

### *3.22.2 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 2023**

| (in CZK thousands) | Up to 3 months | 3-12 months | 1-5 years | More than 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| Receivables from banks | 9,591 | 0 | 0 | 0 | 0 | 9,591 |
| Receivables from non-banking entities | 0 | 0 | 133,128 | 0 | 0 | 133,128 |
| Shares, unit certificates and other participations | 0 | 0 | 0 | 0 | 207,789 | 207,789 |
| Ownership interests constituting a significant influence | 0 | 0 | 0 | 0 | 193,189 | 193,189 |
| Ownership interests constituting a controlling influence | 0 | 0 | 0 | 0 | 287,829 | 287,829 |
| Other assets | 0 | 0 | 0 | 0 | 3,576 | 3,576 |
| **Total assets** | **9,591** | **0** | **133,128** | **0** | **455,110** | **835,102** |
| Liabilities to non-banking entities | 0 | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 0 | 0 | 0 | 0 | 2,125 | 2,125 |
| Net assets attributable to holders of investment shares | 0 | 0 | 0 | 0 | 832,977 | 832,977 |
| **Total equity and liabilities** | **0** | **0** | **0** | **0** | **835,102** | **835,102** |
| **Difference** | **9,591** | **0** | **133,128** | **0** | **(379,992)** | **0** |

**31 December 2022**

| (in CZK thousands) | Up to 3 months | 3-12 months | 1-5 years | More than 5 years | Unspecified | Total |
|---|---|---|---|---|---|---|
| Receivables from banks | 8,605 | 0 | 0 | 0 | 0 | 8,605 |
| Receivables from non-banking entities | 0 | 0 | 34,139 | 0 | 0 | 34,139 |
| Shares, unit certificates and other participations | 0 | 0 | 0 | 0 | 180,082 | 180,082 |
| Ownership interests constituting a significant influence | 0 | 0 | 0 | 0 | 46,807 | 46,807 |
| Ownership interests constituting a controlling influence | 0 | 0 | 0 | 0 | 227,014 | 227,014 |
| Other assets | 0 | 0 | 0 | 0 | 1,207 | 1,207 |
| **Total assets** | **8,605** | **0** | **34,139** | **0** | **455,110** | **497,854** |
| Liabilities to non-banking entities | 0 | 3,676 | 0 | 0 | 0 | 3,676 |
| Other liabilities | 0 | 0 | 0 | 0 | 4,841 | 4,841 |
| Net assets attributable to holders of investment shares | 0 | 0 | 0 | 0 | 489,337 | 489,337 |
| **Total equity and liabilities** | **0** | **3,676** | **0** | **0** | **494,178** | **497,854** |
| **Difference** | **8,605** | **(3,676)** | **34,139** | **0** | **(39,068)** | **0** |

### *3.22.3 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 had receivables from middle-term loans provided to portfolio and group companies where the Sub-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.

Concentrations of positions may expose the Sub-fund to losses, even though economic and market conditions may be generally favourable in a particular industry or sector. By industry breakdown, the Sub-fund has significant equity exposure to advanced technology companies. Concentration of risk can occur not only within an industry but also within transactions with a given counterparty. By country, the Sub-fund concentrates its claims vis-à-vis non-banking entities mainly in the United States of America (see Note 3.2). The Sub-fund has assessed that the convertible loans granted do not pose a credit risk.

### *3.22.4 Operational Risk*

The operational risk involves asset 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.

The operational risk assessment takes into account the functioning of the Fund's internal and external control system, which is evaluated by the Fund and by the internal auditor, who is responsible for assessing individual operational risk manifestations and is involved in identifying potential new operational risk manifestations. Operational risk is eliminated by strict adherence to the four eyes rule, including random checks, utilizing digitization and automation within internal processes, training

employees and other persons authorized to perform certain activities regarding limits, internal guidelines and legal regulations. Reconciliation and control of the movements of funds and investment instruments and compliance with the limit are carried out in accordance with the applicable internal policies, thereby ensuring timely detection and correction of errors. Concerning external control, operational risk is also eliminated by the activities of the Fund's depositary. The scope of the control by the depositary is governed by the Depositary Agreement.

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.

### *3.22.5 Sensitivity Analysis*

The Sub-fund 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 Sub-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 the change in the value of investment instruments affecting the net assets attributable to the holders of investment shares.

### *3.23 Subsequent Events*

The Sub-fund's management has analyzed the potential impact of changing micro and macroeconomic conditions on the Sub-fund's performance, financial position and operations and has not identified any effect on the going concern assumption or any significant impact on the Sub-fund'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 2023 were prepared on the assumption that the Sub-fund would be able to continue as a going concern.

In Prague, 29 April 2024

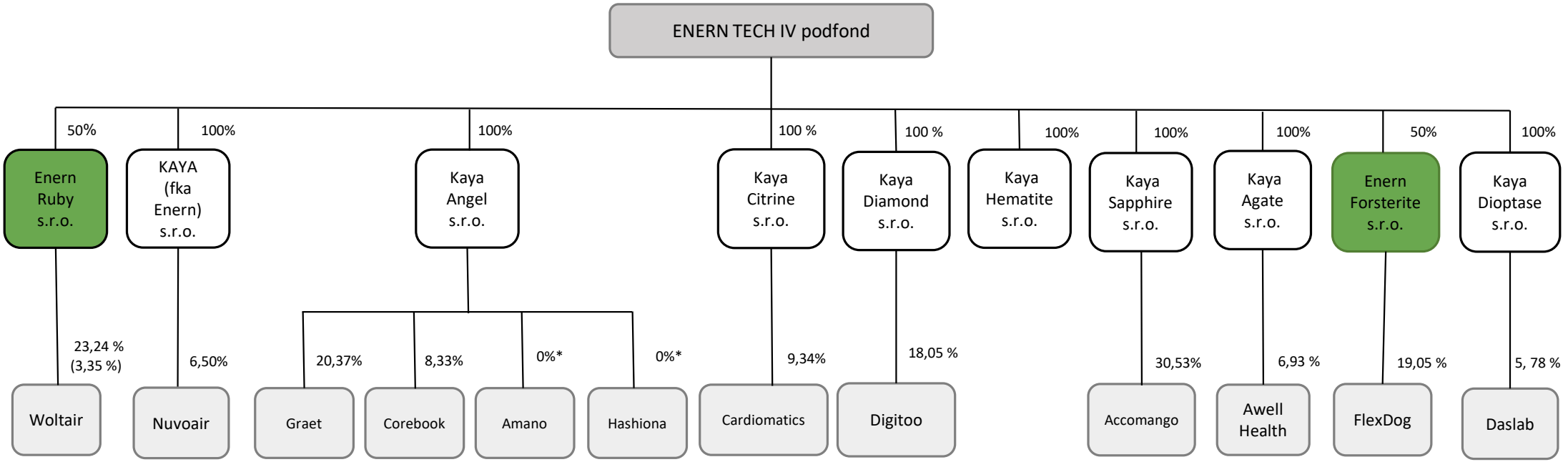
.....

Iva Nováková
Chair of the Management Board

ET4 Organizational structure

# ENERN Investments SICAV

Update: 31.12.2023




* 0%=convertible loan

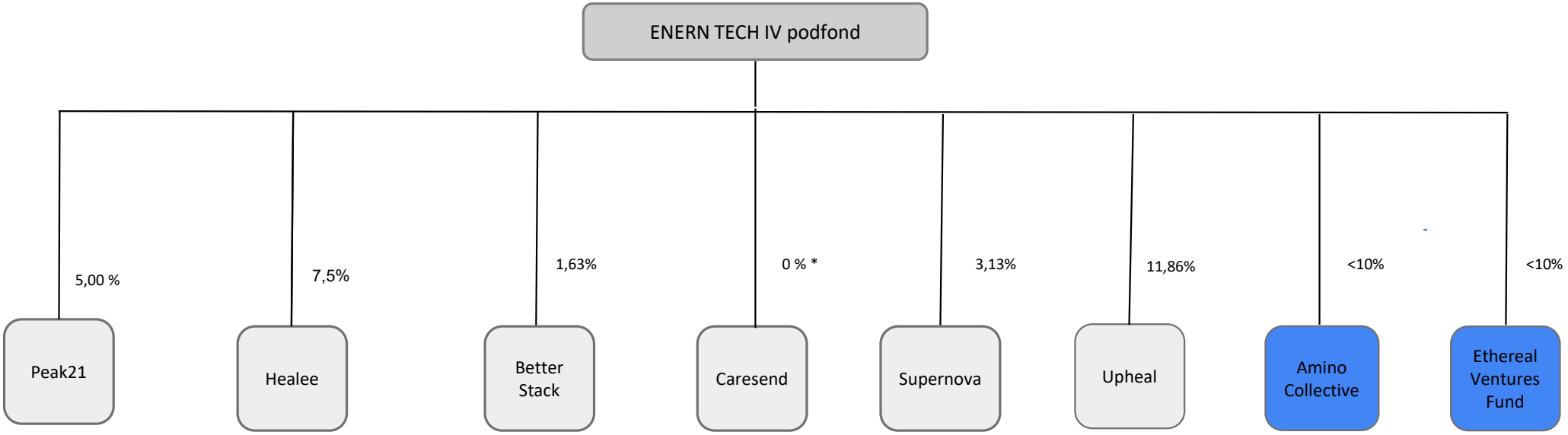
Co-investment, the share of ET4 shares is shown in (brackets)

Continued on next page

ET4 Organizational structure

# ENERN Investments SICAV

Update: 31.12.2023




Aggregator of products and supplements for children.

Developing SaaS infrastructure enabling virtual and/or hybrid care for healthcare providers and selling it on a subscription basis.

Better Stack is a software observability tools. Initially focused on monitoring and logs enabling developers to ship better software.

A software company enabling medical care from the comfort of your home.

Automation of website design programming.

SaaS workflow for mental health professionals. Digital notebook with artificial intelligence for more effective documentation and analysis during therapy.

A fund supporting pre-seed companies in the field of healthcare and biotechnology.

An investment fund supporting blockchain-based startups around the world.
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* 0%= convertible loan

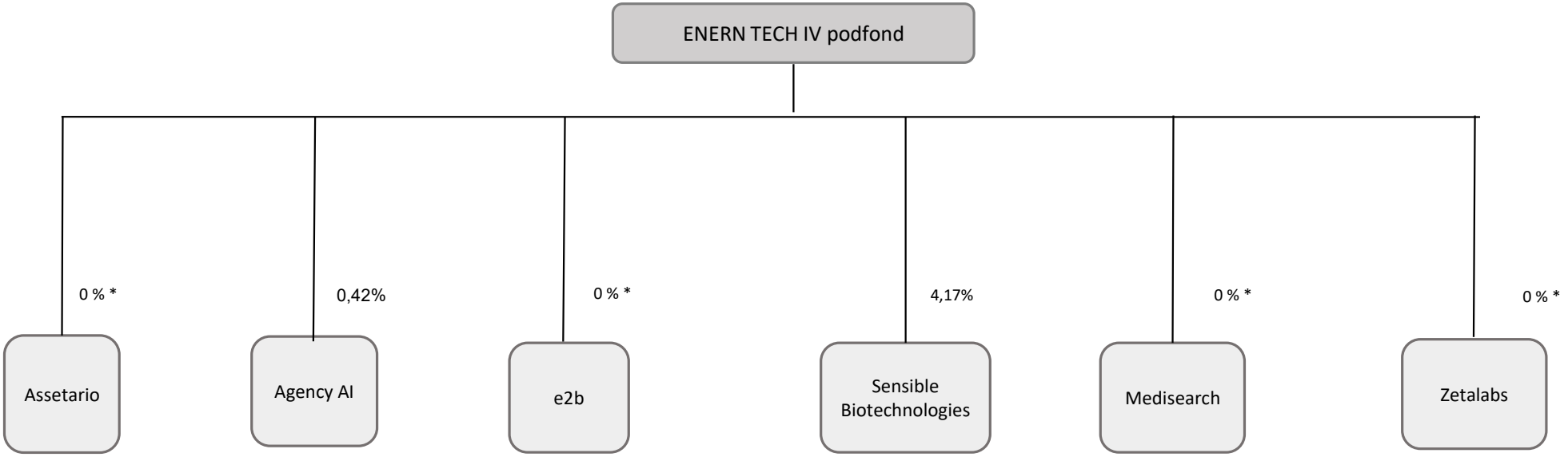
Investment into Fund of funds

Continued on next page

ET4 Organizational structure

# ENERN Investments SICAV

Update: 31.12.2023




* 0%=convertible loan