



# ANNUAL REPORT 2020

Generali Investments CEE,  
investiční společnost, a.s.

[generali-investments.cz](http://generali-investments.cz)



(Translation of a report originally issued in Czech - see Note 2a to the financial statements.)

## 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 accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### *Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 Information*

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.



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 Company's Board of Directors and Supervisory Board for the Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 Board of Directors 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 above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Roman Hauptfleisch, Auditor  
License No. 2009



Tomáš Němec  
Procurist

27 April 2021  
Prague, Czech Republic

## REPORT OF THE BOARD OF DIRECTORS

Dear Ladies and Gentlemen,

Last spring, I expressed the wish here that we would manage to cope well with the difficult situation caused by the pandemic. At the time, none of us had any idea of the turbulent times that lay ahead.

Financial markets have gradually stabilized after the initial slump caused by the pandemic shock, and investors have often seen an attractive return on their investments. Circumstances, which in many cases forced individuals to postpone the implementation of other plans, were partly reflected in the increased volume of new investments in GICEE, which exceeded a total of 2.3 billion crowns in 2020.

The most successful of all the funds last year was the Generali Living Planet Fund with significant appreciation of 28.8% in 2020. This fund focuses on investments in companies actively involved in the fight against climate change. Green investment is on the rise and is clearly a growing trend that supports the increasing number of people who are not indifferent to the environment.

Our Generali Real Estate Fund also did very well, delivering appreciation of 3.18% last year. Despite the unprecedented situation associated with the coronavirus epidemic, the chosen residential housing strategy proved to be a sound one. In 2021, we will continue to implement the Fund's strategy. Further acquisitions are planned not only in Prague, but also in selected regional cities. At the same time, in the context of portfolio diversification and strengthening the Fund's performance, we'll also focus on other segments of the real estate market that we consider to be promising.

The COVID-19 pandemic not only hit the financial markets, but has written its way into almost every area of our lives. However, vulnerable and socially weak groups were most affected, which is why the need for mutual solidarity last year was greater than ever. And Generali Investments CEE, whose priorities have long included social responsibility, has been very active in this area. We've participated in several initiatives to reduce the impact of the pandemic. Of all of them, I would like to mention two projects carried out in cooperation with the Výbor dobré vůle – Nadace Olgy Havlové (Good Will Committee – Olga Havlová Foundation). We helped create the Senior Support Fund to provide field care to lonely elderly people, and we also provided financial assistance to the Help Fund for those in need during the epidemic.

We continue to engage intensively in the field of environmental protection, and not only through investment. For example, we have long supported the series of cross-country races Běhej lesy (Run the Forests), where we focus on educating the wider public on proper waste sorting and plastic reduction. In this way, we help sort up to two tons of waste every year. Together with the race organizers, we also initiated the #rozdychejto challenge in the summer of 2020, through which we helped to purchase pulmonary ventilators for 8 regional hospitals.



Whether it's the pandemic or the environment, there's probably still a long way to go. However, it's good to think that each of us can contribute to improving the situation through our personal responsibility. At Generali Investments CEE, we will always try to offer you investment options that meet your needs.

Ing. Josef Beněš

Chairman of the Board of Directors

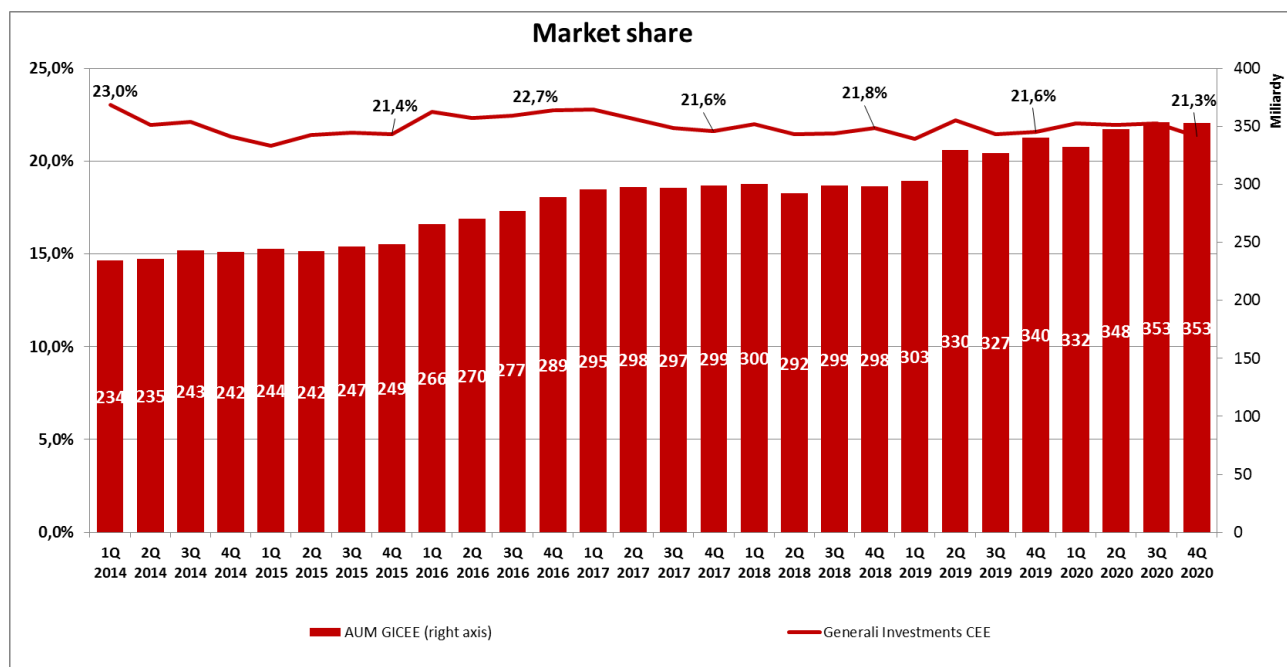
## ABOUT THE COMPANY

Generali Investments CEE, investiční společnost, a.s. (henceforth "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 353 billion** (as at 31 December 2020).

Generali Investments CEE offers a **comprehensive range of products and services to individual investors and institutions** in the field of collective investment 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 programs 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 FINANCIAL MARKETS DEVELOPMENT

The year 2020 was dominated by the COVID-19 pandemic and related restrictions that led to a decline in world economic performance. Both the eurozone and the US posted full-year GDP declines. For Europe, the impact of the pandemic on GDP was particularly dramatic in Q2. A second wave of infection led to renewed restrictions at the end of last year and these restrictions were carried over in some sectors until early 2021. Nevertheless, recovery of economic growth is expected for this year, with vaccinations expected to bring the pandemic under control, leading to the removal of restrictions on the economy. Monetary and budgetary policy settings provide important support for economic performance, which should also be true in 2021.

### Česká republika - přehled makroekonomického vývoje

		2018	2019	2020 (E)
<b>HDP</b>	(reálný růst)	3,2%	2,3%	-5,6%
<b>CPI</b>	(roční průměr)	2,1%	2,8%	3,2%
<b>Reálná mzda</b>	(roční průměr)	5,9%	3,5%	0,3%
<b>Fiskální saldo</b>	(vs. HDP)	0,9%	0,3%	-6,3%
<b>Běžný účet PB</b>	(vs. HDP)	0,3%	-0,1%	3,2%
<b>ČNB repo sazba</b>	(konec roku)	1,75%	2,00%	0,25%
<b>EUR/CZK</b>	(roční průměr)	25,64	25,67	26,46

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

GDP	(real growth)
CPI	(annual average)
Real wage	(annual average)
Fiscal balance	(vs. GDP)
Current account PB	(vs. GDP)
CNB repo rate	(year-end)
EUR/CZK	(annual average)

The Central European region did not avoid a drop in GDP in 2020. According to preliminary official estimates, the Czech economy declined by 5.6%. Spring restrictions related to the first wave of the pandemic have been reflected in both domestic demand and exports, with restrictions affecting

*Picture:*

*Czech Republic – overview of macroeconomic development*

*Source: CNB; CSO; Generali Investments CEE,*

*investiční společnost, a.s.*

not only services and retail, but also industrial production and foreign trade. The autumn pandemic wave no longer had a direct impact on industry and exports; the economic effects were less dramatic in this sense than in the first waves, and the Czech Republic even showed moderate interquartile GDP growth in the final quarter of last year. In the case of the Czech economy, a full-year GDP recovery is expected for this year, but its strength will depend on how quickly pandemic-related restrictions can be loosened. Our estimate of GDP growth for this year is 3%, close to the forecast presented by the Ministry of Finance in January.

In response to the onset of the pandemic, the Czech National Bank (CNB) has been relaxing its monetary policy since March, reducing its key interest rate (repo rate) overall from 2.25% to 0.25%. Relatively high inflation, which remained above the Central Bank's 2% target throughout 2020, led to the CNB not reducing its interest rates in the second half of the year, and its own forecast foresees three interest rate hikes for this year (in the case of the repo rate, to 1.00%) with the first increase during the spring months. However, inflation will remain only slightly above 2% on average this year, and monetary conditions in the Czech economy should be tightened by strengthening the Czech crown exchange rate – which is why we believe the CNB interest rate increase process may be more gradual than the Central Bank's forecast has predicted.

Central European currencies felt the negative impact of the first wave of the pandemic in the spring of last year; at the turn of summer and autumn, political uncertainty also had a destabilizing effect (US elections, unresolved Brexit). The resolution of global policy question marks and the parallel increase in confidence in the vaccine led to a strengthening of the Czech currency to close to CZK 26 per euro in the final quarter, and in the first weeks of 2021, the Czech crown further strengthened to a level of 26.00.

The year 2020 was characterised by monetary policy easing in both the US and the eurozone while the general government deficit grew simultaneously. In addition to lowering interest rates, central banks provide significant support to financial markets through bond-buying programs. The ECB has embarked on asset purchases and the supply of cheap liquidity to the banking sector, and its monetary policy should remain in this mode this year.



Government bond yields fell in this environment: the yield on the 10-year German government bond fell from -0.20% (close to 2019) to -0.60% (December 2020). Government bond performance was positive in full-year terms in advanced economies and most emerging markets. Developments in stock markets have been mixed: in addition to the pandemic and the ability of local authorities to deliver monetary and budgetary impetus, political factors (e.g. fears of a no-deal Brexit in the event of a fall in the UK stock market) also played a role. Central European stock markets posted a decline last year. Investments in credit instruments (corporate bonds) reported a positive performance in the vast majority of cases, with sentiment in these markets supported by monetary policy settings of global and national central banks and very low levels of risk-free asset yields.

As regards the Czech financial market, the CNB started 2020 by raising interest rates by a quarter of a percentage point at the February meeting: the two-week repo rate thus reached 2.25%. As soon as in March, however, under the influence of the first wave of the pandemic, a major turnaround followed, and by the beginning of May the repo rate had been reduced by a total of 200 basis points, to 0.25%. However, in the second half of the year, the CNB no longer changed rates and, for this year, its own forecast works with a repo rate increase to 1.00% with the first increase in Q2. At the same time, the pandemic-related economic recession led to a record increase in the state budget deficit and, with it, to a higher need for the government to issue bonds. Nevertheless, government bond yields fell: the 10-year yield fell to 1.25% from 1.60%. The Prague Stock Exchange reported a decrease of 7.9% for the whole of 2020, though the Czech crown weakened by more than 3% against the euro on average under the influence of the crisis, but the end of last year was already marked by strengthening. The Czech crown, below 26 per euro at the beginning of this year, was stronger than expected by the CNB, which in our opinion speaks against the rush to raise interest rates. Czech government bond yields are likely to rise this year under the influence of global factors and high domestic debt issues, but the movement should be relatively moderate, which should also be helped by the expected strengthening of the Czech crown exchange rate.

## PRODUCT INNOVATIONS

In 2020, products and product innovation were impacted by the coronavirus situation, which dominated the financial markets overall this year. In order to keep our investors sufficiently informed about current events, we prepared various communication formats for them throughout the year, through which we have shared with them the latest information from the world of investment. These included, for example, special webinars, financial market newsletters, articles or commentaries paying attention to current topics, or interesting videos in which, for example, our portfolio managers or analysts comment on current issues.

This way of communicating with investors has proven itself to us, so we would like to continue it in the years to come, develop it and adapt it to current demand. Very low interest rates, which central banks globally have approached as one of the means by which they seek to stimulate economies and the rapidly freezing financial markets, thus overcoming the coronavirus pandemic, have led to steep price increases of some commodities. Both gold and silver, as well as shares of precious metal miners, which benefit from the rise in the price of precious metals themselves, experienced such price increases after their steep spring decline. Our Generali Gold Fund, which posted performance of 20.63% in 2020, also benefited from these facts.

Even the real estate fund for retail clientele managed by our Company did well. The Generali Real Estate Fund bought three very lucrative properties in the centre of Prague for its portfolio in 2020. All three residential buildings are completely renovated. This type of real estate – well-located residential properties – represents a stable investment that withstands fluctuations in the real estate market better than other types of real estate. The purchase of a fourth property is planned for the near future, which should expand the existing portfolio. However, we're still seeking and checking out other attractive investment properties. Within the framework of managing this Fund, the Company continues to apply its many years of experience in the real estate world, which it continues to develop in connection with the management of a group real estate fund – the Generali Real Estate Fund CEE and a qualified investors fund – Generali Real Estate Fund. Even in a turbulent year like 2020, a very good return of 3.18% was delivered.

Environmental engagement continues to play a very important place in our Company's value ranking. The European Union has made a commitment to be carbon neutral by 2050, while appealing to the need for greater support for businesses that are socially and environmentally responsible, at both the society-wide and individual levels. The rise in green investment is also evidenced by the fact that more and more people are aware of the importance of environmental protection, which is also clear from the performance of the Generali Live Planet Fund, which scored a cool 28.8% in 2020. This Fund focuses exclusively on companies actively involved in the fight against climate change.

In mid-December, we also completed the merger of two sub-funds of Generali Invest CEE plc., Generali Oil and Energy Fund and Generali Commodity Fund. The main objective was to streamline overall governance and set up a broader investment strategy that should meet investor expectations.

At the same time, we're continuously working to improve client service, including through the development and improvement of existing systems with which both clients and sales representatives work.

## 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 Charles University

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 volunteer “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 labor 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.

We’re a company whose priorities include social responsibility, and we participated in several supportive activities last year to ameliorate the effects of the pandemic. Cooperation with the Good Will Committee – Olga Havlová Foundation – was key. Last year, we supported this organization with a total amount of CZK 3.6 million, part of which contributed to the creation of the Senior Support Fund designed to provide field care to lonely elderly people. During its existence from March to the end of June last year, this fund supported a total of 90 projects. In addition, as part of our collaboration, we provided financial assistance to the Fund for Assistance to those in Need during the pandemic.

At the very end of last year, we also held a charity auction among Generali Investments CEE employees, thanks to which we collected CZK 200,000. This amount was equally distributed between the Paprsek Centre for Children with Special Needs and the AKORD Children's Daycare Centre Foundation. As a sign of support for long-term cooperation, GICEE subsequently contributed CZK 200,000 to Paprsek and CZK 150,000 to AKORD. This funding will be used to ensure the operation of both foundations in 2021.

We specifically support:

Výbor dobré vůle – Nadace Olgy Havlové



*(Good Will Committee – Olga Havlová Foundation)*

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.

## Donation to Charles University

We support the Centre for the Study of Political Philosophy, Ethics and Religion of the Department of Philosophy and Religious Studies, Faculty of Arts, Charles University; the Centre's main goal is to raise awareness of the links between political philosophy, ethics and religion at an international level through academic discussions, conferences and seminars.

## 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 2020, 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. At the same time, together with the Run the Forests organizers, we initiated the call #rozdychejto, through which we helped to purchase lung ventilators for 8 regional hospitals in the Czech Republic and offered to pay the starting fees for health care professionals as a thank you for their work.

### 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". 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.

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 2020 to 31 December 2020

# REPORT ON RELATED PARTIES FOR THE 2020 REPORTING PERIOD

## I. Company

Pursuant to the provisions of Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Co-operatives, as amended (hereinafter the "*Business Corporations Act*"), the Board of Directors of Generali Investments CEE, investiční společnost, a.s., has prepared this Report on Related Parties (hereinafter the "*Report*") of Generali Investments CEE, investiční společnost, a.s., with its registered office at Na Pankráci 1720/123, Prague 4, business reg. No.: 43873766, entered in the Commercial Register maintained by the Municipal Court in Prague under file number B 1031 (hereinafter the "*Controlled Person*" or the "*Company*"), between the Person controlling the Company, which is CZI Holdings N.V., with its registered office at De entree 91, Amsterdam, postal code: 1101BH, the Kingdom of the Netherlands (formerly 1112XN Diemen, Diemerhof 32, the Kingdom of the Netherlands), ID No.: 34245976, and the Company, and also between the Company and other entities controlled by the same Controlling Person (hereinafter the "*Related Parties*") for the year ended 31 December 2020 (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 person directly controlling the Company in the reporting period was CZI Holdings N.V. with its registered office at De entree 91, Amsterdam, postal code: 1101BH, the Kingdom of the Netherlands (formerly Diemerhof 32, 1112XN Diemen, the Kingdom of 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 Person 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		None
Assicurazioni Generali S.p.A. (Italy)	Joint controllership agreement	18/10/2020	Joint management of personal data		None
Generali Česká pojišťovna a.s. (until 21 December 2019 under the name of Česká pojišťovna a.s.) ID No.: 45272956	Master Agreement on Cost Sharing	19/12/2012	Services in the area of commission calculation and payment		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	28/6/2017			None
	Amendment No. 2 of 29 June 2018 to Loyalty Bonus Agreement	29/6/2018			None
	Investment Management Agreement (IMA)	25/2/2019		Management of entrusted assets	



Amendment No. 1 to IMA	4/12/2019			None
Contract for access to KPMG Helpline	3/12/2012	Consideration for access to KPMG Helpline		None
Cooperation Agreement in the Field of Life Insurance	27/6/2014			None
Confidentiality Agreement (agreement between Generali Infrastructure Services Czech Branch, organizační složka, Česká pojišťovna and Generali Investments, a.s.)	18/6/2014	Confidentiality in cooperation on IT analyses		None
Contract for the Lease of Movable Assets	4/1/2016	Lease of furniture (Prague)		None
Contract for the Lease of Movable Assets	31/3/2017	Lease of furniture (Brno)		None
Contract for the Sub-lease of Business Premises (Brno)	25/4/2017	Sub-lease of business premises		None
Contract for the Sub-lease of Business Premises (Praha, Kaplanova)	25/4/2017	Sub-lease of business premises		None
Amendment No. 1 to Contract for the Sub-lease of Business Premises (Praha, Kaplanova)	16/6/2020			None
Contract for the Sub-lease of Business Premises (Praha, Na Pankráci)	1/1/2020			None
Amendment No. 1 to Contract for the Sub-lease of Business Premises (Praha, Na Pankráci)	29/9/2020			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 Significant Operations	1/1/2017	Sharing of costs of performance of significant operations	Replaced by Master Agreement on Cost Sharing in Performance of Operations dated 9 March 2020	None
	Amendment No. 1 to Master Agreement on Cost Sharing in Performance of Significant Operations	25/5/2018			None
	Amendment No. 2 to Master Agreement on Cost Sharing in Performance of Significant Operations	31/12/2018			None
	Master Agreement on Cost Sharing in Performance of Operations	9/3/2020	Sharing of costs of performance of significant operations		None
	Loyalty Bonus Agreement	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		None
	Insurance Policy	2/4/2020	Vehicle insurance		None
	Insurance Policy	29/10/2020	Vehicle insurance		None

<p>Generali Česká pojišťovna a.s. (until 21 December 2019 under the name of Česká pojišťovna a.s.), Generali CEE Holding B.V., Pojišťovna Patricie a.s. (until 21 December 2019 under the name of Generali Pojišťovna a.s.), Generali Distribuce a.s. (deleted from the Commercial Register as of 23 July 2020), Generali Penzijní společnost, a.s. (until 1 July 2020 under the name of Penzijní společnost České pojišťovny a.s.), Česká pojišťovna ZDRAVÍ a.s., Direct Care s.r.o., Generali Česká Distribuce a.s. (until 23 July 2020 under the name of ČP Distribuce a.s.), GENERALI SHARED SERVICES S.C.A.R.L., Acredité s.r.o.</p>	<p>Agreement on Performance of Obligations Resulting from Membership in the Group</p>	<p>2/1/2017</p>	<p>Obligations pursuant to the VAT Act (Generali Česká pojišťovna a.s. appointed as the representing member)</p>		<p>None</p>
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Generali Česká pojišťovna a.s. (until 21 December 2019 under the name of Česká pojišťovna a.s.) and Banking Software Company s.r.o. ID No.: 00549533	Agreement on Assignment of STAR.NET Contracts	1/1/2020	Assignment of rights to the STAR.NET system		None
Česká pojišťovna ZDRAVÍ a.s., ID No.: 49240749	Investment Management Agreement (IMA)	8/11/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	15/11/2018			None
	Amendment No. 2 to IMA	4/12/2019			None
	Amendment No. 3 to IMA	18/5/2020			None
Generali Česká Distribuce a.s. (until 23 July 2020 under the name of ČP Distribuce a.s.) ID No.: 44795084	Loyalty Bonus Agreement	1/5/2017			None
	Master Agreement on Cost Sharing	1/1/2018	Sharing of costs of performance of significant operations		
	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/5/2018			None
	Amendment No. 2 to the Sales Representation Agreement	1/10/2019			None
	Amendment No. 3 to the Sales Representation Agreement	24/6/2020			None



Európai Utazási Biztosító Zrt. (Hungary)	Investment Management Agreement – IMA	23/1/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	13/2/2018			None
	Amendment No. 2 to IMA	25/5/2018			None
	Amendment No. 3 to IMA	1/1/2020			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
	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/5/2018			None
	Agreement on termination of the Agreement on Sales Representation	21/5/2020			None
	Master Agreement on Cost Sharing	2/1/2018	Sharing of costs of performance of significant operations		None
	Amendment No. 1 to Master Agreement on Cost Sharing	1/1/2019			None
	Agreement on termination of the Master Agreement on Cost Sharing	5/6/2020			None
Generali Biztosító Zrt. (Hungary)	Confidentiality Agreement	19/5/2016	Confidentiality		None
	Investment Management Agreement (IMA)	19/1/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
	Amendment No. 2 to IMA	3/9/2019			None

	Amendment No. 3 to IMA	24/1/2020			None
	Amendment No. 4 to IMA	1/1/2020			None
Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), ID No.: 28239652	Investment Management Agreement (IMA)	1/6/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
	Amendment No. 2 to IMA	1/1/2020			None
	Master Consultancy Service Agreement	9/12/2011	Advisory services		None
	Amendment No. 1 to Master Consultancy Service Agreement	13/9/2016			None
	Amendment No. 2 to Master Consultancy Service Agreement	6/1/2017			None
	Amendment No. 3 to Master Consultancy Service Agreement	3/1/2018			None
	Amendment No. 4 to Master Consultancy Service Agreement	1/10/2019			None
	Service Agreement (concluded with Generali PPF Asset Management a.s.)	22/12/2008	Consideration for advisory and other services		None
	Amendment No.1 to Service Agreement	31/12/2009			None
	Amendment No. 2 to Agreement on the Provision of Services	29/3/2013			None
	Amendment No. 3 to Agreement on the Provision of Services	2/1/2014			None
	Amendment No. 4 to Agreement on the Provision of Services	1/7/2014			None
	Amendment No. 5 to Agreement on the Provision of Services	1/1/2017			None
	Amendment No.6 to Service Agreement	30/6/2017			None
Amendment No. 7 to Agreement on the Provision of Services	1/1/2018			None	

	Agreement on provision of services	9/3/2020	Cost sharing – especially outsourcing of internal audit services		None
Generali Insurance AD (Bulgaria)	Investment Management Agreement	13/6/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
	Amendment No. 2 to IMA	1/1/2020			None
Generali Invest CEE plc (formerly Generali PPF Invest plc), Ireland	Information Sharing Agreement	31/7/2015	Sharing of information		None
	Amended and restated Administration Agreement	31/7/2015	Administration		None
	Amended and Restated Management Agreement	1/1/2016	Management of entrusted assets etc.		None
	Amendment No. 1 to Amended and restated Management Agreement	24/5/2018			None
Generali Poistovňa a.s. (originally Generali Slovensko poisťovňa, a.s.) – Slovakia, ID No.: 35709332	Investment Management Agreement (IMA)	28/12/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			None
	Amendment No. 2 to IMA	1/3/2020			None
	Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	1/1/2016	Distribution of funds' securities		None
	Loyalty Bonus Agreement	1/1/2016	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	Agreement on the Terms and Conditions of Issuing and Redeeming Securities of Investment Funds and on Maintaining Asset Account	19/9/2016	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	1/12/2019			None
	Investment Management Agreement (IMA) – full text of Investment Management Agreement dated 30 June 2017	15/1/2019	Management of entrusted assets		None
	Amendment No. 1 to IMA – full text	4/12/2019			None
	Amendment No. 2 to IMA	18/5/2020			None
	Loyalty Bonus Agreement	19/3/2012	Remuneration for the distribution of funds		None
	Amendment No. 1 to Loyalty Bonus Agreement	28/6/2017			None
	Amendment No. 2 to Loyalty Bonus Agreement	29/6/2018			None
	Contract for Car Fleet Insurance	4/11/2016	Insurance		None
	Change to Contract for Car Fleet Insurance (Annex)	4/11/2016			None
	Insurance Policy (vehicle insurance)	23/6/2016			None
	Change to Contract for Car Fleet Insurance (Annex)	29/3/2017			None
	Insurance Policy (vehicle insurance)	26/4/2017			None
	Change to Contract for Car Fleet Insurance (Annex)	28/2/2018			None

	Change to Contract for Car Fleet Insurance (Annex)	6/3/2018			None
	Change to Contract for Car Fleet Insurance (Annex)	10/4/2018			
	Change to Contract for Car Fleet Insurance (Annex)	2/5/2018			
Generali Real Estate Fund CEE a.s., investiční fond (formerly ČP INVEST Realitní uzavřený fond a.s.), ID No.: 247 36 694	Investment Fund Asset Management Agreement	15/9/2010	Management of entrusted assets	Replaced with Contract for the Performance of the Function of a Board of Directors Member of 23 June 2017	None
	Contract for the Performance of the Function of a Board of Directors Member	23/6/2017			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	10/1/2018			None
	Amendment No. 2 to IMA	25/5/2018			None
	Amendment No. 3 to IMA	15/3/2020			None
	Investment Management Agreement UL (IMA UL)	30/10/2017	Management of entrusted assets (Unit Links)		None
	Amendment No. 1 to IMA UL	25/5/2018			None
	Amendment No. 2 to IMA UL	18/3/2020			None
Generali Życie Towarzystwo Ubezpieczen S.A. (Poland)	Collaboration Agreement	4/12/2012	Distribution of funds' securities		None
	Investment Management Agreement (IMA)	7/2/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/6/2018			None



	Amendment No. 2 to IMA	1/11/2020			None
Generali Towarzystwo Ubezpieczeń S.A. (Poland)	Investment Management Agreement	7/2/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/6/2018			None
	Amendment No. 2 to IMA	1/11/2020			None
Generali Shared Services Czech Branch, organizační složka (formerly Generali Infrastructure Services Czech Branch, organizační složka), ID 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)	18/6/2014	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)	2/1/2015	Provision of mobile electronic communication services		None
	Amendment to the Agreement for the Provision of Publicly Available Electronic Communication	23/12/2015	Provision of publicly available electronic communication services		None

Service - Transfer of the Parties (between T-Mobile Czech Republic a.s., ČP INVEST investiční společnost, a.s. and Generali Infrastructure Services Czech Branch, organizační složka)				
Service Agreement for the Provision of Information Technology Services	1/10/2015	Provision of IT services		None
Amendment No. 1 to Agreement on the Provision of Services	25/5/2018			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.)	1/11/2015	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)	18/9/2015	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)	31/7/2015	Assignment of rights to the given software with the preservation of the right of use		None
Licence Assignment Request (LAR)Form (Symantec)	1/12/2015	Assignment of rights to the given software with the preservation of the right of use		None
Confirmation of Licence Transfer (Team Viewer)	1/1/2016	Assignment of rights to the given software with the		None

			preservation of the right of use		
Generali Investments Europe S.p.A. societa di gestione del risparmio (Italy)	Investment Advisory Agreement	20/7/2015	Investment advisory		None
	Amendment Agreement for Investment Advisory Agreement	6/11/2018	Change of a party to Generali Investments Partners		None
	Amendment Agreement for Investment Advisory Agreement	11/4/2019			None
	Master Services Agreement relating to the provision of outsourced and global procurement services	14/12/2020	Provision of IT services		None
Generali Operations Service Platform S.r.L. (Italy)	Investment Management Agreement (IMA)	23/1/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	13/2/2018			None
	Amendment No. 2 to IMA	25/5/2018			None
	Amendment No. 3 to IMA	1/1/2020			None
GP REINSURANCE EAD (Bulgaria)	Investment Management Agreement (IMA)	23/10/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018	- GDPR		None
	Amendment No. 2 to IMA	1/1/2020			None
Generali penzijni spolecnost, a.s. (until 1 July 2020 under the name of Penzijni	Investment Management Agreement (IMA)	28/3/2019	Management of entrusted assets		None

společnost České pojišťovny, a.s.) ID No.: 61858692					
	Amendment No. 1 to IMA	2/1/2020			None
	Amendment No. 2 to IMA	15/10/2020			None
	Cooperation Agreement	14/4/2003	Supplementary pension insurance for employees		None
GENERALI INVESTMENTS HOLDING S.p.A.	Service agreement	1/10/2018	Provision of services		None
	Amendment No. 1 to the Service agreement	1/1/2019			None
Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. (Poland)	Investment Advisory Agreement	17/4/2019	Investment advisory		None
	Domain name transfer agreement	18/7/2019	Web domain transfer		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	18/3/2020	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	3/6/2020	Information sharing and confidentiality		None
Generali Investments, družba za upravljanje, d.o.o. (Slovenia)	Agreement on Outsourcing	27/1/2020	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	27/5/2020	Outsourcing of certain services related to portfolio management		None

Relations between Related Parties are disclosed in the Notes to the Financial Statements for the year ended 31 December 2020.

## 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 2020, 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

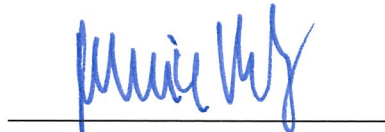
The Report on Related Parties was prepared by the Board of Directors on 24 March 2021 and was submitted to the auditor performing an audit of the Financial Statements.

The Company's statutory body declares that this Report was prepared with due care and diligence and that the information provided in this Report is adequate, accurate and complete. 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.

In Prague, 24 March 2021



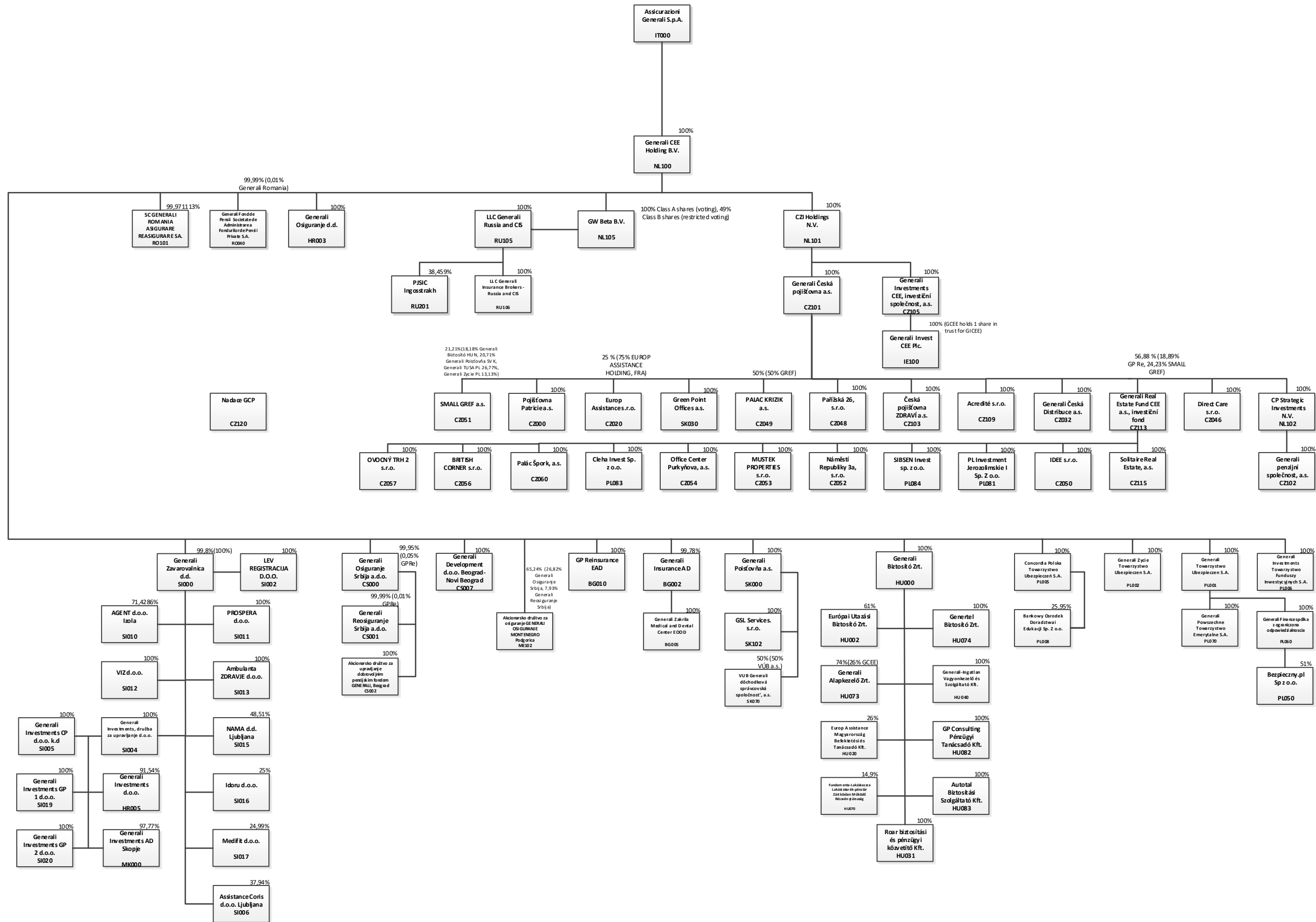
Ing. Josef Beneš  
Chairman of the Board of Directors  
Generali Investments CEE,  
investiční společnost, a.s.



Mgr. Martin Vít  
Vice-Chair of the Board of Directors  
Generali Investments CEE,  
investiční společnost, a.s.

Appendix to this Report – Structure of financial group, with information valid as at 31 December 2020:

# Generali CEE Holding B.V. - structure as of 31.12.2020





Generali Investments CEE, investiční společnost, a.s.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020



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: 27 April 2021

**BALANCE SHEET  
AS AT 31 DECEMBER 2020**

<u>Assets:</u>	<u>Note:</u>	<u>31 December</u> <u>2020</u> In CZK thousands	<u>31 December</u> <u>2019</u> In CZK thousands
Cash on hand		50	61
Due from banks	3	585,537	525,638
Of which: a) repayable on demand		182,959	144,083
b) other receivables		402,578	381,555
Shares, participation certificates and other holdings	4	85,914	83,924
Intangible fixed assets	5	55,250	34,400
Tangible fixed assets	5	6,434	5,942
Other assets	6	125,397	108,499
Deferred expenses and accrued income	7	<u>29,418</u>	<u>38,896</u>
 Total assets		 <u>888,000</u>	 <u>789,360</u>
 <u>Equity and liabilities:</u>			
Other liabilities	8	146,579	110,527
Deferred income and accruals		0	14
Provisions	10	53,823	43,873
Share capital paid up	9	91,000	91,000
Reserve funds and other funds from profit		570	570
a) other funds from profit		570	570
Retained earnings / accumulated loss	9	252,453	252,453
Profit for the period	9	<u>343,575</u>	<u>290,923</u>
 Total equity and liabilities		 <u>888,000</u>	 <u>789,360</u>

**OFF-BALANCE SHEET  
AS AT 31 DECEMBER 2020**

<u>Off-balance sheet liabilities</u>	<u>Note:</u>	<u>31 December 2020</u> In CZK thousands	<u>31 December 2019</u> In CZK thousands
Assets received for management from third parties	17	<u>334,156,339</u>	<u>321,716,498</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: 27 April 2021

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note:</u>	<u>2020</u> In CZK thousands	<u>2019</u> In CZK thousands
Interest and similar income		2,904	4,923
Interest and similar expenses		(159)	(204)
Fee and commission income	11	923,777	825,893
Fee and commission expenses	12	(193,673)	(177,476)
Gain or loss from financial transactions	13	(1,067)	1,250
Other operating income		2,733	9,193
Other operating expenses	14	(12,202)	(7,979)
Administrative expenses	15	(269,369)	(275,130)
Of which: a) staff costs		(167,710)	(179,275)
Of which: aa) wages and salaries		(120,617)	(132,529)
ab) social and health insurance		(38,634)	(37,938)
b) other administrative expenses		(101,659)	(95,855)
Depreciation and amortization	5	(15,444)	(13,161)
Additions to/use of other provisions	10	(9,950)	(6,356)
Profit or loss on ordinary activities for the period before tax		<u>427,550</u>	<u>360,953</u>
Income tax	16	(83,975)	(70,030)
Profit or loss for the period after tax	9	<u>343,575</u>	<u>290,923</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: 27 April 2021

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Share capital</u> In CZK thousands	<u>Reserve fund</u> In CZK thousands	<u>Social fund</u> In CZK thousands	<u>Capital funds</u> In CZK thousands	<u>Profit / (loss)</u> In CZK thousands	<u>Total</u> In CZK thousands
Balance as at 31 December 2018	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>492,938</u>	<u>584,508</u>
Net profit for the period	0	0	0	0	290,923	290,923
Use of social fund	0	0	0	0	0	0
Returns and allocations to social fund	0	0	0	0	0	0
Dividends paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(240,485)</u>	<u>(240,485)</u>
Balance as at 31 December 2019	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>543,376</u>	<u>634,946</u>
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>
Balance as at 31 December 2020	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>596,028</u>	<u>687,598</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: 27 April 2021

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>2020</u>	<u>2019</u>
	In CZK	In CZK
	thousands	thousands
<u>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</u>	<u>525,698</u>	<u>492,855</u>
Profit or loss on ordinary activities before tax	427,550	360,954
Adjustment to reconcile profit before tax to net operating cash flows	24,481	9,813
<i>Depreciation/amortization of fixed assets and write-off of adjustment to acquired property</i>	15,444	13,161
<i>Change in allowances, provisions</i>	9,951	6,355
<i>Gain on sale of fixed assets</i>	(153)	0
<i>Income from revaluation of participation certificates</i>	(1,990)	(3,734)
<i>Interest expense, net of capitalized interest, and interest income</i>	(2,745)	(4,719)
<i>Other adjustments comprising non-monetary transactions</i>	3,973	(1,250)
<u>Net cash flows from operating activities before tax, changes in working capital and extraordinary items</u>	<u>452,031</u>	<u>370,767</u>
Change in non-cash components of working capital	20,980	(16,586)
<i>Changes in other assets and deferred expenses and accrued income</i>	(15,059)	(19,718)
<i>Changes in other liabilities and accruals and deferred income</i>	36,039	3,132
<i>Change in shares, participation certificates and other holdings</i>	0	0
<u>Net cash flows from operating activities before tax and extraordinary items</u>	<u>473,011</u>	<u>354,181</u>
Interest expense, net of capitalized interest, and interest income	(159)	(204)
Interest paid and received and similar income / expenses	2,904	4,923
Tax paid on income from ordinary activities and additionally assessed tax for previous periods	(73,223)	(64,449)
<u>Net cash flows from operating activities</u>	<u>402,533</u>	<u>294,452</u>
Acquisition of fixed assets	(52,231)	(21,123)
Proceeds from sale of fixed assets	510	0
<u>Net cash provided by (used in) investing activities</u>	<u>(51,721)</u>	<u>(21,123)</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: 27 April 2021

Dividends paid to shareholders	(290,923)	(240,485)
<u>Net cash provided by (used in) financing activities</u>	<u>(290,923)</u>	<u>(240,485)</u>
<u>Net increase (decrease) in cash</u>	<u>59,889</u>	<u>32,843</u>
<u>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</u>	<u>585,587</u>	<u>525,698</u>



GENERALI  
INVESTMENTS

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: 27 April 2021

GENERALI  
INVESTMENTS

## 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 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 financial statements' date.

CZI Holdings N.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 largest 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 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: 27 April 2021

GENERALI  
INVESTMENTS

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);
- 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 2020 were as follows:

#### Board of Directors

Chair	Ing. Josef Beneš
Vice-Chair	Mgr. Martin Vít
Member	Bc. Martin Brož
Member	Ing. Michal Toufar

#### Supervisory Board

Chair	Santo Borsellino
Member	Gregor Pilgram (until 31 August 2020)
Member	Carlo Schiavetto
Member	Francesco Sola
Member	Antonella Maier (since 1 September 2020)

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: 27 April 2021

GENERALI  
INVESTMENTS

## 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. 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 financial statements are prepared on the accrual principle, that is, transactions and other events are recognized in the accounting period in which they occur, regardless of when the related monetary flow arises.

The financial statements are prepared on the historical cost basis, except held participation certificates of investment funds, which are measured at fair value. Impaired assets are recorded at net realizable value. The accounting is maintained in accordance with the prudence concept and the going concern assumption. 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 could 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 2020. Accordingly, the financial statements for the year ended 31 December 2020 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.

These financial statements are standalone statements.

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: 27 April 2021

GENERALI  
INVESTMENTS

#### Explanation added for translation into English

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

The financial statements have been prepared in Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

#### (b) 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.

#### (c) 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.

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: 27 April 2021

GENERALI  
INVESTMENTS

(d) 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.

(e) Securities at Fair Value through Profit or Loss

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.

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: 27 April 2021

GENERALI  
INVESTMENTS

(f) Interest Income and Expenses

Interest income and expenses are recognized on an accruals basis using the linear method for cash flows redeemable within 12 months from the balance sheet date and for interest income on securities at fair value through profit or loss. 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.

(g) 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.

(h) Receivables

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 against receivables are established on the basis of 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 allowance in case it is no longer necessary is recognized as income.

(i) Equity

The share capital of the Company is stated at the amount recorded in the Commercial Register maintained in 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 financial statements date is recorded through changes in share capital. Contributions in excess of share capital are recorded as share premium (agio). Other capital funds consist of monetary and non-monetary contributions in excess of share capital, tangible assets donations, etc.



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: 27 April 2021

GENERALI  
INVESTMENTS

(j) 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 in case they are no longer necessary is recognized as income.

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

(k) 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
Automobiles	5 years
Machinery and equipment	3 - 15 years
Furniture and fixtures	5 - 10 years

Intangible fixed assets with a cost of less than CZK 60,000 and tangible fixed assets with a cost of less than CZK 40,000 are always recognized in profit or loss when acquired.

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

(l) 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.).

(m) 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

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: 27 April 2021

GENERALI  
INVESTMENTS

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.

(n) 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.

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.

(o) 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 could differ from those estimates.

(p) Related Parties

Material transactions, outstanding balances and pricing policies with related parties are disclosed in Notes 4, 6, 8, 15 and 17.

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: 27 April 2021

GENERALI  
INVESTMENTS

(q) 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.

(r) 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.

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.

IFRS 9 introduces two criteria for the classification of financial assets:

- 1) An entity's business model which refers to how an entity manages its financial assets in order to generate cash flows;
- 2) 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.

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: 27 April 2021

GENERALI  
INVESTMENTS

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 in order to collect contractual cash flows; and  
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; and
- 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).

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: 27 April 2021

GENERALI  
INVESTMENTS

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.

#### Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between knowledgeable market participants at the measurement date.

#### 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 on the basis of quoted market prices nor of measurement models that rely entirely on observable market data. In these cases individual measurement parameters not observable in the market are estimated on the basis of reasonable assumptions (Level 3 of the fair value hierarchy).

The Company has analyzed the impact of the above change and, in particular, quantified the estimated impact of measuring balances at current, savings and term accounts, trade receivables and provided loans as at 1 January 2021 and does not expect a significant impact on the 2021 profit/loss as a result of the change.

The above change did not affect the financial statements as at 31 December 2020.

### 3 DUE FROM BANKS

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Current accounts with banks	<u>585,537</u>	<u>525,638</u>

Amounts due from banks are payable upon demand, except term deposits and savings accounts of CZK 402,578 thousand, which were due in January 2021 (2019: CZK 381,555 thousand).

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: 27 April 2021

GENERALI  
INVESTMENTS

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

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Participation certificates in GICEE funds	<u>85,914</u>	<u>83,924</u>

As at 31 December 2020, the Company held the participation certificates in 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>

As at 31 December 2019, the Company held the participation certificates in the following funds:

	<u>31 December 2019</u>
	In CZK thousands
Generali Fond konzervativní	<u>10,310</u>
Generali Fond vyvážený dluhopisový	<u>52,075</u>
Generali Fond balancovaný konzervativní	<u>10,856</u>
Generali Fond korporátních dluhopisů	<u>10,683</u>
Total	<u>83,924</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: 27 April 2021

GENERALI  
INVESTMENTS

## 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 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>
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>

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: 27 April 2021

GENERALI  
 INVESTMENTS

## 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 2019				
Cost	72,833	157	392	73,382
Accumulated amortization	<u>(44,845)</u>	<u>(157)</u>	<u>0</u>	<u>(45,002)</u>
Net book value	<u>27,988</u>	<u>0</u>	<u>392</u>	<u>23,380</u>
Year ended 31 December 2019				
Opening net book value	27,988	0	392	28,380
Additions	15,668	113	1,190	16,971
Disposals – cost	(1,051)	(145)	(125)	(1,321)
Disposals – accumulated amortization	1,051	145	0	1,196
Amortization	<u>(10,751)</u>	<u>(75)</u>	<u>0</u>	<u>(10,826)</u>
Closing net book value	<u>32,905</u>	<u>38</u>	<u>1,457</u>	<u>34,400</u>
As at 31 December 2019				
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>



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: 27 April 2021

GENERALI  
INVESTMENTS

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

### Operating tangible fixed assets

	<u>Vehicles</u> In CZK thousands	<u>Equipment</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Total</u> In CZK thousands
As at 1 January 2020				
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>
Year ended 31 December 2020				
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>
As at 31 December 2020				
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>

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: 27 April 2021

GENERALI  
INVESTMENTS

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

### Operating tangible fixed assets

	<u>Vehicles</u> In CZK thousands	<u>Equipment</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Total</u> In CZK thousands
As at 1 January 2019				
Cost	11,311	450	491	12,252
Accumulated depreciation	<u>(3,844)</u>	<u>(117)</u>	<u>(365)</u>	<u>(4,326)</u>
Net book value	<u>7,467</u>	<u>333</u>	<u>126</u>	<u>7,926</u>
Year ended 31 December 2019				
Opening net book value	7,467	333	126	7,926
Additions	0	0	351	351
Disposals – cost	0	0	(44)	(44)
Disposals – accumulated depreciation	0	0	44	44
Depreciation	<u>(2,262)</u>	<u>(73)</u>	<u>0</u>	<u>(2,335)</u>
Closing net book value	<u>5,205</u>	<u>260</u>	<u>477</u>	<u>5,942</u>
As at 31 December 2019				
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>

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: 27 April 2021

GENERALI  
INVESTMENTS

#### Depreciation / amortization of fixed assets

	<u>2020</u> In CZK thousands	<u>2019</u> In CZK thousands
Depreciation of tangible fixed assets	2,402	2,335
Amortization of intangible fixed assets	13,042	10,826
Total	<u>15,444</u>	<u>13,161</u>

#### 6 OTHER ASSETS

	<u>31 December 2020</u> In CZK thousands	<u>31 December 2019</u> In CZK thousands
Trade receivables	98,182	81,319
Receivable from Generali Invest plc.	8,893	8,473
Other receivables	11,940	12,686
Deferred tax asset (Note 16)	<u>6,382</u>	<u>6,021</u>
Total	125,397	108,499
Allowances for impairment losses	<u>0</u>	<u>0</u>
Total, net	<u>125,397</u>	<u>108,499</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: 27 April 2021

GENERALI  
INVESTMENTS

In addition, trade receivables include the following balances of related parties' accounts:

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	634	657
Generali Fond globálních značek	9,069	7,406
Generali Fond zlatý	2,375	2,126
Generali Fond farmacie a biotechnologie	2,339	2,316
Generali Fond ropy a energetiky	2,681	2,942
Generali Fond korporátních dluhopisů	11,952	10,189
Generali Fond živé planety	1,062	732
Generali Fond balancovaný konzervativní	3,950	3,276
Generali Fond nových ekonomik	1,333	1,235
Generali Fond fondů dynamický	21	12
Generali Fond fondů vyvážený	17	11
Generali Fond nemovitostních akcií	2,769	2,708
Generali Fond konzervativní	1,365	1,178
Generali Fond vyvážený dluhopisový	75	73
Generali Fond cílovaného výnosu	0	220
Generali Česká pojišťovna a.s.	5,057	4,181
Generali penzijní společnost, a.s.	16,137	7,845
Generali Romania Asigurare Reasigurare S.A.	773	720
Generali Poistovňa, a.s.	1,629	1,444
Česká pojišťovna ZDRAVÍ a.s.	15	51
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,489	1,386
Generali CEE Holding B.V.	1,813	1,426
GP Reinsurance EAD	2,323	2,260
Genertel Biztosító Zrt.	84	232
Európai Utazási Biztosító Zrt.	32	86
Generali Biztosító Zrt.	1,176	2,647
Generali Investments Holding S.p.A.	5,603	2,269
Generali Insurance AD	421	364
Generali Realitní fond	357	549
Generali Fond kreditního výnosu	0	273
Generali Życie Towarzystwa	239	220
Generali Investments Partners S.p.A	15,641	14,382
Assicurazioni Generali S.p.A.	5,540	2,230
Generali Fond realit	912	743
Generali Fond silné koruny	601	576
Generali Investments TFI S.A.	0	47
Pojišťovna Patricie a.s.	113	1,160
Total	<u>99,597</u>	<u>80,172</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: 27 April 2021

GENERALI  
INVESTMENTS

## 7 DEFERRED EXPENSES AND ACCRUED INCOME

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Accrued commissions	20,561	25,555
Other deferred expenses/accrued income	<u>8,857</u>	<u>5,341</u>
Total	<u>29,418</u>	<u>30,896</u>

## 8 OTHER LIABILITIES

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Due to state budget	18,467	8,617
Estimated payables	14,148	13,961
Liabilities to employees	6,924	10,603
Liabilities from social security and health insurance	3,147	3,429
Liabilities from commissions	404	503
Other operating liabilities (incl. liabilities to funds)	<u>103,490</u>	<u>73,413</u>
Total	<u>146,579</u>	<u>110,527</u>

As at 31 December 2020 and 2019, 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.

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: 27 April 2021

GENERALI  
INVESTMENTS

## 9 EQUITY AND PROFIT DISTRIBUTION

### Share capital

31 December 2019 and 2020

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>

CZI Holdings N.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 2020 reporting period and the payment of dividends.

In April 2020, the Annual General Meeting approved the following distribution of the Company's net profit of CZK 290,923 thousand for 2019:

	<u>2020</u>
	In CZK thousands
Distribution of dividends	290,923
Retained earnings	<u>0</u>
Net profit for 2018	<u>290,923</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: 27 April 2021

GENERALI  
INVESTMENTS

In late 2019, reports of COVID-19 started coming out of China. In the first months of 2020, the virus spread worldwide, negatively affected many countries and caused extensive economic damage.

While the situation is constantly changing at the time these financial statements are published, it appears that the negative impact of this pandemic on individuals and world trade may be more severe than originally expected. The CZK/EUR exchange rate depreciated, the value of shares on the markets fell and commodity prices recorded significant fluctuations.

On a daily basis, the management evaluates all risks and monitors and assesses the funds' liquidity in order to ensure the least possible negative impact on the Company (investors).

## 10 PROVISIONS

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

Provisions	Balance as at 31/ 12/ 2018	Additions	Deductions	Balance as at 31/ 12/ 2019
Other	37,517	45,393	(39,037)	43,873

Provisions	Balance as at 31/ 12/ 2019	Additions	Deductions	Balance as at 31/ 12/ 2020
Other	43,873	53,823	(43,873)	53,823

In 2019 and in 2020 provisions mainly included provisions recognized for employee bonuses.

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: 27 April 2021

GENERALI  
INVESTMENTS

## 11 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>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Fees for management of assets of mutual funds	507,250	481,058
Income from participation certificates – front-end and back-end sales loads	52,210	45,234
Asset management	297,364	255,758
Consultancy	<u>66,953</u>	<u>43,843</u>
Total	<u>923,777</u>	<u>825,893</u>

All the fee and commission income was generated in the Czech Republic in 2019 and 2020.



GENERALI  
INVESTMENTS



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: 27 April 2021

GENERALI  
INVESTMENTS

## 12 FEE AND COMMISSION EXPENSES

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Commissions to agents	190,424	173,663
Bank fees	<u>3,249</u>	<u>3,813</u>
Total	<u>193,673</u>	<u>177,476</u>

## 13 GAIN OR LOSS FROM FINANCIAL TRANSACTIONS

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Securities	1,990	3,734
Foreign exchange differences	<u>(3,057)</u>	<u>(2,484)</u>
Total	<u>(1,067)</u>	<u>1,250</u>

### Distribution of gain or loss from financial transactions by geographical area

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Czech Republic	(1,384)	1,477
EU	123	(190)
USA	183	(20)
Other	10	(18)
Total	<u>(1,067)</u>	<u>1,250</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: 27 April 2021

GENERALI  
INVESTMENTS

#### 14 OTHER OPERATING EXPENSES

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Other operating expenses	<u>12,202</u>	<u>7,979</u>
Total	<u>12,202</u>	<u>7,979</u>

Other operating expenses in 2020 include, in particular, a contribution to the Investor Compensation Fund of CZK 7,286 thousand (2019: CZK 5,992 thousand), donations to non-profit organizations of CZK 3,438 thousand (2019: CZK 928 thousand), property insurance of CZK 400 thousand (2019: CZK 338 thousand) and contractual and other fines of CZK 93 thousand (2019: CZK 136 thousand).

#### 15 ADMINISTRATIVE EXPENSES

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Staff costs	167,710	179,275
Other administrative expenses	<u>101,659</u>	<u>95,855</u>
Total	<u>269,369</u>	<u>275,130</u>

Staff costs can be broken down as follows:

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Wages and bonuses to members of the Board of Directors	35,890	23,512
Bonuses to members of the Supervisory Board	0	0
Other wages, personnel costs and bonuses to employees	93,186	117,824
Social security and health insurance	<u>38,634</u>	<u>37,938</u>
Total	<u>167,710</u>	<u>179,275</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: 27 April 2021

GENERALI  
 INVESTMENTS

<u>Employee statistics</u>	<u>2020</u>	<u>2019</u>
Average number of employees	115	118
Number of members of the Board of Directors	4	4
Number of members of the Supervisory Board	4	5

Other administrative expenses consist of the following items:

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Fees for services received from group companies	16,976	18,990
Rent	7,808	8,187
Advertising and promotion	13,958	10,867
Fee for statutory audit (incl. VAT)	1,544	1,511
Other	<u>61,373</u>	<u>56,300</u>
Total	<u>101,659</u>	<u>95,855</u>

As at 31 December 2020, the item Other includes, in particular, the costs of software services of CZK 18,444 thousand (2019: CZK 16,999 thousand), postage fees of CZK 1,018 thousand (2019: CZK 1,144 thousand), legal advice of CZK 1,618 thousand (2019: CZK 1,452 thousand), other advisory services of CZK 435 thousand (2019: CZK 1,266 thousand), costs of foreign infosystems (Reuters, Bloomberg, etc.) of CZK 16,137 thousand (2019: CZK 12,123 thousand), Professional Services of CZK 9,659 thousand (2019: CZK 10,205 thousand).

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

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Generali Shared Services fees	15,098	16,555
Internal audit outsourcing – Generali Česká pojišťovna a.s.	1,328	1,885
Fees for services of Generali CEE Holding B.V.	<u>550</u>	<u>550</u>
Total	<u>16,976</u>	<u>18,990</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: 27 April 2021

GENERALI  
INVESTMENTS

## 16 INCOME TAX

The tax expense includes:

	<u>2020</u> In CZK thousands	<u>2019</u> In CZK thousands
Tax expense payable	83,405	69,373
Deferred tax expense / (-) income	(361)	406
Adjustment of prior year tax expense and other taxes	<u>931</u>	<u>251</u>
Total tax expense	<u>83,975</u>	<u>70,030</u>

Income tax payable was calculated as follows:

	<u>2020</u> In CZK thousands	<u>2019</u> In CZK thousands
Profit before taxes	427,550	360,953
Non-taxable income	(43,526)	(39,037)
Non-deductible expenses	75,851	65,437
Other adjustments to the tax base	(20,902)	(22,231)
Tax base	438,973	365,122
Corporate income tax at 19%	<u>83,405</u>	<u>69,373</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: 27 April 2021

GENERALI  
INVESTMENTS

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

	<u>31 December 2020</u>	<u>31 December 2019</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	(3,275)	(2,315)
Provisions	9,656	8,336
Total	<u>6,382</u>	<u>6,021</u>

## 17 ASSETS RECEIVED FOR MANAGEMENT FROM THIRD PARTIES

As at 31 December 2020, the Company managed 15 collective investment funds, 11 foreign investment funds and 2 qualified investors 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)
- 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 – ISIN: CZ0008471760; participation certificates Class I – ISIN: CZ0008475514)
- 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)
- 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)

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: 27 April 2021

GENERALI  
INVESTMENTS

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 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.

As at 31 December 2019, the Company managed 16 collective investment funds, 11 foreign investment funds and 4 qualified investors funds:

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: 27 April 2021

GENERALI  
INVESTMENTS

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)
- 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 – ISIN: CZ0008471760; participation certificates Class I – ISIN: CZ0008475514)
- Fond globálních značek, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (participation certificates Class R – ISIN: CZ0008471778, participation certificates Class I – CZ0008475530)
- 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. (ISIN: CZ0008472370)
- 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 cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889)
- Fond realit, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475928)
- Fond silné koruny, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475837)

Qualified investors funds:

- Generali Real Estate Fund CEE a.s., investiční fond (ISIN: CZ0008041092)
- 15. Zajištěný fond kvalifikovaných investorů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473840)
- Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474988)
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)

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: 27 April 2021

GENERALI  
INVESTMENTS

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"):

Foreign funds:

- 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 Equities Fund, Generali Invest CEE plc
- Premium Dynamic Fund, Generali Invest CEE plc
- Oil and Energy Industry Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

In addition, the Company managed as at 31 December 2019 the portfolio of 17 clients under asset management.

	<u>2020</u>	<u>2019</u>
	In CZK thousands	In CZK thousands
Total managed assets as at 31 December	334,156,339	321,716,498
Total income from asset management	804,615	736,816

In 2020 and in 2019 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.

## 18 FINANCIAL RISKS

The Company is indirectly exposed to the market, credit, currency and interest rate risk and risk of liquidity due to fluctuations in the net assets of managed funds and thus the fee for their management.



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: 27 April 2021

GENERALI  
INVESTMENTS

(a) Market and Credit Risk

As the Company does not consider the credit risk to which it is exposed material, no models and procedures have been implemented to measure, monitor or manage the risk.

Geographical segmentation of assets:

<u>31 December 2020</u>	<u>Czech Republic</u>	<u>Slovakia</u>	<u>Poland</u>	<u>Total</u>
	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands
Assets				
Cash on hand	50	0	0	50
Due from banks	585,537	0	0	585,537
Shares, participation certificates and other holdings	85,914	0	0	85,914
Other assets	187,081	0	0	187,081
Deferred expenses and accrued income	29,418	0	0	29,418
<u>Total assets</u>	<u>888,000</u>	<u>0</u>	<u>0</u>	<u>888,000</u>
<u>31 December 2019</u>	<u>Czech Republic</u>	<u>Slovakia</u>	<u>Poland</u>	<u>Total</u>
	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands
Assets				
Cash on hand	61	0	0	61
Due from banks	525,638	0	0	525,638
Shares, participation certificates and other holdings	83,924	0	0	83,924
Other assets	148,841	0	0	148,841
Deferred expenses and accrued income	30,896	0	0	30,896
<u>Total assets</u>	<u>789,360</u>	<u>0</u>	<u>0</u>	<u>789,360</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: 27 April 2021

GENERALI  
INVESTMENTS

(b) Currency Risk

The Company takes on exposure resulting from fluctuations in the prevailing foreign currency exchange rates to its financial position and cash flows. 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.

<u>31 December 2020</u>	<u>CZK</u>	<u>EUR</u>	<u>PLN</u>	<u>Total</u>
	In CZK	In CZK	In CZK	In CZK
	thousands	thousands	thousands	thousands
Assets				
Cash on hand	12	37	1	50
Due from banks	574,379	9,824	1334	585,537
Shares, participation certificates and other holdings	85,914	0	0	85,914
Other assets	146,310	38,594	2,177	187,081
Deferred expenses and accrued income	<u>26,516</u>	<u>2,902</u>	<u>0</u>	<u>29,418</u>
Total	<u>833,131</u>	<u>51,357</u>	<u>3,512</u>	<u>888,000</u>
Liabilities				
Other liabilities and provisions	180,014	19,696	692	200,402
Deferred income and accruals	<u>(95)</u>	<u>0</u>	<u>95</u>	<u>0</u>
Total	<u>179,919</u>	<u>19,696</u>	<u>787</u>	<u>200,402</u>
Net balance sheet assets	<u>653,212</u>	<u>31,661</u>	<u>2,725</u>	<u>687,598</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: 27 April 2021

GENERALI  
INVESTMENTS

<u>31 December 2019</u>	<u>CZK</u> In CZK thousands	<u>EUR</u> In CZK thousands	<u>PLN</u> In CZK thousands	<u>Total</u> In CZK thousands
<b>Assets</b>				
Cash on hand	14	46	1	61
Due from banks	509,898	14,528	1,212	525,638
Shares, participation certificates and other holdings	83,924	0	0	83,924
Other assets	119,482	29,359	0	148,841
Deferred expenses and accrued income	<u>29,257</u>	<u>1,638</u>	<u>1</u>	<u>30,896</u>
<b>Total</b>	<u>742,575</u>	<u>45,571</u>	<u>1,214</u>	<u>789,360</u>
<b>Liabilities</b>				
Other liabilities and provisions	144,543	9,281	576	154,400
Deferred income and accruals	<u>14</u>	<u>0</u>	<u>0</u>	<u>14</u>
<b>Total</b>	<u>144,557</u>	<u>9,281</u>	<u>576</u>	<u>154,414</u>
<b>Net balance sheet assets</b>	<u>598,018</u>	<u>36,290</u>	<u>638</u>	<u>634,946</u>

(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.

The only interest-bearing items are represented by the amounts due from banks of CZK 585,537 thousand as at 31 December 2020 (2019: CZK 525,638 thousand), the residual maturity of which is less than 3 months.

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: 27 April 2021

GENERALI  
INVESTMENTS

(d) Liquidity Risk

The table below categorizes assets and liabilities of the Company into relevant maturity bands on the basis of the remaining period as at the balance sheet date to the contractual maturity date.

<u>31 December 2020</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	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	117,656	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>703,243</u>	<u>6,350</u>	<u>1,392</u>	<u>177,016</u>	<u>888,000</u>
<b>Liabilities</b>					
Other liabilities and provisions	200,402	0	0	0	200,402
Deferred income and accruals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u>200,402</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,402</u>
<b>Net assets</b>	<u>502,841</u>	<u>6,350</u>	<u>1,392</u>	<u>177,016</u>	<u>687,598</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: 27 April 2021

GENERALI  
INVESTMENTS

<u>31 December 2019</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	61	0	0	0	61
Due from banks	525,638	0	0	0	525,638
Shares, participation certificates and other holdings	0	0	0	83,924	83,924
Other assets	101,530	6,021	41,290	0	148,841
Deferred expenses and accrued income	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,896</u>	<u>30,896</u>
<b>Total</b>	<u>627,229</u>	<u>6,021</u>	<u>41,290</u>	<u>114,820</u>	<u>789,360</u>
<b>Liabilities</b>					
Other liabilities and provisions	154,400	0	0	0	154,400
Deferred income and accruals	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>14</u>
<b>Total</b>	<u>154,400</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>154,414</u>
<b>Net assets</b>	<u>472,829</u>	<u>6,021</u>	<u>41,290</u>	<u>114,806</u>	<u>634,946</u>

## 19 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 2020 and 2019.

## 20 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

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: 27 April 2021

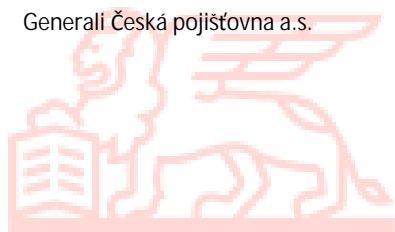
GENERALI  
INVESTMENTS

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.

## 21 RELATED PARTY TRANSACTIONS

### Administrative expenses

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Generali Shared Services	15,098	16,555
Generali CEE Holding B.V.	550	550
Generali Česká pojišťovna a.s.	1,328	1,884



GENERALI  
INVESTMENTS

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: 27 April 2021

GENERALI  
INVESTMENTS

## Other assets

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	634	657
Generali Fond globálních značek	9,069	7,406
Generali Fond zlatý	2,375	2,126
Generali Fond farmacie a biotechnologie	2,339	2,316
Generali Fond ropy a energetiky	2,681	2,942
Generali Fond korporátních dluhopisů	11,952	10,189
Generali Fond živé planety	1,062	732
Generali Fond balancovaný konzervativní	3,950	3,276
Generali Fond nových ekonomik	1,333	1,235
Generali Fond fondů dynamický	21	12
Generali Fond fondů vyvážený	17	11
Generali Fond nemovitostních akcií	2,769	2,708
Generali fond konzervativní	1,365	1,178
Generali Fond vyvážený dluhopisový	75	73
Generali Fond cílovaného výnosu	0	220
Generali Česká pojišťovna a.s.	5,057	4,181
Generali penzijní společnost, a.s.	16,137	7,845
Generali Romania Asigurare Reasigurare S.A.	773	720
Generali Poistovňa, a.s.	1,629	1,444
Česká pojišťovna ZDRAVÍ a.s.	15	51
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,489	1,386
Generali CEE Holding B.V.	1,813	1,426
GP Reinsurance EAD	2,323	2,260
Genertel Biztosító Zrt.	84	232
Európai Utazási Biztosító Zrt.	32	86
Generali Biztosító Zrt.	1,176	2,647
Generali Investments Holding S.p.A.	5,603	2,269
Generali Insurance AD	421	364
Generali Realitní fond	357	549
Generali Fond kreditního výnosu	0	273
Generali Życie Towarzystwa	239	220
Generali Investments Partners S.p.A	15,641	14,382
Assicurazioni Generali S.p.a.	5,540	2,230
Generali Fond realit	912	743
Generali Fond silné koruny	601	576
Generali Investments TFI	0	47
Pojišťovna Patricie a.s.	113	1,160

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: 27 April 2021

GENERALI  
 INVESTMENTS

## Fee and commission income

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Generali Česká pojišťovna a.s.	58,177	52,703
CZI Holdings N.V.	0	0
Česká pojišťovna Zdraví	319	617
Europai Utazási Biztosító Zrt.	443	505
Generali Zycie Towarzystwa Ubez	2,641	2,511
Generali Biztosító Zrt.	15,398	16,353
Generali Insurance AD	4,705	4,115
Generali Invest CEE Plc.	93,820	87,695
Generali Investments Partners	62,494	42,748
Generali Poistovna a.s.	18,739	16,664
Generali Patricie a.s.	3,789	16,077
Generali CEE Holding B.V.	7,028	5,829
Generali Romania	8,893	8,342
Generali Towarzystwa Ubezpie.	17,365	16,012
Genertel Biztosító Zrt.	978	879
GP Reinsurance EAD	26,098	24,942
Generali penzijní společnost, a.s.	132,434	87,086
Generali Investments TFI	396	279
Generali Investments d.o.o.	2,863	0

## Fee and commission expenses

	<u>31 December 2020</u>	<u>31 December 2019</u>
	In CZK thousands	In CZK thousands
Generali Česká pojišťovna a.s.	12,471	13,306
Generali Zycie Towarzystwa Ubez	1,499	2,805
Generali Poistovna a.s.	2,885	2,988
Pojišťovna Patricia a. s.	876	928
Generali Česká Distribuce a.s.	34,600	23,801



**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: 27 April 2021

GENERALI  
INVESTMENTS

## 22 SUBSEQUENT EVENTS

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 Fund 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 Fund'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 (for a detailed description of the change see Section 2r).

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

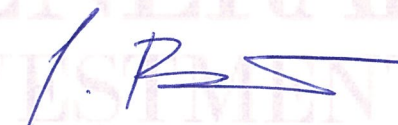

Date of preparation

Signature of the statutory representative

27 April 2021

Ing. Josef Beneš

Mgr. Martin Vít

## 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 Management 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 2020 amounted to CZK 364,317 thousand. The contribution to the GF OCP was calculated as 2% of the total of fees and commissions and an amount of CZK 7,286 thousand was credited to the Investor Compensation Fund via direct bank transfer on 22 January 2021.



GENERALI  
INVESTMENTS

INFORMATION ON CAPITAL AND CAPITAL REQUIREMENTS

Common Equity Tier 1 capital: instruments and reserves		At year-end	REFERENCE TO ARTICLE OF REGULATION (EU) NO. 575/2013
		(31/12/2020)	
1	Capital instruments and the related share premium		Article 26(1), Articles 27, 28, 29
	of which: instrument type No. 1	91,000	EBA list under Article 26(3)
	of which: instrument type No. 2		EBA list under Article 26(3)
	of which: instrument type No. 3		EBA list under Article 26(3)
2	Retained earnings	252,453	Article 26(1(c))
3	Accumulated other comprehensive income (and other reserves)		Article 26(1)
3a	Funds for general banking risk		Article 26(1(f))
4	The amount of qualifying items referred to in Article 484(3) and the associated share premium subject to phasing out from Common Equity Tier 1 capital		Article 486(2)
5	Minority interests (the amount allowable in consolidated Common Equity Tier 1 capital)		Article 84
5a	Independently verified interim profit reduced by foreseeable charges or dividends		Article 26(2)
6	Common Equity Tier 1 capital prior to normative adjustments	343,453	
Common Equity Tier 1 capital: normative adjustments			
7	Additional value adjustments (negative amount)		Articles 34, 105
8	Intangible assets (reduced by associated tax liabilities) (negative amount)	(55,250)	Article 36(1(b)), Article 37
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability, except for assets that arise from temporary differences (reduced by associated tax liabilities provided the conditions laid down in Article 38(3) are met (negative amount)		Article 36(1(c)), Article 38
11	Revaluation gains and losses from changes in fair value associated with gains or losses from cash flow hedges		Article 33(1(a))
12	Negative amounts that resulting from the calculation of expected loss amounts		Article 36(1(d)), Articles 40, 159
13	Increase in equity that results from securitised assets (negative amount)		Article 32(1)
14	Gains or losses on liabilities valued at fair value that result from changes in the own credit standing		Article 33(1(b))
15	Defined benefit pension fund assets (negative amount)		Article 36(1(e)), Article 41

16	Direct and indirect holdings by an institution of own Common Equity Tier 1 instruments (negative amount)		Article 36(1(f)), Article 42
17	Direct, indirect and synthetic holdings of the Common Equity Tier 1 instruments of financial sector entities where those entities have a reciprocal cross holding with the institution designed to inflate artificially the own funds of the institution (negative amount)		Article 36(1(g)), Article 44
18	Direct, indirect and synthetic holdings by the institution of Common Equity Tier 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article 36(1(h)), Articles 43, 45, 46, Article 49(2 and 3), Article 79
19	Direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article 36(1(i)), Articles 43, 45, 47, Article 48(1(b)), Article 49(1 to 3), Article 79
20	Empty set in the EU		
20a	The exposure amount of the following items which qualify for a risk weight of 1,250 %, where the institution deducts that exposure amount as an alternative		Article 36(1(k))
20b	of which: qualifying holdings outside the financial sector (negative amount)		Article 36(1(k), point i), Articles 89 to 91
20c	of which: securitisation positions (negative value)		Article 36(1(k), point ii), Article 243(1(b)), Article 244(1(b)), Article 258
20d	of which: free deliveries (negative amount))		Article 36(1(k), point iii), Article 379(3)
21	Deferred tax assets that arise from temporary differences (the aggregate amount exceeding the 10% threshold amount reduced by associated tax liabilities provided the conditions laid down in Article 38(3) are met (negative amount)		Article 36(1(c)), Article 38, Article 48(1(a))
22	The amount exceeding the 15% threshold amount (negative amount)		Article 48(1)
23	of which: direct and indirect holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities		Article 36(1(i)), Article 48(1(b))
24	Empty set in the EU		
25	Of which: deferred tax assets that arise from temporary differences		Article 36(1(c)), Article 38, Article 48(1(a))

25a	Losses for the current financial year (negative amount)		Article 36(1(a))
25b	Foreseeable tax charges relating to Common Equity Tier 1 capital (negative amount)		Article 36(1(l))
27	The amount of items deducted from Additional Tier 1 items that exceeds the Additional Tier 1 capital of the institution (negative amount)		Article 36(1(j))
28	Total normative adjustments of Common Equity Tier 1 capital	(55,250)	
29	Common Equity Tier 1 capital	288,202	
Additional tier 1 capital: instruments			
30	Capital instruments and the related share premium		Articles 51, 52
31	of which: qualified as equity according to applicable accounting standards		
32	of which: qualified as liabilities according to applicable accounting standards		
33	The amount of qualifying items referred to in Article 484(4) and the related share premium subject to phasing out from Additional Tier 1 capital		Article 486(3)
34	Qualifying Tier 1 capital included in consolidated Additional Tier 1 capital (including minority interests that are not listed in line 5) issued by subsidiaries and held by third parties		Articles 85, 86
35	of which: instruments issued by subsidiaries subject to phasing out		Article 486(3)
36	Additional Tier 1 capital prior to normative adjustments		
Additional tier 1 capital: normative adjustments			
37	Direct and indirect holdings by an institution of own Additional Tier 1 instruments (negative amount)		Article 52(1(b)), Article 56(a), Article 57
38	Direct, indirect and synthetic holdings of the Additional Tier 1 instruments of financial sector entities with which the institution has reciprocal cross holdings designed to inflate artificially the own funds of the institution (negative amount)		Article 56(b), Article 58
39	Direct, indirect and synthetic holdings of the Additional Tier 1 instruments of financial sector entities, where an institution does not have a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article 56(c), Articles 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the Additional Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (reduced by eligible short positions) (negative amount)		Article 56(d), Articles 59, 79

41	Empty set in the EU		
42	The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital of the institution (negative amount)		Article 56(e)
43	Total normative adjustments of Additional Tier 1 capital		
44	Additional Tier 1 capital		
45	Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital	288,202	
Tier 2 capital: instruments and items			
46	Capital instruments and the related share premium		Articles 62, 63
47	The amount of qualifying items referred to in Article 484(5) and the related share premium subject to phasing out from Tier 2 capital		Article 486(4)
48	Qualifying capital instruments included in consolidated Tier 2 capital (including minority interests and instruments included in Additional Tier 1 capital that are not listed in line 5 or line 34) issued by subsidiaries and held by third parties		Articles 87, 88
49	of which: instruments issued by subsidiaries subject to phasing out		Article 486(4)
50	Credit risk adjustments		Article 62(c) and (d)
51	Tier 2 capital prior to normative adjustments		
Tier 2 capital: normative adjustments			
52	Direct and indirect holdings by an institution of own Tier 2 instruments and subordinated loans (negative amount)		Article 63(b, point i) Article 66(a), Article 67
53	Holdings of the Tier 2 instruments and subordinated loans of financial sector entities with which the institution has reciprocal cross holdings designed to inflate artificially the own funds of the institution (negative amount)		Article 66(b), Article 68
54	Direct and indirect holdings of the Tier 2 instruments and subordinated loans of financial sector entities, where an institution does not have a significant investment in those entities (the aggregate amount exceeding the 10% threshold amount reduced by eligible short positions) (negative amount)		Article. 66(c), Articles 69, 70, 79
55	Direct and indirect holdings by the institution of the Tier 2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (reduced by eligible short positions) (negative amount)		Article 66(d), Articles 69, 79
56	Empty set in the EU		
57	Total Tier 2 normative adjustments		
58	Tier 2 capital		

59	Total capital = Tier 1 capital + Tier 2 capital	288,202	
60	Total risk-weighted assets		
Capital ratios and buffers			
61	Common Equity Tier 1 capital (expressed as a percentage of the total risk exposure amount)	27.53	Article 92(2(a))
62	Tier 1 capital (expressed as a percentage of the total risk exposure amount)	27.53	Article 92(2(b))
63	Total capital (expressed as a percentage of the total risk exposure amount)	27.53	Article 92(2(c))
64	Capital buffer requirements determined for specific institutions (Common Equity Tier 1 capital requirement laid down in Article 92 (1(a)), plus requirements of capital conservation buffer and countercyclical capital buffer, plus systemic risk buffer, plus systemically important institution buffer (expressed as a percentage of the total risk exposure amount)		Capital Requirements Directive, Articles 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement		
66	of which: countercyclical capital buffer requirement		
67	of which: systemic risk buffer requirement		
67a	of which: systemically important institution buffer (G-SVI) or other systemically important institution buffer (J-SVI)		
68	Common Equity Tier 1 capital available to meet the buffer requirements (expressed as a percentage of the total risk exposure amount)		Capital Requirements Directive, Article 128
69	[In EU Regulation non-relevant]		
70	[In EU Regulation non-relevant]		
71	[In EU Regulation non-relevant]		
Amounts below threshold amounts for deduction (prior to applying risk weights)			
72	Direct and indirect holdings by the institution of capital instruments of financial sector entities where the institution does not have a significant investment in those entities (the aggregate amount lower than the 10% threshold amount reduced by eligible short positions)		Article 36(1(h)), Articles 45, 46, Article 56(c), Articles 59, 60, Article 66(c), Articles 69, 70
73	Direct and indirect holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (the aggregate amount lower than the 10% threshold amount reduced by eligible short positions)		Article 36 (1(i)), Articles 45, 48
74	Empty set in the EU		
Applicable thresholds for inclusion of items in Tier 2 capital			



76	Credit risk adjustments included in Tier 2 capital with regard to exposure amounts where the Standardised Approach applies (prior to applying thresholds)		Article 62
77	Thresholds for inclusion credit risk adjustments in Tier 2 capital according to the Standardised Approach		Article 62
78	Credit risk adjustments included in Tier 2 capital with regard to exposure amounts where the internal rating approach applies (prior to applying thresholds)		Article 62
79	Thresholds for inclusion credit risk adjustments in Tier 2 capital according to the internal rating approach		Article 62
Capital instruments governed by the phase-out provisions (applicable only in the period from 1 January 2014 to 1 January 2022)			
80	Applicable limits for instruments included in Common Equity Tier 1 capital governed by the phase-out provisions		Article 484(3), Article 486(2 and 5)
81	Amounts excluded from Common Equity Tier 1 capital due to limits (the amount exceeding the limit reduced by redeemed instruments and past due instruments)		Article 484(3), Article 486(2 and 5)
82	Applicable limits for instruments included in Additional Tier 1 capital governed by the phase-out provisions		Article 484(4), Article 486(3 and 5)
83	Amounts excluded from Additional Tier 1 capital due to limits (the amount exceeding the limit reduced by redeemed instruments and past due instruments)		Article 484(4), Article 486(3 and 5)
84	Applicable limits for instruments included in Tier 2 capital governed by the phase-out provisions		Article 484(5), Article 486(4 and 5)
85	Amounts excluded from Tier 2 capital due to limits (the amount exceeding the limit reduced by redeemed instruments and past due instruments)		Article 484(5), Article 486(4 and 5)



Information on capital and capital requirements		Decree No. 163/2014 Coll., Annex 14
Information valid as at	31/ 12/ 2020	
Information on capital and capital requirements pursuant to Article 438(c to f) of Regulation (EU) No. 575/2013 is disclosed		Article 1(b))
Exposures to central governments or central banks		Article 438(c) of Regulation (EU) No. 575/2013 EU
Exposures to regional governments or local authorities		
Exposures to public sector entities		
Exposures to multilateral development banks		
Exposures to international organizations		
Exposures to institutions	310,266	
Exposures to corporates		
Retail exposures		
Exposures secured by mortgages or immovable property		
Exposures in default		
Exposures associated with particularly high risk		
Exposures in the form of covered bonds		
Items representing securitisation positions		
Exposures to institutions and corporates with a short-term credit assessment		
Exposures in the form of units and shares in collective investment undertakings	85,914	
Equity exposures		
Other items	119,930	
Position risk		Article 438(e) of Regulation (EU) No. 575/2013 EU
Large exposures exceeding the limits specified in Articles 395 to 401, to the extent an institution is permitted to exceed those limits		
Foreign-exchange risk	2,960	
Settlement risk		
Commodities risk		Article 438(f) of Regulation (EU) No. 575/2013 EU
Capital requirements in accordance with Title III, Chapter 2 of Regulation (EU) No. 575/2013 EU		
Capital requirements in accordance with Title III, Chapter 3 of Regulation (EU) No. 575/2013 EU		
Capital requirements in accordance with Title III, Chapter 4 of Regulation (EU) No. 575/2013 EU		Article 438(d) of Regulation (EU) No. 575/2013 EU
Exposures to central governments or central banks		
Exposures to institutions		
Exposures to corporates		
Retail exposures		
Equity exposures		
Items representing securitisation positions		
Other non-credit obligation assets		
Exchange traded exposures		

Private equity exposures in sufficiently diversified portfolios, and other exposures		
Exposures subject to supervisory transition regarding own funds requirements		
Exposures subject to grandfathering provisions regarding own funds requirements		
Each of the approaches provided in Article 155 of Regulation (EU) No. 2013/575/EU		

Capital ratios		Decree No. 163/2014 Coll., Annex 14
Information valid as at	31/ 12/ 2020	
in %	At year-end	
Capital ratio for Common Equity Tier 1 capital	27.53	Article 2(a))
Capital ratio for Tier 1 capital	27.53	
Capital ratio for total capital	27.53	
Capital ratio for Tier 1 capital		Article 2(b))
Capital ratio for total capital		

Ratio indicators		Decree No. 163/2014 Coll., Annex 10
(In CZK thousands / in %)	31/ 12/ 2020	
Debt ratio I (total debt without clients' assets/assets without clients' assets)	16.51%	Article 5(i))
Debt ratio II (total debt without clients' assets/equity)	21.32%	
Return on average assets (ROAA, assets without clients' assets)	40.97%	
Return on average equity Tier 1 (ROAE)	115.05%	
Return on sales (profit after taxes/income from investment services)	37.19%	
Administrative expenses per employee	2,316.25	

## 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 2020 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 Board of Directors' Vice-Chair Martin Vít: details about the office of the Vice-Chair of the Board of Directors and member of the Board of Directors were recorded on 1 January 2020 (mandate recommencement).

2) Changes in the Supervisory Board section – member of the Supervisory Board:

- In respect of the Supervisory Board Chair Santo Borsellino – details on chairmanship and membership in the Supervisory Board were deleted on 16 June 2020. On 16 June 2020 the office of the Chair of the Supervisory Board and member of the Supervisory Board was recorded in accordance with the sole shareholder's decision (mandate recommencement) as of 1 January 2020 (date of the Supervisory Board membership) and as of 24 April 2020 (date of appointment to the Chair of the Supervisory Board position).
- In respect of the Supervisory Board member Carlo Schiavetto – details on membership in the Supervisory Board were deleted on 16 June 2020. On 16 June 2020 the office of the member of the Supervisory Board was recorded in accordance with the sole shareholder's decision (mandate recommencement) as of 1 January 2020.
- In respect of the Supervisory Board member Alexandre Lepere – details on membership in the Supervisory Board were deleted on 16 June 2020 with effect from 1 January 2020.
- In respect of the Supervisory Board member Gregor Pilgram – details on membership in the Supervisory Board were deleted on 8 December 2020 with effect from 31 August 2020.
- In respect of the Supervisory Board member Antonella Maier – details on membership in the Supervisory Board were recorded in accordance with the sole shareholder's decision on 8 December 2020 with effect from 1 September 2020.

3) Changes in the Supervisory Board section – number of members of the Supervisory Board:

- On 16 June 2020, the number of members of the Supervisory Board was adjusted from 5 to 4.

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)
- 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)
- 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)
- 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, from 13 February 2020 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)

(hereinafter the “Standard Funds”)

Special collective investment funds:

- Fond zlatý, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (from 13 February 2020 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)
- Dluhopisový zajištěný otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474020) - the fund ceased to exist as at 30 June 2020

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

- Fond cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889) – the fund was terminated in accordance with its Statute as at 31 March 2020 and the winding up of the fund continues
- 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)
- 15. Zajištěný fond kvalifikovaných investorů, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008473840) – the fund ceased to exist as at 8 September 2020
- Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474988) – the fund ceased to exist as at 10 September 2020
- Realitní fond, otevřený podílový fond kvalifikovaných investorů Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008475316)

(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, is included in the list maintained by the Czech National Bank pursuant to Section 597, Letter (d) of ICIFA (hereinafter 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
- Oil and Energy Industry Fund, Generali Invest CEE plc
- New Economies Fund, Generali Invest CEE plc
- Commodity Fund, Generali Invest CEE plc
- Emerging Europe Fund, Generali Invest CEE plc

As at 16 December 2020, the Oil and Energy Industry Fund, Generali Invest CEE plc (merged sub-fund) and Commodity Fund, Generali Invest CEE plc (successor sub-fund) sub-funds were

merged. As at the same date, the name of the successor sub-fund was changed to 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

Ing. Josef Beneš	Chairman of the Board of Directors; member of the Board of Directors as of 1 January 2014, Chairman of the Board of Directors as of 6 January 2015
Mgr. Martin Vít	Vice-Chair of the Board of Directors; member of the Board of Directors as of 1 January 2015, Vice-Chair of the Board of Directors as of 6 January 2015
Bc. Martin Brož	Member of the Board of Directors as of 1 January 2016
Ing. Michal Toufar	Member of the Board of Directors as of 16 May 2016

Description of experience and qualifications of Board of Directors members

Ing. 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 01/2016 operating under the name ČP INVEST investiční společnost, a.s.), CEO and Chairman of the Board of Directors

Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 ČSOB Asset Management, a.s., investiční společnost, member of the Board of Directors
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

Mgr. Martin Vít

Education: Charles University, Faculty of Law, Prague

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

Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

2002 – 2004 Patria Asset Management, a.s., Head of the Legal Department

Bc. 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

Ing. 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



Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

Work experience:

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 Board of Directors (since 05/2016), Chief Portfolio Manager (since 06/2015)
2004 – 2015	Generali Investments CEE, 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 as of 1 January 2015, Chairman of the Supervisory Board as of 18 April 2015
Gregor Pilgram	Member of the Supervisory Board; member of the Supervisory Board as of 1 February 2014 until 31 August 2020
Carlo Schiavetto	Member of the Supervisory Board; member of the Supervisory Board as of 1 January 2015
Alexandre Lepere	Member of the Supervisory Board; member of the Supervisory Board as of 1 January 2015 until 1 January 2020,
Francesco Sola	Member of the Supervisory Board; member of the Supervisory Board as of 1 January 2015
Antonella Maier	Member of the Supervisory Board; member of the Supervisory Board as of 1 September 2020 until 1 September 2020

Description of experience and qualifications of Supervisory Board members:

Santo Borsellino

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

Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 10/2015 Chairman of the Supervisory Board
01 – 12/2015	Generali Investments CEE, a.s., Czech Republic, since 01/2015 member of the Supervisory Board and since 10/2015 Chairman of the Supervisory Board
2013 – to date	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, Itálie, Analyst and Portfolio Manager
2005 – 2006	Credit Suisse, United Kingdom, Vice-President - Equity Research Insurance Team
2004 – 2005	Urwick Capital Llp, United Kingdom, Partner
1999 – 2004	Lehman Brothers International, United Kingdom, Analyst - Equity Research
1995 – 1997	Rolofinance (Unicredito Italiano Group), Italy, Financial Analyst

- outside the Czech Republic (relevant in 2020):

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.

Gregor Pilgram

Education:                      Wirtschaftsuniversitaet Vienna, Austria, Master of Business Administration

Work experience:

- in the Czech Republic

02/2014 – 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, Chairman of the Supervisory Board and since 10/2015 member of the Supervisory Board
from 10/2014	Česká pojišťovna, a.s., Czech Republic, member of the Supervisory Board

Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

from 04/2015                      Generali Pojišťovna, a.s., Czech Republic, member of the Supervisory Board

- *outside the Czech Republic (relevant in 2020):*

Chairman of the Board of Directors of ADRIATIC SLOVENICA Zavarovalna družba d.d., Slovenia (from 30 September 2019 – to 3 January 2020), Generali Versicherung AG, Austria (from 1 May 2020)

Member of the Board of Directors in Akcionarsko društvo za osiguranje Generali Osiguranje, Montenegro (until 19 June 2020) and Generali CEE Holding B.V., the Netherlands (until 20 June 2020)

Vice-Chair of the Supervisory Board in the following companies: Generali Towarzystwo Ubezpieczeń S.A., Poland (until 25 June 2020), Generali Życie Towarzystwo Ubezpieczeń S.A., Poland (until 25 June 2020), Generali Versicherung AG, Austria (until 15 April 2020) and BAWAG PSK Versicherung AG, Austria (from 23 June 2020).

Member of the Supervisory Board in the following companies: Genertel Biztosító Zrt., Hungary (until 15 November 2020), Generali Biztosító Zrt., Hungary (until 31 October 2020), Generali Poistovňa, a.s., Slovakia (until 2 July 2020), Generali Beteiligungverwaltung GmbH, Austria (until 5 June 2020), GENERALI INVESTMENTS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH SPÓŁKA AKCYJNA Poland (from 18 June 2019 to 14 June 2020), Generali Investments, družba za upravljanje, d.o.o, Slovenia, Pojišťovna Patricie a.s., Czech Republic (until 29 February 2020), Generali Česká pojišťovna a.s., Czech Republic (until 31 August 2020), Generali Bank, Austria (from 23 June 2020) and FK Austria Wien, Austria (from 22 October 2020)

Chairman of the Supervisory Boards in the following companies: Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd, Serbia, Generali Osiguranje d.d., Croatia, Generali Finance Sp. z o.o., Poland (until 25 June 2020), Generali Zavarovalnica d.d., Slovenia and Europäische Reiseversicherung Aktiengesellschaft, Austria (from 23 June 2020)

Chief Distribution Officer of Generali CEE Holding B.V., the Netherlands/Czech Republic

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  
11/2013 – 12/2015              Generali Investments CEE, a.s., Czech Republic, member of the Supervisory Board

- *outside the Czech Republic (relevant in 2020):*

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

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

Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

Member of the Supervisory Board in the following companies: Generali Towarzystwo Ubezpieczeń S.A., Poland, Generali Žycie Towarzystwo Ubezpieczeń S.A., Poland, Genertel Biztosító Zrt., Hungary and Generali Osiguranje d.d., Croatia  
Chairman of the Supervisory Board of GP Reinsurance EAD, Bulgaria

Head of Controlling Department in Generali CEE Holding B.V., the Netherlands/Czech Republic

Chief Finance Officer Generali CEE Holding B.V., the Netherlands/Czech Republic

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 Securita (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:

02/2019	Sycomore Factory SAS, member of the Board of Directors
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
01/2015 – 12/2015	Generali Investments CEE, a.s., Czech Republic, member of the Supervisory Board
2014 – to date	Generali Group - Group Investment Management, Head of Group Investment Governance
2006 – 2014	Deloitte, Italy, Enterprise Risk Services, Partner
2004 – 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

Work experience:

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

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 portfolio managers of Generali Investments CEE, investiční společnost, a.s., authorized to administer the foregoing funds listed under article (b):

Ing. Daniel Kukačka

Education:

1987 – 1993

Czech Technical University, majored in Technical Cybernetics

1995

Broker exam

Work experience:

01/2016 – 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)

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

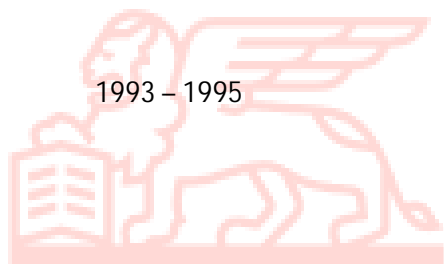
Martin Pecka

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



Mgr. 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:

01/2016 – to date	Generali Investments CEE, investiční společnost, a.s., Head of Fund Portfolio Management
12/2014 – 12/2015	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

Generali Investments CEE, investiční společnost, a.s.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

02/2005 – 05/2006 PPF Asset Management a.s., Portfolio Specialist  
Administration

- outside the Czech Republic (relevant in 2020):

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

Ing. Marco Marinucci

Education:

2008 – 2014

University in Terst - Faculty of Economics

2019

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

- 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.

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 authorized

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 authorized 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. This company is included in the consolidated group of the parent company.

- 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 2020, there were no Securities Financing Transactions and Total Return Swaps.



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

1. Research and development activities

In 2020, 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 risk-

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 remuneration disclosure is as follows:

Average number of employees	115
Fixed remuneration	60,133
Variable remuneration	31,442
Social security and health insurance	39,698

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



Average number of employees	9
Fixed remuneration	36,830
Variable remuneration	13,864
Social security and health insurance	7,404

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

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 Fund 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 Fund’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.

### Information on the Company’s projected development in 2021

In 2021, the Company will continue to manage investment funds with the objective of maximizing 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.

