



**GENERALI**  
**INVESTMENTS**

# ANNUAL REPORT 2021

**Generali Investments CEE,  
investiční společnost, a.s.**

[generali-investments.cz](https://www.generali-investments.cz)





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This document is an unsigned English translation of the Czech auditor's report.  
Only the Czech version of the report is legally binding.

## **Independent Auditor's Report to the Shareholder of Generali Investments CEE, investiční společnost, a.s.**

### ***Opinion***

We have audited the accompanying financial statements of Generali Investments CEE, investiční společnost, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2021, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in 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 Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

### ***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, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 Matter***

The financial statements of the Company as at 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 April 2021.



### ***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body 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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

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

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

In addition, our responsibility is to report, based on the knowledge and understanding of the Company 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 Statutory Body and Supervisory Board for the Financial Statements***

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body 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 statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or



error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 regulations, 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 relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



***Statutory Auditor Responsible for the Engagement***

Veronika Strolená is the statutory auditor responsible for the audit of the financial statements of Generali Investments CEE, investiční společnost, a.s. as at 31 December 2021, based on which this independent auditor's report has been prepared.

Prague  
20 April 2022

KPMG Česká republika Audit, s.r.o.  
Registration number 71

Veronika Strolená  
Partner  
Registration number 2195

## REPORT OF THE BOARD OF DIRECTORS

Dear Ladies and Gentlemen,

For investors, 2021 witnessed one of the largest increases in equity markets in many years. Despite still having to cope with the ongoing COVID-19 pandemic, economic recovery was already irreversible, and many companies reported results beyond expectation. The high volume of liquidity was reflected in an increased investment appetite which we also saw in GICEE; new investments reported a double growth year-on-year, totalling CZK 4.6 billion. I am the more pleased with this result as it was reported in a year when we celebrated the 30th anniversary of our presence on the Czech market. With an investment portfolio of almost CZK 350 billion under management, we continue to be the largest asset manager in Central and Eastern Europe.

We at Generali Investments also know that our funds are attractive for investors not only because of their results but also because of the product range that corresponds to different interests of individual investors. We therefore aim to constantly innovate our existing services and add new services to our product portfolio. We launched a new **Generali Sustainable Growth Fund** for investors who want to support the sustainability of human activities (both regarding the environment, social impact, or management of companies and institutions). The fund invests exclusively into companies applying a sustainable approach to their operations. I would also like to mention our **Generali Real Estate Fund** that focuses on residential real properties and retail parks and may provide a stable source of income in unstable times. In 2021, the Fund **significantly extended and diversified its portfolio**, among other things by purchasing six residential real properties in Pilsen.

2021 still did not allow for standard human interaction and was also demanding for the non-profit organisations that we have been supporting in the long term. We continue to be a stable partner for the **Good Will Committee - Olga Havlová Foundation (Výbor dobré vůle – Nadace Olgy Havlové)**, the **Leontinka Foundation (Nadace Leontinka)**, which provides support to vision-impaired students, and several **day-care centres**. The social isolation typical for the past two years also manifested itself in the statistically confirmed increase in mental disorders in the Czech population. We responded to this by contacting the **Kolín Monastery**, an organisation focusing on the personal and spiritual development, using the expertise of renowned experts.

**Our long-term priorities include environmental protection**, as we engage in it intensively not only through investments but also through direct financial support and other forms of support to relevant projects. In 2021, in addition to the continued cooperation with the **Běhej lesy (Run the Forests)** series of cross-country races

we also became a partner of the related #bezodpadu (zero Impact) project. Both initiatives are aimed at mitigating the impact of sports events on the environment and educating the public on the correct sorting of waste. Finally, we have also engaged in the Neleň, zeleň! (Do not be lazy and help nature) appeal that helped the runners exchange run kilometres for tree seedlings to be planted all over the country.

As the largest investment firm on the Czech market, we are aware of our operations having an important impact on a significant number of both institutional and retail clients, i.e. companies and households. We also feel responsibility for the areas to which we pay attention, as by doing this we help a faster spreading of certain ideas and trends both in terms of investments and social responsibility. I would like to assure you that we will do our best to become and stay a relevant partner for you.

Ing. Josef Beneš

Chairman of the board of directors



## ABOUT THE COMPANY

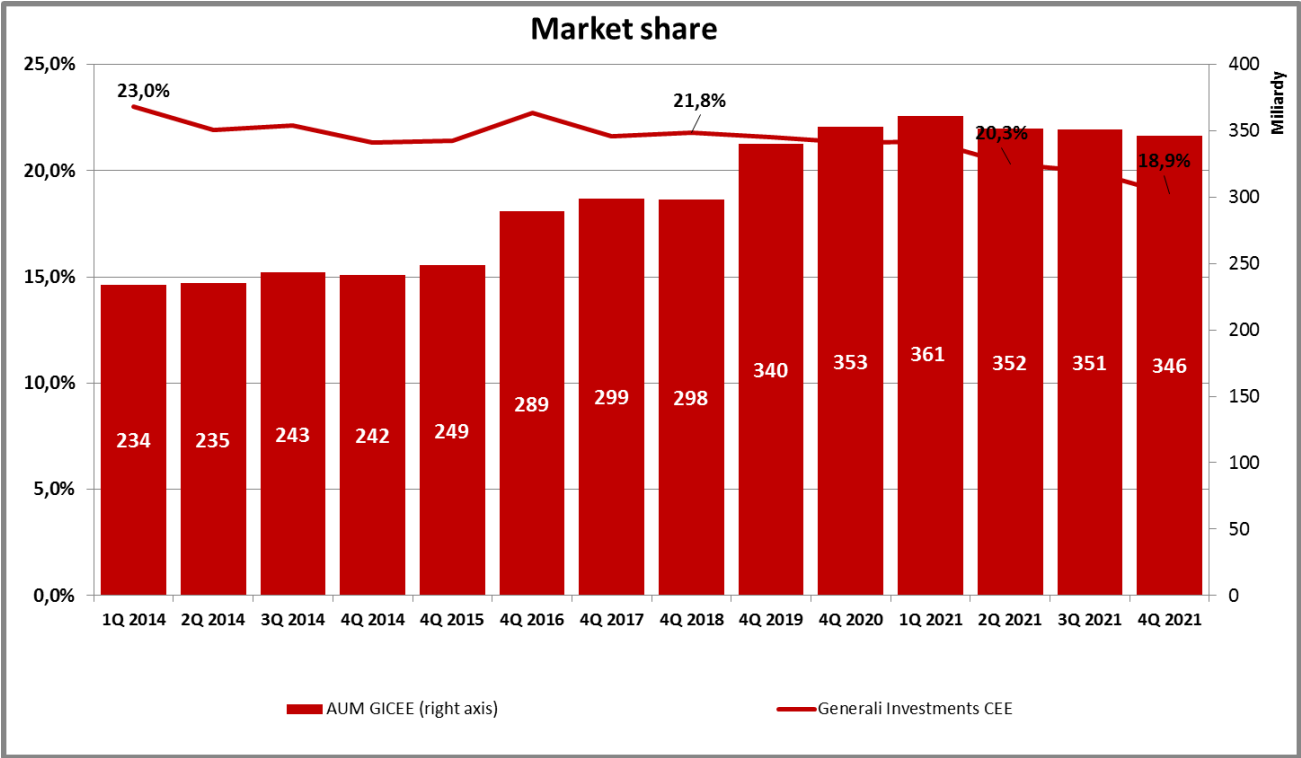
Generali Investments CEE, investiční společnost, a.s. ("Generali Investments CEE" or the "Company") is an investment company providing collective investment and asset management services. The Company has been active in the market since 1991 (formerly under the name ČP INVEST investiční společnost, a.s.) and, according to the latest Czech Capital Market Association data, it is the largest investment company operating in the Czech market with assets under management valued at more than CZK 346 billion (as at 31 December 2021).

Generali Investments CEE offers a comprehensive range of products and services to individual investors and institutions in the field of collective investments and asset management. Its strong analytical background allows the Company to provide professional asset management services in particular to municipalities, foundations and institutional investors, primarily insurance and reinsurance companies and pension funds.

The basic portfolio on offer to individual investors comprises the Czech mutual funds of Generali Investments CEE in CZK and the Irish investment funds of Generali Invest CEE plc offered in CZK and EUR. The offer of direct investments in investment funds is supplemented by regular investment products, investment programmes and life cycle products.

Generali Investments CEE is a member of the Generali Group that was established in 1831 and is one of the largest global providers of insurance. The Group operates in 50 countries, and its total premium income

amounted to over EUR 66 billion in 2018. With nearly 72,000 employees serving 61 million clients, the Group holds a leading position in Western Europe and has an increasingly significant presence in the markets of Central and Eastern Europe and Asia. Generali's ambition is to partner with its clients throughout their lives, offering them innovative and personalised solutions through an unparalleled business network.





## ECONOMIC SITUATION AND DEVELOPMENTS ON FINANCIAL MARKETS

2021 was marked by economic recovery after a sharp downturn in 2020, when economic activity was hit by the advent of the Covid-19 pandemic. However, the pace and continuity of recovery was marred by problems in the supply of raw materials and essential components. These problems were global in nature and particularly affected the automotive sector. Repeated waves of the pandemic have also had a disruptive effect, albeit less pronounced than in 2020. However, 2021 as a whole was a positive year in terms of economic performance, with GDP growing at 5.7% for the US and 5.3% for the Eurozone.

Another, less favourable feature of last year was the rise in price pressures observed across the global economy. This was influenced both by rising commodity prices and costs associated with complications in supply relationships, and by strong demand, fuelled by budgetary stimulus and accommodative monetary policy. Inflation reached multi-year highs in numerous cases over the past year and may rise further in the early months of 2022. Inflationary pressures should begin to ease over the course of this year, also due to statistical comparison effects. Yet, virtually across all advanced economies, inflation will remain well above the inflation target of the central banks.

Recovery in economic growth and the simultaneous intensification of inflationary pressures also dominated developments in the Central European region. GDP performance reflected not only the strength of economic policy impulses but also the

Czech Republic - Development prediction					
		2020	2021	2022 (F)	2023 (F)
<b>GDP</b>	<i>(real growth)</i>	-5.8%	3.3%	1.0%	3.0%
<b>CPI</b>	<i>(annual average)</i>	3.2%	3.8%	11.0%	3.5%
<b>Real wage</b>	<i>(annual average)</i>	-0.1%	2.2%	-4.5%	1.7%
<b>Fiscal balance</b>	<i>(vs. GDP)</i>	-6.2%	-6.1%	-5.3%	-4.5%
<b>Current account PB</b>	<i>(vs. GDP)</i>	3.6%	-0.2%	-1.0%	-0.2%
<b>CNB repo rate</b>	<i>(year-end)</i>	0.25%	3.75%	4.50%	3.00%
<b>EUR/CZK</b>	<i>(annual average)</i>	26.46	25.64	24.45	23.90

Zdroj: ČNB; ČSÚ; Generali Investments CEE, investiční společnost, a.s.

exposure of the respective economy to the automotive industry and exports. For these reasons, the performance of the Czech economy was below average in the Central European region, with GDP growth of 3.3% for the whole of last year. In the outlook for this year, it was initially expected that stabilisation on the supply side would contribute to growth in industrial production and exports, while the situation in the services sector was also expected to improve. However, the war in Ukraine, the related sanctions, and the rise in commodity prices pose an unfavourable risk to economic growth both in the Czech economy and across Europe. We have lowered our GDP growth outlook for the Czech Republic this year to 1% and uncertainties remain significant.

Annual inflation in the Czech economy climbed to 6.6% last December and will rise to double-digit levels in the first months of 2022. The rise in energy and other commodity prices is mainly driven by the geopolitical situation. Inflation will probably not return to the 2% target until 2024. The CNB was among the first central banks in the EU to respond to rising inflation risks by raising interest rates. The main interest rate was raised

by a total of three and a half percentage points last year, from 0.25% to 3.75%, and the Czech central bank further raised the main interest rate to 5.00% during the first quarter of 2022.

Central European currencies were adversely affected by ongoing uncertainties related to the pandemic and industrial supply shortages. The strengthening of the dollar against the euro also had an impact, and the stronger koruna was more of an exception within the region last year when it was able to benefit significantly from the CNB's interest rate hike. The beginning of 2022 brought gains in currencies across the region, with the conflict in Ukraine subsequently leading to fluctuations, but the koruna may still attack the 24 per euro level this year.

## FINANCIAL MARKETS

2021 was characterised by rising inflationary pressures with a concurrent increase in economic activity. Central banks in the major advanced economies kept interest rates unchanged, a factor favourable to equity markets, but the final months were already marked by the prospect of a US Fed rate hike in 2022 and a reduction in asset purchases by central banks including the ECB.

Government bond yields rose in this environment: the yield on the 10-year German government bond rose from the -0.60% area (end-2020) to -0.20% (December 2021). Government bond performance was negative on a full-year basis in both advanced economies and emerging markets. Developments in equity markets were mostly positive: in addition to economic recovery, support came through still relatively low bond yields. Central European equities showed growth last year. Investments in credit instruments performed negatively in most cases, influenced by the rise in risk-free yields led by US government bonds.

The CNB started the interest rate hike cycle last June, when it raised the two-week repo rate by a quarter percentage point to 0.50%. In August, the quarter-percentage point increase was repeated, but from September onwards the CNB began to raise rates in larger steps. In December, the repo rate was raised by one percentage point to 3.75%, followed by an increase to 4.50% in February 2022. The latest move so far came in March 2022, when the repo rate was raised to 5.00%. We expect the repo rate to climb to the 5.50% area, but if the scenario of falling inflation and further appreciation of the koruna materialises in the second half of the year, the CNB could start gradually lowering interest rates towards the equilibrium level, estimated to be close to 3%, as early as the end of 2022. Government bond yields rose last year: the 10-year yield rose from 1.25% to 1.90%. The Prague Stock Exchange posted a rise of almost 39%. The koruna appreciated by an average of 3% last year and was trading in the region of 24.40 per euro at the end of March this year. Czech government bond yields are under the influence of the CNB's interest rate hikes and rising bond yields in the US and the eurozone. However, the combination of easing inflation, the strengthening of the koruna, a lower government budget deficit and a halt in the CNB's interest rate rise should lead to at least a stabilisation of koruna government bond yields during this year.

## PRODUCT INNOVATIONS

Similarly as in 2020, in 2021 products and product innovations were affected by the COVID-19 pandemic and measures adopted by the individual countries. As a result, we continued our strategy of keeping our clients sufficiently informed and shared with them the latest information about the financial markets and from the world of investments. We used well-established communication formats, such as special webinars, financial market newsletters, articles, or commentaries on current topics, as well as interesting videos in which, e.g., our portfolio managers or analysts comment on current issues.

This way of communicating with investors was pivotal to us also because of the events on the financial markets. We can describe 2021 as a year of a significant inflation increase that was observable across Central Europe and had an impact not only on the consumers but increasingly also on monetary policy. The average inflation rate is also reflected in the work of our portfolio managers who have been actively working on mitigating its effects on the fund portfolios.

At the end of the year, we completed the acquisition of several residential buildings in Pilsen that significantly enriched the portfolio of our **Generali Real Estate Fund**. With this acquisition, the fund has 10 residential buildings in its portfolio. It is this type of real properties that in connection with the current development in the market offer promising potential for an increase in value and form a robust basis for the portfolio. In addition, the fund also owns a retail park in Nové Butovice. Having purchased these real properties, our Company further boosted the overall diversification of the fund portfolio.

At the end of the year, we also successfully terminated the operations of **Generali Realitní fond**. This fund was determined for qualified investors. Over its four-year existence, the fund exceeded the estimated yield on an annual basis and delivered a 4% appreciation to the clients. The fund yield consisted of two components - regular revenue from leases and capital yield in the form of the individual real properties' market price appreciation.

In creating new products in 2021, we concentrated on affluent clients and prepared several new products for them. These new products comprise the premium classes of the **Generali Conservative Fund**, **Generali Corporate Bonds Fund**, **Generali Balanced Conservative Fund**, **Generali Global Brand Fund** and **Generali Sustainable Growth Fund**.

The **Generali Sustainable Growth Fund** has one more privilege. It is the Company's first product that combines long-term appreciation of funds and support of socially responsible investments. The fund portfolio thus comprises shares of proven stable companies across sectors and regions that are listed on the global equity index MSCI World Minimum Volatility ESG Target and support sustainability.

## **CORPORATE SOCIAL RESPONSIBILITY**

Generali Investments CEE sees corporate social responsibility as a priority. Supportive activities that benefit society as a whole are a crucial aspect of our approach to business. Our care and support cover several different areas, such as helping the disabled and socially disadvantaged, protecting the environment or creating equal conditions and a healthy workplace environment for our own employees. Last but not least, as an investment company, we focus, inter alia, on investments in the “green economy”. We discuss these topics in more detail below.

### **We help those in need and cooperate with foundations and the Kolín Monastery**

Generali Investments CEE pays considerable attention to social responsibility. We provide long-term financial support to partner organizations that help people with disabilities and socially disadvantaged groups and conduct various community service activities to improve the community.

We encourage employees to engage in activities closely associated with social responsibility. As an employer, we provide them with “Volunteer Days”, i.e. days off specifically reserved for charitable purposes. Generali Group employees can take off 2 days per year for voluntary work in non-profit organizations. They can help in an organization of their choice or sign up through the [www.zapojimse.cz](http://www.zapojimse.cz) portal offering various volunteering opportunities.

Through charity “markets” held at times of the year like Christmas or Easter, employees may contribute to aids for the physically handicapped by purchasing products or small items, thus supporting a particular individual through their financial contribution.

Our support also goes to recent graduates who find themselves on the labour market after finishing their studies and ready to start their career, as well as students who already wish to become involved in our Company’s activities while still undertaking their studies.

As we are a company whose priorities have always included social responsibility, we have close links to several non-profit organisations. Of all of them, we would like to mention the Výbor dobré vůle – Nadace Olgy Havlové (Good Will Committee – Olga Havlová Foundation), the Leontinka Foundation, which focuses on vision-impaired students, and several day-care centres. We also perceive the ever-increasing need of people to find inner peace and to work on their personal development. The COVID-19 pandemic further escalated this need, as according to statistics the occurrence of mental disorders in the Czech population increased. These facts were an impulse for Generali Investments to contact the Kolín Monastery, an organisation focusing on the personal and spiritual development of the general public, using the expertise of renowned experts.

In 2021, we participated in the “S Leontinkou kolem světa (Let’s go around the world with Leontinka)” project under the auspices of The Human Safety Net global initiative of the Generali group. The objective of this project is providing support to vision-impaired parents and their children so that these children have similar conditions for their study as their peers. Every kilometre marched, run or biked by our employees helped to ensure specially trained assistants for children aged 4 to 15 years who help them with pre-school preparation and with learning school subjects. Our employees succeeded in collecting more than 38,000 kilometres within this charity event.

We specifically support:

**Výbor dobré vůle – Nadace Olgy Havlové  
Foundation)**



**(Good Will Committee – Olga Havlová**

Helping people with disabilities, people who are destitute and discriminated against in their integration into society, support of other non-governmental non-profit organizations in healthcare, social, humanitarian and educational areas, if they focus on the integration of people with disabilities, abandoned children, the sick and the elderly.

**Denní stacionář AKORD**  **(AKORD Daycare Centre)**

Providing outpatient services to children, youth and adults aged 6 to 45 – people with mental disabilities and combined disorders who, due to their disability, need ongoing assistance with self-care, personality development and advocacy of their rights and interests.

**Nadace Leontinka**  **(Leontinka Foundation)**

Assistance provided to vision-impaired children and youth in order to allow them to be integrated into society, educated and engaged in social, sports and leisure activities. The Foundation works with special schools for children with visual impairment and supports specialized clinics and training centres for these people.

**Dětské centrum Paprsek**  **(Paprsek Centre for Children with Special Needs)**

The Centre’s mission is to enable families with children with disabilities and special needs to live a life that is as close as possible to the life of any other family with young children. The Centre helps integrate these children into everyday life and society. The services are designed to provide timely support and professional assistance and to mitigate the consequences of disability.

**Nadace Jakuba Voráčka**



**(Jakub Voracek Foundation)**

The Foundation is committed to ensuring the availability of treatment and rehabilitation for all patients with multiple sclerosis and provides a comprehensive program for patients newly diagnosed with this disease. The Foundation's other activities include effective support of MS research and fundraising to meet patients' needs.

**The Kolín monastery**



The Kolín monastery is a centre of spirituality and spiritual exercises. The organisation has been established with the aim to provide the public with opportunities for better self-recognition and spiritual and personal development. The Kolín monastery team consists of experts and lecturers and includes mainly priests, friars, theologians, psychologists, and therapists. All of them are there to help everyone interested in working on their development (irrespective of the relevant religion). They guide the participants of the courses through various types of spiritual exercises, such as contemplations, prayers, or meditations. People holding demanding positions (such as managerial positions) at work can attend courses tailored for them.

## **We Live in the Community**



The Human Safety Net (THSN) is [Generali](#)'s new flagship community initiative. The key notion behind the THSN project is “a chain of people helping people”, where those who receive help may one day pay it forward. The project was created in Italy in 2017 to protect and improve the lives of people beyond our daily work. In October 2018, Generali in the Czech Republic joined the global initiative.

The global THSN project focuses on three areas of assistance:

- 1) The first objective is to improve the conditions of modern obstetrics so that newborns are not at risk of asphyxia at birth. This dangerous condition arises in newborns due to reduced oxygen supply shortly after birth, resulting in decreased heart rate and decreased respiratory rate, which may result in a severe handicap or even death. In Europe, more than 30,000 newborn children are affected each year, of which

around 5,000 die in consequence of the disease. In some parts of Asia, asphyxia afflicts more than 150,000 newborns each year.

- 2) The second area of support goes to families living at the poverty line. The aim is to ensure equal opportunities for children to receive proper education and improve their family background. In Europe alone, more than eight million children under the age of six live at the poverty line. The first six years are critical in a child's life, shaping their scholastic achievements, health and future career path.
- 3) The last area of focus of the THSN project is assistance to refugees, helping them with social integration in their new environment and business start-ups.

### **We care about the environment:**

The Generali Group is actively involved in corporate social responsibility and environmental protection, including UN-sponsored activities. In 2007, we joined the UN project to create a voluntary global network of companies promoting a healthy environment and sustainable development.

Our corporate social responsibility and environmental objectives have taken the form of a set of direct and indirect measures:

The Generali Group has a direct environmental impact in its day-to-day activities. The main emphasis is on reducing energy, water and operating materials consumption and waste separation.

We have an indirect impact on the environment through selecting responsible business partners, in particular service suppliers or securities issuers.

In 2014, we adopted a new Group Policy for the Environment and Climate that replaced the original Generali Group Environmental Policy 2010; we updated the Policy to reflect changes in the Group and recent Company developments.

The Generali Group's new environmental policy focuses on the following key topics:

- environmental protection,
- prevention of pollution,
- protection and conservation of biodiversity,
- appropriate response to the challenges of climate change.

At Generali Investments CEE, we also respond to the need for an active approach to environmental protection by emphasizing the cost-effective management of resources within the Company and supporting environmentally-focused projects.

Since 2018, we have been the main partner of a series of outdoor races called **Run the Forests (Běhej lesy)**. In addition to sporting activities for adults and children, this project also focuses on environmental issues and environmental protection. In 2021, in cooperation with Run the Forests, we again devoted our efforts to educating the wider public on plastic reduction and waste sorting. Every year we help to sort up to two tons of waste. In 2021, our cooperation with the Run the Forests initiative also led to our involvement in the #bezodpadu (zero impact) project, aimed at mitigating the impact of sports events on the environment, and in the Neleň, zeleň! (Do not be lazy and help nature) appeal that helped the runners exchange run kilometres for tree seedlings to be planted all over the country.

## **We look after our people**

We value our employees and strive to make their work for Generali Investments CEE as pleasant as possible. We create a positive work environment that complies with safety and health regulations and ensure equal opportunities for all. We sensitively perceive differences between people and believe that team diversity contributes to improved performance of the entire Company.

We support our employees' personal and professional development and pay special attention to talent search and support programs at the international and Group level.

In an effort to promote the harmonization of the personal and professional lives of our employees, we focus on strategies to prevent work stress. We minimize overtime, regularly monitor employee absence due to stress, organize training and courses on healthcare and anti-stress techniques, enable working from home and taking unpaid leave. Last but not least, we conduct employee satisfaction surveys every two years.

We also pay special attention to parents on maternity and parental leave. We keep in touch with them for the duration of their maternity and parental leave and, upon their return to work, we accommodate their needs in the form of flexible work arrangements and part-time work.



## We act ethically and transparently

We are committed to observing ethical principles in all areas of our business. Responsible business practices mean that we coordinate all activities so as to comply with the principles set out in the Group's Code of Conduct. They also mean constantly seeking improvements across the entire value chain and harmonizing business objectives and requirements with socially responsible conduct.

All Generali Group activities are based on fundamental values – quality, transparency and integrity. We believe in a person-centred approach and the building of relationships that are based on mutual trust resulting from the quality of our services.

Our Code sets out minimum standards of conduct to be followed, as well as specific rules of conduct in the following areas: promoting diversity and inclusion, protecting property and business data, conflict of interest, prohibiting bribes and corruption, financial information and insider dealing, prohibiting money laundering, terrorist financing and international sanctions.

In the conduct of business, we observe the following principles:

- We do business in compliance with law, internal regulations and the principles of professional ethics.
- We promote diversity and inclusion. We create a stimulating work environment, free of any kind of discrimination or harassment. We believe that collaboration between people from different cultures, with different skills, opinions and experiences, is fundamental in attracting talent and in enabling growth and innovation.
- We ensure a healthy, safe and secure workplace.
- Personal data are properly handled and the right to privacy must always be respected.
- Employees are obliged to act at all times in the Group's interest.
- We condemn and combat all forms of bribery and corruption.
- Customer satisfaction is a key factor in our strategic business vision.
- We recognize the vital nature of free competition in increasing business opportunities and improving performance.
- We ensure fairness, transparency and straightforwardness in our supplier relations.
- We take measures to prevent improper use of insider information and ensure fair management of securities transactions.
- We support the transparency of financial markets and carefully manage communications with the media, financial analysts and the public.
- We are committed to the international fight against money laundering and the financing of terrorism, and opposing any conduct that could be seen as supporting these crimes.

- The Group aims to contribute to economic and social development based on respect for fundamental human and labour rights and environmental protection. The Group promotes a culture of sustainability throughout its spheres of influence, specifically among its employees, customers and suppliers.

## We invest responsibly

The Generali Group is one of the world's leading institutional investors with a significant influence on the real economy. Through its investments, the Group supports the transition to a sustainable economy and takes the opportunity to actively influence areas such as environmental protection and respect for human rights. For many years, the Generali Group has been increasing its share of investments in green industries and renewable energy sources.

In countries where the economy heavily depends on the coal sector, Generali has made it its mission to monitor and evaluate the plans of energy companies focusing on coal mining and to encourage a dialogue between various stakeholders.

When creating investment products and managing the funds, we strictly take into account the rules set by the Generali Group. These rules are based on the principles of the UN Global Compact initiative (the world's largest corporate social responsibility initiative backed by the UN) and the UN Principles of Responsible Investment. Specifically, the six main principles are:

- We will incorporate the CSR principles into investment analysis and decision-making processes.
- We will be active owners and incorporate the principles of CSR into the Group's internal policies and practices.
- We will seek appropriate application of the CSR principles by the entities in which we invest.
- We will promote acceptance and implementation of the CSR principles within the investment industry as a whole.
- We will work together to enhance our effectiveness in implementing the CSR principles.
- We will report on our activities and progress towards implementing the CSR principles.

We believe that adhering to these rules will help us appreciate invested funds and, at the same time, contribute to promoting the public interest.

Generali Investments CEE offers investors in the Czech Republic who are interested in investing in green industries the **Generali Live Planet Fund**. The Fund's portfolio exclusively comprises securities of companies focused on the "green economy" and social responsibility. These companies have a positive attitude to climate change, behave in an environmentally-friendly manner and observe the principles of social responsibility in

such areas as water treatment, ecological stewardship, recycling, organic food, alternative energy sources and new materials.

The new **Generali Sustainable Growth Fund** has responded to this growing trend by investing exclusively into companies applying a sustainable approach in their operations. Its investments aim at profitable and stable global companies, mainly those listed on the global equity index MSCI World Minimum Volatility ESG Target, contributing to the protection of both climate and society, and creating conditions for sustainable development from the long-term perspective.

**Generali Investments CEE, investiční společnost, a.s.**

**REPORT ON RELATED PARTIES**

pursuant to the provisions of Sections 82 to 88 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Business Corporations Act), as amended

for the reporting period from 1 January 2021 to 31 December 2021

# REPORT ON RELATED PARTIES

## FOR THE 2021 REPORTING PERIOD

### I. Company

Pursuant to the provisions of Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended (the **“Business Corporations Act”**), the Board of Directors of **Generali Investments CEE, investiční společnost, a.s.**, has prepared this **Report on Related Parties** (the **“Report”**) of Generali Investments CEE, investiční společnost, a.s., with its registered office at Na Pankráci 1720/123, Prague 4, identification No.: 43873766, recorded in the Commercial Register maintained by the Municipal Court in Prague under file number B 1031 (the **“Controlled entity”** or the **“Company”**), between the entity controlling the Company, which is Generali CEE Holding B.V., with its registered office at De entree 91, Amsterdam, postal code: 1101BH, the Netherlands, registration number: 34275688 (until 7 July 2021 CZI Holdings N.V., registered office at De entree 91, Amsterdam, post code: 1101BH, the Netherlands), and **the Company and also between the Company and other entities controlled by the same Controlling entity** (hereinafter the **“Related Parties”**) for the period from 1 January 2021 to 31 December 2021 (hereinafter the **“Reporting Period”**). The related parties are listed in the Annex to this Report.

### II. Structure of relations between related parties; role of the controlled entity and the method and means of control

The **entity directly controlling the Company** in the reporting period was Generali CEE Holding B.V., with its registered office at De entree 91, Amsterdam, postal code: 1101BH, the Netherlands, registration number: 34275688 (until 7 July 2021 CZI Holdings N.V., registered office at De entree 91, Amsterdam, post code: 1101BH, the Netherlands). This company held for the entire period 770 pcs of registered shares with the nominal value of CZK 100,000 and 1,400 pcs of registered shares with the nominal value of CZK 10,000, representing a 100% share in the Company’s voting rights.

A list of funds that the Company is authorized to manage and/or administer is included in the Company’s Annual Report. The Company is a shareholder and an asset manager of Generali Invest CEE plc, with its registered office at 33, Sir John Rogerson’s Quay, Dublin 2, Ireland, which is an umbrella fund.

In the reporting period, the Company was a member of the Generali Group. Accordingly, the Company shall comply with the measures adopted by Assicurazioni Generali S.p.A. to implement the applicable legislation as well as the regulation of IVASS (Istituto per la Vigilanza sulle Assicurazioni) in order to establish a stable and efficient group management.

The structure of the financial group, or a part thereof, comprising entities directly controlling the Company/entities directly controlled by the Company, is depicted in the organization chart included in the Annex to the Report hereof.

### III. Summary of agreements concluded with Related Parties and description of performance thereunder

In the reporting period, performance was provided between the Company and the Controlling entity and between the Company and other related parties under the valid contracts/agreements listed below, including transaction description and detriment, if any:

Contracting party	Title of contract/amendment/ other changes to contract	Execution date	Description of performance	Replacement of contract/ amendment etc.	Detriment to Company
Acredité s.r.o., ID No.: 25600958	Contract for the implementation of professional examinations	2/1/2020	Ensuring examinations of professional competence pursuant to Act No. 256/2004 Coll., on Capital Market Business	Effective until 30/6/2021	None
Assicurazioni Generali S.p.A. (Italy)	Joint controllership agreement	18/10/2020	Joint management of personal data		None
	Data Processing Agreement - SAR Project	2/11/2021	Personal data processing		None
Generali Česká pojišťovna a.s. (until 21 December 2019 Česká pojišťovna a.s.), ID No.: 45272956	Master Agreement on Cost Sharing	19/12/2012	Services in the area of commission calculation and payment	Terminated upon agreement on 8/3/2021	None
	Confidentiality Agreement (between ČP INVEST investiční společnost, a.s., Česká pojišťovna, a.s. and Generali Infrastructure Services S.c.a.r.l.)	18/6/2014	Confidentiality in cooperation on IT analyses		None
	ISDA Master Agreement	15/8/2007	Financial market transactions		None
	Agreement on Unified Method of Shared Costs Settlement (concluded with other Generali group members)	10/12/2014	Unified method of calculating the costs		None
	Loyalty Bonus Agreement	26/3/2012	Investments in mutual funds		None
	Amendment No. 1 to Loyalty Bonus Agreement	28/06/2017			None
	Amendment No. 2 of 29 June 2018 to Loyalty Bonus Agreement	29/06/2018			None
	Investment Management Agreement (IMA)	25/02/2019	Management of entrusted assets		None
	Amendment No. 1 to IMA	04/12/2019			None

Amendment No. 2 to IMA	30/10/2020			None
Amendment No. 3 to IMA	27/04/2021			None
Amendment No. 4 to IMA	12/07/2021			None
Contract for access to KPMG Helpline	03/12/2012	Consideration for access to KPMG Helpline		None
Cooperation Agreement in the Field of Life Insurance	27/06/2014			None
Confidentiality Agreement (agreement between Generali Infrastructure Services Czech Branch, organizační složka, Česká pojišťovna and Generali Investments, a.s.)	18/06/2014	Confidentiality in cooperation on IT analyses		None
Contract for the Lease of Movable Assets	04/01/2016	Lease of furniture (Prague)		None
Agreement on Performance of Obligations Resulting from Membership in the Group	02/01/2017	It replaces the Agreement on Performance of Obligations Resulting from Membership in the Group dated 16/1/2009		None
Contract for the Lease of Movable Assets	31/03/2017	Lease of furniture (Brno)		None
Contract for the Sub-lease of Business Premises (Brno)	25/04/2017	Sub-lease of business premises		None
Contract for the Sub-lease of Business Premises (Praha, Kaplanova)	25/04/2017	Sub-lease of business premises	Effective until 30/6/2021	None
Amendment No. 1 to Contract for the Sub-lease of Business Premises (Praha, Kaplanova)	16/6/2020			None
Amendment No. 2 to Contract for the Sub-lease of Business Premises (Praha, Kaplanova) (effective from 1/1/2021)	15/3/2021			None
Contract for the Sub-lease of Business	1/1/2020		Effective until 31/12/2020	None

Premises (Praha, Na Pankráci)				
Amendment No. 1 to Contract for the Sub-lease of Business Premises (Praha, Na Pankráci)	29/9/2020			None
Contract for the Sub-lease of Business Premises (Praha, Na Pankráci)	1/1/2021	Sub-lease of offices and parking lots at Prague, Na Pankráci 1720/123		None
Contract for the Sub-lease of Business Premises (Praha, Na Pankráci)	1/7/2021	Sub-lease of office A1.11 with an area of 38.77 square meters located on the 1st floor at Na Pankráci 1658/121		None
Master Agreement on Sharing of Non-IT and IT Technologies and Related Operating Expenses	1/1/2017	Technology sharing		None
Amendment No. 1 to Master Agreement on Sharing of Non-IT and IT Technologies and Related Operating Expenses	25/5/2018			None
Amendment No. 2 to Master Agreement on Sharing of Non-IT and IT Technologies and Related Operating Expenses	31/8/2020			None
Master Agreement on Cost Sharing in Performance of Operations	9/3/2020	Sharing of costs of performance of significant operations		None
Amendment No. 1 to Master Agreement on Cost Sharing in Ensuring Operations	29/1/2021			None
Loyalty Bonus Agreement II A	1/5/2017	Loyalty bonus		None
Amendment No. 1 to Loyalty Bonus Agreement II A	1/8/2020			None
Insurance Policy	31/12/2019	Liability insurance	Effective until 31/12/2021	None
Amendment No. 1 to Insurance Policy dated 31/12/2019	31/12/2020			None
Amendment No. 2 to Insurance Policy dated 31/12/2019	14/12/2021			None



	Insurance Policy	02/04/2020	Vehicle insurance		None
	Insurance Policy	29/10/2020	Vehicle insurance		None
	Insurance Policy	21/7/2021	Vehicle insurance		None
Generali Česká pojišťovna a.s. (until 21 December 2019 Česká pojišťovna a.s.), Generali CEE Holding B.V., Pojišťovna Patricie a.s. (as at 2 July 2021 the company was deleted from the Commercial Register), Generali Distribuce a.s. (as at 23 July 2020 the company was deleted from the Commercial Register), Generali Penzijní společnost, a.s. (until 1 July 2020 Penzijní společnost České pojišťovny a.s.), Česká pojišťovna ZDRAVÍ a.s. (as at 2 July 2021 the company was deleted from the Commercial Register), Direct Care s.r.o. (as at 1 April 2021 the company was deleted from the Commercial Register), Generali Česká Distribuce a.s. (until 23 July 2020 ČP Distribuce a.s.), GENERALI SHARED SERVICES S.C.A.R.L., Acredité s.r.o.	Agreement on Performance of Obligations Resulting from Membership in the Group	02/01/2017	Obligations pursuant to the VAT Act (Generali Česká pojišťovna a.s. appointed as the representing member)		None

Generali Česká pojišťovna a.s. (until 21 December 2019 Česká pojišťovna a.s.) and Banking Software Company s.r.o. ID No.: 00549533	Agreement on Assignment of STAR.NET Contracts	01/01/2020	Assignment of rights to the STAR.NET system		None
Česká pojišťovna ZDRAVÍ a.s. (as at 2 July 2021 the company was deleted from the Commercial Register) ID No.: 49240749	Investment Management Agreement (IMA)	08/11/2017	Management of entrusted assets	Terminated upon agreement on 20/10/2021	None
	Amendment No. 1 to IMA	15/11/2018			None
	Amendment No. 2 to IMA	04/12/2019			None
	Amendment No. 3 to IMA	18/05/2020			None
Generali Česká Distribuce a.s. (until 23 July 2020 ČP Distribuce a.s.), identification No.: 44795084	Contract for cession and for additions to the contract	27/4/2017	Cession of the business representation contract dated 1 January 2016 from ČPOJ to ČP Distribuce		None
	Loyalty Bonus Agreement	01/05/2017			None
	Master Agreement on Cost Sharing	01/01/2018	Sharing of costs of performance of significant operations		
	Agreement on Sales Representation	03/01/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/05/2018			None
	Amendment No. 2 to Sales Representation Agreement	01/10/2019			None
	Amendment No. 3 to Sales Representation Agreement	24/06/2020			None
	Amendment No. 4 to Sales Representation Agreement	25/08/2021			None

	Amendment No. 5 to Sales Representation Agreement	26/08/2021			None
Európai Utazási Biztosító Zrt. (Hungary)	Investment Management Agreement – IMA	23/01/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	13/02/2018			None
	Amendment No. 2 to IMA	25/05/2018			None
	Amendment No. 3 to IMA	01/01/2020			None
	Amendment No. 4 to IMA	09/06/2021			None
Generali Distribuce a.s. (formerly FINHAUS a.s., before that Generali Services, a.s. and before that Generali PPF Services a.s.), ID No.: 27108562; the company was deleted from the Commercial Register as at 23 July 2020	Agreement No. 2013/0245 on Assignment of Rights and Assumption of Obligations Arising from Agreement No. 982603-256/2008 on Cashless Payment of the Prices of Postal Services	30/12/2013	Consideration for postal services		None
Generali Biztosító Zrt. (Hungary)	Confidentiality Agreement	19/05/2016	Confidentiality		None
	Investment Management Agreement (IMA)	19/01/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/05/2018			None
	Amendment No. 2 to IMA	03/09/2019			None
	Amendment No. 3 to IMA	24/01/2020			None
	Amendment No. 4 to IMA	01/01/2020			None
	Amendment No. 5 to IMA	19/01/2021			None
	Amendment No. 6 to IMA	27/04/2021			None
	Amendment No. 7 to IMA	19/08/2021			None

Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), ID No.: 28239652	Investment Management Agreement (IMA)	01/06/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/05/2018			None
	Amendment No. 2 to IMA	01/01/2020			None
	Amendment No. 3 to IMA	18/06/2021			None
	Master Consultancy Service Agreement	09/12/2011	Advisory services		None
	Amendment No. 1 to Master Consultancy Service Agreement	13/09/2016			None
	Amendment No. 2 to Master Consultancy Service Agreement	06/01/2017			None
	Amendment No. 3 to Master Consultancy Service Agreement	03/01/2018			None
	Amendment No. 4 to Master Consultancy Service Agreement	01/10/2019			None
	Agreement on provision of services	09/03/2020	Cost sharing – especially outsourcing of internal audit services		None
	Master Agreement on Cost Sharing	01/01/2021	Sharing of costs on the use of SAP		None
Generali Insurance AD (Bulgaria)	Investment Management Agreement	13/06/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/05/2018			None
	Amendment No. 2 to IMA	01/01/2020			None
	Amendment No. 3 to IMA	17/05/2021			None
Generali Invest CEE plc (formerly Generali PPF Invest plc), Ireland	Information Sharing Agreement	31/07/2015	Sharing of information		None
	Amended and restated Administration Agreement	31/07/2015	Administration		None
	Amended and Restated Management Agreement	01/01/2016	Management of entrusted assets etc.		None
	Amendment No. 1 to Amended and	24/05/2018			None

	restated Management Agreement				
Generali Poist'ovna a.s. (formerly Generali Slovensko poist'ovna, a.s.) - Slovakia, identification No.: 35709332	Investment Management Agreement (IMA)	28/12/2017	Management of entrusted assets	Terminated by Amendment No. 3 to IMA dated 17/12/2021	None
	Amendment No. 1 to IMA	25/05/2018			None
	Amendment No. 2 to IMA	01/03/2020			None
	Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	01/01/2016	Distribution of funds' securities		None
	Loyalty Bonus Agreement	01/01/2016	Remuneration for the distribution of funds' securities		None
	Amendment No. 1 to Loyalty Bonus Agreement	20/11/2017			None
Pojišťovna Patricie a.s (formerly Generali Pojišťovna a.s.), ID No.: 61859869 as at 2 July 2021 the company was deleted from the Commercial Register	Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	19/09/2016	Distribution of funds' securities		None
	Amendment No. 1 to Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	01/12/2019			None
	Investment Management Agreement (IMA) – full text of Investment Management Agreement dated 30 June 2017	15/01/2019	Management of entrusted assets	Terminated as at 20/10/2021	None
	Amendment No. 1 to IMA – full text	04/12/2019			None
	Amendment No. 2 to IMA	18/05/2020			None
	Loyalty Bonus Agreement	19/03/2012	Remuneration for the distribution of funds		None
	Amendment No. 1 to Loyalty Bonus Agreement	28/06/2017			None
	Amendment No. 2 to Loyalty Bonus Agreement	29/06/2018			None

	Contract for Car Fleet Insurance	04/11/2016	Insurance		None
	Change to Contract for Car Fleet Insurance (Annex)	04/11/2016			None
	Insurance Policy (vehicle insurance)	23/06/2016		Insurance policy terminated on 9/8/2021	None
	Change to Contract for Car Fleet Insurance (Annex)	29/03/2017		Fleet insurance policy terminated on 13/7/2021	None
	Change to Contract for Car Fleet Insurance (Annex)	26/04/2017			None
	Change to Contract for Car Fleet Insurance (Annex)	28/02/2018			None
	Change to Contract for Car Fleet Insurance (Annex)	06/03/2018			None
	Change to Contract for Car Fleet Insurance No. 500042369 (Annex)	10/04/2018			None
	Change to Contract for Car Fleet Insurance (Annex)	02/05/2018			None
Generali Real Estate Fund CEE a.s., investiční fond (formerly ČP INVEST Realitní uzavřený fond a.s.), ID No.: 247 36 694	Contract for the Performance of the Function of a Board of Directors Member	23/06/2017			None
Generali Romania Asigurare Reasigurare SA (Romania)	Investment Management Agreement (IMA)	30/10/2017	Management of entrusted assets (other than Unit Links)		None
	Amendment No. 1 to IMA	10/01/2018			None
	Amendment No. 2 to IMA	25/05/2018			None
	Amendment No. 3 to IMA	15/03/2020			None
	Investment Management Agreement UL (IMA UL)	30/10/2017	Management of entrusted assets (Unit Links)		None

	Amendment No. 1 to IMA UL	25/05/2018			None
	Amendment No. 2 to IMA UL	18/03/2020			None
Generali Życie Towarzystwo Ubezpieczen S.A. (Poland)	Collaboration Agreement	04/12/2012	Distribution of funds' securities		None
	Investment Management Agreement (IMA)	07/02/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/06/2018			None
	Amendment No. 2 to IMA	01/11/2020			None
Generali Towarzystwo Ubezpieczen S.A. (Poland)	Investment Management Agreement	07/02/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/06/2018			None
	Amendment No. 2 to IMA	01/11/2020			None
Generali Operations Service Platform Czech Branch, odštěpný závod (until 10 March 2021 Generali Shared Services Czech Branch, organizační složka), identification No.: 29044707	Agreement No. 2013/0245 on Assignment of Rights and Assumption of Obligations Arising from Agreement No. 982603-256/2008 on Cashless Payment of the Prices of Postal Services	30/12/2013	Consideration for postal services		None
	Confidentiality Agreement (between ČP INVEST investiční společnost, a.s., Česká pojišťovna, a.s. and Generali Infrastructure Services Czech branch, organizační složka)	18/06/2014	Confidentiality in cooperation on IT analyses		None
	Master Agreement on the Terms and Conditions of Provision of Mobile Electronic Communication Services (between Generali Infrastructure Services Czech Branch, organizační složka and O2 Czech Republic - ČP INVEST investiční společnost, a.s., another party to the agreement)	02/01/2015	Provision of mobile electronic communication services		None

	Amendment No. 1 to the Framework contract for the conditions of the provision of mobile electronic communication services	24/2/2016			None
	Provision of IT services	01/10/2015	Provision of IT services		None
	Amendment No.1 to IT Service Agreement	25/05/2018			None
	Agreement on Assignment of Rights and Assumption of Obligations (Premium SMS) (between ČP INVEST investiční společnost, a.s., Generali Infrastructure Services Czech Branch, organizační složka and ComGate Payments, a.s.)	01/11/2015	Assignment of rights to the given software with the preservation of the right of use		None
	Agreement on Assignment of Rights and Assumption of Obligations (WM Ware)	18/09/2015	Assignment of rights to the given software with the preservation of the right of use		None
	Agreement on Assignment of Rights and Assumption of Obligations (Total Commander)	31/07/2015	Assignment of rights to the given software with the preservation of the right of use		None
	Licence Assignment Request (LAR)Form (Symantec)	01/12/2015	Assignment of rights to the given software with the preservation of the right of use		None
	Confirmation of Licence Transfer (Team Viewer)	01/01/2016	Transfer of licence from ČPI to GIS		None
Generali Investments Europe S.p.A. societa di gestione del risparmio (Italy)	Investment Advisory Agreement	20/07/2015	Investment advisory		None
	Amendment Agreement for Investment Advisory Agreement	06/11/2018	Change of a party to Generali Investments Partners		None
	Amendment Agreement for	11/04/2019			None



	Investment Advisory Agreement				
Generali Operations Service Platform S.r.L. (Italy)	Master Services Agreement relating to the provision of outsourced and global procurement services	14/12/2020	Provision of IT services		None
	Amendment no. 1 to Master Services Agreement relating to the provision of outsourced and global procurement services	18/11/2021			None
Genertel Biztosító Zrt. (Hungary)	Investment Management Agreement (IMA)	23/01/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	13/02/2018			None
	Amendment No. 2 to IMA	25/05/2018			None
	Amendment No. 3 to IMA	01/01/2020			None
	Amendment No. 4 to IMA	09/06/2021			None
GP REINSURANCE EAD (Bulgaria)	Investment Management Agreement (IMA)	23/10/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/05/2018	- GDPR		None
	Amendment No. 2 to IMA	01/01/2020			None
	Amendment No. 3 to IMA	16/02/2021			None
	Amendment No. 4 to IMA	06/12/2021			None
Generali penzijní společnost, a.s. (until 1 July 2020 Penzijní společnost České pojišťovny, a.s.) ID No.: 61858692	Investment Management Agreement (IMA)	28/03/2019	Management of entrusted assets		None
	Amendment No. 1 to IMA	2/1/2020			None
	Amendment No. 2 to IMA	15/10/2020			None

	Amendment No. 3 to IMA	01/01/2021			None
	Amendment No. 4 to IMA	28/12/2021			None
	Cooperation Agreement	14/04/2003	Supplementary pension insurance for employees		None
GENERALI INVESTMENTS HOLDING S.p.A. (Italy)	Service agreement	01/10/2018	Provision of MDM services	Replaced by the Service agreement dated 1/11/2021	None
	Amendment No. 1 to the Service agreement	01/01/2019			
	Service agreement	01/11/2021	Provision of MDM services		None
Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. (Poland)	Investment Advisory Agreement	17/04/2019	Investment advisory		None
	Domain name transfer agreement	18/07/2019	Web domain transfer		None
	Investment Management Agreement (IMA)	17/02/2021	Management of entrusted assets		None
Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), ID No.: 28239652, Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. (Poland)	Agreement for Exchange of Confidential Information	18/03/2020	Information sharing and confidentiality		None

Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), ID No.: 28239652, Generali Investments, družba za upravljanje, d.o.o. (Slovenia)	Agreement for Exchange of Confidential Information and Information Sharing Agreement	22/10/2019	Information sharing and confidentiality		None
Generali Investments, družba za upravljanje, d.o.o. (Slovenia), Generali Zavarovalnica d.d. Ljubljana (Slovenia), UniCredit Banka Slovenija d.d. (Slovenia)	Confidentiality Agreement	30/10/2019	Confidentiality Agreement		None
Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), ID No.: 28239652, Generali Alapkezelő Zrt. (Hungary)	Agreement for Exchange of Confidential Information	03/06/2020	Information sharing and confidentiality		None
Generali Investments, družba za upravljanje, d.o.o. (Slovenia)	Agreement on Outsourcing	27/01/2020	Outsourcing of certain services related to portfolio management	Replaced by the Agreement on Outsourcing dated 27 May 2020	None
Generali Investments, družba za upravljanje, d.o.o. (Slovenia)	Agreement on Outsourcing	27/05/2020	Outsourcing of certain services related to portfolio management		None
Concordia Polska Towarzystwo Ubezpieczen S.A.	Investment Management Agreement (IMA)	28/01/2021	Management of assets		None

Generali Investments, društvo za upravljanje, d.o.o., Generali osiguranje d.d., Privredna banka Zagreb d.d.	Agreement on custody services and storage and administration of financial instruments of the client	31/05/2021	Custody service		None
Generali Investments, društvo za upravljanje, d.o.o., Generali osiguranje d.d., Privredna banka Zagreb d.d.	Service level agreement	31/05/2021	SLA for custody services		None
Generali Investments, društvo za upravljanje, d.o.o., Generali osiguranje d.d., Privredna banka Zagreb d.d.	Agreement on submission of instructions by facsimile transmission	31/05/2021	Use of fax instructions		None
Privredna banka Zagreb d.d.	Unique service level agreement for MT101	31/05/2021	Use of SWIFT MT 101 commands		None

Relations between Related Parties are disclosed in the Notes to the Financial Statements for the year ended 31 December 2021.

#### **IV. Other legal actions**

No other legal actions were taken in the reporting period in the interest of the controlling person or in the interest of the Company or other related parties, and if any legal actions were taken in respect of the related parties, those were actions of general legal nature, performed under the conditions for performing legal actions by the controlling person in relation to the Company by virtue of its position as the Company's shareholder.

No measures were adopted in the reporting period for the benefit or at the initiative of the controlling person or other related parties, except for general measures adopted by the Company in relation to the controlling person by virtue of its position as the Company's shareholder.

In the reporting period, the Company was not subject to nor took any other legal actions in the interest or at the initiative of the related parties, where such actions concerned assets exceeding 10% of the Company's equity as determined from the last financial statements.

#### **V. Performance rendered and detriment suffered by the controlled entity and the assessment of its settlement**

All the aforementioned agreements were made on normal business terms so as all performance received and provided on the basis of these agreements and agreements entered into in prior years were made on an arms-length basis and GREF suffered no detriment therefrom within the meaning of Section 71 or 72 of the Business Corporations Act. In 2021, the Company did not adopt or implement any other measures or legal actions for the benefit or at the initiative of the related parties to the Company's detriment.

No special advantages or disadvantages or any additional risks resulted from the concluded agreements for the Company.


The Company cooperates on group projects and policies within the Generali Group. The Company suffered no detriment arising from the cooperation on these group activities within the meaning of Section 71 or 72 of the Business Corporations Act.

## VI. Closing statement

This Report was prepared by the Company's board of directors and also submitted to the auditor performing an audit of the Financial Statements on 28 March 2022.

In view of its statutory duties arising from the Business Corporations Act, the Company shall publish an annual report of which the Report is an integral part. The Company's Supervisory Board shall review the complete document including this Report.

Prague, 28 March 2022



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**Ing. Josef Beneš**  
Chairman of the Board of Directors  
Generali Investments CEE,  
investiční společnost, a.s.



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**Ing. Michal Toufar**  
Member of the Board of Directors  
Generali Investments CEE,  
investiční společnost, a.s.

Appendix to this Report – Structure of the financial group, with information valid as at 31 December 2021:





**Generali Investments CEE, investiční společnost, a.s.**

**FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021**





**GENERALI INVESTMENTS CEE, investiční společnost, a.s.**

Registered office: Na Pankráci 1720/123, Nusle, 140 00 Prague 4

Business registration number (IČ): 43873766

Legal form: joint stock company

Primary business: collective investment

Date of preparation: 20 April 2022

**BALANCE SHEET  
AS AT 31 DECEMBER 2021**

<u>Assets:</u>	<u>Note:</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
		In CZK thousands	In CZK thousands
<b>Cash on hand</b>		<b>34</b>	<b>50</b>
<b>Due from banks</b>	3	<b>659,591</b>	<b>585,537</b>
Of which: a) repayable on demand		209,462	182,959
b) other receivables		450,129	402,578
<b>Shares, participation certificates and other holdings</b>	4	<b>85,814</b>	<b>85,914</b>
<b>Intangible fixed assets</b>	5	<b>65,886</b>	<b>55,250</b>
<b>Tangible fixed assets</b>	5	<b>5,124</b>	<b>6,434</b>
<b>Other assets</b>	6	<b>125,610</b>	<b>125,397</b>
<b>Deferred expenses and accrued income</b>	8	<b><u>25,444</u></b>	<b><u>29,418</u></b>
<b>Total assets</b>		<b><u>967,503</u></b>	<b><u>888,000</u></b>
<u>Equity and liabilities:</u>			
<b>Other liabilities</b>	9	<b>147,059</b>	<b>129,842</b>
<b>Provisions</b>	11	<b>71,750</b>	<b>70,560</b>
of which: c) Taxes		20,717	16,737
d) Other		51,033	53,823
<b>Share capital paid up</b>	8	<b>91,000</b>	<b>91,000</b>
<b>Reserve funds and other funds from profit</b>		<b>570</b>	<b>570</b>
a) other funds from profit		570	570
<b>Retained earnings / accumulated loss</b>	10	<b>252,227</b>	<b>252,453</b>
<b>Profit for the period</b>	10	<b><u>404,897</u></b>	<b><u>343,575</u></b>
<b>Total equity and liabilities</b>		<b><u>967,503</u></b>	<b><u>888,000</u></b>

**OFF-BALANCE SHEET  
AS AT 31 DECEMBER 2021**

<u>Off-balance sheet liabilities</u>	<u>Note:</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
		In CZK thousands	In CZK thousands
<b>Assets received for management from third parties</b>	18	<b><u>337,242,120</u></b>	<b><u>334,156,339</u></b>

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Date of preparation: 20 April 2022

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Note:</u>	<u>2021</u>	<u>2020</u>
		In CZK	In CZK
		thousands	thousands
<b>Interest and similar income</b>		<b>3,047</b>	<b>2,904</b>
of which: a) interest on deposits		3,005	2,861
b) interest on loans		41	42
c) other		1	1
<b>Interest and similar expenses</b>		<b>(379)</b>	<b>(159)</b>
of which: a) interest on deposits		(379)	(159)
<b>Fee and commission income</b>	12	<b>1,102,944</b>	<b>923,777</b>
<b>Fee and commission expenses</b>	13	<b>(253,745)</b>	<b>(193,673)</b>
<b>Gain or loss from financial transactions</b>	14	<b>(5,655)</b>	<b>(1,067)</b>
<b>Other operating income</b>		<b>3,408</b>	<b>2,733</b>
<b>Other operating expenses</b>	15	<b>(13,515)</b>	<b>(12,202)</b>
<b>Administrative expenses</b>	16	<b>(313,935)</b>	<b>(269,369)</b>
Of which: a) staff costs		(180,481)	(167,710)
Of which: aa) wages and salaries		(129,951)	(120,617)
ab) social and health insurance		(41,882)	(38,634)
b) other administrative expenses		(133,454)	(101,659)
<b>Depreciation and amortization</b>	5	<b>(21,881)</b>	<b>(15,444)</b>
<b>Write-off, additions to and use of allowances and provisions for receivables, securities and guarantees</b>		<b>176</b>	
<b>Additions to/use of other provisions</b>	11	<b>2,790</b>	<b>(9,950)</b>
<b>Profit or loss on ordinary activities for the period before tax</b>		<b><u>503,255</u></b>	<b><u>427,550</u></b>
<b>Income tax</b>	17	<b>(98,358)</b>	<b>(83,975)</b>
<b>Profit or loss for the period after tax</b>	10	<b><u>404,897</u></b>	<b><u>343,575</u></b>

**GENERALI INVESTMENTS CEE, investiční společnost, a.s.**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share <u>capital</u>	Reserve <u>fund</u>	Social <u>fund</u>	Capital <u>funds</u>	Profit / <u>(loss)</u>	<u>Total</u>
	In CZK	In CZK	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands	thousands	thousands
<b>Balance as at 31 December 2019</b>	<b><u>91,000</u></b>	<b><u>0</u></b>	<b><u>570</u></b>	<b><u>0</u></b>	<b><u>543,376</u></b>	<b><u>634,946</u></b>
Net profit for the period	0	0	0	0	343,575	343,575
Use of social fund	0	0	0	0	0	0
Returns to social fund	0	0	0	0	0	0
Dividends paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(290,923)</u>	<u>(290,923)</u>
<b>Balance as at 31 December 2020</b>	<b><u>91,000</u></b>	<b><u>0</u></b>	<b><u>570</u></b>	<b><u>0</u></b>	<b><u>596,028</u></b>	<b><u>687,598</u></b>
Change in accounting policies					(226)	(226)
Balance as at 1 January 2021	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>595,802</u>	<u>687,372</u>
Net profit for the period	0	0	0	0	404,897	404,897
Use of social fund	0	0	0	0	0	0
Returns to social fund	0	0	0	0	0	0
Dividends paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(343,575)</u>	<u>(343,575)</u>
<b>Balance as at 31 December 2021</b>	<b><u>91,000</u></b>	<b><u>0</u></b>	<b><u>570</u></b>	<b><u>0</u></b>	<b><u>657,124</u></b>	<b><u>748,694</u></b>

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Date of preparation: 20 April 2022

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>2021</u>	<u>2020</u>
		In CZK
	In CZK thousands	thousands
<b><u>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</u></b>	<b><u>585,587</u></b>	<b><u>525,698</u></b>
Profit or loss on ordinary activities before tax	503,255	427,550
<b>Adjustment to reconcile profit before tax to net operating cash flows</b>	<b>11,610</b>	<b>24,481</b>
<i>Depreciation/amortization of fixed assets and write-off of allowances for acquired property</i>	21,881	15,444
<i>Change in allowances and provisions</i>	(2,966)	9,951
<i>Gain on sale of fixed assets</i>	(455)	(153)
<i>Income from revaluation of participation certificates</i>	100	(1,990)
<i>Interest expense, net of capitalized interest, and interest income</i>	(2,668)	(2,745)
<i>Other adjustments comprising non-monetary transactions</i>	(4,282)	3,973
<b><u>Net cash flows from operating activities before tax, changes in working capital and extraordinary items</u></b>	<b><u>515,865</u></b>	<b><u>452,031</u></b>
<b>Change in non-cash components of working capital</b>	<b>24,267</b>	<b>20,980</b>
<i>Changes in other assets and deferred expenses and accrued income</i>	3,070	(15,059)
<i>Changes in other liabilities and accruals and deferred income</i>	21,197	36,039
<i>Change in shares, participation certificates and other holdings</i>	0	0
<b><u>Net cash flows from operating activities before tax and extraordinary items</u></b>	<b><u>539,132</u></b>	<b><u>473,011</u></b>
Interest expense, net of capitalized interest, and interest income	(379)	(159)
Interest paid and received and similar income / expenses	3,047	2,904
Tax paid on income from ordinary activities and additionally assessed tax for previous periods	(93,688)	(73,223)
<b><u>Net cash flows from operating activities</u></b>	<b><u>448,112</u></b>	<b><u>402,533</u></b>
Acquisition of fixed assets	(31,207)	(52,231)
Proceeds from sale of fixed assets	532	510
<b><u>Net cash provided by (used in) investing activities</u></b>	<b><u>(30,675)</u></b>	<b><u>(51,721)</u></b>

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Dividends paid to shareholders	(343,575)	(290,923)
<b><u>Net cash provided by (used in) financing activities</u></b>	<b><u>(343,575)</u></b>	<b><u>(290,923)</u></b>
<b><u>Net increase (decrease) in cash</u></b>	<b><u>73,863</u></b>	<b><u>59,889</u></b>
<b><u>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</u></b>	<b><u>659,449</u></b>	<b><u>585,587</u></b>



**GENERALI  
INVESTMENTS**

**GENERALI INVESTMENTS CEE, investiční společnost, a.s.**

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## **1 GENERAL INFORMATION**

Generali Investments CEE, investiční společnost, a.s. (“the Company” or “GICEE”) (from 26 January 2001 to 31 December 2015 operating under the name ČP INVEST investiční společnost, a.s., until 26 January 2001 under the name KIS a.s. kapitálová investiční společnost České pojišťovny) was established on 19 November 1991.

With effect from 1 January January 2016, ČP INVEST investiční společnost, a.s., merged with Generali Investments CEE, a.s., with its registered office at Na Pankráci 1658/121, Prague 4, zip code 140 00, business registration number (IČ) 25629123, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 5073 (“Generali Investments”), which ceased to exist upon the merger and its assets and liabilities were transferred to the acquiring company, ČP INVEST investiční společnost, a.s., with its registered office at Na Pankráci 1658/121, Prague 4, zip code 140 21, business registration number (IČ) 43873766, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1031. With effect from the above date of the merger, the acquiring company was recorded in the Commercial Register under the name **Generali Investments CEE, investiční společnost, a.s., with its registered office at Na Pankráci 1720/123, Prague 4, zip code 140 21, business registration number (IČ) 43873766, maintained by the Municipal Court in Prague, Section B, File 1031**; this information is applicable as at the date of the financial statements.

Generali CEE Holding B.V., with its registered office at 1101 BH Amsterdam, De entree 91, the Netherlands, is the Company’s sole shareholder; the Company is included in the consolidated group of the parent company.

The Company was a member of the Generali insurance group in the accounting period.

The consolidated financial statements of the widest group of entities (published on <http://www.generali.com>) in which the Company, being a consolidated entity, is included, are prepared by:

Assicurazioni Generali, with its registered office at: Piazza Duca Degli Abruzzi, 2; 34132 Trieste, Italy.

The consolidated financial statements of the narrowest group of entities (published on <http://www.generalicee.com>) in which the Company, being a consolidated entity, is included, are prepared by:

Generali CEE Holding B. V. organizační složka, with its registered office at: Na Pankráci 1658/121, P.O.Box 39; 140 21 Prague 4; Czech Republic

Pursuant to Act No. 240/2013 Coll., on investment companies and investment funds (“ICIFA”), as amended, the Company is authorized to perform the following activities, within the scope of the Czech National Bank’s authorization:

- manage investment funds and foreign investment funds
- administer investment funds and foreign investment funds
- manage clients’ assets, if an investment instrument is involved, on a discretionary basis under contractual arrangements (portfolio management)

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- perform custody and administration of investment instruments, including related services, but only in relation to securities and dematerialized securities issued by an investment fund or a foreign investment fund
- receive and give instructions related to investment instruments
- provide investment advisory related to investment instruments.

The Company is authorized to exceed the applicable limit.

Members of the statutory body and the Supervisory Board as at 31 December 2021 were as follows:

**Board of Directors**

Chair	Ing. Josef Beneš
Member	Bc. Martin Brož
Member	Ing. Michal Toufar

**Supervisory Board**

Chair	Santo Borsellino
Member	Carlo Schiavetto
Member	Francesco Sola
Member	Antonella Maier



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## **2 ACCOUNTING POLICIES**

### **(a) Basis of preparation**

The financial statements have been prepared on the basis of underlying books of account of the Company maintained in accordance with Act No. 563/1991 Coll. on Accounting, as amended, and applicable regulations; in accordance with, and in the scope defined by the Regulation No. 501/2002 Coll. ("the Decree") implementing certain provisions of Act No. 563/1991 Coll. on Accounting, as amended, for the accounting entities being banks and other financial institutions, which sets out the layout and content of the financial statement items and the scope of data to be published for banks and other financial institutions; and Czech Accounting Standards for financial institutions.

The arrangement and designation of items in the financial statements and the content of the items in the financial statements are determined in accordance with the Decree. At the same time, Section 4 (1) of the Decree stipulates that the Company shall, for the purposes of financial instrument reporting, measurement, and disclosure of information in the notes to the financial statements follow the International Accounting Standards regulated by directly applicable regulations of the European Union on the application of international accounting standards ("International Accounting Standards" or "IFRS").

In this context, it should be noted that the balances and tables in the notes to the financial statements relating to financial instruments as at 31 December 2020 and for the year ended 31 December 2020 have not been adjusted and are therefore not comparable.

The financial statements are prepared on the accrual principle, that is, transactions and other events are recognized in the accounting period in which they occur and to which they relate in terms of substance and time.

The financial statements are prepared on the historical cost basis, which is modified by the revaluation of financial instruments measured at fair value through profit and loss. The accounting is maintained in accordance with the prudence principle and the going concern principle. The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as at the date of the financial statements and actual results may differ from those estimates.

The financial statements include the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

The management considered the potential impact of COVID-19 on the Company's activities and business and concluded it did not have a significant effect on the going concern assumption or the Company's financial statements for 2021. Accordingly, the financial statements for the year ended 31 December 2021 were prepared on the assumption that the Company would be able to continue as a going concern.

The reporting currency used in the financial statements is the Czech crown ("CZK") with accuracy to CZK thousand, unless indicated otherwise.



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These financial statements are standalone statements.

**(b) Recognition and derecognition of financial assets and liabilities**

Financial assets and financial liabilities are recognized at the moment the Company becomes a contractual partner to the transaction.

The Company derecognizes a financial asset or a part thereof when it loses control over the asset or its part. It loses this control when the contractual rights to the cash flows from the financial asset expire, are used by the Company or the Company surrenders these rights.

The Company removes a financial liability or a part thereof from its balance sheet when it is extinguished – i.e., when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a liability (or a portion thereof) extinguished or transferred and the amount paid for is recognized net in profit or loss for the period.

Spot purchases and sales are recognized on a settlement date basis. When the trade date and the settlement date fall on the turn of year (i.e., each of the dates occurs in different calendar years), the trade is recognized in the off-balance sheet accounts.

**(c) Financial assets and liabilities – methods effective from 1 January 2021**

Based on Decree No. 501/2002 Coll. effective from 1 January 2018, which was amended by Decree No. 442/2017 Coll. of 7 December 2017, the Company has complied with International Financial Reporting Standards (“IFRS”) for the purposes of financial instrument reporting, measurement, and disclosure of information in the notes to the financial statements as of 1 January 2021.

From the Company’s perspective, the most significant impact of the change has been the application of IFRS 9 Financial Instruments pertaining to the classification of financial assets as of 1 January 2021.

**Classification**

IFRS 9 introduces two criteria for the classification of debt instruments:

- An entity’s business model which refers to how an entity manages its financial assets in order to generate cash flows.
- A test of the characteristics of contractual cash flows arising from financial assets according to contractual terms agreed for the financial assets (i.e., whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding), the so-called solely payments of principal and interest (SPPI) test.

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At initial recognition, a financial asset is classified as:

- measured at amortized cost (AC)
- measured at fair value through other comprehensive income (FVOCI)
- measured at fair value through profit or loss (FVTPL).

A financial asset can be measured at amortized cost only if both of the following conditions are met and it is not designated as a financial asset measured at fair value through profit or loss (FVTPL):

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income (FVOCI) only if it meets both of the following conditions and it is not designated as measured at fair value through profit or loss (FVTPL):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, an entity has the option of measuring them at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI); the choice made for specific individual equity financial assets upon initial recognition shall be irreversible. If the FVOCI option is applied, cumulative gains/losses recognized in OCI shall not be reclassified on derecognition (disposal) of the equity instrument effective from 1 January 2021.

Other financial assets are measured at fair value through profit or loss (FVTPL).

### **Business model assessment**

The business model reflects how groups of financial assets are managed together to achieve a specific business objective. Therefore, this condition does not represent an approach to classification by instrument individually but is set at a higher level of aggregation. In assessing the business model, all relevant information and evidence available at the assessment date is considered. Such relevant information and evidence include but are not limited to the following:

- the established methods and objectives for the portfolio and the approach to those methods in practice
- an assessment of the performance of the business model and the financial assets held within each business model
- the risks affecting the performance of the business models and financial assets held within the chosen business models and how those risks are managed
- how certain employees and managers of the GICEE are remunerated
- the frequency, volume, and timing of sales in previous periods, the reasons for those sales and expectations for future sales. Sales information is not evaluated in isolation but as part of an

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overall assessment of how the entity's objectives for managing financial assets are achieved and how cash flows are realized.

Based on the method of managing financial instruments, the 'Hold to collect' business model was selected for the Company for current and savings account balances, term deposits, trade receivables and loans provided. These financial instruments shall be measured at amortized cost.

**Assessment whether cash flows consist solely of principal and interest payments (the "SPPI test")**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as the consideration for the time value of money and for the credit risk associated with the outstanding principal amount over a particular time period and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as any profit margin. In assessing whether cash flows are comprised solely of principal and interest payments, the Company evaluates the contractual terms of the instrument. This includes assessing whether the financial asset includes contractual arrangements that may change the timing and amount of the contractual cash flows.

As part of its evaluation, the Company assesses:

- contingent events that may change the timing and amount of the contractual cash flows
- leverage
- early repayment and maturity extension
- terms that restrict the entity from collecting cash flows from specific assets
- terms that modify the consideration for the time value of money (e.g., methods of periodic reset of the interest rate).

When the financial instrument under consideration fails the SPPI test, it is mandatorily measured at FVTPL. For the Company, this includes, e.g., participation certificates.

**Reclassification**

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets in the current financial year.

**Financial liabilities**

Liabilities are measured at amortized cost or fair value to profit or loss if they are derivatives.

**Derecognition**

**Financial assets**

The Company derecognizes a financial asset when either:

- the contractual rights to the cash flows from the financial assets are extinguished
- it transfers the rights to receive the cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers

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nor retains substantially all the risks and rewards of ownership of the financial asset and it does not retain control of the financial asset.

When a financial asset is derecognized, the difference between

- the carrying amount of the asset (or the portion of the carrying amount allocated to the portion of the asset derecognized) and
- the sum of the consideration received (including any asset acquired less the value of any new liability assumed) and the cumulative gain or loss recognized in equity is recorded in profit or loss.

The cumulative gain or loss recognized in equity in respect of equity securities designated as at fair value through equity (FVOCI) is not recognized in the income statement on derecognition.

If a company enters into transactions in which it transfers assets recognized on the balance sheet but retains all or substantially all risks and rewards associated with the transferred financial assets or portions of financial assets, the transferred assets are not derecognized. Examples of such transactions include securities lending and repurchase agreements.

#### **Financial liabilities**

An entity derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

#### **Modification of financial assets and financial liabilities**

##### **Financial assets**

If the terms of the financial asset are modified, the Company assesses whether the cash flows of the modified financial asset are substantially different.

If the cash flows are substantially different, then the contractual right to the cash flows from the original asset are deemed to have expired. In such a case, the original financial asset is derecognized, and the new financial asset is recognized and carried at fair value.

If the cash flows from the modified asset measured at amortized cost are not substantially different, the modification does not result in derecognition of the financial asset. The Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from the adjustment to the gross carrying amount as a gain or loss on modification in profit or loss.

##### **Financial liabilities**

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In that case, the new financial liability is recognized at fair value based on the modified terms. The difference between the carrying amount of the extinguished financial liability and the new financial liability with the modified terms is recognized in profit or loss.

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal (or most advantageous) market to which the entity has access at that date (the exit price).

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**Fair value hierarchy used in measuring the fair value of financial instruments**

The best indication of fair value is quoted market prices in an active market (**Level 1** of the fair value hierarchy).

If no market prices are available, the fair value is measured by using measurement models which are based on observable market data as inputs (**Level 2** of the fair value hierarchy).

In some cases, the fair value of the financial asset or liability can be determined neither based on quoted market prices nor on measurement models that rely entirely on observable market data. In these cases, individual measurement parameters not observable in the market are estimated based on reasonable assumptions (**Level 3** of the fair value hierarchy).

**Impairment**General approach

IFRS 9 introduces a new impairment model based on expected credit losses (ECL) whereby an allowance is recognized before a credit loss is incurred.

A credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings.

The standard assumes that each financial instrument, to the extent of impairment, (debt instruments measured at AC and FVOCI, trade receivables and contract assets under IFRS 15, lease receivables under IFRS 16 and loan commitments and financial guarantees) carries some risk of default from the moment of its origination. Therefore, allowances for such a financial instrument will be made at the time of initial recognition.

The entire ECL model is divided into three impairment stages:

- (1) initial recognition (Stage 1)
- (2) a significant increase in credit risk (Stage 2)
- (3) objective impairment (Stage 3)

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Credit impaired financial asset:	No	No	Yes
A significant increase in credit risk:	No	Yes	Yes
Expected credit loss:	12-month	Lifetime	Lifetime
Interest income	From gross carrying amount	From gross carrying amount	From amortized cost of the asset

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While in Stage 1 of impairment, allowances are recognized for a financial asset equal to the expected credit losses if the counterparty were to default within the next 12 months, allowances in Stage 2 and 3 are equal to the total expected credit losses over the life of the financial asset.

An entity shall assess at each reporting date whether the credit risk associated with a financial instrument has increased significantly since initial recognition. In making this assessment, the entity shall consider the change in the risk of default that may occur over the expected life of the financial instrument, rather than the change in the amount of expected credit losses.

A significant increase in the credit risk of a financial instrument is indicated by, e.g.,:

- a) an actual or expected decline in the borrower's internal credit rating
- b) an actual or expected change in the borrower's operating profit
- c) significant increases in the credit risk of other financial instruments of the same borrower
- d) significant changes, such as a reduction in the financial support from a parent or other associate
- e) information about past due loans, including a rebuttable presumption of more than 30 days past due.

A financial asset is credit-impaired when one or more events have occurred that have an adverse effect on the estimated future cash flows associated with the asset, e.g.,:

- a) significant financial problems of the issuer or borrower
- b) a breach of contract, e.g., default or past-due event (rebuttable presumption more than 90 days past due)
- c) the lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered
- d) it becomes probable that the borrower will enter bankruptcy or other financial reorganization
- e) the debtor is in liquidation, etc.

The amount of impairment is equal to the expected credit losses over the life of the financial instrument. Interest income is calculated using the effective interest rate method applied to the amortized cost of the financial asset (i.e., the net carrying amount). From an income statement perspective, interest is accrued based on the gross carrying amount of the financial assets. The difference between the accrued interest on the assets and the recognized interest income is reflected in the allowance account (without affecting the impairment loss).

Calculation of expected credit losses

The key inputs for the calculation of expected credit losses (ECL) are the time structure of the following variables/parameters:

- Probability of default (PD)
- Loss given by default (LGD)
- Exposure at default (EAD)

These parameters are based on internally developed statistical models and historical data, which must be adjusted to match

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forward-looking information (FLI).

Simplified approach

For trade receivables and contract assets without a significant financing element, IFRS 9 offers a simplified approach whereby the Company will establish an allowance in the amount of lifetime expected credit losses.

**Presentation of allowances for ECL in the balance sheet and income statement**

For financial assets measured at amortized cost, the allowance is deducted from the gross carrying amount of assets.

Allowances and provisions for ECL charged to expense are recognized in the income statement under “Write-off, additions to and use of allowances and provisions for receivables, securities and guarantees”.

Any subsequent use of allowances is also reported in this item.

The release of allowances and provisions for ECL due to their not being needed is recognized in the income statement under “Release of allowances and provisions for receivables and guarantees, income from previously written-off receivables”.

**(d) Foreign currency**

Financial assets and liabilities denominated in foreign currencies are translated into Czech crowns at the exchange rate as published by the Czech National Bank (“CNB”) as at the balance sheet date. All exchange rate gains and losses arising from monetary items are recognized in gain/loss from financial transactions.

All transactions denominated in foreign currencies are translated into Czech crowns at the exchange rate as published by CNB as at the transaction date.

**(e) Fair value of securities**

The fair value of a security is determined by the market value quoted by a relevant stock exchange or other active public market. In other cases the fair value is estimated as:

- the present value of future cash flows pertaining to shares and participation certificates, or
- the net present value of cash flows reflecting the involved risks pertaining to bonds and notes.

In its models designed for determining fair value of securities the Company uses only observable market data. The valuation models consider current market conditions as at the date of the valuation which do not necessarily reflect the market situation before or after the valuation date. The management of the Company reviewed these models as at the balance sheet date and considered that the models adequately reflect the current market conditions including relative market liquidity and credit spread.

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**(f) Securities at fair value through profit or loss – methods effective from 1 January 2021**

Securities at FVTPL are initially measured at fair value adjusted for transaction costs. Transaction costs are cost directly attributable to the acquisition and are not part of fair value. Securities are subsequently measured at fair value. All related gains and losses are included in gains or losses from financial transactions. Interest earned on securities at fair value through profit or loss is reported as interest income.

**(g) Securities at fair value through profit or loss – methods effective until 31 December 2020**

There are two sub-categories of securities valued at fair value through profit or loss: held-for-trading, and those designated at fair value through profit or loss at inception. Securities are classified as held-for-trading if they are acquired or incurred principally for the purpose of selling or repurchasing in the near term or if they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Securities at fair value through profit or loss are initially recognized at cost, which includes expenses incurred in connection with their acquisition, and they are subsequently measured at fair value. All related gains and losses are included in gains or losses from financial transactions. Spot purchases and sales are recognized on a settlement date basis. Interest earned on securities at fair value through profit or loss is reported as interest income.

**(h) Interest income and expenses**

Interest income and expenses are recognized on an accruals basis using the effective interest rate method derived from the actual acquisition cost.

The Company has no cash flows redeemable for more than 12 months. Interest income includes the accrued interests, discount and premium for all fixed income instruments.

**(i) Fee and commission income, fee and commission expenses**

Fee and commission income includes the fees for management of the mutual funds, front-end and back-end sales loads. Fee and commission expenses include, in particular, expenses incurred in commissions paid to agents. Fees and commissions are recognized on an accrual basis as at the date of service provision. Fees and commissions for negotiating a transaction for a third party or from a share in such a negotiation are recognized at time of transaction completion. Fees for the management and administration of assets and for consulting services are recognized on an accrual basis based on the supporting service agreements.

**(j) Receivables – methods effective from 1 January 2021**

Receivables are measured at amortized cost in line with the business model. See note 2c.

**(k) Receivables – methods effective until 31 December 2020**



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Receivables are stated at nominal value less an allowance for doubtful amounts. Bad debts are written-off after the completion of debtor's bankruptcy proceedings.

Receivables are assessed for their recoverability. Allowances for receivables are established based on the assessment. Additions to allowances are recognized as an expense, use of the allowances is recognized together with costs or losses related to asset disposals in the income statement. Release of an allowance if it is no longer needed is recognized as income.

**(l) Equity**

The share capital of the Company is stated at the amount recorded in the Commercial Register maintained by the Municipal Court. Any increase or decrease in the share capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the date of the financial statements is recorded through changes in share capital. Contributions in excess of share capital are recorded as share premium. Other capital funds consist of monetary and non-monetary contributions in excess of share capital, tangible assets donations, etc.

**(m) Provisions**

Provisions are recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. All provisions are presented in liabilities.

Additions to provisions are recognized in the income statement, their utilization is recognized together with expenses or losses, for which purpose they were created, in the income statement. Release of provisions if they are no longer needed is recognized as income.

Provisions are set aside in the currency in which settlement is expected to be made.

**(n) Tangible and intangible fixed assets**

Tangible and intangible fixed assets are recorded at their acquisition cost and are depreciated / amortized on a straight-line basis over their estimated useful lives using the following depreciation / amortization periods:

Software	3-7 years
Buildings	50 years
Cars	5 years
Machinery and equipment	3-15 years
Furniture and fixtures	5-10 years

Intangible and tangible fixed assets with a cost of less than CZK 80,000 are always recognized in profit or loss when acquired.

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The costs of repairs and maintenance of tangible fixed assets are expensed as incurred. Technical improvements to the individual assets are capitalized and depreciated.

### **Tangible and intangible assets in leasing**

The entity has been applying International Accounting Standard IFRS 16 Leases since 1 January 2021. A contract is considered to be a lease if it transfers the right to control the use of the identified asset for a specified period of time for consideration.

IFRS 16 introduces, in particular, changes in the lessee's accounting and reporting procedures. An entity in the role of lessee shall recognise the asset from the right to use the leased asset and the related lease liability in the balance sheet unless:

- the rental period is not more than 12 months
- or the underlying asset is of a low cost.

A contract contains a lease if it transfers the right to control the use of an identifiable asset for a specified period in exchange for consideration. For individual contracts, the Company assesses whether the contract meets the definition of a lease, i. e. whether:

- there is an identifiable asset and the lessor has a material right to replace the asset with another asset
- the Company, as a lessee, has the right to obtain all economic benefits during their use
- the Company has the right to control the use of assets, i.e., the lessor cannot change the conditions of use.

At the inception of the lease, the Company reports in the balance sheet:

- the right to use the assets in the item "Tangible fixed assets" and
- the lease liability in "Other liabilities".

The right-of-use asset is measured at cost, which includes the initial amount of the lease liability adjusted for all lease payments made on or before the commencement date, plus direct costs and an estimate of the costs of dismantling and removing the underlying asset or renewing the underlying asset, less leasing incentives.

Subsequently, the right of use is amortised on a straight-line basis over its estimated useful life or the shorter of the lease term. The estimated useful life of the right of use is determined on the same basis as for the asset. In addition, this asset is regularly reduced by any impairment losses and adjusted for a certain revaluation of the lease liability.

At the commencement of the lease, the lease liability is measured at the present value of the lease payments outstanding at a discounted incremental interest rate.

Lease payments include:

- fixed payments, including the so-called essentially fixed payments
- index- or rate-dependent variable lease payments (the index or rate that exists at the inception of the lease is used at the inception of the lease)
- the amount that the tenant must pay within the so-called guaranteed residual value
- a call option, if the Company anticipates exercising it
- leasing payments, including an option to renew, if the Company has reasonable assurance that it will exercise the option to renew

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- penalties for the termination of the lease.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The liability is divided into interest reported at interest expense and depreciation recognised as a reduction of the lease liability.

The liability is reassessed in the event of a change in future lease payments resulting from a change in the index or rate if the Company's estimates of the amount due change or if the Company changes its estimates of the exercise, extension, or termination option of the asset.

If a liability is reassessed, the carrying amount of the usage right is adjusted with an impact on the assets, or directly to the income statement if the usage right is fully depreciated, i.e., if the carrying amount of the asset is zero.

The Company applies an exception to the reporting of leases and does not account for right-of-use assets and lease liabilities when the lease term is 12 months or less and/or the leased asset is of low value. Lease payments under such contracts are charged directly to expenses by the Company on a straight-line basis over the lease term and are recognised in 'Administrative expenses'.

If the Company acts as a lessor, it evaluates at the beginning of the lease whether it is a financial or operating lease. The transition to IFRS 16 did not result in a different reporting of the lease from the perspective of the lessor.

**(o) Income tax**

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g., non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.).

**(p) Deferred tax**

A deferred tax liability 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 only to the extent that there are no doubts that future taxable profits will be available, against which this asset can be utilized.

The approved tax rate for the period in which the Company expects to utilize the asset or realize the liability is used for the deferred taxation calculation.

**(q) Staff costs, supplementary pension scheme and social fund**

Staff costs are included in administrative expenses and they include bonuses to members of the Board of Directors and Supervisory Board.

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The Company makes contributions on behalf of its employees to a defined contribution pension scheme. Contributions paid by the Company are expensed as incurred.

The Company makes regular contributions to the state budget to support the national pension scheme.

The Company creates a social fund to cover the staff social needs and benefits. In accordance with the Czech accounting legislation, an allocation to the social fund is not recognized in the income statement but as profit distribution.

Similarly, the use of the social fund is not recognized in the income statement but as a decrease in the fund. The social fund forms a component of equity and is not presented as a liability.

**(r) Use of estimates**

The preparation of financial statements requires using the estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as at the date of the financial statements and actual results may differ from those estimates.

**(s) Related parties**

Material transactions, outstanding balances and pricing policies with related parties are disclosed in Notes 4, 6, 9, 16, 18 and 24.

**(t) Off-balance sheet items**

In the Company's accounting, only assets received for management from third parties are presented in the off-balance sheet accounts.

All the assets and liabilities of the Company are presented either in the balance sheet or in the off-balance sheet accounts.

**(u) 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.

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**(v) Impact of changes in accounting policies**

In accordance with the Decree effective from 1 January 2018 and applicable to the Company from 1 January 2021, financial instruments are recorded, measured, and disclosed in the notes to the financial statements pursuant to the International Accounting Standards regulated by directly applicable regulations of the European Union on the application of international accounting standards (“International Accounting Standards” or “IFRS”).

The most significant change for the Company is the application of IFRS 9 for financial instruments as of 1 January 2021, in particular the classification of financial assets based on the assessment of business models and the quantification of expected credit losses (ECL).

**Measurement categories**

The following table shows the original measurement categories of financial assets and financial liabilities under the Decree effective until 31 December 2020 and the new measurement categories under IFRS 9 as at 1 January 2021:

1 January 2021 In CZK thousands	Original classification pursuant to the Decree effective until 31 December 2020	New classification pursuant to IFRS 9	Original carrying amount pursuant to the Decree effective until 31 December 2020	New carrying amount pursuant to IFRS 9
<b>Financial assets</b>				
Cash on hand	Amortized cost	Amortized cost	50	50
Due from banks	Amortized cost	Amortized cost	585,537	585,378
Shares, participation certificates and other holdings	FVTPL	Mandatorily at FVTPL	85,914	85,914
Other financial assets	Amortized cost	Amortized cost	118,290	118,223
<b>Total financial assets</b>			<b>789,791</b>	<b>789,565</b>
<b>Financial liabilities</b>				
Other liabilities	Amortized cost	Amortized cost	110,819	110,819
<b>Total financial liabilities</b>			<b>110,819</b>	<b>110,819</b>

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**Reconciliation of carrying amounts of financial assets and financial liabilities**

The following tables show the reconciliation of financial assets and financial liabilities under the Decree effective until 31 December 2020 and IFRS 9 as at 1 January 2021.

<b>1 January 2021</b>	<b>Original carrying</b>			<b>New carrying</b>
<b>In CZK thousands</b>	<b>amount pursuant to</b>			<b>amount</b>
	<b>the Decree effective</b>			<b>pursuant to</b>
	<b>until 31 December</b>	<b>Reclassification</b>	<b>Remeasurement /</b>	<b>IFRS 9</b>
	<b>2020</b>		<b>ECL</b>	
<b>Financial assets</b>				
<b>Financial assets at amortized cost (AC)</b>				
Cash on hand	50	-	-	50
Due from banks	585,537	-	(159)	585,378
Other financial assets	118,290	-	(67)	118,223
<b>Total financial assets at amortized cost (AC)</b>	<b>703,877</b>	<b>-</b>	<b>(226)</b>	<b>703,651</b>
<b>Financial assets at fair value through profit or loss (FVTPL)</b>				
Shares, participation certificates and other holdings	85,914	-	-	85,914
<b>Total financial assets at fair value through profit or loss (FVTPL)</b>	<b>85,914</b>	<b>-</b>	<b>-</b>	<b>85,914</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortized cost</b>				
Other liabilities	110,819	-	-	110,819
<b>Total financial liabilities at amortized cost</b>	<b>110,819</b>	<b>-</b>	<b>-</b>	<b>110,819</b>

**Net effect of the transition to IFRS 9 on equity**

The following table shows the net effect of the transition to IFRS 9 on retained earnings or accumulated loss from prior periods:

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**Effect of IFRS  
application  
as at 1 January  
2021**

**In CZK thousands**

**Retained earnings or accumulated loss from prior periods**

Closing balance as at 31 December 2020 (pursuant to decree 501/2002 effective until 31 December 2020) 252,453

Recognition of expected credit losses (ECL) under IFRS 9

(change in accounting policy)

- for amounts due from banks (159)

- for other financial assets (67)

**Opening balance as at 1 January 2021 (under IFRS 9) 252,227**

**Reconciliation of allowances and provisions**

The following table reconciles closing balances of allowances for financial assets pursuant to the Decree effective until 31 December 2020 and the opening balance of expected credit losses (ECL) under IFRS 9 as at 1 January 2021

1 January 2021 In CZK thousands	Original carrying amount pursuant to the Decree effective until 31 December 2020	Reclassification	Remeasurement	New carrying amount pursuant to IFRS 9
<b>Financial assets at amortized cost (AC)</b>				
Cash on hand	-	-	-	-
Due from banks	-	-	(159)	(159)
Other financial assets	-	-	(67)	(67)
<b>Total financial assets at amortized cost (AC)</b>	<b>-</b>	<b>-</b>	<b>(226)</b>	<b>(226)</b>

**Impact of the application of IFRS 16**

The Company applies an exception to the reporting of leases and does not account for usage rights and lease liabilities when the lease term is 12 months or less and/or the leased asset is of low value. Lease payments under such contracts are charged directly to expenses by the Company on a straight-line basis over the lease term and are recognized in 'Administrative expenses'.

The company has its registered office in leased premises which it uses on the basis of an agreement on the lease of premises used for business concluded on 1 January 2021 with Generali Česká pojišťovna a.s. with effect from 1 January 2021 to 31 December 2021.

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**3 DUE FROM BANKS**

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Current bank accounts	209,462	182,959
Term deposits and savings accounts	450,143	402,578
Gross carrying amount	<u>659,605</u>	<u>585,537</u>
Expected credit losses (ECL)	(14)	0
Net carrying amount	<u>659,591</u>	<u>585,537</u>

Amounts due from banks are payable upon demand, except term deposits and savings accounts of CZK 450,143 thousand, which were due in January 2022.

**Classification of amounts due from banks based on measurement categories**

All amounts due from banks as at 31 December 2021 are at amortized costs under IFRS 9.

As at 31 December 2021, amounts due from banks are neither credit impaired nor identified as having a significant increase in credit risk. As at 31 December 2021, allowances have been calculated based on 12-month expected credit losses.

Amounts due from banks – classification and allowance – 31 December 2020

All amounts due from banks were standard receivables and no allowance has been established for them.



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#### 4 SHARES, PARTICIPATION CERTIFICATES AND OTHER HOLDINGS

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Participation certificates in GICEE funds	<u>85,814</u>	<u>85,914</u>

**Classification of shares, participation certificates and other holdings based on measurement categories**  
Participation certificates as at 31 December 2021 are mandatorily measured at fair value through profit or loss (FVTPL) under IFRS 9.

As at 31 December 2021, the Company owned participation certificates of the following funds:

	<u>31 December 2021</u>
	In CZK thousands
Generali Fond konzervativní	<u>10,239</u>
Generali Fond vyvážený dluhopisový	<u>52,345</u>
Generali Fond balancovaný konzervativní	<u>11,968</u>
Generali Fond korporátních dluhopisů	<u>11,262</u>
Total	<u>85,814</u>

As at 31 December 2020, the Company owned participation certificates of the following funds:

	<u>31 December 2020</u>
	In CZK thousands
Generali Fond konzervativní	<u>10,452</u>
Generali Fond vyvážený dluhopisový	<u>52,860</u>
Generali Fond balancovaný konzervativní	<u>11,447</u>
Generali Fond korporátních dluhopisů	<u>11,155</u>
Total	<u>85,914</u>

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## 5 TANGIBLE AND INTANGIBLE FIXED ASSETS

### Intangible fixed assets

	<u>Software</u>	<u>Other</u>	<u>Assets under construction</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
As at 1 January 2021				
Cost	118,962	125	3,654	122,741
Accumulated amortization	<u>(67,366)</u>	<u>(125)</u>	<u>0</u>	<u>(67,491)</u>
Net book value	<u>51,596</u>	<u>0</u>	<u>3,654</u>	<u>55,250</u>
For the year ended 31 December 2021				
Opening net book value	51,596	0	3,654	55,250
Additions	33,302	0	436	33,738
Disposals – cost	0	(114)	(3,654)	(3,768)
Disposals – accumulated amortization	0	114	0	114
Amortization	<u>(19,448)</u>	<u>0</u>	<u>0</u>	<u>(19,448)</u>
Closing net book value	<u>65,450</u>	<u>0</u>	<u>436</u>	<u>65,886</u>
As at 31 December 2021				
Cost	152,264	11	436	152,711
Accumulated amortization	<u>(86,814)</u>	<u>(11)</u>	<u>0</u>	<u>(86,825)</u>
Net book value	<u>65,450</u>	<u>0</u>	<u>436</u>	<u>65,886</u>

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## 5 TANGIBLE AND INTANGIBLE FIXED ASSETS (CONT.)

### Intangible fixed assets

	<u>Software</u>	<u>Other</u>	<u>Assets under construction</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
As at 1 January 2020				
Cost	87,450	125	1,457	89,032
Accumulated amortization	<u>(54,545)</u>	<u>(87)</u>	<u>0</u>	<u>(54,632)</u>
Net book value	<u>32,905</u>	<u>38</u>	<u>1,457</u>	<u>34,400</u>
For the year ended 31 December 2020				
Opening net book value	32,905	38	1,457	34,400
Additions	31,695	0	3,383	35,078
Disposals – cost	(183)	0	(1,186)	(1,369)
Disposals – accumulated amortization	183	0	0	183
Amortization	<u>(13,004)</u>	<u>(38)</u>	<u>0</u>	<u>(13,042)</u>
Closing net book value	<u>51,596</u>	<u>0</u>	<u>3,654</u>	<u>55,250</u>
As at 31 December 2020				
Cost	118,962	125	3,654	122,741
Accumulated amortization	<u>(67,366)</u>	<u>(125)</u>	<u>0</u>	<u>(67,491)</u>
Net book value	<u>51,596</u>	<u>0</u>	<u>3,654</u>	<u>55,250</u>

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## 5 TANGIBLE AND INTANGIBLE FIXED ASSETS (CONT.)

### Operating tangible fixed assets

	Vehicles	Equipment	Other	Total
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
<b>As at 1 January 2021</b>				
Cost	11,903	801	411	13,115
Accumulated depreciation	<u>(6,069)</u>	<u>(327)</u>	<u>(285)</u>	<u>(6,681)</u>
Net book value	<u>5,834</u>	<u>474</u>	<u>126</u>	<u>6,434</u>
<b>For the year ended 31 December 2021</b>				
Opening net book value	5,834	474	126	6,434
Additions	1,200	0	0	1,200
Disposals – cost	(1,674)	0	(31)	(1,705)
Disposals – accumulated depreciation	1,597	0	31	1,628
Depreciation	<u>(2,290)</u>	<u>(143)</u>	<u>0</u>	<u>(2,433)</u>
Closing net book value	<u>4,667</u>	<u>331</u>	<u>126</u>	<u>5,124</u>
<b>As at 31 December 2021</b>				
Cost	11,429	801	380	12,610
Accumulated depreciation	<u>(6,762)</u>	<u>(470)</u>	<u>(254)</u>	<u>(7,486)</u>
Net book value	<u>4,667</u>	<u>331</u>	<u>126</u>	<u>5,124</u>

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## 5 TANGIBLE AND INTANGIBLE FIXED ASSETS (CONT.)

### Operating tangible fixed assets

	Vehicles	Equipment	Other	Total
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
<b>As at 1 January 2020</b>				
Cost	11,311	450	798	12,559
Accumulated depreciation	<u>(6,106)</u>	<u>(190)</u>	<u>(321)</u>	<u>(6,617)</u>
Net book value	<u>5,205</u>	<u>260</u>	<u>477</u>	<u>5,942</u>
<b>For the year ended 31 December 2020</b>				
Opening net book value	5,205	260	477	5,942
Additions	3,253	351	0	3,604
Disposals – cost	(2,661)	0	(387)	(3,048)
Disposals – accumulated depreciation	2,302	0	36	2,338
Depreciation	<u>(2,265)</u>	<u>(137)</u>	<u>0</u>	<u>(2,402)</u>
Closing net book value	<u>5,834</u>	<u>474</u>	<u>126</u>	<u>6,434</u>
<b>As at 31 December 2020</b>				
Cost	11,903	801	411	13,115
Accumulated depreciation	<u>(6,069)</u>	<u>(327)</u>	<u>(285)</u>	<u>(6,681)</u>
Net book value	<u>5,834</u>	<u>474</u>	<u>126</u>	<u>6,434</u>

### Depreciation / amortization of fixed assets

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Depreciation of tangible fixed assets	2,433	2,402
Amortization of intangible fixed assets	19,448	13,042
Total	<u>21,881</u>	<u>15,444</u>

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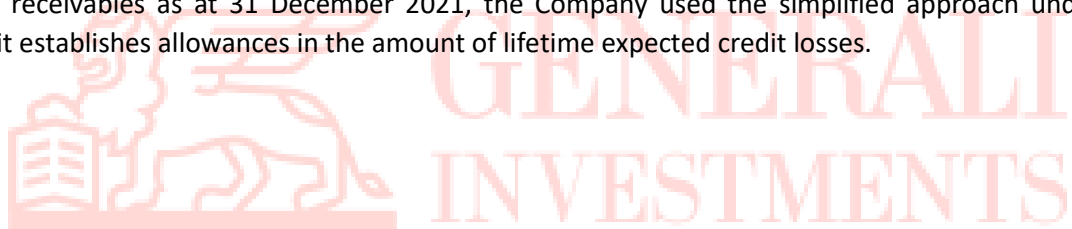
**6 OTHER ASSETS**

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Trade receivables	99,095	98,182
Receivable from Generali Invest plc.	9,433	8,893
Other receivables	11,427	11,940
Deferred tax asset (Note 16)	<u>5,691</u>	<u>6,382</u>
Gross carrying amount	125,645	125,397
Expected credit losses (ECL)	<u>(36)</u>	<u>0</u>
Net carrying amount	<u>125,610</u>	<u>125,397</u>

**Classification of receivables based on measurement categories**

Trade receivables as at 31 December 2021 are measured at amortized costs under IFRS 9.

For trade receivables as at 31 December 2021, the Company used the simplified approach under IFRS 9 whereby it establishes allowances in the amount of lifetime expected credit losses.



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Other assets include the following account balances relating to related parties:

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	670	634
Generali Fond globálních značek	12,150	9,069
Generali Fond zlatý	2,234	2,375
Generali Fond farmacie a biotechnologie	2,871	2,339
Generali Fond ropy a energetiky	2,994	2,681
Generali Fond korporátních dluhopisů	14,634	11,952
Generali Fond živé planety	1,473	1,062
Generali Fond balancovaný konzervativní	5,923	3,950
Generali Fond nových ekonomik	1,311	1,333
Generali Fond fondů dynamický	25	21
Generali Fond fondů vyvážený	23	17
Generali Fond nemovitostních akcií	3,646	2,769
Generali Fond konzervativní	1,212	1,365
Generali Fond vyvážený dluhopisový	72	75
Generali Česká pojišťovna a.s.	4,771	5,057
Generali penzijní společnost, a.s.	16,375	16,137
Generali Romania Asigurare Reasigurare S.A.	761	773
Generali Poistovňa, a.s.	989	1,629
Generali Poistovňa, pobočka	601	0
Česká pojišťovna ZDRAVÍ a.s.	0	15
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,626	1,489
Generali CEE Holding B.V.	1,579	1,813
GP Reinsurance EAD	2,031	2,323
Genertel Biztosító Zrt.	83	84
Európai Utazási Biztosító Zrt.	27	32
Generali Biztosító Zrt.	973	1,176
Generali Investments Holding S.p.A.	3,307	5,603
Generali Insurance AD	414	421
Generali Realitní fond	0	357
Generali Życie Towarzystwa	268	239
Generali Investments Partners S.p.A	10,097	15,641
Assicurazioni Generali S.p.A.	3,819	5,540
Generali Fond realit	2,365	912
Generali Fond silné koruny	627	601
Pojišťovna Patricie a.s.	0	113
<b>Total</b>	<b><u>99,949</u></b>	<b><u>99,597</u></b>

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**7 ALLOWANCES**

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Due from banks	<b>(14)</b>	<b>0</b>
Other financial assets (trade receivables)	<b>(36)</b>	<b>0</b>
Total	<b>(50)</b>	<b>0</b>



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**Reconciliation of opening and closing balances of loss allowances****Due from banks**

1 January 2021	Stage 1	Stage 2	Stage 3	
In CZK thousands		Lifetime ECL for FA that are not credit	Lifetime ECL for FA that are credit	
	12-month ELC	impaired	impaired	Total
<b>Balance as at 1 January 2021</b>	<b>159</b>	-	-	<b>159</b>
Transfer to 12-month ECL (Stage 1)	-	-	-	-
Transfer to lifetime ECL for financial assets that are not credit impaired (Stage 2)	-	-	-	-
Transfer to lifetime ECL for financial assets that are not credit impaired (Stage 3)	-	-	-	-
Newly provided or purchased financial assets	14	-	-	14
Derecognition of financial assets	(159)	-	-	(159)
Depreciation and amortization	-	-	-	-
Income from previously written-off receivables	-	-	-	-
Remeasurement and changes in models / risk parameters	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>14</b>	-	-	<b>14</b>

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**Other financial assets (trade receivables)**

<b>1 January 2021</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
In CZK thousands		Lifetime ECL for FA that are not credit impaired	Lifetime ECL for FA that are credit impaired	Total
	12-month ELC			
<b>Balance as at 1 January 2021</b>	<b>67</b>	-	-	<b>67</b>
Transfer to 12-month ECL (Stage 1)	-	-	-	-
Transfer to lifetime ECL for financial assets that are not credit impaired (Stage 2)	-	-	-	-
Transfer to lifetime ECL for financial assets that are not credit impaired (Stage 3)	-	-	-	-
Newly provided or purchased financial assets	36	-	-	36
Derecognition of financial assets	(67)	-	-	(67)
Depreciation and amortization	-	-	-	-
Income from previously written-off receivables	-	-	-	-
Remeasurement and changes in models / risk parameters	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>36</b>	-	-	<b>36</b>

**8 DEFERRED EXPENSES AND ACCRUED INCOME**

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Accrued commissions	13,959	20,561
Other deferred expenses / accrued income	<u>11,485</u>	<u>8,857</u>
Total	<u>25,444</u>	<u>29,418</u>

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## 9 OTHER LIABILITIES

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
Due to state budget	1,856	1,730
Estimated payables	20,561	14,148
Liabilities to employees	8,385	6,924
Liabilities from social security and health insurance	3,368	3,147
Liabilities from commissions	338	404
Other operating liabilities (incl. liabilities to funds)	<u>112,551</u>	<u>103,490</u>
 Total	 <u>147,059</u>	 <u>129,842</u>

As at 31 December 2021 and 2020, the Company had no overdue liabilities from social security and contribution to the state employment policy, from public health insurance and no tax arrears.

Other operating liabilities include, in particular, liabilities to Generali mutual funds and external distributors.

## 10 EQUITY AND PROFIT DISTRIBUTION

### Share capital

	<u>31 December 2020 and 2021</u>
	In CZK thousands
770 registered shares with a nominal value of CZK 100,000	77,000
1,400 registered shares with a nominal value of CZK 10,000	<u>14,000</u>
 Total subscribed and fully paid-up share capital	 <u>91,000</u>

Generali CEE Holding B.V., with its registered office at 1101BH Amsterdam, De entree 91, the Netherlands, is the Company's sole shareholder; the Company is included in the consolidated group of the parent company.

### Profit distribution

No decision was made on the distribution of the Company's net profit for the 2021 reporting period and the payment of dividends.

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In April 2021, the Annual General Meeting approved the following distribution of the Company's net profit of CZK 343,575 thousand for 2020:

	<u>2021</u>
	In CZK thousands
Distribution of dividends	343,575
Retained earnings	<u>0</u>
Net profit for 2020	<u><u>343,575</u></u>

**11 PROVISIONS**

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31 December 2019	Additions	Deductions	Balance as at 31 December 2020
taxes	5,624	16,737	(5,624)	16,737
Other	43,873	53,823	(43,873)	53,823
<b>Total</b>	<b>49,497</b>	<b>70,560</b>	<b>(49,497)</b>	<b>70,560</b>

Provisions	Balance as at 31 December 2020	Additions	Deductions	Balance as at 31 December 2021
taxes	16,737	20,717	(16,737)	20,717
Other	53,823	51,033	(53,823)	51,033
<b>Total</b>	<b>70,560</b>	<b>71,750</b>	<b>(70,560)</b>	<b>71,750</b>

In 2020 and in 2021, provisions mainly included provisions recognized for employee bonuses.

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**12 FEE AND COMMISSION INCOME**

The fee and commission income includes, in particular, management fees paid by mutual funds and front-end sales loads, as well as income from managed portfolios under asset management and income from consulting activities.

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Fees for management of assets of mutual funds	646,046	507,250
Income from participation certificates – front-end and back-end sales loads	47,026	52,210
Asset management	354,686	297,364
Consultancy	<u>55,186</u>	<u>66,953</u>
Total	<u>1,102,944</u>	<u>923,777</u>

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Czech Republic	863,757	685,342
EU	239,187	238,435
Total	<u>1,102,944</u>	<u>923,777</u>



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**13 FEE AND COMMISSION EXPENSES**

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Commissions to agents	250,207	190,424
Bank fees	<u>3,538</u>	<u>3,249</u>
Total	<u>253,745</u>	<u>193,673</u>

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**14 GAIN OR LOSS FROM FINANCIAL TRANSACTIONS**

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Securities	(100)	1,990
Foreign exchange differences	<u>(5,555)</u>	<u>(3,057)</u>
Total	<u>(5,655)</u>	<u>(1,067)</u>

Distribution of gain or loss from financial transactions by geographical area

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Czech Republic	(3,131)	(1,384)
EU	(2,333)	123
USA	(128)	183
Other	(63)	10
Total	<u>(5,655)</u>	<u>(1,068)</u>

**15 OTHER OPERATING EXPENSES**

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Other operating expenses	<u>13,515</u>	<u>12,202</u>
Total	<u>13,515</u>	<u>12,202</u>

Other operating expenses in 2021 include, in particular, a contribution to the Investor Compensation Fund of CZK 8,197 thousand (2020: CZK 7,286 thousand), donations to non-profit organizations of CZK 1,833 thousand (2020: CZK 3,438 thousand), property insurance of CZK 422 thousand (2020: CZK 400 thousand) and contractual and other fines of CZK 112 thousand (2020: CZK 93 thousand).

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**16 ADMINISTRATIVE EXPENSES**

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Staff costs	180,481	167,710
Other administrative expenses	<u>133,454</u>	<u>101,659</u>
Total	<u>313,935</u>	<u>269,369</u>

Staff costs can be broken down as follows:

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Wages and bonuses to members of the Board of Directors	22,209	35,890
Bonuses to members of the Supervisory Board	0	0
Other wages, personnel costs and bonuses to employees	116,390	93,186
Social security and health insurance	<u>41,882</u>	<u>38,634</u>
Total	<u>180,481</u>	<u>167,710</u>

**Employee statistics**

	<u>2021</u>	<u>2020</u>
Average number of employees	117	115
Number of members of the Board of Directors	3	4
Number of members of the Supervisory Board	4	4

Other administrative expenses consist of the following items:

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Fees for services received from group companies	18,781	16,976
Rent	7,005	7,808
Advertising and promotion	20,735	13,958
Fee for statutory audit (incl. VAT)	1,561	1,544
Other	<u>85,372</u>	<u>61,373</u>
Total	<u>133,454</u>	<u>101,659</u>

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As at 31 December 2021, the item Other includes, in particular, the costs of software services of CZK 28,127 thousand (2020: CZK 18,444 thousand), postage fees of CZK 1,287 thousand (2020: CZK 1,018 thousand), legal advisory of CZK 5,202 thousand (2020: CZK 1,618 thousand), other advisory services of CZK 1,071 thousand (2020: CZK 435 thousand), investment advisory services of CZK 7 239, costs of foreign infosystems (Reuters, Bloomberg, etc.) of CZK 15,876 thousand (2020: CZK 16,137 thousand), Professional Services of CZK 15,785 thousand (2020: CZK 9,659 thousand).

Fees for services received from group companies include the following transactions pertaining to related parties:

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Generali Shared Services fees	16,817	15,098
Internal audit outsourcing – Generali Česká pojišťovna a.s.	1,414	1,328
Fees for services of Generali CEE Holding B.V.	<u>550</u>	<u>550</u>
Total	<u>18,781</u>	<u>16,976</u>

**17 INCOME TAX**

The tax expense includes:

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Tax expense payable	97,604	83,405
Deferred tax expense / (-) income	690	(361)
Adjustment of prior year tax expense and other taxes	<u>64</u>	<u>931</u>
Total tax expense	<u>98,358</u>	<u>83,975</u>



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Income tax payable was calculated as follows:

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Profit before taxes	503,255	427,550
Non-taxable income	(51,789)	(43,526)
Non-deductible expenses	88,067	75,851
Other adjustments to the tax base	(25,831)	(20,902)
Tax base	513,702	438,973
Corporate income tax at 19%	<u>97,604</u>	<u>83,405</u>

Deferred tax asset / liability was calculated at 19% and can be broken down as follows:

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
<u>Deferred tax asset / liability (Note 6)</u>		
Difference between net book value of fixed assets for accounting and tax purposes	(4,005)	(3,275)
Provisions	9,696	9,656
Total	<u>5,691</u>	<u>6,382</u>

As at 31 December 2021, the deferred tax asset was recognized in full amount.

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**18 ASSETS RECEIVED FOR MANAGEMENT FROM THIRD PARTIES**

As at 31 December 2021, the Company managed 15 collective investment funds, 10 foreign investment funds and 1 qualified investors fund:

## Standard collective investment funds:

- Fond konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008474145; participation certificates Class I – ISIN: CZ0008475548; participation certificates Class P – ISIN: CZ0008476363)
- Fond vyvážený dluhopisový, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- Fond korporátních dluhopisů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471786; participation certificates Class I – ISIN: CZ0008475522; participation certificates Class P – ISIN: CZ0008476397)
- Fond balancovaný konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471760; participation certificates Class I – ISIN: CZ0008475514; participation certificates Class P – ISIN: CZ0008476389)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – CZ0008471778; participation certificates Class I – ISIN: CZ0008475530; participation certificates Class A – ISIN: CZ0008476041; participation certificates Class P – ISIN: CZ0008476371)
- Fond farmacie a biotechnologie, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
- Fond ropy a energetiky, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
- Fond nových ekonomik, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)
- Fond nemovitostních akcií, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

## Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008472370; participation certificates Class A – ISIN: CZ0008476058)
- Fond živé planety, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- Fond fondů vyvážený, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- Fond fondů dynamický, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)
- Fond silné koruny, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475837)
- Fond realit, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475928)

## Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316) – the fund was dissolved in accordance with its statute on 15 December 2021.

Foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund that is managed by the Company, was awarded a license in the Irish Republic, is included in the list maintained by CNB pursuant to Section 597 (d) of ICIFA, (i.e. for marketing in the Czech Republic) and is subject to the supervision of the Central Bank of Ireland (this fund is referred to in the financial statements of as the “Generali Invest Foreign Fund”):

- Premium Conservative Fund, Generali Invest CEE plc
- Corporate Bonds Fund, Generali Invest CEE plc
- Emerging Europe Bond Fund, Generali Invest CEE plc

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- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Sustainable Growth Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Balanced Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

In addition, the Company managed as at 31 December 2021 the portfolio of 21 clients under asset management.

As at 31 December 2020, the Company managed 15 collective investment funds, 11 foreign investment funds and 2 qualified investors fund:

Standard collective investment funds:

- Fond konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – CZ0008474145; participation certificates Class I – ISIN: CZ0008475548)
- Fond vyvážený dluhopisový, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- Fond korporátních dluhopisů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008471786)
- Fond balancovaný konzervativní, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – CZ0008471760; participation certificates Class I – ISIN: CZ0008475514)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – CZ0008471778; participation certificates Class I – ISIN: CZ0008475530; participation certificates Class A – ISIN: CZ0008476041)
- Fond farmacie a biotechnologie, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
- Fond ropy a energetiky, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
- Fond nových ekonomik, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)
- Fond nemovitostních akcií, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008472370; participation certificates Class A – ISIN: CZ0008476058)
- Fond živé planety, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- Fond fondů vyvážený, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- Fond fondů dynamický, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)
- Fond silné koruny, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475837)
- Fond realit, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475928)

Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)

Foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund

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that is managed by the Company, was awarded a license in the Irish Republic, is included in the list maintained by CNB pursuant to Section 597 (d) of ICIFA, (i.e. for marketing in the Czech Republic) and is subject to the supervision of the Central Bank of Ireland (this fund is referred to in the financial statements of as the “Generali Invest Foreign Fund”):

- Premium Conservative Fund, Generali Invest CEE plc
- Corporate Bonds Fund, Generali Invest CEE plc
- Emerging Europe Bond Fund, Generali Invest CEE plc
- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Global Equity Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Balanced Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

In addition, the Company managed as at 31 December 2020 the portfolio of 21 clients under asset management.

	<u>2021</u>	<u>2020</u>
	In CZK thousands	In CZK thousands
Total managed assets as at 31 December	337,242,120	334,156,339
Total income from asset management	1,000,732	804,615

In 2021 and in 2020, an annual income of the Company from the fee for managing the mutual funds' assets shall not exceed 3% of the average annual value of net assets, calculated as an average of net asset values as at the last day of each calendar month. The actual amount of the fee (in %) is determined in advance by the Company's Board of Directors and can be obtained at all outlets as well as at the registered office of the Company.

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**19 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The table below shows the reconciliation between balance sheet items and measurement categories of financial instruments:

**31 December 2021**

In CZK thousands	FVTPL	Amortized cost	Total
<b>Financial assets</b>			
Cash on hand	-	34	34
Due from banks	-	659,591	659,591
Shares, participation certificates and other holdings	85,814	-	85,814
Other financial assets	-	119,035	119,035
<b>Total financial assets</b>	<u>85,814</u>	<u>778,660</u>	<u>864,474</u>
<b>Financial liabilities</b>			
Other liabilities	-	121,275	121,275
<b>Total financial liabilities</b>	<u>≡</u>	<u>121,275</u>	<u>121,275</u>

**20 FAIR VALUE**

The fair value of financial instruments is the amount for which an asset can be sold or a liability settled between knowledgeable parties in an arm's length transaction. Fair value estimates are based on quoted market prices, where available.

However, no quoted market prices are available for a significant portion of the Company's financial instruments. Where quoted market prices are not readily available, fair value is estimated using discounted cash flow models or other acceptable pricing models. The estimates are significantly affected by changes in the underlying assumptions – discount rates, estimated future cash flows, etc. – therefore, these estimates may differ from the selling price of the financial instrument.

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**Financial instruments not carried at fair value on the balance sheet****31 December 2021**

In CZK thousands	Carrying amount	Fair value
<b>Financial assets</b>		
Cash on hand (Level 2)	34	34
Due from banks (Level 2) – deposits payable upon demand	209,462	209,462
Due from banks (Level 2) – savings accounts, term deposits	450,129	450,129
Other financial assets (Level 2)	119,035	119,035
<b>Total financial assets</b>	<b><u>778,660</u></b>	<b><u>778,660</u></b>
<b>Financial liabilities</b>		
Other financial liabilities (Level 2)	121,275	121,275
<b>Total financial liabilities</b>	<b><u>121,275</u></b>	<b><u>121,275</u></b>

**31 December 2020**

In CZK thousands	Carrying amount	Fair value
<b>Financial assets</b>		
Cash on hand (Level 2)	50	50
Due from banks (Level 2) – deposits payable upon demand	182,959	182,959
Due from banks (Level 2) – savings accounts, term deposits	402,578	402,578
Other financial assets (Level 2)	118,290	118,290
<b>Total financial assets</b>	<b><u>703,877</u></b>	<b><u>703,877</u></b>
<b>Financial liabilities</b>		
Other financial liabilities (Level 2)	110,819	110,819
<b>Total financial liabilities</b>	<b><u>110,819</u></b>	<b><u>110,819</u></b>

Due to their short maturity, the carrying amounts of these financial assets and liabilities are broadly equivalent to their fair value.

**Fair value hierarchy**

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's assumptions. These two types of inputs comprise the following fair value hierarchy:

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**Level 1** - Quoted prices (unadjusted) in active markets for identical assets and liabilities. This level includes, e.g., exchange-traded listed securities, highly liquid OTC listed securities (source e.g., Bloomberg) and highly liquid exchange-traded financial derivatives.

**Level 2** - Prices for financial assets or liabilities measured by a model with all significant inputs objectively observable in the market. Sources for input parameters such as PRIBOR are Bloomberg and Reuters. This level includes, e.g., less liquid securities, OTC derivatives, term deposits, receivables and payables from the sale and purchase of securities.

**Level 3** - Prices for financial assets or liabilities measured by a model with not all significant inputs observable from the market. This level includes securities and derivatives that do not qualify for classification in Level 2, such as equity interests in real estate companies, loans to these companies, or illiquid bonds with significant inputs that are not observable in the market.

In determining the fair value of financial instruments, the Company uses the following methods:

Cash on hand and amounts due from banks – deposits payable on demand

The value of cash in current accounts with banks and cash on hand corresponds to their fair value.

Term deposits, loans granted, repurchase agreements

The Company measures these assets using the discounted future cash flow method considering credit risk.

Securities

The fair value of a security is its quoted price in an active market. Where a quoted price is not available, the Company also uses models based on the net present value of future cash flows, considering credit risk in the form of a credit spread to determine fair value. To measure less liquid bonds, the Company uses other methods and sources, such as the Refinitive source.

The following table analyzes financial instruments measured at fair value by level in the fair value hierarchy. Amounts are based on the values reported on the Company's balance sheet.

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**Classification of financial instruments measured at fair value by level in the fair value hierarchy****31 December 2021**

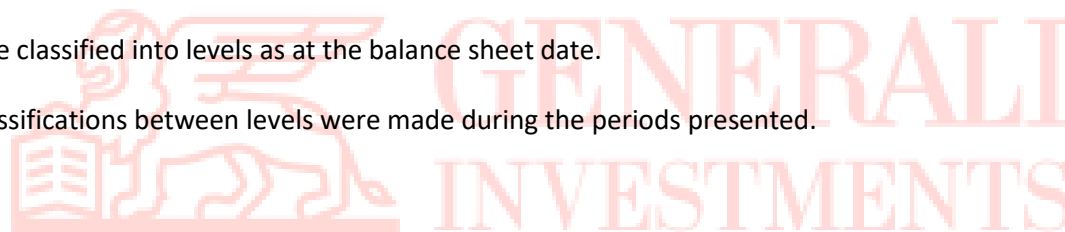
In CZK thousands	Level 1	Level 2	Level 3
<b>Financial assets mandatorily at FVTPL</b>			
Shares, participation certificates and other holdings	85,814	-	-
<b>Total financial assets mandatorily at FVTPL</b>	<b><u>85,814</u></b>	<b>≡</b>	<b>≡</b>

**31 December 2020**

In CZK thousands	Level 1	Level 2	Level 3
<b>Financial assets mandatorily at FVTPL</b>			
Shares, participation certificates and other holdings	85,914	-	-
<b>Total financial assets mandatorily at FVTPL</b>	<b><u>85,914</u></b>	<b>≡</b>	<b>≡</b>

Items are classified into levels as at the balance sheet date.

No reclassifications between levels were made during the periods presented.

**21 FINANCIAL RISKS**

The Company is exposed to financial risks which are determined by the following aspects:

- The Company's principal business activity is the management of client portfolios, i.e., the business of managing client assets and the management and administration of investment funds. The various types of activities carried out by the Company are limited by the scope of the Czech National Bank's license and the Company's internal regulations. For its own account, the Company carries out only deposit operations in relation to banks in the territory of a member state and the acquisition of securities of investment funds managed by the Company.
- In terms of the materiality of risks, the Company is mainly exposed to market, credit, and operational risks. Other risk categories are represented marginally in the total mix.



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**(a) Market and credit risk**

The Company is mainly exposed to credit risk from money market deposit transactions with banks in the territory of a member state and from regular commercial and contractual relations. The conditions for deposit operations are laid down in internal regulations.

The Company holds cash and establishes term deposits with reputable banking institutions in the Czech Republic. All these institutions are rated investment-grade, and therefore the credit risk arising from these receivables is low, with ratings from Moody's and Standard & Poor's ranging from A- to AA-. Another aspect of credit risk is the risk arising from investments in investment funds managed by the Company. The credit risk is diversified here in accordance with the funds' statutes.

Another tool used is the value-at-risk (VaR) model, which provides an estimate of the Company's maximum potential loss over a time period at a given confidence level.

The variance and covariance method is used with assumptions of a normal distribution of risk factors, a 99% confidence level, and a holding period of 1 month.

The following table shows the VaRs for the market risks to which the Company is exposed:

**VaR analysis**

In CZK thousands	31 December 2021	31 December 2020
Currency risk	74	68
Interest rate risk	345	98
Risk on shares	608	724
<b>Total market risk</b>	<b>783</b>	<b>714</b>

Geographical segmentation of assets:

<u>31 December 2021</u>	<u>Czech Republic</u>	<u>EU</u>	<u>Other</u>	<u>Total</u>
	<u>In CZK</u>	<u>In CZK</u>	<u>In CZK</u>	<u>In CZK</u>
	<u>thousands</u>	<u>thousands</u>	<u>thousands</u>	<u>thousands</u>
<b>Assets</b>				
Cash on hand	34	0	0	34
Due from banks	657,821	1,770	0	659,591
Shares, participation certificates and other holdings	85,814	0	0	85,814
Other assets	162,235	34,215	170	196,620
Deferred expenses and accrued income	20,092	2,992	2,359	25,444
<b>Total assets</b>	<b>923,700</b>	<b>41,234</b>	<b>2,570</b>	<b>967,503</b>

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<u>31 December 2020</u>	<u>Czech Republic</u>	<u>EU</u>	<u>Other</u>	<u>Total</u>
	<u>In CZK</u>		<u>In CZK</u>	<u>In CZK</u>
	<u>thousands</u>	<u>In CZK thousands</u>	<u>thousands</u>	<u>thousands</u>
<b>Assets</b>				
Cash on hand	50	0	0	50
Due from banks	584,203	1,334	0	585,537
Shares, participation certificates and other holdings	85,914	0	0	85,914
Other assets	143,473	43,438	170	187,081
Deferred expenses and accrued income	25,228	2,902	1,288	29,418
<u>Total assets</u>	<u>829,007</u>	<u>57,536</u>	<u>1,459</u>	<u>888,000</u>

**(b) Currency risk**

The Company is exposed to foreign currency risk from collections and executions in foreign currencies arising from its operating activities. Any fluctuations in foreign exchange rates will not have a significant impact on the Company.

Another aspect of currency risk is the risk arising from investments in investment funds managed by the Company. Currency risk is diversified here in accordance with the funds' statutes.

The table below summarizes the Company's exposure to currency risk. The table includes the Company's assets and liabilities at carrying amounts, categorized by currency.

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<u>31 December 2021</u>	<u>CZK</u> In CZK thousands	<u>EUR</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Total</u> In CZK thousands
<b>Assets</b>				
Cash on hand	14	19	1	34
Due from banks	654,995	2,237	2,359	659,591
Shares, participation certificates and other holdings	85,814	0	0	85,814
Other assets	165,235	29,575	1,810	196,620
Deferred expenses and accrued income	<u>22,452</u>	<u>2,992</u>	<u>0</u>	<u>25,444</u>
Total	<u>928,683</u>	<u>34,823</u>	<u>4,170</u>	<u>967,503</u>
<b>Liabilities</b>				
Other liabilities and provisions	13,971	21,347	183,491	218,809
Deferred income and accruals	<u>(427)</u>	<u>0</u>	<u>427</u>	<u>0</u>
Total	<u>13,544</u>	<u>21,347</u>	<u>183,918</u>	<u>218,809</u>
<b>Net balance sheet assets</b>	<b><u>914,966</u></b>	<b><u>13,476</u></b>	<b><u>(179,748)</u></b>	<b><u>748,694</u></b>
<u>31 December 2020</u>	<u>CZK</u> In CZK thousands	<u>EUR</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Total</u> In CZK thousands
<b>Assets</b>				
Cash on hand	12	37	1	50
Due from banks	574,379	9,824	1,334	585,537
Shares, participation certificates and other holdings	85,914	0	0	85,914
Other assets	143,644	38,594	4,843	187,081
Deferred expenses and accrued income	<u>25,228</u>	<u>2,902</u>	<u>1,288</u>	<u>29,418</u>
Total	<u>829,177</u>	<u>51,357</u>	<u>7,466</u>	<u>888,000</u>
<b>Liabilities</b>				
Other liabilities and provisions	33,890	19,696	146,816	200,402
Deferred income and accruals	<u>(1 894)</u>	<u>0</u>	<u>1,894</u>	<u>0</u>
Total	<u>31,996</u>	<u>19,696</u>	<u>148,710</u>	<u>200,402</u>
<b>Net balance sheet assets</b>	<b><u>797,181</u></b>	<b><u>31,661</u></b>	<b><u>(141,244)</u></b>	<b><u>687,598</u></b>

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**(c) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As a result of such changes, interest margins may vary and generate gains or losses in the event of unexpected movements in the market interest rates.

Another aspect of interest rate risk is the risk arising from investments in investment funds managed by the Company. Interest rate risk is diversified here in accordance with the funds' statutes.

The only interest-bearing items are represented by the amounts due from banks of CZK 659,951 thousand as at 31 December 2021 (2020: CZK 585, 537 thousand), the residual maturity of which is less than 1 month.

**(d) Liquidity risk**

The Company views liquidity risk as the risk of losing the ability to meet its financial obligations as they become due, or if the Company is unable to fund its assets. The Company monitors net cash flows in CZK and EUR currencies on an ongoing basis.

The table below shows the assets, liabilities, and equity divided by residual maturity into corresponding groups (residual maturity represents the period from the financial statement date to the contractual maturity date).

The liabilities listed here are only non-derivative liabilities and represent contractual undiscounted cash flows.

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Primary business: collective investment

Date of preparation: 20 April 2022

<u>31 December 2021</u>	<u>Within 3 months</u> In CZK thousands	<u>3-12 months</u> In CZK thousands	<u>1-5 years</u> In CZK thousands	<u>Not specified</u> In CZK thousands	<u>Total</u> In CZK thousands
<b>Assets</b>					
Cash on hand	34	0	0	0	34
Due from banks	659,591	0	0	0	659,591
Shares, participation certificates and other holdings	0	0	0	85,814	85,814
Other assets	118,663	5,460	1,487	71,010	196,620
Deferred expenses and accrued income	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,444</u>	<u>25,444</u>
<b>Total</b>	<u>778,288</u>	<u>5,460</u>	<u>1,487</u>	<u>182,268</u>	<u>967,503</u>
<b>Liabilities</b>					
Other liabilities	126,498	0	0	0	126,498
Estimated payables	12,895	7,666	0	0	20,561
Deferred income and accruals	0	0	0	0	0
Provisions	51,033	20,717	0	0	71,750
Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>748,694</u>	<u>748,694</u>
<b>Total</b>	<u>190,426</u>	<u>28,383</u>	<u>0</u>	<u>748,694</u>	<u>967,503</u>
<b>Net balance sheet position</b>	<u>587,862</u>	<u>(22,923)</u>	<u>1,487</u>	<u>(566,426)</u>	<u>0</u>

**GENERALI INVESTMENTS CEE, investiční společnost, a.s.**

Registered office: Na Pankráci 1720/123, Nusle, 140 00 Prague 4

Business registration number (IČ): 43873766

Legal form: joint stock company

Primary business: collective investment

Date of preparation: 20 April 2022

<u>31 December 2020</u>	Within <u>3 months</u> In CZK thousands	3-12 <u>months</u> In CZK thousands	<u>1-5 years</u> In CZK thousands	Not specified In CZK thousands	<u>Total</u> In CZK thousands
<b>Assets</b>					
Cash on hand	50	0	0	0	50
Due from banks	585,537	0	0	0	585,537
Shares, participation certificates and other holdings	0	0	0	85,914	85,914
Other assets	117,655	6,350	1,392	61,684	187,081
Deferred expenses and accrued income	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,418</u>	<u>29,418</u>
<b>Total</b>	<u>703,242</u>	<u>6,350</u>	<u>1,392</u>	<u>177,016</u>	<u>888,000</u>
<b>Liabilities</b>					
Other liabilities	115,694	0	0	0	115,694
Estimated payables	5,293	8,855	0	0	14,148
Deferred income and accruals	0	0	0	0	0
Provisions	53,823	16,737	0	0	70,560
Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>687,598</u>	<u>687,598</u>
<b>Total</b>	<u>174,810</u>	<u>25,592</u>	<u>0</u>	<u>687,598</u>	<u>888,000</u>
<b>Net balance sheet position</b>	<u>528,432</u>	<u>(19,242)</u>	<u>1,392</u>	<u>(510,582)</u>	<u>0</u>

**22 LEGAL RISKS**

The Company regularly monitors and evaluates legal disputes filed against the Company. To cover potential liabilities arising from the disputes, the Company establishes a provision equal to a sued amount including accessories for all the disputes filed against the Company with the likelihood of payment exceeding 50%. The Company established no provision related to legal risks in 2021 and 2020.

**GENERALI INVESTMENTS CEE, investiční společnost, a.s.**

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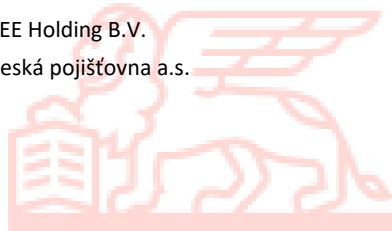
Date of preparation: 20 April 2022

**23 OPERATING RISK**

The Company uses a multi-tier system of permanent controls, starting from department heads over the controls carried out periodically by Risk Management and Compliance departments to reviews by the internal audit function within the approved annual control plan. The purpose of these controls is to monitor and analyze operational risks relevant to individual Company's processes and adopt measures to eliminate or limit such risks. Both outcomes of the controls and identified violations are reported to the parent company on a regular basis.

**24 RELATED PARTY TRANSACTIONS****Administrative expenses**

	<u>31 December 2021</u>	<u>31 December 2020</u>
	In CZK thousands	In CZK thousands
GOSP S.r.l.	16,817	15,098
Generali CEE Holding B.V.	550	550
Generali Česká pojišťovna a.s.	1,414	1,328
<b>Total</b>	<u>18 781</u>	<u>16 976</u>



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**GENERALI INVESTMENTS CEE, investiční společnost, a.s.**

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Date of preparation: 20 April 2022

**Other assets**

	<u>31 December 2021</u>	<u>31 December</u> <u>2020</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CE a.s., investiční fond	670	634
Generali Fond globálních značek	12,150	9,069
Generali Fond zlatý	2,234	2,375
Generali Fond farmacie a biotechnologie	2,871	2,339
Generali Fond ropy a energetiky	2,994	2,681
Generali Fond korporátních dluhopisů	14,634	11,952
Generali Fond životní planety	1,473	1,062
Generali Fond balancovan konzervativn	5,923	3,950
Generali Fond nových ekonomik	1,311	1,333
Generali Fond fondů dynamický	25	21
Generali Fond fondů vyvážený	23	17
Generali Fond nemovitostních akci	3,646	2,769
Generali fond konzervativn	1,212	1,365
Generali Fond vyvážený dluhopisový	72	75
Generali Fond dovanho vnosu	0	0
Generali Česká pojišťovna a.s.	4,771	5,057
Generali penzijní společnost, a.s.	16,375	16,137
Generali Romania Asigurare Reasigurare S.A.	761	773
Generali Poistovňa a.s.	989	1,629
Generali Poistovňa pobočka	601	0
Česká pojišťovna ZDRAVÍ a.s.	0	15
GENERALI TOWARZYSTWO UBEZPIECZENIA	1,626	1,489
Generali CEE Holding B.V.	1,579	1,813
GP Reinsurance EAD	2,031	2,323
Genertel Biztoszt Zrt.	83	84
Eurpai Utazási Biztoszt Zrt.	27	32
Generali Biztoszt Zrt.	973	1,176
Generali Investments Holding S.p.A.	3,307	5,603
Generali Insurance AD	414	421
Generali Realitn fond	0	357
Generali Życie Towarzystwa	268	239
Generali Investments Partners S.p.A	10,097	15,641
Assicurazioni Generali S.p.a.	3,819	5,540
Generali Fond realit	2,365	912
Generali Fond siln koruny	627	601
Pojišťovna Patricie a.s.	0	113
<b>Total</b>	<u>99 951</u>	<u>99 957</u>



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**Fee and commission income**

	<u>31 December 2021</u>	<u>31 December 2020</u>
		In CZK thousands
Generali Česká pojišťovna a.s.	59,132	58,177
ZI Holdings N.V.	0	0
Česká pojišťovna Zdraví	85	319
Europai Utazasi Biztosito Zrt.	343	443
Generali Zycie Towarzystwa Ubez	3,155	2,641
Generali Biztost Zrt.	13,187	15,398
Generali Insurance AD	4,896	4,705
Generali Invest CEE Plc.	106,079	93,820
Generali Investments Partners	48,716	62,494
Generali Poistovna a.s.	18,638	18,739
Generali Patricie a.s.	705	3,789
Generali CEE Holding B.V.	5,682	7,028
Generali Romania	8,842	8,893
Generali Towarzystwa Ubezpi.	19,323	17,365
Genertel Biztost Zrt.	1,056	978
GP Reinsurance EAD	24,878	26,098
Generali penzijnspolečost, a.s.	191,470	132,434
Generali Investments TFI	0	396
Generali Investments d.o.o.	5,270	2,863
<b>Total</b>	<b><u>511 458</u></b>	<b><u>456 580</u></b>

**Fee and commission expenses**

	<u>31 December 2021</u>	<u>31 December 2020</u>
		In CZK thousands
Generali Česká pojišťovna a.s.	13,326	12,471
Generali Zycie Towarzystwa Ubez	0	1,499
Generali Poistovna a.s.	3,517	2,885
Pojišťovna Patricia a. s. Generali	0	876
Česká Distribuce a.s.	41,829	34,600
<b>Total</b>	<b><u>58 672</u></b>	<b><u>52 331</u></b>

**GENERALI INVESTMENTS CEE, Investiční společnost, a.s.**  
Registered office: Na Pankráci 1720/123, Nusle, 140 00 Prague 4  
Business registration number (IČ): 43873766  
Legal form: joint stock company  
Primary business: collective investment  
Date of preparation: 20 April 2022

## **25 SUBSEQUENT EVENTS**

For investment markets, a war in Ukraine represented an unlikely scenario. In an immediate response, an increase in risk aversion led to a global sell-off, with Russian assets coming under enormous pressure. On the other hand, the prices of selected commodities rose. It was the further rise in mineral fuel prices and the secondary effects of disrupted supply chains which have not yet recovered from the coronavirus shock that triggered a new round of inflationary pressures to which central banks decided to respond by a more aggressive tightening of monetary conditions and rising global rates. In general, the financial markets recovered from the initial shock within a few weeks. Ongoing ceasefire negotiations, the continuation of supplies of key commodities by Russia despite logistical difficulties, the rejection of Russian supplies by several Western companies, and the unexpectedly good payment morale of Russian debtors contributed to reassurance. At the end of the first quarter, broad stock indices were at pre-Russian invasion levels and, e.g., US stocks have strengthened in the meantime. However, for foreign investors on Russia's government list of hostile countries, the situation with Russian stocks and bonds has improved only little. The ability to dispose of Russian assets is severely limited, marked not only by widespread sanctions by many countries, but also by retaliatory measures by the Russian government. Russian government bonds are traded at a deep discount as a reflection of the high probability of Russia's insolvency or unwillingness to pay, which is also noted in the valuation of Russian corporate and bank bonds.

The impact on the Company is rather secondary in the form of slightly lower revenues from assets under management, and judging from the Company's overall performance, the effect does not appear to be significant. The Company's management has considered the potential impact on its activities and concluded that currently, the going concern assumption does not need to be called into question.

No other material events occurred from the balance sheet date to the date of the financial statements that would have any material impact on the financial statements of the Fund as at 31 December 2021.

These financial statements have been approved by the Company's Board of Directors for submission to the General Meeting.

Date of preparation

Signature of the statutory representative

20 April 2022

Ing. Josef Beneš

Ing. Michal Toufar



## **INFORMATION ABOUT THE BASIS FOR CALCULATION OF THE CONTRIBUTION TO THE INVESTOR COMPENSATION FUND**

Pursuant to Section 33 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended, Generali Investments CEE, investiční společnost, a.s. contributes to the Investor Compensation Fund (Garanční fond obchodníků s cennými papíry, GF OCP), which provides a guarantee system from which compensation is disbursed to clients of the investors that are unable to meet their obligations.

Generali Investments CEE, investiční společnost, a.s allocates to the Fund an annual contribution in the amount of 2% of revenues from fees and commissions for investment services provided in the last calendar year. The minimum annual contribution to the GF OCP is CZK 10 thousand, payable by 31 March of the following year.

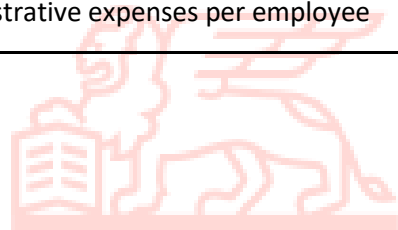
Revenues from fees and commissions for investment services provided in 2021 amounted to CZK 409,872 thousand. The contribution to the GF OCP was calculated as 2% of the total of fees and commissions and an amount of CZK 8,197 thousand was credited to the Investor Compensation Fund via direct bank transfer on 24 February 2022.



**GENERALI  
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## RATIO INDICATORS:

Ratio indicators		Decree No. 163/2014 Coll., Annex 10
(In CZK thousands / in %)	31. 12. 2021	
Indebtedness I (total debt without client assets / assets without client assets)	15,20%	Point 5 (i)
Indebtedness II (total debt excluding client assets / equity)	19,64%	
Return on average assets (ROAA, assets without client assets)	43,64%	
Return on average tier 1 of capital (ROAE)	143,19%	
Return on sales (profit after tax / income from investment services)	36,71%	
Administrative expenses per employee	2 649,19	



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FOR THE YEAR ENDED 31 December 2021

## REPORTING OBLIGATION

Pursuant to Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended (hereinafter the "ICIFA"), and Annex No. 4 to Decree No. 244/2013 Coll., on More Detailed Regulation of Some Rules Set Out by the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree") the Company hereby discloses:

**a) Information on changes in the information related to the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, recorded in the Commercial Register that occurred in the relevant period**

In the 2021 reporting period, changes in the information recorded in the Commercial Register were as follows:

1) Changes in Statutory body – Board of Directors section:

- In respect of the member of the Board of Directors Martin Brož: details about the office of a member of the Board of Directors were recorded on 1 January 2021 (mandate recommencement);
- In respect of the member of the Board of Directors Michal Toufar: details about the office of a member of the Board of Directors were recorded on 16 May 2021 (mandate recommencement);
- In respect of Board of Directors' Vice-Chair Martin Vít: details about the termination of the office of the Vice-Chair of the Board of Directors and a member of the Board of Directors were recorded on 13 May 2021.

2) Changes in the Board of Directors section – number of members:

- On 7 July 2021, the number of members of the Board of Directors was adjusted from 4 to 3.

**b) Information on investment funds and foreign investment funds that the Company managed or administered in the relevant period, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator**

In the relevant period, the Company was the manager and administrator of the following investment funds:

Standard collective investment funds:

- **Fond konzervativní**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008474145; participation certificates Class I – ISIN: CZ0008475548, from 13 September 2021 participation certificates Class P – ISIN: CZ0008476363)
- **Fond vyvážený dluhopisový**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474806)
- **Fond korporátních dluhopisů**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R - ISIN: CZ0008471786;

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FOR THE YEAR ENDED 31 December 2021

- participation certificates Class I – ISIN: CZ0008475522, from 13 September 2021  
participation certificates Class P – ISIN: CZ0008476397)
- **Fond balancovaný konzervativní**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471760; participation certificates Class I – ISIN: CZ0008475514, from 13 September 2021 participation certificates Class P – ISIN: CZ0008476389)
  - **Fond globálních značek**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471778; participation certificates Class I – ISIN: CZ0008475530; participation certificates Class A – ISIN: CZ0008476041, from 13 September 2021 participation certificates Class P – ISIN: CZ0008476371)
  - **Fond farmacie a biotechnologie**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474129)
  - **Fond ropy a energetiky**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474152)
  - **Fond nových ekonomik**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474137)
  - **Fond nemovitostních akcií**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472396)

(hereinafter the "**Standard Funds**")

Special collective investment funds:

- **Fond zlatý**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008472370 and participation certificates Class A – ISIN: CZ0008476058)
- **Fond živé planety**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008472693)
- **Fond fondů vyvážený**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473287)
- **Fond fondů dynamický**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473303)
- **Fond silné koruny**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475837)
- **Fond realit**, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475928).

(hereinafter the "**Special Funds**")

Qualified investors funds:

- **Generali Real Estate Fund CEE a.s.**, investiční fond (ISIN: CZ0008041092)
- **Realitní fond**, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316) – the fund was terminated in accordance with its Statute as at 15 December 2021

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(hereinafter the "**Qualified Investors Funds**")

(Standard Funds, Special Funds and Qualified Investors Funds also jointly the "**Funds**")

The Company managed foreign funds (sub-funds), comparable with standards funds, i.e. sub-funds of the umbrella fund, Generali Invest CEE plc (the Generali Invest CEE plc fund is a foreign investment fund comparable with a standard fund and it is included in the list maintained by the Czech National Bank pursuant to Section 597 (d) of ICIFA (the "**Generali Invest Foreign Fund**").

- Premium Conservative Fund, Generali Invest CEE plc
- Corporate Bonds Fund, Generali Invest CEE plc
- Emerging Europe Bond Fund, Generali Invest CEE plc
- Premium Balanced Fund, Generali Invest CEE plc
- Dynamic Balanced Fund, Generali Invest CEE plc
- Sustainable Growth Fund, Generali Invest CEE Plc
- Premium Dynamic Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc
- Balanced Commodity Fund, Generali Invest CEE Plc

(hereinafter jointly the "**Foreign Funds**")

The Generali Invest Foreign Fund was awarded a license in the Irish Republic and is subject to the supervision of the Central Bank of Ireland. Annual reports of the Generali Invest Foreign Fund (including Foreign Funds), may be downloaded at <https://www.generali-investments.cz/o-nas/vyrocní-zpravy.html>

**c) Information on the events that had significant influence on the performance of the activities of the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, including key factors affecting its profit/loss in the relevant period**

No events occurred in the relevant period that would have a significant influence on the performance of the Company's activities.

**d) Information on the statutory body members, management board members, supervisory board members and portfolio managers of the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, including a brief description of their experience and professional competence, and information on the period of time for which they (have) performed their functions or activities**

**Board of directors**

Josef Beneš	Chairman of the Board of Directors; member of the Board of Directors since 1 January 2014, Chairman of the Board of Directors since 6 January 2015
Martin Vít	Vice-Chair of the Board of Directors; member of the Board of Directors since 1 January 2015, Vice-Chair of the Board of Directors since

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FOR THE YEAR ENDED 31 December 2021

6 January 2015 (on 13 May the office of the Vice-Chair of the Board of Directors was terminated)

Martin Brož Member of the Board of Directors since 1 January 2016

Michal Toufar Member of the Board of Directors since 16 May 2016

**Description of experience and qualifications of Board of Directors members**

Josef Beneš

Education: University of Economics Prague, majored in Banking and Finance

School of International Affairs and Business School, Columbia University, New York, USA

Work experience:

2016 – to date Generali CEE Holding B.V., Chief Investment Officer  
Generali Investments CEE, investiční společnost, a.s. (until January 2016 ČP INVEST investiční společnost, a.s.), CEO and Chairman of the Board of Directors

2014 – 12/2015 Generali Investment CEE a.s., (until 01/2015 operating under the name Generali PPF Asset Management, a.s.), CEO and Chairman of the Board of Directors

2012 – 2014 Raiffeisenbank, a.s., Chief Investment Officer  
Raiffeisen penzijní společnost a.s. in liquidation, Chairman of the Board of Directors  
Raiffeisen investiční společnost a.s., CEO and Chairman of the Board of Directors

2002 – 2012 ČSOB Asset Management, a.s., CEO and Chairman of the Board of Directors  
the Board of Directors  
ČSOB Asset Management, a.s., investiční společnost, member of

2000 – 2002 Standard Bank Ltd., Head of CEE and Middle East Markets, London, United Kingdom

1996 – 2000 IPB (Investiční a poštovní banka, a.s.), Head of Treasury

06 – 12/1995 World Bank, China Country Operation Department, Washington, USA

1992 – 1994 Czech National Bank, Junior Analyst

Martin Vít

Education: Charles University, Faculty of Law, Prague



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FOR THE YEAR ENDED 31 December 2021

Work experience:

2014 – to date	Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), Vice-Chair of the Board of Directors, Deputy CEO
2014 – 12/2015	Generali Investment CEE a.s., (until 01/2015 operating under the name Generali PPF Asset Management, a.s.), member of the Board of Directors
2013 – 2014	Raiffeisen investiční společnost, a.s., Vice-Chair of the Board of Directors and Executive Director
2013 – 2013	Raiffeisen penzijní společnost a.s., Internal Controls Manager
2012 – 2013	Raiffeisenbank a.s., Project Manager
2004 – 2012	ČSOB Asset Management, a.s., Head of the Legal and Compliance Department
2004 – 2008	ČSOB Asset Management, a.s., member of the Board of Directors
2002 – 2004	Patria Asset Management, a.s., Head of the Legal Department

Martin Brož

Education:	BIVŠ Prague, Banking/Bank Management, majored in Bank Management
	VOPŠ Prague, Banking and Finance, majored in Banking and Finance

Work experience:

01/2016 – to date	Generali Investments CEE, investiční společnost, a.s., member of the Board of Directors, Chief Operation Officer
02/2015 – to date	Generali CEE Holding N.V., organizační složka, Head of Operations & IT in CEE Local Investment Management
2013 – 2015	Raiffeisen investiční společnost a.s., Head of Operations
2013 – 2014	Raiffeisen penzijní společnost a.s., Head of Operations
2012	ČSOB Asset Management, a.s., Head of Architecture and Application Management, IT specialist
1999 – 2012	Československá obchodní banka, a.s., Head of Portfolio Administration, Portfolio Administration Officer, Banking Trainee

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FOR THE YEAR ENDED 31 December 2021

Michal Toufar

Education:	Chartered Financial Analyst Institute – CFA Charterholder 2003
	Stockholm School of Economics – CEMS Master’s in International Management, exchange program
	University of Economics Prague – Finance, Statistics
Work experience:	
2015 – to date	Generali Investments CEE, investiční společnost, a.s., (until 01/2016 ČP INVEST investiční společnost, a.s.) - a member of the Board of Directors (since 05/2016), Chief Portfolio Manager (since 06/2015)
2004 – 2015	Generali Investments CEE, a.s. (formerly: PPF Asset Management a.s. until 06/2008, Generali PPF Asset Management a.s. from 06/2008 to 01/2015) – Senior Portfolio Manager
2003 – 2004	ČSOB Asset Management a.s. – Portfolio Manager
2000 – 2003	Patria Asset Management a.s. – Portfolio Manager
1999 – 2000	Česká pojišťovna a.s. – Risk Manager
1998	Czech National Bank – Currency Analyses Department

**Information on other functions of the members of the Company’s Board of Directors is provided in the statute of the respective Funds.**

**Supervisory board**

Santo Borsellino	Chairman of the Supervisory Board; member of the Supervisory Board since 1 January 2015, Chairman of the Supervisory Board since 18 April 2015
Carlo Schiavetto	Member of the Supervisory Board; member of the Supervisory Board since 1 January 2015
Francesco Sola	Member of the Supervisory Board; member of the Supervisory Board since 1 January 2015
Antonella Maier	Member of the Supervisory Board; member of the Supervisory Board since 1 September 2020

**Description of experience and qualifications of Supervisory Board members:**

Santo Borsellino

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FOR THE YEAR ENDED 31 December 2021

Education: Dartmouth College, The Amos Tuck School, Hanover, USA, Master in Business Administration  
University of Bologna, Italy, Degree in Business and Economics

Work experience:

01/2015 – to date Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), since 01/2015 member of the Supervisory Board and since 4/2015 Chairman of the Supervisory Board

2013 – 2019 Generali Investments Europe, Italy, CEO

2009 – 2013 Generali Investments Europe, Italy, Head of Equities

2008 – 2009 Generali Investments Sgr, Italy, Head of Equities and Portfolio Manager

2006 – 2008 Eurizoncapital Sgr SpA, Italy Analyst and Portfolio Manager

2005 – 2006 Credit Suisse, United Kingdom, Vice-President - Equity Research Insurance Team

2004 – 2005 Urwick Capital Llp, United Kingdom, Partner

1998 – 2004 Lehman Brothers International, United Kingdom, Analyst - Equity Research

1995 – 1997 Rolofinance (Unicredito Italiano Group), Italy, Financial Analyst

- outside the Czech Republic (relevant in 2021):

Member of the Board of Directors of Generali Investments Holding S.P.A., GENERALI GLOBAL INFRASTRUCTURE, Sycomore Asset Management S.A., GENERALI INVESTMENTS ASIA LIMITED, Lumyna Investments Limited, Aperture Investors UK, Ltd. and Sycomore Factory SAS.  
Chairman of the Board of Directors of GENERALI REAL ESTATE S.P.A. and GENERALI Insurance Asset Management S.P.A. Società di gestione del risparmio.  
Chairman of the Supervisory Board of Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A.

Carlo Schiavetto

Education: Centro Universitario di Organizzazione Aziendale, Vicenza, Italy, MBA  
Ca' Foscari University, Venice, Italy, Master degree in Economics

Work experience:

01/2015 – to date Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), member of the Supervisory Board

10/2013 – 12/2015 Generali Investments CEE, a.s., Czech Republic, member of the Supervisory Board

- outside the Czech Republic (relevant in 2021):

Member of the Board of Directors of Generali CEE Holding B.V., the Netherlands (since 24 June 2020)

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Vice-Chair of the Supervisory Board of Generali Zavarovalnica d.d., Slovenia and Generali Finance Sp. z o.o., Poland

Member of the Supervisory Board in the following companies: Generali Towarzystwo Ubezpieczeń S.A., Poland, Generali Życie Towarzystwo Ubezpieczeń S.A., Poland, Genertel Biztosító Zrt., Hungary, and Generali Osiguranje d.d., Croatia (until 23 December 2020)

Chairman of the Supervisory Board of GP Reinsurance EAD, Bulgaria, and Generali Biztosító Zrt., Hungary.

Head of Controlling Department in Generali CEE Holding B.V., the Netherlands/Czech Republic (until 30/4/2020)

Chief Finance Officer Generali CEE Holding B.V., the Netherlands/Czech Republic (since 1/5/2020)

Previous work experience:

2008 – 2013 Assicurazioni Generali, Italy, Senior Controller - Group Strategic Planning & Control (4 FTE)

2005 – 2008 Darta Saving Life Assurance Ltd (Allianz Group), Ireland, Head of Financial Department

2004 – 2005 Riunione Adriatica di Securta (Allianz Group), Italy, Financial Controller - Finance and Investment Department

2000 – 2004 Ernst & Young Financial Business Advisors S.p.A., Italy, Supervisor

Francesco Sola

Education: Università Cattolica del Sacro Cuore, Milan, Italy, Degree in Business Administration - Banking, Insurance and Finance

Work experience:

01/2015 – to date Generali Investments CEE, investiční společnost, a.s., (until 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), member of the Supervisory Board

2/2019 - 11/2020 Sycomore Factory SAS, member of the Board of Directors

01/2015 – 12/2015 Generali Investments CEE, a.s., Czech Republic, member of the Supervisory Board

2014 – to date Generali Group Investment Management, Head of Group Investment Governance

2006 – 2014 Deloitte, Italy, Enterprise Risk Services, Partner

2003 – 2006 Allianz S.p.A., Head of Investment Compliance

2002 – 2004 Pricewaterhouse Advisory, Senior Consultant

1999 – 2002 KPMG Advisory, Consultant

Antonella Maier

Education: University of Trieste, Terst, Italy, Degree in Statistical and Actuarial Sciences

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Work experience:

7/2021 – to date	Generali penzijní společnost, a.s. and Chair of the Supervisory Board since 30 September 2021
09/2020 – to date	Generali Investments CEE, investiční společnost, a.s., member of the Supervisory Board
09/2020 – to date	Generali Česká pojišťovna a.s., member of the Supervisory Board
12/2019 – to date	Generali CEE Holding, Chief Insurance Officer Life and Health for ACEER Region and Member of the Executive Committee
2015 – 2019	Genertellife, Head of BG Life Division
2015 – 2019	Genertellife, Managing Director
2014 – 2015	Head of Project Life Business Banca Generali of Generali Italy, with the objective to set up a business unit dedicated to the insurance business of Banca Generali
2013 – 2014	Generali Italy, Head of Life and Employee Benefits
2012 – 2013	Assicurazioni Generali, Central Director responsible for Life & Employee Benefits
2011 – 2012	Assicurazioni Generali, Head of Life Business and Employee Benefits
2009 – 2011	Assicurazioni Generali, Head of Life Business
2004 – 2009	La Venezia Assicurazioni (now Genertellife), Generali company dedicated to alternative distribution channel (bancassurance, IFA, direct) – General Manager
2001 – 2004	Generali Vita, Head of Actuarial Valuation and Life Product Development
1995 – 2001	Assicurazioni Generali, Head of Life Business Planning and Italian Business Coordination

**Portfolio managers – Information on entrusting the management of the Funds' assets**

Information on the Company's portfolio managers authorised to administer the foregoing funds listed under point (b):

Daniel Kukačka

Education:

1987 – 1993	Czech Technical University, majored in Technical Cybernetics
1995	Broker exam

Work experience:

1/2016 – to date	Generali Investments CEE, investiční společnost, a.s., Portfolio Manager
09/2007 – 12/2015	Generali Investment CEE a.s., (until 06/2008 operating under the name PPF Asset Management, a.s.)
06/2008 – 01/2015	Generali PPF Asset Management a.s., Portfolio Manager
10/2000 – 09/2007	ČP INVEST investiční společnost, a.s., Senior Portfolio Manager and member of the Supervisory Board (until 10/2004)

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06/1999 – 05/2000	PPF investiční společnost a.s., Portfolio Manager and member of the Board of Directors
02/1997 – 06/1999	PPF burzovní společnost a.s., Portfolio Manager
02/1995 – 02/1997	Stratego Invest, Analyst
02/1995 – 02/1996	Stratego Invest, Portfolio Manager
02/1996	Stratego Invest, Head of Asset Management Department

Martin Pecka

Education:

1984 – 1988	University of South Bohemia in České Budějovice, Faculty of Education, Degree in National Schools
1994	Broker examination I.
1994	Broker certificate
1994	Broker examination II. – Derivatives

Work experience:

01/2016 – to date	Generali Investments CEE, investiční společnost, a.s., portfolio manager
from 09/2007	Generali Investment CEE a.s., (until 06/2008 operating under the name PPF Asset Management, a.s.)
06/2008 – 01/2015	Generali PPF Asset Management a.s., Senior Portfolio Manager
03/2002 – 09/2007	ČP INVEST investiční společnost, a.s., Portfolio Manager, Mutual Funds Administration
2001 – 2002	PPF investiční společnost a.s., Portfolio Manager
1998 – 2000	P.I.F – 1. Privatizační investiční fond, a.s., Business Manager
1995 – 1998	IPB Headquarters, Head of Asset Management Department – management of assets of corporate clients, management of assets of an investment fund
1993 – 1995	Oblastní pobočka Praha – město (Prague branch), Securities Department, brokering securities transactions, implementation of a trading system for securities trading at branches

Patrik Hudec

Education:

2001 – 2009	Charles University Prague, Faculty of Mathematics and Physics, majored in Finance and Actuarial Mathematics, engineering study
06/2007	Awarded a broker license after passing A, B, C, D broker exams.

Work experience:

1/2016 – to date	Generali Investments CEE, investiční společnost, a.s.,
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12/2014 – 12/2015	Head of Fund Portfolio Management Generali Investments CEE, a.s.
until 01/2015	Generali PPF Asset Management a.s., Senior Portfolio Manager
06/2007 – 11/2014	Generali PPF Asset Management a.s.
until 01/2015	PPF Asset Management a.s., Portfolio Manager
05/2006 – 06/2007	PPF Asset Management a.s., Portfolio Manager – Junior
02/2005 – 05/2006	PPF Asset Management a.s., Portfolio Specialist Administration

- outside the Czech Republic (relevant in 2021):

Generali Invest CEE Public Limited Company, Ireland, Director  
Generali Društvo za upravljanje dobrovoljnim penzijskim fondom Belgrade, Serbia, member of  
the Board of Directors

Marco Marinucci

Education:

2008 – 2014

2019

University in Terst - Faculty of Economics

Broker exam - examination in accordance with Act No.  
256/2004 Coll., on Capital Market Undertakings –  
Investments, Level II expert group

Work experience:

from 08/2017

Generali Investments CEE, investiční společnost, a.s.,  
Portfolio Manager

04/2015 – 12/2017

Generali Investments CEE – investment strategist / corporate  
events specialist

04/2015 – 09/2016

Generali Investments CEE – investment strategist

04/2014 – 03/2015

Generali PPF Asset Management a.s.– Financial Analyst

2013

Generali PPF Holding B.V. – member of the Pricing  
Competence Center team

Toghrul Mammadov

Education:

09/2017 - 06/2019

University of Economics in Prague - Master's Degree,  
Faculty of Finance and Accounting

06/2016 - 02/2017

Fontys University in Eindhoven - Global Financial  
Markets, Institutions and Politics programme

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09/2013 - 06/2017 Vilnius Tech - Bachelor's Degree, Faculty of Business Management

Work experience:

since 11/2021 Generali Investments CEE - Junior Portfolio Manager

10/2019 – 12/2021 Generali Investments CEE – Equity strategist / Corporate events specialist

07/2019 - 09/2019 P3 Logistic Parks - Junior development analyst; investments and acquisitions of industrial real properties

01/2019 - 06/2019 Capitalinked.com - Research analyst; shares, mergers and acquisitions - internship

05/2018 - 12/2018 McKinsey & Company - Analyst; supply chain management - internship

07/2017 - 08/2017 State Oil Fund of the Republic of Azerbaijan - Equity analyst; Investment management department - summer internship

- e) **Information on entities in which the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, had qualified shareholdings for the whole relevant period or a part thereof, with a specification of the amount and type of the qualified shareholding and profit or loss of each entity, including the period of time for which the Company had qualified shareholdings in such entities; if audited financial results of such entities are not available, the management company shall report unaudited financial results and shall indicate this fact**

The company only holds one founders' share in GENERALI INVEST CEE Plc., which is a foreign fund and of which the Company is the manager. Furthermore, Generali CEE Holding B.V. holds one founders' share of GENERALI INVEST CEE Plc. for the benefit of the Company.

- f) **Information on entities that are not reported under article e) and i) and which in the relevant period acted in concert with the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, and in concert with its identification information**

Besides the entities listed in the Annual Report or the Report on Related Parties, there are no other entities acting in concert with the Company.

- g) **Information on judicial or arbitration disputes to which the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, was or has been a party in the relevant period, on its own account or on the account of investment funds or foreign investment funds managed by the Company, if the value of the dispute exceeds 5% of the value of the assets of the management company or of the investment fund or of the foreign investment fund to which the dispute pertains.**



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In the relevant period, the Company was not and has not been a party to any judicial or arbitration disputes, on its own account or on the account of investment funds or foreign investment funds managed by the Company, where the value of the dispute exceeds 5% of the value of the assets of the management company or of the investment fund or of the foreign investment fund to which the dispute pertains.

- h) Information on entities authorized in the relevant period by the Company, as the manager of an investment fund or of a foreign investment fund established in the Czech Republic and the main administrator, to perform specific activities, included in the management of an investment fund or of a foreign investment fund, or to perform specific activities, included in the administration of an investment fund or of a foreign investment fund, with a specification of identification data and specific activity for the performance of which they were authorised**

In the relevant period, the Company authorized no other entity to manage standard funds or foreign standard funds; the Company itself was their manager.

In the relevant period, the Company authorized the following entity to perform internal audit activities: Generali CEE Holding B.V., acting in the Czech Republic through Generali CEE Holding B.V., organizační složka, business registration number (IČ): 282 39 652, with its registered office at Na Pankráci 1658/121, Nusle, 140 00 Prague 4.

In the relevant period, the Company authorised the following entities to perform or procure activities, specifically marketing investments in investment funds:

- a) Generali Česká Distribuce a.s., with its registered office at: Na Pankráci 1658/121, zip code: 140 00 Prague 4, business reg. No. (IČ): 44795084,
- b) Sberbank CZ, a.s., with its registered office at: U Trezorky 921/2, Jinonice, zip code: 158 00 Prague 5, business reg. No. (IČ): 25083325,
- c) MONETA Money Bank, a.s., with its registered office at: Vyskočilova 1422/1a, Michle, zip code: 140 28 Prague 4, business reg. No. (IČ): 25672720.

In the reporting period, the Company was the manager of the Generali Invest Foreign Fund. The Company entrusted the activities of the Generali Invest Foreign Fund's administrator to SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES, SGSS (IRELAND) LIMITED, IFSC House, International Financial Services Centre, Dublin 1, Ireland, which also prepares the Annual Report of the Generali Invest Foreign Fund pursuant to applicable Irish legislation, available online at <https://www.generali-investments.cz/o-nas/vyrocní-zpravy.html>.

- i) Information on entities which had qualified shareholdings in the Company, as the main administrator, for the whole relevant period or a part thereof, with a specification of identification data, the amount and type of the qualified shareholding in the Company, including the period of time for which the entities had qualified shareholdings in the Company**

The Company's sole shareholder is CZI Holdings N.V., De entree 91, Amsterdam, zip code: 1101BH, the Netherlands, registration No.: 342 45 976 (since 7 July 2021 Generali CEE Holding B.V., De entree 91, Amsterdam, post code: 1101BH, the Netherlands, registration No.: 342 75 688); this company is included in the consolidated group of the parent company.

GENERALI INVESTMENTS CEE, INVESTIČNÍ SPOLEČNOST, a.s. (the "COMPANY")

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**j) Information on Securities Financing Transactions and Total Return Swaps pursuant to Regulation (EU) 2015/2365 of the European Parliament and of the Council, Article 13**

During the decisive period of 2021, there were no Securities Financing Transactions and Total Return Swaps.



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**Pursuant to Act No. 563/1991 Coll., on Accounting, as amended, the Company discloses information on:**

1. Research and development activities  
In 2021, the Company incurred no research and development expenses and conducted no activities in this field.
2. Acquisition of Treasury Shares or Equity Interests  
The Company acquired no treasury shares or own ownership interests in the reporting period.
3. Environment-related activities  
The Company's activities complied with applicable legislation governing environmental protection.
4. Employment relations  
The Company seeks to create working conditions that allow employees to make full use of their skills, enable them to grow professionally and personally, while complying with all regulations pertaining to labor relations. In respect of the provision of statutory preventive medical services, the employer complies with all obligations under a contract with a healthcare facility.
5. Foreign branch or other part of an undertaking  
The Company has no foreign branch.

Information on other activities concerning research and development, environmental protection and labor relations are included in the Annual Report of ASSICURAZIONI GENERALI S.P.A., available at: <https://www.generali.com/>.

**Additional information on remuneration of Company employees:**

Pursuant to Articles 103 to 107 of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, the Company hereby discloses the following information concerning remuneration of Company employees.

The Company has created a remuneration system for its employees, including managers, stipulating that the total remuneration consists of a fixed component (wage/salary) and a variable component (bonus). The variable component of the remuneration is paid upon meeting predefined conditions, which generally depend on the financial results of the Company, the Generali Finance Group and the relevant employee's performance evaluation.

The Company applies specific remuneration policies and principles for the employees whose professional activities have a material impact on the risk profiles of the Company or the investment fund it manages. The applied remuneration policies and principles are consistent with and promote sound and effective risk management and do not encourage

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risk-taking which is inconsistent with the risk profiles of the managed investment funds, are in line with the business strategy and include measures to avoid conflicts of interest.

The Company does not have data available for separate funds relating to the total remuneration of all employees of the administrator, wholly or partly involved in the activities of the AIF, or the proportion of the total remuneration of the employees.

The 2021 remuneration disclosure is as follows:

Average number of employees	117
Fixed remuneration	93,649
Variable remuneration	36,303
Social security and health insurance	41,882

Information on employees and managers whose professional activities have a material impact on the funds' risk profiles:



Average number of employees	9
Fixed remuneration	27,520
Variable remuneration	12,402
Social security and health insurance	8,156

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**Information about events that occurred after the balance sheet date and are material to the purpose of the annual report**

No events occurred in the period between the balance sheet date and the date of disclosure of the annual report that would have impact on the purpose of the annual report.

For investment markets, a war in Ukraine was an unlikely scenario. In an immediate response, an increase in risk aversion led to a global sell-off, with Russian assets coming under enormous pressure. On the other hand, the prices of selected commodities rose. It was the further rise in mineral fuel prices and the secondary effects of disrupted supply chains which have not yet recovered from the coronavirus shock that triggered a new round of inflationary pressures to which central banks decided to respond by more aggressive tightening of monetary conditions and rising global rates. In general, financial markets recovered from the initial shock within a few weeks. Ongoing ceasefire negotiations, the continuation of supplies of key commodities by Russia despite logistical difficulties, the rejection of Russian supplies by several Western companies, and the unexpectedly good payment morale of Russian debtors contributed to reassurance. At the end of the first quarter, broad stock indices were at pre-Russian invasion levels and, e.g., US stocks have strengthened in the meantime. However, for foreign investors on Russia's government list of hostile countries, the situation with Russian stocks and bonds has improved only little. The ability to dispose of Russian assets is severely limited, marked not only by widespread sanctions by many countries, but also by retaliatory measures by the Russian government. Russian government bonds are traded at a deep discount as a reflection of the high probability of Russia's insolvency or unwillingness to pay, which is also noted in the valuation of Russian corporate and bank bonds.

The impact on the Company is rather secondary in the form of slightly lower revenues from assets under management, and judging from the Company's overall performance, the effect does not appear to be significant. The Company's management considered the potential impact on its activities and concluded that currently, the going concern assumption does not need to be called into question.

**Information on the Company's projected development in 2022**

In 2022, the Company will continue to manage investment funds with the objective of maximising the yield of the entrusted clients' assets. In terms of the product offer, the Company will continue to focus on improving the existing products and expanding the product portfolio. The Company's primary goal in asset management is to achieve the best possible return on investment in each portfolio.