



ANNUAL REPORT 2019

Generali Investments CEE,
investiční společnost, a.s.

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 2019, 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 2019, 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

24 April 2020
Prague, Czech Republic

REPORT OF THE BOARD OF DIRECTORS

Dear Ladies and Gentlemen,

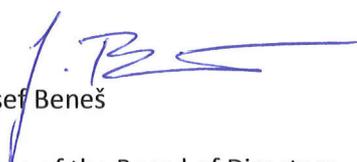
After a period affected by stricter regulation and considerable volatility of the financial and investment markets, the year 2019 yielded above-average results and will be recorded in the Company's history as a period of excellent fund performance. Equity markets experienced strong and almost continuous growth. Thus, last year confirmed our assumption that the world economy entered the year in good shape. A lot of our clients achieved substantial above-average returns. While equities were particularly successful, bond titles also achieved significant returns.

We achieved positive performance with both conservative and dynamic funds, mainly thanks to good administration of the entrusted assets and effective risk management. I believe that last year, investors especially appreciated the performance of funds whose investment strategy comes from our Czech workshop. In the Generali Corporate Bonds Fund, we appreciated our clients' funds by 4.66%; the Generali Global Brands Fund achieved an attractive appreciation of 23.41%. The Generali Living Planet Fund also recorded an extraordinary year, earning excellent 28.63% for its clients last year.

The entire world, including the Czech Republic, is currently undergoing a pandemic that fundamentally affects not only the life of each individual but, obviously, also the market development. In this situation, the health of our employees and clients is our priority; nevertheless, we continue to give maximum care and attention to investments and do everything we can to best respond to this unexpected development.

Generali Investments has long been committed to social responsibility and, besides investing activities, has always been involved in charity work; helping people has been an integral part of our work and both the above activities are conditional on each other. We actively cooperate with a number of foundations helping disabled or socially disadvantaged fellow citizens, and with the project "Běhej lesy" (Run forests), which focuses on environmental education. Last year, we supported a number of social and educational projects from our profits - and this year will be no different; under the impact of the pandemic, help will be needed more than ever. In March, we decided to support the new Senior Support Fund established by Výbor dobré vůle - Nadace Olgy Havlové (Goodwill Committee – The Olga Havlová Foundation) with an initial donation of 1.5 million crowns. Existence of the Senior Support Fund is restricted to the period of the emergency measures adopted by the Czech Government. The programme aims to support outreach especially focused on seniors, so that they do not stay isolated without food, medicines and medical aids.

We are the largest investment company on the Czech market and our performance has an impact on a large number of institutional and retail clients, i.e. companies and households. We acknowledge our responsibility and believe that we will jointly be able to successfully overcome the difficult situation we are facing this spring.



Ing. Josef Beneš
Chairman of the Board of Directors

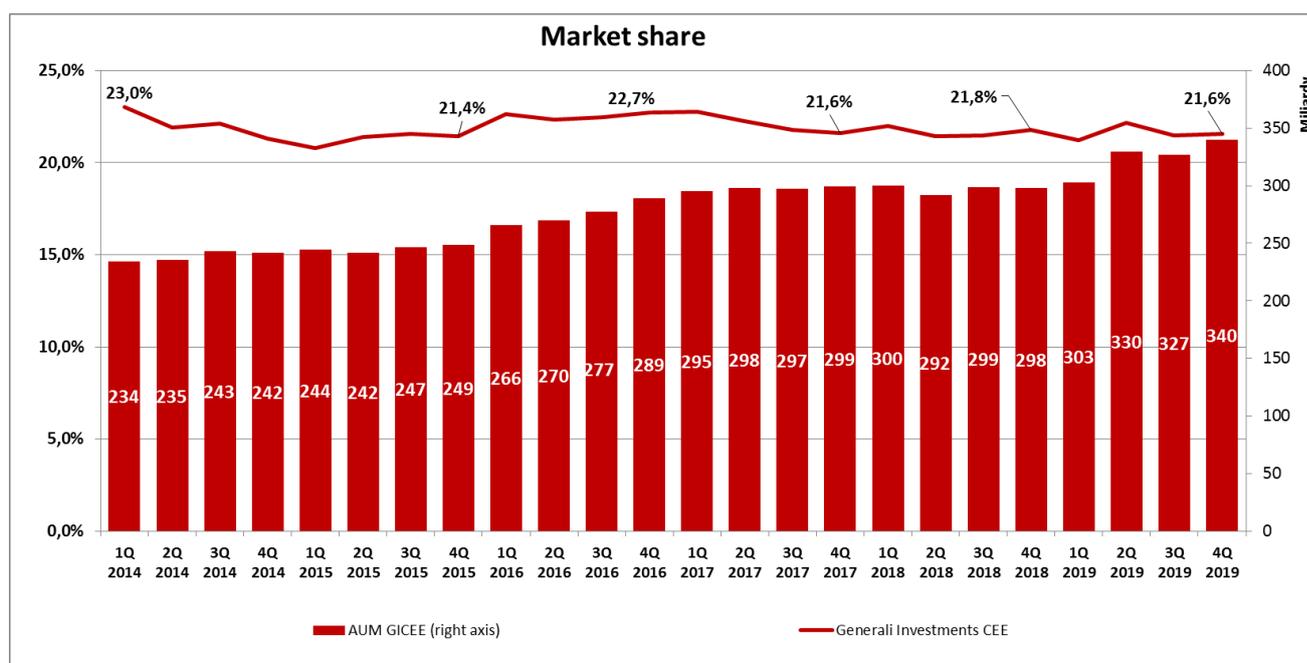
ABOUT THE COMPANY

Generali Investments CEE, investiční společnost, a.s., (hereinafter referred to as “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 current data of the Czech Capital Market Association, it is the largest investment company operating in the Czech market with the value of assets under management exceeding CZK 340 billion (as at 31 December 2019).

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. Due to its strong analytical background, the Company is able to provide professional services in the field of asset management especially to municipalities, foundations and institutional investors, including mostly insurance and reinsurance companies and pension funds.

The basic offer for individual investors consists of the Czech mutual funds of Generali Investments CEE in CZK and the Irish investment funds of Generali Invest CEE plc 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 almost 71,000 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. The ambition of Generali is to be a partner that accompanies its clients throughout their life offering them innovative and personalized solutions through an unparalleled business network.



ECONOMIC SITUATION AND FINANCIAL MARKETS DEVELOPMENT

The year 2019 was marked by a significant slowdown in the growth of the world economy. Economic growth slowed in both the euro area and the US, as well as in many developing economies, including China. The uncertainties associated with the trade wars, the unresolved Brexit situation and other geopolitical risks have had a negative impact on international trade and companies' investment spending. In many cases, the Central European region maintained robust GDP growth (Hungary, Poland). The growth of the Czech economy, as measured by the GDP indicator, slowed down to 2.4% due to weaker growth in domestic demand, especially investment expenditure. Owing to weaker growth in the main export markets, the dynamics of exports slowed as well, and the overall contribution of foreign trade to GDP growth in the Czech Republic was slightly negative in 2019.

The domestic economy continued to operate above its long-term potential last year. Production capacities were fully utilized, unemployment fell to record lows and wages continued to grow soundly. Annual inflation rose above 3% in 2019. This led the CNB to further tighten the monetary policy: interest rates increased by a quarter of a percentage point last May (two-week repo rate to 2.00%); the same step was repeated by the central bank at the beginning of February this year, raising the repo rate to 2.25%.

Česká republika - přehled makroekonomického vývoje				
		2017	2018	2019 (E)
HDP	(reálný růst)	4.5%	2.8%	2.4%
CPI	(roční průměr)	2.5%	2.1%	2.8%
Reálná mzda	(roční průměr)	4.2%	5.3%	4.2%
Fiskální saldo	(vs. HDP)	1.6%	1.1%	0.3%
Běžný účet PB	(vs. HDP)	1.7%	0.3%	0.0%
ČNB repo sazba	(konec roku)	0.50%	1.75%	2.00%
EUR/CZK	(roční průměr)	26.33	25.64	25.67

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

Picture:

Czech Republic – overview of macroeconomic development

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)

Source: CNB; CSÚ; Generali Investments CEE, investiční společnost, a.s.

Early this year, the Czech economy was still sending some positive signals; with the coronavirus pandemic, however, it hit a breakpoint that will have a significant adverse effect on business, at least in the spring months. In 2020, a general decline of the Czech Republic's GDP is to be expected, which is likely to be more pronounced than in 2009, when the Czech economy fell by 4.7% due to the global financial crisis. If the pandemic is brought under control this spring, the second half of the year should be marked by certain economic recovery that should also continue in 2021. Yet the situation still remains uncertain despite

the Government's efforts to boost Czech economy with financial support and relieves, and despite the loosening of the CNB policy. In mid-March, the CNB lowered the repo rate by half a percentage point, i.e. to 1.75%, and took further steps to guarantee sufficient liquidity in the domestic banking sector and the economy in general. Further softening of the monetary policy in the coming weeks and months, including a decline in CNB interest rates, is very likely.

Central European currencies remain under a strong influence of the developments on global financial markets. For most of the first three quarters of 2019, geopolitical risks had a negative impact on regional currencies. The ease of concerns about uncontrolled Brexit, combined with a positive shift in US-China trade negotiations, however, has led to improved sentiment since last September, which has been reflected, among other things, in the Czech currency. In the last quarter, the local currency appreciated as the CZK exchange rate to the euro fell below 25.50, and the trend continued in early 2020. After the February interest rate hike, the CZK strengthened as the EUR/CZK exchange rate fell below 25.

The year 2019 was marked by softening of the monetary policy in both the USA and the euro area in reaction to the threatening slowdown of economic growth and, in the case of the ECB, as a result of continuing absence of domestic inflationary pressures. The US Central Bank (FED) lowered its key rate three times last year, always by a quarter of a percentage point, down to 1.50-1.75%. The ECB lowered the deposit rate by 10 basis points, to -0.50% (the main refinancing rate remained unchanged at 0.00%) and resumed the bond purchase program. In March 2020, in response to the effects of coronavirus, the monetary policy was eased across the world, including a significant reduction of the FED's interest rates (up to 0.00-0.25%) and the announcement by the ECB of a massive bond buying programme.

In this environment, government bond yields weakened last year: the 10Y German government bond yield fell from 0.25% (end of 2018) to -0.20% (December 2019). Government bond performance was positive in both developed economies and emerging markets. In addition, the softening of the monetary policy and the low-yield government bond environment had a positive effect on risk assets. In 2019, both stock markets and credit instruments showed a highly positive performance at the global level. In the first quarter of 2020, however, the uncertainties and restrictions associated with the coronavirus led to a significantly negative performance of risk assets, while government bond yields fell and their prices grew: especially in the USA, but also in Germany.

Regarding the Czech financial market, government bond yields fell down last year: the ten-year yield fell from 1.95% to 1.60%; the performance of stock was positive. Equity indices headed down in the first quarter. The evolution of Czech government bond yields was varied as the softening of the monetary policy was hindered, on the one hand, by the rise in risk aversion on global markets, and also the probability of higher government debt issue in connection with the prospect of an increased budget deficit. The adverse pressures

on the domestic government bond market should nevertheless be dampened as the CNB gets the opportunity to buy Czech government bonds to its portfolio.

Similarly to other Central European currencies, the Czech crown depreciated in response to the risks associated with coronavirus. At the end of March, the Czech currency traded slightly below 28 CZK/EUR. This reaction is fairly natural, but the CNB has indicated that a significant depreciation of the Czech crown is undesirable for domestic companies and that, if necessary, it is ready to intervene on the foreign exchange market in order to prevent further depreciation of the Czech currency.



GENERALI
INVESTMENTS

PRODUCT INNOVATIONS

The year 2019 was successful not only in terms of the excellent performance of the funds managed by GICEE, but also thanks to the new products offered to investors in 2019.

In the first quarter of 2019, the Generali Strong Czech Koruna Fund was launched. It is a 100% guaranteed fund that is built on the potential of strengthening of the Czech crown against the euro and offers investors a yield of up to 3% per annum for each year of the fund's existence subject to the fulfilment of predefined conditions relating to the strengthening of the CZK exchange rate. The total volume of funds invested by investors at the end of the accumulation period, i.e. as at 31 May 2019, amounted to CZK 684 million.

The second innovation in 2019 was the Generali Real Estate Fund. It was the first real estate fund for the general public ever launched by the Generali Group in the Czech Republic, although the Company has had many years of experience in the real estate sector - thanks to both the Group's real estate fund (Generali Real Estate Fund CEE) and the real estate fund for qualified investors already in existence for two years.

Through investing in this fund, the investor gets an opportunity to earn money from rental income and long-term growth of the market value of real estate. The fund does not rely on a single property but distributes the risk by investing in multiple real estate projects. Generali Real Estate Fund primarily targets real estate in the Czech Republic and the European Union. The investments take the form of acquisitions of interests in real estate companies, in the capital city of Prague and in major regional cities in the Czech Republic. The fund focuses on investments in residential buildings, shopping centers, office buildings, land and other types of real estate.

CORPORATE SOCIAL RESPONSIBILITY

Generali Investments CEE perceives corporate social responsibility as one of its priorities. Supporting activities that will benefit the society as a whole is 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 the topics in more detail below.

Helping those in need, cooperating with foundations and the Charles University

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

We encourage our employees to engage in activities that are closely related to social responsibility. As an employer, we provide them with “Voluntary Days”, i.e. days off that are specifically reserved for charitable purposes. The 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 they can sign up through the www.zapojimse.cz portal, that offers various opportunities for volunteering.

Through voluntary “markets” that take place e.g. at Christmas or Easter, employees may contribute to aids for physically handicapped people by purchasing products or small items and thus support a particular person through their financial contribution.

Our support also goes to fresh graduates who find themselves on the labor market after finishing their studies and need to start their career, as well as students who want to be involved in the activities of our Company already during their studies.

We specifically support:

Výbor dobré vůle – Nadace Olgy Havlové
(Committee of Good Will – Olga Havlova 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 the people with disabilities, abandoned children, the sick and the elderly.

Denní stacionář AKORD



(AKORD Day-care 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 regular assistance of another person in the areas of self-care, personality development and advocacy of their rights and interests.

Nadace Leontinka



(Leontinka Foundation)

Assistance provided to vision-impaired children and young people 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 centers for these people.

Dětské centrum Paprsek



(Paprsek Center for Children with Special Needs)

The mission of the center is to enable families taking care of children with disabilities and special needs to live life that is as close as possible to the life of any other family with young children. The center helps these children to be integrated into everyday life and the society. The aim of the services is 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 in order to fulfil the patients' needs.

Donation to Charles University

We support the Center for the Study of Political Philosophy, Ethics and Religion of the Department of Philosophy and Religious Studies, Faculty of Arts, Charles University; the main goal of the Center 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 the community



The Human Safety Net (THSN) is Generali's new flagship community initiative. The main idea behind the THSN project is "a chain of people helping people", where those who receive help may one day help someone else. 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.
- 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; they shape what a child will achieve in school, their health, and their future career path.
- 3) The last area of focus of the THSN project is on assistance to refugees, helping them with social integration in the new environment and start-up of their own businesses.

We care about the environment:

The Generali Group is actively involved in corporate social responsibility and environmental protection, also in UN-sponsored activities. Already 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 so as to reflect the changes in the Group and the recent developments in the Company.

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

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

Since 2018, we have become the general partner of the project “Běhej lesy” (Run forests), an outdoor race series. In addition to sports activities for adults and children, the project promotes “green” topics and environmental protection.

We take care of our employees

We value our employees and strive to make their work for Generali Investments CEE as comfortable 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 personal and professional development of our employees and pay special attention to talent search and support programmes at international, or even the Group level.

In an effort to promote the harmonization of personal and professional life of 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 whole 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.

Transparent behavior and integrity

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

The 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 conduct 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 must act pursuing the Group's interests.
- We condemn and combat all forms of bribery and corruption.
- Customer satisfaction is a key factor of our business strategic view.
- We recognize the vital importance of free competition in increasing business opportunities and performance.
- We ensure fairness, transparency and straightforwardness in the relationships with our suppliers.
- We take measures to prevent improper use of inside 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 at contributing to economic and social development based on the respect for fundamental human and labour rights and the protection of the environment. The Group promotes a culture of sustainability throughout its spheres of influence, specifically among its employees, customers and suppliers.

Responsible investments

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 CSR principles 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 the 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 has in its portfolio exclusively securities of companies focused on the "green economy". These are companies that have a positive attitude to climate change, behave in an environmentally friendly manner and observe social responsibility principles, in such areas as water treatment, ecological controlling, recycling, organic food, alternative energy sources, 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 2019 to 31 December 2019

REPORT ON RELATED PARTIES FOR THE 2019 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 2019 (hereinafter the "Reporting Period"). The related parties are listed in the Annex to this Report.

II. The structure of relations between the related parties, the 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/amen dment	Detriment to Company
Acredité s.r.o., IC: 25600958	Cooperation and services agreement	1/11/2016	Postal services brokering		None
Česká pojišťovna, a.s., IC: 45272956 (from 21 December 2019 under the name of Generali Česká pojišťovna a.s.)	Agreement on Assignment of a Part of Receivable	1/12/2014	Receivable from a sales representative		None
	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
	Insurance Policies	20/4/2008	Car fleet insurance starting 1 May 2008		None
	ISDA Master Agreement	15/8/2007	Financial market transactions		None
	Agreement on Assignment of Rights and Assumption of Obligations (relating to the Agreement on the Provision of Operational Support for IT Technologies dated 1 March 2010 concluded with Generali Development s.r.o.)	28/6/2015	IT agreement		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)	30/6/2017	Management of entrusted assets	Replaced with Investment Management Agreement of 25 February 2019	None
Amendment No. 1 to IMA	25/5/2018			None
Investment Management Agreement (IMA)	25/2/2019	Management of entrusted assets		None
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	18/6/2014	Maintaining confidentiality in providing IT technology-related information		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)	25/4/2017	Sub-lease of business premises		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
	Master Agreement on Cost Sharing in Performance of Significant Operations	1/1/2017	Sharing of costs of performance of significant operations		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
	Loyalty Bonus Agreement	1/5/2017	Loyalty bonus		None
	Amendment No. 1 to Loyalty Bonus Agreement of 26 March 2012	28/6/2017	Loyalty bonus		None
	Insurance Policy	1/1/2019		Replaced with insurance contract of 31 December 2019	None

<p>Česká pojišťovna a.s. (from 21 December 2019 under the name of Generali Česká pojišťovna a.s.), Generali CEE Holding B.V., Generali Pojišťovna a.s. (from 21 December 2019 under the name of Pojišťovna Patricie a.s.), FINHAUS a.s. (from 12 November 2018 under the name of Generali Distribuce a.s.), Penzijní společnost České pojišťovny a.s., Česká pojišťovna ZDRAVÍ a.s., Direct Care s.r.o., ČP Distribuce s.r.o. (from 1 January 2018 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>
<p>Česká pojišťovna ZDRAVÍ a.s., IC: 49240749</p>	<p>Investment Management Agreement (IMA)</p>	<p>8/11/2017</p>	<p>Management of entrusted assets</p>		<p>None</p>
	<p>Amendment No. 1 to IMA</p>	<p>15/11/2018</p>			<p>None</p>
	<p>Amendment No. 2 to IMA</p>	<p>4/12/2019</p>			<p>None</p>

ČP Distribuce, a.s. IC: 44795084 (formerly ČP Distribuce, s.r.o., before that Generali Development s.r.o.)	Contract for Assignment of and Amendment to the Agreement (Sales Representation Agreement)	27/4/2017	Distribution of funds' securities		None
	Amendment No. 3 to the Sales Representation Agreement	30/6/2017			None
	Amendment No. 4 to the Sales Representation Agreement	15/9/2017			None
	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
Direct Care s.r.o. (formerly Generali Care s.r.o.), IC: 26416549	Sales Representation Agreement	4/1/2016	Distribution of funds' securities	Replaced with Agreement on Sales Representation of 3 January 2018	None
	Amendment No. 1 to Sales Representation Agreement	27/6/2016			None
	Notification No. 1 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	26/1/2017			None
	Notification No. 2 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	15/9/2017			None

	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None
	Amendment No. 1 to Sales Representation Agreement	25/5/2018			None
	Master Agreement on Cost Sharing	2/1/2018	Sharing of costs of performance of significant operations		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
Generali Distribuce a.s. (formerly FINHAUS a.s., before that Generali Services, a.s. and before that Generali PPF Services a.s.), IC: 27108562	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	26/8/2016	Distribution of funds' securities	Replaced with Agreement on Sales Representation of 3 January 2018	None
	Notification No. 1 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	26/1/2017			None
	Notification No. 2 on Supplementation of Commission and Bonus Terms and Conditions to Sales Representation Agreement (new fund)	15/9/2017			None
	Agreement on Sales Representation	3/1/2018	Distribution of funds' securities		None

	Amendment No. 1 to Sales Representation Agreement	25/5/2018			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
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
Generali CEE Holding B.V. organizační složka (formerly Generali PPF Holding B.V., org. složka), IC: 28239652	Investment Management Agreement (IMA)	1/6/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			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
Generali Insurance AD (Bulgaria)	Investment Management Agreement	13/6/2017	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/5/2018			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, IC: 35709332	Investment Management Agreement (IMA)	28/12/2017			None
	Amendment No. 1 to IMA	25/5/2018			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			None

	Amendment No. 1 to Loyalty Bonus Agreement	20/11/2017	Remuneration for the distribution of funds' securities		None
Generali Pojišťovna a.s., IC: 61859869 (from 21 December 2019 under the name of Pojišťovna Patricie a.s.)	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
	Amendment No. 13 to Asset Management Agreement	31/12/2013			None
	Amendment No. 14 to Asset Management Agreement	11/5/2015			None
	Amendment No. 15 to Asset Management Agreement	21/9/2015			None
	Amendment No. 16 to Asset Management Agreement	31/12/2015			None
	Amendment No. 17 to Asset Management Agreement	1/6/2017			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
	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
	Change to Contract for Car Fleet Insurance (Annex)	29/3/2017			None
	Insurance Policy (vehicle insurance)	26/4/2017			None
	Amendment to Insurance Policy (vehicle insurance)	3/3/2016			None
	Insurance Policy (vehicle insurance)	29/6/2016			None
	Insurance Policy (vehicle insurance)	29/6/2016			None
Generali Real Estate Fund CEE a.s., investiční fond (formerly ČP INVEST Realitní uzavřený fond a.s.), IC: 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
	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

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
Generali Towarzystwo Ubezpieczen S.A. (Poland)	Investment Management Agreement	7/2/2018	Management of entrusted assets		None
	Amendment No. 1 to IMA	25/6/2018			None
Generali Shared Services Czech Branch, organizační složka (formerly Generali Infrastructure Services Czech Branch, organizační složka), IC: 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
	License 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 License Transfer (Team Viewer)	1/1/2016	Assignment of rights to the given software with the preservation of the right of use		None

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
Genertel 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
GP REINSURANCE EAD (Bulgaria)	Investment Management Agreement (IMA)	23/10/2017	Management of entrusted assets - GDPR		None
	Amendment No. 1 to IMA	25/5/2018			None
Penzijní společnost České pojišťovny, a.s., IC: 61858692	Investment Management Agreement (IMA)	12/2/2018	Management of entrusted assets	Replaced with Investment Management Agreement – IMA of 28 March 2019	None
	Amendment No. 1 to IMA	25/5/2018			
	Investment Management Agreement (IMA)	28/3/2019	Management of entrusted assets		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

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), IC: 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

Relations between Related Parties are disclosed in the Notes to the Financial Statements for the year ended 31 December 2019.

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. In 2019, 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.

VI. Final representation

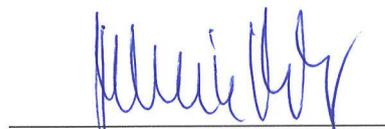
The Report on Related Parties was prepared by the Board of Directors on 31 March 2020 and was submitted to the auditor performing an audit of the Financial Statements.

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, 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 2020



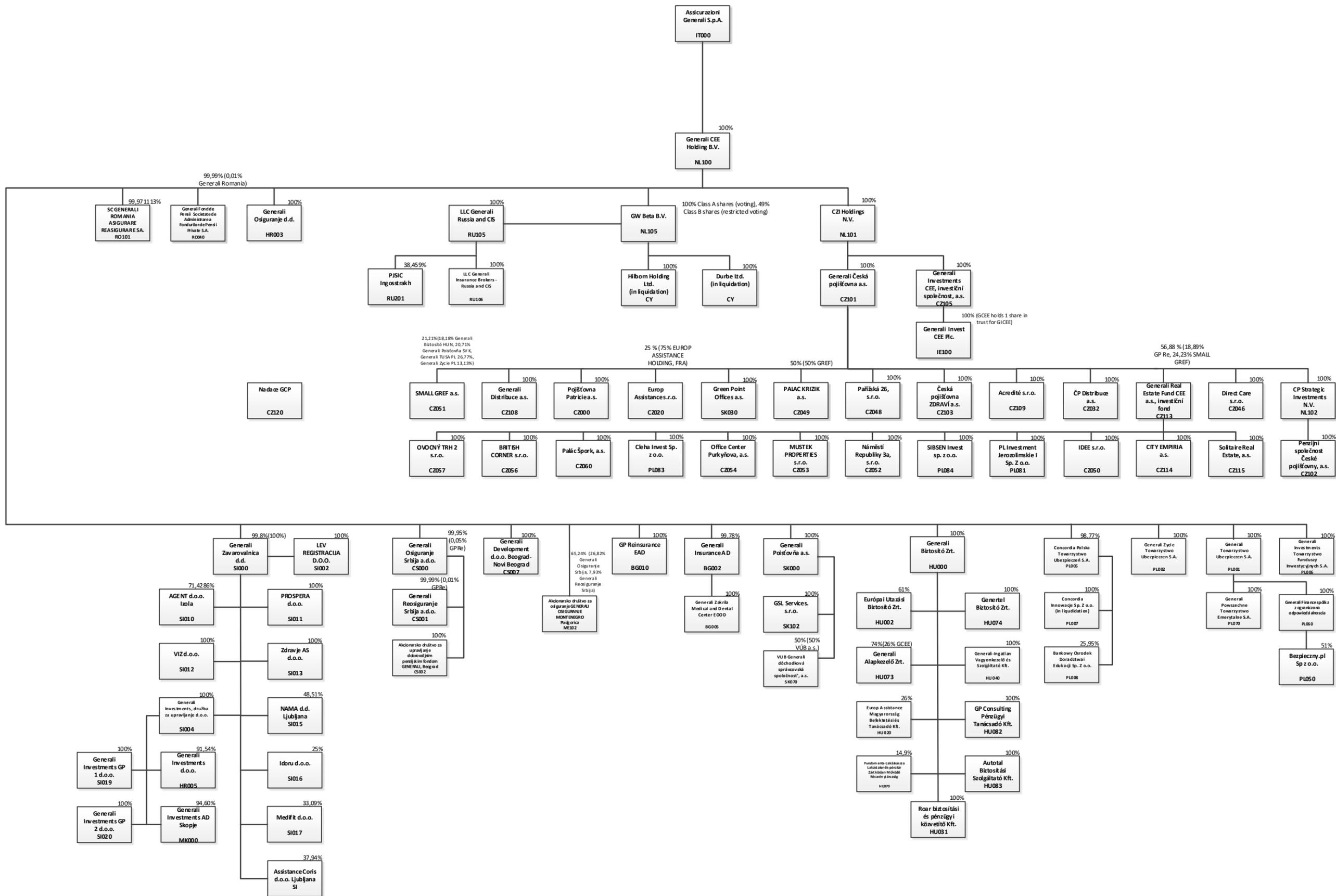
Ing. Josef Beneš
Chairman of the Board of Directors
Generali Investments CEE,
investiční společnost, a.s.



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 2019:

Generali CEE Holding B.V. - structure as of 3.1.2020





Generali Investments CEE, investiční společnost, a.s.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



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: 24 April 2020

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

<u>Assets:</u>	<u>Note:</u>	<u>31 December 2019</u> In CZK thousands	<u>31 December 2018</u> In CZK thousands
Cash on hand		61	23
Due from banks	3	525,638	492,833
Of which: a) repayable on demand		144,083	222,924
b) other receivables		381,555	269,909
Shares, participation certificates and other holdings	4	83,924	80,190
Intangible fixed assets	5	34,400	28,380
Tangible fixed assets	5	5,942	7,926
Other assets	6	108,499	81,178
Deferred expenses and accrued income	7	<u>38,896</u>	<u>38,904</u>
 Total assets		 <u>789,360</u>	 <u>729,434</u>
 <u>Equity and liabilities:</u>			
Other liabilities	8	110,527	107,330
Deferred income and accruals		14	79
Provisions	10	43,873	37,517
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	225,732
Profit for the period	9	<u>290,923</u>	<u>267,206</u>
 Total equity and liabilities		 <u>789,360</u>	 <u>729,434</u>

**OFF-BALANCE SHEET
AS AT 31 DECEMBER 2019**

<u>Off-balance sheet liabilities</u>	<u>Note:</u>	<u>31 December 2019</u> In CZK thousands	<u>31 December 2018</u> In CZK thousands
Assets received for management from third parties	17	<u>321,716,498</u>	<u>304,988,840</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: 24 April 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>Note:</u>	<u>2019</u> In CZK thousands	<u>2018</u> In CZK thousands
Interest and similar income		4,923	2,462
Interest and similar expenses		(204)	(132)
Fee and commission income	11	825,893	776,758
Fee and commission expenses	12	(177,476)	(183,883)
Gain or loss from financial transactions	13	1,250	(1,579)
Other operating income		9,193	821
Other operating expenses	14	(7,979)	(7,456)
Administrative expenses	15	(275,130)	(246,446)
Of which: a) staff costs		(179,275)	(163,924)
Of which: aa) wages and salaries		(132,529)	(121,928)
ab) social and health insurance		(37,938)	(34,576)
b) other administrative expenses		(95,855)	(82,522)
Depreciation and amortization	5	(13,161)	(10,721)
Additions to/use of other provisions	10	(6,356)	1,115
Profit or loss on ordinary activities for the period before tax		<u>360,953</u>	<u>330,939</u>
Income tax	16	(70,030)	(63,733)
Profit or loss for the period after tax	9	<u>290,923</u>	<u>267,206</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 24 April 2020

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<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 2017	<u>91,000</u>	<u>0</u>	<u>570</u>	<u>0</u>	<u>466,286</u>	<u>557,856</u>
Net profit for the period	0	0	0	0	267,206	267,206
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>(240,554)</u>	<u>(240,554)</u>
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 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>

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>2019</u>	<u>2018</u>
	In CZK	In CZK
	thousands	thousands
<u>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</u>	<u>492,855</u>	<u>447,244</u>
Profit or loss on ordinary activities before tax	360,954	330,939
Adjustment to reconcile profit before tax to net operating cash flows	9,813	16,099
Depreciation/amortization of fixed assets and write-off of adjustment to acquired property	13,161	10,721
Change in allowances, provisions	6,355	(1,115)
Gain on sale of fixed assets	0	(686)
Income from revaluation of participation certificates	(3,734)	6,344
Interest expense, net of capitalized interest, and interest income	(4,719)	2,330
Other adjustments comprising non-monetary transactions	(1,250)	(1,495)
<u>Net cash flows from operating activities before tax, changes in working capital and extraordinary items</u>	<u>370,767</u>	<u>347,038</u>
Change in non-cash components of working capital	(16,586)	23,771
Changes in other assets and deferred expenses and accrued income	(19,718)	25,212
Changes in other liabilities and accruals and deferred income	3,132	(1,497)
Change in shares, participation certificates and other holdings	0	56
<u>Net cash flows from operating activities before tax and extraordinary items</u>	<u>354,181</u>	<u>370,809</u>
Interest expense, net of capitalized interest, and interest income	(204)	
Interest paid and received and similar income / expenses	4,923	2,330
Tax paid on income from ordinary activities and additionally assessed tax for previous periods	(64,449)	(70,153)
<u>Net cash flows from operating activities</u>	<u>294,452</u>	<u>302,986</u>
Acquisition of fixed assets	(21,123)	(17,563)
Proceeds from sale of fixed assets	0	743
<u>Net cash provided by (used in) investing activities</u>	<u>(21,123)</u>	<u>(16,820)</u>
Dividends paid to shareholders	(240,485)	(240,554)
<u>Net cash provided by (used in) financing activities</u>	<u>(240,485)</u>	<u>(240,554)</u>
<u>Net increase (decrease) in cash</u>	<u>32,843</u>	<u>45,612</u>
<u>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</u>	<u>525,698</u>	<u>492,856</u>

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1 GENERAL INFORMATION

Generali Investments CEE, investiční společnost, a.s. ("the Company" or "GICEE")
(from 26 January 2001 to 31 December 2015 operating under the name

ČP INVEST investiční společnost, a.s., until 26 January 2001 under the name KIS a.s.
kapitálová investiční společnost České pojišťovny) was established on 19 November 1991.

With effect from 1 January 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 1101BH Amsterdam, De entree 91, the Netherlands (until February 2019 registered office at: 1112XN Diemen, Diemerhof 32, 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.

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

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

Pursuant to Act No. 240/2013 Coll., on investment companies and investment funds, 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 2019 were as follows:

Board of Directors

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

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Supervisory Board

Chair	Santo Borsellino
Member	Gregor Pilgram
Member	Carlo Schiavetto
Member	Alexandre Lepere
Member	Francesco Sola

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.

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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.

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 the Czech National Bank 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.

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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.

(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.

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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.

(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 management and administration of assets and for advisory services are recognized on an accrual basis pursuant to contracts for provision of such services.

(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.

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(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.

(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.

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

(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 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.

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(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.

(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.

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3 DUE FROM BANKS

	<u>31 December 2019</u> In CZK thousands	<u>31 December 2018</u> In CZK thousands
Current accounts with banks	<u>525,638</u>	<u>492,833</u>

Amounts due from banks are payable upon demand, except term deposits of CZK 299,826 thousand, which were due on 6 January 2020 (2018: CZK 269,908 thousand).

4 SHARES, PARTICIPATION CERTIFICATES AND OTHER HOLDINGS

	<u>31 December 2019</u> In CZK thousands	<u>31 December 2018</u> In CZK thousands
Participation certificates in GICEE funds	<u>83,924</u>	<u>80,190</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>

As at 31 December 2018, the Company held the participation certificates in the following funds:

	<u>31 December 2018</u> In CZK thousands
Generali Fond konzervativní	<u>10,009</u>
Generali Fond vyvážený dluhopisový	<u>50,290</u>
Generali Fond balancovaný konzervativní	<u>9,854</u>
Generali Fond korporátních dluhopisů	<u>10,037</u>
Total	<u>80,190</u>

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5 TANGIBLE AND INTANGIBLE FIXED ASSETS

Intangible fixed assets

	<u>Software</u>	<u>Other</u>	<u>Assets under construction</u>	<u>Total</u>
	In CZK thousands	In CZK thousands	In CZK thousands	In CZK thousands
As at 1 January 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>

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5 TANGIBLE AND INTANGIBLE FIXED ASSETS (cont.)

Intangible fixed assets

	<u>Software</u> In CZK thousands	<u>Other</u> In CZK thousands	<u>Assets under construction</u> In CZK thousands	<u>Total</u> In CZK thousands
Net book value				
As at 1 January 2018				
Cost	55,794	157	0	55,951
Accumulated amortization	<u>(36,337)</u>	<u>(157)</u>	<u>0</u>	<u>(36,494)</u>
Net book value	<u>19,457</u>	<u>0</u>	<u>0</u>	<u>19,457</u>
Year ended 31 December 2018				
Opening net book value	19,457	0	0	19,457
Additions	17,039	0	392	17,431
Disposals – cost	0	0	0	0
Disposals – accumulated amortization	0	0	0	0
Amortization	<u>(8,508)</u>	<u>0</u>	<u>0</u>	<u>(8,508)</u>
Closing net book value	<u>27,988</u>	<u>0</u>	<u>392</u>	<u>28,380</u>
As at 31 December 2018				
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>28,380</u>

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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>

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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 2018				
Cost	11,067	87	531	11,685
Accumulated depreciation	<u>(4,986)</u>	<u>(87)</u>	<u>(405)</u>	<u>(5,478)</u>
Net book value	<u>6,081</u>	<u>0</u>	<u>126</u>	<u>6,207</u>
Year ended 31 December 2018				
Opening net book value	6,081	0	126	6,207
Additions	3,625	363	0	3,988
Disposals – cost	(3,381)	0	(40)	(3,421)
Disposals – accumulated depreciation	3,324	0	40	3,364
Depreciation	<u>(2,182)</u>	<u>(30)</u>	<u>0</u>	<u>(2,212)</u>
Closing net book value	<u>7,467</u>	<u>333</u>	<u>126</u>	<u>7,926</u>
As at 31 December 2018				
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>

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Depreciation / amortization of fixed assets

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Depreciation of tangible fixed assets	2,335	2,213
Amortization of intangible fixed assets	10,826	8,508
Total	<u>13,161</u>	<u>10,721</u>

6 OTHER ASSETS

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Trade receivables	81,319	60,667
Receivable from Generali Invest plc.	8,473	7,256
Other receivables	12,686	6,828
Deferred tax asset (Note 16)	<u>6,021</u>	<u>6,427</u>
Total	108,499	81,178
Allowances for impairment losses	<u>0</u>	<u>0</u>
Total, net	<u>108,499</u>	<u>81,178</u>

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

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	657	547
Fond globálních značek otevřený podílový fond	7,406	5,879
Zlatý otevřený podílový fond	2,126	1,814
Fond farmacie a biotechnologie otevřený podílový fond	2,316	2,197
Fond ropného a energetického průmyslu otevřený podílový fond	2,942	2,738
Fond korporátních dluhopisů otevřený podílový fond	10,189	9,671
Fond živé planety otevřený podílový fond	732	595
Fond balancovaný konzervativní otevřený podílový fond	3,276	2,797
Fond nových ekonomik otevřený podílový fond	1,235	1,029
Dynamický fond fondů	12	15
Vyvážený fond fondů	11	13
Fond nemovitostních akcií otevřený podílový fond	2,708	2,445
Konzervativní otevřený podílový fond	1,178	605
15. Zajištěný fond kvalifikovaných investorů	0	3
Vyvážený dluhopisový fond	73	71
Fond cílovaného výnosu	220	216
Generali Česká pojišťovna a.s.	4,181	4,686
Penzijní společnost České pojišťovny, a.s.	7,845	6,919
Generali Romania Asigurare Reasigurare S.A.	720	702
Generali Poistovňa, a.s.	1,444	1,348
Pojišťovna Patricie a.s.	0	1,426
Česká pojišťovna ZDRAVÍ a.s.	51	53
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,386	1,322
Generali CEE Holding B.V.	1,426	1,202
GP Reinsurance EAD	2,260	2,026
Genertel Biztosító Zrt.	232	66
Európai Utazási Biztosító Zrt.	86	43
Generali Biztosító Zrt.	2,647	1,391
Generali Investments Holding S.p.A.	2,269	2,197
Generali Insurance AD	364	322
Realitní fond, otevřený podílový fond kvalifikovaných investorů	549	529
Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů	273	261
Generali Życie Towarzystwa	220	216
Generali Investments Partners S.p.A	14,382	4,068
Assicurazioni Generali S.p.A.	2,230	0
Fond realit, otevřený podílový fond	743	0
Fond silné koruny, otevřený podílový fond	576	0
Generali Investments TFI S.A.	47	0
Pojišťovna Patricie a.s.	1,160	0
Total	<u>80,172</u>	<u>59,402</u>

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7 DEFERRED EXPENSES AND ACCRUED INCOME

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Accrued commissions	25,555	32,139
Other deferred expenses/accrued income	<u>5,341</u>	<u>6,765</u>
Total	<u>30,896</u>	<u>38,904</u>

8 OTHER LIABILITIES

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Due to state budget	8,617	2,434
Estimated payables	13,961	10,015
Liabilities to employees	10,603	6,803
Liabilities from social security and health insurance	3,429	2,846
Liabilities from commissions	503	473
Other operating liabilities (incl. liabilities to funds)	<u>73,413</u>	<u>84,759</u>
Total	<u>110,527</u>	<u>107,330</u>

As at 31 December 2019 and 2018, 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.

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9 EQUITY AND PROFIT DISTRIBUTION

Share capital

31 December 2018 and 2019

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 (until February 2019 registered office at: 1112XN Diemen, Diemerhof 32, the Netherlands), is the Company's sole shareholder; the Company is included in the consolidated group of the parent company.

Profit distribution

The Company's Board of Directors proposed a distribution of net profit of CZK 290,923 thousand for 2019 as follows: CZK 290,923 thousand will be paid in the form of a dividend to shareholders.

In April 2019, the Annual General Meeting approved the following distribution of the Company's net profit of CZK 267,206 thousand for 2018:

2019

In CZK thousands

Distribution of dividends	240,485
Retained earnings	<u>26,721</u>
Net profit for 2018	<u>267,206</u>

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10 PROVISIONS

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

Provisions	Balance as at 31/ 12/ 2017	Additions	Deductions	Balance as at 31/ 12/ 2018
Other	38,632	37,517	(38,632)	37,517

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

In 2018 and in 2019 provisions mainly included provisions recognized for employee bonuses, while the remaining portion comprised income tax provisions.

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>2019</u> In CZK thousands	<u>2018</u> In CZK thousands
Fees for management of assets of mutual funds	481,058	451,567
Income from participation certificates – front-end and back-end sales loads	45,234	64,716
Asset management	255,758	250,995
Consultancy	<u>43,843</u>	<u>9,480</u>
Total	<u>825,893</u>	<u>776,758</u>

All the fee and commission income was generated in the Czech Republic in 2018 and 2019.

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12 FEE AND COMMISSION EXPENSES

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Commissions to agents	173,663	180,011
Bank fees	<u>3,813</u>	<u>3,872</u>
Total	<u>177,476</u>	<u>183,883</u>

13 GAIN OR LOSS FROM FINANCIAL TRANSACTIONS

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Securities	3,734	1,151
Foreign exchange differences	<u>(2,484)</u>	<u>(2,730)</u>
Total	<u>1,250</u>	<u>(1,579)</u>

Distribution of gain or loss from financial transactions by geographical area

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Czech Republic	1,477	(3,627)
EU	(190)	2,092
USA	(20)	(31)
Other	(18)	(13)
Total	<u>1,250</u>	<u>(1,579)</u>

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14 OTHER OPERATING EXPENSES

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Other operating expenses	<u>7,979</u>	<u>7,456</u>
Total	<u>7,979</u>	<u>7,456</u>

Other operating expenses in 2019 include, in particular, a contribution to the Investor Compensation Fund of CZK 5,992 thousand (2018: CZK 5,209 thousand), donations to non-profit organizations of CZK 928 thousand (2018: CZK 1,103 thousand), property insurance of CZK 338 thousand (2018: CZK 360 thousand) and contractual and other fines of CZK 136 thousand (2018: CZK 257 thousand).

15 ADMINISTRATIVE EXPENSES

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Staff costs	179,275	163,924
Other administrative expenses	<u>95,855</u>	<u>82,522</u>
Total	<u>275,130</u>	<u>246,446</u>

Staff costs can be broken down as follows:

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Wages and bonuses to members of the Board of Directors	23,512	20,882
Bonuses to members of the Supervisory Board	0	0
Other wages, personnel costs and bonuses to employees	117,824	108,466
Social security and health insurance	<u>37,938</u>	<u>34,576</u>
Total	<u>179,275</u>	<u>163,924</u>

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<u>Employee statistics</u>	<u>2019</u>	<u>2018</u>
Average number of employees	118	116
Number of members of the Board of Directors	4	4
Number of members of the Supervisory Board	5	5

Other administrative expenses consist of the following items:

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Fees for services received from group companies	18,990	12,488
Rent	8,187	7,962
Advertising and promotion	10,867	9,244
Audit fee - statutory audit (incl. VAT)	1,511	1,476
Other	<u>56,300</u>	<u>51,352</u>
Total	<u>95,855</u>	<u>82,522</u>

As at 31 December 2019, the item Other includes, in particular, the costs of software services of CZK 16,999 thousand (2018: CZK 12,720 thousand), postage fees of CZK 1,144 thousand (2018: CZK 2,134 thousand), legal advice of CZK 1,452 thousand (2018: CZK 7,716 thousand), other advisory services of CZK 1,266 thousand (2018: CZK 1,307 thousand), costs of foreign infosystems (Reuters, Bloomberg, etc.) of CZK 12,123 thousand (2018: CZK 9,943 thousand), Professional Services of CZK 10,205 thousand (2018: CZK 7,981 thousand).

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

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Generali Shared Services fees	16,555	10,048
Internal audit outsourcing – Generali Česká pojišťovna a.s.	1,884	1,890
Fees for services of Generali CEE Holding B.V.	<u>550</u>	<u>550</u>

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Total	<u>18,990</u>	<u>12,488</u>
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16 INCOME TAX

The tax expense includes:

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Tax expense payable	69,373	62,420
Deferred tax expense / (-) income	406	602
Adjustment of prior year tax expense and other taxes	<u>251</u>	<u>711</u>
Total tax expense	<u>70,030</u>	<u>63,733</u>

Income tax payable was calculated as follows:

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Profit before taxes	360,953	330,939
Non-taxable income	(39,037)	(38,745)
Non-deductible expenses	65,437	52,720
Other adjustments to the tax base	(22,231)	(16,386)
Tax base	365,122	328,528
Corporate income tax at 19%	<u>69,373</u>	<u>62,420</u>

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

	<u>31 December 2019</u>	<u>31 December 2018</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	(2,315)	(872)
Provisions	8,336	7,299
Total	<u>6,021</u>	<u>6,427</u>

17 ASSETS RECEIVED FOR MANAGEMENT FROM THIRD PARTIES

As at 31 December 2019, the Company managed 16 collective investment funds, 11 foreign investment funds and 4 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)
- 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)

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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 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)
- 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)

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 the Czech National Bank pursuant to Section 597 (d) of Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended, (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
- 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

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

As at 31 December 2018, the Company managed 14 collective investment funds, 11 foreign investment funds and 4 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 – 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)

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)

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- 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 the Czech National Bank pursuant to Section 597 (d) of Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended, (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 the portfolio of 17 clients under asset management as at 31 December 2018.

	<u>2019</u>	<u>2018</u>
	In CZK thousands	In CZK thousands
Total managed assets as at 31 December	321,716,498	304,988,840
Total income from asset management	736,816	702,562

In 2019 and in 2018 an annual income of the Company from the fee for managing the mutual funds' assets shall not exceed 3% of the average annual value of net assets, calculated as an average of net asset values as at the last day of each calendar month. The actual amount of the fee (in %) is determined in advance by the Company's Board of Directors and can be obtained at all outlets as well as at the registered office of the Company.

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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.

(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 2019</u>	<u>Czech Republic</u>	<u>Slovakia</u>	<u>Poland</u>	<u>Total</u>
	<u>In CZK thousands</u>	<u>In CZK thousands</u>	<u>In CZK thousands</u>	<u>In CZK thousands</u>
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>
<u>31 December 2018</u>	<u>Czech Republic</u>	<u>Slovakia</u>	<u>Poland</u>	<u>Total</u>
	<u>In CZK thousands</u>	<u>In CZK thousands</u>	<u>In CZK thousands</u>	<u>In CZK thousands</u>
Assets				
Cash on hand	23	0	0	23
Due from banks	492,833	0	0	492,833
Shares, participation certificates and other holdings	80,190	0	0	80,190
Other assets	117,484	0	0	117,484
Deferred expenses and accrued income	38,904	0	0	38,904
<u>Total assets</u>	<u>729,434</u>	<u>0</u>	<u>0</u>	<u>729,434</u>

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(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 2019</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	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>
Total	<u>742,575</u>	<u>45,571</u>	<u>1,214</u>	<u>789,360</u>
Liabilities				
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>
Total	<u>144,557</u>	<u>9,281</u>	<u>576</u>	<u>154,414</u>
Net balance sheet assets	<u>598,018</u>	<u>36,290</u>	<u>638</u>	<u>634,946</u>

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<u>31 December 2018</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
Assets				
Cash on hand	9	13	1	23
Due from banks	479,354	11,526	1953	492,833
Shares, participation certificates and other holdings	80,190	0	0	80,190
Other assets	102,169	15,315	0	117,484
Deferred expenses and accrued income	<u>37,565</u>	<u>1,339</u>	<u>0</u>	<u>38,904</u>
Total	<u>699,287</u>	<u>28,193</u>	<u>1,954</u>	<u>729,434</u>
Liabilities				
Other liabilities and provisions	137,014	7,225	608	144,847
Deferred income and accruals	<u>79</u>	<u>0</u>	<u>0</u>	<u>79</u>
Total	<u>137,093</u>	<u>7,225</u>	<u>608</u>	<u>144,926</u>
Net balance sheet assets	<u>562,194</u>	<u>20,968</u>	<u>1,346</u>	<u>584,508</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 525,638 thousand as at 31 December 2019 (2018: CZK 492,833 thousand), the residual maturity of which is less than 3 months.

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(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 2019</u>	Within <u>3 months</u> In CZK thousands	3 - 12 <u>months</u> In CZK thousands	<u>1 - 5 years</u> In CZK thousands	Not <u>specified</u> In CZK thousands	<u>Total</u> In CZK thousands
Assets					
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>
Total	<u>627,229</u>	<u>6,021</u>	<u>41,290</u>	<u>114,820</u>	<u>789,360</u>
Liabilities					
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>
Total	<u>154,400</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>154,414</u>
Net assets	<u>472,829</u>	<u>6,021</u>	<u>41,290</u>	<u>114,806</u>	<u>634,946</u>

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<u>31 December 2018</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
Assets					
Cash on hand	23	0	0	0	23
Due from banks	492,833	0	0	0	492,833
Shares, participation certificates and other holdings	0	0	0	80,190	80,190
Other assets	73,843	6,427	37,214	0	117,484
Deferred expenses and accrued income	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,904</u>	<u>38,904</u>
Total	<u>566,697</u>	<u>6,427</u>	<u>37,214</u>	<u>119,094</u>	<u>729,434</u>
Liabilities					
Other liabilities and provisions	144,847	0	0	0	144,847
Deferred income and accruals	<u>0</u>	<u>0</u>	<u>0</u>	<u>79</u>	<u>79</u>
Total	<u>144,847</u>	<u>0</u>	<u>0</u>	<u>79</u>	<u>144,926</u>
Net assets	<u>421,850</u>	<u>6,427</u>	<u>37,214</u>	<u>119,015</u>	<u>584,508</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 2019 and 2018.

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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 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 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Generali Shared Services	16,555	10,048
Generali CEE Holding B.V.	550	550
Generali Česká pojišťovna a.s.	1,884	1,890



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Other assets

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Generali Real Estate Fund CEE a.s., investiční fond	657	547
Fond globálních značek otevřený podílový fond	7,406	5,879
Zlatý otevřený podílový fond	2,126	1,814
Fond farmacie a biotechnologie otevřený podílový fond	2,316	2,197
Fond ropného a energetického průmyslu otevřený podílový fond	2,942	2,738
Fond korporátních dluhopisů otevřený podílový fond	10,189	9,671
Fond živé planety otevřený podílový fond	732	595
Fond balancovaný konzervativní otevřený podílový fond	3,276	2,797
Fond nových ekonomik otevřený podílový fond	1,235	1,029
Dynamický fond fondů	12	15
Vyvážený fond fondů	11	13
Fond nemovitostních akcií otevřený podílový fond	2,708	2,445
Konzervativní otevřený podílový fond	1,178	605
15. Zajištěný fond kvalifikovaných investorů	0	3
Vyvážený dluhopisový fond	73	71
Fond cílovaného výnosu	220	216
Generali Česká pojišťovna a.s.	4,181	4,686
Penzijní společnost České pojišťovny, a.s.	7,845	6,919
Generali Romania Asigurare Reasigurare S.A.	720	702
Generali Poistovňa, a.s.	1,444	1,348
Pojišťovna Patricie a.s.	0	1,426
Česká pojišťovna ZDRAVÍ a.s.	51	53
GENERALI TOWARZYSTWO UBEZPIECZEŃ S.A.	1,386	1,322
Generali CEE Holding B.V.	1,426	1,202
GP Reinsurance EAD	2,260	2,026
Genertel Biztosító Zrt.	232	66
Európai Utazási Biztosító Zrt.	86	43
Generali Biztosító Zrt.	2,647	1,391
Generali Investments Holding S.p.A.	2,269	2,197
Generali Insurance AD	364	322
Realitní fond, otevřený podílový fond kvalifikovaných investorů	549	529
Fond kreditního výnosu, otevřený podílový fond kvalifikovaných investorů	273	261
Generali Życie Towarzystwa	220	216
Generali Investments Partners S.p.A	14,382	4,068
Assicurazioni Generali S.p.a.	2,230	0
Fond realit, otevřený podílový fond	743	0
Fond silné koruny, otevřený podílový fond	576	0
Generali Investments TFI	47	0
Pojišťovna Patricie a.s.	1,160	0

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Fee and commission income

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Generali Česká pojišťovna a.s.	52,703	56,699
CZI Holdings N.V.	0	0
Česká pojišťovna Zdraví	617	586
Europai Utazási Biztosító Zrt.	505	485
Generali Zycie Towarzystwa Ubez	2511	3,043
Generali Biztosító Zrt.	16,353	16,674
Generali Insurance AD	4,115	3,655
Generali Invest CEE Plc.	87,695	81,150
Generali Investments Europe S.	0	4,724
Generali Investments Partners	42,748	4,068
Generali Poistovna a.s.	16,664	15,839
Generali Patricie a.s.	16,077	17,165
Generali CEE Holding B.V.	5,829	6,677
Generali Romania	8,342	8,408
Generali Towarzystwa Ubezpie.	16,012	15,341
Genertel Biztosító Zrt.	879	760
GP Reinsurance EAD	24,942	24,171
Penzijní společnost České pojišťovny, a.s.	87,086	79,490
Generali Investments TFI	279	0

Fee and commission expenses

	<u>31 December 2019</u>	<u>31 December 2018</u>
	In CZK thousands	In CZK thousands
Generali Česká pojišťovna a.s.	13,306	12,427
Generali Zycie Towarzystwa Ubez	2,805	2,895
Generali Poistovna a.s.	2,988	3,089
Pojišťovna Patricie a. s.	928	937
ČP Distribuce	23,791	26,950
Direct Care s.r.o.	2,961	2,776
Generali Distribuce	10	0

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22 SUBSEQUENT EVENTS

In late 2019, reports of COVID-19 (coronavirus) 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.

The Company's management closely monitors the situation and looks for ways to minimize the impact of this pandemic on the Company's operations and employees.

The Company will include any negative effects or losses in its accounting and financial statements in 2020.

Management of the Company considered the potential impact of COVID-19 on its activities and concluded it did not have a significant effect on the going concern assumption. Accordingly, the financial statements for the year ended 31 December 2019 were prepared on the assumption that the Company would be able to continue as a going concern.

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

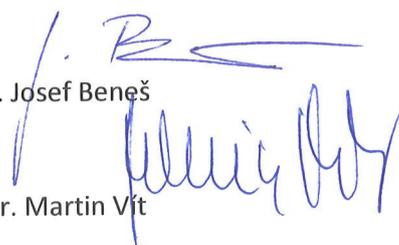
Date of preparation

24 April 2020

Signature of the statutory representative

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 2019 amounted to CZK 299,601 thousand. The contribution to the GF OCP was calculated as 2% of the total of fees and commissions and an amount of CZK 5,992 thousand was credited to the Investor Compensation Fund via direct bank transfer on 11 February 2020.



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INFORMATION ON CAPITAL AND CAPITAL REQUIREMENTS

Common Equity Tier 1 capital: instruments and reserves		At year-end (31/12/2019)	REFERENCE TO ARTICLE OF REGULATION (EU) NO. 575/2013
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)	(34,400)	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	Fair value reserves related to gains or losses on 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 amount)		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	(34,400)	
29	Common Equity Tier 1 capital	309,053	
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	309,053	
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	309,053	
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)	33.76	Article 92(2(a))
62	Tier 1 capital (expressed as a percentage of the total risk exposure amount)	33.76	Article 92(2(b))
63	Total capital (expressed as a percentage of the total risk exposure amount)	33.76	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	31/12/2019	
Information on capital and capital requirements pursuant to Article 438(c to f) of Regulation (EU) No. 575/2013 is disclosed		Point 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	277,608	
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	83,924	
Equity exposures		
Other items	109,691	
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	3,527	
Settlement risk		
Commodities risk		
Capital requirements in accordance with Title III, Chapter 2 of Regulation (EU) No. 575/2013 EU	85,996	Article 438(f) 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		
Exposures to central governments or central banks		Article 438(d) of Regulation (EU) No. 575/2013 EU
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	31/12/2019	
in %	At year-end	
Capital ratio for Common Equity Tier 1 capital	33.76	Article 2(a)
Capital ratio for Tier 1 capital	33.76	
Capital ratio for total capital	33.76	
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 thousand / in %)	31/12/2019	
Debt ratio I (total debt without clients' assets/assets without clients' assets)	14.00%	Article 5(i))
Debt ratio II (total debt without clients' assets/equity)	17.41%	
Return on average assets (ROAA, assets without clients' assets)	38.31%	
Return on average equity Tier 1 (ROAE)	97.40%	
Return on sales (profit after taxes/income from investment services)	35.23%	
Administrative expenses per employee	2,392.43	

REPORTING OBLIGATION

Pursuant to Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended (hereinafter the "AMCIF"), 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 2019 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' Chair Josef Beneš: details about the office of the Chair of the Board of Directors and member of the Board of Directors were deleted on 30 December 2019. On 30 December 2019 the office of the Chair of the Board of Directors and member of the Board of Directors was recorded in accordance with the sole shareholder's decision (mandate recommencement) as of 1 December 2019.
- 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 deleted on 30 December 2019. On 30 December 2019 the office of the Vice-Chair of the Board of Directors and member of the Board of Directors was recorded in accordance with the sole shareholder's decision (mandate recommencement) as of 1 January 2020.

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

- In respect of Supervisory Board member Gregor Pilgram - details on membership in the Supervisory Board were deleted on 11 February 2019. On 11 February 2019 entry concerning membership in the Supervisory Board was recorded in accordance with the sole shareholder's decision (mandate recommencement) as of 1 February 2019.

3) Changes in the Sole shareholder section:

- In respect of the sole shareholder CZI Holdings N.V. - the registered address at 1112XN Diemen, Diemerhof 32, the Kingdom of the Netherlands was deleted on 11 February 2019 and new registered address at 1101BH Amsterdam, De entree 91, the Kingdom of the Netherlands was recorded as of the same date.

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. (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)
- 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. (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)
- 2. Dluhopisový zajištěný otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474020) - the fund was terminated in accordance with its Statute as at 18 June 2018 and the winding up of the fund continues
- Fond cílovaného výnosu, otevřený podílový fond Generali Investments CEE, investiční společnost, a.s. (ISIN: CZ0008474889)

- 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)
- 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)

(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 AMCIF (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

(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-chairman of the Board of Directors; member of the Board of Directors as of 1 January 2015, Vice-chairman 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:

2014 – 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

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-chairman 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-chairman of the Board of Directors and Executive Director
2013 - 2013	Raiffeisen penzijní společnost a.s., Internal Controls Manager
2012 - 2013	Raiffeisenbank a.s., Project Manager
2004 – 2012	ČSOB Asset Management, a.s., Head of the Legal and Compliance Department
2004 - 2008	ČSOB Asset Management, a.s., member of the Board of Directors
2002 - 2004	Patria Asset Management, a.s., Head of the Legal Department

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

- outside the Czech Republic (relevant in 2019):

Generali Invest CEE Public Limited Company, Ireland, Director

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

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

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 as of 1 February 2014,	Member of the Supervisory Board; member of the Supervisory Board
Carlo Schiavetto as of 1 January 2015,	Member of the Supervisory Board; member of the Supervisory Board
Alexandre Lepere as of 1 January 2015,	Member of the Supervisory Board; member of the Supervisory Board
Francesco Sola as of 1 January 2015,	Member of the Supervisory Board; member of the Supervisory Board

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
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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
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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

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

- outside the Czech Republic (relevant in 2019):

Chairman of the Board of Directors of ADRIATIC SLOVENICA Zavarovalna družba d.d., Slovenia (from 30/09/2019 – do 03/01/2020),

Member of the Board of Directors in Akcionarsko društvo za osiguranje Generali Osiguranje, Montenegro, Generali CEE Holding B.V., The Netherlands

Vice-chairman of the Supervisory Board in the following companies: Generali Towarzystwo Ubezpieczeń S.A., Poland, Generali Życie Towarzystwo Ubezpieczeń S.A., Poland, Generali Versicherung AG, Austria, Generali Holding Vienna AG, Austria (from 08/03/2018 – to 17/07/2019)

Member of the Supervisory Board in the following companies: Genertel Biztosító Zrt., Hungary, Generali Biztosító Zrt., Hungary, Generali Poistovňa, a.s., Slovakia, Generali Beteiligungverwaltung GmbH, Austria, GENERALI INVESTMENTS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH SPÓŁKA AKCYJNA Poland (from 18/06/2019 - to date), Generali

Investments, družba za upravljanje, d.o.o, Slovenia (from 13/02/2019 – to date), Pojišťovna Patricie a.s (ČR), Generali Česká pojišťovna a.s. (CR)

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, Generali Zavarovalnica d.d., Slovenia, ADRIATIC SLOVENICA Zavarovalna družba d.d., Slovenia (from /02/2019 – to 31/08/2019)
Chief Finance Officer Generali CEE Holding B.V., The Netherlands/Czech Republic

Carlo Schiavetto

Education: Centro Universitario di Organizzazione Aziendale, Vicenza, Italy, MBA Ca' Foscari Univesrity, 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 2019):

Vice-chair of the Supervisory Board of Generali Zavarovalnica d.d., Slovinsko, Generali Finance Sp. z o.o., Poland

Member of the Supervisory Board in the following companies:

Generali Towarzystwo Ubezpieczeń S.A., Poland, Generali Życie Towarzystwo Ubezpieczeń S.A., Poland, Genertel Biztosító Zrt., Hungary, 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

Previous work experience:

2008 – 2013 Assicurazioni Generali, Italy, Senior Controller - Group Strategic Planning & Control (4 FTE)
2005 – 2008 Darta Saving Life Assurance Ltd (Allianz Group), Ireland, Head of Financial Department
2004 – 2005 Riunione Adriatica di Securta (Allianz Group), Italy, Financial Controller - Finance and Investment Department
2000 – 2004 Ernst & Young Financial Business Advisors S.p.A., Italy, Supervisor

Alexandre Lepere

Education: Université Panthéon Assas, Paris II, France, Masters in Econometrics and Finance, Post Graduate course in Statistical Technologies

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

01/2015-12/2015	Generali Investments CEE, a.s., Czech Republic, member of the Supervisory Board
2012 – to date	Generali Investment Europe, CEO of Generali Investment Opera
2007 – 2012	Generali Investment Europe, Head of French Funds of Funds Department
2000 – 2006	Generali Investment Europe, Deputy Head of French Funds of Funds Department
1997 – 2000	Athena Alternative Asset Management (Allianz Group), Fund of Funds Manager

Francesco Sola

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

Work experience:

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

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
9/2007 - 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 - 9/2007	ČP INVEST investiční společnost, a.s., Senior Portfolio Manager and member of the Supervisory Board (until 10/2004)

6/1999 - 5/2000	PPF investiční společnost a.s., Portfolio Manager and member of the Board of Directors
2/1997 - 6/1999	PPF burzovní společnost a.s., Portfolio Manager
2/1995 - 2/1997	Stratego Invest, Analyst
2/1995 - 2/1996	Stratego Invest, Portfolio Manager
2/1996	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
3/2002 - 9/2007	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., Sales Director
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
6/2007	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
6/2007 – 11/2014	Generali PPF Asset Management a.s.
until 01/2015	PPF Asset Management a.s., Portfolio Manager
5/2006 - 6/2007	PPF Asset Management a.s., Portfolio Manager - Junior
2/2005 - 5/2006	PPF Asset Management a.s., portfolio specialist Administration

- outside the Czech Republic (relevant in 2019):

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
2019

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

Work experience:

from 08/2007	Generali Investments CEE - 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: Česká pojišťovna, a.s., with its registered office at Spálená 75/16, 113 04 Prague 1, business registration number (IČO): 45272956 (until 21/12/2019 under the name of Česká pojišťovna, a.s.)

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

- a) Direct Care s.r.o., with its registered address: Na Pankráci, 1658/121, Nusle, zip code: 140 0 Prague 4, business reg. No. (IC): 26416549,
- b) ČP Distribuce a.s., with its registered address at: Na Pankráci 1658/121, Nusle, zip code: 140 0 Prague 4, business reg. No. (IC): 44795084,
- c) Generali Distribuce a.s. (until 12 November 2018 under the name FINHAUS a.s.), with its registered address: Na Pankráci 1720/123, zip code: 140 00 Prague 4, business reg. No. (IC): 27108562,
- d) Sberbank CZ, a.s., with its registered address: U Trezorky 921/2, Jinonice, zip code: 158 00 Prague 5, business reg. No. (IC): 25083325,
- e) MONETA Money Bank, a.s., with its registered address: Vyskočilova 1422/1a, Michle, zip code: 140 28 Prague 4, business reg. No. (IC): 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.general-investments.cz/o-nas/vyrocn-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.

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

1. research and development activities

In 2019, 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-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 2019 remuneration disclosure is as follows:

Average number of employees	115
Fixed remuneration	100,273
Variable remuneration	37,916
Social security and health insurance	38,633

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

Average number of employees	9
Fixed remuneration	36,755
Variable remuneration	13,129
Social security and health insurance	7,421

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

In late 2019, reports of COVID-19 (coronavirus) 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.

The Company's management closely monitors the situation and looks for ways to minimize the impact of this pandemic on the Company's operations and employees.

The Company will include any negative effects or losses in its accounting and financial statements in 2020.

Management of the Company considered the potential impact of COVID-19 on its activities and concluded it did not have a significant effect on the going concern assumption. Accordingly, the financial statements for the year ended 31 December 2019 were prepared on the assumption that the Company would be able to continue as a going concern.

GENERALI INVESTMENTS CEE, INVESTIČNÍ SPOLEČNOST, A.S.

INFORMATION SECTION

FOR THE YEAR ENDED 31 DECEMBER 2019

Information on the Company's projected development in 2020

In 2020, 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.

